

**DISCUSSION DRAFT ENTITLED THE “WILDFIRE
BUDGETING, RESPONSE, AND FOREST MANAGE-
MENT ACT OF 2016”**

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED FOURTEENTH CONGRESS
SECOND SESSION

—————
JUNE 23, 2016
—————



Printed for the use of the
Committee on Energy and Natural Resources

Available via the World Wide Web: <http://www.fdsys.gov>

—————
U.S. GOVERNMENT PUBLISHING OFFICE

21-993

WASHINGTON : 2018

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON ENERGY AND NATURAL RESOURCES

LISA MURKOWSKI, Alaska, *Chairman*

JOHN BARRASSO, Wyoming	MARIA CANTWELL, Washington
JAMES E. RISCH, Idaho	RON WYDEN, Oregon
MIKE LEE, Utah	BERNARD SANDERS, Vermont
JEFF FLAKE, Arizona	DEBBIE STABENOW, Michigan
STEVE DAINES, Montana	AL FRANKEN, Minnesota
BILL CASSIDY, Louisiana	JOE MANCHIN III, West Virginia
CORY GARDNER, Colorado	MARTIN HEINRICH, New Mexico
ROB PORTMAN, Ohio	MAZIE K. HIRONO, Hawaii
JOHN HOEVEN, North Dakota	ANGUS S. KING, JR., Maine
LAMAR ALEXANDER, Tennessee	ELIZABETH WARREN, Massachusetts
SHELLEY MOORE CAPITO, West Virginia	

COLIN HAYES, *Staff Director*

PATRICK J. MCCORMICK III, *Chief Counsel*

LUCY MURFIT, *Senior Counsel and Public Lands and Natural Resources Director*

ANGELA BECKER-DIPPMANN, *Democratic Staff Director*

SAM E. FOWLER, *Democratic Chief Counsel*

BRYAN PETIT, *Democratic Senior Professional Staff Member*

CONTENTS

OPENING STATEMENTS

	Page
Murkowski, Hon. Lisa, Chairman and a U.S. Senator from Alaska	1
Cantwell, Hon. Maria, Ranking Member and a U.S. Senator from Wash- ington	3

WITNESSES

Bonnie, Robert, Under Secretary for Natural Resources and Environment, U.S. Department of Agriculture	12
Rice, Bryan, Director, Office of Wildland Fire, U.S. Department of the In- terior	23
Goldmark, Dr. Peter, Commissioner of Public Lands, Washington State De- partment of Natural Resources	47
Altemus, Julia, Executive Director, Montana Wood Products Association	51
Humphries, Becky, Chief Conservation Officer, National Wild Turkey Federa- tion	60
Nelson, Peter, Senior Policy Advisor for Federal Lands, Defenders of Wildlife	70
Nichols, Eric, Partner, Alcan Forest Products and Evergreen Timber	80
Pimlott, Ken, Director, California Department of Forestry and Fire Protec- tion	86

ALPHABETICAL LISTING AND APPENDIX MATERIAL SUBMITTED

Alaska Forest Association:	
Statement for the Record	195
Letter to Mr. Earl Stewart dated February 22, 2016	201
Ketchikan Chamber of Commerce Presentation	216
Alaska Miners Association:	
Letter for the Record	231
Letter to Mr. Forrest Cole, Forest Supervisor, Tongass National Forest, dated May 13, 2013	232
Alaska State Chamber of Commerce:	
Letter for the Record	237
Altemus, Julia:	
Opening Statement	51
Written Testimony	53
Responses to Questions for the Record	178
Barrasso, Hon. John:	
Written Statement	238
Bonnie, Robert:	
Opening Statement	12
Written Testimony	15
Responses to Questions for the Record	150
Cantwell, Hon. Maria:	
Opening Statement	3
Chart entitled “National Prioritization of Hazardous Fuel Treatment Areas”	5
Chart entitled “Recent Highest Cost, Loss, and/or Damage Forest Fires in Relation to Native Ponderosa Pine Distribution (2000–2014)”	7
Chart entitled “Timber Impacts Broken Out by State”	11
City of Craig, Alaska:	
Letter for the Record	240

IV

	Page
City of Ketchikan, Alaska:	
Letter and Resolution No. 16-2622 for the Record	241
Coose, Dick:	
Letter for the Record	244
Daines, Hon. Steve:	
Map entitled “Lands Suitable for Timber Management, Flathead National Forest”	36
Discussion Draft entitled the “Wildfire Budgeting, Response, and Forest Man- agement Act of 2016”	108
DuRette, Butch and Jackie:	
Letter for the Record	245
First Things First Alaska Foundation:	
Letter for the Record	246
Goldmark, Dr. Peter:	
Opening Statement	47
Written Testimony	49
Response to Questions for the Record	177
Hardwood Federation:	
Letter for the Record	247
Heatherdale Resources Ltd.:	
Letter for the Record	249
Humphries, Becky:	
Opening Statement	60
Written Testimony	62
Responses to Questions for the Record	180
Josephson, Brenda:	
Letter for the Record	250
Murkowski, Hon. Lisa:	
Opening Statement	1
Letter to Secretary Thomas Vilsack, U.S. Department of Agriculture, dated July 1, 2010	251
National Association of State Foresters:	
Letter for the Record	256
National Parks Conservation Association:	
Letter for the Record	258
National Water Resources Association, et al.:	
Letter for the Record	261
Nelson, Peter:	
Opening Statement	70
Written Testimony	72
Responses to Questions for the Record	181
Nichols, Eric:	
Opening Statement	80
Written Testimony	82
Responses to Questions for the Record	182
Pimlott, Ken:	
Opening Statement	86
Written Testimony	88
Chart entitled “Tree Mortality, Northern Fresno County”	103
Responses to Questions for the Record	193
Resource Development Council for Alaska, Inc.:	
Letter for the Record	264
Rice, Bryan:	
Opening Statement	23
Written Testimony	25
Responses to Questions for the Record	167
Sivertsen, Bob:	
Letter for the Record	265
Society of American Foresters:	
Letter for the Record	266
Southeast Conference:	
Letter for the Record	269
U.S. Senate (Senators Enzi, Wyden, Murkowski, Cantwell, Crapo, McCain, Flake, Barrasso, Merkley, Daines and Tester):	
Colloquy on Wildfire Funding dated August 6, 2015	270

DISCUSSION DRAFT ENTITLED THE “WILD-FIRE BUDGETING, RESPONSE, AND FOREST MANAGEMENT ACT OF 2016”

THURSDAY, JUNE 23, 2016

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The Committee met, pursuant to notice, at 10:09 a.m. in Room SD-366, Dirksen Senate Office Building, Hon. Lisa Murkowski, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. LISA MURKOWSKI,
U.S. SENATOR FROM ALASKA**

The CHAIRMAN. Good morning. The Committee will come to order.

We are meeting this morning to receive testimony on the legislative discussion draft entitled, “Wildfire Budgeting, Response, and Management Act of 2016.”

I want to thank those who joined Ranking Member Cantwell and me to release this draft on May 25th. Senator Wyden, you and Senator Crapo have been working on the wildfire issue for a very long time. We thank you for your leadership. Senator Risch joined us too. So we have had a good, strong team with this draft. We have taken public comments on it, and we are taking the next step today because I think we recognize we face some serious challenges in an area that needs to be addressed.

People across the country are realizing that wildfires are a growing crisis. We certainly know in Alaska the devastation that wildfires bring to our state. About half of the ten million acres that burned last year were in Alaska. We have already seen over 200 fires this season alone, so there is a recognition that it is a real problem. It is a growing problem, and resolving it will require a comprehensive approach that addresses both wildfire funding and forest management. We need to do both at once because we know the wildfire problem is not just a budgeting problem. It is also a management problem.

I have worked through the Appropriations process to provide temporary fixes to ensure that our firefighters and forest managers have the resources that they need. I added \$1.6 billion for wildfire suppression to last year’s Omnibus, \$600 million above the average cost over the past ten years, likely enough to prevent fire borrowing this year.

Last year's bill also included targeted increases in hazardous fuels reduction and timber programs that will help mitigate wild-fire hazards and keep our forested rural economies going.

It was close to two weeks ago that we reported the Interior Appropriations bill for the next fiscal year. It, again, includes full funding for wildfire suppression as well as a substantial commitment to prevention and forest management efforts. I am proud of that work, but I will also be among the first to say that our yearly appropriations bills are just temporary solutions. They get us from one year to the next, designed to hold us over as we develop longer-term solutions.

Our draft bill includes a fiscally responsible fix to permanently end the destructive practice of fire borrowing. This is where agencies raid non-fire programs like recreation, wildlife and timber to pay for firefighting. Our fix requires Congress to provide resources to the agencies up front, enough to cover 100 percent of the average annual cost of firefighting over the past ten years while allowing for a limited cap adjustment in those truly catastrophic fire years.

In low fire years, we allow the agencies to invest left over suppression funds in prevention projects.

Ending fire borrowing is something that members on and off the Committee have called for, so this is not just a Western issue. Just this week Senator Schumer complained that fire borrowing takes federal dollars away from efforts to fight the emerald ash borer and other invasive species in New York. Under Secretary Bonnie told this Committee last year that fire borrowing has significant and lasting impacts across the entire Forest Service, not to mention its negative impacts on local businesses and economies.

Yet despite widespread agreement that we need to end this unsustainable practice, the Administration is not yet willing to embrace our bipartisan proposal to do just that. Instead, it insists that Congress should fund just 70 percent of the ten-year average of suppression costs. A proposed cap adjustment would pay for the rest as well as any costs above the ten-year average. Congress has rejected this idea every year that it has been proposed.

The Administration claims that it will use the difference between 70 percent and 100 percent for forest restoration and other measures that allow you to get ahead of the problem, but regrettably, the President's budget request for the Forest Service simply does not bear this out. Using the 70/30 split, the Forest Service would move about \$273 million off budget next year, but the Administration does not seek to plus up wildland preparedness or vegetation management. Those accounts are flat. It did not seek to increase forest health management on federal lands. That request is actually down. Both the National Forest System budget and the Forest Service overall budgets are down. This just does not comport with the reality here.

You can begin to see why wildfires are also a management problem. Healthy, resilient forests are fire resistant forests, yet despite knowing the value of fuel reduction treatments in mitigating wild-fire risks, increasing firefighter safety and restoring the health of our forests, active management is still often met with a series of discouraging and sometimes insurmountable obstacles.

High up-front costs, long planning horizons and difficult regulatory requirements are impeding our ability to implement treatments at the pace and scale that wildfires are occurring. Our discussion draft would take steps to reduce these hurdles without abandoning important environmental protections by building on authorities within the existing Healthy Forest Restoration Act.

We focus and expedite environmental reviews by limiting the number of alternatives that need to be analyzed for collaboratively developed projects, including those contained in community wildfire protection plans.

Our bill also pilots a new emergency environmental assessment for native ponderosa pine forests which are highly susceptible to burning, in order to reduce the risk of the large, destructive and expensive wildfires that are, unfortunately, becoming the norm.

Addressing the management problem would not be complete without attention to our nation's largest national forest, and that is the Tongass in Southeast Alaska. When it comes to the Tongass, I think we recognize that there is not always going to be agreement. But I hope that we can at least agree that that transition to a program focused on predominately young growth timber needs to be real and not just something that looks good on paper.

The Forest Service needs to do what is right and undertake what the Tongass Advisory Committee, the TAC, called for in its recommendations. They called for a comprehensive, stand level inventory to address the uncertainties that exist in the supply, volume and timing of the available young growth to support a transition.

On January 21 of this year the TAC reiterated the importance of an inventory calling it the number one priority investment, because modeling is not good enough for a clear picture of when young growth will come online. A successful transition will only be possible if it is grounded in strong science and backed by comprehensive data. The point of our Tongass provision in this draft is not to delay the transition that is already underway but to allow for a meaningful inventory to take place before the land plan is amended.

The last thing that I want to highlight is our emphasis on federal engagement with state and local fire agencies and other partners. This is critical to mitigate risk to communities and to manage and respond to wildfires. The investments we authorize will help communities become fire adapted which is an important piece of the solution to escalating wildfire suppression costs in the Wildland Urban Interface.

I would like to close by thanking my colleagues for working with us on this discussion draft. I intend to advance it to the Senate floor as soon as possible, and I would hope that members of our Committee will recognize what is at stake here and join me in the effort.

With that, I turn to Senator Cantwell.

**STATEMENT OF HON. MARIA CANTWELL,
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Madam Chair and thank you for having this hearing this morning. I think this is a culmination this morning of a lot of hard work on this discussion draft, more than

two years, and if you include the work by our predecessors, probably two or three more years before that. I am so glad that our colleagues, Senator Wyden and Senator Stabenow, are both here because of the roles that they have played on this issue as well.

I, too, could start with some statistics. Last year, ten million acres burned, 4,600 houses were destroyed, and obviously, we very sadly observed fatalities with our firefighters.

We are going to hear from Commissioner Goldmark, who is here from our state. He is going to tell us in more detail about all of that, but I appreciate him being on the second panel.

Instead of going over more statistics, I would like to spend some time talking about what I think we should do to reduce the risk, reduce the intensity and reduce the cost.

Scientists are telling us that these seasons, these fire seasons, are both longer and hotter. An April report from Headwaters Economics said that a one-degree increase in temperature change, one degree, results in a doubling of firefighting costs, a 25-percent increase in the number of wildland fires and a 35-percent increase in the number of acres burned. So just one-degree of temperature change will make our national fire problems even more complex.

I believe we must effectively address the root cause of the problems with fire risk and fire budgeting. If this is the new normal, we need better strategies to deal with the problem. I am glad that Under Secretary Bonnie and Mr. Rice are here to talk about some of those strategies today, because I do not think the temperature change we are seeing is going to stop. I think we are going to have continued risk.

Our efforts need to be guided by scientists, and the science is telling us that we need policies that will make our at-risk forests more resilient to fires and keep our firefighters safer and protect our western communities from the impacts of wildfire. We have seen the huge economic impacts of this in the last couple of years with the Colville Tribes alone losing over \$0.5 billion of timber revenue.

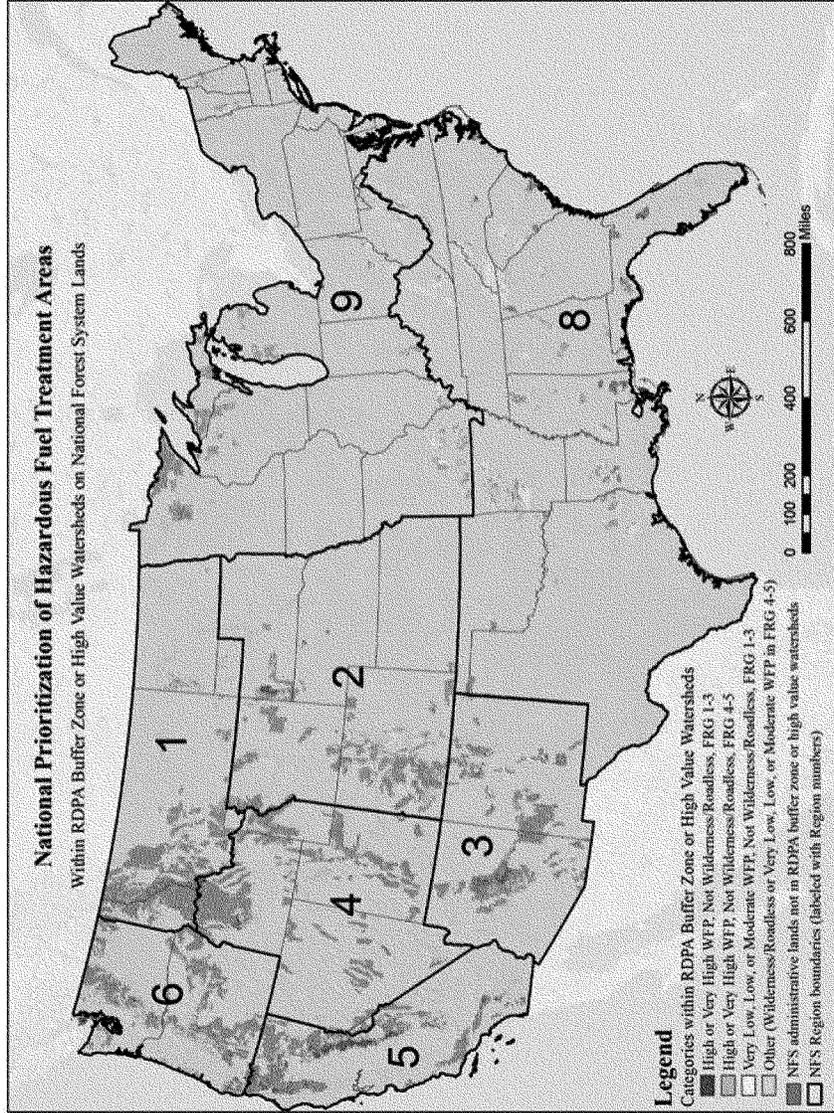
The Director of CAL Fire will be joining us on the second panel, and Chief Pimlott's testimony discusses at length the need to treat the fuels that have built up on national forests. The discussion draft includes a Pine Pilot, as the Chair said, and I think it is a key provision that any Western Senator should be interested in.

As part of this, I say federal land management agencies need a new strategy for firefighting. They need the tools to complete their jobs. We need to be proactive in reducing fire risk, and the discussion draft today contains a number of tools for doing that.

I want to talk about the Pine Pilot in specific. That section directs the agencies to focus their efforts in areas that are most at risk. We have printed out a couple of charts that hopefully we can show to people that this science is built on.

The Forest Service, as you can see, has ranked the different parts of the national forest based on fire risk. The most at-risk are in the red areas.

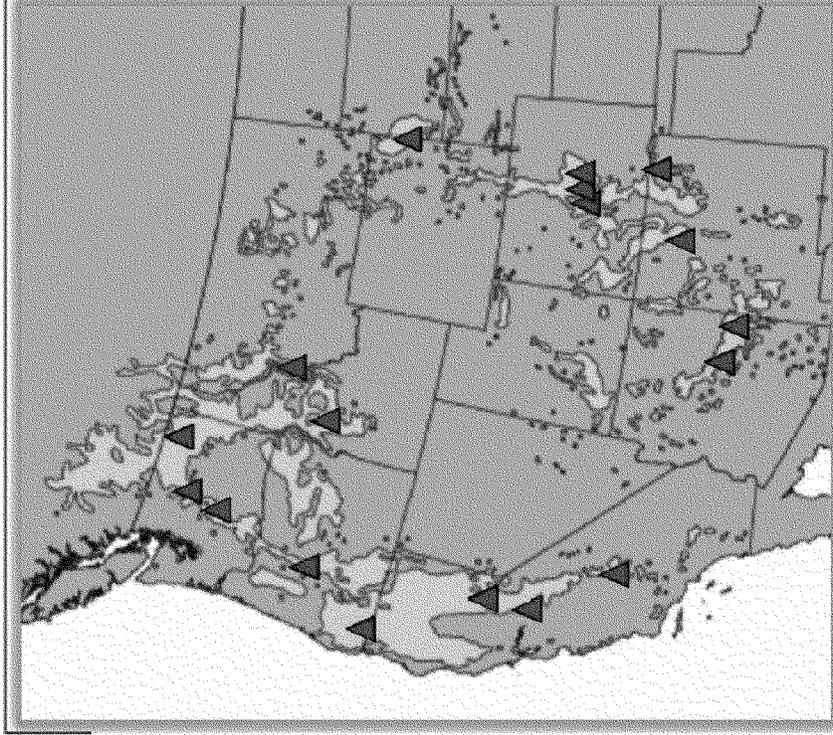
[The information referred to follows:]



The next chart was made by the former head of wildfire management for the Forest Service. He published in academic papers the close correlation between ponderosa pine forests and the large fires that we've been experiencing.

[The information referred to follows:]

**RECENT
HIGHEST COST,
LOSS, AND/OR
DAMAGE
FOREST FIRES
IN RELATION TO
NATIVE
PONDEROSA
PINE
DISTRIBUTION
(2000-2014)**



Scientists are telling us that restoring the health of the ponderosa pine forest, through thinning and prescribed fire, is the best way, most effective way, to deal with this issue. After merging these two maps, the result that we have identified is about two million acres that we want the Forest Service to place a priority on treating. These two million acres are simultaneously the most at-risk for fire, the place that projects have the largest impact in reducing fuels and the places that are best supported by the science and the public.

In this pilot we would provide the tools to the agency, such as long-term contracts to individual mills and preferences for cross-laminated timber, so that we are actually securing more sustainable buildings. These tools will help us get this work done and will help us in, I believe, a much more proactive discussion than the discussion that happens after the fire.

We need to do fuel reduction in the places that make the most sense. Implementing this program would change the fire risk to our most vulnerable forests. The science is showing that it can happen and there is actually video on the web that proves it.

The Spokane Tribe just recently published a video of their recent fuel treatment and how it fared last year in the Carpenter Road fire. I recommend it to anybody who wants to look at that. In the Carpenter Road fire, the fuel treatment was effective. They actually installed time-lapse cameras in the pine forest where the fire burned through in the treated areas and untreated areas. The video shows compelling evidence of the value that this Pine Pilot could have to both BLM land and National Forest System land.

More broadly, of course, there are other provisions of this bill that I think we also need to implement. But to me, with one-degree temperature change driving the challenge, this is the most important. The scientists are saying that this kind of investment actually reduces the size and severity of the fires. I think that that is what we need to try to target.

Other provisions in the discussion draft include community preparedness, \$600 million would be authorized to help at-risk communities. I know that my colleagues from the West understand this, but whether you are talking about Twisp or Wenatchee or the Yakama reservation, these communities are at-risk and they need help and support. We need to make sure that small communities who are on the front lines of fighting these fires have some immediate capital ready to do what we call hasty response.

We also have a section in the draft requiring the use of a new technology—to deploy GPS and drones. Wildfire Today refers to this technology as the “Holy Grail of firefighting.” For the first time ever incident managers would be able to see, in real time, the location of the fire and their crews.

Dozers and other equipment will be treated more communally; we will work together effectively ensuring that agencies use all the firefighting equipment available. That can do wonders in helping to engage in what has, again, been defined in Washington State by various entities as “hasty response.”

Last year, as I traveled through the state thinking that I was going to be reviewing the previous year’s fire season, obviously as we know a huge new fire season opened up. Community after com-

munity, including a round table we held with Representative Cathy McMorris Rodgers, this issue could not have been clearer from my constituents. Work together cooperatively so that those on the front lines who have the tools to do some immediate response don't all of sudden get stopped at a property line. It does not make sense to hear DNR or Forest Service say you do not have the right to cross.

Figure it out because there is so much capacity where people want to help and coordinate, and I know we can do it. I know our community came together in the aftermath of Oso and the Federal Government, the county government and the local government worked diligently to try to find those individuals impacted by a devastating landslide. I am sure that we can do the same in fighting our wildfires.

The discussion draft also helps ensure communication infrastructure remains functioning during wildfire season. Again, this was an issue where emergency centers in communities have been activated but no broadband communication exists, no one can get access to emergency broadband equipment until the emergency is declared by the Governor or the President, which is like filing paperwork and sending it away for a month of deliberation. At that time they are still trying to communicate! We have to come up with plans to help and this draft includes them.

Now I am ready to declare fire borrowing "the great debate." This senator is agnostic as to how we solve it, but I do have a couple of principles in general.

First, we cannot rob Peter to pay Paul. The Forest Service needs both the amount of money to fight the fires and they need the money dedicated to do fuel reduction. We have to produce a draft out of here, Madam Chair, that gives them the ability to do both.

On the implementation of the pine forest, I would just say, Washington State invested \$18 million in 2014 to rebuild salmon habitat, but most of it was burned up in 2015. So we need to have dedicated funds to protect our investments, the Federal Government's investments. We are going to deal with the fire problem.

We have to have both dedicated funds to doing fuel reduction and dedicated funds to fighting the fires.

Today firefighting constitutes 50 percent of the Forest Service budget and reports say that the proportion will go to 67 percent over the next ten years. That means over \$700 million less for those non-fire accounts if we continue to try to solve it this way.

I hope that we will all work together. I look forward to Under Secretary Bonnie's comments on how we are going to solve this because we are having a shift in temperature that demands a new response.

Senator Murkowski and I have received a number of letters on this draft. A number of groups want more things included in the bill. I personally want a more robust controlled burn section. This is a very complex issue, and I know many of my constituents do not want to see smoke in their communities. We understand that, but trying to manage wildland fires in the dry, hot months of August is the wrong idea. We need the flexibility to do it in the wetter months of the Pacific Northwest, not when the fuel is so built up and our conditions are so dry. So we need to work together on that.

A number of groups want draft provisions removed like the Tongass piece, and a number of groups have provided feedback on how to make sections more useful, like discussions on the Pine Pilot. All I know is that we have to come together to solve this issue.

I appreciate so much, as I said, my colleagues here today. They have been working on this issue for several years as well and want to benefit so many impacted communities.

I would like to submit also this chart that would show where the board feet of potential pine forest reductions would come from by state and so my colleagues could see this.

[The information referred to follows:]

Timber Impacts Broken Out by State

State	Qualified Acres	New Available Timber/YR*	Timber Sold in 2015*	Percent Increase
<i>Alaska</i>	0 million	0 mmbf	19 mmbf	0%
Arizona	0.53 million	265 mmbf	112 mmbf	237%
California	0.64 million	320 mmbf	239 mmbf	134%
Colorado	0.06 million	30 mmbf	147 mmbf	20%
Idaho	0.19 million	95 mmbf	6 mmbf	1,583%
Montana	0.10 million	50 mmbf	7 mmbf	714%
Nevada	0.03 million	15 mmbf	1 mmbf	1,500%
N. Mexico	0.13 million	65 mmbf	37 mmbf	176%
Oregon	0.12 million	60 mmbf	282 mmbf	21%
S. Dakota	0.33 million	165 mmbf	234 mmbf	71%
Utah	0.02 million	10 mmbf	71 mmbf	14%
Washington	0.01 million	5 mmbf	78 mmbf	6%
Wyoming	0.01 million	5 mmbf	116 mmbf	4%
Grand Total	2.17 million	1,085 mmbf	1,350 mmbf + 1,350 mmbf (East)= 2,700 mmbf (US)	82% (of the West) & 41% (of US)

*Timber numbers presented in millions of board feet (mmbf).

Senator CANTWELL. This is not something, Madam Chair, that I come to easily. But I think this is a better path forward than the route we have been going: in the aftermath of a fire trying to decide what to do with salvaged logs.

If the Federal Government is going to be spending between \$2 and \$3 billion a year on fighting fires because of the increasing risk, we need to do something to reduce the risk and I think this is a suggestion worth considering.

Thank you.

The CHAIRMAN. Thank you, Senator Cantwell, I appreciate the level of detail there.

We will now turn to our first panel. We will have two panels this morning. I know that there is much to be put on the table, so we will proceed immediately to it.

On the first panel we are joined by Mr. Robert Bonnie, who is the Under Secretary for Natural Resources and Environment for the U.S. Department of Agriculture, as well as Mr. Bryan Rice, who is the Director from the Office of Wildland Fire at the Department of the Interior.

Gentlemen, welcome to the Committee. I must tell you that I was very disappointed that we did not receive your testimony until at least 11 o'clock last night. I think for colleagues that were quite anxious to see the direction and the comments of the Administration, to not be able to receive them until early this morning when folks came in, is unacceptable. You can do a heck of a lot better and I just need to start the hearing, unfortunately, with an admonishment that I think the Committee deserves a little more respect from the Administration in terms of your statements.

With that, Mr. Bonnie, if you would proceed.

**STATEMENT OF ROBERT BONNIE, UNDER SECRETARY FOR
NATURAL RESOURCES AND ENVIRONMENT, U.S. DEPARTMENT OF AGRICULTURE**

Mr. BONNIE. Thank you.

Chairwoman Murkowski, Ranking Member Cantwell and members of the Committee, thank you for having me here today and more importantly thank you for scheduling this hearing on an issue of such vital importance.

Everything that the Forest Service does, everything, is being negatively impacted because of the ever growing proportion of the agency's budget spent fighting fire.

Two decades ago the agency spent one-sixth of its budget on fire. Today it routinely spends more than half of its budget on fire-fighting.

Non-fire staff in the agency has dropped by 39 percent since 1998, meaning we have fewer staff to restore forests, provide recreation, manage wildlife habitat, you name it.

Investing in forest restoration is critical to addressing the wild-fire threat. Since 2009 the Administration has increased the number of acres restored across the national forest through thinning, prescribed fire and other means. And by investing in collaboration and landscape scale management, we've increased timber production by 20 percent.

Yet over the long term the agency won't be able to sustain these gains, much less further increase the number of acres we restore unless Congress fixes the fire budget.

The good news is that there's broad agreement among diverse stakeholders, Republicans and Democrats, that this problem needs to be fixed. And while wildland fires might be thought of as a Western problem, the truth is that the budget impacts to the Forest Service are felt everywhere the agency works, East, West, North and South.

Fixing the fire budget problem requires doing two things.

First, we must end fire borrowing so that when the agency exhausts its fire suppression budget, as it does in most years, it doesn't have to transfer dollars from non-fire programs to fund firefighting. While Congress typically reimburses the agency for the transferred funds, fire borrowing, nonetheless, disrupts the agency's ability to get work done.

The second problem, the growth of fire suppression expenditures and the erosion of the rest of the Forest Service budget, is actually far more debilitating to the agency than fire borrowing. Let me explain. By law the Forest Service has to fund fire suppression based on the average of suppression expenditures over the previous ten years. Yet the costs of firefighting are rising dramatically due to longer fire seasons, increased fuel loads and development into the Wildland Urban Interface. So every year the Forest Service must set aside more money for fire.

Over each of the last two years the Forest Service has transferred more than \$100 million from its non-fire programs to firefighting. That money wasn't borrowed. As long as fire costs keep rising, as they surely will, that money is permanently moved out of our non-fire programs and into firefighting.

So if we want to restore forests to reduce the threat of catastrophic fire, we have to solve the second problem. If we want to increase recreational access or fix our \$300 million backlog in trails, we have to solve it. If we want to address the 66 million dead trees we have standing in California right now, we have to solve this problem.

The bipartisan Wildfire Disaster Funding Act solves both problems by allowing the Forest Service to access disaster funds when it spends 70 percent of its suppression budget. This both prevents fire transfers and allows the agency to invest additional resources in forest management.

But there are other ways Congress could address the second issue as well by providing additional capacity to the agency. For example, you could cap the suppression budget at 100 percent of 2015 levels and take the additional money that Congress has currently investing in firefighting and devote it to restoration or recreation or what have you.

With a comprehensive budget fix the Administration could support efforts to provide the agency with additional forest management tools to increase the pace and scale of restoration. Such provisions should be built on collaboration among stakeholders and have strong environmental safeguards.

The forest management provisions Congress passed in the 2014 Farm bill struck the right balance and demonstrated it was pos-

sible to pass legislation with both forest, industry and conservation support.

Finally, let me address the Tongass National Forest. For decades the Tongass has been mired in controversy. USDA and the Forest Service have invested in collaboration through the Tongass Advisory Committee in order to find a path forward that sustains the viable timber industry while transitioning away from old growth timber harvesting over the next 15 years. We oppose provisions delaying the amendment. Most importantly, I want to stress that we look forward to working with this Committee and others in Congress to put together a legislative package that fixes the fire budget and provides balanced tools to increase forest restoration and management.

Thank you and I'm happy to answer any questions.

[The prepared statement of Mr. Bonnie follows:]

Statement of
ROBERT BONNIE
UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE
ENERGY AND NATURAL RESOURCES COMMITTEE
UNITED STATES SENATE
June 23, 2016
Concerning
The draft “Wildfire Budgeting, Response, and Forest Management Act of 2016”

Madam Chairman and Members of the Committee, thank you for the opportunity to present the views of the United States Department of Agriculture (USDA) regarding the draft “Wildfire Budgeting, Response, and Forest Management Act of 2016.”

The single most important step Congress can take to advance forest health and resilience is to enact a comprehensive fire budget solution—one that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding annual problem of transferring funds from non-fire programs to cover the cost of fire suppression. USDA appreciates the continued interest from members of the Committee to address the way fire suppression is funded. However, as currently drafted, the discussion draft does not provide the necessary comprehensive fix and undercuts core environmental laws.

Fire suppression costs now consumes greater than 50 percent of the Forest Service budget. Fiscal Year (FY) 2015 marked the eighth time since FY 2002 the Forest Service needed to transfer funds from non-fire accounts to pay for fire suppression. Even more devastating, in order to cover the 10-year average cost of suppression in FY 2017, more than \$237 million will be reallocated away from accomplishing work such as forest restoration projects that would help reduce the risk of future fires. Congress relies on the 10-year average cost of fire suppression to appropriate funds, even though this metric cannot keep up with the increasing costs as wildfires burn bigger and hotter with climate change. These are dollars lost to fire before a single fire even starts and cannot be regained through transfer repayment. They are permanently shifted to fire and away from additional work that could be accomplished if the \$237 million were applied towards restoration efforts on the ground.

Title I: Wildfire Budgeting

The U.S. Forest Service faces two related but distinct challenges from the rising cost of fire suppression. First, wildland firefighting (suppression) activities are currently funded entirely within the U.S. Forest Service budget based on a 10-year rolling average. Today the agency spends over half of its budget on fire management activities and has seen a corresponding 39

percent decline in non-fire staffing since 1998. Left unchecked, two out of every three dollars appropriated to the Forest Service will be spent on fire programs in the next 10 years.¹

Second, when appropriated resources fall short, as they have six out of the past ten years, the U.S. Forest Service is forced to transfer funds from non-fire programs to cover the cost of suppression. These mid to late season transfers cause uncertainty and instability in planning, and adversely impact the agency's ability to implement projects. Notably, the type of work delayed by the rising cost of suppression can include the needed restoration work on National Forest System lands.

Under the draft "Wildfire Budgeting, Response, and Forest Management Act of 2016" (discussion draft), the Forest Service will request 100 percent of the 10-year average as part of its regular discretionary budget to cover normal fires. If this amount is not used during the fiscal year in which it is appropriated, the remaining funds will be used for risk reduction projects. Wildfire suppression expenditures in excess of 100 percent of the 10-year rolling average are eligible for disaster funding through a cap adjustment which is outside the discretionary appropriation of the agency. The discussion draft sets a limit annually of additional new budget authority above 100 percent of the 10-year average costs for suppression for both the Department of the Interior (DOI) and the U.S. Forest Service. Prior to obligation of any additional new budget authority, U.S. Forest Service and DOI shall submit to Appropriations and Budget committees written notification of the need for additional funds.

The discussion draft falls short of fixing the fire budget problem. While the discussion draft addresses the issues associated with transferring funds to cover suppression costs, the requirement to fully fund the increasing 10-year average for wildland fire suppression would mean that significantly less funding is available each year in the agency's budget for restoration and risk reduction programs, like hazardous fuels projects. Left unchecked, the share of the budget devoted to fire in 2025 will exceed 67 percent, equating to reductions of nearly \$700 million from non-fire programs compared to today's funding levels. Again, these funds cannot be paid-back through transfer repayment; rather, these are funds permanently shifted to fire and away from mission critical restoration, watershed protection, recreation, and facilities maintenance.

While additional funds for fire suppression provided in the FY 2016 omnibus bill (as well as proposed in the Senate FY 2017 Interior, Environment and Related Agencies Appropriation bill) are helpful to reduce the risk of in season fire transfers, they do not address the underlying and ongoing erosion of the agency's budget attributed to the increase in the 10-year average, as fires burn bigger, hotter and longer due to climate change. Moreover, these one-year fixes fail to provide the funding, predictability, and stability needed to support restoration project planning and implementation. The Administration continues to support a comprehensive fire budget solution that addresses *both* the growth of fire programs as a percent of the agency's budget and the compounding problem of annual fire transfers. This remains the most important action Congress can take to increase the pace and scale of forest restoration across all landscapes.

¹ <http://www.fs.fed.us/sites/default/files/2015-Rising-Cost-Wildfire-Operations.pdf>

Title II: Wildfire Response and Preparedness

The U.S. Forest Service and the Department of Interior have the capability and responsibility to protect life, property, and natural resources while assuring an appropriate, risk-informed, and effective response to wildfires that is consistent with land and resource management objectives. We do this in close cooperation with States, Tribal governments, local governments, contract crews, and emergency and temporary hires. Firefighter and public safety are the primary considerations for all operations. The agencies continue to suppress approximately 98 percent of the fires on initial attack. However, the few fires that escape initial attack tend to grow quickly.

The Forest Service is committed to working with the wildland fire community and the committee to identify areas where we might adapt to keep pace with the increasing complexity in the wildland fire system. We offer the following reactions to the specific response and preparedness provisions found in the discussion draft:

Sec. 201-National Wildland Firefighting credentials

Section 201 requires USDA and DOI to act jointly with state agencies to develop and approve a single system for providing credentials to all Federal and State-certified aircraft, personnel and firefighting support equipment for use on Federal land; and for firefighting operations conducted by, or in cooperation with, Federal agencies.

The Forest Service has developed standards from years of experience managing the largest, most complex wildland fire aviation program in the world. We have concerns that a single standard that accounts for the various differences among the Federal and State agencies could result in a “lowest common denominator” standard. The Forest Service will not compromise its own specific safety standards. We look forward to working with the committee on this issue.

Sec. 202: Use of Unmanned Aircraft Systems in Managing Wildland Fires

Section 202 authorizes the use of unmanned aircraft systems (UAS) in managing wildland fires (in accordance with FAA regulations) by Federal and State wildland firefighting agencies. UAS are among the technologies that hold significant potential to aid in fire detection and increase firefighter safety efforts. We have identified five main ways the wildland community can benefit from UAS in fire management including:

1. ***Enhancing safety through scouting fire line and identifying escape routes and safety zones.*** Significant potential exists to enhance firefighter safety by aerially assessing the terrain, condition of fuels, fire behavior, and potential escape routes without putting a human in dangerous situations.
2. ***Tracking and monitoring ground resources in real time.*** UAS technology can help provide accurate locations of personnel and equipment and direct them to strategic locations or advise them out of dangerous situations.
3. ***Enhancing communication links.*** Use of UAS can help link radio communications when terrain hinders line-of-sight transmissions or over a larger area for longer-term incidents.
4. ***Increasing ground resources’ awareness of real time fire characteristics, such as location, behavior and spread.*** A small UAS above the tree canopy can help ground assets learn more about fire activity in their vicinity. In some situations, heat signatures or infrared sensors could help in smoky or other low-visibility situations.

5. *Supporting aerial supervision and mapping in low visibility situations.* UAS tools can observe ground crews and provide mapping capabilities in smoky or other low-visibility situations.

We welcome further discussion with the Committee on Section 202 that ensures the agency is empowered to deploy UAS in appropriate situations.

Sec. 203-Location Tracking System for Wildland Firefighters

Section 203 requires USDA and DOI to develop and operate a tracking system using technology such as GPS to remotely locate the positions of fire crews assigned to Federal Type I fire incidents. The Forest Service aims to be a leader in embracing the new technology and welcomes further discussion with the committee to discuss where and when tracking devices are placed.

Section 204-Community Planning Assistance for At-risk Communities

Section 204 requires USDA and DOI to update and publish the list of at-risk communities using the criteria described in the Healthy Forest Restoration Act and to provide financial assistance to at-risk communities in planning and preparing for wildfire.

The Forest Service, in cooperation with state foresters, is currently authorized to carry out the activities in this section through programs such as State Fire Assistance. We welcome further discussion with the Committee regarding options for mapping the list of at-risk communities.

Section 205-Fire Risk Maps

Section 205 requires USDA and DOI to cooperate with the Federal Emergency Management Agency to develop a linked series of maps that depict the risk of wildfires for all undeveloped land in the Wildland Urban Interface (WUI). The Forest Service finds this section unnecessary as the agency already provides maps of wildfire hazard potential through our Research and Development Branch. The maps are publicly available and depict the relative potential for wildfire that would be difficult for suppression resources to contain.

Section 206- Dissemination of Information to the Public during Fires

This section authorizes the procurement of temporary communication equipment (e.g., wireless internet, telecom infrastructure) and sets out requirements for USDA and DOI regarding the frequency, type and time period for making information available during wildfire events.

The authorities in this section are unnecessary and are overly prescriptive. The agency provides for temporary communication during wildland fire incidents. Further, it is a general practice of the agency to make available public information related to wildland fires and to communicate with elected officials as requested or as often as there is a need.

Title III: Public Land and Forest Management

Capacity constraints due to the present approach to budgeting for wildfire continue to be the greatest impediment to further improving the health and resiliency of the nation's forests. Today, the agency spends over half of its budget in fire-management activities and has seen a corresponding decline in non-fire staffing of 39 percent since 1998. This has enormous

implications for how the agency carries out its mission, including taking funding from the very programs that help reduce catastrophic fire in the first place. Notwithstanding these challenges, through an emphasis on collaboration the Forest Service has consistently increased the number of acres treated annually to improve watershed resilience and timber production—increasing timber sold by 21 percent since 2008.

We offer the following reactions to the specific public-land and forest-management provisions found in the discussion draft:

Subtitle A – Environmental Analysis for Certain Forest Management Activities

Section 301 requires the analysis of the action/no-action alternative under an environmental analysis or environmental impact statement under the National Environmental Policy Act (NEPA) for forest-management activities that are developed through a collaborative process and where the primary purpose is to reduce hazardous fuels, install fuel breaks, restore forest health, protect water supplies or communication sites, improve wildlife habitat or a combination of two or more of these purposes.

The mandate found in Section 301(b), in combination with the overly broad purposes listed in section 301(a)(2), has the potential to eliminate the consideration of alternatives for nearly any forest-management activity the Forest Service undertakes in areas covered under section 301(a)(1). NEPA mandates a process and does not explicitly require consideration of any particular resource or use. Imposing substantive requirements such as those found in Section 301(c) on NEPA's procedural mandate has the potential to cause confusion and discourage its use. Requiring evaluation of these effects is an added burden for environmental review and documentation.

Subtitle B– Tongass National Forest Plan Amendment

The Administration opposes Section 311, because it undercuts the robust Tongass land management plan revision process, which has involved a high degree of collaboration with the public over the past several years; delays the issuance of a Record of Decision by requiring unnecessary and costly studies, creating uncertainty in providing sufficient volume to sustain the timber industry; and could force the U.S. Forest Service to offer an unrealistic level of timber for sale in current market conditions.

Section 311 (a) requires the Secretary to comply with Section 705(a) of Alaska National Interest Land Conservation Act (ANILCA). As drafted, Section 311(a) merely instructs compliance with an already enacted piece of legislation and is redundant and unnecessary. However, it could be that the provision is intended to require compliance with Section 705(a) as it was originally enacted in 1980. As originally enacted, Section 705(a) directed the Secretary of Treasury to make available from USDA & DOI receipts at least \$40 million annually or as much as the Secretary of Agriculture finds necessary to maintain Tongass timber supply at a measure of 4.5 billion board feet per decade (450 mmbf/year).

Congress repealed ANILCA's Section 705(a) for good reason when it enacted the Tongass Timber Reform Act in 1990 and any effort to revive it would be ill considered. Annual offering levels of 450 mmbf are unrealistic given current market conditions, industrial capacity, current

land use designations, and competing stakeholder interests. Further, allocating \$40 million annually toward supplying timber would require a redirection of resources from other essential land and resource-management programs.

Section 311(b) and Section 311(c) require a comprehensive inventory of young-growth stands that includes stand-level field work, assessment of all age classes inventoried to forecast yields, and future economic options. The requirement to inventory all 462,000 acres of young-growth sites on the Tongass National Forest before issuing a Record of Decision for the Land Management Plan Amendment will cause an unnecessary delay, and would be contrary to the recommendations of the Tongass Advisory Committee. There is sufficient information available to support the amendment, and a young growth inventory is already underway.

Section 311(d) prohibits the issuance of a record of decision (ROD) for any forest plan amendment until inventory is completed and a 90-day public comment period has occurred. The Final Environmental Impact Statement (FEIS) and ROD are scheduled for completion in late 2016. Postponement of the ROD to await stand-level inventory work is not necessary because the currently available information is of sufficient scope and depth to support the development of the FEIS and ROD.

The Tongass land management plan amendment process has involved a high degree of collaboration with the public over the past several years; the Forest received over 165,000 comments on the Proposed Forest Plan Amendment. In addition, the Forest established the Tongass Advisory Committee to advise on transitioning the Tongass National Forest to young growth forest management. The Members represented a broad and diverse range of viewpoints and expertise, geographically diverse communities in and outside of Alaska, and people with a demonstrated commitment to working on collaborative solutions. The Advisory Committee's recommendations were incorporated as the Preferred Alternative in the Proposed Forest Plan Amendment. Postponing issuance of the ROD would jeopardize all the collaborative work and effort, send a signal that the Committee's recommendations were ignored, and also delay implementation of key proposed provisions, including provisions to enhance support for renewable-energy project development and the transition to young-growth harvest management. Finalizing the plan amendment will help operationalize more young-growth sales. If the ROD is delayed there will remain uncertainty in providing sufficient volume to sustain the timber industry because of continued risk of litigation related to old-growth timber harvest needed for the transition.

Subtitle C – Stewardship End Result Contracting

Section 321 amends the stewardship end result contracting authority in the Healthy Forests Restoration Act (HFRA) to insert a new subsection that authorizes potential termination or cancellation costs (cancellation ceilings) to be obligated in stages that are economically or programmatically viable. In exercising this authority, the Secretary must provide written notice to Congress and OMB of the cancellation ceiling amounts proposed to be obligated for each year for a contract or agreement with a cancellation ceiling in excess of \$25 million.

Section 322 amends HFRA to allow excess offset value to be applied first to cancellation liabilities, if they exist, otherwise the excess value may be applied to stewardship projects as currently authorized. Section 323 requires the annual monitoring report to go to four subcommittees instead of the two current subcommittees. Section 324 allows for the retention of receipts to fund up to 25 percent of the cost of planning stewardship projects.

Multiyear stewardship contracts are attractive because they offer contractors and industry operators some certainty of supply, enabling them to obtain loans for equipment or, which can then spur demand for materials resulting from stewardship projects. The challenge in using multiyear stewardship contracts, unlike traditional timber sales contracts, is that they are generally funded with appropriated funds from agency budgets. There is field unit reluctance to use this tool if they have to curtail other land management programs in order to budget for high cancellation ceiling costs.

We recognize and support the need to fully fund upfront and currently include a standard reimbursement clause to protect the contractor if the government cancels a stewardship contract for its convenience. Due to the detailed, technical nature of these provisions, we welcome further discussion with the Committee regarding the cancellation ceilings, use of excess offset value and reporting requirements for stewardship contracting.

Subtitle D – Accelerated Restoration Program for Ponderosa Pine and Dry-site Mixed Conifer Forests

Section 331 requires USDA and DOI to establish a new pilot program of authorized hazardous fuels projects under HFRA concerning treatment of Ponderosa Pine and dry-site mixed conifer forests that are prone to severe fire. While we appreciate the committee's goal of reducing risk of wildfire through expedited hazardous fuels projects, we believe this section is duplicative and not currently structured in a way to facilitate the intended goal. Thus, we would welcome the opportunity to work with the committee to explore options to reduce duplication and align the section with current practice and law to provide clear direction to reduce wildfire risk.

As an example of the duplication within this bill, Title III, Section 301 requires a no-action alternative where Subtitle D, Section 331 requires any reasonable alternative for reducing the risk of fire and necessary and practicable mitigation measures for EAs. Also, Title III, Section 301 requires specific effects to be analyzed for the no-action alternative where Subtitle D, Section 331 requires analyzing the potential for significant effects along with the risk and environmental impacts of severe wildfire. These overlapping provisions, alongside existing NEPA procedures and additional procedural legislation such as the Healthy Forest Restoration Act, contribute complexity that takes time for agencies and the public to navigate and defend.

In addition, Section 331(c) defines emergency circumstances and authorizes alternative procedures in lieu of implementation of the Council on Environmental Quality's standard NEPA Regulations in certain circumstances. We find this section unnecessary as the Forest Service currently has established procedures for emergency circumstances and for pursuing alternative arrangements under 36 CFR 220.4(b), which would meet the needs of the language identified in this section. CEQ regulations for implementing NEPA at 40 CFR 1506.11 also provide direction for pursuing alternative arrangements when emergency circumstances exist. Imposing specific

requirements regarding emergency circumstances and alternative arrangements could confuse implementation of existing policies and regulations, and we look forward to working with the committee on this section.

Finally, Section 331(d) allows for 10 long-term timber contracts or stewardship contracts with terms of up to 20-years. In awarding these contracts, the Secretary may give preference to existing saw mills and entities that convert the material produced shall be for green-building production or mass timbers including cross-laminated timber. Section 331(d)(4) requires that payments received from contactors will be considered as monies received presumably for purposes of determining amounts to be paid under applicable revenue allocation laws. Though we appreciate the need to bring certainty to local mills, we believe long-term contracting decisions should not be made solely on the basis of short-term emergency considerations. We share the goal of supporting long-term solutions to land management issues, and believe this goal maybe better achieved through other avenues. We look forward to working with the committee on the best way to achieve that outcome.

Summary

The single most important step Congress can take to advance forest health and resilience is to enable the Forest Service to continue its mission-critical work and not be forced year after year to respond to the growing 10-year average suppression costs by permanently diverting funds. A comprehensive and free of harmful policy riders fire-budget solution—that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding problem of annual fire transfers—remains the most important action Congress can take to increase the pace and scale of forest restoration across all landscapes. We look forward to working with the committee to find that solution.

The CHAIRMAN. Thank you, Mr. Bonnie.
Mr. Rice, welcome.

**STATEMENT OF BRYAN RICE, DIRECTOR, OFFICE OF
WILDLAND FIRE, U.S. DEPARTMENT OF THE INTERIOR**

Mr. RICE. Good morning, Chairman Murkowski, Ranking Member Cantwell, members of the Committee. Thank you for the opportunity to come in today and provide the testimony from the Department of the Interior regarding the Wildfire Budgeting Response and Forest Management Act of 2016.

For introduction, the Department of the Interior Office of Wildland Fire works with the bureaus within the department that have wildland fire responsibility and we provide the leadership, the oversight, focusing on budgets and policies that affects nearly 500 million acres across the Department of Interior's land base.

We appropriate. We work closely with other federal agencies, states, tribes and our external partners as well as organizations to provide strategic leadership and support as well, focusing on the tenants of the cohesive strategy as well as implementation of Secretarial Order 3336, Rangeland Fire Management.

The Department would like to express thanks to our partners in Congress for support for the Wildland Fire Resilience Landscapes program. That continued support is a critical step forward as we've recently received over 75 preproposals for this next year that has nearly \$74 million of requests.

This, on the heels of the 2015 fire season being the costliest on record and burning the most acres since we've been recording since 1960. And as in past fire seasons, the wildfire risks that we're seeing in this season is going to be highly dependent upon weather as well as other human factors.

We're seeing cumulative impacts from climate change, drought, invasive species as well as our other factors and they're creating this landscape for more susceptibility to devastating wildfire.

With an ever expanding Wildland Urban Interface and the inherent complexities associated with it, the need for partnerships is continuing to grow.

We're also continuing to make proactive investments in fuels management and those resilient landscapes activities across the landscape to better address the growing impact of wildland fire on communities and the public lands.

The resilient landscapes activity is coordinated with and supported by those resource management programs within the fire management bureaus of the Department of the Interior, the National Park Service, Bureau of Land Management, Fish and Wildlife Service as well as the Bureau of Indian Affairs. Those programs are also working in concert with tribes, states and other organizations that are involved.

On another note that I'd like to highlight, the Department is showing leadership in providing training and job opportunities for our veterans that are coming back and wishing to continue their service in working in natural resources or other natural resource management programs. We're taking great pride in those men and women that are coming back to serve, and DOI's Bureau of Land

Management has provided Wildfire Firefighter 1 and 2 training for over 400 veteran volunteers over the last year.

In regards to the draft bill, the Department continues to support an approach to fixing the fire funding that ends transfers, recognizes that catastrophic fire is a natural disaster and ensures that our efforts to suppress those catastrophic fires does not diminish our efforts to create more resilient landscapes.

The Department strongly opposes Section 201 in Title II as currently written and looks forward to working with the Committee to find language that identifies standards that meet the goals of overall safety, interoperability and efficiencies.

The Department is also leading many activities focusing on UAS, unmanned aerial systems, that seek to provide firefighter and public safety while ensuring operations are continued and carried on. We have examples from 2014, 2015, most recently here in 2016 on the North fire in New Mexico where we have UASs that are providing real time mapping capabilities as well as infrared video.

In regards to the last title and focusing on some of the other land management activities, the Department is focused on ensuring strong environmental safeguards are maintained and to further support increased resilience in landscape across the DOI Bureaus.

In closing, the Department of the Interior works closely with our federal, tribal, state and local partners and last, we will continue to improve interagency forest and rangeland management while importantly upholding our trust responsibilities.

This concludes my statement and I'll be happy to answer any questions.

Thank you.

[The prepared statement of Mr. Rice follows:]

**Statement of
Bryan Rice, Director
Office of Wildland Fire
Department of the Interior
Before
Senate Committee on Energy and Natural Resources
Concerning
Wildfire Budgeting, Response, and Forest Management Act of 2016
(discussion draft)
June 23, 2016**

Introduction

Chairman Murkowski, Ranking Member Cantwell, and members of the Committee, thank you for the opportunity to provide testimony on the Department of the Interior's (Department) position on the Wildfire Budgeting, Response, and Forest Management Act of 2016 (discussion draft).

The Office of Wildland Fire (OWF) coordinates the Department's wildland fire program with Federal agencies, tribes, states and external partners to establish policies and budgets that are consistent and support the goals of the National Cohesive Wildland Fire Management Strategy and Secretarial Order 3336, Rangeland Fire Prevention, Management, and Restoration. OWF commits to, and provides, the strategic leadership and oversight to advance the three goals of the Cohesive Strategy, which are to: 1) restore and maintain fire-resilient landscapes; 2) create fire-adapted communities that will withstand the effects of a wildfire without the loss of life and/or property; and 3) safely and effectively respond to wildfire.

The vision of OWF is to significantly reduce the risk to wildland firefighters, communities, and landscapes. OWF's mission is to coordinate and provide the strategic leadership and oversight that result in a safe, cohesive, efficient, and effective wildland fire program for the Nation. We are excited that our partners in Congress recognize the value collaborative, resilient landscape activities add to the Department's overall fire and natural resource management programs. We are

thankful for the enhanced funding level afforded the Wildland Fire Resilient Landscapes activity from the overall Fuels Management budget in 2015 and 2016, and look forward to your continued support in the years to come.

While we feel that the draft bill clearly seeks to address the need for more sustainable funding for wildland fire suppression, the Department looks forward to having the opportunity to further review draft language and to work with the Committee to create a solution that meets the needs of carrying out mission activities across the public lands we are entrusted to manage.

After a statement on the 2015 fire season and the Department's general preparedness for the 2016 fire season, I will highlight primary areas of concern in sections of Titles I and II.

2015 Wildfire Season

The greatest losses during the 2015 wildfire season involved the fatalities of 13 wildland firefighters who made the ultimate sacrifice to protect the lives of others and the lands and resources we are entrusted to manage. The 2015 wildfire season is now the costliest on record, with \$1.7 billion spent to manage over 68,000 fires that burned more than 10 million acres, the highest total since recordkeeping began in 1960. We anticipate the 2016 wildfire season to be another challenging year.

In 2015, we spent 24 days at National Preparedness Level 5 our highest level, with all available wildland fire assets fully engaged. Over half the acres burned during 2015 burned in Alaska, reflecting the increasingly difficult-to-manage impact of climate change on our northern boreal forests. The Pacific Northwest burned the most acres in the lower 48 states consuming nearly 2 million acres. Wildfires destroyed more than 4,600 structures, including over 2,600 residences across the Nation. California alone lost nearly 1,900 structures to wildfire.

The Department's available funding before transfers and reprogramming for suppression in FY 2015 was \$447.2 million, including the FLAME funding. The DOI obligations in FY 2015 were \$417.5 million, with no Section 102 transfers required by the Department.

As we begin the 2016 fire season, we will honor all firefighters who lost their lives in the line of duty by continuing to seek opportunities to keep our firefighters safe while they do the work they love, protecting our forests and rangelands. We fully evaluate risks with a broad perspective for both planned and unplanned ignitions, while considering the people we serve and landscapes we protect. In accordance

with the National Cohesive Wildland Fire Management Strategy, we seek to create resilient landscapes, fire-adapted communities, and safer, more effective wildfire response.

2016 Fire Season Outlook

As in the past, the wildfire risk in 2016 will be highly dependent upon both weather and human factors. Extreme to exceptional drought conditions persist across the western United States, with the worst conditions in southern California and western Nevada. The National Significant Wildfire Potential Outlook, issued by the Predictive Services Unit at the National Interagency Coordination Center, predicts above-normal significant fire potential in Hawaii for the entire reporting period. Parts of Northern California will have above-normal significant fire potential in July, with the above-normal potential extending to parts of Southern California in mid-July, August, and September. Above-normal potential is also reported for the southwest portion of the Great Basin in June and the northwest portion in July and August. Above-normal significant fire potential through June and in early July is reported for the lower elevation portions of the southwest.

We have already seen some large fires early in the season in the southern Great Plains. As of June 20, over 23,000 fires had burned 1.9 million acres. While the number of fires to date this year is over 9,000 less than the 10-year average number of fires, the area burned exceeds the 10-year average (1.7 million acres).

The cumulative impacts of climate change, drought, and invasive species are creating a landscape more susceptible to devastating wildland fire. These impacts and declining forest health are exacerbated by an ever-expanding wildland urban interface, and the inherent complexities and dangers of fighting wildfire in and around these growing communities. We continue to be impacted by escalating emergency response requirements and increasingly dangerous and expensive wildfire response operations. Our partnerships with the Forest Service and other Federal agencies, tribes, states, communities, and even other nations are increasingly important as we continue to provide the best possible wildland fire management program and create a more resilient landscape where fire plays a natural role, occurring at the appropriate return intervals and intensities.

Fiscal Year 2016 Budget and Wildland Fire Resources

This year, we continue to make pro-active investments in fuels management and resilient landscapes activities to better address the growing impact of wildland fire

on communities and the public lands. We do this by enhanced integration and coordination between the Department's four wildland fire management Bureaus, their natural resource program counterparts within the Department, across the Federal government, and with tribes, states, and local governments, and our non-governmental partners. Treatments to enhance resiliency are strategically placed across the landscape, including outside of the wildland-urban interface, where ecosystem structure and function are threatened by wildfire and other disturbances.

Examples of treatments include the use of prescribed fire, thinning of overstocked stands in areas with critical wildlife habitat, removing trees encroaching on meadows or wetlands with significant resource value, and controlling invasive weeds that degrade habitat, compete with native vegetation, and increase the risk of wildfire. The Resilient Landscapes activity is coordinated with and supported by the resource management programs of the Department's four, wildland fire management Bureaus. These Bureaus and their partners leverage funds and services to restore and maintain fire resilient landscapes.

Together with our partners at the Forest Service, we are prepared for the 2016 fire season. This season, the Department plans to deploy over 4,500 firefighters, including 145 smokejumpers and 16 Type-1 crews; more than 600 engines and 100 other pieces of heavy equipment (dozers, tenders, etc.); and we have approximately 1,300 support personnel ready to support wildfire and all-risk incidents (including incident management teams, dispatchers, fire cache); totaling nearly 6,000 personnel.

The Department is a leader in providing training and job opportunities for veterans who want to continue their service to our country; we will continue to emphasize the hiring of veterans to fill the ranks of our firefighting forces. Through the Department's partnership with Team Rubicon, since April 2015, the Bureau of Land Management has provided Wildland Firefighter Type I and II training and certification for veterans. In the past two years, over 400 Team Rubicon volunteers have been trained and over 100 have been deployed to incidents across the country in Alaska, Oregon, California, and Washington. We take great pride in the role these men and women play in our wildland fire community.

This year, 33 single-engine airtankers or SEATS have been contracted for exclusive use and an additional 67 are available through call-when-needed contracts. SEATs are a good fit for the types of fires that the Interior Bureaus experience. Many of these fires burn at lower elevations, in sparser fuels, on open terrain. In addition, we have small and large helicopters and water scooper planes

available. We will utilize Forest Service contracted heavy airtankers and, if necessary, Modular Airborne Firefighting System (MAFFS) equipped C-130 aircraft from the Department of Defense. Agreements are in place to use supplemental aircraft from our state and international partners.

Enacted funding for the 2016 wildland fire budget totals \$993.7 million, including \$468.7 million for suppression, which is split between the Wildland Fire Management account (\$291.7 million) and the FLAME account (\$177.0 million). While we believe these resources will allow us to continue to provide superior wildland fire preparedness and suppression across our more than 500 million acres of public lands, we continue to advocate for a sustainable approach to funding fire, an approach that treats unwanted and destructive wildland fires as disasters, an approach that promotes the thoughtful and collaborative landscape-scale restoration activities necessary to create a more resilient landscape.

The Administration continues to propose providing sustainable funding for wildland fire suppression using a budget cap adjustment to the Department's and Forest Service's discretionary budgets. We applaud our partners in Congress for their efforts to help us find a sustainable solution. Fixing how we pay for managing wildland fire is the single most important action Congress can take to ensure we have sufficient resources for restoration and to help us create a more resilient, fire resistant landscape. Regarding the discussion draft bill before us today, we have comments regarding sections of Titles I and II.

Title I: Wildfire Budgeting

Similar to the bipartisan Wildfire Disaster Funding Act (Wyden, S. 235 and Simpson, H.R. 167) and the Administration's proposal, Section 101 of this discussion draft bill would allow the Department and the Forest Service to access additional new budget authority for wildland fire suppression. However, the discussion draft bill fully funds the rolling 10-year average, while the Administration's proposal funds 70 percent of the 10-year average. Requiring that the Departments fully fund 100 percent of the increasing 10-year average within current discretionary limits would result in less funding for the very restoration and risk reduction projects designed to create more resilient landscapes. Further, the requirement to notify Congress is inconsistent with the Administration's proposal that a Secretarial designation, based on clear criteria, is necessary to make cap adjustment funds available. To add this additional layer of review and approval is cumbersome and could reduce our decision space during active fire seasons.

This is not the comprehensive fire budget fix we need. The Administration continues to support an approach to fixing the fire budget that not only ends transfers, but that also recognizes that catastrophic fire is a natural disaster and ensures that our efforts to suppress those catastrophic fires does not diminish our efforts to create a more resilient landscape.

Title II: Wildfire Response and Preparedness

Section 201 requires the Secretaries to develop and approve a single system of qualifications for all Federal and state wildland firefighting agencies, including pilot and maintenance inspector and firefighting support equipment. This section includes interim acceptance of state aviation asset standards until implementation of the single system. While we fully support the overall goal of interoperability and efficiency in the sharing of aviation assets among Federal and state entities, we strongly oppose section 201(c) as it compromises existing safety standards. If instituted, this language forces Federal and state agencies to accept the lowest level of standards related to pilot and maintenance inspector qualifications and qualified firefighting support equipment. The Department's aviation safety record since the establishment of the Office of Aviation Services in 1973 is due in large measure to the establishment of and adherence to high standards of pilot and maintenance inspector qualification and equipment specification and operating condition. The proposed language will force the Department to adopt every Federal and state agencies' standards, regardless of the stringency of the standard. This requirement will likely result in more firefighting aircraft accidents and loss of lives.

Additionally, the language does not incentivize agencies with low standards to collaborate in the development of a single standard system; rather, it has the opposite effect. Interim acceptance of state aviation asset standards as required in the bill is not recommended, as these standards can be problematic or potentially unsafe if those standards are lesser than those of the Department. We strongly oppose this language for safety reasons. We look forward to working with the committee on this issue.

Section 202 authorizes the use of unmanned aircraft systems (UAS) in managing wildland fires consistent with Federal Aviation Administration regulations and authorities. Through our Office of Aviation Services, we have done considerable work to advance the use of UAS in wildland fire management. We welcome further discussion with the Committee on this section that ensures the agency is empowered to deploy UAS in appropriate situations.

Additionally, per this legislation, unmanned aircraft equipment, training, and implementation costs may be substantial. This legislation would also require states to adhere to the same regulations with similarly expected implementation costs.

Finally, the Department would like to note that any forest management provisions aimed at expediting forest restoration activities to reduce wildfire risk must contain strong environmental safeguards, rely on collaboration among a broad group of stakeholders, and use the best available science.

Conclusion

The Department of the Interior works closely with our Federal, tribal, state and local partners. Together, we will continue to provide a safe, effective wildland fire management program. We will continue our activities to improve interagency forest and rangeland management, working closely with all of our partners, to strengthen our response to and prevention of wildfires while upholding our tribal trust responsibility. Our wildland fire management program will continue to focus on firefighter and public safety, core values that govern every decision and activity. By keeping our employees and the public safe from harm or loss, by effectively suppressing unwanted fire, and by doing everything we can to improve the health of our landscapes, we will be successful.

This concludes my statement. Thank you for your support to the Department's wildland fire management program and for the opportunity to testify before this Committee. I welcome any questions you may have.

The CHAIRMAN. Thank you, Mr. Rice.

We will begin with a round of questions. Let me begin with you, Mr. Bonnie.

I want to start with the Tongass inventory because I will tell you, I am quite disturbed by the statement in your written testimony. You, kind of, glossed over it in your oral remarks here this morning, but you make a statement that says that the requirement for inventory would be, “contrary to the recommendations of the Tongass Advisory Committee, as well as causing an unnecessary delay.”

I am really stunned by that statement. When you look to Forest Service’s own website, when you talk about the Tongass inventory and the plan amendment, you, on your website, say an inventory is needed to address the uncertainties. The plan amendment needs to have credible information to accurately predict the timing and supply of young growth. This can only be obtained by a comprehensive stand level inventory.

The statement from the Secretary in the July 2013 Secretarial Memo emphasizes that the transition must take place in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska. We all agree on that.

On January 21, the TAC said there are a number of investments that need to be made. The number one priority investment is a forest inventory because modeling is not good enough for a clear picture of when young growth will come online during the next 15-year period. So for you to say that this is contrary to the recommendations of the TAC just does not comport with what the TAC has said and said very, very clearly, as well as what you have on your own website and the Secretary’s own memorandum.

What’s up?

Mr. BONNIE. So we are carrying out an inventory right now, as you know.

The CHAIRMAN. I understand.

Mr. BONNIE. In parallel with what the TAC recommended in their final report.

The level of the inventory that, I think, you’re talking about is unnecessary for us to arrive at a decision on the plan amendment. What we need is—

The CHAIRMAN. Who has decided that that is unnecessary to do a comprehensive inventory to arrive at a decision at the plan level on this amendment?

Mr. BONNIE. So the inventory that we’re carrying out now will give us information that will allow us to do stand level projects and other things. I think we have the information we need right now to do a broad plan level amendment.

The CHAIRMAN. So—

Mr. BONNIE. What the inventory is helpful in doing is allow us to plan sales.

The CHAIRMAN. The inventory has been recognized as necessary to provide for that level of certainty for the plan. Forest Service recognizes it. The TAC recognizes it. To suggest that we know enough now that we can just move forward with the plan that requires a complete transition in just 16 years belies the concern from everyone saying we need to understand where we are in the

growth stage, in terms of the availability for harvest. We recognize that an inventory in the Tongass is tough because the Tongass is a tough area, but in order to have a plan that is based in reality, everyone recognizes we need to understand what we are dealing with with the trees here—where they are located, the volume available and the quality.

Are you going against the TAC recommendation then?

Mr. BONNIE. No, we're, I think, we're in line with the TAC recommendation. They asked us. They were very concerned about implementation. They asked us to move forward with the inventory we're doing now. As you know, we're doing it in partnership with the state. And so, I think we're very much in keeping with what the TAC has asked.

The CHAIRMAN. But what you are suggesting to me here, in your words, is the requirement to inventory, and I will use your statement here, "All 462,000 acres of young growth sites on the Tongass before issuing a record of decision will cause an unnecessary delay would be contrary to the recommendations of the Tongass Advisory Committee."

I will just take you back to the statement from the TAC itself on January 21 that says the number one priority investment is a forest inventory because modeling is not good enough for a clear picture of when young growth will come online during the next 15-year period.

Know that the reason that we have included this requirement within this draft legislation is to follow out the intent of the TAC as well as what Forest Service has been saying all throughout this discussion, that we need to understand what we have in terms of available young growth so that we can make sure to use the Secretary's words, that we preserve a viable timber industry that provides jobs and opportunities for the residents of Southeast.

I am going to turn to Senator Cantwell now.

Senator CANTWELL. Thank you, Under Secretary Bonnie, and thank you for your testimony this morning.

I wanted to go over this issue of fuel reduction, because it is so important to so many of us. This issue about fuel reduction by limiting NEPA considerations is one thing that, kind of, hits at me. I know your testimony for the Administration also talked about that, and I hoped you could elaborate on that point.

Mr. BONNIE. So I think what we said all along is that we, with a comprehensive fix, are happy to look at provisions to look at forest management on the national forests. Those provisions need to have strong, environmental safeguards, they need to be based on collaboratively designed projects and we think that those two things can be really important in allowing us to move forward with those types of tools. And so, any provisions that we look at, I think those are going to be important.

We recognize the need to get more work done. And critical to that is thinking about larger landscapes, as you talked about, but also working in collaboration so that we can reduce litigation risk and so that we can move forward with these projects more quickly.

Senator CANTWELL. That language would be problematic if it stayed in the draft? NEPA?

Mr. BONNIE. So I think what we would suggest, if you're talking about the action/no action section, I think what we would suggest is making sure it's got strong, environmental safeguards. It needs to be discretionary, not mandatory. I think the language right now is mandatory and I think that's problematic. And we'd suggest, maybe, adding a third alternative as well.

Senator CANTWELL. Okay.

Then on the Pine Pilot, in general, what are your thoughts on it as a fuel reduction tool?

Mr. BONNIE. So, I think you were thinking exactly right about thinking about large landscapes and thinking about how we get fire back into these ecosystems. And so I think that's important. I think the title collaboration is important. I think environmental safeguards are important. I've told your staff that I think we're anxious to work with you all on it. There's some provisions I think we have questions about and concerns about but are willing to work through that.

Senator CANTWELL. Okay.

Mr. Rice, on reducing risks by doing some fuel reduction, what are your thoughts about the Pine Pilot?

Mr. RICE. Thank you for the question, Senator.

I think for many of the projects, specifically the Pine Pilot that you're referring to, the Department, in many instances, will defer to USDA to address many of these issues as it is focused on Forest Service lands.

But the overriding themes, as you've pointed out in several cases so far, of ensuring environmental safeguards, strong environmental safeguards are in place and further developing landscape resilience is important.

Senator CANTWELL. Well, there is no secret here. I have discussed this issue with various people. This is about whether we all can get comfortable with the response to what is happening. Can we all agree?

I am hearing from scientists in my state, at the University of Washington and others, who are saying these pine forests are going to burn down. I would prefer to keep them, but if they are going to burn down, guess what? I don't get to keep them.

I can get them managed. I can get the fuel reduced. I can put the products from these treatments in Cross-Laminated Timber (CLT). I can make sure that the mills stay open by giving them long-term contracts so that they can continue to process the products from these treatments.

To me that is a win/win/win situation because if I don't get to keep the pine forests because they are going to burn down, I would rather have some of it reduced and save the Federal Government dollars, secure our communities and actually be proud of the management of our forests and the use of our timber products for CLT.

I guess it is really a question of whether both your agencies agree with these assessments that have been presented here today about the forests and temperature increases. Is this the hazard that we are facing? Do either of you have a comment about that?

Mr. BONNIE. There's no question we've got to get more restoration done. Many of our forests look differently than they did 100 years ago because we've taken fire out. That, combined with cli-

mate change, as you spoke about, is changing the nature of the fires we've seen now. They're making them more destructive and larger and restoration is a key to reduce the severity of those fires.

Senator CANTWELL. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. Thank you.

Senator Daines?

Senator DAINES. Thank you, Chair Murkowski and Ranking Member Cantwell.

I gratefully put forward this draft. This is tireless work, and I like the bipartisan spirit that made this possible.

Secretary Bonnie, it is good to see you again.

I must say I am particularly dismayed and outraged this morning. We had breaking news coming out of Montana that hit us. The Twittersphere lit up as just yesterday Weyerhaeuser announced it is closing two mills in Columbia Falls, Montana this summer.

One hundred Montanans are going to lose their jobs. These are good paying jobs on top of another 100 job cuts that were previously announced.

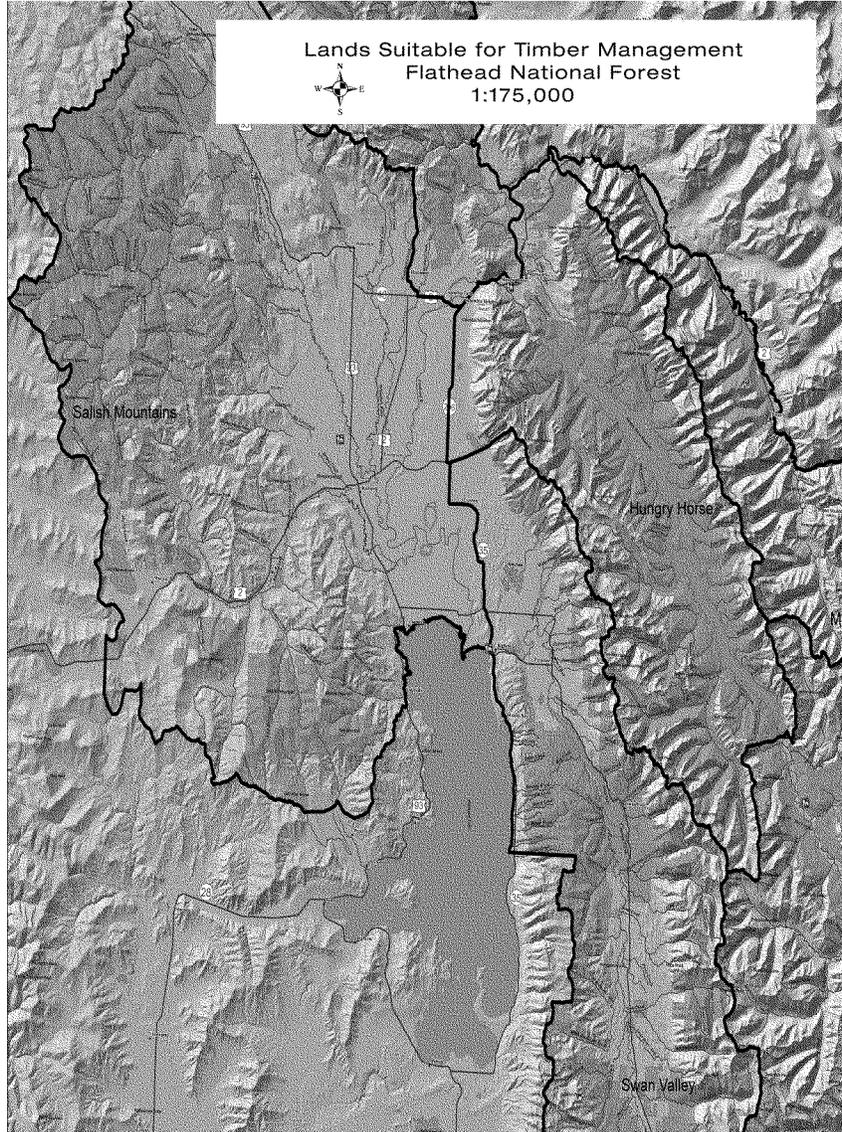
The company said they have been running below capacity because of an ongoing shortage of logs in the region. I want to put to rest this nonsense I hear from folks who are opposed to forest management saying the reason the mills are closing in Montana is because of lack of demand. That is absolutely false. The issue is lack of logs. And by the way, it is not lack of available timber.

Some of our mills today in Montana are getting logs over 500 miles away. We go to other states to get logs. We go to another country. We go to Canada to get logs.

It is ridiculous. It has got to end. This body needs to act to help save, right now, our forests through healthy, more forest management practices and these jobs.

I want to draw your attention to the Flathead National Forest which surrounds much of Columbia Falls. The map behind me, the section in orange are the acres suitable for timber harvest in the forest.

[The information referred to follows:]



In fact, if you look at where the red circle is, that is where the Weyerhaeuser operation is at.

We just put this map together, literally, last night when we got news. Nobody saw this coming. We knew that our timber industry has been very clear, that they cannot get logs. Now we just saw 100 Montanans lose their jobs as the results of this.

But if you look at that map, there are about 700,000 acres of suitable timber for harvest there we could get to in national forest. That is the colors on that chart. That is all within 100 miles of that Weyerhaeuser operation.

Despite the hard work of the Flatheads Forest Service workers, the volumes off this harvest coming off this forest, the nearby national forest, is not anywhere where it can and should be.

The latest mill closings are deeply unfortunate. They are also not surprising. Over the past generation, since I was a kid growing up in Montana, we have lost two-thirds of our mills. We had over 30 when I was a kid. We are down to ten.

Here is one more to put on the list. We have lost 40 percent of our wood products workforce, 4,000 jobs. The irony is that we are told with this job loss we go into other committee hearings telling the importance to keep PILT and SRS going forward here so our counties that are surrounded by federal lands, who have lost their natural resource base, no longer have a tax base to fund their schools and their teachers and their infrastructure. And we have these dying communities.

In fact, a family up in Eureka, which is Lincoln County just nearby where this plant closing occurred, a couple years ago was having dinner and they said basically we describe Northwest Montana as poverty with a view. That is what is going on.

So we have previously discussed the impacts of litigation in Montana, and we have had hearing after hearing after hearing as we talk about getting to one of the core challenges if we are going to fix this problem and move forward toward responsible timber harvest, we need to have some reforms in litigation.

There are currently, listen to this, there are currently 21 projects under litigation. Thirteen of these were developed using collaborative processes, and recent objections filed by these fringe environmental extremist groups do not represent the 80 to 90 percent of most Montanans. They are stopping these projects, and they are signaling there is going to be more litigation that lies ahead.

So my question with that as a background. As the Committee continues to work on this draft, I am convinced we can find common ground on meaningful litigation reforms such as expanding HFRA's balance of harms protections and closing loopholes that fringe groups have exploited in the courtroom as we have seen in the Cottonwood vs. Forest Service case. For instance, strengthening the objections process and establishing a pilot arbitration authority.

Can I get your commitment to work with us, to work with me and other members of this Committee, toward finding consensus on such solutions that can be incorporated into this emerging legislation?

Mr. BONNIE. So, we're happy to work with you on forest management reforms. My concern about litigation is whether or not we can maintain a middle so that we can move something forward.

Senator DAINES. Do you believe that litigation is a—

Mr. BONNIE. Litigation is a challenge and it's a big challenge in your part of the world. There's no question.

Senator DAINES. So can I get your commitment to work with us to find some common ground?

Mr. BONNIE. We'll continue to work with you and I'll just say understand—

Senator DAINES. But that is not a yes. Can I get a yes that you will work with us on—

Mr. BONNIE. Absolutely, we'll work with you.

Senator DAINES. Thank you. I appreciate that because we are to the point now, I mean, this is something when your phones are ringing and you are seeing 100 Montana families losing jobs because of lack of logs when you are surrounded by timber. Something has got to change here.

Alright, thank you.

The CHAIRMAN. Thank you, Senator Daines.

Senator Heinrich.

Senator HEINRICH. First I want to thank the Chair and the Ranking Member for their work on this issue. This issue of how we fund our forests and our management of our forests is critical to communities across the West. It is absolutely critical in many communities in New Mexico.

As we speak right now, the Doghead Fire continues to burn in the East Mountains, not far from my home in Albuquerque actually. Last week we lost 24 homes and 21 other structures when that fire raced out of the mountains and into a subdivision. It is only thanks, really, to luck and favorable winds and the very hard work of our firefighters on the ground that the structure losses numbered in the dozens and not in the hundreds and that we had zero loss of life. Thank goodness.

This fire actually overlaps with a collaborative forest project which includes partners like the Nature Conservancy, the Pueblo of Isleta, the Chilili land grant. Even though the NEPA process review on this project was completed back in 2012, the Forest Service did not have the funds to pay to do the actual work in the forest. It took two more years for the project partners to come up with the funds to start the work and still only 7,000 of 12,000 acres in the project were treated before the fire was ignited. So it is hard not to think about how things might have been different if this entire area had been successfully treated and restored before the fire broke out last week.

I know we all wish the Forest Service could approve projects faster, more efficiently. But the fact is that project approval is only the first hurdle in getting work done to make our forests healthier. Without a robust and stable budget, all the process streamlining in the world doesn't get trees cut.

I look forward to hearing from our witnesses today and to hearing what they have to say about the issues, but we cannot wait any longer to get large-scale forest health projects implemented in New Mexico, and for that matter, across the West.

Under Secretary Bonnie, I want to ask you a question. The fire program at the Forest Service is consuming a larger percentage of the overall forest budget every year. Last year, for the first time, the Forest Service spent more than half its budget on fire activities. In 2025 the fire program is expected to consume two-thirds of the budget. Obviously this cuts out money. It crowds out money for non-fire related programs, recreational programs, personal firewood use permits (which are so important in New Mexico), road and trail maintenance, forest restoration and watershed health.

I want to ask you, does this draft that we are discussing today do anything to address the growth over time in that 10-year average?

Mr. BONNIE. No, it doesn't. It just addresses the first problem I talked about in my testimony, fire borrowing.

Senator HEINRICH. So if we fix the fire borrowing but do not fix the growth in the 10-year average and do not take into account the continued changes we are seeing in climate, what does that mean for the non-fire programs at the Forest Service over time?

Mr. BONNIE. So, I think, as you point out, the biggest impediment right now to the Forest Service getting more work done, more restoration work, is a lack of capacity. Thirty-nine percent fewer employees across the agency in the non-fire side versus the fire side of the organization, and it's affecting everything, again, as you point out.

To your specific point on restoration, if we want to get more work done, we have to solve this problem.

Senator HEINRICH. We have got to figure this out because we have projects all over in forests across New Mexico where the community has come to a generalized consensus about what needs to be done. The relationships with the Forest Service are positive. People generally agree on what we need to be done and oftentimes much of the planning has been done. But we can't get the needed funding because we are spending it all on firefighting. We have got to find a way to move that back over time.

Before my time expires I want to ask you a little bit about the Ponderosa Pine/Mixed-Conifer Pilot Project. The draft project describes eligible projects as hazardous fuel reduction projects. Under the current draft would that include prescribed fire as well as mechanical thinning or do we need to clarify that? Because obviously the idea is the first wave you go in and thin mechanically and that has a certain cost to it and then the second wave, hopefully, you maintain that by restoring fire into a fire-based system at a much lower cost to the taxpayer.

Mr. BONNIE. We would read that it does include that but clarification, I think, would be welcome.

Senator HEINRICH. Great.

It looks like my time has expired, Madam Chair.

The CHAIRMAN. Thank you, Senator Heinrich.

Senator Wyden.

Senator WYDEN. Thank you very much, Madam Chair. Let me commend you and the bipartisan leadership for all the effort that went into the draft. This is not an easy lift, and I very much appreciate—

The CHAIRMAN. You know that.

Senator WYDEN. I do indeed.

Madam Chair and colleagues, ending the plague of fire borrowing is now the longest running battle since the Trojan War and it is time to bring this to an end.

Madam Chair, I note this is a little unorthodox, but I want to give a little history on this on behalf of Senator Crapo and I. As you know, the two of us have worked together on this and with you, our proposal to end fire borrowing now has the support of 258 organizations and given the history on this, I especially appreciate your desire to get this done before the next fire season.

In terms of advancing that effort, I would just like to put into the record that we have had 11 of us a year ago saying we were going to get it done and to your credit, you have picked up on that proposition and that now is clearly the time to get this done.

Now I want to make sure we are clear on the major issue—the mix of ending fire borrowing and improving forest management. The Chair and I have talked about this often because I have been supportive of management efforts as has Senator Crapo. The concern is that if you take on too many difficult management issues you will not end fire borrowing, and that has been the history.

It seems to me the Chair and the Ranking Member on our side are saying here is where we would like to begin the discussion. We just want to make sure we end up getting something done. We want to get something done.

As the Chair and I have talked about, getting something done is also a bicameral effort because I thought we were pretty close last year to finally getting it done, and it broke down in discussions between the Senate and the House.

So on the fire borrowing issue I just want to make sure we are clear on the Administration's position. I believe the Administration believes that to deal with fire borrowing you have to freeze, and I use that word specifically, you have to freeze the amount of money that is spent on fighting fire at a fixed number, like the current 10-year average. If you don't have a freeze or something that resembles a freeze, we are not going to get this done. Do you all support the concept of a freeze?

Mr. BONNIE. Yes.

We've talked about both a freeze and the 70 percent in your legislation as ways to do exactly what you're talking about.

Senator WYDEN. How about your colleague? What is his view with respect to this?

Mr. RICE. Thank you, Senator.

I'm in the same place. I think the Administration's proposal of 70 percent as well as looking at the 1 percent of fires and categorizing them as catastrophic wildfire and focusing on that element that will give us the flexibility to focus on landscape restoration. Thanks.

Senator WYDEN. So, that is your take on what we need to do to fix fire borrowing.

Now as I have indicated, I support management as well. I mean, clearly management is a central part of this, and it is certainly going to be a central part of getting any kind of agreement with the other body.

Mr. Bonnie, what are the bipartisan opportunities for management reforms in your view? In other words, the Chair and the Ranking Member represent all of us in these discussions with the House. We are going to be working with you on this because we want to get it done this time. We are going to make it happen before the serious fire season. The other part of the Congress is going to insist on some management reforms. What are the kind of management reforms you could support in those discussions?

Mr. BONNIE. So I think you and many others here worked on the 2014 Farm bill and some of the provisions in there. They require collaboration. They require environmental safeguards.

And I think using that as a basis and looking for things that, to use your language, something that Congress and the Administration can get done. That, and I think there is common ground that we can find across the conservation community, industry and elsewhere.

Senator WYDEN. My time is up.

Could you get to the Chair and the Ranking Member and the rest of us on this Committee, the specifics of what management reforms the Administration would support in addition to the effort to end, finally, once and for all, the fire borrowing because that is going to have to be part of actually getting this done?

Mr. BONNIE. Yes.

Senator WYDEN. And can we have that within two weeks?

Mr. BONNIE. We'll try.

Senator WYDEN. Well we better have it within two weeks because the fire season is on us, and there are not many days left in the Congress. Two weeks?

Mr. BONNIE. I'm on it.

Senator WYDEN. Alright.

Thank you, Madam Chair.

The CHAIRMAN. Thank you, Senator Wyden. I appreciate you pushing for the specifics.

As I mentioned in my opening statement, it is my intention to be moving this proposal in a relatively direct manner. We don't have a lot of legislative days remaining before we conclude for mid-July recess, so I would reiterate the request from Senator Wyden and ask that you be most expeditious within these next two weeks with specifics.

Let's turn to Senator Gardner.

Senator GARDNER. Thank you, Madam Chair, and thanks for holding this hearing on the Wildfire Budgeting and Forest Management Act.

Welcome to the Committee, thank you very much for being here.

Thank you to Chairman Murkowski, Ranking Member Cantwell, Senators Wyden, Risch and Crapo for the work on this discussion, is it a draft, and to reaffirm my commitment to all of us and the U.S. Forest Service to address this very critical issue. It is something I hear about from county commissioners, legislators, every time I go back to Colorado, the importance of addressing this issue.

Colorado, as well as many Western states, who have mostly on this Committee have talked about today, I am sure, the impacts, significant loss, that can occur from a forest fire, issues of funding and staff to manage the forests, the big issue and of course, with

over 14 million acres of national forests and grasslands. Whether it is grazing, timber or recreation, it is all affected by drastic impacts we have had from budget reductions and other things on how we currently fund wildfire suppression.

I want to turn to you, Mr. Bonnie. Thank you for being here, and thanks for your commitment to working with my office on these issues. We have got to find an end to this fire borrowing practice.

Just this past week we have seen a wildfire balloon in Northwestern Colorado. It is the Beaver Creek fire. It is not what many people think when they hear Beaver Creek. It is a different area than Beaver Creek, Colorado, but it is up on the Wyoming/Colorado border area. Our office has been in touch with the Forest Service officials and local offices, and I am very thankful for the work the firefighters on the scene are doing at this time.

I know a couple, at least two, of other fires are also burning in Colorado as we speak, so this is an important issue in real time.

In the context of wildfire borrowing and fire suppression, I am acutely concerned that the recreation program in the country's most heavily visited national forest, the White River National Forest. Reports have shown that this forest has lost over 40 percent of budget and staff in the last five years while the recreation use has continued to increase. Again, it is the most heavily visited national forest.

One of the most negative effects of this trend is that the agency is unable to be a responsible partner to deliver recreation to millions of visitors. The White River is home to several world class ski resorts. The industry generates tremendous economic benefits to the Treasury, the states and local communities.

During the Forest Service budget hearing for the FY 2017 budget request I asked Chief Tidwell how the agency planned to address this issue in the White River National Forest. Since then he has agreed to meet with me and ski resorts in early July to further address this question. I very much appreciate that commitment.

I would ask you if you were aware of any plans to address the immediate issues with the White River National Forest?

Mr. BONNIE. Yes, I think as you know, I think we used to have eight full time staff members that worked directly with the ski industry there, and I think we're around two now. And you're absolutely right. We're not providing the level of service we need to be, and it's the same capacity problem.

So I've been in touch. Folks from the ski industry have talked to me. Absolutely willing to engage and be creative about how we can solve this problem.

Senator GARDNER. Very good, I appreciate that.

Turning now to another area of Colorado, the Durango and Silverton Narrow Gauge Railroad in Southwestern Colorado. It is an incredible railroad, a great part of our history, a crown jewel in Colorado and really, the West. But because it is a coal-fired old railroad they are required to have firefighting capabilities in place to address any spot fires that might come up, and these firefighting capabilities that they possess include water tanks and pumps following the train, men trying to combat fires and a helicopter that is on standby to make water drops.

While the railroad is rightfully responsible for addressing fires that come up along the railroad right-of-way, it is my understanding that they are prohibited from fighting fires which come up beyond their rights-of-way in the forest service land and must, instead, just report it instead of actually using their resources to help fight it.

On November 17, 2015 I asked questions at this Committee during a hearing on wildfires. We talked about certification issues, trained wildland fire entities and how they could be empowered to fight fires before they get out of control when they are spotted.

Section 201 of the discussion draft would require a single system for credentialing both federal and state certified wildfire aircraft and provide interim acceptance of both standards. It is my hope that Section 201 will assist in addressing the Narrow Gauge Railroad situation, at least in Colorado.

Could you talk a little bit more about the Forest Service's policies toward partnership with private entities like the Durango and Silverton Narrow Gauge Railroad in combating wildfires?

Mr. BONNIE. So we do a lot of work with contractors, obviously, to provide helicopters. The vast majority are through contractors.

The caution I will raise on the certification issue has to do with air safety. We have, we've had a number of accidents, and so the standards we set are very important to the Forest Service. Safety comes first. So happy to work with your office on the issue. I think the flag I would raise is we just want to make sure whatever we do, we're being as safe as we can.

Senator GARDNER. Thank you, I look forward to ongoing conversations. Again, thanks for the work that you are doing in Colorado as we speak.

Thank you, Madam Chair.

The CHAIRMAN. Thank you, Senator Gardner.

Senator Franken.

Senator FRANKEN. Thank you, Madam Chair, and thank you for the work that you and Senator Cantwell have done.

Last year Chief Tidwell testified to this Committee on the interaction of wildfire and climate change. As the Chief shared, science has shown that climate change is one of the major factors leading to the recent trends of longer fire seasons with wildfires and wildfires that are larger and more intense. In fact, fire seasons are now, on average, nearly 80 days longer than they were in 1970, and wildfires burn twice as many acres today as they did 30 years ago.

Our climate is warming and we are experiencing unfamiliar and unprecedented conditions. Drought may be the new normal. Invasive species and insect outbreaks may be the new normal. Larger than average fire seasons may be the new normal.

Under Secretary Bonnie, in your opinion, to what extent has climate change driven the increases in fire suppression costs that we have been seeing?

Mr. BONNIE. There's no question it's had a significant impact. We're seeing larger, more catastrophic fires. It's not the only thing. Also, because we've taken more natural fires out of these ecosystems, we've built fuel loads up. Because we have more develop-

ment in the Wildland-Urban Interface, costs have been driven up. But you throw climate in the mix and the trends are not good.

Senator FRANKEN. So clearly, climate change has a cost, and this cost is having a serious impact.

Mr. BONNIE. Yes.

Senator FRANKEN. On your agency.

Unfortunately, my colleagues across the aisle seem to be in denial about the real cost of climate change and for some of them whether climate change even exists.

Do you expect the costs to rise as climate change continues to get worse?

Mr. BONNIE. Yes, and Forest Service scientists believe we'll double the acreage that we're burning annually by mid-century, more than double, actually.

Senator FRANKEN. In Minnesota non-native invasive species threaten the health of our forests. Minnesota has about one billion ash trees and is home to the largest concentration of ash in the country. Unfortunately, the invasive emerald ash borer has already destroyed tens of millions of ash trees throughout the U.S. since it was first detected in 2002. Under Secretary Bonnie, I want to thank your agency for the work that you are doing at the Forest Service's Northern Research Station to combat emerald ash borer in my state and throughout the country.

But I am concerned that the growing cost of wildfire suppression is draining your budget and hindering some of this and other great work that the Forest Service is doing outside of fighting wildfires. In fact, the Forest Service has, as I think has been mentioned in this hearing, 39 percent fewer staff in non-fire positions today than it did less than 20 years ago.

Mr. Under Secretary, as you know, it is not uncommon for funds or even staff to get transferred mid-season to fight wildfires. The bill we are discussing today addresses the fire borrowing issue but it does not fix the fact that wildfire suppression costs continue to grow and erode the overall forest budget. Isn't that right?

Mr. BONNIE. That's right.

Senator FRANKEN. Okay.

Thankfully Minnesota typically does not experience the catastrophic fires we see out West, but the ever expanding costs of wildfire suppression still significantly impacts my state. I want to make sure that any wildfire legislation addresses the needs of Minnesota so that we, too, can tackle our most threatening issues like the emerald ash borer and protect our cherished resources.

One thing I would like to see in any comprehensive wildfire legislation is finding a market for hazardous fuel and forest waste. Communities are increasingly built in the Wildland-Urban Interface in heavily wooded areas where they are at risk from economic damage from forest fires. We know that. We are removing hazardous fuel like underbrush and immature trees. It can help reduce the severity of wildfires and mitigate economic damages, especially when this is done right, around communities near or within our forests.

I see an opportunity to help pay for the removal of hazardous fuels by using this waste as a source of electricity for nearby communities. This could simultaneously reduce fire risk and bring eco-

conomic benefit. Combined heat and power and other facilities that use woody biomass are ideal options.

As my time runs out, Under Secretary Bonnie, once it is cut, what is done with hazardous fuel today?

Mr. BONNIE. Well, in so many places we're paying people to remove them. To your point, if we had greater markets for hazardous fuels, we'd actually be able to get more work done. The Forest Service is making investments here, but there's more to do and the budget constraints we're operating under makes it more difficult.

Senator FRANKEN. I know I am over, but can I ask this one last half a question?

The CHAIRMAN. Wrap it up very quickly.

Senator FRANKEN. Okay.

In your experience what are the major road blocks to using hazardous fuel for biomass power which, as we are saying, could help both mitigate fire risk and play a role in clean energy generation?

Mr. BONNIE. Well, one of the challenges is just the lack of markets and cheap natural gas and other things. So, it's going to require investment.

Senator FRANKEN. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. Thank you, Senator Franken.

Senator King.

Senator KING. Thank you, Madam Chair.

I am trying to figure out relationships here between fires, climate change and management of the forests. My impression is, and I think your chart indicates this but I may be wrong, that part of preventing fires is more intensive management of the forests. Is that correct?

Mr. BONNIE. Yes.

Senator KING. Yet the increase in fires is, kind of, a vicious circle. The increase in fires is sopping up so much of your budget you do not have the money left to do the management which then makes fires more likely, which then takes more of the budget. Is that the dynamic that is in play here?

Mr. BONNIE. We can't do the management at the scale we need in order to confront the problem. That's right.

Senator KING. So we really need to be talking about different ways of funding the fire danger that does not eat up the rest of your budget.

I met with Secretary Vilsack this week and I cannot remember the exact figures but, as I recall, the fire budget is basically eating up everything else.

Mr. BONNIE. Yes, we'll typically spend more than half of our budget every year now just on firefighting. If you add in other fire costs it can go north of that.

Senator KING. I think he said that 15 or 20 years ago it was like 15 percent of the budget.

Mr. BONNIE. About a sixth of the budget in 1995, one-sixth.

Senator KING. And now it is over half.

Mr. BONNIE. Yes.

Senator KING. The point I am getting at and I think you confirmed is that to the extent that that happens, it crowds out spending on other forest management, for example, clearing the under-

growth, selective thinning and that kind of thing. That, in turn, makes more fires, and fires more likely.

Mr. BONNIE. That's exactly right. And in states like Maine where you don't have as much federal land, we're working with your state foresters to provide help to them so they can work with private landowners and those budget funds are less as well.

Senator KING. Madam Chair, that is all I have.

But I think this is a very important issue, and I know you recognize we are inadvertently making the problem worse by not providing sufficient funds for the management of these lands.

Thank you.

The CHAIRMAN. Thank you, Senator King.

I think the discussion was/is important, recognizing that when you borrow from other accounts to pay for suppression that does not work. It is not sustainable, so making sure that we get the fix right, I think, is very important.

Mr. Bonnie, I have multiple questions that I would like you to answer for the record including one that is specific to the issue of an updated projection for total suppression resources needed based on that 10-year average. So you will see that.

Again, if you can provide responses as quickly as possible to the Committee, that will be greatly appreciated.

I would like to do another round, but we have six witnesses on the second panel that we want to make sure that we get to before the noon hour, so we will excuse both of you and thank you for appearing before the Committee this morning.

Mr. BONNIE. Thank you.

The CHAIRMAN. As the next panel is finding their seats, I will introduce each of you to the Committee and I will offer apologies on behalf of other colleagues on the Committee this morning. As Senator Risch, who was here just a few moments ago, whispered into my ear, I have three different committees that are meeting at the same time here this morning. Please do not take this as an indication of lack of interest, but you can only be at one place at a time or at least that is what we believe.

I would like to welcome the second panel before the Committee. We will lead off this morning with Dr. Peter Goldmark, who is the Commissioner of Public Lands at the Washington State Department of Natural Resources. It is nice to have you here. He will be followed by Ms. Julia Altemus, who is the Executive Director of the Montana Wood Products Association. She will be followed by Rebecca Humphries. Ms. Humphries is the Chief Conservation Officer at the National Wildlife Turkey Federation. We appreciate you being here this morning. Mr. Peter Nelson is with us. He is a Senior Policy Advisor for Federal Lands for the Defenders of Wildlife. Welcome. Mr. Eric Nichols is a constituent from the State of Alaska. He is a partner at Alcan Forest Products. Rounding out our panel is Mr. Ken Pimlott, who is the Director for CAL Fire. Again, welcome to each of you.

I would ask that you keep your comments to less than five minutes. Your full statement will be included as part of the record, but again we want to be able to get through everyone's testimony and have an opportunity for a few questions before we have to conclude just around noon.

Dr. Goldmark, if you would like to lead us off?
Thank you all.

STATEMENT OF DR. PETER GOLDMARK, COMMISSIONER OF PUBLIC LANDS, WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES

Dr. GOLDMARK. Good morning, Chairman Murkowski, Senator Cantwell, members of the Committee.

To begin with I'd like to thank Senators Cantwell, Murkowski, Wyden and Crapo for their leadership and dedication to improving response and resources for wildfires. I appreciate the invitation to appear before you today.

My name is Peter Goldmark, and I am the Commissioner of Public Lands for the State of Washington. Elected directly by the people of my state, I am charged with managing and protecting Washington's natural resources.

For over 150 years, citizens of our state have looked eastward for help and partnership from Congress on critical issues. Today, one of those critical issues is wildfire, and I appreciate this opportunity.

That responsibility that I bear includes leading our state's fire-fight against wildfire and overseeing forest health across all jurisdictions and all ownerships. Recently it has been a heavy responsibility to bear. We have lost about 3.5 percent of Washington State to wildfire over the past two catastrophic years, and most terrible of all was the death of three young firefighters who died protecting homes during the Twisp River fire last August. The impact on our people and the landscape has been horrific to witness and difficult to bring to the halls of Olympia or the halls of Washington, DC, in the damage and danger and trauma to our people.

In Washington our extreme climatic conditions have created a hotter, drier landscape. Our forests are sick and ripe for wildfire. For too many years investments in forest health, thinning and fuel reduction have not kept pace with the amount of risk on the landscape. We know what we need to do to allow Washington to remain the Evergreen State. We must aggressively treat and manage our forests using fuel reduction treatments and prescribed fire when appropriate.

There is broad community and scientific support for accelerated forest restoration. I encourage you to develop the Pine Pilot concept discussed in Title III, Subtitle D, to achieve the needed faster pace of restoration. We depend on our forests for clean water, wildlife habitat, jobs and carbon storage. They are a resource to conserve and protect, not to squander.

Since I took office in 2009 I've secured almost \$25 million in state investment to build resilient forests. Sadly, federal investment has not kept up. This legislation under consideration would end the practice of fire borrowing that robs from prevention and fuel treatment programs; however, it does not address the continued structural erosion of the Forest Service land management budget by rising fire costs.

A different budget formulation that eliminates use of the 10-year average of suppression costs or at least freezes it in time, is crucial to a realistic federal wildfire budget policy. Failure to fix this problem will trap us in a cycle of more costly fires. Others before me

have acknowledged this. You, Senator Murkowski, you, Senator Cantwell, know full well this problem.

I'm speaking, of course, in support of this draft proposal including a particular concern to me is that credentials for firefighters and aircraft must be standardized to ensure safe and rapid response when wildfire threatens. We must expand the use of drones and particularly, retardant aircraft, to keep fires small. A location tracking system will help keep fire crews safe. Expanded use of Firewise programs and fire-risk maps will give communities the knowledge and tools to prepare for wildfire, and improved telecommunications infrastructure will help people who live in fire-prone areas keep track of evacuations and road closures if wildfire threatens.

I believe we are at a critical moment. These last two wildfire seasons are a brutal warning. We must now do the vital work, as described in this discussion draft, to prepare for and respond to wildfire.

Thank you.

[The prepared statement of Dr. Goldmark follows:]

**Dr. Peter Goldmark, Commissioner of Public Lands
Washington State Department of Natural Resources**

I'd like to thank Senators Murkowski, Cantwell, Wyden and Crapo for their leadership and dedication to improving response and resources for wildfires. I appreciate the invitation to appear before you today.

My name is Peter Goldmark, and I am the Commissioner of Public Lands for the state of Washington. Elected directly by the people of my state, I am charged with managing and protecting Washington's natural resources.

That responsibility includes leading our state's fight against wildfire and overseeing forest health across all jurisdictions.

It has been a heavy responsibility to bear. We have lost about 3.5 percent of Washington state to wildfire over the last two catastrophic years. And most terrible of all was the death of three young firefighters, who died protecting homes during the Twisp River fire last August.

The impact on our people and the landscape has been horrific to witness.

In Washington, our extreme climatic conditions have created a hotter, drier landscape. Our forests are sick, and ripe for fire.

For too many years, investments in forest health, thinning and fuel reduction have not kept pace with the amount of risk on the landscape.

We know what we need to do to allow Washington to remain the Evergreen State. We must aggressively treat and manage our forests, using fuel-reduction treatments and prescribed burning when appropriate.

There is broad community and scientific support for accelerated forest restoration. I encourage you to develop the pine-pilot concept discussed in Title Three, Subtitle D, to achieve faster restoration.

We depend on our forests for clean water, wildlife habitat, jobs and carbon storage. They are a resource to conserve and protect, not to squander.

Since I took office in 2009, I've secured almost \$25 million in state investment to build resilient forests. Federal investment has not kept up. This legislation would end the practice of fire borrowing that robs from prevention and fuel-treatment programs.

However, it does not address the continued structural erosion of the Forest Service land management budget by rising fire costs. A different budget formulation that eliminates use of the 10-year average of suppression costs, or at least freezes it in time, is crucial to a realistic federal wildfire budget policy.

Failure to fix this problem will trap us in a cycle of more costly fires, driven by worsening forest conditions.

Title Two of the discussion draft offers sensible proposals that have potential to enhance the safety and effectiveness of wildland firefighting across the country.

Credentials for firefighters and aircraft must be standardized to ensure safe and rapid response wherever wildfire threatens.

We must expand our use of drones and retardant aircraft, to keep fires small. A location tracking system will help keep fire crews safe.

Expanded use of Firewise programs and fire-risk maps will give communities the knowledge and tools to prepare for wildfire.

And improved telecommunications infrastructure will help people who live in fire-prone areas keep track of evacuations and road closures, as wildfire threatens their homes.

I believe we are at a critical moment. These last two wildfire seasons are a brutal warning. We must now do the vital work, as described in this discussion draft, to prepare for and respond to wildfire.

The CHAIRMAN. Thank you, Dr. Goldmark, we appreciate your considered remarks.

Ms. Altemus, I hope I am pronouncing that right.

**STATEMENT OF JULIA ALTEMUS, EXECUTIVE DIRECTOR,
MONTANA WOOD PRODUCTS ASSOCIATION**

Ms. ALTEMUS. That is correct. Thank you.

The CHAIRMAN. Very good, thank you.

Ms. ALTEMUS. Good morning. My name is Julia Altemus. I'm the Executive Director of the Montana Wood Products Association and a member of the Federal Forest Resource Coalition Policy Committee. I want to thank you for this opportunity to testify today.

We appreciate the efforts of this Committee, including the Chairwoman, Ranking Member as well as Senators Wyden and Crapo to tackle the tough issues facing the Forest Service. We are committed to finding workable solutions to the problems of the federal forest management and fire borrowing and stand ready to work with the Committee.

The Montana Wood Products Association represents the wood manufacturing industry in Montana. Our industry is the state's primary manufacturing sector with roughly 7,500 direct and indirect jobs, a payroll of \$319 million and sales of \$900 million.

Roughly two-thirds of Montana's timber base is managed by federal agencies. In the last quarter century, we have lost 30 mills including the two yesterday and roughly 4,000 jobs as a direct result of litigation and declining federal timber sales. None of our remaining mills are run at full capacity and all depend on a sustainable supply of federal timber.

According to forest inventory analysis data, Montana's federal forests grow 567 million cubic feet of wood fiber annually. Five hundred ten million cubic feet, or an astonishing 89.9 percent, suffers annual mortality as a direct result of insect and disease. We only harvest about 4.5 percent of the annual growth and 5 percent of the mortality each year leading to chronic buildup of fuels for future wildfires.

Unfortunately, the Forest Service lacks authorities to plan and implement needed management projects in a timely fashion. Badly needed forest thinning, restoration and vegetative treatments can take years to get through NEPA only to meet opposition by fringe groups critical of timber harvest.

The 2014 Farm bill provided some tools to address these issues and Region One is very creative in their approach and is moving as expeditiously as possible but to date only one project is pending a decision, four have completed NEPA, seven are under analysis and 19 are on deck.

With 82 million acres identified by the Forest Service as high priority landscapes nationally, we fear that the new tools in the 2014 Farm bill are not enough to address the challenges we face.

Therefore, we applaud the Committee's commitment to solving some of our toughest challenges, providing our federal partners with a suite of tools and opportunities to increase the pace and scale of resource management and restoration is one of our top priorities.

Our written statement makes specific recommendations but we offer the following thoughts.

Under Title I, we appreciate the budgetary relief provided by this Title but would urge you to consider freezing the 10-year average at the 2015 levels and expand the use of wildfire risk reduction projects to lands in Fire Regime IV. This is particularly important for the work in the Northern Rockies as these landscapes traditionally lack age class diversity. There's 181,000 acres in this age class in Region One, 175 of those acres are in Montana alone.

Under Title III, we are concerned about provisions limiting the use of streamlined NEPA in lands designated as critical habitat. Montana has roughly 3.6 million designated acres within the suitable base much of which is susceptible to catastrophic fire but it is important to add these lands to the mix.

The need to treat fuels in dry and wet forest types is the same, communities surrounded by forest types that experience low frequency, high intensity wildfire are at the same for loss of life and property. Of the three things that drive wildfire, fuel, topography and weather, the only driver we can modify is fuel.

The above-mentioned provisions address NEPA, timeliness and pace and scale. What it does not address is how to confront legal challenges affecting project implementation.

Montana has suffered the effects of the timber wars for decades. In order to break the gridlock, local people representing diverse interests have gathered to find solutions to tough issues. Over the years roughly 30 collaboratives have formed. They're working together within a zone of agreement that includes restoring ecological function, offers economic stability and honors social values.

Even so, fringe groups continue to challenge projects in court. Currently, there are 220 million board feet of timber in litigation, 45 million board feet in a notice of intent to sue and 202 million board feet over objection. This will impact 51,000 acres. Projects under litigation alone affects 44,000 truckloads of logs and thousands of jobs. Montana Wood Products Association suggests judicial reforms are needed.

I'm about out of time so I will be happy—they're in our written statement. I'll be happy to offer that for further discussion.

In closing, we do want to thank you for all your effort in bringing this draft discussion to us, and we know that the Forest Service is working hard to solve these problems, but they do need your help.

Thank you.

[The prepared statement of Ms. Altemus follows:]



600 New Hampshire Ave., NW
Washington, DC 20037

Testimony of
Julia Altemus
Executive Director
Montana Wood Products Association
Committee on Energy & Natural Resources
June 23, 2016

On the DRAFT Wildfire Budgeting, Response, and Forest Management Act of 2016

My name is Julia Altemus, Executive Director, Montana Wood Products Association. I am here today to testify on behalf of MWPA and the Federal Forest Resource Coalition. MWPA is a charter member of FFRC, and I serve on their Policy Committee.

The Federal Forest Resource Coalition is a national non-profit organization representing purchasers of Federal timber, conservation groups, and county governments in 32 States. Collectively, our members employ over 390,000 people, and provide over \$19 billion in payroll. Our members purchase, harvest, transport, and process National Forest and BLM timber into renewable wood, paper, and biomass energy products.

The Montana Wood Products Association was founded in 1972 and serves as a major voice for the wood products industry in Montana while actively dealing with timber, logging, and wood products manufacturing issues in the public arena, and with state and federal government. Moreover, our members live and work in close proximity to our National Forests, and we value the wildlife, recreation, and clean water that they produce, along with the sustainable wood products that help us run our businesses. MWPA's membership includes a diverse group of companies and individuals involved in all facets of Montana's wood products industry. This includes sawmills, manufacturers of plywood, particle board, fiberboard, pulp and paper, posts and poles, log homes, as well as timberland owners and managers and logging contractors. They produce value-added products through manufacturing and provide over 7,500 direct jobs for Montana families. Montana's timber community professionals work daily using 21st century technology to log and mill trees - the renewable resource.

We appreciate the opportunity to testify on this discussion draft, which provides the Forest Service with new tools to manage the National Forests, which are showing the effects of inactive management, drought, overstocking, large wildfires and insect epidemics, and climate change. We are also pleased that the Discussion Draft provides the Forest Service with access to emergency spending authority through a budget cap adjustment to address wildfire costs that exceed the 10-year suppression average.

We urge the Committee to move as quickly as possible to approve these provisions with some changes, and to proceed to conference with the House, which passed a broader fire funding and forest reform bill in July of last year.

The Need for Reform:

The Committee has established a clear record in support of reforming both the management of the National Forest System and the funding mechanism to pay rapidly increasing suppression costs. Since February of 2015, you have held 5 full committee, subcommittee, and field hearings on the subjects of fire suppression, forest health, and forest management, not to mention 2 budget oversight hearings during which these subjects figured prominently.

FFRC has been privileged to testify at two of these hearings, in March and July of last year. Much of my written statement here today reflects testimony provided in those hearings. FFRC also had the opportunity to testify before this committee in July of 2013. Regrettably, little has changed since then, except for ever broadening acceptance of the facts on the ground: Our National Forests are experiencing widespread and growing forest health challenges, and our methods of paying escalating suppression bills still rob funds from needed forest management programs. The current system is neither fiscally responsible nor ecologically sustainable.

As you well know, over 82 million acres of Forest Service lands are at elevated risk of catastrophic wildfires, insect, or disease outbreaks. These problems are often the most severe in the States which have lost most of their wood using industries, such as Arizona and New Mexico. Large scale wildfires cost billions annually to suppress, and cities such as Denver have been forced to spend tens of millions of dollars restoring damaged watersheds. As California continues to cope with long-term drought, rapid and extensive forest mortality is occurring in over-stocked, under managed forests there as well.

In other National Forests, such as those in the Lake States and New England, passive management has allowed forests to develop into closed canopy stands where little sunlight reaches the forest floor. These forests have limited value as wildlife habitat and are susceptible to fire and insects, while sensitive species which require early successional habitat, such as the ruffed grouse and Kirtland's Warbler, continue to disappear.

The extent of the problem is not in doubt. The Government Accountability Office recognized the urgency of the need to reduce hazardous fuels in 1991. The Forest Service acknowledges that over 73 million acres of their lands are a high priority for management and that "one time treatment of all high fire risk areas would not fully address the fuels

problem, as landscapes continue to change over time and fuels would build up on many lands currently in historic condition, without periodic maintenance treatments.” The Western Governors Association has adopted numerous resolutions acknowledging the extent and severity of the problem, and urging rapid action to address it.

Current authorities do not allow the Forest Service to plan and implement needed management projects in a timely fashion. Badly needed projects to thin hazardous fuels can take years to plan, at which point groups opposed to management file lawsuits that cause further delays. Forests are woefully behind on meeting forest plan objectives, particularly those associated with young forests. At best, it takes the Forest Service at least a year to plan and begin implementing salvage projects in some regions. Worse yet, the agency has, in our view, been slow to implement streamlined authorities provided in the 2014 Farm Bill.

FFRC supports fundamental reform of the National Forest System, including identification of a land base for timber production, with streamlined analytic and judicial review processes. Further, we believe that the Forest Service must be provided with mission clarity if there is any hope for it to successfully tackle its management challenges. As FFRC has previously testified in front of this committee, a “trust” mandate with clear beneficiaries and fiduciary responsibilities – if implemented on the small portion of the National Forests suited for timber production – is the kind of mission clarity the Forest Service needs.

However, with due consideration of the difficulties of moving such a comprehensive bill in the current political climate, we believe the discussion draft represents a credible, implementable approach that will enable implementation of needed management projects much more quickly than is currently possible. We urge rapid action in the Senate, and urge you to negotiate a compromise with the House. The House passed HR 2467, the Resilient Federal Forests Act, in July of 2015. That bill uses a different fire funding mechanism to cover emergency fire costs, and provides a broader array of NEPA tools than the discussion draft.

Following are some specific observations and recommendations regarding the discussion draft.

Sec. 2 Definitions: The definition of “collaborative process” includes many ambiguous terms that may attract legal challenges. We suggest simplifying this section to avoid this problem.

Title I: Wildfire Budgeting: The discussion draft assumes the 10-year average for fire suppression costs will rise, and requires it to form the basis of Administration budget requests. Like the Resilient Federal Forests Act and other proposals, this leaves the problem of budget “erosion” in place – i.e. – increasing average suppression costs siphon money away from forest management and other priorities. In a constrained budget environment, the increasing 10-year average will eventually threaten key management programs, such as timber sales and forest roads. FFRC is not favoring one fire funding

solution over another, however we urge Congress and the Administration to settle upon a solution as rapidly as possible.

Further, we recommend two changes to the reporting requirements in Section 102, and some additional changes to the Wildfire Risk Reduction Projects authorized in Section 104.

Recommendations:

- (1) We recommend the Committee consider adding provisions which would stem budget erosion, such as adopting a cap on the 10-year average, starting with Fiscal Year 2015, perhaps indexing it for inflation.
- (2) Under the reporting requirements in Section 102, we urge the addition of two items: (i) report damage to adjacent non-Federal lands or inholdings in large fires where a Federal agency had primary suppression responsibilities and (ii) an estimate of the reforestation needs created on Federal lands by catastrophic, uncharacteristic fires.
- (3) We urge you to expand eligible Wildfire Risk Reduction Projects under Section 104 to include Fire Regime IV. This is particularly important for work in the Northern Rockies, as these landscapes frequently lack age class diversity, and would benefit from the establishment of fuel breaks.
- (4) Clarify that Wildfire Risk Reduction Projects under Section 104 can be conducted pursuant to streamlined NEPA authorities found in the Discussion Draft (Title III), or HFRA Authorities, as appropriate.
- (5) Clarify that Wildfire Risk Reduction Projects under Section 104 be dedicated to mechanical hazardous fuels reduction projects.

Title II: Wildfire Response and Preparedness: By and large, we defer to the expertise of State and Federal wildland fire fighting agencies on this title. However, we suggest one issue could be addressed in this title; Under current Federal law, Federal agencies only pay half of the personal liability insurance premiums required for employees in firefighting leadership positions. In California, State firefighters are exempted from personal liability altogether. We urge the Committee to either completely exempt Federal wildland firefighters from personal liability (with exceptions for criminal acts), or at least require the Federal agencies to cover 100 percent of the personal liability premiums.

Title III: Public Land and Forest Management:

Subtitle A: This title provides broad authority for the Forest Service to conduct streamlined NEPA on portions of the National Forests to meet any one or combination of 5 objectives; reducing hazardous fuels, installing fuel and fire breaks, restoring forest health and resilience, protecting municipal water supplies or communications sites, and improving wildlife habitat. These projects would be analyzed under a streamlined NEPA process that evaluates the proposed action and the no action alternative, with direction to clearly evaluate the consequences of not managing the forest.

FFRC strongly supports this new authority. While we believe there are specific Categorical Exclusions which would expedite needed work, particularly on such issues as early seral habitat, we believe this broad, flexible approach is laudable.

We are concerned about the conditional inclusion of lands designated as critical habitat. The draft allows Section 301 projects to go forward in critical habitat, if, after consultation under Section 7 of the ESA, the Secretary determines that the forest management activity is not likely to destroy or adversely modify critical habitat will delay project implementation. Many forests in Region One have thousands of acres of designated critical habitat. In our experience, the Forest Service shies away from most active management (let alone under expedited authorities) in designated critical habitat, even if foresters and biologists agree that leaving the habitat unmanaged subjects it to great risk from catastrophic fire. Strengthening this provision to encourage active management where it would benefit species would be helpful.

Subtitle B requires the Forest Service to meet the intent of the Tongass Forest Plan Advisory Committee by conducting a full, stand-level inventory of both old and young forests on the Tongass before the draft forest plan revision. While we have advocated strongly for more drastic measures in the past, we believe this provision represents a modest compromise needed to break the gridlock in Southeast Alaska.

Subtitle C addresses lingering questions regarding cancellation ceilings that have, at times, obligated the Forest Service to set aside significant funds to cover termination costs in Stewardship contracts. This subtitle provides statutory authority to allow the Forest Service to cope with it more efficiently. We strongly support this provision. We also applaud the increased flexibility to use retained Stewardship receipts for project planning, with a minor change.

Subtitle D provides new authority for the Forest Service to conduct restoration work in certain forest types. We believe this authority can be made more effective with some minor changes. As currently drafted, it may not provide the streamlining we believe was intended.

Recommendations:

- (1) For projects under Section 301, we recommend adding as a new purpose meeting forest plan goals for early successional habitat. These habitats are demonstrated to be among the fastest disappearing on NFS lands, unless created by wildfire. On forests with quantifiable early successional goals, the agency is considerably behind on meeting these goals.
- (2) Provide flexibility for collaboratively developed projects under Section 301 to use streamlined NEPA analysis on projects that include new road construction.
- (3) Require that projects conducted under Section 301 be subject to judicial review pursuant to Sec. 106 of the Healthy Forest Restoration Act, which requires cases to be filed in the district where the project is located, limits injunctions to 60 days (unless renewed), requires plaintiff to petition court for renewal of injunction, and requires courts to balance the harms of not doing the project).
- (4) We recommend adding a provision similar to HFRA Section 107 to Subtitles A and D, clarifying that the Secretary retains authority to conduct projects under other authorities.
- (5) In addition to the judicial review provisions recommended above and the substantial deference standard in Subtitle D, we recommend adding a provision to both Section 301

and Subtitle D allowing the use of binding arbitration on a pilot basis. We note that Chief Tidwell expressed openness to this idea in previous hearings.

(6) We strongly endorse Section 324, allowing the use of retained receipts for planning additional projects, but recommend striking the requirement that the projects must be done using Stewardship contracts.

(7) We suggest clarifying the Subtitle D to achieve greater streamlining. For instance, it's not clear how the Forest Service could successfully implement a project where forest industry facilities are "scarce." We recommend striking this ambiguous requirement. Also, we recommend a clearer definition of which lands are eligible for the project, such as condition class and/or an appropriate ecological province.

(8) Likewise, projects done under Subtitle D should, at the very least, be subject to the judicial review provisions of Sec. 106 of HFRA.

(9) For projects under both Sec. 301 and Subtitle D, we recommend that the legislation reinforce the existing deadlines found in the Endangered Species Act (90 days to complete formal consultation, and 45 days to issue the appropriate biological opinion).

We would also like to bring to the Committee's attention the need for a technical legislative change in order to implement the restoration strategy on National Forests east of the Cascades in Oregon and Washington. A one-size-fits-all regulation known as the "eastside screens" is preventing action on collaborative, science based forest restoration projects in the region. The eastside screens – a more than 20 year-old regulation intended to be temporary – requires the retention of all trees greater than 21" diameter at breast height (DBH) in forest management projects on national forests in eastern Washington and eastern Oregon-regardless of species type, age, or location.

This regulation imperils science-based restoration projects intended to protect older pine trees by removing younger fir trees greater than 21". Worse, a recent court decision has limited the Forest Service's ability to make project-level exceptions this this rule. It is imperative that reform legislation seeking to address federal forest restoration and resiliency in dry forest types in the Pacific Northwest provide an alternative to this dated and unscientific regulation.

Litigation: We are disappointed that the discussion draft does not address the problems that on-going litigation poses across the west. Western Regions of the Forest Service continue to have project implementation impeded by district and circuit court actions. Over 60 percent of Region One's budget is spent on environmental analysis to meet and anticipate court challenges. Montana Wood Products Association has submitted specific recommendations on litigation in the comments we filed through the Committee's website. While we recognize that many of these issues implicate the jurisdiction of other committees, we stand ready to discuss these issues with you in the hopes of finding acceptable solutions.

Conclusion: Climate change, 25 years of passive management, and rapid human development have created a landscape prone to large, expensive, and damaging fires. The National Forests are not producing the economic, ecological, or social benefits Americans deserve or expect. Our rural economies are suffering. Recreation opportunities are diminishing.

Congress has, ever since 2003, adopted measures intended to streamline management, expedite administrative objections, and, to an extent, reduce unnecessary delays from litigation. Missing from these cautious grants of new authority has been a clear mandate to manage our public forests more aggressively, and a simple, fiscally responsible solution to the problem of increasing fire suppression costs.

Addressing these budgetary issues is simple good government that anyone who cares about the Forest Service should support. We applaud all of the various measures intended to prevent fire borrowing, including the House-passed legislation, the efforts of this committee, and the work of the Appropriations Subcommittees to honestly budget for both suppression costs and expanded management

Over the last several years, the Committee has heard from multiple stakeholders concerned about the safety of their communities, their ability to access forest lands to hunt and fish, the sustainability of their economies, and the protection of their drinking water supplies.

The Forest Service is attempting to address many of these concerns by accelerating the pace and scale of forest restoration of our National Forests. However, Congressional action is needed. We urge this Committee to work with your colleagues in the House and the Administration to address these pressing problems, whether in the context of this legislation or elsewhere.

Thank you for the opportunity to share these thoughts on this discussion draft.

The Federal Forest Resource Coalition is a 501(c)(6) non-profit representing purchasers of Federal timber and biomass in 32 States. Our members harvest, transport, and process timber into wood products, pulp and paper, and biomass, and represent local governments, sportsmen's groups, and others who support better management of our national forests. Collectively, our members represent over 390,000 employees, and over \$19 billion in payroll.

The CHAIRMAN. Thank you, Ms. Altemus, we appreciate the specifics that you have offered the Committee.

Ms. Humphries, welcome.

STATEMENT OF BECKY HUMPHRIES, CHIEF CONSERVATION OFFICER, NATIONAL WILD TURKEY FEDERATION

Ms. HUMPHRIES. Thank you.

Good morning, Chairwoman Murkowski. My name is Becky Humphries, and I am the Chief Conservation Officer for the National Wild Turkey Federation. In a prior life I was also the Agency Director in the State of Michigan that oversaw the management of a four-million-acre state forest system and the Wildlife Chief.

The National Wild Turkey Federation is a nationwide, non-profit but we do on-the-ground conservation work. We were originally formed to restore the wild turkey to its original habitat in this country, but we now have shifted into save the habitat, save the hunt, and through this initiative we are a large partner with the U.S. Forest Service.

We have state chapters in every state of the nation, and we also have a team of biologists and foresters that work on the landscape. We had one of the first stewardship agreements. We have a formal partnership with the U.S. Forest Service that was signed in 1986 and continues today, and we've delivered thousands of projects across the United States.

We're a leader in stewardship contracting and even though we don't have a mill and do anything with the wood products, but through stewardship contracting we're consistently listed as one of the top ten timber buyers in the country. And a few years ago we were number five.

We strongly support the discussion draft we have before us today. We appreciate the Committee is considering both a fix to fire borrowing and active management of our forests, because we feel very strongly that they go hand in glove. We must fix both if we're going to be successful.

We strongly applaud active management. Wildlife biologists across this country know that diversity is the key to really good wildlife habitat out there. Wildlife takes food, water, shelter and space in order to live and active management creates that diversity on that landscape.

Lack of proper management has resulted in species declines and in the Eastern United States, 59 percent of the birds species depending on young forests have declined over the last two decades. We have species like the golden winged warbler that's now a candidate for the Endangered Species Act. Ruffed grouse, that used to be very, very prevalent, have disappeared in the Midwest and in the Eastern United States. And the wild turkey population is declining. The gopher tortoise which is a keystone species and is found in pine savannahs is really, represents 360 other wildlife species on the landscape that it is needed by that habitat.

In the Western U.S. we see similar situations where we manage for old growth we may benefit only 14 species, but while there are over 70 species that are dependent on those young forest types and we need to do more for those species.

The U.S. Forest Service allocates funding and guidance to provide such young habitat but fire borrowing, as we've heard today, and our broken management system preclude us getting that work done. The pace of creating young forests needs to greatly increase if we're going to be successful.

We appreciate the proposed fire borrowing fix. We have, as we look at the fire system on budgets you've heard today, over 50 percent of it is going into fire suppression efforts. There are real consequences to this.

When we look at some of the fire systems over the fires activities that have occurred, we've seen over 60 percent on some of our fire areas that are most fire prone and those have severely hampered our efforts.

The rolling 10-year average as outlined in the bill is an improvement for sure, but we really need to freeze it, as we've talked about, so that we don't continue to erode the money that's available to do active management. We request the Committee consider using as a benchmark, the 10-year, the last 10-year average for that and freeze it at that amount. We acknowledge that that's the jurisdiction of the Budget Committee and we ask you to move forward and work with them on trying to find a resolution to that.

We strongly support collaboratives and the provisions in those of action/no action. We really think that can affect state agency's management capabilities on wildlife. And the National Wild Turkey Federation partners with every state wildlife agency across the state and that state/federal cooperation is really, really important. We think it will enhance that.

We support collaboratives that qualify for expedited NEPA review, restricting alternatives reduces the overhead and it helps break some of the gridlock and the paralysis that we see in our system.

Management needs to be returned to the professionals.

In moving forward on a couple items, we strongly support the ponderosa pine forest and the dry sites and what we can do to help move that forward. We think that's good.

Also, Tongass National Forest, we think it's reasonable and prudent to do that inventory. We don't want to slow down that process but we do think that maintaining our markets and the local economies is very important.

Overall, we strongly applaud your efforts to move this forward.

Thank you.

[The prepared statement of Ms. Humphries follows:]



**Statement of the
National Wild Turkey Federation**

**SENATE COMMITTEE ON ENERGY AND
NATURAL RESOURCES**

**WILDFIRE BUDGETING, RESPONSE, AND FOREST
MANAGEMENT ACT OF 2016**

June 23, 2016

**Presented by:
Becky Humphries, Chief Conservation Officer**

Chairwoman Murkowski and Senator Cantwell, I am Becky Humphries, Chief Conservation Officer of the National Wild Turkey Federation (NWTf). I appreciate the opportunity to submit this statement of strong support for the “Wildfire Budgeting, Response, and Forest Management Act of 2016” Discussion Draft of May 25, 2016, which addresses the issues of fire-borrowing and active forest management on US Forest Service (USFS) and Bureau of Land Management (BLM) lands. I submit as part of my statement for the record, a letter of June 7, 2016, from 32 national wildlife and hunting conservation organizations in support of the Discussion Draft, and with a commitment to work with both this Committee and the Budget Committee to move this much-needed legislation to enactment. Our conservation community looks forward to working with you to move this bill expeditiously through the Committee and next to the Senate floor.

Founded in 1973, the National Wild Turkey Federation is a national non-profit wildlife conservation organization dedicated to the conservation of the wild turkey and preservation of our hunting heritage. The National Wild Turkey Federation is 230,000 members strong and maintains local chapters in every state. With the successful restoration of the wild turkey complete, the National Wild Turkey Federation has focused its efforts on our “Save the Habitat. Save the Hunt.” initiative, which connects both parts of our mission by recognizing the importance of quality habitat for wildlife conservation and our hunting tradition. Through this initiative, our “Save the Habitat” efforts are largely focused on creating and maintaining healthy forests through active management.

NWTf is unusual among conservation organizations. We don’t simply advocate for what we want, we actually do serious forestry work and put conservation directly on the ground on our federal public lands. The NWTf has over 50 professional conservation staff located across the nation, including 9 professional foresters. These staff work daily with state agencies, federal agencies, and private landowners to implement forest management and other wildlife habitat projects on the ground. The NWTf has a long-standing formal partnership with the USFS dating to 1986. We have worked together to deliver thousands of projects benefiting wildlife and wildlife based recreation. The NWTf has been a leader in Stewardship Contracting, implementing one of the first projects by a non-profit organization a decade ago. Since, we have partnered with the USFS on 81 successful stewardship contracts and agreements. All of these projects demonstrate the benefits of partnership and have resulted in thousands of acres of sustainable forest management. As a result of these agreements, over the last decade the NWTf has consistently been one of the top 20 purchasers of federal timber, ranking as high as fifth. We understand first-hand the power of collaboration and partnerships, the value of categorical exclusions to getting work done in an efficient manner, and the challenges faced by the federal agencies in getting active management implemented on the ground.

Professionally trained wildlife biologists know that forest diversity at the landscape level is the key to proper management to achieve species diversity and robustness. There are four fundamental criteria each forest species needs for survival: food, water, shelter, and space. Depending on how a forest is managed, various amounts of these criteria become available to the wildlife living there. Wildlife managers consider active management the best solution to meet the habitat requirements of the largest variety of species. Active management creates young forest habitat, which provides adequate food sources, nesting habitat, and hiding places for forest

wildlife. Throughout the United States we are losing this diversity on a landscape-level scale, in many cases because our forests are becoming more homogenized and over-mature.

This has resulted in a precipitous decline in species that are dependent on young forest habitat. For example, in the eastern United States, 59% of bird species dependent on young forests have declined in the last few decades, including songbirds like the golden winged warbler, which is a candidate for Endangered Species Act (ESA) listing. Ruffed grouse have nearly disappeared from several national forests across the east and midwest, and the wild turkey has experienced population declines in many areas, often associated with the lack of young forest habitat for nesting and raising their young. In western forests, like the Willamette National Forest in Oregon, current forest management for mature forests benefits 14 species dependent on these forests, while 71 species solely dependent on young forest, and another 116 generalists, suffer as young forest habitat declines. Two popular, charismatic species, the mule deer and elk, both depend on early forest successional stages for forbs, shrubs and other food sources. The USFS has recognized the need for young forest habitat and it allocates funding and guidance to provide such habitat for threatened and endangered species, including the golden-winged warbler, New England cottontail, the gopher tortoise, and red-cockaded woodpecker. However, the pace of creating young forest habitat for these and hundreds of other wildlife species needs to be greatly increased.

We appreciate that the Committee is expeditiously considering the issue of fire borrowing and active forest management on federal forest land to increase the pace of creating young forest habitat. We are very much in favor of most aspects of the Discussion Draft. We offer a couple of recommendations in the remainder of this testimony that we believe would improve the bill.

This fire borrowing has very real consequences. For example, in the Rio Grande National Forest in the USFS Region 2, catastrophic wildfires suppression routinely "borrowed" funds from the Forest Service's budget (up to 60% in 2014). This borrowing has severely hampered staff time and operating dollars from being focused on active forest management efforts that are planned and budgeted.

The West Fork Complex Fire of 2013 involved over 115,000 acres on both the Rio Grande National Forest and the San Juan National Forest to the west. Fire behavior and intensity burned at levels that were drastically above the norm for this type of fire in a spruce fir zone, prevented defensible space from being established for fire fighters and created a high fire burn severity on over 60% of the burn scar. This fire event was exacerbated by the nearly 500,000 acres of the fire zone that was involved in a spruce beetle infestation, nearly all of which was in the "brown stage", which elevated the risk and intensity of the wildfire dramatically.

Although the current Forest Plan authorized silvicultural activities to occur and NEPA-ready projects were available, forest management activities on the Rio Grande National Forest have been drastically reduced for nearly a decade as a result of "fire borrowing". This phenomenon is prevalent across Region 2 National Forests.

The NWTF sincerely appreciates the proposed fix to the fire-borrowing issue, which is long overdue. Catastrophic fires are increasing in number, and the cost of fire suppression - largely

because of these catastrophic fires - now exceeds 50% of the USFS budget. The NWTF supports the provisions in the Discussion Draft that will address the problem of account transfers out of important fish, wildlife, recreation, watershed, habitat and forest management accounts, including fire prevention, when wildfire suppression costs exceed the appropriated amounts for the USFS and BLM. While the majority of catastrophic fires occur in the west, the impact from the borrowing from other accounts is felt nationally. Significant cooperative projects between the NWTF and the USFS or BLM are put on hold or cannot be realized because of loss of these funds to fire suppression.

The NWTF understands and respects that the wildfire fix is the jurisdiction of the Budget Committee and that Budget Committee Leaders appreciate the severity of the problem and have worked well with your Committee on this draft. NWTF respectfully requests that this Committee and the Budget Committee continue working on this issue and that consideration is given to setting the ceiling for fire suppression funding at last year's wildfire suppression 10-year average, above which the agencies may access disaster funding. The percentage of the budgets of the U.S. Forest Service and Department of the Interior dedicated towards wildfire suppression has grown substantially in the last several decades. Using a rolling 10-year average as outlined in the Discussion Draft is an improvement for sure, but it will result in a continued decline in staff resources and budget authority for other activities including fish and wildlife management and forest management directed to fire prevention. Unless fire suppression funding is capped, this will continue to contribute to the challenges of overstocked forests in all parts of the country, which is also reflected in certain types of wildlife habitat decline.

The NWTF strongly supports the provision in Title III (a)(2)(E) that expedites forest health projects in plans developed by collaboratives to improve "wildlife habitat to meet management and conservation goals, including State population goals." Federal land forest projects can significantly affect the ability of state fish and wildlife agencies to attain or sustain wildlife population objectives. The degree of the federal-state coordination can vary, and differing mandates can complicate state fish and wildlife agency efforts to meet publicly supported outcomes for wildlife populations, habitat, hunting and other wildlife related recreation. This provision should incentivize and enhance the state-federal cooperation to reach these outcomes on federal forests within state borders, as agreed to by the state fish and wildlife agencies and the USFS or BLM.

The NWTF also supports all of the Draft's purposes which qualify a project developed by a collaborative for expedited NEPA review. We fully support incentivizing and facilitating the use of collaboratives to develop forest management projects as reflective of the interests of all stakeholders in the Forest Plan or Resource Management Plan. Restricting the NEPA alternatives to either action or no action consideration will begin to break through the paralysis that has settled on federal land management by an increasing number of unfounded lawsuits. Management of our federal lands needs to be returned to federal and state professionals, after appropriate public engagement and review, in order to reduce the time and cost of delivering conservation on the ground.

We provide a couple of examples to illustrate this. First, the Rio Grande Watershed Emergency Action Coordination Team in Colorado is a community group formed to address general concerns regarding public safety and environmental health concerns after the West Fork and

Papoose Fires. It was established to bring together local, state, federal and non-government organization partners to develop an effective, coordinated approach for immediate actions to directly address fire-caused natural hazards resulting in the need for the protection of human life and property and the natural health of the Rio Grande Watershed and its environment.

Additionally, collaboration between NWTF, the Wildlife Management Institute, and the USFS in the Green Mountain National Forest, resulted in utilization of a Challenge Cost Share Agreement to fund work on the ground to help the USFS meet forest objectives for young forest habitat. The NWTF will be administering contracts with contractors to fund the work utilizing USFS and Wildlife Management Institute funds in summer 2016 and into 2017.

The NWTF supports Title III because its intent is to remove some of the traditional barriers that have made it difficult to be proactive in forest management or even responsibly reactive after a catastrophic wildfire. Section 331 directly addresses restoration efforts where there is a need for forest restoration in not only Ponderosa Pine forests but also in “dry site mixed conifer forests” that are deemed “Eligible” according to the criteria outlined. This will allow restoration efforts to be addressed, for example, in spruce forests that have been severely impacted by spruce beetle occurrences when the fire regime is at an extremely undesirable level. Such is the case in southwest Colorado on the Rio Grande, San Juan and Gunnison National Forests where nearly 1 million acres of spruce/fir forests have been devastated by the occurrence of the spruce beetle. These impacted areas are not within a wildland-urban interface, sit at the heads of significant watersheds, are not in “desired condition relative to fire regime” and have a “high or very high wildfire hazard potential”. This language would provide much needed opportunity for collaborative forest reform efforts to receive authorization to move forward and manage these forests with science-based management.

Further, the NWTF supports section 311 because we believe that if the federal government seeks to change a forest harvest regime on Tongass National Forest that will significantly affect timber operators, sawmills, and the local economy, it should be required to inventory the supply of timber under the new harvest regime and the potential impact on the local economy.

With respect to Section 324, the NWTF recognizes the need for additional funds to be devoted towards planning activities. Planning activities are necessary to develop and implement projects, and often resources are limited to get the work and clearances completed in a timely manner. Therefore, allowing some stewardship project revenues (i.e., “retained receipts”) to cover the costs of planning additional stewardship contracting projects could be beneficial. This provision may further justify the continued or increased use of Stewardship Contracting, especially on National Forests that are able to generate significant stewardship project revenues, for those that have limited “shelf ready” projects, and for those that lack capacity to complete the required planning efforts. However, we are not sure if the need reaches the 25% threshold and ask that you explore a lower threshold.

Additionally, on Section 324, we are concerned that diverting a significant amount of retained receipts for planning efforts may not leave adequate funds to accomplish the on-the-ground service work necessary to improve the health of our forests. Therefore, we suggest that use of this provision be closely monitored to ensure that product value (i.e. timber receipts) is used to

fund restoration efforts where ample shelf-ready projects already exist. This is particularly pertinent to Stewardship Agreements, a type of “Stewardship Contracting” in which partner non-profit organizations contribute a minimum of 20% matching funds in order to expand the pace and scale of restoration. Given the significant investment by these non-profit partners, we believe all the timber receipts generated during the life of the project should be fully utilized for actual service work, rather than being used to plan future projects in which the partner may not be involved.

Finally, I would like to make an observation about Categorical Exclusions (CEs) since there is much misinformation in circulation about CEs and their legitimacy. CEs are not exceptions to NEPA. They are defined and utilized under the Council on Environmental Quality (CEQ) regulations 40 CFR Part 1508.4 for activities that individually or cumulatively have no significant effect on the environment. Characterizing them as exceptions to NEPA raises “NEPA exemption anxiety” where none needs to exist. The CEQ regulation definition of CEs is below in full:

“ ‘Categorical exclusion’ means a category of actions which do not individually or cumulatively have a significant effect on the human environment and which have been found to have no such effect in procedures adopted by a Federal agency in implementation of these regulations (Sec. 1507.3) and for which, therefore, neither an environmental assessment nor an environmental impact statement is required. An agency may decide in its procedures or otherwise, to prepare environmental assessments for the reasons stated in Sec. 1508.9 even though it is not required to do so. Any procedures under this section shall provide for extraordinary circumstances in which a normally excluded action may have a significant environmental effect.”

This Administration has also issued CEQ policy encouraging federal agencies to take more advantage of the opportunities provided under CEs to expedite NEPA review. While some may categorize CEs as a “NEPA exemption” the facts in CEQ regulations clearly refute that as a mischaracterization.

The encouraging news is that through the use of categorical exclusions, we can make a difference. For example, along State Highway 149, south of Lake City, Colorado, lack of forest management created a highway corridor that was extremely dangerous due to beetle killed timber and the resulting threat of dead-fall or wildfire. Through a Categorical Exclusion that was authorized on the Grand Mesa, Uncompahgre and Gunnison National Forests, a highway safety corridor project was undertaken in the summers of 2014-15 that has made a remarkable difference in forest health and human safety.

Overall, the NWTF thinks that this Discussion Draft is a scientifically sound and realistically reasonable proposal and one that should easily be able to pass and make it to conference with the House. Thank you for the opportunity to submit comments on the Discussion Draft, and we look forward to working with you as the bill progresses. The Committee is praised for its bipartisan work. We urge you to press on in the direction you are headed.

June 7, 2016

The Honorable Lisa Murkowski
Chairman, Senate Committee on Energy and
Natural Resources
U.S. Senate
709 Hart Senate Office Building
Washington, DC 20515

The Honorable Maria Cantwell
Ranking Member, Senate Committee on
Energy and Natural Resources
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20515

The Honorable Jim Risch
U.S. Senate
483 Russell Senate Office Building
Washington, DC 20515

The Honorable Ron Wyden
U.S. Senate
221 Dirksen Senate Office Building
Washington, DC 20515

The Honorable Mike Crapo
U.S. Senate
239 Dirksen Senate Office Building
Washington, DC 20515

Dear Chairman Murkowski, Ranking Member Cantwell, Senator Risch, Senator Wyden and
Senator Crapo:

Our organizations are writing to you today on behalf of our millions of members who are
dedicated to enhancing wildlife conservation on our nation's public and private forest lands and
to securing the future of our hunting heritage. We support the discussion draft legislation
"Wildfire Budgeting, Response, and Forest Management Act Of 2016", which addresses wildfire
suppression funding and forest management enhancements. Good proactive forest management
coupled with a fire-fighting funding fix is our shared goal. We urge the Senate Energy and
Natural Resources Committee to quickly advance these bipartisan forest management
enhancements and a permanent fix to wildfire suppression funding.

Specific to the draft bill, we strongly support the provision at Title III (a)(2)(E) that expedites
forest health projects to improve "wildlife habitat to meet management and conservation goals,
including State population goals". Federal land forest projects can significantly affect the ability
of states to attain or sustain wildlife population goals. The degree of the federal-state
coordination can vary, and differing mandates can complicate state fish and wildlife agency
efforts to meet publicly supported outcomes for hunting and other wildlife related recreation.
This provision should enhance the state-federal cooperation to reach these fish and wildlife
population, habitat, hunting and other wildlife-dependent recreation outcomes on federal forests
within state borders.

We also support provisions in the discussion draft bill that fix the problem of account transfers
(out of important recreation, wildlife and forest project accounts) when wildfire suppression
costs exceed the appropriated amounts for the Forest Service and BLM. We respectfully request
that you consider adding a continuing ceiling set at last year's wildfire suppression 10-year
average, and above which the agencies may access disaster funding, so that the Forest Service's
and Department of the Interior's overall funding outlooks do not see any further allocation of its

budget towards wildfire suppression funding. The percentage of the Forest Service's and Department of the Interior's budgets dedicated towards wildfire suppression has grown substantially in the last several decades. The decline in staff resources and budget authority for other activities has contributed to the challenges of overstocked forests in all parts of the country, which is also reflected in certain types of wildlife habitat decline.

Thank you for your continued leadership. We look forward to working with you to pass meaningful, bipartisan legislation that gets signed into law this year.

Sincerely,

Archery Trade Association
Association of Fish and Wildlife Agencies
Boone and Crockett Club
Camp Fire Club of America
Catch-A-Dream Foundation
Congressional Sportsmen's Foundation
Dallas Safari Club
Delta Waterfowl Foundation
Ducks Unlimited
Houston Safari Club
Masters of Foxhounds Association
Mule Deer Foundation
National Shooting Sports Foundation
National Trappers Association
National Wild Turkey Federation
North American Grouse Partnership
Orion The Hunter's Institute
Pheasants Forever
Professional Outfitters and Guides of America
Public Lands Foundation
Quail Forever
Quality Deer Management Association
Rocky Mountain Elk Foundation
Ruffed Grouse Society
Safari Club International
Shikar Safari Club International
Tread Lightly!
Whitetails Unlimited
Wild Sheep Foundation
Wildlife Forever
Wildlife Management Institute
Wildlife Mississippi

The CHAIRMAN. Thank you, Ms. Humphries, we appreciate it. Mr. Nelson, welcome.

**STATEMENT OF PETER NELSON, SENIOR POLICY ADVISOR
FOR FEDERAL LANDS, DEFENDERS OF WILDLIFE**

Mr. NELSON. Thank you. Thank you, Chair and Senator Daines. My name is Pete Nelson. I'm a Senior Policy Advisor at Defenders of Wildlife where I manage our National Forest Policy Program. Thank you for inviting my testimony today.

I've been professionally involved in National Forest science, policy and management for nearly 20 years. I'm a member of the Federal Advisory Committee overseeing implementation of the Forest Service's 2012 Planning Rule, and I'm also a member of the Beaverhead-Deerlodge Collaborative Working Group in Southwest Montana.

We are in a new era of wildfire. A warming climate is drying out Western forests and leading to more and larger wildfires and a longer fire season. Just look at California and New Mexico today.

However, existing policies and approaches are not adapted to this new reality. The wildfire budget is a prime example. The current budget structure is not capable of responding to today's wildfires and its costs spiral out of control. The wildfire budget consumes the very programs that are essential to sustaining communities and forests over the long-term. Without a comprehensive fix to that problem, anything else we try will be futile.

We also need to make our forests more resilient to wildfire. A failure to do so risks losing all of the values they provide.

And while we appreciate improved planning for at risk communities, wildfire risk mapping, prioritization within the Wildland Urban Interface, other management provisions in the discussion draft do not work and may, in fact, do more harm than good.

You can't solve today's problems with yesterday's thinking. Proposals to bypass NEPA and undermine public and judicial review are outdated and ineffective. We need innovative approaches to forest restoration.

Producing defensible restoration projects requires smarter, not less, analysis, and we simply can't legislate our way to good decisions.

NEPA shortcuts aren't likely to yield better outcomes on the ground. For example, limiting analysis to action/no action alternatives may ignore better solutions while increasing the likelihood of making uninformed decisions. We can't afford taking that risk in places like community drinking watersheds for the sake of expediency.

Meddling with NEPA is also divisive. A letter submitted to the Committee by dozens of conservation organizations, many of which are involved in collaborative restoration, highlights opposition to the discussion draft and specifically the controversial nature of some of the forest management and NEPA provisions. Such shortcuts can undermine ongoing collaborative restoration activities.

I'm concerned that if we raise the level of controversy over forest restoration, we make the entire public lands management system more caustic, less resilient and diminish values for people, communities and forests.

We need to build an approach to forest restoration that is adaptable to today's complex challenges. As someone who has been involved with forest collaboratives, I don't see a NEPA problem. I see a capacity and restoration planning problem. We need the resources and incentives to plan and implement forest restoration at a scale that can significantly improve conditions and achieve project level efficiencies. The success of the 4FRI project in Arizona demonstrates that large, landscape-level restoration programs can be accomplished under existing authorities. Other stand-out examples of this approach include the Blue Mountains Forest Resiliency Project in Oregon and the Blackfoot Swan Landscape Restoration Project in Montana's Southwest Crown.

The proposed Ponderosa Pine Pilot Program reflects this new resiliency thinking. It makes sense to prioritize restoration in a forest type where we have a good understanding of restoration needs, science and practices. It also makes sense to prioritize risk reduction in the right places, like the Wildland-Urban Interface (WUI). Unfortunately, the pilot program goes down the wrong road in its use of an emergency circumstances framework for planning and implementing projects. The proposal authorizes the designation of preemptive emergency treatment zones where the normal rules for NEPA and judicial review don't apply. This may be unworkable.

First, we don't think this scheme can be effectively applied because we simply don't have the scientific ability to predict where or when the next big wildfire will occur for the purposes of declaring an emergency situation. In addition, while we agree that grave risks to public safety warrant emergency response, non-imminent threats to other values do not justify jettisoning normal decision-making and judicial review standards.

We also oppose the inclusion of the unrelated Tongass transition provision in a wildfire policy bill. The provision blocks a needed transition out of controversial old growth logging and toward a more diverse and resilient regional economy. It is inappropriate for Congress to upset a robust planning process when 165,000 individuals and organizations have participated in that effort. The Forest Service has the information to proceed with the plan amendment and now is the time for transition.

Thanks.

[The prepared statement of Mr. Nelson follows:]



Testimony of Peter Nelson
Senior Policy Advisor for Federal Lands
Defenders of Wildlife

Before the
Committee on Energy and Natural Resources
U.S. Senate

Hearing on the Discussion Draft Legislation, the "Wildfire Budgeting, Response and Forest Management Act of 2016."

June 23, 2016

Chairwoman Murkowski, Ranking Member Cantwell, and members of the Committee,

My name is Peter Nelson and I am a senior policy advisor at Defenders of Wildlife where I manage our national forest policy program. Thank you for inviting my testimony today.

I have been professionally involved in national forest science, policy, and management for nearly twenty years. I am a member of the Federal Advisory Committee overseeing implementation of the Forest Service's 2012 Planning Rule, as well as a member of the Beaverhead-Deerlodge Collaborative Working Group in southwest Montana.

Defenders supports fixing the broken wildfire budget, a prompt transition to young growth harvest on the Tongass National Forest, and improving the effectiveness and efficiency of restoration planning and implementation on public forestlands across the country. Unfortunately, as articulated in a recent letter from 28 conservation organizations (attached at the end of this document), the draft fails to effectively resolve the wildfire budget problem, delays the Tongass' transition out of old growth logging and includes provisions that threaten the conservation and management integrity of our forests and bedrock environmental laws.

The Discussion Draft Fails to Solve the Wildfire Funding Problem

There is broad consensus on the need to fix the wildfire funding problem, where non-fire programs are chronically starved in order to pay for fire suppression. The approach proposed in the discussion draft may alleviate short-term fire borrowing, but it fails to solve the larger problem of escalating costs. More than half of the Forest Service budget is now spent to fund fire suppression and as that percentage grows, ever more resources will be siphoned from non-fire programs. We encourage the Committee to pursue a comprehensive fire funding fix that 1) addresses the increasing ten-year average cost of the wildfire program; 2) allows access to disaster funding to respond to exceptionally costly fires; and 3) significantly reduces the need to transfer resources from non-suppression accounts and programs to fire suppression.

The Discussion Draft Obstructs Transition of the Tongass National Forest Timber Program

We urge the Committee to drop the provision that blocks the finalization of the plan amendment to transition the Tongass National Forest timber program out of old growth logging and into harvest of younger trees. More than 165,000 individuals and organizations have participated in this robust public planning process and the Forest Service has sufficient information to proceed with the amendment. Unfortunately, language added to the discussion draft provision would indefinitely delay the much needed transition towards a more diverse and resilient local economy based on sustainable forestry and forest products, fishing, recreation and tourism.

Limiting Analysis to “Action” and “No Action” Alternatives will Not Generate Better Decisions or Better Restoration Outcomes

We appreciate the draft’s attempt to set priorities for forest restoration activities. Defenders supports science-based landscape and watershed restoration, including the use of integrated actions, such as prescribed and managed fire, to achieve healthy, resilient forests. However, we believe that the provisions offered for discussion – which seek to bypass the National Environmental Policy Act (NEPA) and undermine judicial review – are extreme, harmful and unlikely to lead to more focused management decisions and improved conditions on the ground. Moreover, legislating truncated decision-making will undermine accountability and legitimacy and invites a backlash that will hinder efforts to advance restoration projects.

For example, the discussion draft proposes limiting analysis of alternatives for a broad range of forest management activities across public lands. Management alternatives are the heart of the NEPA process and exist for a reason – to make better, more informed decisions. Limiting alternatives analysis for a poorly defined and vast suite of activities raises the risk of making uninformed, risky, and controversial decisions. This could be catastrophic in some areas, such as within a community’s drinking watershed. We support the appropriate level of analysis for any given proposed action, but legislation that limits or preordains levels of analysis is counterproductive and not good public policy.

The discussion draft appears to be premised on a mistaken assumption that NEPA is the primary culprit barring efforts to plan and implement forest restoration programs and projects. But as someone who has been involved with forest collaboratives, both in Montana and throughout the West, I don’t see a NEPA problem as much as I see a capacity and restoration planning problem. There is a lack of tools and incentives to plan and implement forest and watershed restoration at a scale that can significantly improve conditions and achieve project-level efficiencies.

Rather than blindly legislating less NEPA – which always generates a storm of controversy – we should be considering policies and programs that incentivize robust landscape-scale planning processes that can meet multiple restoration objectives. The success of the “4FRI” project in Arizona demonstrates that large, landscape-scale projects can be planned and implemented under existing authorities. We cannot simply legislate our way to legitimate management decisions. Producing durable and defensible restoration decisions requires smarter – not less – analysis.

The Emergency Circumstances Decision Framework Established in the Discussion Draft is Inappropriate

The proposed ponderosa pine pilot program in the discussion draft is admirable in its effort to prioritize restoration in a forest type where we have a good understanding of restoration science and

practices. We must note however that the same degree of consensus does not exist in mixed conifer forests.

Unfortunately, the pilot program goes down the wrong road in its use of an “emergency circumstances” framework for planning and implementing restoration projects.

First, we don’t believe this scheme can be effectively applied to potential future emergencies on public forestlands. Recent research found that less than 8 percent of forests treated to reduce fuels subsequently experienced a moderate or high-severity fire in the 20 years following the treatment. We simply don’t have the ability to confidently predict where or when the next big wildfire will occur for the purposes of declaring an emergency.

In addition, while we agree that grave risks to public safety may warrant emergency response, non-imminent threats to other more ambiguous values do not justify jettisoning normal decision-making and judicial review processes. We support restoration planning that identifies areas for priority actions based on science and risks to social and environmental values, and would welcome more discussion on that matter.

Detailed Comments on Title III, Subtitles A and D

Defenders evaluates forest management policy based on whether it will be effective in promoting positive outcomes (for example, by restoring fire-adapted ecosystems and ecological resiliency, and protecting public safety). We have extensive experience in this regard, including developing and evaluating forest resiliency projects under the Collaborative Forest Landscape Restoration Program and the insect and disease management provisions in the 2014 Farm Bill.

In general, Defenders does not support the forest management, NEPA decision-making and judicial review authorities in Title III of the discussion draft. The provisions are unlikely to lead to improved conditions on the ground, and would do much to inflame conflict and controversy over forest management.

It must be noted that the Forest Service is already doing much to reduce hazardous fuels and restore ecological processes on national forests. Congress passed significant new authorizations for restoring National Forest System (NFS) lands in the 2014 Farm Bill and the Secretary of Agriculture has designated over 45 million acres of forestlands for priority restoration under those provisions, along with establishing numerous Good Neighbor Agreements with state forestry partners. Furthermore, and despite the current wildfire budget problem, the Forest Service is increasing the pace and scale of restoration on NFS lands, treating over 4.5 million acres in 2014 while producing nearly 3 billion board feet of timber.

Considering the above, we are not convinced that NEPA is the primary barrier to the development and implementation of effective forest resiliency programs and projects. The success and scale (600,000 acres) of the recent Four Forest Restoration Initiative (4FRI) decision on national forests in Arizona call this assumption into question. In our experience, the lack of capacity (and program direction) to conduct robust, science-based landscape assessments that identify and prioritize project-scale resiliency restoration activities has been a major barrier to ecological restoration. For example, one national forest in Montana where Defenders is working with the Forest Service and other partners on the implementation of Farm Bill resiliency projects lacks sufficient landscape-level

ecological information to support collaborative prioritization and development of projects. Congressional attention on this tangible constraint would be welcome.

Much of the problem lies in outdated forest plans that fail to reflect current restoration priorities; producing robust forest plan decisions that support implementation of broad, science-based restoration activities must be a high priority.

Title III, Subtitle A – Environmental Analysis for Certain Forest Management Activities – Section 301, appears to assume that limiting the number of alternatives considered in environmental assessments and environmental impact statements will lead to more efficient decision-making processes and effective outcomes for a range of forest management activities.

However, it is well established that alternatives are the heart of the NEPA process and exist for a reason – to make better, more informed decisions (and avoid making poor decisions that miss important information yielded via comparative analysis). Limiting alternative analysis thus immediately raises the risk of making bad decisions. It is also problematic in that if analysis reveals a flaw in a proposed action, the absence of other management alternatives make it difficult, if not impossible to modify or improve the action in the final plan. Arguably the discussion draft legislation attempts to ameliorate this risk by confining the authority to limit alternative analysis to proposed management actions generated by a “collaborative process” or community wildfire protection plans (CWPP) that serve at least one of five primary purposes identified in the legislation.

Based on our experience, using collaboration or CWPPs as a vehicle to reduce the risk of poor decision-making, particularly with regard to actions that will have significant effects on the environment, is too risky. We do appreciate that the criteria provided in the definition of “collaborative process” would help ensure accountability in the project planning process. However, we have seen too many collaboratives that do not have the expertise or knowledge to develop uniformly good proposals in complex forest management decision-making situations. In fact, in our experience, collaboratives can benefit from the comparative tradeoff analysis offered within NEPA for complex, comprehensive environmental decision-making. As a general matter, we place collaborative processes on a higher level than CWPPs and do not believe they should be afforded the same weight (this comment applies to Subtitle D as well).

The five primary purposes intended to constrain the authority to limit NEPA analysis on a project are much too broad and do not instill confidence that Title III, Subtitle A will lead to good decisions and positive environmental outcomes. For example, it is highly unusual anymore to see a vegetation management project proposed by the Forest Service that does not have “forest health and resiliency” as part of the “primary purpose” of a project proposal. There is also no indication of how a primary purpose will be determined, and the undefined nature of the primary purposes is problematic. For example, “protecting” a municipal water supply (ostensibly from wildfire) requires a sophisticated and robust comparative analysis. When it comes to a community’s drinking water, the risk of missing key information in conducting a truncated environmental analysis is simply too high. As a general principle – and this is the system already in place with NEPA’s categorical exclusions, environmental assessments, and environmental impact statements – as risk, significance and uncertainty increase, more robust analysis is preferred and leads to better decisions and outcomes. We support the appropriate level of analysis for any given proposed action, but it is disingenuous for legislation to predetermine and authorize the appropriate level of analysis as proposed in the discussion draft.

NEPA requires a comparative analysis of taking no action with the effects of taking action under various management alternatives. The discussion draft appears to presume that this analytical requirement is insufficient and layers additional ambiguous criteria on top of the existing NEPA framework. “Forest health,” “wildlife habitat,” “wildfire potential,” “insect and disease potential” and “economic and social factors” all lack definition and therefore do not provide utility in establishing criteria for effects analysis. The language only serves to give the impression that the proposed legislation is designed to bias decision-making in favor of these undefined concepts. The result is an introduction of biased ambiguity that will likely only result in heightened controversy and conflict over management decisions, an undesirable policy outcome. In addition, it is questionable how the effects of future events would be estimated under this authority. For example, for “wildfire potential,” would the effects analysis assume a range of fire intensities? How would management adjust to changing conditions?

Regarding the exclusion of critical habitat designated under the Endangered Species Act (ESA) from the limited alternatives provision, first and foremost it is paramount that legislation require compliance with the law. We are also concerned that the text does not reference the role of the National Marine Fisheries Service in the consultation process under the ESA. This comment applies to both this subtitle and Subtitle D.

Title III, Subtitle D – Accelerated Restoration Program for Ponderosa Pine and Dry-Site Mixed Conifer Forests – Section 331, as currently drafted, may be a solution in search of a problem, and in fact is a major problem. The proposed subtitle undermines NEPA and associated regulations and caselaw, as well as public and judicial review of decision-making processes.

The proposed “pilot program” on its face offers a positive purpose – the restoration of ponderosa pine and other forest types. As a policy matter, there is generally broad agreement on the ecological objectives and methods for restoring ponderosa pine. It is important to note that similar agreement does not exist for mixed conifer systems, where the science, objectives and methods are less well defined. For this reason, in a policy context, we caution against lumping these forest and ecosystem types.

The actual purpose of the proposed program, however, is not ecological restoration but rather the reduction of hazardous fuels, both within and outside of the wildland-urban interface. In our experience, restoration and reduction of hazardous fuels are not synonymous and reflect different management objectives, with the latter being much narrower than the former. Hazardous fuels reduction is a defensible purpose within the wildland-urban interface (WUI). Outside the WUI, the goal should be restoration of natural fire regimes and ecological resiliency. On that point, the section does refer to “areas...that are not in a desired condition relative to fire regime” ((b)(1)(B)(ii)(I)), which implies an objective to restore natural fire regimes, but does not establish the criteria or the defensible, science-based method for how desired conditions for fire regimes would be developed. As a principle, policy proposals that articulate the defensible science-based criteria for determining which lands will be prioritized for treatment are better than those that do not specify such criteria.

There are numerous definitional issues in the hazardous fuels reduction project procedures. For example, land and resource management “procedures” ((b)(4)(A)(i)) is unclear; “highly erodible land” ((b)(4)(A)(iii)) should be defined; and it is not clear why the phrase “is no longer needed” is

inserted into (b)(4)(B)(ii), adding ambiguity to the requirement, and deviating from language in Subtitle A on the same issue.

We have significant concerns with the reasoning and construction of the “emergency circumstances” framework for decision-making and the complete dismantling of NEPA under somewhat dubious grounds. To our knowledge, the concept of emergency circumstances, as used in NEPA, has never been extended to long-term preventive actions. The Council on Environmental Quality’s regulations refer to controlling the “immediate impacts” of an emergency (40 C.F.R. § 1506.11). We don’t believe the concept can be effectively applied to potential future “emergencies” that may be nearly impossible to predict with any degree of confidence.

The legislation attempts to define emergency circumstances in cases where it is extremely difficult to predict that such an emergency event is actually going to occur (by definition, an emergency is unexpected). The legislation demonstrates how difficult it is to construct a preventive emergency circumstances framework. Undefined terms create ambiguity that limit policy effectiveness and raise the likelihood of controversy, including “average severe fire weather” ((c)(1)(A)), “difficult to contain with suppression resources likely to be available” ((c)(1)(A)(i)), and a “significant threat to the forest ecosystem” ((c)(1)(A)(ii)(I)). As a general policy matter, we agree that significant threats to human life could warrant an emergency declaration, but a more ambiguous threat to a “forest ecosystem” does not rise to the same level. Similarly, the requirement to analyze effects to human life in the emergency environmental assessment ((c)(2)(C)) is warranted, but the inclusion of a bias towards jobs and federal revenue from timber sales, while of significant social value, are inappropriate within an emergency decision-making framework.

Furthermore, determining the probability that a wildfire will occur in a particular area is extremely difficult. Recent research found that fuel treatments have a mean probability of 2.0-7.9% of encountering moderate or high-severity fire during an assumed 20-year period of reduced fuels (Rhodes and Baker 2008). In other words, the legislation will encourage decision makers to essentially guess where they think fire will strike, and in the absence of a defensible method to target treatments, designate extremely broad swaths of forest as wildfire emergency areas. This is not a good policy outcome as it would likely result in the declaration of “emergencies” in countless places all the time.

Finally, the proposed pilot program fundamentally changes the judicial review of forest projects by establishing an unprecedented and undefined standard of “substantial deference” for decisions made under the program, which would have the effect of further reducing opportunities for oversight of forest projects. The key to securing durable restoration decisions is through solid collaboration, planning, prioritization and analysis, not legislative intervention in the judicial review process.

** ATTACHMENT **

Alaska Wilderness League * Bark * Center for Biological Diversity
Cherokee Forest Voices * Conservatives for Responsible Stewardship Conservation Northwest *
Defenders of Wildlife * Earthjustice
Environment America * Epic-Environmental Protection Information Center Georgia ForestWatch
* Greater Yellowstone Coalition
High Country Conservation Advocates * Kentucky Heartwood
Klamath Forest Alliance * Los Padres ForestWatch
National Audubon Society * National Parks Conservation Association
Natural Resources Defense Council * San Juan Citizens Alliance
Sierra Club * Southeast Alaska Conservation Council
Southern Environmental Law Center * The Wilderness Society
Umpqua Watersheds, Inc. * Western Watersheds Project
Wild Earth Guardians * Wild Virginia

June 13, 2016

The Honorable Lisa Murkowski
Chairwoman
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

RE: Concerns regarding the Wildfire Budgeting Response and Forest Management Act discussion draft

Dear Chairwoman Murkowski and Ranking Member Cantwell,

On behalf of our millions of members and supporters, we write to highlight serious concerns with the Wildfire Budgeting, Response and Forest Management Act policy discussion draft that was released for public comment on May 25, 2016. We understand the draft may be the subject of a hearing in the coming weeks. Unfortunately, the draft fails to effectively resolve the wildfire budget problem and includes provisions that threaten the conservation and management integrity of our public forestlands and our bedrock environmental laws.

This proposal limits environmental review and opportunities for public input on management of national forests and other public lands, and alters judicial review of certain forestry projects. It carves huge loopholes in the National Environmental Policy Act. Further, the draft lacks consistent requirements for forest management projects to: utilize best available science, maintain old-growth forests, focus on restoration, and preserve roadless areas. Alarmingly, the bill also promotes old-growth logging in the Tongass National Forest and could delay indefinitely any plan to transition to

a more sustainable regional economy in that area. These provisions are certain to generate conflict and are unlikely to yield defensible decisions and positive environmental outcomes. They should not be a part of the discussion.

The draft also falls short of a real fire funding fix, and the undersigned groups do not support this approach. Among other things, any solution to the fire funding problem must address both fire borrowing and the dramatic erosion of the remaining Forest Service budget over time. This discussion draft only deals with the former and not the latter. It ignores the fact that over half of the Forest Service budget is already expended on fire suppression and that unless Congress addresses this budget erosion problem, soon only 30 percent of the agency's budget will be available for all other agency functions. Moreover, we understand that the language in the draft regarding fire borrowing is simply a placeholder suggestion to the Budget Committee.

While many of our respective organizations are providing individual, detailed comments on the draft, we wanted to take this opportunity to convey to you and other members of the Energy and Natural Resources Committee our strong and collective overarching concerns with the proposal. We urge you to oppose anything short of a comprehensive response to the challenge of fire funding, to reject efforts to tack on harmful forest management provisions that promote ill-conceived logging and to steadfastly defend national forests, including essential safeguards that help protect wildlife, public access, and public participation in forest management.

The CHAIRMAN. Thank you, Mr. Nelson.
Mr. Nichols, welcome.

**STATEMENT OF ERIC NICHOLS, PARTNER, ALCAN FOREST
PRODUCTS AND EVERGREEN TIMBER**

Mr. NICHOLS. Thank you for the opportunity to speak today.

I've spent 40 years, the last 40 years, in the private side of the timber industry here. Twenty-five of those years have been in Alaska, the last 14 years as owner of timber companies in Alaska, buying and harvesting timber sales from land owners, including the U.S. Forest Service.

The industry today is on the verge of going away due to lack of consistent timber supply. All federal and state timber sales are being delayed with litigation or appeals by environmental groups opposed to all timber harvest.

The U.S. Forest Service, the timber industries, the communities of Southeast Alaska and even some conservation groups, all say they want a timber industry. The problem is you cannot have a viable timber industry without a land base for growing and harvesting timber.

Prior to 1976, five million acres of the Tongass was managed for timber. By 1980, this was reduced to three million acres. The 2008 plan further reduced it to 663,000 acres, and now the new plan amendment will take it down to 251,000 acres of young growth forest. I was told by a conservation person, we do not have the timber available today because we cut it all.

There are 16.8 million acres on the Tongass. Commercial grade forests make up 3.6 million acres. Four hundred twenty thousand acres have been previously harvested, and I think my math is pretty correct that we have 3.2 million acres of old growth timber remaining in the Tongass.

The plan of the amendment will restrict the industry to 251,000 acres of young growth and a small volume of old growth for niche markets. This is seven percent of the commercial timber acres and a little over one percent of the Tongass National Forest.

The Forest Service and I think the State of Alaska have done a very good job in protecting our tourism. We have over one million people a year coming to Ketchikan on cruise ships, our salmon runs are strong with the fishing industry doing very well. We have no endangered species in the forest. But we have a timber industry with one small sawmill, four timber harvesting companies left and a handful of micro sawmills.

Our rural communities are not doing well. From 2000 to 2014, 22 of the 32 communities in Southeast Alaska have lost population. The plan amendment will forever change the timber industry in Southeast. Once it is in place it never gets better for the industry, only more restrictions as time goes forward so it cannot be undone. The plan has to work or there will be no timber industry.

So to have a viable timber industry we have to have a consistent supply of economically viable timber sales. It's pretty simple, but not when you have declining land base for growing and harvesting timber and a rugged remote area with high cost and now only market commodity product to sell.

My issues with the U.S. Forest Service. It does not know how many of the 250,000 acres of young growth we can harvest economically or legally. When we look at the Tongass, we look at the fall down acres. With the 250,000 acres we have changing regulations from when this was cut originally.

We lose lands to visual constraints, additional fish streams will be found, carstone limestone islands will have to be protected, overly steep slopes cannot be cut a second time, additional protection for wildlife. We're also going to get fall down to do the economic viability, small isolated patches of timber suppress small timber stands, high elevation, high real costs and oil decreased.

My fear is with the significant number of acres lost to fall down and especially in the old age class stands that we'll harvest with very few restrictions. My fear is the timber industry cannot be feasible with this amendment so it's best to finish the cruise, rerun the miles and see how much actual sustainable economic timber will be available.

I would like to finish my testimony with the words from President Theodore Roosevelt who signed the legislation creating the Tongass National Forest. This is what he had to say about forest policy. "You can never afford to forget for a moment what is the object of a forest policy. That is not to preserve the forest because they are beautiful, though that is good in itself, nor because they are refuge for the wild creatures of the wilderness, though that is good in itself. But the primary objective of our forest policy, as a land policy of the United States, is the making of prosperous homes."

Government legislation, rulemaking and administration of our national forest no longer resembles what these national forests were created for and set aside for management by the government. Our land management is broken and not serving the people well. It has to be fixed by sound forest management and not politics.

Thank you for your time.

[The prepared statement of Mr. Nichols follows:]

Eric Nichols
Partner Alcan Forest Products and Evergreen Timber
Ketchikan, Alaska

Testimony before the Senate Committee on
Energy and Natural Resources
Wildfire Budgeting, Operations and Forest Management Act of 2016

June 23, 2016

Chairman Murkowski, Senator Cantwell, and members of the Committee, thank you for this opportunity to testify on a subject that is critical to maintaining a timber industry in SE Alaska and the communities of SE Alaska.

I have been in the private sector of the timber industry for the last 40 years, the last 25 years being in SE Alaska. I have a Forest Engineering degree and a Master's in Business Administration. My career has taken me from Oregon, Washington, British Columbia and Alaska. My work history includes working for a number of large public held timber companies and for the last 14 years have been an operating partner in companies that purchase and operate timber in SE Alaska, British Columbia and Washington State. For the last 20 years I have purchased, operated and sold products from Young Growth timber stands in Alaska. I was chosen as a timber industry representative on the Tongass Advisory Committee (TAC). I sit on the Alaska Board of Forestry as the timber industry representative. Our company purchases US Forest Service, State of Alaska, Mental Health Trust, University of Alaska and Native timber in Alaska. Last year Alcan completed the first Young Growth thinning on the Tongass and currently have under contract Young Growth on University of Alaska lands and USFS land.

The Tongass is transitioning to Young Growth timber. The 10 to 15 year time frame to transition to Young Growth timber industry outlined in Secretary's Memorandum 1044-009 is an artificial time frame not based on economics, ecological, the timber industry or what is best for timber management. The first large commercial harvest of timber on the Tongass was in 1942 for Sitka spruce components for airplanes in WW II. The next large harvest of timber was the beginning of the pulp mill era. USFS established 50 year contracts in the late 1950's in order to bring economic stability to SE Alaska. The contracts called for a pulp mill to be built and in exchange the companies were awarded 50 year contracts to amortize their investment in SE. In the 1960's 100,000 acres were harvested, 120,00 acres in the 70's and 80,000 acres in the 80's. Between 1900 and 2014 462,000 acres have been cut on the Tongass National Forest. In the plan amendment the USFS used 251,000 acres as the Suitable young growth acres. The USFS has examined about 50,000 of these acres. What is known for the transition is the future

young growth acres and where they are at. What is not known is whether these stands can be harvested legally or economically.

The first issue is the declining land base for timber production.

Acres on the Tongass National Forest: 16.8 million

Productive forest acres (8 thousand board feet and greater volume per acre): 5.5 million

Commercial timber forest: 3.6 million acres

Remaining old growth acres 3.2 million acres

The timber industry will have a suitable timber land base of 251,000 acres after the transition. If all these acres are available for harvest as the TAC had to assume then a "viable" timber industry could be possible if the economics, markets and USFS implemented the all the TAC recommendations. The problem is "fall down acres". These are acres that were previously harvested and now due to changing regulations can be not be harvested again.

The first fall down is known. 462,000 acres were harvested and now only 251,000 acres are allowed. This is a fall down of 45% of the Young growth acres that were legal to harvest timber from the first cutting but will not be allowed the 2nd cutting due to changes in the land designations.

The second fall down is not known. These are the young growth acres in the 251,000 acres of suitable timber base that will not be allowed to have timber harvested due to the changes in standards and guides; fish creeks, karst, visual, wildlife, steep slopes and other resource protection. Until there are "boots on the ground" no one knows what percentage of fall down will be found. It will most likely be over 20%.

The third fall down is the areas not economically feasible to harvest. Where road building and harvesting cost will exceed the value of the timber. After you have removed the acres not allowed for harvest due to Standards and Guides, you may not have enough acres left in an area to justify harvesting young growth. Also a large percentage of the older Young Growth Stands needed for the transition time frame are small in size and scattered across hundreds of miles. These stands will not be economical to harvest with markets we have today. Lastly the economics are driven by the growing conditions of the area harvested. High elevation, poor timber growing areas will be eliminated due to the size and volume per acre of the young growth stands. As per the USFS, the timber areas that have been harvested are highly variable in Young growth size and species. Here again this third fall down will not be known until there are "boots on the ground". A 20 percent plus of fall down acres would not be unreasonable to assume.

The TAC knew there would be fall down in the Young Growth acres. We just did not know how much. Estimates in the old growth stands are in the 60 percent range. Our concern was so large that when Mr. Bonney attended a TAC meeting and asked where the USFS need to make investments, like re-tooling, the TAC's highest priority was Young Growth inventory. The Conservation groups on the TAC wanted a certain time when old growth timber harvest planning and harvesting would cease. We could not agree or even discuss due to the uncertainty of the fall down in Young Growth suitable acres. Without knowing a reasonable estimate of fall down acres the TAC did not model the future availability of timber with a fall down percentage. We could only model the stands with information supplied by the USFS.

The mission statement of the TAC was to maintain the communities of SE Alaska. From Secretary's Memorandum on the transition to Young Growth: "USDA is equally committed to doing its part to ensure the communities with and adjacent to the Tongass National Forest are economically vibrant", "...preserve a viable timber industry that provides jobs and opportunities for residents of SE Alaska", "...important to retain the experience and infrastructure of the existing industry so business can quickly re-tool. These businesses are fundamental to both the Young Growth and restoration components of the future timber program, and the economic vitality of the region." We have a broad consensus from the USFS, communities and the TAC members the transition to Young growth needs to protect the communities and the timber industry.

If we lose a portion of the timber base of the suitable Young growth timber base acres in fall down there is a high probability of no timber industry and the continued decline of our communities in SE Alaska. From 2000 to 2014, 22 of the 32 communities in SE Alaska lost population. Currently timber industry consists of one small sawmill, four conventional timber harvesting contractors and small one to two person local sawmills. Every USFS timber sale and State timber sale has been delayed due to litigation, threaten litigation and decision appeals. The industry is rapidly running out of timber under contract.

In order to jump start an industry in the 1950's the USFS had to enter into long term contracts. If they lose the existing timber industry today, to restart the industry in 20 years, when large acreage of Young Growth become commercially viable, the USFS will have to look to the past for timber volume guarantees. Harvesting Young Growth in the Tongass will be difficult to maintain through the market cycles. Timber extraction costs are high and the Young Growth timber is a commodity product with a fixed global market value. Due to lower costs around the world the Tongass Young Growth will find it hard to compete when prices decline. This makes it impossible for a company to invest long term capital in a business that is not competitive through a market cycle, let alone be subject to the uncertainty of Government timber sales.

The "viable" timber industry is threatened before the amendment or transition becomes effective. From the Draft EIS: "...high degree of uncertainty surrounding its goal of preserving a viable timber industry...", "higher labor, energy costs, distance from market". The USFS owns 80% of the land in SE and 93% of the timberland in SE Alaska. The timber industry cannot

survive without a consistent supply of economic timber from the Tongass National Forest. The industry and the communities have to know, Young Growth will be available to harvest, plus the quantity, quality and economic viability must be there to keep the existing industry in place. Without a comprehensive cruise and "boots on the ground" the fall down acres are unknown and therefore the transition viability is suspect. The cruise of young growth must be completed before the signing of the plan amendment. The deadline for the plan amendment is an artificial date. The USFS will not have initial results from a study until 2017 to help "asses the economic viability of the Tongass young growth timber industry" The plan has to be based on the best Young Growth information, if it is not then the timber land base will not be there to support a "viable timber industry" and "economically vibrant communities". We have to get the plan amendment right if it is to fulfill the Secretary Memorandum 1044-009 in which the transition is based on. The timber industry cannot be maintained with continued withdrawal of the timber base acres. The plan amendment of 251,000 acres is just 7 percent of the commercial timber in the Tongass. We need certainty to continue to invest in the timber industry, companies are now stopping capital investments in equipment. Timber under contract is declining dangerously low and the industry will be mostly gone in a couple of years without timber sales and a outlook of Young Growth based on good information that has been ground proofed and is proven to be economically sustainable. We cannot afford for a plan amendment to be signed with the uncertainty in the amount of fall down acres in Young Growth timber stands.

The CHAIRMAN. Thank you, Mr. Nichols, we appreciate it and appreciate your traveling a long way.

Mr. Pimlott, welcome.

**STATEMENT OF KEN PIMLOTT, DIRECTOR, CALIFORNIA
DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

Mr. PIMLOTT. Thank you.

Good morning, Chair Murkowski, Ranking Member Cantwell and Senator Daines. Thank you for the opportunity to testify today on not only on behalf of California but my peers around the country through the National Association of State Foresters.

As California's Chief of CAL Fire and State Forester, we're responsible for the protection of over 31 million acres of wildlands within the state. That's about one-third of the land base in California, and as we know is going currently on right now in the state, significant fire challenges.

While it's no different across the West and the rest of the country, although land bases may differ, net 2014 statistics indicate that 80 percent of the fires fell within the jurisdictions of state and private lands and that of the state forestry agencies. So the states around the country, no different than in California, play a significant and key role in dealing with fire and forestry issues.

I think the Committee obviously has a very clear handle on the fire and resource management and forest health challenges in the country. That's been clearly indicated this morning.

Again, I will just emphasize that in California, the fire problem and forest management problem is real. As I speak we have five major fires now burning in the state and 4,600 firefighters on the fire line. Just in the last week we've responded to over 250 fires and that's 2,000 fires just since January 1st.

We're still within a significant drought which has gone on for the last five years, and like we talked about earlier in this hearing, record kinds of fires. We talked about that in Washington State. We've seen that in Colorado. California, just last year, had two of the top ten most damaging fires in the state's history.

The fire challenge, the fire problem, is only getting worse, not just drought, changing climate, unmanaged or under-managed forests throughout the state both on federal and private lands are significantly, excuse me, contributing to the challenges that we're facing.

When fires burn, 20,000 acres burn in just five hours. Those are the conditions that we are facing and will continue to face as we go into, again, another potentially disastrous fire season.

In California this is exemplified now by significant tree mortality. Secretary Vilsack announced yesterday that over 66 million trees in the central and southern Sierra have now succumbed to epidemic levels of insect mortality. We've seen this throughout the West in a number of Western states and now California has taken that challenge exponentially with multiple counties declaring localized or county level disasters. And then in October of last year, Governor Brown declared a statewide emergency proclamation to deal with this disaster.

We're looking at this and collaborating through multiple means trying to address immediate life safety threats, but it's involving

landscape level projects and activities with partners at all levels of government. Using tools such as the Good Neighbor Authority under the Farm bill allow us to reach across boundaries, to collaborate and get the biggest bang for the buck and leverage everything that we have to get the most work done and to make the biggest difference that we can.

Fixing wildfire funding is key to all of this. As Under Secretary Bonnie indicated this morning and others, we continue to borrow money from other program areas that are critical to getting ahead of the problem. While we must maintain a robust response capability across this country, we can't under fund our federal agencies on the front end, we must ensure a strong response. The back end of this is when they continue to take money to keep that going from other programs, we're only going to continue to perpetuate lack of good forest management, lack of reducing fuels and continued fires like we're seeing right now.

Discussions through this legislation, others regarding NEPA. Right now, California has over 125,000 acres of actually NEPA-ready projects in just three impacted national forests. We need the ability to leverage additional funding to get more work done in those areas and certainly would like to go forward and look at opportunities, working through the NEPA process, to see if we can't do more work and work through NEPA to get more work done and have the capacity to do just that.

Looking at the Pine Pilot. It is critical. Much of the area being impacted in California are mixed-conifer forests. A significant component of those forests are ponderosa pine. We welcome the opportunities to look at a pilot project that addresses that.

Fire risk mapping is also critical. We've worked as a state, along with many other states, in addressing and using that information to develop hazard maps and to identify land use planning potential. So certainly look at the opportunity to work together on that.

And last, I will close with the, just recognizing that fires know no boundaries. So we, as organizations and first responders, state, federal or local should know and need to know, no boundaries.

California learned that a long time ago when we had separate communications frequencies, separate terminology and we're working together. So it's very true, looking forward, working on joint process to look at processes and criteria that are agreed to by all agencies when we're sharing resources across boundaries.

Thank you.

[The prepared statement of Mr. Pimlott follows:]



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
 P. O. Box 944246
 SACRAMENTO, CA 94244-2460
 (916) 653-7772
 Website: www.fire.ca.gov



June 23, 2016

**Testimony of Ken Pimlott, California State Forester
 On Behalf of the California Department of Forestry and Fire Protection and the
 National Association of State Foresters**

**Submitted to the U.S. Senate Committee on Energy and Natural Resources Hearing
 to Receive Testimony on the Discussion Draft Entitled -
 "Wildfire Budgeting, Response and Forest Management Act of 2016"**

Chairwoman Murkowski, Ranking Member Cantwell, and Senators of the Committee, thank you for inviting me to testify before you today. My name is Ken Pimlott and I am the Director of the California Department of Forestry and Fire Protection (CAL FIRE) and the California State Forester. As a member of the National Association of State Foresters (NASF), I am also representing that organization's perspective on the draft before you today.

I am here today to speak to the upcoming California fire season, the tree mortality emergency that we are currently facing, and the work that is already underway in the State to address this disaster. I will also speak to the requests that we are making of the Federal Government, and the portions of the *Wildfire Budgeting, Response, and Forest Management Act of 2016* that could be beneficial to the ongoing health and recovery of California's Forests.

California's Forests and Fire Season

CAL FIRE is responsible for the prevention and suppression of wildfires across 31 million acres of State Responsibility Area, which comprises roughly one-third of the lands in California. Although these are predominantly private lands, California has a vested interest in the protection of these lands, as they are the critical watersheds, forests, and other open spaces upon which we rely for our water supply, recreation, clean air, habitat and many other benefits.

Nationally, State Foresters deliver technical and financial assistance, along with forest health, water and wildfire protection for more than two-thirds of the nation's 751 million acres of forests. In 2014, eighty percent of nation's wildfires (representing twenty-seven percent of the acreage burned) were on state and private lands where fire suppression is the responsibility of the State Foresters.

California forests—including the mixed conifer forests referenced in this draft—face a number of significant challenges that have the potential to change the structure of the forested landscape in California. We are seeing a drastic increase in the occurrence of

"The Department of Forestry and Fire Protection serves and safeguards the people and protects the property and resources of California."

large, damaging fires with over half of the State's 20 largest fires in recorded history having occurred just since 2002. Fires are burning with damaging intensity, so damaging that the soil becomes hydrophobic, contributing to a host of post fire environmental impacts. In some cases, the damaged forest undergoes a conversion to brush and without significant human intervention, it will not return to a forested landscape.

Thirty-year fire service veterans, me included, have seen unprecedented fire behavior the last two years. For example, the 2014 King Fire along Highway 50 burned 15 miles in less than one day, and the 2015 Rocky Fire in Lake County destroyed 20,000 acres in less than 5 hours with no wind pushing it. With overall conditions trending towards a more flammable landscape, I fear this type of extreme fire behavior is now our 'new normal.'

Research from the University of California, Merced conducted by Dr. Anthony Westerling shows the mean temperature increasing, contributing to longer fire seasons. The research is showing that fire season is up to 78 days longer in the Western United States than just 30 to 40 years ago.

California is ramping up for what may be another challenging year for wildfires. Though welcome rain occurred during the winter in the Northern part of the State, it was already too late for the tens of millions of trees that have died due to the historic drought and epidemic bark beetle infestation. Already there have been over 2,000 fires in the State this year, with 255 new fires alone in the week of June 13th.

Though natural disturbance agents such as wildfire, drought, insects and disease eventually restore a balance in natural ecosystems, the drastic and periodic disturbances of catastrophic wildfires and large-scale tree mortality from bark beetles are not compatible with a population of 38 million people, many of whom like to live in a forested environment.

The State's Response to the Tree Mortality Crisis

On October 30, 2015, Governor Edmund G. Brown Jr., proclaimed a state of emergency due to unprecedented levels of dead and dying trees in California. Based on U.S. Department of Agriculture (USDA) Forest Service (USFS) Aerial Detection Surveys, it is currently estimated that more than 40 million trees are dead due to pests, exacerbated by severe drought. New surveys in the current year are expected to double or triple that number.

Conditions are ripe for this epidemic to spread substantially in 2016, resulting in an increased threat to lives, property, critical infrastructure, and California's precious natural resources.

Immediately following Governor Brown's proclamation, a Statewide Tree Mortality Task Force was formed to assist local jurisdictions and implement the Governor's directives. Consisting of more than 80 entities, the Tree Mortality Task Force represents Federal, State, local and tribal governments, non-governmental organizations, and utility and energy companies. Task Force members and other stakeholders have prioritized the most critical needs and coordinated the expenditure of funds toward equipment, grant funding to address some of the most pressing hazards, and the redirection of existing State and local resources to address impacts posed by the widespread tree mortality.

In addition to the State's proclamation, numerous counties have also declared local emergencies requesting assistance from the State and Federal governments. These local jurisdictions are currently impacted by thousands of dead trees posing direct threats to critical public infrastructure, roads, public water conveyance systems, communication sites, communities, schools and lives. These trees pose a falling hazard and substantially increase wildfire risk near communities where massive fires such as the King (El Dorado County), Butte (Amador and Calaveras Counties), Rim (Tuolumne County) and Rough (Fresno County) have recently burned. Currently, it is estimated that there are over 325,000 trees that pose a direct threat to critical infrastructure, with a projected cost of removal and disposal of over \$390 million.

California government entities, both State and local, have committed significant resources to date along with the utility companies. For example:

- CAL FIRE has redirected over 80,000 hours of staff time to work on addressing tree mortality. Over \$24 million has been committed to address mortality either in direct CAL FIRE costs or in funding for local entities.
- California Office of Emergency Services (Cal OES) has over \$100 million in California Disaster Assistance Act Funding available for counties for tree removal around infrastructure.
- California Department of Transportation (Caltrans) has committed over \$50 million to tree removal around State highways.
- The 10 affected counties have spent over \$650,000 to date on their efforts and will likely spend much more in the coming year.
- Just one of the affected utilities, Pacific Gas & Electric (PG&E) plans to remove 160,000 hazardous trees that could come into contact with its electric facilities, costing approximately \$152 million in 2016. PG&E's overall drought and bark beetle program will cost \$173 million and includes enhanced vegetation inspection and mitigation, debris management, local funding for fire safe councils, aerial fire patrols and lookout cameras, and public messaging.

CAL FIRE, along with the U.S. Forest Service (USFS), the Sierra Nevada Conservancy and many other partners, is working on implementing cross-boundary projects that leverage multiple programs, initiatives and funding sources. Projects will include a balanced mix of activities such as thinning, reforestation, prescribed burning and fuel reduction, intended to increase carbon storage in forests, reduce wildfire emissions and protect upper watersheds, where much of the California's water supply originates. This work will involve a multitude of partners, including large and small private landowners, Federal and State agencies, conservation groups, the forest products industry and other stakeholders.

Recent interagency agreements will help provide tools and resources for working across these ownership boundaries. The Good Neighbor Authority, authorized under the 2014 Federal Farm Bill, is an agreement between the California Natural Resources Agency and the USFS, allowing the signatory agencies to conduct restoration projects on the landscape seamlessly across ownership boundaries. In addition, a prescribed fire Memorandum of Understanding among the USFS, Sierra Forest Legacy, CAL FIRE, and other partners has been initiated that will help us apply prescribed fire to the landscape at a meaningful ecological scale.

Addressing California's forest health issues and engaging in active forest management in a meaningful way requires a long-term investment. No single agency, organization or program is going to solve the wide range of threats to California's forests alone. It is going to take a balanced approach of all the agencies, funding sources and management options available to address the impacts to California's forests as a result of an evolving climate.

Although the epidemic tree mortality we are facing is devastating, it has galvanized partnerships at all levels and placed a renewed interest toward engaging in our forests unlike any I have ever seen. With disaster comes opportunity.

The California Governor has recently made a request to the USFS Regional Forester for Region 5 for increased funding and operational support for tree removal in high hazard areas. While we understand that USFS Region 5 has redirected existing funds to this effort, we also understand that the Region has over 125,000 acres of National Environmental Policy Act (NEPA) ready projects to address tree mortality that would require an additional \$30 million to complete, along with an additional 20,000 acres in the NEPA-planning stage that would require an additional \$40 to \$50 million to implement. The State of California and local governments continue to expend tens of millions of dollars on an emergency basis to address this epidemic. With over two-thirds of the mortality occurring on National Forest lands and over a million acres currently impacted, it is critical that the USFS provide adequate funding and resources to reduce this threat.

Given this daunting emergency, it is critical that Federal land managers are given every tool possible to confront the tree mortality epidemic and to increase the pace and scale of work on the landscape.

I will now turn my comments to the draft of the *Wildfire Budgeting, Response, and Forest Management Act of 2016*. In general, we are supportive of the intent of this legislation and some of the changes it could bring to critical areas of forest management in the State. Specifically I will speak to the issue of fire borrowing, NEPA relief, accelerated forest restoration and risk mapping.

Wildfire Disaster Funding Authority

On behalf of California, as well as with the National Association of State Foresters, I have long advocated for a fix to the USFS' and the Department of the Interior's (DOI) firefighting budgets and the increasing frequent annual cycle of fire borrowing that places non-fire programs in jeopardy. These critical programs including forest restoration, and fuels management and others on public and private lands are continually put at risk by fire borrowing, further exacerbating the poor forest health conditions and forest stressors and challenges.

We recognize and appreciate the *Wildfire Budgeting, Response, and Forest Management Act of 2016* for making progress towards this fix. Ending the practice of late season fire borrowing will go a long way to protecting important forest health programs.

However, fire transfers represent just one part of the broader wildfire funding problem. In recent years, the portion of the USFS's overall budget allocated to fire programs has

significantly grown. Suppressing fires is becoming more expensive and complex as a result of issues including prolonged drought, lack of active forest management, and more people moving into Wildland Urban Interface (WUI) areas. In fiscal year (FY) 1995 fire costs accounted for 16 percent of the USFS's budget, this has grown to over 50 percent in FY 2015 and is expected to increase.

As more funding is allocated to fight fires, less is allocated to other areas of the USFS budget. Agency staff has noted that the trend is a \$100 million reduction per year in funding available for non-fire suppression programs, including fuels and forestry work that would minimize wildfire impacts, and the host of critical forestry programs important to the management of the nation's state and private trees and forests. As funding for programs such as Forest Health, Forest Stewardship and State Fire Assistance are reduced, active management and rapid response capabilities are also reduced at the time they are needed most.

There is a critical need to access disaster funding to pay for catastrophic (large, costly, extreme) wildfires - placing these fires on par with other natural disasters or fund wildfire suppression beyond a certain limit in increasingly challenging wildfire years. The two other legislative proposals are funding above a fixed fire suppression appropriation amount through: 1) a budget cap adjustment or 2) the FEMA Disaster Relief Fund. We do not have a preference in how this challenge is resolved, only that it is resolved.

National Environmental Policy Act (NEPA)

We also support the suggested efforts at streamlining the NEPA analysis for priority projects that address wildland fire issues by limiting alternatives to a no-action and recommended action analysis. This would streamline the process and save both time and funding for agency planning staff.

Removal of a large portion of dead and dying trees in California's National Forests also appears constrained by a lack of tree removal projects that have cleared review required by NEPA and other environmental laws. With over a million acres impacted, and only 125,000 treatment acres currently through NEPA review on the three Sierra National Forests, there is clearly a need to evaluate options to increase the number of acres cleared for treatment. Expediting NEPA clearance of projects in high hazard areas is critical to enable tree removal at the pace and scale required to facilitate wildfire risk reduction as well as ongoing bioenergy production.

As you know, the Chief of the USFS has designated substantial areas of California forests affected by insect or disease as "priority treatment areas" under the 2014 Farm Bill. These areas largely overlap with high hazard areas defined by the State. We request that the USFS take maximum advantage of the NEPA categorical exclusion that is available through 2018 for treatment and restoration projects in these designated areas (for projects up to 3,000 acres that are located in the WUI or other specified high-risk areas). We also encourage the USFS to take maximum advantage of the other NEPA streamlining provisions for hazardous-fuel-reduction activities, including the reduced requirements for analyzing alternatives in the Healthy Forest Restoration Act when NEPA does apply, and the NEPA categorical exclusion in the Healthy Forest Initiative for prescribed fire up to 4,500 acres and mechanical removal up to 1,000 acres in the WUI or other specified high risk areas.

Accelerated Restoration Program for Ponderosa Pine and Dry-site Mixed Conifer Forests

Again, we are supportive of any initiative that increases the pace and scale of forest restoration, particularly on USFS land. The types of forest proposed for the pilot programs in this draft include the forest types that are particularly impacted by the current tree mortality emergency in California. These types of forests have also seen some of the most devastating and destructive fires in recent years, fires that are resulting in the wholesale conversion of vegetative species. In short, we have the potential to lose much of our mixed conifer forests in the central and southern Sierra.

If such a pilot program were put into place, we would welcome the opportunity for some of these projects to take place in California. This would be an opportunity to demonstrate techniques for recovery and resilience in the wake of the tree mortality emergency as well as sound forest management techniques that could be more widely applied.

Fire Risk Maps

In general, we support the additional funding for risk mapping that is included in this draft. Given efforts that are currently underway, both at the state and local level as well as within the different regions of the USFS, we would welcome the opportunity to discuss ways to make this effort complimentary to the work that is ongoing. As many members of this Committee are aware, wildfire risk maps aid in recognizing the potential for catastrophic wildfire across landscapes and serve as tools to assist in prioritizing activities including wildfire planning, operations, and mitigation work.

At present, there have been significant investments made by individual states as well as federally - by the USDA Forest Service and the Department of the Interior - to complete wildfire risk mapping or similar activities at state, regional and federal levels. These previously completed risk maps, and those currently underway, supply advantageous information relevant to this section. We believe it critical that these efforts be sustained, and as such, I would encourage continued support for the state, regional, and federal wildfire risk mapping projects to continue in conjunction with the requirements of this draft.

In California, we have a long history of using hazard mapping to drive risk mitigation efforts related to wildfire planning and prevention, including changes to our building codes and our requirements for property owners. Following the Oakland Hills Fire in 1991, the State passed the Bates Bill, which required the mapping of Very High Fire Hazard Zones in both the State Responsibility Areas and also Local Responsibility Areas. Over time, California has required that new or rebuilt dwellings or structures requiring building permits within the hazard zone shall be constructed in accordance with current wildland construction requirements (Chapter 7A of the California Building Code). The code provisions specify construction criteria for eaves, vents, exterior coverings, windows doors and roofing. This hazard mapping was also the basis for legislation passed in 2012 that gave the fire service input into planning decisions made at the local level in these areas.

As I stated at the start of my testimony, fire seasons in the West are getting longer and fire conditions are getting more severe. As our population continues to grow and expand into these WUI areas, we will have to do a better job at engineering fire safety into our

buildings and landscape. In California, we have used hazard mapping as a building block of these activities.

Thank you again for the opportunity to speak to you today on these important issues and on the draft of *Wildfire Budgeting, Response, and Forest Management Act of 2016*. We would welcome the opportunity to continue to work with you and your staff on these important issues.

KEN PIMLOTT
Director

Attachment: Letter dated May 19, 2016, to Randy Moore, USFS, Region 5



May 19, 2016

Randy Moore
Regional Forester
United States Forest Service
1323 Club Drive
Vallejo, California 94592

Dear Mr. Moore,

Thank you for the collaboration of the U.S. Forest Service (USFS) to date addressing epidemic tree mortality across California. As you know, recent estimates indicate 29 million dead trees across the state, with over two-thirds of these trees estimated to be located on USFS lands. Rural communities face urgent public safety hazards from falling trees and increased wildfire risks as whole landscapes across the state are blanketed with dead trees.

We write this letter following correspondence between Governor Brown and Secretary Vilsack to request the USFS take specific actions to address this crisis on Forest Service lands. Forest Managers of the Sierra, Sequoia and Stanislaus National Forests are estimating that over one million acres are suffering from high tree mortality in these forests alone. This tree mortality is only expected to grow in the foreseeable future. Tree removal is required to prevent trees from falling on structures and roads, avert catastrophic wildfire, and provide feedstock to keep needed biomass energy facilities in operation, so these facilities are not closed and dismantled. USFS plays the primary role determining whether and how quickly trees in these high hazard areas can be removed.

Three specific actions by USFS appear necessary to address high hazard areas on USFS land:

1. Increase dedicated funding and resources to address tree removal.

Increased federal funding and operational support is urgently needed to enable tree removal in high hazard areas. While we understand that USFS Region 5 has redirected existing funds to this effort, we also understand that the Region has over 125,000 acres of National Environmental Policy Act (NEPA) ready projects to address tree mortality that would require an additional \$30 million to complete, along with an additional 20,000 acres in the NEPA-planning stage which would require an additional \$40 to \$50 million to implement. State and local governments continue to expend tens of millions of dollars on an emergency basis to address this epidemic. With over two-thirds of the mortality occurring on National Forest lands and over a million acres currently impacted, it is critical that the USFS provide adequate funding and resources to reduce this threat.

2. Expedite NEPA project approvals in high hazard areas.

Removal of a large portion of dead and dying trees in California's National Forests also appears constrained by a lack of tree removal projects that have cleared review required by NEPA and other environmental laws. With over a million acres impacted, and only 125,000 treatment acres currently through NEPA review on the three Southern Sierra National Forests, there is clearly a need to evaluate options to increase the number of acres cleared for treatment. Expediting NEPA clearance of projects in high hazard areas is critical to enable tree removal at the pace and scale required to enable ongoing bioenergy production, as well as wildfire risk reduction.

As you know, the Chief of the Forest Service has designated substantial areas of California forests affected by insect or disease as "priority treatment areas" under the 2014 Farm Bill. These areas largely overlap with high hazard areas defined by the State. We request that the USFS take maximum advantage of the NEPA categorical exclusion that is available through 2018 for treatment and restoration projects in these designated areas (for projects up to 3,000 acres that are located in the wildland urban interface or other specified high risk areas). We also encourage the Forest Service to take maximum advantage of the other NEPA streamlining provisions for hazardous-fuel-reduction activities, including the reduced requirements for analyzing alternatives in the Healthy Forest Restoration Act when NEPA does apply, and the NEPA categorical exclusion in the Healthy Forest Initiative for prescribed fire up to 4,500 acres and mechanical removal up to 1,000 acres, in the wildland urban interface or other specified high risk areas.

We also believe it is important for the Forest Service to seek an extension beyond 2018 regarding the authority to apply the NEPA categorical exclusion for projects in "priority treatment areas" considering the vast amount of existing tree mortality and continuing spread of the beetle infestation into new areas of California.

3. Confirm an increased, reliable stream of feedstock from high hazard zones to biomass facilities.

Several existing biomass facilities can convert dead and dying trees from high hazard zones into renewable energy. This activity is vitally important to address the tree mortality crisis, as biomass energy production is currently the only large-scale method to remove and safely dispose of trees from high hazard areas that provides an alternative to open burning. The California Public Utilities Commission (CPUC) oversees utilities with expiring contracts for existing biomass plants, and is implementing two statutorily-required programs to enable ongoing biomass energy. In order to extend current biomass facility contracts that would keep facilities from closing and to initiate the two new programs, USFS must confirm that sufficient volumes of feedstock can be sourced from high hazard zones on USFS lands. To date, USFS has provided very low estimates of available trees in the coming years from high hazard zones on its lands. In fact, this amount of feedstock is estimated to supply only half of one biomass facility for one year, when the number of trees that must be removed from high hazard zones is many times higher. Given the USFS' stated commitment to reducing the threat of wildfire on National Forest lands, we urge the USFS to provide a significant commitment towards the 4.5 million bone dry tons of feedstock needed to keep existing biomass facilities operating.

Maintaining a strong, unified commitment to address this unprecedented tree mortality remains necessary to avoid the worst impacts of this crisis. Thank you once again for your ongoing commitment to tackling this grave challenge.

Sincerely,

Wade Crowfoot
Deputy Cabinet Secretary & Senior Advisor
Office of California Governor Edmund G. Brown Jr.
Wade.Crowfoot@gov.ca.gov
(916) 322-5326

Cliff Rechtschaffen
Senior Advisor
Office of California Governor Edmund G. Brown Jr.
Cliff.Rechtschaffen@gov.ca.gov
(916) 445-7765

The CHAIRMAN. Thank you, Director Pimlott.

Again, thank you to each of you for your contribution before the Committee today.

I will yield first to Senator Daines.

Senator DAINES. Thank you, Chair Murkowski, Ranking Member Cantwell, for having this hearing today.

Julia and Peter, welcome as two fellow Montanans. It is good to have you both here.

Julia, I wanted to echo your testimony about how devastating excessive regulations and unending litigation has been to Montana's wood products workforce and the health of our forests. My earlier comments regarding this devastating news coming from Weyerhaeuser last night, I think, really illustrates what is going on in Montana.

Your observation that we are harvesting only 5 percent of dead trees and 4.5 percent of the annual growth is startling, especially considering that nearly seven million federally-controlled acres in Montana are at high risk for wildfires.

My question is could you elaborate on how increasing active management is critical to both protecting wood product jobs and, importantly, reducing the risk of catastrophic wildfires in Montana and across many parts of the West?

Ms. ALTEMUS. Thank you for that question, Senator Daines, I would be happy to address it.

Increasing management in Region One, specifically Montana, so the economic analysis for a million board feet is usually 11 jobs are created for every one million board foot that's harvested. Now you can't just multiple that by, you know, the board feet that are on the inventory that's sitting on the landscape because a lot of those loggers are going to—they're going to their work and they're going to move to the next project and do the work. But it would impact hundreds of jobs. We're usually short, you know, 60 to 80 million board feet of timber a year. Just increasing it 60 to 80 million board feet, we would raise the capacity of the remaining mills to 100 percent when right now, as I said, they're running at 50 percent, one shift 60 percent. So, it's not a lot that we need. But it's critical that that raise is critical. So that addresses just the economics.

But as far as getting at that seven million acres of dead and dying, it will continue to grow. It will continue to burn, and we will continue to eat up a majority of the fire budget if we don't address those issues.

Senator DAINES. So you have looked at the discussion draft. What provisions do you believe would be most helpful?

It is already management and thereby creating the jobs, improving habitat, protecting the watersheds. I mean, we work with a lot of conservation groups, wildlife groups, the Rocky Mountain Elk Foundation, others, that want and are pushing for these kind of revisions. What do you think is most helpful?

Ms. ALTEMUS. Thank you, Senator.

Well, again, you know, impediments to a success are certainly the capacity of the Forest Service. So they're under Title I, as far as the fire borrowing goes. If there were additional monies of unspent fire money that we could put back into hazardous fuel re-

duction projects, that would be very, very helpful. That's number one.

Under Title III, some of the provisions, like the no action/action provision is, I believe, important. It works under HFRA. It works within the collaborative context as well so that one is important. I would suggest and in part of our written testimony is to add provisions under 106 of HFRA as far as balance of harms. That has been proven in court. That's not part of the discussion draft, but I would encourage you to look at that and add it.

I'm not sure about the pilot. I mean, in Montana we do have dry pine, you know, we have mixed conifer and dry, mountain ponderosa pine forests, but honestly we have a lot of lodgepole pine. That's where the majority of our issues are. So, as I said in my testimony, dry forests are at risk, but wet forests in low frequency, but high intensity fires are also at risk. And so we would encourage you to think about that, changing those fuel loads as well.

Senator DAINES. Thanks for the input on that.

I want to talk a little bit about litigation relief and the need for it.

In your testimony you indicate that the hundreds of millions of board feet are encumbered by litigation. If Montana loggers and mills had faster, uninhibited access to that type of volume, roughly, how many Montana jobs could be sustained or possibly created?

Ms. ALTEMUS. Well, as I said in my testimony, just under litigation alone we've got about 44,000 truckloads that could be impacted. Not all of that is under preliminary injunction. Some can move forward. A lot of it is not being advertised.

But if we could at least acknowledge that we have a problem, because it's been difficult for some folks in Congress to acknowledge or in the Forest Service to acknowledge that we have a problem, and then work together to find a path forward to resolving that that doesn't require opening up equal access to justice or other things.

There's other things that we can do that I have in my written testimony that, I think, are good for discussion.

But as far as the jobs, again, you can't just do that multiplier, but it would be probably in the neighborhood of 300 or 400 jobs.

Senator DAINES. Right.

Ms. ALTEMUS. And we lost 500 last year.

Senator DAINES. Yes.

Ms. ALTEMUS. And we're going to lose 200 this year.

Senator DAINES. Thank you for quantifying it out.

Peter, thanks for coming from Montana. I do appreciate your participation in working with the Beaverhead-Deerlodge Collaborative Working Group. I have been a proponent of collaborative efforts. Thank you for that.

As I previously noted, there are 21 active lawsuits going on in Montana with 13 on projects that were developed through the collaborative process and nearly all of them involve groups that are not part of the collaborative process. They are fringe groups that come in here after the fact.

Notwithstanding your concerns, I respect them, with some of the management proposals put forth in this draft, do you acknowledge that litigation is a problem in Montana and has undermined the

work of collaboratives and has slowed important restoration work to our national forests?

Mr. NELSON. Thanks, Senator.

It's good to be around so many Montanans.

We have challenges. We have challenges in Montana, and we have challenges nationally. Many of them are capacity related.

On the Beaverhead-Deerlodge, I think, we're limited in our ID team's ability to go out and analyze, get projects ready. We've seen all sorts of capacity and resource challenges there. People are frustrated. I've worked with members of your staff, members of the Montana Wood Products Association and the Forest Service are frustrated. People are frustrated.

Senator DAINES. Just so you know, you work in a collaborative process.

Mr. NELSON. I do.

Senator DAINES. I appreciate that. Again, we have got 13 of the 21 lawsuits are again—

Mr. NELSON. Collaborative process.

Senator DAINES. Do you think litigation encumbers us?

Mr. NELSON. The collaborative processes can lead to better decisions, more durable decisions.

Senator DAINES. Does the litigation encumber that?

Mr. NELSON. Winning decisions.

Senator DAINES. Is the litigation, do you think it slows us down or encumbers us, the collaborative process?

Mr. NELSON. Litigation plays a role in the system and—

Senator DAINES. So you say it does not slow us down? It is not slowing us down getting the collaborative projects approved and—

Mr. NELSON. Compared to what may normally happen, I suppose it does. You could say that it slows us down. But you know Montanans care about their public lands. We need to keep these processes open. This is a challenge. We have—people are frustrated. I hear that from you, and I hear that. We want to get the work done. We're working with the Farm bill authorities. We have a CE moving up outside of Butte. We're trying to get work done. People are rolling up their sleeves. This is not easy. We're committed to doing this work.

My fear is that if we come in too strong on this we're going to see more conflict, in fact. And so, I just have to urge caution.

Senator DAINES. Okay.

Mr. NELSON. About where you're going with that line of questioning because caution is—

Senator DAINES. Well the disruption right now is we have collaborative processes. They are moving through. The disruption is after we have moved through long, collaborative, unifying processes, fringe groups come in at the end and file suits and basically stop all the progress we have made of collaboratives. That is the frustration.

Mr. NELSON. Collaboratives have to develop winning solutions that are durable, based on best science and can move forward and be implemented. That's the strength of the collaborative process.

Senator DAINES. I am way over my time.

Mr. NELSON. It allows us to do that.

Senator DAINES. I yield back to the Chairman.

Thank you.

The CHAIRMAN. Senator Daines, I allowed for additional time here.

Mr. NELSON. I appreciate the exchange.

The CHAIRMAN. I think the bottom line is that litigation delays, and sometimes litigation is intended to do nothing more than delay. I think my friend and colleague from Montana sees that. We certainly see that in Alaska. You express frustration. Boy, be on the receiving end of it.

Senator Cantwell.

Senator CANTWELL. Thank you, Madam Chair.

I want to thank Mr. Nelson for his comments about NEPA and the challenges that we would face if we made the changes that are in the draft, that it could lead to more complexity than we realize.

I certainly understand the Senator from Montana's frustration because we have a lot of collaboratives that have worked in our state too. I want to give Senator Daines something before you leave, but you can—I will leave it right here so that we don't—okay, you can grab it right now. Thank you.

I think the issue for me is this research that has been done on the Pine Pilot. I don't know if Mr. Pimlott or Mr. Nelson or Mr. Goldmark, you want to comment on—not that I am excluding anybody else from commenting on it, but Cal Poly University released some findings on how much of the fire risk you would reduce by reducing some of that fuel. Their number was so large that I don't even know how to get my head around it. It is pretty hard when you think about what happened in the Carlton Complex to think that just some fuel reduction might have prevented 100 million acres in one afternoon from being destroyed. Nonetheless, we now have some research that does show that this kind of fuel reduction is making an impact.

So I wanted to hear about any of those real-life examples that you know about. Dr. Goldmark can talk about the Carpenter Road fire in Wenatchee where we made some forest improvements ahead of time. Mr. Pimlott, are there any of these areas where you have actually seen the fuel reduction work? What the researchers are trying to highlight in this science that was released by the University is that if treatments are done strategically, you are reducing the size of the fire. And knowing that the conditions are so explosive, I think this is what we have to aim for. And so, I didn't know if you wanted to give some, maybe, real-life examples of that.

Dr. GOLDMARK. So thank you for that question, Senator Cantwell.

We've had many large fires, as you know, in the State of Washington, and both the fire seasons of 2014 and 2015 have set new records. As a matter of fact, I have recently toured the Tripod fire which occurred in 2006, a 180,000-acre fire that cost \$180 million to suppress. In that fire, which was a very large fire, as well as the Carlton fire and others where there has been active management before the fire, it has a demonstrable impact on the severity of the fire. In many cases, the fire doesn't even penetrate those areas that have been managed. It is not a guarantee, but the single best thing that we can do in advance of fire is to do the fuel reduc-

tion work and the prescribed fire work to take away the fuel that the fire would need to pass through that forest.

So, I'm wholly supportive of the Pine Pilot Project. I think restoration is one of the critical steps that we must take to help make our forests more resilient.

Senator CANTWELL. Do you have an idea of what some of those restoration projects might have done? It is hard to categorize, but they are coming up with a pretty big number. They are saying you could have as big as a 50 percent reduction in the fire by doing the right kinds of treatment. Is that something, Mr. Pimlott, that you think?

Mr. PIMLOTT. I think it is certainly a possibility, and I think the language in the discussion draft really is an opportunity for us to test that model.

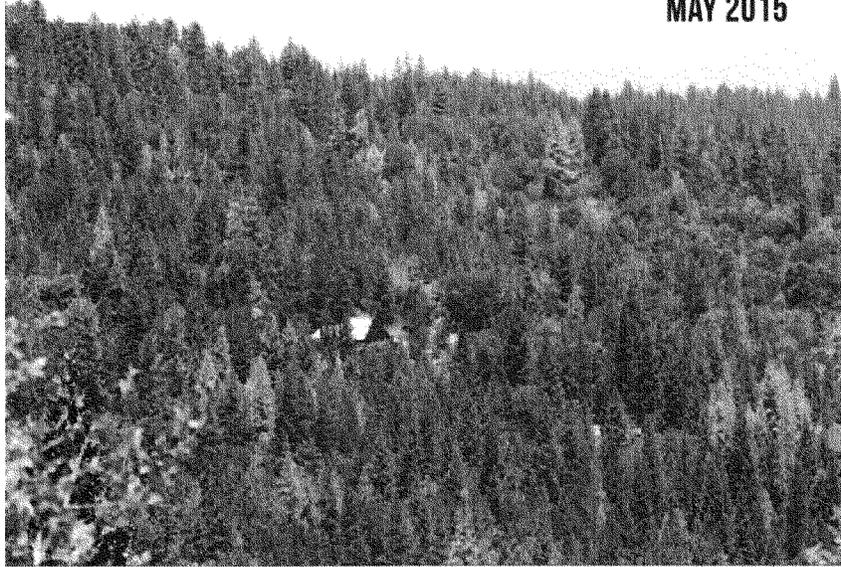
I think absolutely, having been a Forester for 30 years now, preaching active engagement in forest management. We've got several examples in the Sierra where thinning from below, thinning that reduces the number of smaller trees in the forest stand, has actually kept the fire to a lower intensity, which not only protected the forest, but communities.

And earlier I failed to show a slide, but and you may have trouble seeing it from up there, but a picture tells a thousand words. [The information referred to follows:]

TREE MORTALITY NORTHERN FRESNO COUNTY



MAY 2015



FEBRUARY 2016



This is the Central Sierra a year ago and just this spring, and what you're seeing is tree mortality. Almost an entire mixed-conifer, ponderosa pine stand completely decimated, not by fire yet, by insect mortality.

And so, forest management, particularly thinning and this pilot project, can have us start looking. It's not just reducing the fire intensity, but it's active forest management for forest health which reduces the impact and potential for epidemic insect outbreaks, et cetera. So absolutely engaging in forest management, including the pilot project. We'd certainly love to see some pilot projects in California.

Senator CANTWELL. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. Thank you, Senator Cantwell.

We have gone over the time that I had promised we would be adjourning the panel, but I do have a question for Mr. Nichols and this relates to the TAC recommendations relating to the inventory.

You served on the Tongass Advisory Committee, so I am going to rely on you for a little background on how the transition and the inventory, really, came together within those discussions.

In my questioning to Mr. Bonnie I made clear, or read the statement from the TAC, about the inventory being the number one priority. He seems to suggest, and actually he did state, that the Forest Service will have all the data that it needs to guarantee the success, apparently, of a young growth transition by the end of this summer's survey on Prince of Wales and indicated that there can be this parallel track, if you will, that the inventory has begun. We appreciate that, but that it can go alongside the forest plan amendment process.

Can you please speak to why it was important that the TAC recommend a comprehensive stand level inventory? Also, further to the point, has anything changed since January 21 when that statement was pretty conclusively made that it remains the number one priority? Then is it possible that the Forest Service will have all that it needs in terms of an inventory when it completes the review this summer?

Mr. NICHOLS. You know, I spent 18 months on the TAC, so it seems like a lifetime to me, but basically there were two pieces to that.

The first piece was we knew there was going to be fall down acres. When you look at the old growth stands they lose about 60 percent of the stand's acres when they try and put a timber sale together. So we knew we would have some acres lost in the young growth. We'd spent some time in the field with a fish biologist. She showed the streams that were logged through in the beginning that will have to be protected. So we know we're going to get some fall down. So we knew in our models we could not get an answer from the Forest Service on what kind of fall down to use. So in our modeling that we did, we did no fall down acres. So we used the 250,000 acres the Forest Service has. That was the first point.

The second point was the conservation community was pushing hard for absolute dates on ending old growth, and we couldn't give it to them. We did not have the information because one of the things that we agreed to in this TAC was that for every acre of

young growth we would stop harvesting acre old growth. But that went vice versa too. The vice versa was that for every acre of young growth you did not get you had to do more old growth. So for the first time there was, kind of, a leverage there on both sides of that there.

So the TAC, when Bonnie came to Ketchikan, the TAC knew we had to have a better inventory. There just was not enough information there.

I attended a meeting here last week. The Forest Service has 50,000 acres of information on 250,000 acres. They're blowing that up over the other 250,000 acres. The land is highly variable. They will tell you it's highly variable. They do not have enough information.

The TAC position was that we needed that information from an inventory because we had to make final decisions on when to stop the old growth harvest. And we just couldn't do that. We just did not have enough information to make that decision.

The other thing is the acres left in this plan amendment are so low that if we lose part of those acres to this fall down or to the uneconomic ability, there will not be a timber industry. There will not be enough acres left of harvestable timber to be able to maintain any kind of industry in Southeast Alaska.

The CHAIRMAN. So that is the reason why we have to get this inventory correct?

Mr. NICHOLS. You only have one time. We can't undo it.

As you guys have seen in all this federal legislation, it never gets undone. So if we make a mistake now, there will be no timber industry. The communities in Southeast Alaska will suffer greatly because of it.

The CHAIRMAN. So the TAC continues to recommend a comprehensive stand level inventory. That has not changed?

Mr. NICHOLS. That has not changed a bit.

The CHAIRMAN. And as far as this parallel track that has been suggested that we can move forward with the forest plan amendment process while at the same time conducting an inventory. Does that work or not work?

Mr. NICHOLS. Well, from the industry side what I see out there today is that the TAC made some very strong recommendations. The Forest Service only took part of those recommendations. They did not take them all. The timber sales they're working on today do not follow the TAC recommendations, so there was going to be a downfall in the amount of young growth available as they don't intensively manage or intentionally harvest these stands. So what we see since the TAC recommendation today is that the Forest Service has still not implemented the on the ground, the recommendations that we've made, and those are difficult recommendations. And that's what's going to determine whether this thing will work or not. But right now we do not see where there is a will to get the recommendations in place.

The CHAIRMAN. Okay.

Well, we are going to continue to push to make sure that we have a firm understanding.

It has been suggested that somehow or other my motivation is to delay the forest plan amendment, delay it indefinitely. My inten-

tion is not to delay the plan. My intention is to make sure that that plan is based on the true facts on the ground, a true, honest understanding as to what our inventory is that will allow us to base the decisions on good, grounded science that will allow us to get it right because, as you have suggested, we have got one opportunity to get it right.

I appreciate the work that you and others have done on the TAC. I know it is not easy. I know it has been difficult, but I appreciate the good work. I also appreciate you recognizing that, in fact, all the recommendations from the TAC were not put into play. Again, thank you for what you have done in helping to advance these very important issues.

With that, ladies and gentlemen, I appreciate the extra time that you have given us and the Committee as well.

As we continue to work to refine this draft proposal we would certainly welcome and encourage your continued input if members have questions for the record. We will make sure that we get them out to you quickly.

Again, thank you for being here. The Committee stands adjourned.

[Whereupon, at 12:17 p.m. the hearing was adjourned.]

APPENDIX MATERIAL SUBMITTED

114TH CONGRESS
2D SESSION

S. _____

To provide for the conduct of certain wildfire budgeting and response activities and forest management activities.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide for the conduct of certain wildfire budgeting and response activities and forest management activities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Wildfire Budgeting, Response, and Forest Management
6 Act of 2016”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

- Sec. 101. Wildfire disaster funding authority.
- Sec. 102. Reporting requirements.
- Sec. 103. Sense of the Senate.
- Sec. 104. Wildfire risk reduction projects.

TITLE II—WILDFIRE RESPONSE AND PREPAREDNESS

- Sec. 201. National wildland firefighting credentials.
- Sec. 202. Use of unmanned aircraft systems in managing wildland fires.
- Sec. 203. Location tracking system for wildland firefighters.
- Sec. 204. Community planning assistance for at-risk communities.
- Sec. 205. Fire risk maps.
- Sec. 206. Dissemination of information to the public during fires.

TITLE III—PUBLIC LAND AND FOREST MANAGEMENT

Subtitle A— Environmental Analysis for Certain Forest Management Activities

- Sec. 301. Environmental analysis for certain forest management activities.

Subtitle B—Tongass National Forest Plan Amendment

- Sec. 311. Tongass National Forest plan amendment.

Subtitle C—Stewardship End Result Contracting

- Sec. 321. Cancellation ceilings for stewardship end result contracting projects.
- Sec. 322. Excess offset value.
- Sec. 323. Submission of existing annual report.
- Sec. 324. Availability of stewardship project revenues for planning costs.

Subtitle D—Accelerated Restoration Program for Ponderosa Pine and Dry-site Mixed Conifer Forests

- Sec. 331. Accelerated restoration program for ponderosa pine and dry-site mixed conifer forests.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **COLLABORATIVE PROCESS.**—The term “col-

4 laborative process” means a process relating to the

5 management of National Forest System land or pub-

6 lic land under which a project or forest management

7 activity is developed and implemented—

8 (A) through a collaborative framework

9 that—

1 (i) includes a diverse and balanced
2 stakeholder representation;

3 (ii) establishes clear expectations and
4 goals;

5 (iii) strives for maximum trans-
6 parency in the decisionmaking process;

7 (iv) encourages stakeholders to func-
8 tion as representatives;

9 (v) fosters long-term participation;

10 (vi) recognizes timeframes and re-
11 sources; and

12 (vii) enhances agency decisionmaking;

13 (B) under the Collaborative Forest Land-
14 scape Restoration Program established under
15 section 4003 of the Omnibus Public Land Man-
16 agement Act of 2009 (16 U.S.C. 7303); or

17 (C) by a resource advisory committee.

18 (2) COMMUNITY WILDFIRE PROTECTION
19 PLAN.—The term “community wildfire protection
20 plan” has the meaning given the term in section 101
21 of the Healthy Forests Restoration Act of 2003 (16
22 U.S.C. 6511).

23 (3) FOREST MANAGEMENT ACTIVITY.—The
24 term “forest management activity” means a project
25 or activity carried out by the Secretary concerned on

1 National Forest System land or public land in ac-
2 cordance with the forest plan.

3 (4) FOREST PLAN.—The term “forest plan”
4 means—

5 (A) a resource management plan prepared
6 by the Bureau of Land Management for public
7 land pursuant to section 202 of the Federal
8 Land Policy and Management Act of 1976 (43
9 U.S.C. 1712); or

10 (B) a land and resource management plan
11 prepared by the Forest Service for a unit of the
12 National Forest System pursuant to section 6
13 of the Forest and Rangeland Renewable Re-
14 sources Planning Act of 1974 (16 U.S.C.
15 1604).

16 (5) RESOURCE ADVISORY COMMITTEE.—The
17 term “resource advisory committee” has the mean-
18 ing given the term in section 201 of the Secure
19 Rural Schools and Community Self-Determination
20 Act of 2000 (16 U.S.C. 7121).

21 (6) NATIONAL FOREST SYSTEM.—The term
22 “National Forest System” has the meaning given
23 the term in section 11(a) of the Forest and Range-
24 land Renewable Resources Planning Act of 1974 (16
25 U.S.C. 1609(a)).

6

1 【“(III) the additional new budget
2 authority provided in an appropriation
3 Act for wildfire suppression operations
4 pursuant to subparagraph (E) for the
5 preceding fiscal year.”; and】

6 【(2) by adding at the end the following:】

7 【“(v) Beginning in fiscal year 2019,
8 and for each fiscal year thereafter, the cal-
9 culation of the ‘average funding provided
10 for disaster relief over the previous 10
11 years’ shall include, for each year within
12 that average, the additional new budget
13 authority provided in an appropriation Act
14 for wildfire suppression operations pursu-
15 ant to subparagraph (E) for the preceding
16 fiscal year.”.】

17 【(b) WILDFIRE SUPPRESSION.—Section 251(b)(2) of
18 the Balanced Budget and Emergency Deficit Control Act
19 of 1985 (2 U.S.C. 901(b)(2)) is amended by adding at
20 the end the following:】

21 【“(E) WILDFIRE SUPPRESSION.—】

22 【“(i) DEFINITIONS.—In this subpara-
23 graph:】

24 【“(I) ADDITIONAL NEW BUDGET
25 AUTHORITY.—The term ‘additional

7

1 new budget authority’ means the
2 amount provided for a fiscal year in
3 an appropriation Act that is—】

4 【“(aa) in excess of 100 per-
5 cent of the average costs for wild-
6 fire suppression operations over
7 the previous 10 years; and】

8 【“(bb) specified to pay for
9 the costs of wildfire suppression
10 operations.】

11 【“(II) WILDFIRE SUPPRESSION
12 OPERATIONS.—The term ‘wildfire sup-
13 pression operations’ means the emer-
14 gency and unpredictable aspects of
15 wildland firefighting, including—】

16 【“(aa) support, response,
17 and emergency stabilization ac-
18 tivities;】

19 【“(bb) other emergency
20 management activities; and】

21 【“(cc) the funds necessary
22 to repay any transfers needed for
23 the costs of wildfire suppression
24 operations.】

1 **【**“(ii) ADDITIONAL NEW BUDGET AU-
 2 THORITY.—If a bill or joint resolution
 3 making appropriations for a fiscal year is
 4 enacted that specifies an amount for wild-
 5 fire suppression operations in the Wildland
 6 Fire Management accounts at the Depart-
 7 ment of Agriculture or the Department of
 8 the Interior, then the adjustments for that
 9 fiscal year shall be the amount of addi-
 10 tional new budget authority provided in
 11 that Act for wildfire suppression operations
 12 for that fiscal year, but shall not exceed—
 13 **】**

14 **【**“(I) for fiscal year 2017,
 15 [\$1,410,000,000] in additional new
 16 budget authority;**】**

17 **【**“(II) for fiscal year 2018,
 18 [\$1,460,000,000] in additional new
 19 budget authority;**】**

20 **【**“(III) for fiscal year 2019,
 21 [\$1,560,000,000] in additional new
 22 budget authority;**】**

23 **【**“(IV) for fiscal year 2020,
 24 [\$1,780,000,000] in additional new
 25 budget authority;**】**

9

1 【“(V) for fiscal year 2021,
2 [\$2,030,000,000] in additional new
3 budget authority;】

4 【“(VI) for fiscal year 2022,
5 [\$2,320,000,000] in additional new
6 budget authority;】

7 【“(VII) for fiscal year 2023,
8 [\$2,650,000,000] in additional new
9 budget authority; and】

10 【“(VIII) for fiscal year 2024,
11 [\$2,690,000,000] in additional new
12 budget authority;】

13 【“(IX) for fiscal year 2025,
14 [\$2,690,000,000] in additional new
15 budget authority; and】

16 【“(X) for fiscal year 2026,
17 [\$2,690,000,000] in additional new
18 budget authority.】

19 【“(iii) AVERAGE COST CALCULA-
20 TION.—The average costs for wildfire sup-
21 pression operations over the previous 10
22 years shall be calculated annually and re-
23 ported in the budget of the President sub-
24 mitted under section 1105(a) of title 31,

10

1 United States Code, for each fiscal
2 year.”.]

3 **[SEC. 102. REPORTING REQUIREMENTS.**

4 **[(a) SUPPLEMENTAL APPROPRIATIONS.—**If the Sec-
5 retary of the Interior or the Secretary of Agriculture de-
6 termines that supplemental appropriations are necessary
7 for a fiscal year for wildfire suppression operations, a re-
8 quest for the supplemental appropriations shall promptly
9 be submitted to Congress.]

10 **[(b) NOTICE OF NEED FOR ADDITIONAL FUNDS.—**
11 Prior to the obligation of any of the additional new budget
12 authority for wildfire suppression operations specified for
13 purposes of section 251(b)(2)(E)(ii) of the Balanced
14 Budget and Emergency Deficit Control Act of 1985 (2
15 U.S.C. 901(b)(2)(E)(ii)), the Secretary of the Interior or
16 the Secretary of Agriculture, as applicable, shall submit
17 to the Committees on Appropriations and the Budget of
18 the House of Representatives and the Committees on Ap-
19 propriations and the Budget of the Senate written notifi-
20 cation that describes—]

21 **[(1) that the amount for wildfire suppression**
22 **operations to meet the terms of section 251(b)(2)(E)**
23 **of that Act for that fiscal year will be exhausted im-**
24 **minently; and]**

1 **[(2) the need for additional new budget author-**
 2 **ity for wildfire suppression operations.]**

3 **[(c) ACCOUNTING, REPORTS, AND ACCOUNT-**
 4 **ABILITY.—]**

5 **[(1) REQUIREMENTS.—**For each fiscal year,
 6 the Secretary of the Interior and the Secretary of
 7 Agriculture shall account for, and submit **[to Con-**
 8 **gress],** reports regarding the amounts used from
 9 any additional new budget authority for wildfire sup-
 10 pression operations provided to the Secretary of the
 11 Interior and the Secretary of Agriculture in an ap-
 12 propriation Act pursuant to subparagraph (E)(ii) of
 13 section 251(b)(2) of the Balanced Budget and
 14 Emergency Deficit Control Act of 1985 (2 U.S.C.
 15 901(b)(2)).**]**

16 **[(2) ANNUAL REPORT.—**

17 **[(A) IN GENERAL.—**Not later than 180
 18 days after the end of the fiscal year for which
 19 additional new budget authority is used, pursu-
 20 ant to subparagraph (E)(ii) of section
 21 251(b)(2) of the Balanced Budget and Emer-
 22 gency Deficit Control Act of 1985 (2 U.S.C.
 23 901(b)(2)), the Secretary of the Interior or the
 24 Secretary of Agriculture, as applicable, shall—
 25 **]**

1 **[(i) prepare an annual report with re-**
 2 **spect to the additional new budget author-**
 3 **ity;]**

4 **[(ii) submit to the Committees on Ap-**
 5 **propriations, the Budget, Natural Re-**
 6 **sources, and Agriculture of the House of**
 7 **Representatives and the Committees on**
 8 **Appropriations, the Budget, Energy and**
 9 **Natural Resources, and Agriculture, Nutri-**
 10 **tion, and Forestry of the Senate the an-**
 11 **ual report prepared under clause (i);**
 12 **and]**

13 **[(iii) make the report prepared under**
 14 **clause (i) available to the public.]**

15 **[(B) COMPONENTS.—The annual report**
 16 **prepared under subparagraph (A) shall—]**

17 **[(i) document an accounting of risks**
 18 **that influenced management decisions with**
 19 **respect to wildfire suppression operations;]**

20 **[(ii) analyze all fires of more than**
 21 **100,000 acres in size, or with an associ-**
 22 **ated cost of more than \$100,000,000, in-**
 23 **cluding an analysis for each fire of—]**

24 **[(I) cost drivers;]**

13

1 **[(II) the effectiveness of risk**
2 **management techniques and whether**
3 **fire operations strategy tracked the**
4 **risk assessment;]**

5 **[(III) any resulting ecological or**
6 **other benefits to the landscape;]**

7 **[(IV) the impact of investments**
8 **in wildfire suppression operations pre-**
9 **paredness;]**

10 **[(V) the effectiveness of suppres-**
11 **sion wildfire operations, including an**
12 **analysis of resources lost, as com-**
13 **pared to the amount of funds in-**
14 **vested;]**

15 **[(VI) the effectiveness of any**
16 **fuel treatments on fire behavior and**
17 **suppression expenditures;]**

18 **[(VII) the levels of exposure fire-**
19 **fighters experienced;]**

20 **[(VIII) suggested corrective ac-**
21 **tions; and]**

22 **[(IX) any other factors the Sec-**
23 **retary of the Interior or Secretary of**
24 **Agriculture determines to be appro-**
25 **priate;]**

1 【(iii) include an accounting of overall
2 fire management and spending by the Sec-
3 retary of the Interior or the Secretary of
4 Agriculture, which shall be analyzed by fire
5 size, cost, regional location, and other fac-
6 tors;】

7 【(iv) describe any lessons learned in
8 the conduct of wildfire operations;】

9 【(v) include any other elements that
10 the Secretary of the Interior or the Sec-
11 retary of Agriculture determines to be nec-
12 essary.】

13 **SEC. 103. SENSE OF THE SENATE.**

14 It is the sense of the Senate that—

15 (1) the amendments made by this title fall with-
16 in the exclusive jurisdiction of the Committee on the
17 Budget; and

18 (2) the final version of an amendment made by
19 this title that makes an adjustment for new budget
20 authority should be prepared in consultation with
21 the Committee on the Budget of the Senate.

22 **SEC. 104. WILDFIRE RISK REDUCTION PROJECTS.**

23 (a) IN GENERAL.—Amounts made available in an an-
24 nual appropriations Act for wildfire suppression oper-
25 ations for a fiscal year that are not expended in that fiscal

1 year shall be available to the Secretary concerned for wild-
2 fire risk reduction projects in accordance with subsection
3 (b).

4 (b) PROJECT PRIORITIES.—In providing amounts
5 made available to the Secretary concerned under sub-
6 section (a), the Secretary concerned shall give priority to
7 projects that are—

8 (1) conducted in areas that—

9 (A) are within or adjacent to—

10 (i) at-risk communities (as defined in
11 section 204(b)(1)); or

12 (ii) high-value watersheds;

13 (B) have very high wildfire hazard poten-
14 tial; and

15 (C) are in Fire Regime Group I, II, or III;

16 and

17 (2) designed to achieve 1 or more of the goals
18 established in the report of the Secretaries entitled
19 “The National Strategy: the Final Phase of the De-
20 velopment of the National Cohesive Wildland Fire
21 Management Strategy” and dated April 2014—

22 (A) to create fire-adapted communities;

23 (B) to restore and maintain resilient land-
24 scapes; and

25 (C) to achieve safe, effective fire response.

1 (c) ANNUAL REPORTS.—The Secretary concerned
2 shall submit with the annual budget of the United States
3 submitted by the President under section 1105 of title 31,
4 United States Code, a list of projects to be implemented
5 using amounts made available to the Secretary concerned
6 under subsection (a).

7 **TITLE II—WILDFIRE RESPONSE**
8 **AND PREPAREDNESS**

9 **SEC. 201. NATIONAL WILDLAND FIREFIGHTING CREDEN-**
10 **TIALS.**

11 (a) SINGLE SYSTEM.—The Secretaries, acting jointly
12 with the State agencies that have primary responsibility
13 for fire suppression, shall develop and approve, by not
14 later than March 1, 2018, a single system, representing
15 and consisting of all concerned Federal and State wildland
16 firefighting agencies.

17 (b) REQUIREMENTS.—The single system under sub-
18 section (a) shall include a process for providing credentials
19 to all Federal and State-certified aircraft, personnel (in-
20 cluding pilots and maintenance personnel), and fire-
21 fighting support equipment for use—

22 (1) on fires on Federal land; and

23 (2) for firefighting operations conducted by, or
24 in cooperation with, Federal agencies.

1 (c) INTERIM ACCEPTANCE OF STANDARDS.—Until
2 the date of implementation of the single system under this
3 section, all Federal and State wildland firefighting agen-
4 cies shall accept the standards of each other as a coop-
5 erator, including standards relating to—

6 (1) pilot and maintenance inspector qualifica-
7 tions; and

8 (2) qualified firefighting support equipment.

9 **SEC. 202. USE OF UNMANNED AIRCRAFT SYSTEMS IN MAN-**
10 **AGING WILDLAND FIRES.**

11 (a) DEFINITION OF UNMANNED AIRCRAFT; UN-
12 MANNED AIRCRAFT SYSTEM.—In this section, the terms
13 “unmanned aircraft” and “unmanned aircraft system”
14 have the meaning given those terms in section 331 of the
15 FAA Modernization and Reform Act of 2012 (Public Law
16 112–95; 49 U.S.C. 40101 note).

17 (b) AUTHORIZATION.—Federal and State wildland
18 firefighting agencies (including designees of the agencies)
19 may operate unmanned aircraft systems in managing
20 wildland fires.

21 (c) DEVELOPMENT OF PROTOCOLS AND PLANS.—
22 Not later than March 1, 2018, Federal and State wildland
23 firefighting agencies shall jointly develop protocols and
24 plans for the use of unmanned aircraft systems for surveil-
25 lance, initial and extended attack, and incident team use,

1 as appropriate, including the development of an ortho rec-
2 tified map.

3 (d) DEADLINE.—By not later than September 30,
4 2020, and in accordance with the protocols and plans de-
5 veloped under subsection (c), the Secretaries shall begin
6 to equip firefighting personnel with unmanned aircraft
7 systems to detect spot fires, assess fire behavior, develop
8 tactical and strategic firefighting plans, position crews,
9 and enhance firefighter safety.

10 (e) LIMITATION ON OPERATION.—Unmanned air-
11 craft may only be operated under this section in accord-
12 ance with regulations and other authorities of the Admin-
13 istrator of the Federal Aviation Administration.

14 **SEC. 203. LOCATION TRACKING SYSTEM FOR WILDLAND**
15 **FIREFIGHTERS.**

16 (a) IN GENERAL.—Not later than March 1, 2018, the
17 Secretaries shall jointly develop and operate a tracking
18 system (referred to in this section as the “system”) to re-
19 motely locate the positions of fire crews assigned to Fed-
20 eral Type 1 Wildland Fire Incident Management Teams.

21 (b) REQUIREMENTS.—The system shall—

22 (1) use technology available to the Secretaries
23 to remotely track the location of an active resource,
24 such as a Global Positioning System;

1 (2) depict the location of each fire crew on an
2 ortho rectified map developed under section 202(c);
3 and

4 (3) operate continuously until a wildland fire is
5 contained.

6 (c) OPERATION.—The Secretary concerned shall—

7 (1) operate the system during a wildland fire to
8 increase—

9 (A) the safety of employees, officers, and
10 contractors; and

11 (B) the effectiveness of the management of
12 the wildland fire; and

13 (2) conduct training and maintain a culture
14 such that an employee, officer, or contractor shall
15 not rely on the system for safety.

16 **SEC. 204. COMMUNITY PLANNING ASSISTANCE FOR AT-RISK**
17 **COMMUNITIES.**

18 (a) UPDATE TO LIST OF AT-RISK COMMUNITIES.—
19 Not later than 180 days after the date of enactment of
20 this Act and every 10 years thereafter, the Secretaries
21 shall jointly update and publish the list of at-risk commu-
22 nities developed pursuant to title IV of the Department
23 of the Interior and Related Agencies Appropriations Act,
24 2001 (Public Law 106–291; 114 Stat. 1006), using the
25 criteria for an at-risk community described in section 101

1 of the Healthy Forests Restoration Act of 2003 (16
2 U.S.C. 6511).

3 (b) PLANNING AND PREPARING AT-RISK COMMU-
4 NITIES FOR WILDFIRE.—

5 (1) DEFINITION OF AT-RISK COMMUNITY.—In
6 this subsection, the term “at-risk community”
7 means a community included in the list of at-risk
8 communities developed pursuant to title IV of the
9 Department of the Interior and Related Appropria-
10 tions Act, 2001 (Public Law 106–291; 114 Stat.
11 1006), and updated under subsection (a).

12 (2) FINANCIAL ASSISTANCE.—Subject to the
13 availability of appropriations, the Secretaries shall
14 provide financial assistance to at-risk communities
15 to assist the at-risk communities in planning and
16 preparing for wildfire, including—

17 (A) cosponsoring and supporting the ex-
18 pansion of the Firewise Program or programs
19 similar to the Firewise Program;

20 (B) developing, updating, and imple-
21 menting community wildfire protection plans
22 for at-risk communities;

23 (C) carrying out risk assessments and cre-
24 ating maps that depict wildfire risk to assist in
25 planning for response and suppression resource

1 needs and implementing hazardous fuel treat-
2 ment programs; and

3 (D) planning and implementing cross-
4 boundary hazardous fuels reduction projects as
5 identified in a community wildfire protection
6 plan.

7 (3) AUTHORIZATION OF APPROPRIATIONS.—
8 There is authorized to be appropriated to carry out
9 this subsection \$500,000,000 for the period of fiscal
10 years 2018 through 2025.

11 **SEC. 205. FIRE RISK MAPS.**

12 (a) DEVELOPMENT.—Subject to the availability of
13 appropriations, not later than September 30, 2020, the
14 Secretaries, in cooperation with the Administrator of the
15 Federal Emergency Management Agency, shall develop a
16 linked series of maps that depict the risk of wildfires for
17 all undeveloped land in the wildland-urban interface.

18 (b) COOPERATION AND COST-SHARING AUTHOR-
19 ITY.—In developing a map under this section, the Secre-
20 taries may cooperate, and share the cost of development,
21 with a State or unit of local government.

22 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated to carry out this section
24 \$100,000,000 for the period of fiscal years 2018 through
25 2025.

1 **SEC. 206. DISSEMINATION OF INFORMATION TO THE PUB-**
2 **LIC DURING FIRES.**

3 (a) TEMPORARY COMMUNICATION.—The Secretaries
4 may procure equipment, including temporary wireless
5 Internet and telecommunications infrastructure, to main-
6 tain communication with the public during large wildland
7 fire incidents.

8 (b) INFORMATION DURING WILDFIRE EVENTS.—

9 (1) IN GENERAL.—During a wildland fire man-
10 aged by a Federal Type 1 Wildland Fire Incident
11 Management Team, not less frequently than once
12 per day—

13 (A) the liaison officer of the Team or the
14 local line officer shall meet with local elected of-
15 ficials; and

16 (B) the public affairs officer of the Team
17 or the local line officer, in cooperation with
18 local elected officials, shall make available to
19 the public information relating to the wildland
20 fire, including—

21 (i) information on any road closures;

22 (ii) information on any power outages;

23 (iii) a description of the location of
24 the wildland fire; and

25 (iv) information on any disruption in
26 telecommunications service.

1 (2) TIME PERIOD.—The Secretaries shall en-
 2 sure that the information provided under paragraph
 3 (1)(B) remains available to the public for a period
 4 of not fewer than 21 days after the date on which
 5 the wildland fire is contained.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
 7 authorized to be appropriated to carry out this section
 8 \$10,000,000 for each of fiscal years 2018 through 2027.

9 **TITLE III—PUBLIC LAND AND**
 10 **FOREST MANAGEMENT**
 11 **Subtitle A— Environmental Anal-**
 12 **ysis for Certain Forest Manage-**
 13 **ment Activities**

14 **SEC. 301. ENVIRONMENTAL ANALYSIS FOR CERTAIN FOR-**
 15 **EST MANAGEMENT ACTIVITIES.**

16 (a) APPLICATION TO CERTAIN ENVIRONMENTAL AS-
 17 SESSMENTS AND ENVIRONMENTAL IMPACT STATE-
 18 MENTS.—This section shall apply in any case in which the
 19 Secretary concerned prepares an environmental assess-
 20 ment or an environmental impact statement pursuant to
 21 section 102(2) of the National Environmental Policy Act
 22 of 1969 (42 U.S.C. 4332(2)) for a forest management ac-
 23 tivity—

24 (1) that—

1 (A) is developed through a collaborative
2 process; or

3 (B) is covered by a community wildfire
4 protection plan; and

5 (2) the primary purpose of which is—

6 (A) reducing hazardous fuel loads;

7 (B) installing fuel and fire breaks;

8 (C) restoring forest health and resilience;

9 (D) protecting a municipal water supply or
10 a critical communication site;

11 (E) improving wildlife habitat to meet
12 management and conservation goals, including
13 State population goals; or

14 (F) a combination of 2 or more of the pur-
15 poses described in subparagraphs (A) through
16 (E).

17 (b) CONSIDERATION OF ALTERNATIVES.—In an envi-
18 ronmental assessment or environmental impact statement
19 described in subsection (a), the Secretary concerned shall
20 study, develop, and describe only the following alter-
21 natives:

22 (1) The forest management activity, as pro-
23 posed under subsection (a).

24 (2) The alternative of no action.

1 (c) ELEMENTS OF NO-ACTION ALTERNATIVE.—In
2 the case of the alternative of no action, the Secretary con-
3 cerned shall evaluate the effect of no action on—

- 4 (1) forest health;
- 5 (2) wildlife habitat;
- 6 (3) wildfire potential;
- 7 (4) insect and disease potential; and
- 8 (5) economic and social factors.

9 (d) EXCLUSIONS.—This section does not apply to—

- 10 (1) any component of the National Wilderness
11 Preservation System;
- 12 (2) any congressionally designated wilderness
13 study area;
- 14 (3) any research natural area;
- 15 (4) any National Forest System land or public
16 land on which the removal of vegetation is prohibited
17 by Act of Congress; or
- 18 (5) any designated critical habitat for a feder-
19 ally listed threatened or endangered species, [unless,
20 after a consultation under section 7 of the Endan-
21 gered Species Act of 1973 (16 U.S.C. 1536), the
22 Secretary of the Interior, acting through the Direc-
23 tor of the United States Fish and Wildlife Service,
24 determines that the forest management activity is

1 not likely to destroy or adversely modify the critical
2 habitat.】.

3 (e) ROAD BUILDING.—

4 (1) PERMANENT ROADS.—A forest management
5 activity carried out under this section shall not in-
6 clude the construction of any new, permanent road.

7 (2) EXISTING ROADS.—The Secretary con-
8 cerned may carry out necessary maintenance of, re-
9 pairs to, or reconstruction of an existing permanent
10 road under a forest management activity carried out
11 under this section.

12 (3) TEMPORARY ROADS.—The Secretary con-
13 cerned shall decommission any temporary road con-
14 structed under a forest management activity carried
15 out under this section by not later than 3 years after
16 the date on which the project is completed.

17 **Subtitle B—Tongass National**
18 **Forest Plan Amendment**

19 **SEC. 311. TONGASS NATIONAL FOREST PLAN AMENDMENT.**

20 (a) IN GENERAL.—The Secretary of Agriculture shall
21 comply with section 705(a) of the Alaska National Interest
22 Lands Conservation Act (16 U.S.C. 539d(a)).

23 (b) INVENTORY.—Using funds set aside for activities
24 related to the proposed Transition Framework in Region
25 10, the Secretary of Agriculture shall conduct a com-

1 prehensive inventory of young-growth stands, as rec-
2 ommended by the Tongass Advisory Committee.

3 (c) REQUIREMENTS.—The comprehensive inventory
4 conducted under subsection (b) shall—

5 (1) include stand-level field work with respect to
6 young-growth timber located on the 462,000 acres of
7 young-growth sites in the Tongass National Forest;
8 and

9 (2) assess all age classes of timber inventoried
10 for the purpose of refining inventory and growth
11 data to properly forecast yields from stands and fu-
12 ture economic options with respect to the timber
13 inventoried.

14 (d) RECORD OF DECISION.—The Secretary of Agri-
15 culture shall not issue a record of decision for any forest
16 plan amendment to the Tongass land and resource man-
17 agement plan dated 2008 that includes transition to
18 young-growth management until the date on which—

19 (1) the comprehensive inventory is completed
20 under subsection (b); and

21 (2) the public is notified of, and provided a pe-
22 riod of not less than 90 days to comment regarding,
23 the comprehensive inventory.

1 **Subtitle C—Stewardship End**
2 **Result Contracting**

3 **SEC. 321. CANCELLATION CEILINGS FOR STEWARDSHIP**
4 **END RESULT CONTRACTING PROJECTS.**

5 (a) IN GENERAL.—Section 604 of the Healthy For-
6 ests Restoration Act of 2003 (16 U.S.C. 6591e) is amend-
7 ed—

8 (1) by redesignating subsections (h) and (i) as
9 subsections (i) and (j), respectively; and

10 (2) by inserting after subsection (g) the fol-
11 lowing:

12 “(h) CANCELLATION CEILINGS.—

13 “(1) IN GENERAL.—The Chief and the Director
14 may obligate funds to cover any potential cancella-
15 tion or termination costs for an agreement or con-
16 tract under subsection (b) in stages that are eco-
17 nomically or programmatically viable.

18 “(2) ADVANCE NOTICE TO CONGRESS OF CAN-
19 CELLATION CEILING IN EXCESS OF \$25,000,000.—Not
20 later than 30 days before entering into a multiyear
21 agreement or contract under subsection (b) that in-
22 cludes a cancellation ceiling in excess of
23 \$25,000,000, but does not include proposed funding
24 for the costs of cancelling the agreement or contract
25 up to that cancellation ceiling, the Chief or the Di-

1 rector, as applicable, shall submit to the Committee
2 on Energy and Natural Resources and the Com-
3 mittee on Agriculture, Nutrition, and Forestry of
4 the Senate and the Committee on Natural Resources
5 and the Committee on Agriculture of the House of
6 Representatives a written notice that includes—

7 “(A) the cancellation ceiling amounts pro-
8 posed for each program year in the agreement
9 or contract;

10 “(B) a description of the reasons why the
11 cancellation ceiling amounts were selected;

12 “(C) a description of the extent to which
13 the costs of contract cancellation are not in-
14 cluded in the budget for the agreement or con-
15 tract; and

16 “(D) a financial risk assessment of not in-
17 cluding budgeting for the costs of agreement or
18 contract cancellation.

19 “(3) TRANSMITTAL OF NOTICE TO OMB.—Not
20 later than 14 days after the date on which written
21 notice is provided under paragraph (2) with respect
22 to an agreement or contract under subsection (b),
23 the Chief or the Director, as applicable, shall trans-
24 mit a copy of the notice to the Director of the Office
25 of Management and Budget.”.

1 (b) RELATION TO OTHER LAWS.—Section 604(d)(5)
2 of the Healthy Forests Restoration Act of 2003 (16
3 U.S.C. 6591e(d)(5)) is amended by striking “, the Chief
4 may” and inserting “and section 2(a)(1) of the Act of July
5 31, 1947 (commonly known as the ‘Materials Act of
6 1947’) (30 U.S.C. 602(a)(1)), the Chief and the Director
7 may”.

8 **SEC. 322. EXCESS OFFSET VALUE.**

9 Section 604(g)(2) of the Healthy Forests Restoration
10 Act of 2003 (16 U.S.C. 6591e(g)(2)) is amended by strik-
11 ing subparagraphs (A) and (B) and inserting the fol-
12 lowing:

13 “(A) use the excess to satisfy any out-
14 standing liabilities for cancelled agreements or
15 contracts; or

16 “(B) if there are no outstanding liabilities
17 under subparagraph (A), apply the excess to
18 other authorized stewardship projects.”.

19 **SEC. 323. SUBMISSION OF EXISTING ANNUAL REPORT.**

20 Subsection (j) of section 604 of the Healthy Forests
21 Restoration Act of 2003 (16 U.S.C. 6591e) (as redesign-
22 nated by section 321(a)(1)) is amended, in the matter pre-
23 ceding paragraph (1), by striking “report to the Com-
24 mittee on Agriculture, Nutrition, and Forestry of the Sen-
25 ate and the Committee on Agriculture of the House of

1 Representatives” and inserting “submit to the congres-
2 sional committees described in subsection (h)(2) a report”.

3 **SEC. 324. AVAILABILITY OF STEWARDSHIP PROJECT REVE-**
4 **NUES FOR PLANNING COSTS.**

5 Section 604(c)(2) of the Healthy Forests Restoration
6 Act of 2003 (16 U.S.C. 6591c(e)(2)) is amended by strik-
7 ing subparagraph (B) and inserting the following:

8 “(B) shall be available for expenditure
9 without further appropriation—

10 “(i) at the project site from which the
11 monies are collected or at another project
12 site; and

13 “(ii) to cover not more than 25 per-
14 cent of the cost of planning for additional
15 stewardship contracting projects.”.

16 **Subtitle D—Accelerated Restora-**
17 **tion Program for Ponderosa**
18 **Pine and Dry-site Mixed Conifer**
19 **Forests**

20 **SEC. 331. ACCELERATED RESTORATION PROGRAM FOR**
21 **PONDEROSA PINE AND DRY-SITE MIXED**
22 **CONIFER FORESTS.**

23 (a) PILOT PROGRAM.—In accordance with this sec-
24 tion, the Secretaries shall establish a pilot program to
25 carry out authorized hazardous fuel reduction projects, as

1 defined in section 101 of the Healthy Forests Restoration
 2 Act of 2003 (16 U.S.C. 6511), and to treat slash in pon-
 3 derosa pine and dry-site mixed conifer forests that—

4 (1) are prone to severe wildfire; and

5 (2) are, or historically were, composed primarily
 6 of ponderosa pines.

7 (b) HAZARDOUS FUEL REDUCTION PROJECTS.—

8 (1) ELIGIBLE AREAS.—A hazardous fuel reduc-
 9 tion project authorized under this section shall be
 10 limited to areas on National Forest System land or
 11 public land that are—

12 (A) at risk of severe wildfire; and

13 (B) located within—

14 (i) the wildland-urban interface; or

15 (ii) areas outside the wildland-urban
 16 interface that—

17 (I) are not in a desired condition
 18 relative to fire regime; and

19 (II) have a high or very high
 20 wildfire hazard potential.

21 (2) EXCLUSIONS.—This section does not apply
 22 to—

23 (A) any component of the National Wilder-
 24 ness Preservation System;

1 (B) any congressionally designated wilder-
2 ness study area;

3 (C) any research natural area;

4 (D) any National Forest System land or
5 public land on which the removal of vegetation
6 is prohibited by law; or

7 (E) any designated critical habitat for a
8 federally listed threatened or endangered spe-
9 cies, [unless, after a consultation under section
10 7 of the Endangered Species Act of 1973 (16
11 U.S.C. 1536), the Secretary of the Interior, act-
12 ing through the Director of the United States
13 Fish and Wildlife Service, determines that the
14 forest management activity is not likely to de-
15 stroy or adversely modify the critical habitat].

16 (3) COLLABORATION.—A hazardous fuel reduc-
17 tion project authorized under this section shall be—

18 (A) identified through a collaborative proc-
19 ess; or

20 (B) covered by a community wildfire pro-
21 tection plan developed not later than 5 years
22 after the date of enactment of this Act.

23 (4) PROCEDURES.—

1 (A) IN GENERAL.—A hazardous fuel re-
2 duction project authorized under this section
3 shall—

4 (i) be conducted consistent with appli-
5 cable land and resource management plans
6 and procedures;

7 (ii) not include the use of herbicides
8 or insecticides;

9 (iii) not occur on highly erodible land,
10 unless the Secretary determines that the
11 fire hazard poses a threat to soil stability
12 that is greater than the project;

13 (iv) not include the construction of a
14 new permanent road; and

15 (v) be conducted in a manner that
16 maximizes the retention of large trees, as
17 appropriate, for the forest type, to the ex-
18 tent that the trees promote stands that are
19 resilient to severe wildfire, insects, and dis-
20 ease.

21 (B) ROADS.—Notwithstanding subpara-
22 graph (A)(iv), a hazardous fuels reduction
23 project authorized under this section—

24 (i) may include necessary maintenance
25 of, repairs to, or reconstruction of an exist-

1 ing permanent road under a forest man-
 2 agement activity carried out under this
 3 section; and

4 (ii) shall include the decommissioning
 5 of any temporary road constructed for a
 6 project under this subsection, by not later
 7 than 3 years after the date on which the
 8 temporary road is no longer needed or the
 9 project is completed.

10 (c) ENVIRONMENTAL PROTECTION.—

11 (1) DEFINITION OF EMERGENCY CIR-
 12 CUMSTANCES.—In this section, the term “emergency
 13 circumstances” means, in the determination of the
 14 Secretary concerned, circumstances in which—

15 (A) conditions in the forest for which a
 16 hazardous fuel reduction project authorized
 17 under this section has been proposed are such
 18 that a wildfire, burning during average severe
 19 fire weather, would—

20 (i) be difficult to contain with sup-
 21 pression resources likely to be available;
 22 and

23 (ii) pose a significant threat to—

24 (I) the forest ecosystem;

25 (II) human life; or

36

1 (III) property; and

2 (B) the probability or likelihood of a wild-
3 fire burning in the area for which a hazardous
4 fuel reduction project authorized under this sec-
5 tion has been proposed within the near future
6 requires prompt action.

7 (2) EMERGENCY CIRCUMSTANCES.—If, in the
8 determination of the Secretary concerned, emergency
9 circumstances make it necessary to conduct a haz-
10 ardous fuel reduction project under this section
11 without ensuring compliance with parts 1500
12 through 1508 of title 40, Code of Federal Regula-
13 tions (or successor regulations), the regulations of
14 the Council on Environmental Quality that imple-
15 ment the procedural requirements of the National
16 Environmental Policy Act of 1969 (42 U.S.C. 4321
17 et seq.), the Secretary concerned shall promptly pre-
18 pare a concise emergency environmental assessment
19 that briefly—

20 (A) describes the need for the hazardous
21 fuel reduction project and any reasonable alter-
22 natives for reducing the risk of fire;

23 (B) provides sufficient evidence and anal-
24 ysis for determining if the hazardous fuel re-

1 duction project will have a significant impact on
2 the environment; and

3 (C) weighs—

4 (i) the risk and environmental impacts
5 of a severe wildfire, including the danger
6 to human life and property and the loss of
7 environmental resources, jobs, and Federal
8 revenue from timber sales, in the forest for
9 which the project has been proposed;
10 against

11 (ii) any environmental impacts of the
12 proposed project.

13 (3) FINDING OF NO SIGNIFICANT ENVIRON-
14 MENTAL IMPACT.—If, based on an emergency envi-
15 ronmental assessment described in paragraph (2),
16 the Secretary concerned finds that the proposed haz-
17 ardous fuel reduction project under this section will
18 not have a significant impact on the environment,
19 the Secretary concerned shall prepare a concise
20 statement describing that finding.

21 (4) ALTERNATIVE ARRANGEMENTS.—If, based
22 on an emergency environmental assessment de-
23 scribed in paragraph (2), the Secretary concerned
24 finds that the proposed hazardous fuel reduction
25 project under this section is likely to have a signifi-

1 cant impact on the environment, but emergency cir-
2 cumstances make it necessary to conduct the project
3 in accordance with paragraph (2), the Secretary con-
4 cerned—

5 (Δ) shall promptly consult with the Council
6 on Environmental Quality regarding alternative
7 arrangements for complying with the require-
8 ments of the National Environmental Policy
9 Act of 1969 (42 U.S.C. 4321 et seq.); and

10 (B) may, after consulting with the Council
11 on Environmental Quality and in accordance
12 with any alternative arrangements required
13 under subparagraph (Δ), take such action as
14 the Secretary concerned determines is necessary
15 and in the public interest—

16 (i) to address the emergency cir-
17 cumstances; and

18 (ii) to control the immediate impacts
19 of the emergency.

20 (5) EFFECT OF DETERMINATION.—A deter-
21 mination of the Secretary concerned made in accord-
22 ance with this subsection shall be entitled to sub-
23 stantial deference.

24 (d) LONG-TERM CONTRACTS.—

1 (1) AUTHORIZATION.—To carry out hazardous
2 fuel reduction projects under this section, the Secre-
3 taries may award, for a term of not more than 20
4 years—

5 (A) timber contracts under section 14 of
6 the National Forest Management Act of 1976
7 (16 U.S.C. 472a); or

8 (B) stewardship contracts under section
9 604 of the Healthy Forests Restoration Act of
10 2003 (16 U.S.C. 6591c).

11 (2) LIMITATIONS.—

12 (A) NUMBER.—The Secretaries may enter
13 into not more than 10 contracts under para-
14 graph (1) during the pilot program.

15 (B) LOCATION.—The Secretaries may only
16 award contracts under paragraph (1) for areas
17 in which wood-using infrastructure is scarce.

18 (3) PREFERENCES.—In awarding contracts
19 under paragraph (1), the Secretaries may give pref-
20 erence to—

21 (A) sawmills in existence on the date of en-
22 actment of this Act; and

23 (B) entities that will convert the timber
24 to—

40

1 (i) wood products that can be used in
2 green building construction; or

3 (ii) mass-timbers, including cross-lam-
4 inated timber.

5 (4) STEWARDSHIP PROJECT REVENUES.—Not-
6 withstanding section 604(c) of the Healthy Forests
7 Restoration Act of 2003 (16 U.S.C. 6591c(e)), pay-
8 ments from contractors received by the Secretaries
9 under this subsection shall be considered monies re-
10 ceived from National Forest System land or public
11 land.

12 (e) MONITORING.—

13 (1) MULTIPARTY MONITORING.—

14 (A) IN GENERAL.—For the 5-year period
15 beginning on the date on which implementation
16 of a hazardous fuel reduction project com-
17 mences under this section, the Secretaries, in
18 consultation with interested persons, shall use a
19 multiparty monitoring, evaluation, and account-
20 ability process to assess the positive or negative
21 ecological, social, and economic effects of each
22 hazardous fuel reduction project carried out
23 under this section.

24 (B) REPORTING.—At the end of each 5-
25 year monitoring period under subparagraph

41

1 (A), the Secretary concerned shall prepare, and
2 make publicly available, a report on the findings
3 of the monitoring.

4 (2) FINAL REPORT ON PROGRAM.—

5 (A) IN GENERAL.—Not later than 1 year
6 before the date on which the pilot program ter-
7 minates under subsection (f), the Secretaries
8 shall prepare a final report describing the im-
9 plementation and results of the pilot program
10 that is based on the reports described in para-
11 graph (1)(B).

12 (B) RECOMMENDATIONS.—The final report
13 shall include recommendations of the Secre-
14 taries relating to—

15 (i) whether the authorization for the
16 pilot program under this section should be
17 extended, let expire, or made permanent;

18 (ii) the manner in which the pilot pro-
19 gram should be modified; and

20 (iii) if and how the scope of the pilot
21 program should be expanded.

22 (C) AVAILABILITY.—The Secretaries
23 shall—

24 (i) submit to the appropriate commit-
25 tees of Congress the final report; and

1 (ii) make the final report available to
2 the public.

3 (f) TERMINATION OF AUTHORITY.—The pilot pro-
4 gram established under this section shall terminate on the
5 date that is 10 years after the date of enactment of this
6 Act.

7 (g) SAVINGS CLAUSE.—Any contract entered into by
8 the Secretaries under this section before the termination
9 date of the pilot program shall not be affected by the ter-
10 mination of the pilot program.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

Questions from Chairman Lisa Murkowski

Question 1: The Administration’s budget request for wildfire suppression continues to include a budget cap adjustment, based on the original goal of making available \$3.65 billion in total suppression resources. In order to attain this resource level, regular appropriations are added to a maximum cap adjustment, which could be used during severe fire seasons. But this top level of funding was set in 2013, when the ten-year average for regular appropriations was just under \$1.4 billion. Now the ten-year average is over \$1.6 billion. Can you provide this Committee, along with the Budget Committee, an updated projection for total suppression resources needed?

Response: The USDA Forest Service has engaged DOI, OMB, and Committee staff to collectively review the original methodology for calculation and update the upper bound, if appropriate. Until that meeting occurs, we believe the \$3.65B is still within an appropriate range for the upper bound for the cap adjustment.

Question 2: We have heard from many watchdog groups that treating wildfires as disasters will create a federal fiscal disaster of epic proportions. They point out that the major reasons for rising suppression costs are that fire managers are choosing to order expensive suppression resources (airtankers), committing firefighters to costly suppression strategies and that no one is holding the agencies accountable for its operations decisions that are also fundamentally spending choices.

- Mr. Bonnie, how do you respond?

Response: Suppression costs are primarily based on an assessment of multiple factors including risk to life and property and the selected strategy for a particular fire. The Forest Service consults with our cooperating local, state and federal agencies when developing the overall strategies for fires involving multiple jurisdictions. If a full suppression strategy is selected, all necessary resources will be ordered to aggressively fight the fire including air tankers, helicopters, fire engines and ground crews. The encroachment of urban development into fire prone areas proximate to National Forest lands increases the risk associated with some fires, forces us into an aggressive suppression strategy and reduces the opportunity to manage fires for resource benefits. Costs are an outcome of the strategy.

- What measures are currently being taken by the agencies to contain suppression costs?

Response: The Forest Service strives to use all resources as efficiently and effectively as circumstances permit. There are multiple processes the Forest Service uses to monitor suppression costs of fires. Local Agency Administrators monitor Incident Management Team activities of large fires, reviewing costs and other impacts daily to assure the

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

incident is being managed appropriately and with the appropriate resources. This review is documented in the Wildland Fire Decision Support System (WFDSS). When fires involve multiple jurisdictions, each affected agency is involved in the reviews both during and after the incident, and gross incident costs are offset by subsequent reimbursement based on cost-share agreements with our cooperating partners.

Regional Foresters have responsibility for Type 1 fires and are committed to assure compliance with National and Regional direction for these incidents. In addition, the National Office of the Forest Service has multiple staff areas that monitor fire strategies and costs. When fire costs fall outside an anticipated range of variability, national and regional teams evaluate the drivers of those costs.

Additionally, this year the Forest Service has instituted a process where Incident Commanders, Agency Administrators and cooperating agencies formally review the selected strategies and tactics, using methodologies that will generate data that can contribute to a the agency’s comprehensive review of multi-year impacts.

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn’t continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Response: Yes. We support the concept of a freeze as well as the Administration’s disaster cap adjustment proposal that requires the Forest Service to budget for 70 percent of the 10-year average. Protecting the agency’s investments in non-fire programs such as restoration is critical to reducing fire risks, and associated costs, over time.

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Response: It is most important to get a comprehensive fire-budget solution in place that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding problem of annual fire transfers. We support the approach in the Wildfire Disaster Funding Act and are open to further discussion regarding alternatives such as establishing a new Wildfire Disaster Relief Fund.

Question 3: When discussing the wildfire budgeting fix, we know some will insist the fix be coupled with forest management reforms. What are the kinds of management reforms

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie

that you could support in those discussions? I’m requesting that you provide the Chair, Ranking Member, me and the rest of the Committee Members with the specific management reforms this administration would support, in addition to the effort to end fire borrowing and the erosion of the Forest Service Budget because these will need to actually be part of getting this done.

Response: Fire funding legislation must have a comprehensive budget fix that addresses both the erosion of the Forest Service and DOI budgets due to the rising 10-year suppression average and fire borrowing. This budget fix should address the erosion of the Forest Service and DOI budgets without negatively affecting programs funded with the Interior and Environment appropriations bill.

As part of that legislation and depending upon the details of the proposal, the Administration could support forest management provisions designed to reduce the threat of catastrophic fire and restore more resilient ecological conditions on the National Forests. That said, given that the Forest Service has numerous authorities under both the 2014 Farm Bill and HFRA of 2003 to expedite forest management, the greatest challenge to implementing forest restoration projects is a lack of agency staff and financial resources.

As part of a comprehensive fire funding fix, any forest management proposal must be consistent with the following principles:

1. Draw on Existing Law. Forest management provisions should draw on the frameworks used in existing statutes, including the insect and disease provisions in the 2014 Farm Bill and the consideration of alternatives language in Section 104 of the Healthy Forest Restoration Act of 2003 (HFRA).
2. Include Collaboration. Streamlined forest management provisions require collaboration amongst diverse stakeholders. Such collaborative processes must be transparent and maintain opportunities for public involvement consistent with the HFRA.
3. Contain Environmental Safeguards. Streamlined forest management provisions must have strong environmental safeguards, reflecting Farm Bill and HFRA sideboards of:
 - Consistency with land management plans.
 - Exclusions for wilderness, wilderness study areas, inventoried roadless areas, federal land where vegetation removal is prohibited by Act of Congress or Presidential proclamation.
 - Consistency with Endangered Species Act, Clean Water Act, and other environmental laws.
 - Maximize retention of old-growth trees.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

- No new permanent roads. Prompt decommissioning of any temporary roads.
 - Acreage limitations for categorical exclusions must be within HFRA’s limits and depend on the nature of the project.
4. Use Best Available Science. Forest projects using streamlined forest management provisions must use best available science to restore ecological conditions that make forests more resilient to fire, drought, insects, disease and other disturbance.

Questions from Senator James Risch

Question 1: Mr. Bonnie: Small businesses in the Salmon, ID and Challis, ID that provide services on Forest Service vehicles are very concerned about the direction coming from Region 4, as well as Forest Service headquarters that the fleet of about 300 vehicles on the Salmon-Challis National Forest be converted back to Government Service Administration vehicles. They are concerned that repair and maintenance work will have to be done in larger cities like Idaho Falls. Local businesses will suffer, and the cost to the federal government will be higher. Why is this fleet conversion necessary?

Response: Maintenance requirements for GSA lease vehicles differ from owned vehicles in some ways, but will have an insignificant impact on business opportunity. For example, GSA oil change intervals may be less often and transactions over \$100 require approval from GSA Maintenance Control. All of these variables are considered in our analysis. We also verified that fleet maintenance and repair activity in Salmon, ID and Challis, ID will continue to occur at the local level for all owned and leased vehicles as it has before. In addition, GSA uses the same small business vendors the Forest Service has been using and does not require maintenance and repairs to occur in larger cities like Idaho Falls, ID.

The Forest Service is an active participant in the Department of Agriculture’s Strategic Sourcing (AgSSI) Initiative where we are collectively evaluating the procurement processes of several of our most expensive commodities.

The cost to own our sedans and light to mid-weight trucks is being evaluated against the cost to lease these same vehicles. This “total cost of ownership” evaluation includes expenses such as initial procurement, cost to operate and maintain, and the cost to dispose or replace. Where this analysis indicates it is more cost effective to lease, vehicles are being converted through a GSA partnership.

Through the use of this analysis, the Salmon-Challis National Forest determined 3 of its 234 owned vehicles will be converted from owned to lease. This same evaluation determined 84 of Region Four’s 2,325 owned vehicles will likewise be converted. For

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

FY2016, it is estimated 460 vehicles out of approximately 9,000 across the Forest Service will be converted from owned to leased.

The Forest Service will not be automatically converting all of its fleet vehicles to GSA lease. When replacing vehicles, the Forest Service will analyze each vehicle using cost data specific to Forest Service fleet cost variables. This will ensure the best value to the Government into the future. Variables considered in determining the best value include maintenance and repair costs, impacts on local economies, distance to vendors, etc.

Question 2: Mr. Bonnie: Region 1 of the U.S. Forest Service has assembled several NEPA Strike Teams to increase the pace and scale of forest restoration projects. The Strike Teams will focus on implementation of the Farm Bill Categorical Exclusions and a “Geographic-based” team will assist the Nez Perce-Clearwater and Panhandle National Forests vegetation management. Can we expect to see similar teams assembled in Region Four? If not, why?

Response: Region 4 is working closely with Region 1 to utilize the NEPA Strike Team that is focused on projects in Idaho. Region 4 is currently providing support and guidance to Forests to increase use of the Farm Bill provisions.

Questions from Senator Jeff Flake

Question 1: When I look at this proposed tool for Ponderosa Pine and Dry-Site Mixed Conifer, I have a hard time believing that interjecting an additional layer of review will speed up restoration projects. Can you give examples of tools that require the Forest Service to consult with CEQ on a project-by-project basis and the time involved in those consultations?

Response: Currently, for forest-level projects, the Forest Service only consults with CEQ when pursuing alternative arrangements. Since 1980, CEQ has granted nine alternative arrangement requests for Forest Service projects.

Question 2: I am concerned Congress has repeatedly given the Forest Service some authorities to speed up the environmental review process in the past which have largely gone unused. When I look at this proposed tool for Ponderosa Pine and Dry-Site Mixed Conifer, I worry that Congress is creating yet another tool that won’t be utilized. Can you provide me with the number of acres have been treated in Arizona under the new authorities given to the Forest Service in the 2014 Farm Bill?

Response:
The 2014 Farm Bill provided many valuable tools we are aggressively using to increase the pace and scale of restoration. The 2014 Farm Bill added authority to the Healthy Forest Restoration Act to authorize designation of insect and disease treatment areas and

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

provide a categorical exclusion (CE) for insect and disease projects on areas as large as 3,000 acres. Working with Governors, Secretary Vilsack has announced the designation of approximately 52.2 million acres. To date, 56 projects have been proposed under the Insect and Disease provisions, with 46 utilizing the new CE for treatments such as commercial timber harvest, pre-commercial thinning and prescribed burning. In addition, the agency has worked closely with states and other partners to collaboratively develop agreements under the Good Neighbor Authority (GNA). The Forest Service has entered into agreements with 18 states under GNA. These and other provisions of the 2014 Farm Bill such as permanent authority for Stewardship Contracting, have provided an abundance of tools for accomplishing restoration objectives. The greatest challenge to implementing forest restoration projects remain agency staffing capacity and diversion of financial resources to fire suppression. Additional work will be accomplished when a solution to the agency’s growing fire budget is adopted and additional capacity is thereby made available to pursue additional projects under the Farm Bill and other appropriate authorities.

The Forest Service has taken advantage of the 2014 Farm Bill Good Neighbor Authority in Arizona by signing a master Good Neighbor Agreement with the state (in March) that provided the framework for project-level agreements. Since 2014, the Forest Service awarded 19 stewardship contracts totaling 191 million board feet in Arizona. In FY 2014 and FY 2015, the Forest Service treated 16,285 acres in Arizona through timber harvest under the Stewardship Contracting Authority. Region 3 as a whole has also developed a strategy for implementing the Farm Bill and is exploring projects under the Farm Bill Insect and Disease provisions that can be initiated within the region.

Questions from Senator Joe Manchin III

As you know, West Virginia is the third most heavily forested state in the nation. In 2014, the Farm Bill directed the State Foresters to take a comprehensive look at forests in all ownership categories across their states and develop State Forest Action plans. These State Forest Action Plans identify priorities in order to direct limited resources to where they are most needed.

The 2015 West Virginia State Action Plan identified the following priorities: (a) conserve and manage working forest landscapes for multiple uses; (b) protect forests from threats; and (c) enhance public benefits from forests. I would like to commend the Forest Service on its work with the West Virginia’s Division of Forestry to help achieve state goals for enhanced forest health and habitat conservation. Specifically, the Gypsy Moth Working Group, the Hemlock Conservation Group and the Invasive Species Working Groups are working in the Monongahela National Forest (MNF) as well as other programs addressing weed and pest management, the fire learning network and high elevation restoration. I appreciate your collaborative approach to address these threats.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

These efforts are vital to the health of our forests which provide my home state of West Virginia with a wide number of opportunities ranging from extensive recreational use to timber harvesting; from grazing of livestock to mineral extraction. We deeply treasure our forests in West Virginia because of the beauty and opportunities they offer to our state.

But, I am concerned that, the increasingly common budgetary practice of “fire borrowing” will undermine your collaborative work on West Virginia’s forests.

Understanding we are here today to discuss proposed fixes for how the Fire Service budgets across its agency, I’d love your analysis of how the Forest Service’s budgetary challenges affect these types of successful federal-state efforts to protect forest health.

Question 1: Do you believe the practice of “fire borrowing” will hinder the forest health management in eastern states like West Virginia?

Response: The practice of fire borrowing, where funds are transferred in season from non-fire accounts to address suppression budget shortfalls, creates major disruption of project planning and implementation throughout the agency. Once fire borrowing is initiated, any funds that are not obligated across the agency are shifted to cover wildfire suppression costs. When funds are withdrawn from the units, some projects are canceled and others placed on hold. Investments that are made in planning and preparation may be lost when projects are not implemented and completed in a timely manner. This disruption affects both long term effectiveness of fire management as well as other projects that are important to communities affected by national forests.

In addition to fire borrowing, the long-term erosion of the agency’s capacity due to the need to budget for the 10-year average of wildfire suppression costs limits restoration work across the country. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agency’s appropriated budget, at a rate of roughly \$100 million a year over the last few years. Both problems—the growth of fire programs as a percent of the agency’s budget and the compounding problem of transfers or fire borrowing—need to be solved in order to enable the Forest Service to continue to increase the pace and scale of forest restoration.

Question 2: Does the discussion draft’s budgetary fix resolve that issue and, if not, what is your plan for addressing this challenge in a way that does not undermine the good work we are doing in West Virginia on other fronts like forest management and invasive species prevention and treatment?

Response: The discussion draft falls short of fixing the fire budget problem. While the discussion draft addresses the issues associated with transferring funds to cover suppression costs, the requirement to fully fund the increasing 10-year average for

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

wildland fire suppression would mean that significantly less funding is available each year in the agency’s budget for restoration and risk reduction programs, like hazardous fuels projects. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agency’s appropriated budget, at a rate of roughly \$100 million a year over the last few years. This erosion of capacity affects all states. We support the approach in the Wildfire Disaster Funding Act and are open to further discussion regarding alternatives such as establishing a new Wildfire Disaster Relief Fund.

The single most important step Congress can take to advance forest health and resilience is to enact a comprehensive fire budget solution—one that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding annual problem of transferring funds from non-fire programs to cover the cost of fire suppression.

Questions from Senator Mazie K. Hirono

Question 1: Fire borrowing has had negative impacts on Forest Service programs in Hawaii. For example, a research project to look at the impact of sea level rise on mangrove forests across the Pacific recently had to be delayed due to fire borrowing. Another example is how funds allocated for the construction of the Hawaii Experimental Tropical Forest were absorbed for fire transfer in FY2013 and were never returned that year, causing a significant setback for the project.

I’m sure there are examples all across the nation where Forest Service programs have been negatively impacted by fire borrowing, and I’m certainly not arguing that we should put fire response to the side. Rather, we need to adequately support emergency response, as well as activities that promote the long-term health of our forests. Are the adjustments made within the draft legislation we’re considering today adequate and comprehensive enough to ensure that projects within the Forest Service, unrelated to fire such as the ones above, are not negatively impacted?

Response: The discussion draft falls short of fixing the fire budget problem. While the discussion draft addresses the issues associated with transferring funds to cover suppression costs, the requirement to fully fund the increasing 10-year average for wildland fire suppression would mean that significantly less funding is available each year in the agency’s budget for restoration and risk reduction programs, like hazardous fuels projects, as well as other projects important to the health and resilience of national forests. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agency’s appropriated budget, at a rate of roughly \$100 million a year over the last few years. Both problems—the growth of fire programs as a percent of the agency’s budget and the compounding problem of transfers or fire borrowing—need to be solved in order to enable the Forest Service to continue to increase the pace and scale of forest restoration.

U.S. Senate Committee on Energy and Natural Resources
**June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”**
Questions for the Record Submitted to Mr. Robert Bonnie

The single most important step Congress can take to advance forest health and resilience is to enact a comprehensive fire budget solution—one that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding annual problem of transferring funds from non-fire programs to cover the cost of fire suppression.

Question 2: In Hawaii just this year, over 10,865 acres have burned—more than twice the number of acres that burned during all of last year. This increase in number and expanse of wildfires across the nation is an annual trend we are seeing year-to-year.

While the draft discussion addresses the fire borrowing issue within the Forest Service budget, it retains the rolling 10-year average funding mechanism. Can you indicate what funding mechanisms would be preferred by the Forest Service?

Response: It is most important to get a comprehensive fire-budget solution in place that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding problem of annual fire transfers. We support the approach in the Wildfire Disaster Funding Act and are open to further discussion regarding alternative funding mechanisms for emergency wildfires.

Question 3: We all know that the cost of fighting fires is continuously increasing. It is projected that by 2025 wildfire funding will comprise two-thirds of the Forest Service budget.

Can you highlight some reasons as to why the cost of fighting fires is increasing each year? What share of the burden should state and local governments cover?

Response: Over the last few decades, wildland fire suppression costs have increased and continue to rise. Some of the reasons for the rising cost is due to longer fire seasons, and the increased frequency, size, and severity of wildland fires. Climate change has led to fire seasons that are now on average 78 days longer than in 1970. Hazardous fuels, invasive pests, prolonged drought and increased temperatures all contribute to dangerous conditions that drive up suppression costs. Forest Service scientists project that wildfire suppression resource requirements will continue to increase if these conditions persist.

More and more development is taking place near forests—an area referred to as the Wildland-Urban Interface (WUI). Increasing population and presence of infrastructure in the WUI makes management more complex and requires more firefighting assets to ensure an appropriate, safe, and effective response that protects lives and property.

Wildland fire is complex and knows no boundaries. The National Cohesive Wildland Fire Strategy enables the Forest Service to work collaboratively with state and local governments responding to wildfire safely, effectively and efficiently. We continue to develop and maintain professional capabilities and use the best available science and new

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie

technologies. Our best results come as we work collaboratively across the Forest Service and ownership boundaries to build on common goals of protecting human life, sustaining communities, and creating healthy and resilient ecosystems.

The state and local government share of the fire cost varies from year to year. For state and local fire incidents that the Forest Service managed, repayments to the Forest Service are based on negotiated cooperative fire suppression cost share agreements.

Question 4: A substantial piece of this discussion draft is dedicated to addressing forest management reform as a means to reduce the wildfire threat.

In your opinion, what sort of forest management reform do you envision that would help reduce wildfires without compromising environmental health?

Response: Fire funding legislation must have a comprehensive budget fix that addresses both the erosion of the Forest Service and DOI budgets due to the rising 10-year suppression average and fire borrowing. This budget fix should address the erosion of the Forest Service and DOI budgets without negatively affecting programs funded with the Interior and Environment appropriations bill.

As part of that legislation and depending upon the details of the proposal, the Administration could support forest management provisions designed to reduce the threat of catastrophic fire and restore more resilient ecological conditions on the National Forests. That said, given that the Forest Service has numerous authorities under both the 2014 Farm Bill and HFRA of 2003 to expedite forest management, the greatest challenge to implementing forest restoration projects is a lack of agency staff and financial resources.

As part of a comprehensive fire funding fix, any forest management proposal must be consistent with the following principles:

1. Draw on Existing Law. Forest management provisions should draw on the frameworks used in existing statutes, including the insect and disease provisions in the 2014 Farm Bill and the consideration of alternatives language in Section 104 of the Healthy Forest Restoration Act of 2003 (HFRA).
2. Include Collaboration. Streamlined forest management provisions require collaboration amongst diverse stakeholders. Such collaborative processes must be transparent and maintain opportunities for public involvement consistent with the HFRA.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

3. Contain Environmental Safeguards. Streamlined forest management provisions must have strong environmental safeguards, reflecting Farm Bill and HFRA sideboards of:

- Consistency with land management plans.
- Exclusions for wilderness, wilderness study areas, inventoried roadless areas, federal land where vegetation removal is prohibited by Act of Congress or Presidential proclamation.
- Consistency with Endangered Species Act, Clean Water Act, and other environmental laws.
- Maximize retention of old-growth trees.
- No new permanent roads. Prompt decommissioning of any temporary roads.
- Acreage limitations for categorical exclusions must be within HFRA’s limits and depend on the nature of the project.

4. Use Best Available Science. Forest projects using streamlined forest management provisions must use best available science to restore ecological conditions that make forests more resilient to fire, drought, insects, disease and other disturbance.

Questions from Senator Elizabeth Warren

Nationwide, 68,200 wildfires burned over 10 million acres of forest in 2015, and over 7 million acres were federal land.¹ Wildfires have occurred in the western United States more frequently, lasted longer, and burned more acreage over the past few decades.² With over 70 percent of the burning occurring on federal land, fire suppression has become a heavy financial burden for the United States government.

Rising temperatures and fluctuating weather patterns have led to early spring snow melts and lengthy droughts throughout the Western United States, leaving these states vulnerable to increasingly severe wildfires. Given the scientific consensus that anthropogenic climate change is exacerbating the risks of extreme weather, accompanied by increasing scientific findings that rising temperatures are contributing to increased risk for wildfires, the association between climate change and our wildfire crisis seems undeniable.^{3,4}

¹ Katie Hoover, “Wildfire Statistics,” *CRS Report for Congress IF10244*, Congressional Research Service, Library of Congress, (2016)

² A.L. Westerling et al., “Warming and Earlier Spring Increase Western U.S. Forest Wildfire Activity,” *Science*, Vol 313 (2006).

³ *Ibid*

⁴ O. Pechony and D.T. Shindell, “Driving Forces of Global Wildfires Over the Past Millennium and the Forthcoming Century,” *PNAS*, Vol 107 (2010).

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie

Question 1: Given that the Intergovernmental Panel on Climate Change has projected that global surface temperatures will rise between 1.5 and 5.8 degrees Celsius by the end of this century, and increased temperatures have a significant impact on the frequency and intensity of wildfires, what do you see for the trend in wildfires over the next decade? Can we expect wildfire incidences, duration, and damages to continue to grow?

Response: Wildfire projections in North America indicate that we could see significantly more area burned each year. The current situation is affected by several interrelated factors. Climate change is a factor in the increased size, frequency and intensity of wildfires and has contributed to fire seasons that are now on average 78-80 days longer than in 1970. In the West, approximately 90 percent of all primary forests have been harvested at least once. In addition, fire exclusion has limited the frequency and extent of wildfires throughout the West, leading to high stem densities and elevated fuel loadings in dry forests. These factors have reduced the vigor of forests and made them more susceptible to crown fires.

We have had a long break in significant droughts since the 1930s (Dust Bowl). High stem densities in many forests are a particular stress, creating competition among trees for water. Most tree species can tolerate a lot of variability in year-to-year weather and short periods of drought, and a small increase in average temperature (like we have experienced in the past century) is probably inconsequential. However, several years of consecutive severe drought can “push trees over the edge” when they cannot take up enough water to maintain basic plant functions, especially if they are already stressed. Regions of the west experiencing hotter, drier conditions and high fuel loading from dead trees are more susceptible to catastrophic high severity fires in the future. As temperature continues to increase, and if extreme droughts continue to increase, we will see more tree mortality, more extensive wildfires, a bigger influence of some insect species, and reduction in storage of forest carbon.

Question 2: Continuing to push money at fire suppression without addressing the changes in our climate that are helping to drive increased costs seems a shortsighted and reactionary strategy, and as you stated in your testimony this plan relies on a “metric that cannot keep up with the increasing costs as wildfires burn bigger and hotter with climate change.”

- a) Does your department have any specific plans for climate change mitigation efforts?

Response: USDA is implementing a climate change mitigation strategy called the, *USDA Building Blocks for Climate Smart Agriculture and Forestry*. The plan set the nation’s first measurable benchmarks in food and forestry to reduce net emissions and enhance CO2 sequestration by 120 million metric tons per year. Forest restoration and tree planning on federal, state and private, and urban forests

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

and increasing the use of long lived wood products to capture carbon account for 26.9 million MT per year.

- b) Specifically, the forests of the western United States are responsible for 20 percent - 40 percent of carbon sequestration, as wildfires reduce the tree densities we are in danger of losing an important source of carbon sequestration.⁵ Does the Department have specific conservation minded reforestation plans?

Response: Our nation’s public and private forests offset up to 14 percent of GHG emissions each year. The Forest Service has a multi-prong strategy to address increasing disturbance and restoring resilience to the Nation’s forests. Central to this strategy is the landmark Forest Planning Rule in 2012—the first such rule in a generation—to guide management of the 193 million acres in the National Forest System. Forests across the country are revising their individual plans to meet requirements to protect water and wildlife, and combat climate change, fire and pests. Each plan requires land managers to identify and evaluate climate stressors and monitor impacts. This balanced approach to climate change includes managing forests and grasslands to adapt to changing conditions, mitigating climate change, building partnerships across boundaries, and preparing our employees to understand and apply emerging science. In addition, the Department announced Building Blocks for Climate Smart Agriculture and Forestry on April 23, 2015. The final report can be found at:

<http://www.usda.gov/documents/building-blocks-implementation-plan-progress-report.pdf>

Guiding our actions is the Climate Change Scorecard, implemented in 2011. Scorecard responses help track the agency’s progress in implementing the four dimensions of the National Roadmap for Responding to Climate Change: Organizational Capacity, Engagement, Adaptation, and Mitigation. This accountability system hold National Forest Units measures progress of National Forest Units in becoming climate ready to mitigate and adapt to climate change within the ecological and budget constraints. Climate vulnerability assessments and adaptation planning conducted over the last five years increases our ability to address impacts of a changing climate.

The agency has released guidance on priority work to restore forests and grasslands. The Directive on Ecosystem Restoration (FSM 2020) was finalized May 27, 2016 in the Forest Service Manual. FSM 2020 provides policy for reestablishing and retaining ecological resilience of National Forest System lands and resources to achieve sustainable multiple use management and provide a

⁵ Westerling et. al, 943.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

broad range of ecosystem services. Resilient ecosystems have greater capacity to survive disturbances and large-scale threats, especially under changing and uncertain future environmental conditions, such as those driven by climate change and human uses.

Some forests, especially in the dry forest type, are projected to experience significantly more fire across these landscapes. With increasing temperatures, these systems will be water limited and may not be able to store the same amount of carbon in the past. However, other forest systems will not be water limited so with an increase in warming have the potential to store more carbon in the future. The greatest impact to future forest carbon storage is land use change. Policies and programs to retain forests as forests will be very important to the future contribution of U.S. forests to GHG mitigation.

Whether it be through efforts to maintain carbon sequestration through forest restoration that reduces threats from insects, disease, fire and other disturbances, reforestation in the aftermath of disturbance, protecting and retaining private working forests or through other strategies, the Forest Service’s capacity to undertake mitigation actions and enhance the resiliency of the nation’s forests will be limited unless underlying budget constraints associated with the rising costs of wildfire are addressed through a comprehensive solution.

Questions from Senator Debbie Stabenow

Question 1: Undersecretary Bonnie, your testimony highlights the significant issues that stem from a broken Forest Service budget. This discussion draft, along with language in the Senate Interior Appropriations bill, seeks to address those issues. Does the discussion draft, or the Interior Appropriations language, adequately solve the Forest Service’s budget problem?

Response: The discussion draft falls short of fixing the fire budget problem. While the discussion draft addresses the issues associated with transferring funds to cover suppression costs, the requirement to fully fund the increasing 10-year average for wildland fire suppression would mean that significantly less funding is available each year in the agency’s budget for restoration and risk reduction programs, like hazardous fuels projects. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agency’s appropriated budget at a rate of roughly \$100 million a year over the last few years. Both problems—the growth of fire programs as a percent of the agency’s budget and the compounding problem of transfers or fire borrowing—need to be solved in order to enable the Forest Service to continue to increase the pace and scale of forest restoration.

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie

Question 2: Undersecretary Bonnie, the Appropriations measures for FY 2016 and this coming fiscal year have both given the Administration extra money to use for wildfire suppression. I’ve supported those increases and would thank Chairman Murkowski for her efforts in that arena. However, I also hear from stakeholders that say these annual plus-ups are just a band aid solution – more acres are burning and the 10-year average for what it costs to suppress these fires continues to go up, which in turn continues the steady erosion of the Forest Service budget. Is the fiscally responsible solution here to continue with single-year patches through the appropriations process? Or should we enact a permanent solution to this issue by passing the bipartisan *Wildfire Disaster Funding Act* or something similar?

Response: While additional funds for fire suppression provided in the FY 2016 omnibus bill (as well as proposed in the Senate FY 2017 Interior, Environment and Related Agencies Appropriation bill) are helpful to reduce the risk of in season fire transfers, they do not address the underlying and ongoing erosion of the agency’s budget attributed to the increase in the 10-year average, as fires burn bigger, hotter and longer due to climate change. Moreover, these one-year fixes fail to provide the funding, predictability, and stability needed to support restoration project planning and implementation. The Administration supports the approach in the Wildfire Disaster Funding Act and is open to further discussion regarding alternatives that involve a new Wildfire Suppression Operations Account for emergency wildfires.

Question 3: Undersecretary Bonnie, we’re often told by some forestry stakeholders that we “need more tools in the toolbox.” Which generally means the Forest Service needs more categorical exclusions from NEPA. Now I agree we ought to think about efficiency in government. In fact we authorized a new categorical exclusion in the 2014 Farm Bill and the Forest Service is using that authority with little controversy – but I do have to ask if NEPA is always the problem here. Can you tell the Committee, in the Administration’s opinion, what Congress’ top priority should be if we want to increase forest health and reduce wildfire risk across our public lands?

Response: As you know, the 2014 Farm Bill added authority to the Healthy Forest Restoration Act to authorize designation of insect and disease treatment areas and provide a categorical exclusion (CE) for insect and disease projects on areas as large as 3,000 acres. Working with Governors, Secretary Vilsack has announced the designation of approximately 52.2 million acres. To date, 56 projects have been proposed under the Insect and Disease provisions, with 46 utilizing the new CE for treatments such as commercial timber harvest, pre-commercial thinning and prescribed burning. In addition, the agency has worked closely with states and other partners to collaboratively develop agreements under the Good Neighbor Authority (GNA). The Forest Service has entered into agreements with 18 states under GNA. These and other provisions of the 2014 Farm Bill such as permanent authority for Stewardship Contracting, have provided an abundance of tools for accomplishing restoration objectives.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

The greatest challenge to implementing forest restoration projects remains a lack of agency staffing capacity and diversion of financial resources to wildfire suppression. Additional work will be accomplished when a solution to the agency’s growing fire budget is adopted and additional capacity is available to pursue additional projects under the Farm Bill and other appropriate authorities. A comprehensive fire-budget solution—that addresses both the growth of fire programs as a percent of the agency’s budget and the compounding problem of annual fire transfers—remains the most important action Congress can take to increase the pace and scale of forest restoration across all landscapes.

Question 4: Undersecretary Bonnie, can you tell us roughly how many more dollars you could have spent on hazardous fuels reduction and forest health efforts if we had enacted a comprehensive Forest Service budget fix last year?

Response: The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agency's appropriated budget, at a rate of roughly \$100 million a year over the last few years. Under the President’s proposed fire fix, which includes a discretionary budget cap adjustment, the Forest Service could tap disaster funds once they spend 70 percent of their 10-year average of suppression spending, which is the amount of suppression funding requested within the discretionary budget caps. Providing this certainty would help provide critical resources for hazardous fuel reduction and other essential landscape restoration projects, allowing for more acres to be treated, and thereby reducing the risk of fire, and the degree of fire destruction.

Question 5: Undersecretary Bonnie, can you please talk about some of the vital forest service functions that we are not funding because so much of the agency’s budget is spent on wildfire? The Chairman mentioned Senator Schumer’s comments at the outset regarding the impacts on eastern forests, so perhaps you could focus on the implications for all states, regardless of where the fires are.

Response: The Forest Service’s fire budget is based on the ten-year average cost of fire suppression. Over the past two decades, fires have increased in severity, intensity and cost, as fire seasons have gotten more than 70 days longer, drought and increased temperatures have contributed to dangerous conditions, and as more people have moved into fire-prone areas. These factors have led to a dramatic increase in the cost of ten-year average. As a result, there have been significant declines in every non-fire program, along with a corresponding 39 percent loss of non-fire staff. Those declines will continue: under the current funding model, over the next ten years, an additional \$700 million dollars will be lost from non-fire programs because of the growing costs of fighting fires.

These programs provide a broad spectrum of services to the American people. From FY1995 to FY2015, the percent of the Forest Service budget going to fire has increased

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Robert Bonnie**

from 16% to 52%. Over this same time period, funding for other priorities has been reduced. Vegetation and Watershed Management experienced a 24% reduction, Roads experienced a 46% reduction, Deferred Maintenance a 95% reduction, Recreation, Heritage, and Wilderness a 15% reduction, Landownership Management a 33% reduction, Land Management Planning a 64% reduction, and Inventory and Monitoring a 35% reduction. These programs, and others across the Agency, will continue to be negatively impacted unless a comprehensive budget fix is provided.

Question 6: Undersecretary Bonnie, one aspect of the discussion we haven't spent much time on today is the importance of markets for forest products. After all, if industry can't make money off these hazard trees there's not much of an incentive to reduce them. I have a bill with Mike Crapo called the Timber Innovation Act that begins to get at these issues. Can you please talk more about the importance of markets in the context of reducing hazardous fuels?

Response: Markets are critical if we are going to achieve the landscape scale hazardous fuel reduction work that needs to take place. Presently, many restoration projects lack sufficient markets for wood products, resulting in increased costs, reduced scale of projects and frequently the need to pile and burn material. We have used our State & Private Forestry authorities and Research authorities to help align potential supplies of wood and fiber resources from national forests with existing opportunities and to stimulate new market opportunities. Two areas where we have achieved considerable headway are in encouraging the use of wood as an energy source and the use of wood in building construction. There is a lot more potential in both of these areas and with many other forest products as well. Two of our key tools in doing this work have been the Forest Service's Wood Innovations grant program and the work of the Forest Products Laboratory in Madison, Wisconsin.

**Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice**

Questions from Chairman Murkowski

Question 1: The Administration’s budget request for wildfire suppression continues to include a budget cap adjustment, based on the original goal of making available \$3.65 billion in total suppression resources. In order to attain this resource level, regular appropriations are added to a maximum cap adjustment, which could be used during severe fire seasons. But this top level of funding was set in 2013, when the ten-year average for regular appropriations was just under \$1.4 billion. Now the ten-year average is over \$1.6 billion. Can you provide this Committee, along with the Budget Committee, an updated projection for total suppression resources needed?

Answer: The Federal Land Assistance, Management and Enhancement (FLAME) Act of 2009 requires both the U.S. Forest Service (USFS) and the Department of the Interior (DOI) to forecast annual suppression expenditures three times each year based on the most current weather, climatic, and drought data, in March, May, and July. An additional September forecast for the next fiscal year is produced if the next fiscal year’s budget has not been enacted. The FLAME forecast for July 2016 predicts, with 90 percent confidence, DOI fire suppression costs for FY 2016 will be between \$243 million and \$454 million, with a median of \$348 million. The most current FLAME forecast is the best estimate of the potential suppression costs for the 2016 fire season.

DOI, along with the USFS, has been managing fire suppression funding shortfalls by using transfer authority and borrowing of funds from fire and non-fire accounts. This approach has undermined other important functions, including critical range and forest management and fire risk reduction. Fire borrowing has created a damaging cycle in which balances are transferred from land management, restoration, fire preparedness, fuels management, land acquisition, and construction accounts, as well as other parts of agency budgets, to fund suppression. This borrowing can hinder the ability of the agencies to improve ecosystem health in ways that could reduce fire damage in subsequent years.

In previous years, the budget request for suppression funding has been based on the 10-year average of inflation-adjusted suppression obligations, with the total funding split between the FLAME Wildfire Suppression Reserve Fund and the program’s direct discretionary appropriation.

The Administration’s budget request proposes to amend the Balanced Budget and Emergency Deficit Control Act (BBEDCA) of 1985, as amended, to establish a new budget framework for the Wildland Fire Management (WFM) program. This new framework is designed to eliminate fire borrowing, to provide adequate, stable funding for fire suppression and prevention activities and minimize the

Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice

adverse impacts of rising suppression costs on the budgets of other fire and non-fire programs. In this proposed new budget framework, there is a base funding level of 70 percent of the 10-year average for suppression costs within the discretionary budget cap, and a cap adjustment that would be used for only the most severe fire activity which comprises 2 percent of wildfires, but 30 percent of suppression costs. The new framework does not propose to increase overall discretionary spending, in that it would reduce the available ceiling for the existing disaster relief cap adjustment by an equivalent amount as provided for wildfire suppression operations.

The proposed cap adjustment will minimize the risk of fire transfers and will provide more stability and certainty of funding for programs to invest in critical forest and rangeland management needs. The base level of funds (i.e., 70 percent of the 10-year average of suppression costs) ensures that the cap adjustment is only used for the most severe fire activity, as typically only two percent of fires result in 30 percent of the costs. In FY 2017, as submitted in the FY 2017 President’s Budget, 70 percent of the 10-year average for DOI’s portion of the overall wildfire budget is \$276.3 million. We defer to the USFS for clarification on their budget.

The amount requested as a cap adjustment equals the difference between the total amount of suppression expenditures projected for the fiscal year, based on the Outyear Forecast developed by the USFS’ Southern Research Station, and the 70 percent of the 10-year average that is requested within the discretionary budget caps. This is intended to establish a method to fund the most severe, complex, and threatening fires during an average season based on identified triggers, or to become available when regular appropriations will be exhausted.

The proposed cap adjustment would discontinue use of the FLAME Wildfire Suppression Reserve Fund.

Question 2: We have heard from many watchdog groups that treating wildfires as disasters will create a federal fiscal disaster of epic proportions. They point out that the major reasons for rising suppression costs are that fire managers are choosing to order expensive suppression resources (airtankers), committing firefighters to costly suppression strategies and that no one is holding the agencies accountable for its operations decisions that are also fundamentally spending choices.

- Mr. Rice, how do you respond?

Answer: The safety of firefighters and the public is always the highest priority during wildfires. During wildfires, agency administrators and incident managers

Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice

make choices to minimize risk to our firefighters and the public and focus on areas where firefighters can be the most effective. That means, wildland fire managers manage wildfire incidents using a risk-based approach, and make decisions on firefighting resource allocation based on appropriate mitigating strategies to address those risks.

For example, on June 6, 2016, as the Mud Creek Fire was reported as quickly burning through the tundra on the west side of the Kivwalik River, moving toward the Seward Peninsula village, BLM Alaska Fire Service smokejumpers, aided by two water dropping airplanes, worked into the early morning hours to successfully catch a fire that was marching toward Candle. For support, fire managers ordered two water dropping Fire Boss airplanes. Upon arrival on the scene, the fire was flanking toward the left side of the town, with winds that were blowing 10 to 20 miles per hour, helping the flames burn quickly through dry grass and brush. The fire was an estimated 100 yards from the nearest building. The eight smokejumpers and two aircraft worked on the flank that was burning at the edge of the town. After the two aircraft reached the end of their operational period, the smokejumpers continued to work until 12:30 a.m. before they started wrapping up operations for the day feeling confident that they had sufficiently knocked down the fire and brought it mostly under control. The next morning, the fire was considered roughly 85 acres large and 70 percent contained with plans to have 100 percent contained by that evening, allowing fire managers to release both the smokejumpers and Fire Boss planes that day.

In this case, fire managers evaluated the risk to the village, ordered the resources required at the time, and released those resources when it was determined the threat to the values at risk—in this case, the village and its residents- was eliminated.

The Administration’s proposed cap adjustment would authorize a funding *ceiling* and not a funding *target*. The cap adjustment is based on the forecast made by scientists using weather, climate, and drought data and evaluating historical expenditure data. Only extreme fires that require emergency response or are near urban areas, or activities during abnormally active fire seasons would be funded by appropriations made pursuant to the adjustment to the discretionary spending limits.

Under this new framework, the 2017 budget request for suppression covers 70 percent of the 10-year suppression average within the domestic discretionary cap. Since about two percent of the wildfires generate approximately 30 percent of suppression costs, this base level ensures that appropriations made pursuant to the cap adjustment are used only for the most severe fire activity. DOI would

Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice

continue to be accountable for fire costs and track costs per fire, ensure elevation of spending approvals based on set protocols and report on the results.

The cap adjustment does not increase overall discretionary spending, as it would reduce the available ceiling for the existing disaster relief cap adjustment by the amount required for fire suppression requirements.

- What measures are currently being taken by the agencies to contain suppression costs?

Answer 2b: As described above, when the wildfire happens, fire managers evaluate the risks to life, property, and our treasured cultural and natural resources, and make appropriate resource allocation decisions as necessary to mitigate those risks. Controlling the cost of fire suppression is larger than just the choices fire managers make or how the work is done when the wildfire happens. The work we do -- as land managers and as private property owners -- prior to the wildfire occurring to make our lands and communities fire resilient is vitally important to a safe, cost-effective response when the fire occurs. In a large part, it is this work that can make the most difference.

In 2015 and 2016, Congress provided DOI's wildland fire management program \$10 million for wildland fire resilient landscapes activities through the fuels management program. These Wildland Fire Resilient Landscapes (WFRL) activities support both the implementation of the National Cohesive Wildland Fire Management Strategy and Secretarial Order 3336, Rangeland Fire Prevention, Management and Restoration.

The WFRL activities use an integrated, place-based approach of partnerships among programs, activities, and organizations (other Federal, state, tribal, and local governments and non-governmental organizations), and contribute significantly to restoring fire-resilience in a variety of fire-adapted ecosystems across the country.

In FY 2015, Congress provided \$10 million to Interior that funded 10 WFRL projects, across 13 states; the 2016 funding (\$10 million) supported the continued work of the 2015 projects. For FY 2017 the President's budget proposes \$30 million for a Wildland Fire Resilient Landscapes program, which would afford Interior the opportunity to further develop and deploy the effective approach under this very important and successful initiative.

Choosing an appropriate budget fix, one that supports the goals of the National Cohesive Wildland Fire Management Strategy and SO 3336, that preserves vitally

**Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice**

important programs like our fuels management, resilient landscapes, and current disaster assistance programs is integral to ensuring the prudent management of wildland firefighting costs.

Questions from Senator Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn't continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Answer 1: Yes. We support the concept of a freeze as well as the Administration's disaster cap adjustment proposal that requires the U.S. Forest Service to budget for 70 percent of the 10-year average. Protecting the agency's investments in non-fire programs such as restoration is critical to reducing fire risks, and associated costs, over time. The Department of the Interior (DOI) looks forward to working with Congress to address this urgent need for finding a long-term solution to suppression borrowing that is eroding agencies' budgets.

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Answer 2: The Administration's FY 2017 budget proposal provides a sustainable funding mechanism for wildland fire suppression using a budget cap adjustment that funds fire suppression within existing suppression operations accounts. The Administration believes that the Federal government needs to address the erosion of the USFS and DOI budgets due to wildland fire suppression without negatively affecting or entangling current disaster assistance programs or other programs funded through the Interior and Environment appropriations bill. We support the approach in the Wildfire Disaster Funding Act. Additionally, the Administration opposes efforts to amend the Stafford Act to deal with the additional needed wildfire suppression dollars for the USFS and DOI. The purpose of the Stafford Act is to provide Federal assistance to state, local, and tribal governments to alleviate disaster suffering and facilitate recovery—not to provide assistance to federal entities with independent statutory authorities and inadequate annual appropriations. The Department of Homeland Security's Federal Emergency Management Agency's Disaster Relief Fund (DRF) provides significant wildfire suppression funding to non-federal state, local, or tribal governments to perform wildland fire suppression operations via Fire Management Assistance Grants for

**Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice**

the mitigation, management, and control of fires on publicly or privately owned forests or grasslands, which threaten such destruction as would constitute a major disaster.

Questions from Senator Manchin

Question 1: As you know, West Virginia is the third most heavily forested state in the nation. In 2014, the Farm Bill directed the State Foresters to take a comprehensive look at forests in all ownership categories across their states and develop State Forest Action plans. These State Forest Action Plans identify priorities in order to direct limited resources to where they are most needed.

The 2015 West Virginia State Action Plan identified the following priorities: (a) conserve and manage working forest landscapes for multiple uses; (b) protect forests from threats; and (c) enhance public benefits from forests. I would like to commend the Forest Service on its work with the West Virginia’s Division of Forestry to help achieve state goals for enhanced forest health and habitat conservation. Specifically, the Gypsy Moth Working Group, the Hemlock Conservation Group and the Invasive Species Working Groups are working in the Monongahela National Forest (MNF) as well as other programs addressing weed and pest management, the fire learning network and high elevation restoration. I appreciate your collaborative approach to address these threats.

These efforts are vital to the health of our forests which provide my home state of West Virginia with a wide number of opportunities ranging from extensive recreational use to timber harvesting; from grazing of livestock to mineral extraction. We deeply treasure our forests in West Virginia because of the beauty and opportunities they offer to our state.

But, I am concerned that, the increasingly common budgetary practice of “fire borrowing” will undermine your collaborative work on West Virginia’s forests.

Understanding we are here today to discuss proposed fixes for how the Fire Service budgets across its agency, I’d love your analysis of how the Forest Service’s budgetary challenges affect these types of successful federal-state efforts to protect forest health.

Do you believe the practice of “fire borrowing” will hinder the forest health management in eastern states like West Virginia?

Does the discussion draft’s budgetary fix resolve that issue and, if not, what is your plan for addressing this challenge in a way that does not undermine the good work we are

Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice

doing in West Virginia on other fronts like forest management and invasive species prevention and treatment?

Answer 1: Fixing how we budget and pay for managing wildland will help ensure DOI has the resources for restoration and to help us create a more resilient, fire resistant landscape.

As written, similar to the bipartisan Wildfire Disaster Funding Act (Wyden, S. 235 and Simpson, H.R. 167) and the Administration’s proposal, Section 101 of this discussion draft bill would allow the Department of the Interior (DOI) and the U.S. Forest Service to access additional new budget authority for wildland fire suppression. However, the discussion draft bill fully funds the rolling 10-year average, while the Administration’s proposal funds 70 percent of the 10-year average. Requiring that DOI fully fund 100 percent of the increasing 10-year average within current discretionary limits would result in less funding for the very restoration and risk reduction projects designed to create more resilient landscapes, like those in West Virginia working to promote forest health and combat insect and disease outbreaks. Further, the requirement to notify Congress is inconsistent with the Administration’s proposal that a Secretarial designation, based on clear criteria, is necessary to make cap adjustment funds available. To add this additional layer of review and approval is cumbersome and could reduce our decision space during active fire seasons.

This is not the comprehensive fire budget fix we need. The Administration continues to support an approach to fixing the fire budget that not only ends transfers, but that also ensures that our efforts to suppress those catastrophic fires does not diminish our efforts to create a more resilient landscape.

**Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice**

Questions from Senator Hirono

Question 1: We all know that the cost of fighting fires is continuously increasing. It is projected that by 2025 wildfire funding will comprise two-thirds of the Forest Service budget.

Can you highlight some reasons as to why the cost of fighting fires is increasing each year? What share of the burden should state and local governments cover?

Answer 1: Impacts of a changing climate are observable to the wildland fire management community in the form of extended drought periods, longer fire seasons, timber stands that are susceptible to insect infestation and mortality, and greater intensity and rates of fire spread. These conditions and the ever-increasing wildland urban interface challenge the fire community as a whole to provide an increased response capability for longer periods of time, maintain a high initial attack success rate on faster growing fires, and manage a greater number of incidents of unprecedented size and complexity. These factors all contribute to larger, more complex and costly incidents.

No single agency or organization can alone solve the issues faced by wildland fire managers today. It has been a long-standing practice to find Federal, tribal, state, and local wildland firefighting resources shoulder-to-shoulder on the fire line. State and local firefighting resources are integral to our success.

Question 2: A substantial piece of this discussion draft is dedicated to addressing forest management reform as a means to reduce the wildfire threat.

In your opinion, what sort of forest management reform do you envision that would help reduce wildfires without compromising environmental health?

Answer 2: The public lands managed by the Department of the Interior (DOI) incorporate a great diversity of ecosystems, covering a complicated spectrum of management needs, spread across over 500 million acres. Fire plays a natural role in each of those distinct ecosystems. Our management of forests and rangelands should seek to maintain fire-dependent ecosystems by allowing appropriate levels of fire, while reducing catastrophic fire risk for each and every acre of the land we manage. The greatest challenge has been to sustainably invest in the programs that help return fire to the landscape while also maintaining necessary wildland fire preparedness, hazardous fuels reduction, and suppression programs. The efficacy of these programs is often hindered by the unhealthy state of many of our forests and rangelands, and the inherent complexity of managing wildland fire in

Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice

a growing wildland urban interface. The first step would be to sustainably fund the suppression of catastrophic fires to ensure program integrity in those programs that will help us create a more resilient landscape.

Fire funding legislation must have a comprehensive budget fix that addresses both the erosion of the U.S. Forest Service (USFS) and DOI budgets due to the rising 10-year suppression average and fire borrowing. This budget fix should address the erosion of the USFS and DOI budgets without negatively affecting programs funded with the Interior and Environment appropriations bill.

As part of that legislation and depending upon the details of the proposal, the Administration could support forest management provisions designed to reduce the threat of catastrophic fire and restore more resilient ecological conditions on the National Forests. That said, given that the USFS has numerous authorities under both the 2014 Farm Bill and HFRA of 2003 to expedite forest management, the greatest challenge to implementing forest restoration projects is the diversion of agency staff and financial resources.

As part of a comprehensive fire funding fix, DOI supports the Administration’s position that any forest management proposal must be consistent with the following principles:

1. Draw on Existing Law. Forest management provisions should draw on the frameworks used in existing statutes, including the insect and disease provisions in the 2014 Farm Bill and the consideration of alternatives language in Section 104 of the Healthy Forest Restoration Act of 2003 (HFRA).
2. Include Collaboration. Streamlined forest management provisions require collaboration among diverse stakeholders. Such collaborative processes must be transparent and maintain opportunities for public involvement consistent with the HFRA.
3. Contain Environmental Safeguards. Streamlined forest management provisions must have strong environmental safeguards, reflecting Farm Bill and HFRA sideboards of:
 - i. Consistency with land management plans.
 - ii. Exclusions for wilderness, wilderness study areas, inventoried roadless areas, federal land where vegetation removal is prohibited by Act of Congress or Presidential proclamation.
 - iii. Consistency with Endangered Species Act, Clean Water Act, and other environmental laws.

**Senate Energy and Natural Resources Committee
Hearing on Discussion Draft of “the Wildfire Budgeting, Response and Forest
Management Act of 2016”
June 23, 2016
Questions for the Record submitted to Mr. Bryan Rice**

- iv. Maximize retention of old-growth trees.
 - v. No new permanent roads. Prompt decommissioning of any temporary roads.
 - vi. Acreage limitations for categorical exclusions must be within HFRA’s limits and depend on the nature of the project.
4. Use Best Available Science. Forest projects using streamlined forest management provisions must use best available science to restore ecological conditions that make forests more resilient to fire, drought, insects, disease and other disturbance.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Dr. Peter Goldmark**

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn't continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Answer: *Under the current set of budget constraints it is impossible for the Forest Service to meet Congress' and the public's expectations to care for forests, protect communities, generate economic benefits, achieve environmental protection, provide access and recreation opportunities, or do the basic administrative work of an effective land management agency. Process efficiencies and other policy changes can increase the agency's ability to rise to today's challenges. However, the fundamental problem remains that wildfire costs are burning up the corpus of the Forest Service's ability to care for the land. This is driven by the 10-year average and its ever-increasing share of the constrained budget, and must be fixed; without it, no "fix" has been achieved.*

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Answer: *Provided that the 10-year average is addressed and fire borrowing may no longer occur, several methods of providing budget relief and accountability could be considered. We are supportive of the budget cap adjustment approach in WFDA, and would be willing to provide input on a disaster relief fund approach.*

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Ms. Julia Altemus**

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn’t continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?



July 5, 2016

Honorable Lisa Murkowski, Chair
Honorable Maria Cantwell, Vice-Chair
Senator Ron Wyden
U.S. Senate Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

RE: Wildfire Budgeting, Response and Forest Management Act of 2016

Dear Senator Wyden,

Thank you for the follow-up questions regarding the wildfire funding fix. In response to question 1: It is my belief that the current discussion draft may fix the issues of the Forest Service borrowing from other programs because of the increase in annual appropriated dollars, but it does not fix the erosion to the budget. Without a 2015 cap, the 10-year average will continue to rise. In response to question 2: The timber industry has supported the Wildfire Disaster Funding Act that you and Senator Crapo introduced, however, we remain somewhat agnostic as to the solution, as long as solution is presented that both chambers and both houses can agree to. We are in strong support of fixing the erosion to the Forest Service budget due to the 10-year rolling average.

Thank you again for allowing me to further respond to the issue of fire borrowing and budget erosion.

A handwritten signature in cursive script that reads "Julia Altemus".

Julia Altemus, Executive Director
Montana Wood Products Association
PO Box 1967
Missoula, MT 59806
(406) 241-7047
julia@montanaforests.com

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Ms. Rebecca Humphries

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn't continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Answer 1: Yes, the NWTF supports setting a ceiling for fire suppression funding at last year's wildfire suppression 10-year average where, if this budget is exceeded, the agencies may access disaster funding. The erosion of funds has been impeding conservation on the ground for wildlife, habitat and recreation for many years. This cap will put an end to the fire borrowing crisis and allow resources to be invested in other areas that will create more sound active forest management and eventually reduce the expenditures for fire suppression. Capping the budget and allocating resources to non-fire programs will proactively reduce fire risk and lessen the need for that spending in the future. This will rectify the continuing erosion of resources to other agency priorities and allow investments to be made in conservation programs and efforts as well as other non-fire programs.

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Answer 2: The NWTF thinks that the ultimate goal is for Congress to provide a bipartisan and permanent legislation solution to fire borrowing. We are far less concerned with the mechanism by which this is done than with seeing a realistic solution decided upon and we are likewise sensitive to the Committee jurisdictional concerns between the Budget, Energy and Natural Resources, and the Agriculture, Nutrition and Forestry Committees. With that, we believe the primary agency to drive the decisions about wildfire fighting should be the Forest Service and that the addition of another agency (FEMA) could be problematic, particularly by hindering efficiency with workable and speedy wildfire responses. Further, a Budget Cap Adjustment for Disaster Relief is already in place in the Budget Control Act of 2011 and seems to have worked for weather related disasters and could likely work as well for wildfire related disasters. Essentially, the budget cap provides a more sound and less problematic solution and would be ideal, but that is not to say we oppose a FEMA solution. If the FEMA Disaster Relief Fund is the solution that addresses the problem and can pass both Houses of Congress and be signed by the President then we would support it. Our primary goal is to enact legislation that addresses the matter for the long-term and halts the erosion of the ability of the Forest Service to properly manage forests and fight wildfires.

**U.S. Senate Committee on Energy and Natural Resources
Hearing to Receive Testimony on the Discussion Draft entitled “the Wildfire
Budgeting, Response and Forest Management Act of 2016,” July 23, 2016
Questions for the Record Submitted to
Mr. Peter Nelson, Senior Advisor for Federal Lands, Defenders of Wildlife**

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn’t continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Response to Question 1: The 10-year average must be controlled if the Forest Service is going to have any hope of budgeting for sustainable funding fire and non-fire programs. As Defenders of Wildlife noted in our written testimony on the Discussion Draft legislation, more than half of the Forest Service budget is consumed by wildfire spending and as that percentage grows, ever more resources will be siphoned from non-fire programs, including programs that reduce long-term firefighting costs. For example, spiraling firefighting costs are reducing investments in key conservation and restoration programs such as the Forest Service’s Wildlife and Fisheries Program, which has experienced an 18 percent decline in funding between 2001 and 2015. The same is true for the agency’s Vegetation and Watershed Management Program, which is the primary line item for restoring forest resiliency, and thus lowering fire suppression costs in the long run; support for that program has declined by nearly 25 percent since 2001. It is imperative that policymakers solve the wildfire budget problem and control the 10-year average so that the Forest Service can invest in programs that restore ecosystem resiliency, reduce immediate hazards near communities and reduce expenditures fighting uncharacteristic fires.

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Response to Question 2: Defenders does not have a strong opinion on the particular mechanism used to solve the Forest Service’s budgeting problem; it is most important to get the fix in place, and that it address both the negative impacts of the rising 10-year average and fire borrowing, for the reasons articulated above and elsewhere in our testimony.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols**

Questions from Chairman Lisa Murkowski

Question 1: The Forest Service has a 50,000-acre inventory now underway on Prince of Wales Island (inventory of just 35,000 acres of stands of young-growth 55 years and older, and another 15,000 acres of stands between 40 and 55 years of age) that it claims will provide the information it will need to accurately predict the total amount of young-growth timber available from all of the 462,000 acres of young-growth. Based on current Forest Service setback, scenic, and elevation-slope standards, only 251,000 acres of the 462,000 acres are currently considered “suitable” for reharvest. In your testimony you argue that there are currently a host of unknowns on exactly how much “falldown,” or how many additional acres will be removed from the 251,000-acre maximum current young-growth timber base.

Please answer the following:

- Is there currently firm data, or just modeling, on how much variability there is in the rates of growth of second-growth trees among different age classes of timber on Prince of Wales, and on the other 167,000 acres of young-growth in the Tongass, acres apparently included in the Forest Service modeling and estimates of total young-growth (Y-G) available to support a Y-G industry, but not currently proposed for inventory by the Forest Service?

Answer: The Forest Service Young Growth information is based on inventory plots one per 10 acres and then extrapolated to other like timber stands. We do not have firm test data on the USFS growth models but do know from experience cutting young growth for the last 20 years, elevation, percent of hemlock, aspect, slope, and site index all impact the rate of growth and the merchantability at a given age. The current State Cruise is supposed to answer some of these question posed by the TAC and others, on USFS models of timber stand variability. We asked the question on the TAC on how much testing the forest Services has done on their Growth Model of young Growth and did not get a definitive answer. As part of the Current Cruise of Young Growth by the State of Alaska one of the outcome of the cruising of the young Growth timber is to “true up the growth model of the Forest Service”.

There is not a lot of data comparing the USFS young growth timber volume to an actual, outside the agency, cruise except for “Inventory of Young Growth timber Tongass National Forest in Southeast Alaska”. Prepared for Southeast Conference in Jan. 2011 by Cascade Appraisal Services, Inc. They went to a number of Young Growth stands, did an industry type cruise on the Young Growth and compared the results to the USFS information available. From the Executive Summary; “inventory plots were placed in timber equal to or greater than 40 years

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols**

of age. Approximately 98% of the category is found in 40-60 years of age. Timber over 40 years old is significant it that its contribution to industry annual harvest would be targeted first. ... Selected inventory areas or polygons were taken from Tongass National Forest mapping and the volume extensions used in the respective acreage for each polygon. THE FINAL VOLUME PREDICTIONS FROM THIS STUDY IS 37.5% BELOW THE SAME FIGURES FOR THE NATIONAL FOREST COMPARATIVE ESTIMATES ON AN AGE CLASS WEIGHTED BASIS.”

“Units inventoried in the 60-80 year old class exhibit 22.5% less volume when compared to TNF estimates for the same area. These units were harvested in 1935 and 1945. These un-thinned stands again show one unit increasing in volume comparison.” Outside of the agency cruise shows a large degree of variability between actual cruised timber volume and timber volume predicted by the USFs information available.

- In your testimony you talk about “falldown” in Y-G acreage caused by the need to prevent harvests of some young growth to protect fisheries, karst formations, and visual impacts or because of steep slopes. Is there any way to accurately predict how much less acreage of Y-G will be available to support a Y-G industry without a full inventory?

Answer: There is no way to predict how many acres will be removed from the “suitable Young Growth timber base” due to changes in standards and guides from the time a timber stand was first harvested to today. On a TAC field trip to POW we stopped at a Young Growth stand in the Stoney Creek drainage and a fisheries expert pointed out a very small stream in a stand 40 to 50 years old that would now have to be buffered do to the presence of fish. Not only the stream but also the flatter ground next to the buffer would also have to be buffered. We harvested a Young Growth thinning sale last year on Hecata Island. Within the sale area a quarter mile circle was left unharvested due to a Goshawk nest. Goshawks are not supposed to nest in Young Growth. Additional timber was buffered and set aside from Karst and some of the old trails from the original logging. So here are three examples of where some of the 251,000 acres will not be allowed the 2nd time due to more stringent rules than the first harvest. This will especially true on the older 55 year plus Young Growth timber stands that were harvested with little environmental oversight and tended to be harvested in either large acreage or small isolated “A-frame” settings. I spent 2 days with the USFS Young Growth people and wildlife biologist in some of the larger mature Young Growth on POW, Hecata and Kosciusko Islands. Due to the large number of even aged Young Growth timber acres in these mature stands, the USFS people felt timber set asides were warranted for diversity. The Young Growth sale on Kosciusko is planned to have small clearcuts with the adjacent timber not to be harvested for 30 years. The TAC modeling planned on larger clearcuts in order to

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols**

get enough Young Growth timber volume to transition in 15 years. By saving such a large amount of the mature Young Growth the USFS will run out of mature Young Growth to offer before the transition runs the 15 years.

In the 2008 Forest plan, suitable and available acres had up to a 27% fall down. The Working forest Group looked at timber sales after the 2008 plan and found a 75% fall down in acres in the suitable and available land base as compared to the Record of Decision documents. From the SE Conference 2011 report:” there are 51(VCU’s lying north of Fredrick Sound that the Spectrum program lists as positive with 24,507 acres of young growth timber. These lands are not economically viable under current industry standards.”

No one knows the number of acres of fall down in the 251,000 acre Young Growth timber base but if the current Old Growth timber sales are any indication a significant amount of the 251,000 acres will not have timber harvested. The USFS does not seem to grasp that the only way to have a viable timber industry on this small of timber land base, you have to intensely manage these acres for maximum timber production. The TAC based their modeling on some timber out of the Suitable timber base and maximizing the Young Growth from the suitable timber base. The TAC fears were the implementation of their recommendations by the USFS.

- You also talk about “falldown” because isolated Y-G may not be economic to harvest. Is there any firm data without a full inventory that will accurately inform the Forest Service of how much existing Y-G may not be economic to harvest?

Answer: No. the USFS can quantify the numbers of acres in small isolated “A-Framed logged” areas. They can’t quantify the acres that become uneconomical due to excessive road cost or areas that are now isolated due to changes in Standards and Guides as outlined above. The USFS has a presentation whereby they show maps of a large Young Growth area that will have 30 percent of the area uneconomical to harvest due to additional buffers of streams mandated in the current Tongass Land management Plan.

From the above 2011 SE Conference study:” ... areas are predominantly very poor quality Pacific Red Alder stands with some Sitka spruce and western hemlock trees growing through the canopy. The situation precludes the harvest of conifer species in these units that are found within the delineated hardwood stands. The result is a reduction in overall area available for second growth harvest.” This is an actual stand that is precluded from being harvested even though it is

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols

merchantable by age but due to the large amount of poor quality Alder in the stand it can't be economically viable.

The State of Alaska Cruise is going to be based on timber stands not a forest level inventory the USFS currently has. The State as argued for a stand level cruise as it will allow the USFS to better understand the economics of an area and the fall down acres the USFS could expect. Without this level of Data collection the USFS information is based on too wide of geographic area to make any reasonable analysis on individual timber stands. You have to have “boots on the ground” to see how many fall down acres there will be in a given area and whether the young Growth timber will be economically viable.

Question 2: What additional work is needed to accurately estimate available Y-G timber volumes and to determine the economic viability of a young-growth industry in the Tongass Forest?

Answer: First is the USFS growth modeling has to be tested with the current cruise to insure the modeling works over large geographic areas and ages of Young growth. Without a tested accurate model all future timber volume predictions are in doubt. If you are going to make a significant capital investment you have to know the economically viable timber availability over a 20 year time frame. To get an accurate model of growth, the USFs needs an accurate inventory of existing Young growth and a model that is tested.

For the economic viability the USFS does not know how much it is going to cost to harvest the young growth, they have no solid data on how you will manufacture the young growth or what markets will be viable. The volume of Young growth available during the 15 years of transition will not support capital investment in new sawmills. Sawmill owners on POW have been very vocal in that they can't manufacture Young Growth with the current market. The USFS has not sold and harvested enough Young growth timber to have accurate costs of harvest. So far only Young Growth sales with a ground based harvesting system have been sold. As the USFS goes into timber with a higher degree of slope, cable yarding system will have to be used. Since most of the cable young growth areas were harvested with the roads at the bottom of the hill, the next rotation will also have to be down hilled yarded. Our short experience with downhill cable yarding, we found to be very expensive and the smaller trees did not have the support for tail trees as the original timber had. In current market conditions cable yarding downhill small diameter timber, heavy to hemlock, will not be economic. Also the TAC was shown Young Growth harvesting costs where thinning was not economically viable. Information to accurately plan a Young Growth timber sale is still lacking.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols**

The Timber cluster group for the USFS and Juneau Economic Development Council’s report Exploring the Sustained Yield Capacity of the Young Growth Lands on the Tongass National Forest while Evaluation the Impact of Acreage Reductions and Rotation Age-2011 is concerned about the USFS timber stand data and recommends: “They also emphasized the challenges posed by exiting data on the Young Growth and recommended conducting analysis that is more site-specific at the micro level to meet the needs of harvest planning, which would require: 1) new timber type mapping on a least a timber management base, 2) collecting additional inventory information to build a more robust data set constituting a 30 percent sample by acres and 3) on the ground operability analysis on units within a 10 year planning horizon.” This work and recommendations were funded by the USFS.

This is the work that has to be done to have any confidence that a viable timber industry can be maintained in SE Alaska with the plan amendment.

Question 3: Could a mill operator currently go to private capital markets and obtain capital financing to cover the cost of converting to Y-G timber operations based on the current timber modeling and Forest Service data sets available to support a transition? If not, why?

Answer: No. The bank would require a business plan that was well thought out. We do not know what products are to be produced for a young growth sawmill. An Alaska Young Growth sawmill will not be competitive with a modern sawmill in Washington, Oregon or Canada cutting the same species for the US market. They would have to compete with a modern sawmill costing \$200 million dollars that requires at least 100 to 150 million board feet of logs per year. A Tongass production of 76 million board feet after 16 years will not be enough to be cost competitive. The lower 48 mills have natural gas for drying lumber, most have co-generation and are low cost producers. Alaska has high energy costs and a transportation disadvantage that can’t be offset with lower stumpage costs. Our harvesting costs and manufacturing costs are significantly higher than the lower 48.

The capital market would not lend money for any significant investment in manufacturing in Alaska whereby the raw material was dependent on being produced from Government lands. The annual volumes are not predictable. The Tongass has not been able to have consistent timber sale volume and have had significant “falldown” loss, producing less than planned timber sale volumes. Saddles Lakes is a prime example where the sale was initially planned for 60 million board feet and we will be lucky to see 10 million board feet 4 or 5 years later than planned. The capital market would want to see consistent, economical timber supply from a variety of landowners. The only way for

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols

capital investment is a long term contract with a guaranteed supply, just like the USFS had to do in order to attract the two pulp mills. From GAO report: 16-456 the report states “Forest Service officials and industry representatives also told us the industry is unlikely to invest the needed funds (for mill updates for Young Growth) without more certainty about amount of timber that will be offered for sale and harvested.” The report also acknowledges the transition has a potential for the failure of the timber industry. “...November 2015 draft EIS the Forest Service stated there is a HIGH DEGREE OF UNCERTAINTY surrounding its goal of preserving a viable timber industry. No bank is going to lend money to an industry whereby the Government does not believe the transition will be successful for future lumber manufactures.

Question 4: From an economic standpoint, is there any firm data currently available on how much young-growth will be needed over any period, in the first 10 to 15 years, or over the next 15 to 30 years to permit a Y-G industry to operate profitably, especially an industry that would employ enough people in Alaska to help maintain the health of current timber-dependent communities in the region – a pledge made by Secretary Vilsack when he called for the transition in 2013?

Answer: The Young Growth in Alaska will produce commodity products that are subject to significant market fluctuations in price and volume over an economic cycle. To be in a commodity product business, to be successful over time, you have to be a low cost producer. In Alaska we can't be a low cost producer due to our cost structure but also because of the volume of timber available from the Tongass. You CAN NOT have a forest industry with a 46 million board feet annual volume with the amended plan. The TAC never agreed on an annual volume of timber from the Tongass. I argued during the TAC we needed a minimum of 75 million board feet per year just to keep the existing industry in SE Alaska alive. With the current plan amendment, the plan is for 9 million board feet of Young Growth timber volume per year for the first 10 years. The next 5 years the sale volume is planned at 25 million per year and by 2032 the plan is for 76 million board feet per year. These volume levels will not support a viable industry. No one can invest capital in a Young Growth industry with the planned timber volume for the next 10 years. At year 11 you can start to invest in some updated mechanical harvesting equipment but no longer term sawmill equipment. Even after 16 years, sawmills in Alaska would not be competitive producing lumber. In Canada, Oregon and Washington they have pulp mills to take the bark and the chips. They have Chip n Saw mills that specialize in 5 to 7 inch logs and they have a modern sawmill that can efficiently saw 8 plus diameter logs. Let alone the cost difference between Alaska, we can't support with the limited timber land base 2 different sawmills to efficiently manufacture different diameter of logs.

Communities will be negatively impacted by this plan amendment. From GAO report 16-456 Forest Service Actions Related to its Planned Timber Program Transition: “The Forest Service in its Draft EIS, recognized that its management decisions affect those

U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols

communities and also that some communities maybe disproportionately affected by these decisions.” POW will see continued decline in population and more school closures. Eventually the small niche mills in Thorn Bay will have to close as the 5 million board feet per year of old growth gets more and more expensive to get. The roadless rule has precluded the building of new roads. In order to support these small mills you have to have reasonable cost transportation and harvesting costs. At some time you will run out of economic trees close to a road for these mills. I attended a meeting of the small sawmill owners in Thorn Bay this spring and they were in agreement this forest plan amendment would put them out of business also. They are already finding it difficult to find and get economic trees on POW without any new roads. In the end the plan amendment will fail to do as promised to maintain the existing timber industry and have a viable timber industry upon transition and the small communities of SE Alaska will lose their year around economic base. SE Alaska will become a Government and part time economy repeating the era of pre-pulp mills.

Question 5: Some have said that the comprehensive inventory should proceed but that it should be done on a parallel track alongside the forest plan amendment process. Why is it so important to have the inventory completed before the forest plan is amended?

Answer: The risks for the timber industry and the communities of SE Alaska is too high. The above answers to these questions show there are some uncertainty of USFS Young Growth timber volumes, unknown amount of downfall acres due to more restrictive standards and guides and downfall due to uneconomic timber. In addition the USFS has virtually no information on the economic viability of timber harvesting of Young Growth and no information on the manufacturing of Young Growth or the products that could economically made in SE Alaska from Young Growth.

The transition to Young Growth was based on a social need, but in order to make the transition the existing timber industry had to be maintained and upon transition a viable timber industry has to be economically viable. If these two critical criteria can't be done or has a “high degree of uncertainty” why sign the amendment until there is enough information to have a high degree of certainty the transition within the plan amendment time frame will be successful. The amendment can't be undone and the damage it will do to SE Alaska will last for generations.

Question 6: The Forest Service in its testimony argued that an additional inventory might harm young-growth sales, increase the risk of litigation against old-growth sales and violate the TAC's recommendations? What is your view with respect to those concerns expressed by the Forest Service?

**U.S. Senate Committee on Energy and Natural Resources
 June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
 Response and Forest Management Act of 2016”
 Questions for the Record Submitted to Mr. Eric Nichols**

Answer: Harm Young Growth Timber Sales? One thinning sale in Young Growth has been completed and two additional Young Growth Sales have been sold and not harvested. These sales were sold without the amendment in place. The USFS has to have additional information on the viability of different type and ages of Young Growth Timber Sales so the Young Growth timber sales need to be continued whether the amendment is signed or not. We are transitioning on the Tongass due to biological reasons. The more Young growth timber sold the better the USFS information will be and will allow a transition with a high degree of success.

Increase risk of Litigation? Most of litigation will come from old growth sales. The plan amendment is based on Old Growth timber sale volume of 37 million board feet per year for the first 10 years. The USFS has been averaging the low 30 million board feet of timber sold in the last number of years so for the next 10 years after plan amendment is signed there will be no reduction of Old Growth timber sales. So why would we expect to see an increase in litigation? All larger sales are now threaten or are litigated so you can't have an increase over the current 100% rate.

Violation of the TAC recommendations? The TAC recommendations were not time specific. We did not set a date in which the amendment had to be signed. USFS set the time line for the plan amendment. The TAC was suspect of the USFS young Growth data and the TAC's priority for USFS expenditures was a comprehensive Young Growth cruise. The other largest concern was the implementation of the TAC recommendations. Without internal changes within the USFS the transition would be a failure. The mission of the TAC was the vitality of the communities in SE Alaska and these communities would have the long lasting negative impacts if the transition fails.

Question 7: Has the timber industry in Southeast Alaska seen a reduction in litigation with respect to old-growth timber sales since the TAC recommendations were finalized in 2015? In your view, would proceeding without the inventory lessen litigation delays in the Tongass?

Answer: See State of Alaska document on appeals of their timber sales. These appeals have all started after the announced transition and after the TAC was started. These appeals are unprecedented. The state in the last 20 plus years have only had a couple of appeals and now every timber project is under appeal.

Status of State Timber Sale and Forest Planning Appeals

Document	Appeal/Request for Reconsideration	Appellants	Status/Notes
----------	------------------------------------	------------	--------------

**U.S. Senate Committee on Energy and Natural Resources
 June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
 Response and Forest Management Act of 2016”
 Questions for the Record Submitted to Mr. Eric Nichols**

<p>Southeast State Forest Management Plan Final 2/29/16</p>	<p>Request for reconsideration, 3/22/2016</p>	<p>Greater SE AK Conservation Community Greenpeace Cascadia Wildlands Center for Biological Diversity Rebecca Knight Dave Beebe/Kupreanof</p>	<p>Final SESFMP upheld by Commissioner on 6/13/16 Window for appeal to superior court is open until 7/13/16</p>
<p>Baby Brown Final BIF 3/12/15</p>	<p>Appealed 3/12/15</p>	<p>Lynn Canal Conservation Society Greenpeace Cascadia Wildlands</p>	<p>Final BIF upheld by Commissioner on 10/16/15 The superior court appeal period expired without appeal</p>
<p>Vallenar Final BIF 5/4/15</p>	<p>Appealed 5/27/15</p>	<p>Greenpeace Greater SE AK Conservation Community Mike Sallee Cascadia Wildlands Center for Biological Diversity The Boat Company</p>	<ul style="list-style-type: none"> • Final BIF remanded to DOF on 2/26/16 regarding adoption of the SESFMP and finalization of the SSE inventory. <ul style="list-style-type: none"> ○ The SESFMP was adopted on 3/22/16 (see above). ○ The inventory was updated to reflect Wrangell Borough entitlements and a final issued on 2/9/16. • Other issues, including the road proposal, in the BIF were upheld. • A revised draft and final BIF for the Vallenar timber sale will be issued prior to a timber sale, and

**U.S. Senate Committee on Energy and Natural Resources
 June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
 Response and Forest Management Act of 2016”
 Questions for the Record Submitted to Mr. Eric Nichols**

			will be subject to appeal.
Vallendar Access Final FLUP 5/9/16	No appeal		No appeal; road construction contract issued on 5/23/2016
Edna Bay Final BIF 10/29/15	Appealed 11/18/15	Greater SE AK Conservation Community Greenpeace Cascadia Wildlands Center for Biological Diversity	Final BIF withdrawn on 6/22/16 to allow DOF to address issues remanded to DOF in the Vallendar appeal (SESFMP and inventory) that were also in the Edna Bay appeal

On the USFS side I spoke to one of the USFS employees and this is the new process the USFS is under with some of the environmental groups. They start with FOIA requests for all documents on a proposed timber operation. After a draft EIS or EA the groups submit objections. The USFS has to try to solve the objections, most of the time the objections can't be satisfied and when the final decisions is released the groups go to court to stop the timber sale. All larger timber sales are being objected to. Big Thorn is still in court in the Ninth Circuit. Saddles Lakes have been delayed for 3 to 4 years. The young growth sale on Kosciusko has been delayed for an additional year. The State of Alaska Shelter Cove Road project is being litigated for the portion on USFS land. The Plan amendment process currently is still within the time frame as outlined by the USFS. This has not lessen and in fact has only increased the appeals, objections and litigation of timber sales on the State of Alaska and the USFS. These actions have ground timber sales to a halt for over a year. Record low timber sale offering in 2015. Only congress can lessen the litigation. As one The Nature Conservative's employee explained to me this is how these groups get their funding.

Questions from Senator Ron Wyden

Question 1: In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn't continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation.

Answer: Yes when you have unlimited budgets then the spending increases every year. There will never be enough money. With a controlled budget it gives the agency incentives on reducing the cost of fires and hopefully an incentive to reduce fire risk with timber management.

**U.S. Senate Committee on Energy and Natural Resources
June 23, 2016 Hearing: The Discussion Draft entitled “the Wildfire Budgeting,
Response and Forest Management Act of 2016”
Questions for the Record Submitted to Mr. Eric Nichols**

Question 2: Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?

Answer: No opinion. The important thing is to get the USFS to manage the fire prone forests and reduce the fire risk and severity in the first place.



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246
 SACRAMENTO, CA 94244-2480
 (916) 653-7772
 Website: www.fire.ca.gov



July 11, 2016

The Honorable Senator Lisa Murkowski
 U.S. Senate Committee on Energy and Natural Resources
 United States Senate
 Washington, D.C. 20510

Dear Senator Murkowski,

Thank you for the opportunity to testify in front of your Committee on June 23, 2016. I appreciate the Committee taking the time to hear from leadership regarding "The Wildfire Budgeting, Response and Forest Management Act of 2016" discussion draft.

My responses to the specific questions from Senator Wyden are below:

1. *In your opinion, will controlling the 10-year average by freezing it at a certain level, or using some other budget control tool so it doesn't continue to erode the agency budgets, help the agencies better budget for and fund fires in the future as well as fund other non-fire programs in forest management and recreation?*

Yes, the National Association of State Foresters (NASF) supports a comprehensive solution to wildfire funding that eliminates or minimizes the practice of late season fire transfers and addresses the continued erosion of other agency non-fire suppression programs that results from increasing fire suppression costs.

In recent years, the portion of the USDA Forest Service's (USFS) overall budget allocated to fire programs has significantly grown. In fiscal year (FY) 1995, fire costs accounted for 16 percent of the USFS' budget; this has grown to over 50 percent in FY 2015 and is expected to increase.

As more funding is dedicated to fight fires, less is allocated to other areas of the USFS budget. Agency staff has noted that the trend is a \$100 million reduction per year in funding availability for non-fire suppression programs, including fuels reduction and forestry work that would reduce wildfire impacts, and the host of critical forestry programs important to the management of the nation's forests. As funding for programs such as Forest Health, Forest Stewardship, and State Fire

Senator Lisa Murkowski
July 11, 2016
Page 2

Assistance are reduced, active management and rapid response capabilities are also reduced at the time they are needed most.

2. *Do you have strong opinions either way about whether the wildfire funding issue is addressed through a budget cap adjustment, like in this discussion draft and in the Wildfire Disaster Funding Act that I introduced with Senator Crapo, or through a new Wildfire Disaster Relief Fund through FEMA? Or is it most important to just get a fix in place?*

The National Association of State Foresters (NASF) urges a fix that allows the USDA Forest Service and the Department of the Interior to access disaster funds to pay for catastrophic (large, costly, extreme) wildfires – placing these catastrophic fires on par with other natural disasters. State Foresters understand that there are two proposals being considered by Congress that would provide access to disaster funding: (1) through a budget cap adjustment, and (2) through the FEMA Disaster Relief Fund. NASF supports either approach in regard to the indicated wildfire budgeting mechanisms and encourages the Committee to fix this problem as soon as possible.

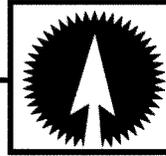
Thank you again for the opportunity to appear before your Committee. If you need more information on my responses, please do not hesitate to contact me.



KEN PIMLOTT
Director

cc: Keali'i Bright, CA Natural Resources Agency
Katie Wheeler Matthews, Office of Governor Edmund G. Brown Jr
Kelsey Delaney, Western Forestry Leadership Coalition

Alaska Forest Association



111 Stedman Street
Ketchikan, AK 99901
Phone: 907-225-6114
Fax: 907-225-5920

Owen Graham
Executive Director
Alaska Forest Association

**Testimony for the Senate Energy and Natural Resources Committee Hearing on
June 23, 2016**

The Alaska Forest Association (AFA) is a non-profit business association that was formed in 1957 to represent the interests of the timber industry in Alaska. The AFA currently manages a pension program, a group health insurance program, a scholarship program for the timber industry and also sponsors the Sustainable Forestry Initiative program for Alaska.

The AFA strongly supports the enactment of the Discussion Draft and applauds the bipartisan support of this Discussion Draft by Chairman Murkowski and Ranking Member Cantwell. Passage of this bill rapidly will aid communities, the timber industry, and timber support businesses throughout the country, including Alaska and the rest of the West.

The AFA particularly urges passage of Section 311 which requires a full, complete and comprehensive inventory of the “young growth” stands in the Tongass Forest before any Plan Amendment can be adopted by the US Forest Service (USFS). This comprehensive inventory is absolutely critical to sound forest management before the proposed Plan amendment is adopted.

The AFA notes that this amendment has also been included by the Senate Interior Appropriations Committee in its recently reported FY 17 Interior/EPA Appropriations bill and by the House Natural Resources Committee in its recent reporting of HR 3650 which included Section 311 as an amendment to that bill. So, AFA believes there is an emerging consensus in the key Congressional Committees to pass Section 311.

There are 462,000 acres of “young growth” which is defined as areas where the timber has been previously harvested. The National Forest Management Act requires that such timber cannot be harvested again before that timber reaches its Cumulative Mean Incremental Growth which in Southeast Alaska is 80-100 years old.

The current USFS proposal is to finalize this Plan Amendment and Record of Decision by as early as late summer/early fall of this year. So it is critical that this Committee act on this key legislation as soon as possible.

Please see below detailed testimony on why the current Plan amendment needs to be delayed. But in summary:

1. NFMA prohibits the harvest of national forest timber prior to the timber reaching 95% of its maximum growth potential (about 90 to 100 years on the average timberland in Southeast Alaska). The bulk of the young-growth timber in Southeast Alaska is less than

60 years old, so compliance with the NFMA prohibition on premature harvest of young-growth means a significant transition to young-growth would take at least another 30 years.

2. If the young-growth trees are harvested twenty to thirty years prior to maturity as the current draft Record of Decision proposes, then the amount of volume harvested from each acre will be half or less than what it will be at maturity, thus making the prospect of transitioning to young-growth manufacturing even more improbable.
3. Unlike the mature, old growth timber that produces high value lumber, young-growth timber is comprised of coarse-grain wood fiber that is not suitable for high-value products. In order to be profitable, small-log mills must be highly mechanized (fewer jobs) and these mills must process much larger volumes of lumber in order to compensate for the lower lumber values and high investment costs (\$75 to \$100 million). It is doubtful if any private investors would make such an investment without an adequate long-term timber contract to insure they could operate long enough to amortize their investment.

This position is also supported by the Society of American Foresters (SAF) and the Federal Forest Resources Council. The SAF position is on page 3 of its comments/testimony submitted to the Committee on June 13, 2016. That testimony is attached and AFA asks that it be made part of the record of this hearing. There is strong community and statewide support for AFA's position, and these letters of support are attached to this testimony.

Madame Chairman—this transition proposal would force the closure of our last surviving sawmills. Unlike the lower 48 such as in Washington and Oregon, the State does not own any significant stands of timber to supplement the failed USFS timber supply. At this point, the USFS has no timber sale which it can offer to our mills.

Any Record of Decision for a Transition to young growth logging in Alaska should be delayed until a financial feasibility analysis can be performed. This financial analysis cannot be adequately prepared without completing an inventory and developing a growth and yield model for representative young growth stands in Alaska.

In 2010, the Secretary of Agriculture announced a decision to transition to harvesting young growth timber on the Tongass thirty or more years before those trees reach maturity as required by NFMA. Unlike the situation in the rest of the U.S., significant timber harvesting in Alaska has only been ongoing for about sixty years and the industry does not believe that currently there is sufficient young growth timber of sufficient size in Southeast Alaska to support even a single sawmill, let alone a manufacturing industry.

In order to perform a financial analysis of the feasibility of this accelerated transition, an inventory of the young growth timber quality, growth rates and harvesting costs is needed. The Forest Service currently proposes to perform an inventory of only 50,000 acres of the older (pre-

1976) young growth acres on the Tongass and even this small inventory is not expected to be completed until a year after the agency proposes to sign a Record of Decision that will mandate the transition.

It makes no sense to limit management options on the forest by mandating an early transition to young growth without confirmation that the transition is financially feasible. Timber stands that the agency currently proposes to inventory are predominantly on lower elevation sites where the timber quality, growth rates and harvesting costs are much different than on the remaining 75% of the young growth in Alaska.

All of the young growth studies done in Southeast Alaska have been done on sites that are below 500-foot elevation, however, most of the young growth acres are above 500-foot elevation. In Southeast Alaska, complex and steep topography contribute greatly to the growth of timber. There is an inverse relationship between elevation increase and timber height. The trees become rapidly shorter as the elevation increases until timberline is reached at which point trees no longer exist. The direct correlation of tree height and timber volume results in less volume with short trees. There is a substantial difference in both height and diameter of the same age class of timber on different sites and even if better growth models are developed, there is no accurate way to apply the growth models to the different sites until those actual site classes have been visited, measured and mapped.

In order to have a basis to perform a financial analysis of the proposed early transition, young growth stands in all age classes need to be assessed to determine appropriate site index curves, present age confirmation, height, and present volumes. Additional data in regards to aspect, elevation, slope, soils, and expected harvest costs must also be collected. Since the elevation, growth rates and harvest cost factors from the older stands are not comparable to the remaining stands there is no reliable way to simply apply site index and other information from a limited inventory to the remaining stands without first gathering information from those remaining stands. Hence the need for a more complete inventory of all the young growth stands.

In summary, an inventory of just the 40 year and older stands will not be representative of the bulk of the young growth; we need a complete inventory so a reliable feasibility analysis can be made before fully committing to any early transition to young growth harvesting.

Many private timberland owners use a net present value calculation to identify the optimal economic age to harvest their timber. Some long-term assumptions must be made to do the analysis – future interest rates, future timber values, future management costs, etc., but this is a good method of determining when to most profitably harvest private timber.

The issue is more complex on public lands, especially national forest lands. Our national forests must be managed in compliance with the laws and the intent of Congress.

The Forest Reserve Act of 1891 allowed the U.S. President to set aside lands as national forests. In 1897, Congress passed the Forest Management Act, which specified the purpose of the

reserves was to preserve a water supply, preserve the forests, and provide a continuous supply of timber “*for the use and necessities of the citizens of the United States . . .*”

The Tongass National Forest was established in 1908, and by 1934 government foresters had completed the first growth and yield tables for the Tongass. These yield tables allowed foresters to measure the potential sustained-yield of timber from the forest, after which the agency began planning a timber sale program that would foster a permanent, year-around timber manufacturing economy for the people in Southeast Alaska.

The transition to young-growth harvesting has always been part of the timber sale program – it just takes time to get there. Initially the Forest Service planned to manage most of the better growing sites for timber production while still maintaining stream buffers, research areas and a few wilderness reserves.

Some of the timber mills in the Pacific Northwest viewed the Tongass as a potential wood-basket for their mills, but the Southeast Alaska communities wanted the timber to remain in Alaska to support local timber manufacturing. The agency thus began selling timber with the stipulation that the timber be processed locally. The agency collected stumpage payments for the timber and used some of those receipts to insure prompt regeneration of the harvested areas. The Forest Service plan included a transition to young-growth after about 100-years, because that would maximize the growth potential of the land, which is a smart thing to do.

In 1960, as many people began to place greater value on other amenities that the forests provide, Congress enacted the Multiple-Use Sustained-Yield Act (MUSYA) “*To authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes.*” These include clean water, recreation, fishing and hunting opportunities, and fish and wildlife habitat. These additional amenities don’t provide much direct revenue, but they are important values from the forest. In addition, MUSYA made crystal clear that the additional uses of the forest are “*supplemental to, but not in derogation of, the purposes for which the national forests were established as set forth in the Act of June 4, 1897.*”

In 1969, Congress enacted the National Environmental Policy Act (NEPA), followed in 1976 by the National Forest Management Act (NFMA). These laws direct the Forest Service to periodically prepare management plans for each national forest and concurrently to prepare environmental impact statements to look at the environmental consequences and reasonable alternatives for those management plans. In 1980 and 1990, Congress also passed legislation specific to Alaska, designating vast new wilderness areas and promising to supply sufficient timber to preserve the existing timber industry. Unfortunately, after 1990 the promised supply of timber was not made available, causing the timber industry to decline to about a tenth of its former size.

Each time the agency has revised its management plan for the Tongass, it has increased its emphasis on non-timber amenities and reduced the amount of land available to grow and harvest timber. Prior to 1976, the agency was managing five million acres for timber production. After 1980, the agency planned to utilize only about three million acres primarily for timber

production. Currently, the 2008 Tongass plan allows *potential* harvest on only 663,000 acres, about half of which is young-growth currently too young to harvest responsibly. Yet the current Administration is now discussing restricting the timber sale program to only the young-growth stands that are not in reserves, which total about 300,000 acres - one percent of the acreage that was managed for timber production prior to 1990!

In order to support a viable timber manufacturing industry, there must be sufficient timber supply to allow each manufacturing facility (e.g. sawmill, veneer mill, fiberboard plant, etc.) to amortize the cost of the facility and make a profit. There must also be sufficient economy of scale (supply of timber) to allow a group of manufacturing facilities to specialize and capture the highest value from the diverse timber that grows in the region; otherwise the industry would not be able to compete in the wood products markets.

The current federal Administration has proposed accelerating the transition to young-growth with a goal of ending all old-growth harvesting on the national forest over the next ten to fifteen years, but the current young-growth acreage is simply insufficient to sustain a timber supply for a single small log sawmill, let alone a viable young-growth manufacturing industry. In addition there is very little State or private land in Southeast Alaska - only about 5% of the land. The rest is federal land.

Both Washington and Oregon for instance, have viable young-growth industries, but they also have eight and ten million acres of State and private timber respectively, most of which is young-growth. These two states also contain about twenty million acres of national forest timberland.

NFMA prohibits the harvest of national forest timber prior to the timber reaching 95% of its maximum growth potential (about 90 to 100 years on the average timberland in Southeast Alaska). The bulk of the young-growth timber in Southeast Alaska is less than 60 years old, so compliance with the NFMA prohibition on premature harvest of young-growth means a significant transition to young-growth would take at least another 30 years.

Further, if the young-growth trees are cut twenty to thirty years prior to maturity as the current draft Record of Decision proposes, then the amount of volume harvested from each acre will be half or less than what it will be at maturity, thus making the prospect of transitioning to young-growth manufacturing even more improbable, and imprudently wasting a natural resource that belongs to the American people. The Forest Service invested our tax dollars in the young-growth forest, and harvesting the trees before they reach maturity would preclude us from achieving our anticipated return on investment.

The good news is that by complying with NFMA and honoring the promises Congress made to sustain our communities and our industry, we can have viable timber manufacturing businesses for the next 30 years, at which time there will be more young-growth acreage, the existing young-growth stands will have doubled or tripled in volume and the young-growth trees will be much larger and more valuable for the sawmills than they are now. This plan would leave more than 80% of the old-growth timber untouched (90% if we count the four million acres of non-commercial, old-growth timberlands on the forest). That would be a rational, economic plan for

the Tongass, one that is more consistent with the intent of Congress for our public lands. Multiple use management is, after all, the law on the Tongass, as it is on all national forests.

The AFA has provided a number of position papers as to why Section 311 is sound forest policy and why the early transition to young growth must not be adopted by the USFS prior to the completion of this comprehensive inventory. I ask that that these be included in the hearing record.

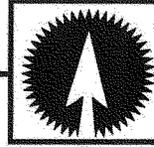
Thank you for the opportunity to submit this testimony.

Sincerely,

A handwritten signature in cursive script that reads "Owen Graham". The signature is written in black ink and is positioned above a horizontal line.

Owen Graham
Executive Director
Alaska Forest Association
111 Stedman Street
Ketchikan, AK 99901

Alaska Forest Association



111 Stedman Street
Ketchikan, AK 99901
Phone: 907-225-6114
Fax: 907-225-5920

February 22, 2016

Earl Stewart, Forest Supervisor
Tongass National Forest
Attn: Forest Plan Amendment
648 Mission St.
Ketchikan, Alaska 99901

Comments-alaska-tongass@fs.fed.us

RE: Comments on Proposed Land Resource Management Plan Amendment for the Tongass National Forest, November 2015.

Dear Earl,

Our national forests were designated in order to provide a long-term timber supply. Likewise, the Forest Service was formed to manage those forests and, while Congress has enacted various laws regarding the management of the national forests, the original intent to provide a timber supply has remained. Our U.S. Supreme Court acknowledged that many years ago. See *U.S. v. New Mexico*, 438 U.S. 696, 707 n.14, 708 (1978) (confirming that our national forests are comprised of working public lands, not lands set aside for nonuse like national parks).

The proposed plan amendment for the Tongass is being developed at the sole direction of the current Secretary of Agriculture to effect a premature and unworkable transition to young growth harvest on the Tongass at all costs. The Forest Service has made it clear that they have been instructed to get this proposed land management plan amendment through the plan amendment process before the end of the current Administration. That this proposal is politically motivated has been confirmed to me by Undersecretary Bonnie who has told me repeatedly that the Department of Agriculture has the "social license" to make this change in land management regardless of the impacts on the communities in Southeast Alaska. This blatant and arrogant effort to thwart our nation's separation of powers doctrine threatens not only our system of government but also the wellbeing of the Southeast Alaska community. The Secretary has no authority to overrule the will of Congress as expressed in governing statutes regardless of whether his Undersecretary thinks he has social license.

This proposed Transition away from harvesting mature (old-growth) timber and amending TLMP to compel a premature harvest of young growth timber will confound the efforts by many people and groups to restore a viable timber supply in Southeast Alaska. If the federal government did not have monopoly power over the timber supply in the region, the impacts of this foolish transition proposal would be less harmful. But the reality is that less than six percent of the land in the region is managed by State or private landowners, and much of those lands are dedicated to towns and home sites.

In addition to being an unlawful restriction of a promised timber supply, the proposed transition to young growth is fatally flawed by the Forest Service's unrealistic timber supply and demand assumptions and the inadequate financial analysis the agency has performed.

Faulty transition reasoning

The proposed plan amendment purports to transition the industry to small log manufacturing over the next 15-years by harvesting 453 to 627 acres of young growth trees each year, long before they are mature. This harvest level will provide less than 10% of the volume necessary to supply a single local small log mill and the trees are much too small to be profitably sawn in the existing sawmills. As a consequence, most if not all of the peewee logs cut from these trees will be exported to China. This is not a transition to manufacturing lumber from young-growth, it is a transition away from year-around manufacturing jobs to a few, seasonal log export jobs.

Alternatively, if the Forest Service continues the plan that has been in place for many decades, the young growth stands can continue to grow another 30-years until they reach maturity, at which time the volume of timber in these young-growth stands will be doubled and the trees will be larger and more valuable.

Financial analysis

The EIS purports to use stumpage and purchaser profits as a measure of the economic efficiency of the transition. The EIS further indicates that an estimated 1,512 million board feet (mmbf) will be harvested over the next 25 years and the net present value of the purchasers profit and stumpage will have a net present value of \$112,900,000. Working the math backwards, that means the Forest Service expects to have an average value of \$83/mbf (thousand board feet) or \$99/mbf depending on whether you are looking at actual dollars or discounted dollars.

That is absurd and impossible since the agency has been able to achieve that kind of return on only about a quarter of the old-growth timber sale volume planned each year. Three-quarters of the agency's planned old-growth timber sales were never offered because the economics (high cost) of those timber sales didn't allow a normal profit margin, let alone stumpage for the government.

If the agency has been unable to achieve anything close to those returns since the 2008 TLMP was signed and since the agency is proposing no cost reducing changes to the TLMP harvest constraints, how can the agency expect to increase the returns fourfold in the future, especially when the agency proposes to sell increasing amounts of young-growth timber which has a much lower value than old-growth timber?

Stated Purpose of the draft Amendment

The draft EIS lists five purposes for the proposed amendment. See DEIS at 1-4 to 1-5. But the draft EIS and the inventory and analysis the Forest Service has prepared so far does not accomplish at least four of those purposes, and the fifth purpose can be accomplished without the proposed radical shift in management that endangers the surviving timber manufacturing industry in the region:

- The review of young-growth lands within the Tongass to determine suitability for timber production has not been accomplished. The agency has not completed a young-growth inventory nor has the agency addressed its growth model which a past inventory and analysis indicates results in an overstatement of volume of some 37.5%. The agency has not even mapped the site index for the young-growth stands so there is no reliable way to even apply the existing model which was last updated more than 30-years ago and did not include an inventory mapping of the young-growth site indexes.
- The projected timber sale quantity and sustained yield limit cannot be accurately measured until the inventory, site index mapping and modeling are completed.
- Likewise, the standards and guidelines for young-growth management and renewable energy development cannot be accomplished with any reliability until the basic inventory and growth model for the young-growth stands are completed.
- A disclosure of the direct, indirect and cumulative impacts of the proposed radical change in management of the forest cannot be quantified prior to completion of the young-growth inventory and growth model.
- Consolidating the modifications made to the Forest Plan since its approval does not require an early transition to young-growth harvesting.

Stated Need for the draft Amendment

The draft EIS states two needs:

1. The Secretary of Agriculture's mandate. There is no underlying, factual support for this mandate and certainly no persuasive analysis that the radical shift in management is financially feasible. A draft demand analysis was prepared without seeking input from either the timber industry or the State of Alaska and was wrapped up hurriedly in order to meet a political objective of completing the Amendment during the current administration. Even that error-filled draft concludes that the early transition to young growth might be an economic failure.
2. An alleged rising cost of fuel and climate change impacts on the quality of life in the region is the second stated need. Actually, fuel prices have dropped precipitously over the last year or so, and there is no factual basis to support a pending climate change impact on the quality of life in the region. These stated needs for amending the

Forest Plan thus are divorced from reality. Although the Forest Service has some discretion in crafting a purpose and need statement, it cannot lawfully rely on needs that are based on fantasy rather than facts. Even if the alleged needs were grounded in reality, which they are not, continuing to allow the young-growth stands to mature, at which time there will be more volume and better economics to support an orderly transition, would be wholly consistent with these alleged needs.

Overly narrow statement of purpose and need

The statement of purpose and need in the draft EIS is too narrowly drawn. As a result, the action alternatives evaluated by the agency preordain an unduly hastened transition to young growth timber harvesting in violation of the National Environmental Policy Act (NEPA) (and contrary to other governing statutes as well).

Federal courts throughout the United States have long recognized that an agency like the Forest Service cannot define its objectives for action in unreasonably narrow terms so as to preordain a desired result. See, e.g., *City of Carmel-By-The-Sea v. U.S. Dep't of Transp.*, 123 F.3d 1142, 1155 (9th Cir. 1997). Yet in this case, that is exactly what the agency is doing. A stated driving force for the proposed Plan amendment is the Secretary of Agriculture's arbitrary direction in 2013 that the Forest hasten its transition to young growth harvest, even though the young growth trees are decades away from maturity and can only be harvested by departing from the National Forest Management Act's (NFMA) direction against harvesting stands that have not yet reach their culmination of mean annual increment of growth (CMAI). See 16 U.S.C. § 1604(m). By treating the Secretary's young growth fiat as a mandate to be satisfied at all costs, the Forest Service ended up considering an overly narrow range of alternatives in its environmental analysis. This is similar to the situation declared unlawful in the *National Parks & Conservation Ass'n v. BLM* case, 606 F.3d 1058 (9th Cir. 2009), where the environmental analysis for a proposed land exchange meant to facilitate development of a landfill was unduly constrained by an overly narrow statement of purpose and need and, as a result, unlawfully preordained the desired outcome.

The agency's conduct is particularly egregious in this case given the direction from Congress, expressed in multiple other statutes, that counsels against a premature transition to young growth harvest. For example, under the Tongass Timber Reform Act (TTRA), the Forest Service must seek to provide a supply of timber from the Tongass National Forest that meets market demand. 16 U.S.C. § 539d(a). As described throughout these comments, a premature transition to young growth harvest is inconsistent with the TTRA because it would foreclose the agency's ability to seek to meet market demand for Tongass timber. Further, under NFMA, the Forest Service must properly balance multiple use goals on the Tongass, including the goal of timber harvest, without elevating any particular goal above the others. The Ninth Circuit has criticized the Forest Service for failing to head that direction in the past, see *Natural Resources Defense Council v. U.S. Forest Serv.*, 421 F.3d 797 (9th Cir. 2005), yet the agency is now poised to make a similar mistake by elevating all other multiple use goals on the Tongass above that of timber production by forcing a premature transition to young growth harvest that will lead to the demise of the timber industry in Southeast Alaska. The Secretary may desire that the Tongass National Forest be treated like a national park rather than a national forest. But the Secretary cannot, by way of a memorandum to the Forest, override Congressional direction for national forest management that is embodied in governing statutes. Nor can the Forest Service itself seek to accomplish the Secretary's stated goal by crafting an overly narrow statement of purpose and need that treats a premature transition to young growth harvest as the foreordained outcome and hence leads to analysis of an unreasonably narrow range of alternatives in violation of NEPA.

Summary of additional issues

The history and background information in the document make no mention of the Forest Service promise of a perpetual timber supply for local manufacturing.

The document falsely blames the closure of the pulp mills on poor markets. It was the impacts to the timber supply from the agency's unilateral contract changes that took away the pulp mills viability and led to their closure.

The document acknowledges that the Transition strategy came from the Secretary of Agriculture, but fails to mention that the proposal was opposed by the timber industry, the State of Alaska and the Alaska Congressional Delegation as well as many communities in the region.

The document does not acknowledge that the Forest Service does not have a good inventory of the existing young growth stands or that the agency's timber growth model appears to significantly overstate young growth timber volumes.

The document fails to acknowledge that the agency has not done a credible financial analyses of the feasibility of either manufacturing timber products or exporting logs under the proposed Transition.

The document relies on a 2009 Nature Conservancy report to assert that young growth manufacturing in Southeast Alaska is currently feasible, but the document fails to acknowledge that even the Nature Conservancy's report indicated that current manufacturing of young growth would require federal subsidies.

The document fails to explain how even a single manufacturing facility could be financed and operated when the volume of young growth logs will be only 9 million board feet annually for the first ten years and then possibly ramp up to a higher volume over time.

The document relies on a draft, revised demand analysis that is filled with obvious errors including:

- ✓ A failure to address the cost of accessing and harvesting of young growth stands.
- ✓ A failure to address the low-value of young growth lumber.
- ✓ A failure to address the lack of an adequate economy of scale to enable the industry to be competitive.
- ✓ A faulty assumption that federal "budgets and the amount of time required to plan and implement timber sales", not the timber supply constraints in the current land management plan are the primary cause of an inadequate timber supply.
- ✓ A faulty assumption that mills can and will make enormous investments in young growth manufacturing in reliance on Forest Service promises of a young growth timber supply.
- ✓ A faulty assumption that private timber will be available to the local mills.
- ✓ A faulty assumption of an enormous increase in biomass energy production in Southeast Alaska.
- ✓ A misunderstanding of supply and demand concepts and how they relate to the TTRA requirement to meet the market demand for timber.
- ✓ A significant overestimate of the volume of timber available from private timberlands.
- ✓ A significant overestimate of the amount of utility logs that might be available for the fanciful expectation of an enormous biomass energy industry.

History – background

On page 3-7 the EIS describes how past glaciation affected the region stating in part, "More than one million years ago, all but the highest mountain peaks and some outer coastal areas in Southeast Alaska were covered by ice." Actually, the glaciers came and went from most of Southeast Alaska many times in the last one million years; most recently less than 20,000 years ago. It was likely less than 10,000 years ago that the region became mostly ice free and after this most recent glaciation, it would have taken thousands more years for the hemlock, cedar and spruce forest to become established. The forest is not ancient and it is still evolving. We already have half of the forest set aside from development by Congress; efforts to halt the responsible development and utilization of the rest of the forest are unnecessary and a violation of Congressional intent and of past promises by the federal government.

On page 3-9 the EIS presented the history of the timber industry in Southeast Alaska in three sentences. An important part of the history was left out - the Forest Service' early efforts to foster a permanent manufacturing industry in the region. In 1954, Regional Forester Greeley stated "Forests are managed not by being left to themselves, but by the direction and control of some action which man brings on. In this region, the only practical tool of forest management available is the logging operation". The Chief of the Forest Service R.E. McArdle added "The Forest Service will continue to foster development of forest product industries in Alaska to the extent needed for full utilization of the sustained yield cutting capacity of the Tongass National Forest. Cutting of this timber will be so conducted both as to rate and manner to maintain permanently a supply of raw materials for these plants."¹ Lastly Governor Heintzleman, formerly the Regional Forester, explained the benefits of the timber industry: "It will, of course, bring a steady, year-round local payroll of sizable proportions – one of Alaska's greatest needs. It will mean new industries to serve the pulp industry. It will mean more transportation services, more men in the logging camps, more towboat operations, more business for local merchants and service enterprises. There are other, less immediate perhaps, but no less valuable benefits."²

Appendix G pages 2 & 3 of the EIS states "During the 1990s, competition with production in other regions and market conditions led to the closure of Southeast Alaska's two pulp mills and numerous other sawmill closures." That statement is

¹ Ketchikan Alaska Chronicle - July 1954.

² The Ketchikan Story, Pulp and Paper – October 1954, by B. Frank Heintzleman.

false. In 1991, the Forest Service imposed unilateral contract changes on the two long-term timber sale contracts that provided the primary timber supply for the two pulp mills. Those unilateral changes eliminated most of the economic protections that were negotiated in the 1950s. Those protections were necessary because, unlike most timber sales, the long-term timber sales were not marked on the ground ahead of time so there was no opportunity for the prospective purchasers to make their own appraisal estimates of the value of the timber and the cost of harvesting that timber. The Sitka pulp mill opted to convert their manufacturing facility to a medium density fiberboard facility that would utilize less fiber and allow them access to a long-term, stable market primarily in the Pacific Rim. The Forest Service agreed to the conversion, then abruptly cancelled their contract; an action that was later ruled illegal by a federal court. The Forest Service then negotiated a termination and paid more than \$140 million as a settlement with the remaining pulp mill. Both pulp mills also owned sawmills that were closed as a result of the long-term timber sale contract terminations. Most of the remaining sawmills in the region closed one after another because the 1997 TLMP imposed costly constraints on the timber sale program that caused most timber sales to be uneconomic. The timber was not worth less due to markets, rather the cost of harvesting the timber was artificially inflated to a level that exceeded the markets. The poor timber sale economics problem was so severe and long lasting that in about 2001, Congress enacted legislation prohibiting the Forest Service from advertising deficit timber sales and in 2003 Congress enacted legislation enabling the surviving sawmills to turn back the uneconomic legacy timber sales from prior years. Since at least 1997 the Forest Service has been unable to meet its timber sale targets and this lack of timber sales is what has led to the closure of most of the remaining sawmills.

The Secretary's Transition mandate is opposed by the timber industry, Alaska's Congressional Delegation and the State of Alaska

Page 24 of the EIS Summary document states "*this project is primarily based on a memorandum from the Secretary of Agriculture that directs management of the Tongass National Forest to expedite the transition away from old-growth timber harvesting and towards a forest products industry that utilizes predominantly second-growth.*" In May of 2010, the Forest Service made a surprise announcement of the Secretary's decision to establish "*a new approach to forest management on the Tongass National Forest that will move timber harvesting into roaded, young-growth areas and away from old-growth timber in roadless areas*"³. This announcement was a real surprise because we had looked at this issue in 2009 as part of the Tongass Futures Roundtable discussions and we had determined that the existing young growth trees were too small to allow a young growth transition until the trees matured and there was insufficient young growth acreage to sustain a manufacturing industry. The proposed Transition was opposed by the timber industry, the State of Alaska and the Alaska Congressional Delegation. Later we learned that the proposal stemmed from an earlier Wilderness Society proposal to the Obama Administration. This Transition is really just a political action that will harm the timber industry and many communities in Southeast Alaska. Further, the "restoration economy" that the Transition purports to replace timber jobs will be a significant and unnecessary burden on the federal budget.

Trees are a renewable resource

On page 3-2 the EIS includes a brief paragraph about nonrenewable resources. The last sentence in this paragraph asserts that the gradual decline of old-growth habitat may be considered an irreversible commitment. That statement is wrong, trees are considered renewable because they will grow back. Even if you consider 150 or more years to be the minimum age of an old-growth tree or the minimum time needed for that particular stand of trees to develop old-growth characteristics, harvesting old growth trees is not an irreversible commitment. NFMA mandates that timber not be harvested until it reaches the culmination or peak of its mean annual growth rate, which in many cases is well over 100-years. Forests can be managed over long time periods and still supply a substantial amount of timber, particularly large forests like the Tongass.

For instance, in 1989 the Forest Service intended to manage 1.7 million acres of the Tongass for timber harvest stating "*Over the next 100 years, about 1.7 million acres are scheduled for harvest. In an average year, 17,000 acres will be logged, yielding 450 million board feet of timber. Following a loss of tree cover either through natural processes or through activities such as logging, the forest begins a natural sequence of growth call forest succession. These new forests are called second growth. In the short-term (a period generally believed to be less than 200 years), they have different characteristics than the forests they replaced*" and "*But not all stands will be harvested at 100 years of age. Some stands were identified during the early planning period as having high visual qualities, and were therefore selected for an extended rotation. This means that their rotation period will be between 120 to 200 years. Other stands will be managed to maintain old growth habitat conditions*"⁴.

³ May 26, 2010 Press Release, USDA Agencies Pursue Jobs and Community Stability for SE Alaskan Communities while Developing New Approach to Forest Management in the Tongass

⁴ The Dynamic Forest of Southeast Alaska, USDA Forest Service, R10-FR-2, 1989

In 2004, the Forest Service estimated the Tongass growing stock standing volume at 18.41 Billion cubic feet with gross annual growth at about 750 million board feet per year, a gross growth rate of less than 1%, which is very low. Under the proposed plan to phase out old growth harvesting over 15 years, more than 500 million board feet will be lost annually to natural mortality⁵.

In 2013, the Southeast Conference proposed a strategy that would allow much of this natural mortality to be utilized while still preserving wildlife habitat. Under this alternative strategy, all timber stands outside of wilderness areas and riparian zones would be managed over a 100 to 300-year schedule to grow timber stands with old-growth characteristics and to allow harvesting other mature timber stands.

With respect to wildlife habitat for instance, the integrated strategy looks at the benefits of *managing* the current Old-Growth Reserve (OGR) areas for wildlife habitat characteristics instead of permanently setting those areas off-limits to growing and harvesting timber. Using such an approach enables the entire land base to contribute to all objectives in contrast to dividing the land base up into zones or reserves which are dedicated to specific objectives. This same strategy is used successfully to manage millions of acres of private, state and federal lands in the US and around the world. It is much more effective than the current cookie-cutter approach of designating fixed land uses for specific parcels of land.

In summary, since old growth timber stands can be managed just like any other timber, neither a decision to reduce or increase the amount of old growth timber on the forest is an irreversible commitment.

Global Warming is an exaggerated concern at best

Page 3-12 of the EIS refers to a number of global warming and weather related theories as though they were facts. (e.g. “recently (in geological terms) humans have contributed to the acceleration of natural climate change...” and “The present and accelerated future changes to Alaska’s climate can have global consequences.”). The document should acknowledge that these climate impacts are hypothetical as well as irrelevant to the proposed premature transition to harvesting young growth trees.

The mortality in the old growth forests roughly offsets the growth, so the net carbon exchange is zero. The climate warming crowd assumes that the carbon in trees is released as soon as the trees are cut, while realistically, when trees are cut most of the wood fiber is stored as lumber and other wood products for many decades while the new young growth trees are creating and storing additional wood fiber (sequestering carbon is the popular term). Further, if the young trees are left to grow to maturity, they will have much greater volumes than the original stands. Alternatively, if the young growth is harvested long before it is mature, then there is a risk of reducing the amount of wood fiber (carbon) stored in the forest.

The entire global warming issue is irrelevant for the Tongass plan because there are 9.765 billion acres of forests on the earth. The entire 1.7 million acres of timberland promised for timber harvest in the 1980s amounted to two one-thousandths of one percent of the earth’s forests. Harvesting the promised 1.7 million acres on a 100-year rotation is negligible in terms of impact on the earth’s forests. Particularly because those 1.7 million acres would be regrown. The measly 23,000 acres of old growth proposed for harvest over the next 25-years is even more inconsequential as far as global consequences.

Log Transfer and Log Storage Facilities

The Log Transfer Facility (LTF) bark discussion on page 3-276 explains; “LTFs can adversely affect the marine benthic habitat (plants and animals that live in and on the ocean bottom). Effects are expected from two sources: structural embankment (placing rock in the water) and bark deposition (bark that accumulates underwater).”

However it should also be pointed out that a 2008 study by the State Department of Environmental Conservation⁶ analyzed the impacts of bark on six of the most heavily used LTFs in Southeast Alaska. The DEC study concluded that the bark issue had been greatly overstated and the “LTF/LSA sites are recovered, recovering or bark was never there”.

Wolves

⁵ A Discussion of an example of the Triple-Bottom-Line Management Strategy Approach on the Tongass National Forest, D.R. Systems NW, 12/10/13

⁶ Benthic Bark and Biological Assessment at Log Transfer Facilities and Log Storage Sites”, Alaska Department of Environmental Conservation Division of Water, July 2008.

Page 3-223 of the EIS states “The Alexander Archipelago wolf is thought to be a subspecies of gray wolf endemic to Southeast Alaska that inhabits the mainland and islands south of Frederick Sound; however, only the largest islands, including Prince of Wales, Kuiu, Kupreanof, Mitkof, Etolin, Revillagigedo, Kuscusko, Zarembo, and Dall Islands, are thought to support persistent wolf populations and are thought to support 60 to 70 percent of the total wolf population in Southeast Alaska (Person et al. 1996). Research suggests that wolves inhabiting Prince of Wales Island may be genetically isolated from other populations in Southeast Alaska (Person 2001; Weckworth et al. 2005, 2010, 2011)” and,

“In August 2011, the USFWS received a petition to list the subspecies as threatened or endangered, and to recognize Prince of Wales Island as a significant portion of its range (Center for Biological Diversity and Greenpeace 2011). The petition also requested that the USFWS consider those wolves found on Prince of Wales Island and adjacent islands (including Kuscusko, Tuxekan, Heceta, Suemez, Dall, and others proximate to Prince of Wales) as a DPS based on unique genetic, physical, and ecological characteristics.”

The USFWS found that the so-called Alexander Archipelago wolf is not a subspecies and denied the petition. This section of the EIS should be updated.

Tourism

On page 3-441 the EIS states “An estimated 1,037,000 people visited Southeast Alaska in 2011, with cruise ship passengers accounting for 85 percent of this total (McDowell Group 2012a). For many, a visit to the Tongass is a once-in-a-lifetime experience and spending by these visitors helps drive the recreation and tourism sector. The Tongass National Forest contains large areas of essentially undisturbed forest lands, which represent increasingly scarce and, therefore, increasingly valuable ecosystems. These lands have value for many people who may never visit Southeast Alaska, but benefit from knowing that the Tongass National Forest is there.” This statement seems to suggest that continued harvesting of “undisturbed forest lands” will impact tourism. That is a false assumption. The majority of tourists come to Alaska by cruise ship and the limited areas they view are already impacted by past harvesting. Those harvest areas have not prevented the increase in cruise ship passengers. The few tourists who visit the forest by alternatives to the cruise ships, do so primarily by driving the road systems that the timber industry constructed. The only negative impact on that tourism business is the ongoing closure of logging roads. Continued timber harvesting and development of the roads in areas not set-aside by Congress will enhance tourism.

Improper use of amendment process to remove a Land Use Designation (LUD)

We are surprised and concerned to see that the Forest Service is improperly using the Forest Plan amendment process to remove the existing Transportation and Utility System overlay LUD under the action alternatives in the DEIS. A change of this nature more properly is effected through the Forest Plan revision process described in 36 C.F.R. § 219.7 rather than the amendment process set forth in 36 C.F.R. § 219.13. As we read the new Forest Planning Rule, the amendment process should not be used to add or remove a geographic or management area delineation from a Forest Plan. Instead, the amendment process envisions changing the way in which the Forest Plan components interact with a particular geographic or management area delineation. 36 C.F.R. § 219.13(a). In contrast, the revision process is the regulatory tool by which management areas or geographic areas are designated, and the manner in which plan components interact therewith is specified. 36 C.F.R. § 219.7(d), (e).

Small log sawmill economics

On page 3-461 the EIS explains that the Nature Conservancy’s 2009 Beck report indicated that manufacturing small volumes of young growth timber in Southeast Alaska is possible if obstacles like the lack of a grading agency in Southeast are resolved. What the EIS fails to report is that Beck concluded that their proposed small log manufacturing operation would be uneconomic unless the Forest Service subsidized the logging. We also noted several errors in the Beck report including an underestimate of the amortization costs of retooling an existing mill, an error in the lumber overrun estimate which resulted in a large underestimate of the manufacturing cost, and the cost to dry, dress and transport the lumber to market was also significantly understated.

The EIS discussion of small log manufacturing should be updated to explain that the manufacturing of young growth spruce and hemlock trees will not be financially feasible until the trees are at least 90 years old or until there are sufficient acres of 60-year old and older trees available to enable the amortization of a modern small log sawmill.

Economics, Supply & Demand

On page 3-297 the document states that the Forest Service current management direction is to "*Speed the transition away from old-growth and towards a forest industry that utilizes second growth – or young growth – forests. Moreover, we must do this in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska*" (underlining added). We agree that the Forest Service must preserve a viable timber industry, but the Forest Service has not prepared a financial analysis of the proposed accelerated transition to young growth harvesting and is seemingly unaware that the proposed transition is not financially feasible. Our analysis indicates that the round log export market may support the harvesting of some of the young growth stands that are on the best growing sites with the lowest harvesting costs, but it also appears that none of the young growth trees can be harvested and manufactured into lumber profitably until the trees are at least 90 years old.

Revised Residual Demand Procedure does not meet the requirements of TTRA

Appendix G-4 states "*The demand model calculates the quantity of national forest timber needed by sawmills and exporters as a residual necessary to balance the model. In other words, Daniels et al. (in press) estimated the roundwood equivalent of all material used to produce products from Alaska and subtracted estimated future volume harvested from other landowners to derive national forest roundwood needs (i.e., the "residual"). Of noteworthy importance, the results in Daniels et al. (in press) reflect standing timber volume necessary to meet product demand from federal, state, and private lands.*"

When Congress enacted TTRA in 1990, there was no hemlock or spruce log exports allowed from the national forests. Only red and yellow cedar were regularly exported as round logs and even that export required a permit and extensive pre-export advertising as well as letters documenting a lack of local demand for the cedar logs. The longstanding prohibition on the export of national forest timber from Alaska was never in question and the Congressional presumption has been that the demand for timber manufacturing would be met from the national forest and perhaps supplemented from time to time by state or private timberlands. It was never the intent of Congress that the mills in Southeast Alaska would have to compete against the round log export market and thus this new residual demand analysis does not comply with the requirements of TTRA.

A complete inventory and a better growth model are needed for the young growth

There is a big difference in the growing sites for young growth stands that were harvested before and after 1976 - the year that the National Forest Management Act (NFMA) was enacted. Prior to NFMA, most timber harvest was *below* 500-foot elevation and predominantly on the best growing sites. All of the young growth studies done by the Forest Service have also been done on sites that are *below* 500-foot elevation.

However, most of the logging after 1976 was done at sites *above* 500-foot elevation. On Prince of Wales and the adjacent islands, 73% of the young growth acres are *above* 500-foot elevation. The higher elevation timber grows much slower and suffers more damage (resulting in defects) than lower elevation sites. The higher elevation sites also cost a lot more to harvest.

A study funded jointly by the Southeast Conference and a number of environmental groups from 2009 to 2010 sampled 1,400 acres of the older young growth acres and compared the results to the existing Forest Service growth model. The results of the study indicated that the existing young growth model overstates the volume on the young growth stands by about 37.5%. A young growth inventory and growth model must be done for *all* the young growth acres in order to know how much volume is out there and what the characteristics of those stands are now and will be over time.

The ±17.0 million acre Tongass National Forest (TNF) located in southeast Alaska is the nation's largest forest. A portion of the TNF is comprised of approximately 425,000 acres of emerging young forest in past harvest areas. This element of the TNF is the natural regeneration of timber on lands primarily harvested in the last (5) decades. Young growth stands of primarily hemlock and Sitka spruce have regenerated those areas harvested in Southeast Alaska. Most of the harvest was during the decadal periods of 1950, 1960, 1970, 1980, and 1990. These stands are generally naturally regenerated, even-aged areas at varying elevations. On Prince of Wales Island (POW) and adjoining islands such as Heceta, Kosciusko, and Tuxekan hold ±45% of the acres harvested on Tongass National Forest Lands (TNF) and within this acreage the harvesting was over 73% above five-hundred feet in elevation. The age classification of the numerous harvesting areas is fairly well catalogued (See Figure 1, below).

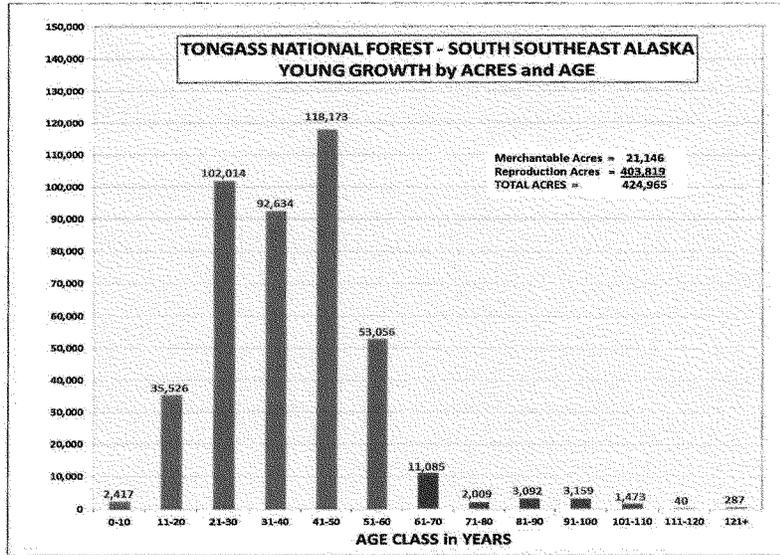


FIGURE I. – AGE CLASSIFICATION

The most recent existing formal studies on the TNF date back to 1984 (Farr, Wilbur A. Site Index and Height Growth Curves for Unmanaged Even-Aged Stands of Western Hemlock and Sitka Spruce in Southeast Alaska. USDA Forest Service Pacific Northwest Forest and Range Experiment Station Research Paper PNW-326. Portland, Oregon. 26p.).

The supporting information for Farr PNW-326 in Alaska was taken from wind thrown or fire areas that regenerated naturally. The data point or plots were taken along the coastline because of limited access to the interior and consistently below 500 foot elevation. "All plots were located at elevations below 500 feet, and most were adjacent to saltwater, as most early logging took place close to the beach⁷." The data collection points have little correlation with the predominant stocking areas found today.

Very little is known in regard to the character, quality, and quantity of this national resource. There is a lack of good data in regard to volumes presently available by age class, reliable yield studies, and projected future yields for those stands that make up the majority of the stands. The void in reliable data results in an inability to properly value these stands not only presently but when projected into the future.

Stands in all age classes need to be assessed to determine appropriate site index curves, present age confirmation, height, and present volumes. Additional data in regards to aspect, elevation, slope, soils, and proximity to existing roads should be collected. "Site index curves should be used to predict site productivity where present age and total height are known, whereas height growth curves should be used in the development of yield tables to predict future or past height as a function of site index and age.⁸" In Alaska, complex and steep topography contribute greatly to the growth of timber. There is an inverse relationship between elevation increase and timber height. The trees become rapidly shorter as the elevation increases until timberline is reached at which point trees no longer exist. The direct correlation of tree height and timber volume results in less volume with short trees. There is a substantial difference in both height and diameter of the

⁷ Farr, Wilbur A., USDA Research Paper PNW-326, p. 2.

⁸ Ibid, p. 2.

same age class of timber on different sites and even if better growth models are developed, there is no accurate way to apply the growth models to the different sites until the actual site classes have been measured and mapped.

The assessment of the attributes surrounding the southeast Alaska young growth timber will require an intensive field survey to acquire the necessary on-site data. The lack of knowledge makes it impossible to assess the forest potential for the present and into the future. Appropriate funding is needed to assess both all of the age classes of timber and all of the young-growth sites in order to meet the challenge and properly forecast the future economic options for this resource.

A Credible Financial Analysis is needed

In order to insure a reasonable chance of accomplishing the accelerated transition goal, the agency must first prepare a financial analysis of the harvest and manufacturing of these young growth trees. Before the financial analysis can be completed, a complete inventory of the young growth stands must be made. The draft TLMP document lists several small young growth inventory efforts that have been done in the past, but most of the young growth stand conditions are unknown at this time. The volume and cost of harvesting these young growth stands must be determined, not just for the next few years, but for all 460,000 acres of young growth. Likewise, the species and sizes of the trees to be cut must be known in order to know what products can be manufactured and what the value of those products might be. These young growth characteristics vary widely by age and site index, so an accurate growth model must be developed to provide this information at least for the length of time that will be needed to amortize investments in manufacturing facilities. As mentioned earlier, the existing young growth model appears to overstate the volume on the young growth stands by about 37.5%. Obviously, in addition to a complete inventory, a more rigorous growth model must be developed. It would be foolish to adopt a radical change in management direction like the currently proposed transition until better young growth information and a rigorous transition financial analysis are completed. We already know the economics of the mature timber on the Tongass, but we know very little about the young growth. Without this kind of financial information, a prospective manufacturing facility would be unable to arrange financing.

Demand Analyses

We also reviewed the draft, revised demand analysis that the Forest Service prepared for this TLMP transition effort. The authors of this revised demand analysis state "*The Pacific Northwest Research Station has been asked to assist planners in meeting the TTRA requirement for estimating planning cycle demand for timber from the Tongass.*" Unfortunately, the November 2015 draft EIS for TLMP makes a number of bad assumptions and erroneous conclusions, many of which refer back to this revised demand analysis as the source. Based on personal communication with lead author Jean Daniels, the AFA is not surprised by the flaws in the draft demand analysis on which the Forest Service rests so many of its conclusions. Inexplicably, the draft demand analysis was prepared without input from the State of Alaska or the timber industry in Southeast Alaska, even though the industry and the State are key participants in the market. Further, in a short-sighted effort to meet an arbitrary agency deadline rather than allow for a thorough and accurate analysis, the Forest Service required submission of the draft demand analysis before it was complete. Had the Forest Service truly been interested in a factually accurate demand analysis, it would have allowed its staff to complete their analyses, which might have rectified some of the following shortcomings which permeate the draft demand analysis and render it misleading at best.

Here are some of the errors and shortcomings in the revised demand analysis:

1. The cost of accessing and harvesting the young growth stands is not assessed.

Other than a few significant blocks of young growth, most of the young growth stands are small and widely scattered and just the mobilization into each of these stands will make the harvest economics difficult. In addition, the current and proposed TLMP standards and guidelines will result in further fragmenting the blocks into even smaller parcels and thus further increasing the cost of harvesting. No significant effort to adequately inventory the young growth and analyze these impacts has been made, but it is apparent to those of us who are familiar with timber harvest logistics that most of the young growth proposed for early harvest will be uneconomic. Just the fact that the trees will be cut long before they reach maturity means that the volume of timber per acre will be reduced by more than half. Further, many of the road systems that initially accessed the stands have been closed and will require extensive, costly reconstruction.

2. The value of the young growth on both the domestic and export markets is not addressed.

Export values for logs fluctuate more than domestic lumber prices in part because they are impacted by foreign exchange rates and foreign trade policies. Domestic lumber values for the low grade products that can be produced

from small logs vary primarily with the US housing market. Alaskan sawmills can only sell to the domestic lumber market profitably if they manufacture and transport their lumber to market for less than the value of the lumber. In order to compensate for the low value of construction lumber, new small log sawmills typically rely on extreme high production rates and a proximity to both their timber supply and their markets. The high production, small log mills that are currently being constructed in the US are in areas that have an abundance of young growth timber available and those mills are very close to their customers. A high production small log mill in SE Alaska would have to rely on an inadequate and uncertain timber supply from the current Forest Service timber sale program and the mill would be at a further competitive disadvantage to small log mills that are closer to their customer. In 1992, the Irland Report⁹ explained “*In SEA, the economics of processing depends on the cost levels of harvesting wood on the level of the uncut volume under contract, on the security of new supplies, and on the ability to obtain enough wood to operate facilities at high operating rates during market peaks. At present, TNF can fulfill none of these requirements.*” This is why the mills in Southeast Alaska have concentrated on higher value products from the mature, old growth timber.

As one option to utilize a very small volume of small logs from commercial thinning operations, the Viking mill As one option to utilize a very small volume of small logs from commercial thinning operations, the Viking mill managers suggested that they might be able to ramp up to 8 or 10 million board feet of small logs over a period of years, but only if they could maintain full operations of their old growth sawmill and customer base. The old growth harvesting under that scenario would allow the Viking sawmill to subsidize the small log operation. Without the old growth timber the Viking mill could not afford to saw the small, 60-year old young growth trees.

3. The projected timber harvest levels are too small to support an adequate economy of scale to support a competitive industry.

The timber industry in Southeast Alaska has lost its economy of scale and much of the infrastructure that once allowed it to be more competitive. We used to have many logging and sawmill operations, but now there are very few and as a result every aspect of the timber business is less efficient and more costly. For instance, the lack of a regional logging equipment dealer in Southeast Alaska was mentioned at one of the Forest Service Tongass Advisory Committee meetings. We spoke with Modern Machinery in Washington State and they explained that they would have to have about \$1.25 million in business each month in order to have a successful dealership located in our region. Working with our loggers, we estimate that roughly 300 million board feet of logging and related road construction would be needed to generate the monthly business level that Modern Machinery says is the minimum necessary to sustain a regional equipment dealership. This is more than double the regional harvest level anticipated by this revised demand analysis.

In its 6/23/92 report¹⁰ Irland explained that “*there is no market demand for Alaska timber or end products. There is a regional and world market for softwood logs of varying levels of quality, for chips, for lumber, and for dissolving pulp. Alaska's share of these markets, even when viewed only in terms of hemlock and spruce, is small. So Alaska is a price-taker on a huge market.*” and “*There is a local demand for logs and for local processing. The future of that demand depends on the local processing industry's competitive position in its end use markets. In turn, that competitive position is strongly affected by the conditions of wood supply.*” Without a reliable supply of timber and an adequate economy of scale, the local mills are not able to compete with facilities in other regions that have those advantages and thus the private timber is economically unavailable to the local mills. To compensate for the decline in the economy of scale, the surviving mills have been able to remain competitive by manufacturing high value products, but these high value products cannot be sawn from 60-year old hemlock and spruce trees.

4. The assumption that the mills will make investments to enable them to process small volumes of young growth timber is a faulty assumption.

The document assumes that “*existing mills will make any machinery upgrades necessary for the young growth transition, but rates of utilization may fluctuate*”. This is a very poor assumption. A competitive small log sawmill will cost upwards of \$100 million and will require more small logs to furnish it than can be sustained on the existing young growth acreage on the Tongass. For instance, a small log mill in Arkansas is currently being

⁹ The Irland Group, 6/23/92, page 49.

upgraded at a cost of about \$190 million and will have an annual capacity of 387 million board feet. Another new mill being upgraded in Florida will cost about \$130 million and will produce up to 700 million board feet. A similar small log sawmill is planned for Shelton, Washington. It is expected to employ 150 to 200 workers and will utilize about 200 million board feet of logs annually.

However, the entire 462 thousand acres of Tongass young growth would sustain less than 150 million board feet annually if harvested at about age 60; and that ignores the impossible economics of such an endeavor. Yet, the Forest Service preferred alternative in the draft TLMP amendment proposes to manage only about 260 thousand acres of young growth and if harvested prematurely, as currently proposed, the agency estimates that the maximum young growth harvest will be only 9 million board feet during the first ten years and then slowly ramping up to a maximum of 88 million board feet after 23 years! The upper limit of 88 million board feet is less than the volume necessary to sustain even a single competitive small log sawmill and the high cost and low value of these small logs will reduce the amount of economically available young growth to a level far below 88 million board feet, making it impossible to ever amortize the investment necessary to construct a new small log sawmill.

5. Private timber is incorrectly assumed to be available to the local sawmills and the projected level of private timber harvest is overstated.

The revised demand report relies in part on an assumption that private timber harvests are currently about 61 million board feet annually and will increase to about 80 million board feet over the next 15 years. However, the only significant private timberland owner still harvesting timber in the region is Sealaska and they have explained that their maximum sustainable harvest rate is only about 45 million board feet per year for the next 25 years. Further, Sealaska has indicated they would like the opportunity to bid on an additional 20 million board feet of timber annually to improve their own economy of scale. In addition, page 3-267 of the EIS indicates that the Forest Service is in the process of acquiring 22,890 acres of private land at Cube Cove. This action will further reduce the amount of private timber available in the future. Since the two State Forests in Southeast are already selling timber at their maximum sustained yield, the only source of additional timber for Sealaska's operations is the Forest Service. The future volumes of timber from private lands are greatly overstated and since the timber from these lands is not subject to export restrictions, that timber will not be economically available to the local mills anyway. Instead the private timber will most likely be sold to mills in regions that have economic advantages like proximity to customers, lower energy costs, larger pools of skilled workers and much larger economies of scale and infrastructure.

6. Wood-based energy products are unlikely to be economic and the utility log projections in scenario-2 are grossly in error.

The document states that the efforts to promote biomass energy products invalidates the prior demand assumptions – *“Scenario 2 builds upon Scenario 1 by adding markets for wood energy products based on the assumption that 30 percent of existing heating fuel use in Southeast Alaska would be replaced by wood based fuel over time”*. Actually, it is government subsidies that are driving the demand for biomass energy. Without the subsidies, the biomass businesses will likely not be profitable. Further, these subsidies will not affect the demand for wood products; this is another supply cost issue. *“When the government provides a supply-side subsidy to the producers of a product, the supply curve shifts to the right and the demand curve remains the same”¹¹.*

A good example of the false economy associated with biomass energy subsidies is the collapse of the California biomass to energy industry. About half of the facilities that had been operating in California have closed since the ratepayer subsidies ended. Now the biomass industry is seeking a replacement subsidy from the California cap-and-trade program.

The economics of wood-based energy products in SE Alaska are marginal even with the extensive subsidies and incentives that are available from time to time. Planning a business or a regional economy that relies on continued subsidies and incentives is very risky decision. Wood-based energy in the interior Alaska makes more sense

¹⁰ Timber Demand Scenarios for Tongass National Forest 1991-2010 by The Irland Group, Commissioned by the Forest Service as directed by Congress in TTRA, 6/23/92, page 48.

¹¹ The Effects of Subsidies on the Supply & Demand Curve by Forest Time, Demand Media, <http://smallbusiness.chron.com/effects-subsidies-supply-demand-curve-33921.html>

primarily because of the low moisture content of the timber in that region. The timber supply constraints in Southeast Alaska effectively limit wood-based energy to the sawmill residuals and most of those residuals are already being utilized. Also, the document states that higher (heating) fuel costs invalidate the prior demand assumptions, but fuel costs in Southeast Alaska have declined over the last year and a half. This assumption is invalid.

The projected utility log harvest for scenario-2 (Table-18) are grossly in error. Utility spruce and hemlock logs comprise only about 15% of the forests in Southeast and adding cedar utility logs might raise that total to 17%, but even at 17% utility it would take a total harvest level of over 500 million board feet to produce the Table-18 projected volume of utility logs. We had that level of harvest for many years and were able to utilize the utility logs and sawmill chips at our local pulp mills and we did so without any subsidy or incentives. A similar scenario based on real economics rather than federal subsidies would be more likely to succeed.

7. Artificial supply constraints do not lower the demand for timber or timber products.

The document states that this revised demand analysis is needed because the Forest Service decided to restrict the supply of old growth timber. This artificial restriction does not reduce the demand, but rather limits the supply. A reduction in supply shifts the supply curve to the left. It is a shift in price that moves demand left or right along a supply curve. Although the restriction of timber supply has forced the closure of several mills, the revised demand analysis assumption that the demand for timber and timber products is less due to the restrictions on the timber supply are incorrect.

Prior to a Congressional deficit timber sale prohibition the agency regularly advertised timber sales that were grossly deficit and would have bankrupt any purchaser that made the mistake of purchasing such a timber sale. Consequently, many of those timber sales received no bids. The Earthjustice graph in Figure 1 of the revised demand analysis compares the various Forest Service demand estimates to the volume of timber harvested. This false allegation that the harvest level is declining due to a lack of demand is one of the primary reasons that Congress enacted the prohibition on advertising deficit timber sales.

As a friend once explained, there is a large demand for \$5 cheeseburgers, but not much demand for \$20 cheeseburgers. The revised demand analysis already explains that environmental groups err when they try to equate timber harvest with timber demand. The revised demand analysis attributes the supply constraints to federal budgets and NEPA issues, but fails to acknowledge that Forest Service self-imposed standards and guidelines for its timber sale program have greatly increased the cost of harvesting timber sales. These high costs are the primary reason the agency has been unable to prepare economic timber sales.

As Irland¹² explained, *"the future position of the supply curve is far from certain, as it is subject to influence by the Forest Service, the courts, and the Congress. Indeed, the ASQ and the Standards and Guidelines, and the offering area schedule to be set in the TLMP Revision process, will determine the supply curve in many respects not only as to level but as to costs."* In 2007 for instance, the agency prepared an economic analysis of the pending TLMP revision. That analysis predicted that the agency would be able to prepare economic timber sales from only about 20% of the so-called suitable, available timber in the revised plan. Inexplicably, the agency adopted the flawed plan anyway and the result has been the enormous reduction in timber sale volume that could be harvested and manufactured profitably. Until the agency makes changes to correct the economic shortcomings in its land management plan, the economic problem will persist. It has nothing to do with demand.

The revised demand analysis section entitled Changes to Alaska's Forest Sector and Table 3 both point out that the surviving mills in Southeast Alaska are operating well below their capacity. The document does not explain that this is due to the constrained timber supply, not a lack of demand. For instance, Viking lumber managers, have repeatedly told the Forest Service that they would like to purchase more timber sales because their customers have additional capacity and Viking wants to more fully utilize their mill. By the way, the document mischaracterizes the Viking sawmill as a "large lumber mill". The Viking mill is a mid-size mill. Large mills typically produce in excess of 100 million board feet of lumber annually.

This section of the revised demand analysis also includes a non sequitur remark about potential monopolistic influence of a single surviving sawmill. The Forest Service manages some 85% of the land in the Southeast region

¹² The Irland Group, 6/23/92, page 12

and thus has monopoly power of its own. A decision by the Forest Service to halt old growth timber sales before there is sufficient young growth timber to sustain a viable manufacturing industry demonstrates real monopoly power. The only other significant owners of old growth timber are the State and one private landowner. The best way to avoid these issues is for the Forest Service to provide sufficient timber supply to sustain a viable timber manufacturing industry. That was the intent of the TTRA market demand provision.

8. Log export versus local manufacture policies.

The bulk of the federal timber program has long been dedicated to providing year around manufacturing jobs, but there will not be sufficient volume or value in the young growth stands to support small log manufacturing facilities until these young growth stands reach maturity at about age 90. Even the Nature Conservancy's 2009 Transitioning to Young Growth report¹³ acknowledged that the Forest Service would have to subsidize the logging in order to enable profitable harvesting of 60-year old trees in Southeast Alaska. While exporting some of the young stands to the Pacific Rim might be economic from time to time, that log export activity will not help the industry transition to young growth manufacturing and will actually delay any economically viable transition to a young growth manufacturing industry because it will postpone the date at which young growth stands in Southeast Alaska start reaching maturity. Log export markets pay a higher price than the local mills can afford because of the federal supply constraints that increase harvest costs beyond what the manufacturer's competitors pay for timber. The current, temporary policy of allowing up to 50% of the federal timber sale volumes to be exported helps compensate for the high logging costs and thus allows local manufacturers to operate profitably and continue to provide year around jobs.

9. National forest log exports from Alaska are not new and they do not lower demand for timber.

The document states that the entry of Tongass sawlogs into international export markets invalidates prior demand assumptions. Actually, Tongass cedar sawlogs have been sold into international export markets for many decades and from time to time hemlock and spruce sawlogs from the Tongass have also gone into export markets. The more recent increase in hemlock and spruce log exports from the Tongass was intended to capture some higher values in order to compensate for the artificially high cost of harvesting Tongass timber and also to compensate for the loss of the mills that could profitably manufacture products from the small, rough, low-value sawlogs. The temporary log export policy does not lower the demand for timber from the Tongass.

Given all these errors and shortcomings, this revised demand analysis should not be used to "assist planners in meeting the TTRA requirement for estimating planning cycle demand for timber from the Tongass".

Three Demand Scenarios

Regardless of which of the three scenarios posed by the revised demand analysis, sawmills in Southeast Alaska will be unable to manufacture high value products from 60-year old trees. Without a supply of mature timber, the spruce custom cut lumber that currently enjoys very high prices in the Pacific Rim markets will no longer be produced. Likewise, since shop grade hemlock lumber requires logs that are at least 16-inches in diameter, this high value lumber will also disappear. What the document is missing is the most likely outcome of the Transition strategy -- the end of timber manufacturing in SE Alaska. The document indicates the authors consulted with state and federal employees and with ENGOs. Perhaps the authors should have also consulted with the timber industry.

The national forest in Southeast Alaska does not have sufficient acreage of young growth trees to supply even a single, competitive small-log sawmill. If the Forest Service continues the young growth management plan that it has had in place for the last 60-years, the mills can continue to profitably harvest and manufacture products from old growth trees for the next 30 years. This will allow the young growth trees to grow large enough to allow the mills to profitably utilize these larger young growth logs and continue the manufacture of higher value products. Also, allowing the existing young growth stands to grow for another 30-years will result in doubling the volume of timber in those stands and enable higher sawmill operating levels. Further, 30 more years of old growth harvesting will create additional acreage of young growth to help sustain future timber manufacturing.

¹³ Transitioning to Young Growth: Prince of Wales Island, Southeast Alaska, The Nature Conservancy Juneau, Alaska, 2009, page 25

Alternatively, if we begin harvesting the 60-year old trees now and end the harvest of old growth trees in 15-years, then our young growth will never grow to a size and volume sufficient to enable the manufacture of higher value products. This strategy may sustain a few log export jobs, but the manufacturing industry will perish. If this premature transition is actually implemented, the revised demand analysis will become irrelevant.

Abandonment of prior commitments to the Southeast Alaska community

The Secretary's unilateral decision in July 2013 to "speed the transition away from old-growth timber harvesting and towards a forest industry that utilizes second growth – or young growth," Memo at 1, overlooked the fact that one cannot make trees grow faster by agency fiat. Regardless of that foundational disconnect from reality, the Forest Service's proposed plan amendment and DEIS abandon promises made to the Southeast Alaska community even in that flawed decision. For example, the foregoing demonstrates that the Forest Service has abandoned the Secretary's stated commitment to:

- Ensuring that a transition to young growth harvest would "preserve" a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska," Memo at 1;
- Ensuring that a transition to young growth harvest would "retain the expertise and infrastructure of the existing industry," Memo at 2; and
- Ensuring that a transition to young growth harvest would run parallel to the agency continuing "to offer a supply of old growth timber . . . [which is] essential to maintain the existing industry until young growth can efficiently be processed," Memo at 2.

In addition, the foregoing demonstrates that the Forest Service abandoned its stated commitment to "work with stakeholders in the region towards this transition." Memo at 4. That the Forest Service places so much weight on a draft timber demand analysis that was prepared without seeking input from the Southeast Alaska timber industry and the State of Alaska, and that was hurriedly fed into the analysis before it was even complete, epitomizes the agency's rush to a preordained outcome, contrary to the principles of NEPA.

Conclusion

Prior to the completion of the 2008 TLMP, many groups and communities in Southeast Alaska pleaded with the Forest Service to address the impacts of the TLMP timber harvest constraints. The old-growth reserves and connecting corridors put most of the lowest cost, best growing sites off limits to development and forced the timber sale program onto the higher elevation, poorer growing sites where road construction costs were more than doubled and logging costs were also greatly increased. The Adaptive Management Strategy further prevented the Ranger Districts from accessing timber in areas that had not been previously developed and the marten and goshawk standards took away much of the timber that would otherwise have been available in the areas that had already been developed. In response to these often raised concerns, the Forest Service had its contractor, Tetratich, prepare an economic analysis of the lands available to support the timber sale program. The analysis indicated that the concerned groups and communities were correct; only about 20% of the suitable, available acres in the plan would support economically viable timber sales. Unfortunately, instead of addressing the issue, the agency adopted the plan with no changes and as a result, could not implement most of its timber sale plans. Now we find ourselves in a similar situation but so far, the Forest Service has not even looked at the economic impact of its proposed land management plan change. We request that this time the agency perform a credible financial analysis of the proposed plan and then take notice and act upon that analysis.

If the land management plan is changed to function solely as a small-log wood basket for the Pacific Rim markets then the plan would no longer match the purpose for which the national forest was established.

Thank you,



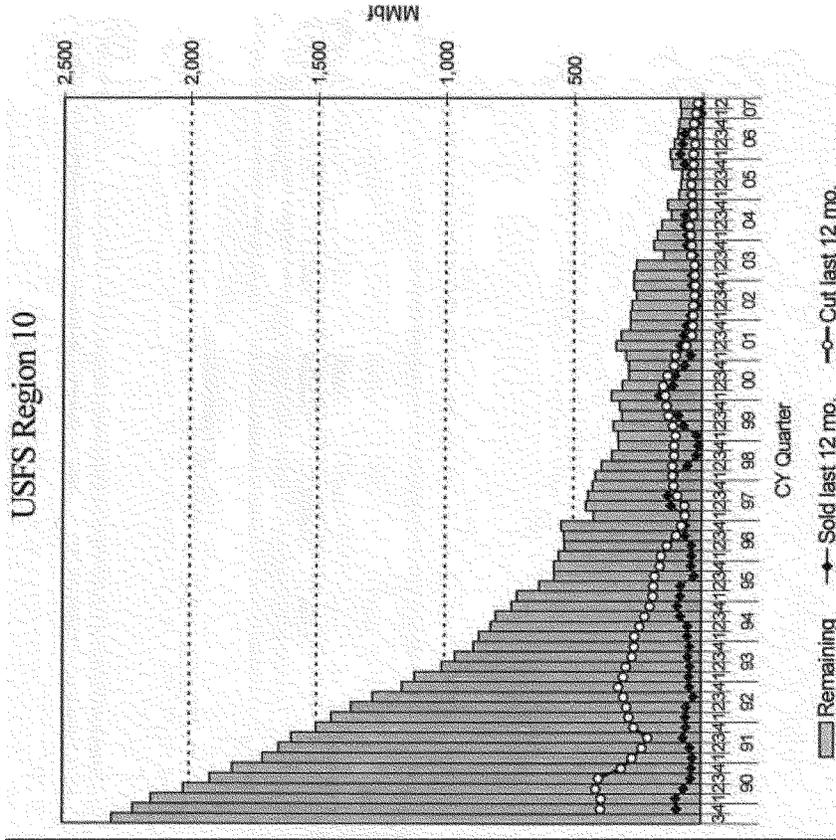
Owen Graham
Executive Director
Alaska Forest Association

**Alaska Forest Association Presentation
Ketchikan Chamber of Commerce**

216

**When the last Alaska pulp mill closed
15-years ago, the Forest Service
promised sufficient timber sales for a
Seamless Transition to a sawmill
industry.**

*Instead of a
seamless
transition,
we got a
greatly
reduced
timber
supply*



Current harvest levels

State timber – 42 mmbf

Federal timber – 38 mmbf

Private timber – 70 mmbf

2014 Total for Alaska 150 mmbf

Next, the USFS Adopted the Wilderness Society's Transition Proposal

- Work with ENGOs to fund collaborative restoration projects
 - Stop old-growth timber sales and begin logging young-growth instead
- Provide limited old-growth timber to surviving mills only.
- Redirect timber sale funding to ENGO projects and young-growth timber sales.



WILDERNESS SOCIETY

Recommendations for Tongass National Forest Management

Immediate steps can be taken by the Forest Service to initiate a transition to sustainable Tongass National Forest management. Based on our experience in the region, we recommend a number of institutional capacity needs and directives that, along with the broader components we have proposed, can initiate a transition in the next 6-12 months.

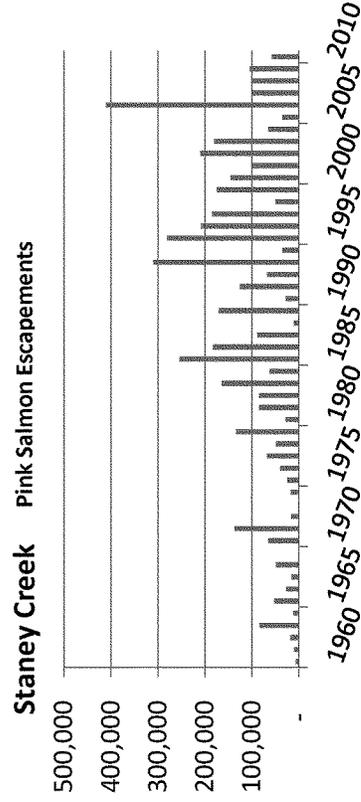
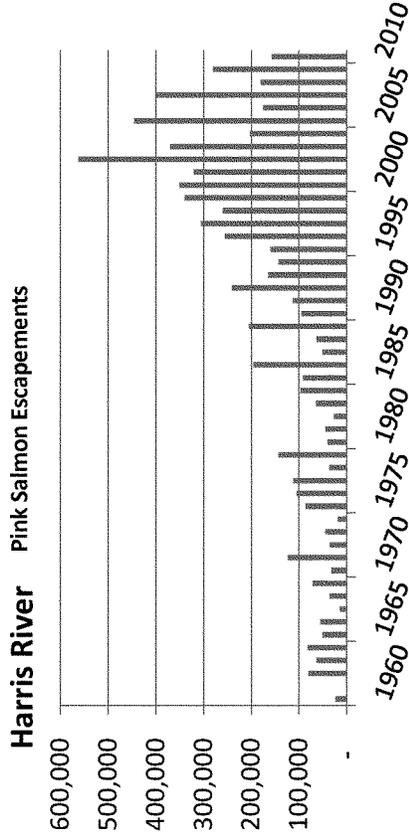
Restoration

- Implement new Regional Directives that prioritize restoration at adequate scales to catalyze investment, increase and redirect Forest Service capacity to adequately plan for and implement restoration projects and stewardship contracts.
 - Direct the Northern Tongass Interdisciplinary Team to work on stewardship, restoration, and second growth.
 - Require a Stewardship Contracting training session for Region 10 staff immediately.
 - Add a Stewardship Staff Officer position responsible for coordinating restoration work.
 - Add a Second Growth Staff Officer position responsible for second growth timber program.
 - Add a fourth Interdisciplinary Team specifically targeted to second growth, stewardship, and restoration.
- **Reinvest local Tongass forest service staff** with collaborative restoration partners to develop shared priorities for joint-year projects along with collective interest and capacity, as well as participate in private-public collaboration.
- **Prioritize** fund and implement current restoration and stewardship projects in the works including Star Point, Slukey restoration, Ocean Soother, and the Mid-Island NMP.
- **Leverage** additional USDA funds, such as those from the Rural Development Utilization Program, to facilitate regional multi-agency and inter-agency cooperation for biomass heating in communities currently dependent on diesel fuel energy.
- **Develop and implement** a long-term monitoring program to determine the effectiveness and impact of restoration work on ecosystem and community health.

Timber

- **Stop all planning and implementation** on outdated, socially contentious and un-economic timber sales (e.g. Tons, Central Kluksweel, Navy, Wrangell) 10-year project. Redirect remaining funds and capacity to transition timber sales and second growth.
- **Redirect** the two Southern Tongass Interdisciplinary Teams to focus on "bridge" bridge and small sales only.
- **Prioritize** fund, and implement a second growth inventory to be completed by 2013.
- **Encourage** regional and national stakeholders, and the Forest Supervisor, to identify socially acceptable areas of bridge timber for the next 3-5 years while investment in new timber planning and harvest increases.
- **Provide** relief from old growth timber production targets.
 - Plan for timber sales that meet **existing industry** needs during the transition, as opposed to providing relief volume based on an inflated demand scenario of 250 mm³.
- **Begin** redirecting the current timber sale program funds toward restoration and second growth, while increasing overall restoration funding.
 - Redirect the \$2.6 million Tongass Timber Relief Fund in the 1910 reference bill to a "wilderness restoration fund" to help support the Forest Supervisor and Forest Service on the Tongass National Forest.
 - Ensure that the \$200,000 in private investment for the Collaborative Forest Landscape Restoration Fund.
 - Develop a \$15 million Tongass Wilderness Restoration Fund.

In the 60-
years since
we started
logging,
Salmon
Habitat has
not been
harmed



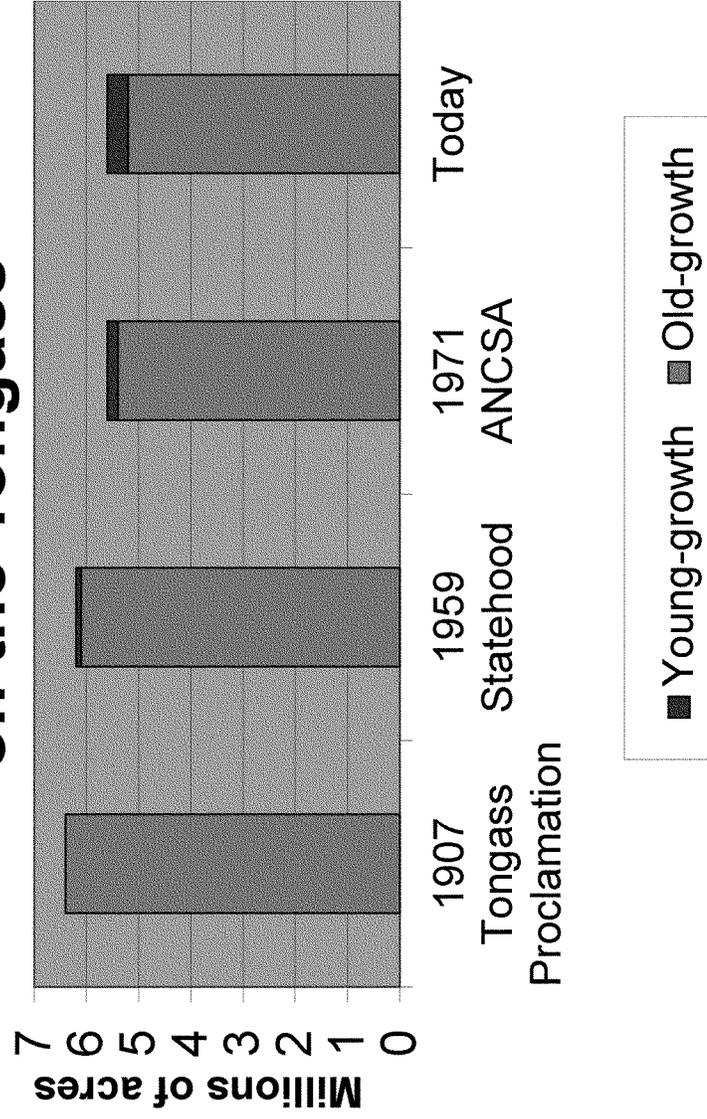
Deer are not old-growth dependant



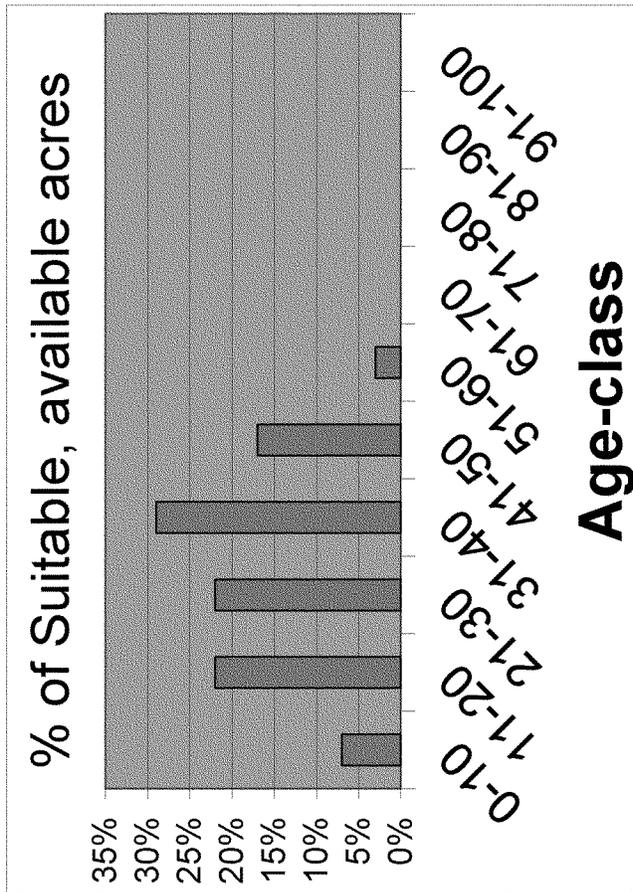
Our wolves are not bothered by logging



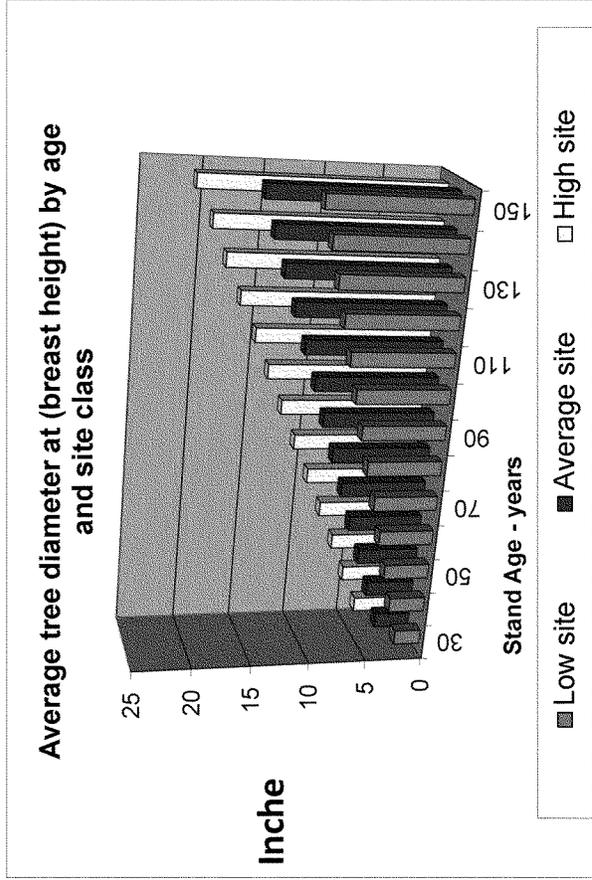
Commercial timberland on the Tongass



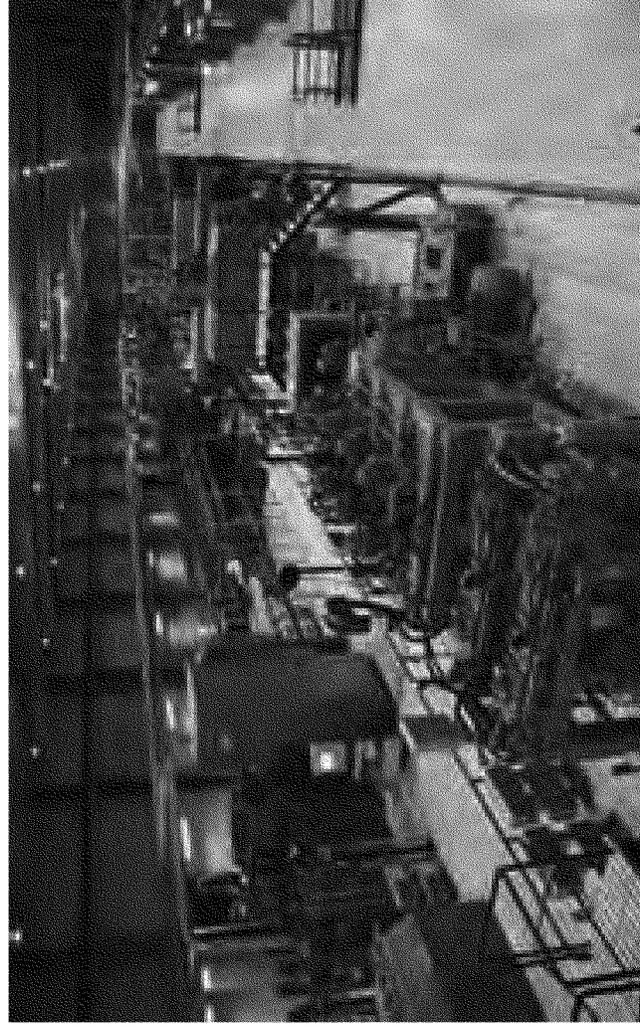
Most of our young growth is less than 50-years old.



This chart is based on Forest Service young-growth data. It indicates that even on the best growing sites, the trees are only about 8-inches in diameter; and that is on the big end of the trees.



Modern small log sawmills are highly mechanized and require very large volumes of young growth timber

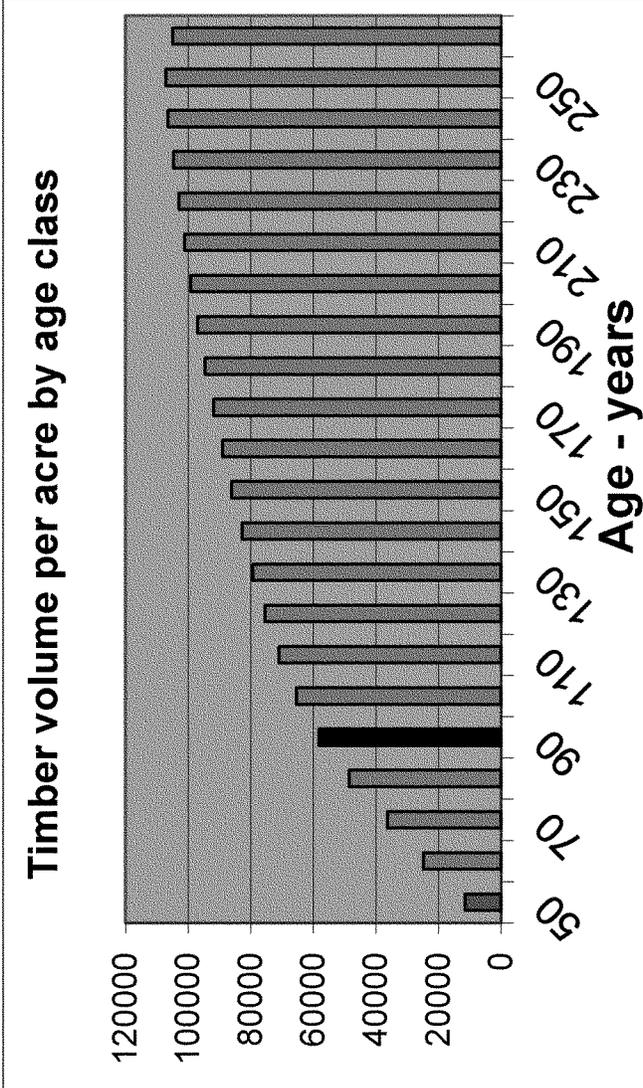


Since we don't have enough young-growth to supply a sawmill industry, the Current Administration plans to allow all the young-growth harvests to be exported to China.



50-year old timber at Maybeso watershed

If we harvest the trees early, we will forfeit over half of the potential volume and the harvested trees will be too small for our sawmills.



90-year old timber – Mature and ready for an economic harvest.



The Transition plan is to export small logs and replace lost jobs with a plethora of government (taxpayer) funding:

- Research investment projects.
- Transportation and energy development grants.
- Business loan guarantees.
- Federal risk insurance for lenders.
- Buyouts for existing businesses that depend on old-growth (mature) timber.
- Reparation payments to communities that are expected to suffer under the transition.



121 W. FIREWEED SUITE 120 | ANCHORAGE, ALASKA | 99503 | 907.563.9229 | ALASKAMINERS.ORG

June 7, 2016

Senator Lisa Murkowski
709 Senate Hart Office Building
Washington DC 20510

Re: Tongass Land Management Plan Record of Decision Amendment

Dear Senator Murkowski:

AMA writes to support your amendment to the Senate Wildfire Bill to postpone the signing of the Record of Decision for the Tongass Land Management Plan (TLMP).

AMA is a non-profit membership organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,800 members that come from seven statewide branches: Anchorage, Denali, Fairbanks, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, vendors, suction dredge miners, small family mines, junior mining companies, and major mining companies. We look for and produce gold, silver, platinum, molybdenum, lead, zinc, copper, coal, limestone, sand and gravel, crushed stone, armor rock, and other materials.

AMA has submitted comments at many points during the U.S. Forest Service's comment periods addressing the Tongass Land Management Plan. We have urged a full inventory of the Tongass' availability of young-growth timber and an economic analysis completed to determine the feasibility of a transition to young-growth harvesting. Doing so without the full understanding would be detrimental to the region's remaining sawmills, which are commissioned to process high-value lumber. The associated costs and other challenges would eliminate the ability of these sawmills to compete with others in the Pacific Northwest, and put these small, family-owned companies out of business. For this to happen when timber harvests in the Tongass are already at historical lows, with forested land acreage in the millions, would be a true injustice.

AMA supports your efforts to postpone the signing of the TLMP Record of Decision until more information about the economics and young-growth timber supply is available. We applaud you for this responsible effort.

Sincerely,

Deantha Crockett
Executive Director



ALASKA MINERS ASSOCIATION, INC.

3305 Arctic Blvd., Ste. 105, Anchorage, Alaska 99503 (907) 563-9229 www.alaskaminers.org

May 13, 2013

Mr. Forrest Cole
Forest Supervisor, Tongass National Forest
TNF 5-YEAR REVIEW
648 Mission Street
Ketchikan, AK 99901-6591

COMMENTS OF THE ALASKA MINERS ASSOCIATION ON FIVE YEAR REVIEW OF THE 2008 FOREST PLAN

Dear Mr. Cole,

Thank you for the opportunity to comment on the Five Year Review of the 2008 Tongass National Forest Plan.

The Alaska Miners Association (AMA) is a non-profit membership organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,500 individual prospectors, geologists, engineers, vendors, suction dredge miners, small family mines, junior mining companies, and major mining companies. Our members look for and produce gold, silver, platinum, molybdenum, lead, zinc, copper, coal, limestone, sand and gravel, crushed stone, armor rock, and other materials.

AMA has seven statewide branches, including two in Southeast Alaska: Juneau and Ketchikan/Prince of Wales Island. These two branches represent much of the mining community in Southeast Alaska. The positive economic and social impact of our members is significant for the citizens who reside in the Tongass National Forest (TNF). Our members range in size from Southeast Alaska's largest private employers to small prospector operations, including many small businesses with ten or fewer employees. The 700 jobs provided on a minimal number of TNF acres by the Greens Creek and Kensington Mines have been an important addition to the economic and social fabric of Southeast Alaska.

The 2008 Amended Tongass Land and Resource Management Plan (Forest Plan) must be amended due to the implementation of major federal government policy changes that have been overlain on the Plan since it was promulgated in January 2008. These federal government policy changes have materially affected the Plan. Importantly, these changes have in fact amended the Forest Plan without going through The National Environmental Policy Act (NEPA) process.

MAJOR FEDERAL GOVERNMENT CHANGES TO THE FOREST PLAN

These major changes, which the federal government has made to the Forest Plan since it was implemented in January 2008, include:

- a. The 2001 Roadless Rule, covering 9.6 million acres, was applied to the previously exempt TNF by Court Order in March 2011. By restricting road access and prohibiting timber harvest within Inventoried Roadless Areas (IRAs), the 2001 Roadless Rule has made the 2008 Amended TLMP Timber Sale Program Adaptive Management Strategy (TAMS) impossible to implement; and
- b. Application of the 2001 Roadless Rule to the TNF has restricted access to other resources as well. For example, as a consequence of the District Court's Opinion and Order reinstating the 2001 Roadless Rule¹ AMA's members' ability to prospect, explore for, and develop new mines or

¹ 66 Fed. Reg. 3244 January 12, 2001.

develop energy to support these endeavors on the 9.6 million acres of inventoried IRAs on the TNF will be severely constrained, if not prevented as a practical matter; and

- c. The May 2009 Decision by Secretary of Agriculture, Tom Vilsack, to arrogate to himself all decisions regarding resource development in IRAs in the TNF (now delegated to the Chief of the Forest Service), added national politics to decision making on such issues as issuance of a Special Use Permit that had previously been made by the TNF Forest Supervisor and District Rangers. The Secretary's control of what had been local decision making on the TNF has drastically altered the assumptions upon which the Forest Plan was promulgated in January 2008. For example, even were the TNF still exempt from the 2001 Roadless Rule, the Washington Office of the Forest Service could arbitrarily and capriciously refuse to allow a project that is in an IRA to go forward.

MAJOR FEDERAL GOVERNMENT POLICY CHANGES HAVE MATERIALLY ALTERED THE 2008 FOREST PLAN AND REQUIRE A FORMAL PLAN AMENDMENT NOW IN ORDER TO PROVIDE FOR BALANCED RESOURCE DEVELOPMENT ON THE TNF.

I. IMPACT OF APPLICATION OF 2001 ROADLESS RULE ON ACCESS FOR MINING

- a. While "reasonable access" to locatable minerals is technically authorized in Wilderness and IRAs under 36 C.F.R. Part 228, there are very few mines in Wilderness Areas. Even though the 2001 Roadless Rule specifies: "Reasonable rights of access may include, but are not limited to, road construction and reconstruction, helicopters, or other non-motorized access" (FEIS Vol. 1, 3-329 to 3-350),² the experience of the mining community is that Special Use Permits authorizing road access in or near Wilderness Areas are very difficult to obtain; and
- b. Experience teaches that the same practical adverse result can be expected in IRAs. For example, the Quartz Hill Project was adjacent to the Misty Fjords Wilderness Study Area. In 1977 the Forest Service denied a Special Use Permit to U.S. Borax to construct a road for a bulk sample of 5,000 tons of ore at the Quartz Hill Project, requiring access to be by helicopter. *SEACC v. Watson*, 697 F.2d 1305 (9th Cir. 1983). As the opinion shows, six years later Borax still did not have a permit to build the road needed to move that volume of ore; and
- c. While the 2001 Roadless Rule allows "reasonable access" to locatable minerals, it denies access to new leases for minerals subject to the Mineral Leasing Act of 1920, including geothermal resources:³ "because of the potentially significant environmental impacts that road construction could cause to IRAs."⁴ There is no explanation in the 2001 Final Roadless Rule and Record of Decision (ROD) why the access impacts to IRAs associated with locatable minerals is different from the access impacts to IRAs associated with leasable minerals. This is further evidence that as a practical matter the 2001 Roadless Rule will prevent road access in connection with mining exploration and development; and
- d. Mining exploration requires the drilling of multiple holes to determine the subsurface characteristics and extent of the mineral resource. Mine development requires site clearing for buildings, tailings piles, mills, and other facilities. The needed level of exploration to develop a

² 66 Fed. Reg. 3244, 3264 January 12, 2001.

³ *Ibid.*, at page 3255-3256.

⁴ *Ibid.*, at page 3256.

mine on the Tongass National Forest would typically require the substantial cutting of trees. Mine development would typically require even significantly more cutting of trees; and

- e. While “reasonable access” is technically permitted in IRAs, cutting trees associated with mining exploration and development does not appear to be allowed. 36 C.F.R. § 294.13 (b) (2) authorizes the cutting of timber “incidental to implementation of a management activity not otherwise prohibited by this subpart.” However, there is no mention of mining in the examples provided in the 2001 Rule and ROD of what this section authorizes.⁵ Moreover, in describing this section the 2001 Rule and ROD states: “Such management activities are expected to be rare and to focus on small diameter trees.”⁶

2. THE NEED TO INCLUDE A RENEWABLE ENERGY RESOURCE PLAN AS PART OF THE FOREST PLAN.

The 2008 Forest Plan was fatally flawed as prepared, because it did not include a renewable energy resource plan, did not recognize pre-existing power site classifications and other potential renewable energy resources on the TNF such as hydropower, geothermal, wind or other renewable energy sites and, thus, is not consistent with national energy policy and national energy security policy. Indeed, Public Law 106-511 enacted on November 13, 2000 establishing the Southeast Alaska Intertie System is not referenced, explained or identified in the 2008 Forest Plan, although every other Public Law affecting the TNF, such as Alaska Statehood Act, ANILCA, ANSCA, Wild and Scenic Rivers Act are referenced.

The 2008 Forest Plan should be amended to include a renewable energy resource plan for the following reasons:

- a. Renewable resource energy projects will often be more economic than diesel to power mines in rural Southeast Alaska; and
- b. Given the fact that there are 9.6 million acres of IRAs and 5.6 million acres of Wilderness in the Tongass National Forest, it is highly probable that the new hydropower and other renewable energy projects needed to provide lower cost power to such remote mining operations and rural communities throughout Southeast Alaska will be prohibited, or made more difficult to access and develop, because they are located in IRAs and Wilderness Areas and because the power lines needed to distribute that power will need to cross IRAs and Wilderness Areas; and
- c. The Draft Southeast Integrated Resources Plan (SEIRP) requires access to hydropower sites to promote hydropower development. The Draft SEIRP identified some potential hydropower sites in Southeast Alaska. Further, the 1947 Water Powers of Southeast Alaska Report, conducted in part with the Forest Service, identified over 200 such potential sites, many of which lay in the 2008 Forest Plan Transportation and Utility System (TUS) avoidance Land Use Designations (LUDs)⁷. Such access is severely restricted by Remote Recreation Land Use Designations LUDs⁸ and the 2001 Roadless Rule; and
- d. Because of concern about greenhouse gas (GHG) emissions, the Administration is seeking to replace fossil fuel use with cleaner, renewable energy resources. The Administration has thus

⁵ *Ibid.*, at page 3258.

⁶ *Ibid.*, at page 3257.

⁷ The Forest Service has admitted that the criteria set out in the Forest Plan to apply the TUS LUD to hydropower projects within TUS Avoidance Areas are unworkable and need to be amended.

⁸ The Forest Service has admitted that the criteria set out in the Forest Plan to apply the TUS LUD to hydropower projects within TUS Avoidance Areas are unworkable and need to be amended.

required that federal facilities be 20% reliant on renewable energy by 2020. Because of these policies and rules and regulations encouraging the use of renewable energy resources and lowering carbon emissions from the use of fossil fuels, the 2008 Forest Plan should be amended to authorize significant renewable energy development on the TNF; and

- e. Such a renewable energy plan and development would allow not only mines, but entire communities in Southeast Alaska to significantly decrease the GHG and other emissions in the TNF, reduce the need for shipment and potential for fuel spills and operate these communities' economies and mines at a lower cost than diesel fuel. Moreover, it would avoid the need for expensive emission control devices; and
- f. Further, such use of renewable energy projects, developed at a lower cost than the rising cost of diesel, would help improve the economic competitiveness of these communities and thereby create jobs in high unemployment communities; and
- g. However, neither the 2001 Roadless Rule nor the 2008 Forest Plan considered or analyzed the adverse economic costs, or the opportunity for jobs related to the development of renewable energy resources, to rural Southeast Alaska communities, or the direct economic impact on Southeast Alaska residents caused by their inability to access and develop mines and renewable energy resources in rural Southeast Alaska; and
- h. The 2001 Roadless Rule prohibits communities such as Craig and Klawock from accessing mines with a road on Prince of Wales Island, thereby denying access to jobs to the residents of those communities and a local workforce to Prince of Wales' mine projects, such as Niblack and Bokan Mountain.

FOREST PLAN AMENDMENTS NEEDED TO ADDRESS AMA'S ABOVE CONCERNS ABOUT THE FEDERAL GOVERNMENT'S DE FACTO CHANGES TO THE PLAN SINCE IT WAS PROMULGATED IN JANUARY 2008.

AMA's members will be harmed by their inability to obtain the access necessary to prospect, explore for and develop new mines in IRAs, by their inability to cut the trees within IRAs necessary to allow the substantial exploration needed to develop a mine and the construction associated with mine development; and by their inability to access renewable energy resources to provide potentially less expensive, non-carbon power to mining opportunities and development in rural Southeast Alaska.

Accordingly, the AMA proposes the following amendments be made to the Forest Plan as soon as possible:

- 1. A Mineral and Strategic Mineral LUD should be added to the 2008 Forest Plan to promote and support mineral and strategic mineral development and related access roads consistent with National Security and National Strategic Mineral Policies. The Mineral and Strategic Mineral LUD would take precedence over any underlying LUD (subject to applicable laws) regardless of whether the underlying LUD is an "Avoidance LUD" or not. As such, it would represent a "window" through the underlying LUD through which minerals and strategic minerals could be accessed and developed.
- 2. The term "reasonable access" should be defined for purposes of the Forest Plan to provide timely (30 day turnaround) issuance of Forest Service Special Use Permits for those that hold a mining claim or Federal Energy Regulatory Commission (FERC) preliminary permit to authorize these operations to investigate and develop lawfully permitted federal resources.
- 3. A Renewable Energy Development LUD should be added to the Forest Plan to promote and support all forms of renewable energy development (including geothermal) and related transmission lines within the TNF consistent with Public Laws and National Security and National Energy Policies. The Renewable

Energy Development LUD would take precedence over any underlying LUD (subject to applicable laws) regardless of whether the underlying LUD is an "Avoidance LUD" or not. As such, it would represent a "window" through the underlying LUD through which renewable resources could be accessed and developed.

4. The current TUS LUD should be amended to change the criteria to allow the TUS LUD to apply to hydropower projects and other renewable energy projects within TUS Avoidance Areas and to allow for public and private hydropower development in all LUDs.
5. LUDs should be amended to change the criteria to allow the TUS LUD to apply to hydropower projects and other renewable energy projects within TUS Avoidance Areas and to allow for public and private hydropower development in all LUDs.
6. Consistent with its 2003 settlement with the State of Alaska, the Forest Service should honor its commitment by engaging in rulemaking to once again exempt the TNF from the 2001 Roadless Rule and to authorize geothermal leasing on the TNF.
7. The Chief of the Forest Service re-delegate to the Forest Supervisor and District Rangers on the TNF the authority to make permitting decisions within IRAs; and
8. The Forest Plan should include a new LUD called the "Tongass Community Economic Development Zone LUD" to promote and support economic development and activities on the TNF for any community that has lower than average State per capita income or pays higher than the national average for electricity to assure that the Plan's administration and practices promote economic well-being and social justice in all Tongass communities.

Thank you for the opportunity to comment. Please let me know if you have any questions regarding AMA's comments and proposals.

Sincerely,



Deantha Crockett
Executive Director

Cc: The Honorable Barack Obama, President of the United States
The Honorable Joseph R. Biden, Jr., Vice President of the United States
The Honorable Tom Vilsack, United States Secretary of Agriculture
The Honorable Sally Jewell, United States Secretary of the Interior
The Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators for Alaska
The Honorable Don Young, U.S. Congressman for Alaska
The Honorable Sean Parnell, Governor of Alaska;
The Honorable Charlie Huggins, President of the Alaska Senate; and
The Honorable Mike Chennault, Speaker of the Alaska House of Representatives



June 8, 2016

Chairwoman, Senator Lisa Murkowski
Ranking Member, Senator Maria Cantwell
304 Dirkson Senate Building
Washington, DC 20510

Dear Senators Murkowski and Cantwell,

The Alaska State Chamber of Commerce (Alaska Chamber) would like to express its support for postponing the signing of Tongass Land Management Plan (TLMP) Transition Record of Decision.

The mission of the Alaska Chamber is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses, manufacturers and local chambers from across Alaska. Our members employ over 100,000 Alaskans. We support resource development that is both done in a responsible manner and brings economic opportunity to Alaska and its residents.

The proposed transition to young growth timber makes no sense. The sawmills cannot manufacture their current high value lumber from small diameter young growth trees and the cost of shipping small-log commodity lumber to the Puget Sound region places our Alaskan sawmills at a competitive disadvantage to mills that are already producing similar lumber in the Pacific Northwest.

The current timber supply crisis has resulted in large part because the Forest Service diverted some of its timber sale preparation efforts to young growth projects. In addition, the high-cost impact of the 2008 TLMP constraints causes even the young growth log export sales to be marginally economic.

Rather than attempting to lock-in a premature transition away from mature timber with a TLMP Amendment, the Forest Service should continue selling mature timber for the sawmills until a complete inventory and analysis is completed of the financial feasibility of manufacturing young growth timber in Southeast Alaska.

We support your effort to delay the signing of a TLMP Transition Amendment until that inventory and analysis is completed.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curtis W. Thayer'.

Curtis W. Thayer
President and CEO

Statement from Senator Barrasso on the Wildfire Budgeting, Response and Forest Management Act of 2016 Discussion Draft

Chairman Murkowski, Ranking Member Cantwell, we are well into the 2016 fire season and face the same challenges we faced in 2015, 2014, and many of the years before.

Both Forest Service Chief Tidwell and United States Department of Agriculture (USDA) Secretary Vilsack have expressed unreserved concern regarding fire borrowing and the growing cost of wildfire management, so I am incredibly disappointed that the Forest Service effectively opposes the discussion draft we have before us today.

While this discussion draft is not yet final, Members of this Committee have worked hard to provide solutions to the wildfire funding crises facing our land management agencies.

It is entirely unacceptable that important resource management programs like invasive species prevention and treatment, recreation funds, and conservation programs suffer because more funds are required for firefighting.

Likewise, it is unacceptable for the USDA, and therefore the Forest Service, to criticize this draft so significantly when it provides tools to address the problem you have been seeking all along.

Mr. Bonnie, last time you were before this Committee, you said:

“The most important action Congress can make now in advancing the pace and scale of forest restoration is to fix the fire funding problem.”

You said the same this morning. Your opposition to solutions provided by this Committee is not without consequence. In Wyoming, there are national forests that are brown as far as the eye can see as a result of beetle kill and federal agencies’ blatant mismanagement that led to forests. Prudent and targeted active management would have likely saved these forests. Now, we must either act on legislation like the draft before us, or wait until it all burns.

As of this morning, the Beaver Creek Fire in northern Colorado has grown to more than 7,000 acres. It threatens roads, homes, campgrounds, and people’s lives in both Colorado and Wyoming.

In every hearing this committee holds on forestry issues, it is clear that without active management, any efforts to contain the effects and prevent future catastrophic wildfires will be unsuccessful. Like many members of this Committee, I would like to see the final draft of this legislation include far more specific and substantive active management tools so that federal agencies can eventually stop literally throwing money into the fire.

While I do not believe this discussion draft goes far enough to provide meaningful active management tools, I think that many components like the credentialing and increased use of technology to map fires are a step in the right direction.

Each of these things, as well as a funding fix, will be less successful unless active forest management is expanded.

Chairman Murkowski, Ranking Member Cantwell, I appreciate the work you, and other members of this Committee, have done to bring this discussion draft before us today. I look forward to working with you to ensure that the strong provisions in this bill become stronger, and that meaningful, proactive management tools reach the hands of our public and private land managers.

Thank you, Madame Chairman.



June 8, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for amendment delaying the signing of TLMP Record of Decision

Dear Senator Murkowski:

The City of Craig supports efforts to complete a full inventory of Tongass young growth, and conduct a baseline socio-economic benefits analysis, as called for in the TAC recommendation document, before approval of a TLMP Record of Decision.

City of Craig representatives provided written and verbal comments to the TAC during the TAC's October 8-10 2014 meeting on Prince of Wales Island. The clear message in those comments is the need to maintain socio-economic stability of Prince of Wales Island communities. Given the tremendous risk to the forest products industry from a headlong effort into producing young growth timber sales, and the commensurate socio-economic risk to the communities benefiting from the industry, prudence calls for completion of a thorough review of the effort before implementation.

The Forest Service's adoption of the TAC recommendations compels completion of the inventory and baseline analysis, the presentation of the results of the inventory and analysis, and careful deliberation of those results before the Record of Decision is signed and the decision implemented.

Given the context of the 2015 comments to the RAC, the City of Craig supports your effort to delay signing of the TLMP Record of Decision regarding the Tongass transition until the tasks described above are complete.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Bolling".

Jon Bolling
City Administrator



June 9, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for an amendment delaying the signing of a Transition Record of Decision

Dear Senator Murkowski,

The City of Ketchikan supports your effort to delay the signing of a TLMP Transition Amendment until a comprehensive inventory and financial analysis of the Tongass is completed.

The destruction of the timber industry in Southeast Alaska has continuing and lasting detrimental effect on our jobs and communities' economy. This unscientific decision to transition to the harvesting of young growth will not help bring back this economic sector.

The government has admitted this transition will need a federal subsidy, which the federal government cannot afford.

Attached is City of Ketchikan Resolution No. 16-2622 relating to the transition to second growth proposal. The City of Ketchikan does not support this transition proposal.

Sincerely


for Lew Williams
Mayor

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 16-2622

A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA IN SUPPORT OF POSTPONING ANY TRANSITION TO YOUNG GROWTH HARVESTING UNTIL THE YOUNG GROWTH TREES MATURE AND ARE OF SUFFICIENT QUALITY AND QUANTITY TO SUPPLY A FINANCIALLY VIABLE MANUFACTURING INDUSTRY IN SOUTHEAST ALASKA; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the USDA Forest Service proposal to accelerate the harvest young growth stands before they mature and end the harvesting of old growth will result in the loss of Southeast Alaska's manufacturing sector; and

WHEREAS, Forest Service silviculturalists have definitive facts and have clearly stated that it is premature to begin harvesting these young stands now for both biological and economic reasons; and

WHEREAS, at least another 30 years of growth is needed to establish sufficient young growth volume and related value to sustain a financially viable young growth manufacturing facility; and

WHEREAS, in 30 years the volume of young growth timber will grow to more than double the current volume and the individual trees will be larger in diameter which will enable the sawmills to produce higher value lumber; and

WHEREAS, the Forest Service has stated they will need to subsidize the harvest of these young growth stands, but has not provided a financial plan as to the amount of government dollars required; and

WHEREAS, only low-value lumber can be sawn from prematurely harvested young growth timber; and

WHEREAS, the harvest of young growth timber will almost certainly produce another economic disaster similar to what Southeast communities suffered when the Forest Service ignored communities' concerns and adopted the 2008 Tongass Land Management Plan, only to discover the plan was impossible to implement; and

WHEREAS, Southeast Alaska is at a competitive disadvantage to young growth sawmills in the Pacific Northwest; and

WHEREAS, even the round-log export market cannot support a financially viable harvest of most of the young growth timber in Southeast if it is logged prematurely; and

WHEREAS, the Forest Service estimates that it will be able to offer 88 million board feet of young growth annually within 15 years, but that volume estimate does not contain an economic screen which, under the current land management guidelines, would reduce the available economic timber to about 25 million board feet annually; and

WHEREAS, the Forest Service has announced that it will not have sufficient old-growth timber sales prepared to sustain the few surviving sawmills because the agency diverted its timber sale preparation efforts to work on premature young growth timber sales; and

WHEREAS, the Forest Service recently prepared a revised demand analysis for the TLMP Transition, but that analysis is incomplete and inadequate. It does not attempt to evaluate timber harvesting and manufacturing economics or the amount of economically available timber standing on the Tongass National Forest.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: The Council of the City of Ketchikan, Alaska, strongly requests that the United States Forest Service halt work on amending the land management plan to include the accelerated young growth transition until a credible financial analysis of the proposed transition is completed and critiqued by the affected communities in Southeast Alaska.

Section 2: The Council of the City of Ketchikan, Alaska strongly requests that the Forest Service continue preparing economically viable old-growth timber sales.

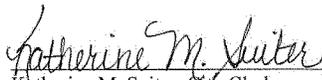
Section 3: The Council of the City of Ketchikan, Alaska strongly requests that the Forest Service offer sufficient old-growth timber sales to comply with the requirements of currently approved Tongass Land Management Plan and the Tongass Timber Reform Act, which the agency has estimated at 140 million board feet annually

Section 4: This resolution shall become effective immediately upon passage.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 7th day of April, 2016.


Lew Williams III, Mayor

ATTEST:


Katherine M. Suiter, City Clerk

June 8, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for an amendment delaying the signing of a Transition Record of Decision

Dear Senator Murkowski,

I support your effort to delay the signing of a TLMP Transition Amendment until a comprehensive inventory and financial analysis of the Tongass is completed.

The USDA Forest Service proposal to accelerate the harvest young growth stands before they mature and end of harvesting old growth that will result in the loss of our manufacturing sector and will be detrimental to our local economy.

Forest Service silviculturalists have definitive facts and have clearly stated that it is premature to begin harvesting these young stands now for both biological and economic reasons.

This decision by the Secretary of Agriculture is purely political and does not support proper scientific management of the Tongass National Forest.

I am a retired US Forest Service professional forester and know this decision to start cutting young stands 30 years early is a very poor forest management decision.

Thank you for introducing this amendment.

Sincerely,

Dick Coose
PO Box 9533
Ketchikan, Alaska 99901
907-617-0990



Senator Lisa Murkowski
United States Senate
709 Hart Senate Building
Washington, DC. 20510.

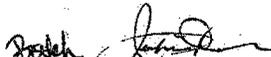
June 06, 2016

Senator Murkowski,

Butch and I fully support your amendment to the pending Senate wildfire bill that would postpone the signing of the TLMP Transition Record of Decision until the USFS completes a full inventory of the young growth timber with a financial analysis of the YG manufacturing, so that everyone can judge the feasibility of an early transition to YG harvesting.

The USFS has failed to provide the necessary "bridge" that was promised to the timber industry in Southeast Alaska, when the "Transition" to YG was first proposed in 2008. The Government has put the few remaining timber businesses left in a risky position of having to "transition" to a plan without the benefit of a financial analysis that will no doubt assign 100% of the risk of an early transition to those few remaining trying to keep an industry alive here. We have no doubt that an early transition to YG will finally put the small number of remaining purchasers, manufacturers, and operators out of business.

Thank you for putting this amendment on the Senate wildfire bill, please continue to postpone this, your efforts are the only life line that we can cling to.


Butch and Jackie DuRette



P.O. Box 240605
Douglas, AK 99824

907.586.1254 phone
907.463.3433 fax
fffoundation.org

June 16, 2016

The Honorable Lisa Murkowski
United States Senate
709 Hart Office Building
Washington, D.C. 20510

Neil MacKinnon
President

Rosemary Hagevig
Vice President

Joseph Kahklen
Secretary

Frank Bergstrom
Treasurer

Directors
Corey Baxter
Richard Burns
Naomi Hobbs
John Sandor
Scott Spickler
Karen Taug

Denny DeWitt
Executive Director

Re: Tongass Land Management Plan Record of Decision Amendment

Dear Senator Murkowski:

The First Things First Alaska Foundation (FTFAF) is writing to support your amendment to the Senate wildfire bill to postpone the signing of the Record of Decision for the Tongass National Forest Land Management Plan (TLMP).

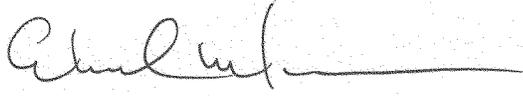
FTFAF is dedicated to preserving the economic viability and future of Alaska. We have participated in the plan review through several extensive comments. We are currently involved in the litigation on the Big Thorne timber sale and are involved in several other issues within the Tongass National Forest.

The Record of Decision should not be signed until the U.S. Forest Service completes a full inventory of young-growth timber in the Tongass in a timely manner. The inventory, combined with a financial analysis of young-growth manufacturing, will enable an accurate determination on the feasibility of early transition to young-growth harvests.

At this time, the proposed early transition to young-growth harvest makes little sense. The region's remaining sawmills cannot manufacture their current high-value lumber from small diameter young-growth trees and the cost of shipping small log commodity lumber to the Puget Sound region places Alaska sawmills at a competitive disadvantage to mills that are already producing similar lumber in the Lower 48.

The current timber supply crisis in Southeast Alaska has resulted in part from the Forest Service diverting some of its timber sale preparation efforts to young-growth projects. In addition, the high-cost constraints of the 2008 TLMP has caused even young-growth log export sales to be marginally economic.

FTFAF supports your effort to delay the signing of a TLMP Transition Amendment until a complete inventory and financial analysis of manufacturing young-growth timber in the national forest is completed.



Neil MacKinnon
Board President

First Things First Alaska Foundation (FTFAF) is dedicated to preserving the economic viability and future of Alaska through education. There is a clear need to educate the public on the benefits of responsible economic development and natural resource management.



1101 K Street, NW, Suite 700, Washington, D.C. 20005
 Phone: 202-463-2705 • Fax: 202-463-4702
www.hardwoodfederation.com

June 17, 2016

The Honorable Lisa Murkowski, Chairman
 Senate Energy and Natural Resources Committee
 Washington D.C. 20510

The Honorable Maria Cantwell, Ranking Member
 Senate Energy and Natural Resources Committee
 Washington D.C. 20510

Dear Chairman Murkowski and Ranking Member Cantwell:

The Hardwood Federation¹ appreciates the opportunity to share the hardwood forest products industry's perspective on the draft Wildfire Budgeting, Response, and Forest Management Act of 2016. We applaud your leadership in holding the public hearing on this proposal and the challenges facing the U.S. Forest Service to fight wildfire. We believe strongly that any legislative solution to the wildfire threat must be paired with provisions that allow for more active management on our federal forestlands. Only a comprehensive approach that includes strong provisions promoting the practice of forestry on our nation's forestland holdings will adequately address problems encountered by federally owned forests in every region of the country. Our member companies are located predominantly in the middle and eastern portions of the country where the threat to public forests is not primarily wildfire, but increased disease and insect infestation on overstocked federal lands. Insects and disease are not as visible and high profile as wildfire, but pose an equally serious threat to the viability of our federal forests. Reduced management in the Eastern forests has also allowed forests to develop into closed canopy stands with limited sunlight, reducing the value of these lands as wildlife habitat, including the habitat for declining species like the ruffed grouse and Kirtland's Warbler. In addition, funding needs for wildfires drain resources allocated for programs like disease study and control, creating mounting problems on federal lands across the country. The most effective tool to address these twin threats is forest management.

As you know, more than 193 million acres of the National Forest System is managed by the U.S. Forest Service (USFS). The Hardwood Federation does not support a one size fits all approach to forest management, understanding the unique characteristics of each forest, whether publically or privately owned. We recognize the different history and ecological value of various federal lands, particularly the differences between the vast western forests and the eastern forest systems (also known as Weeks Act Forests.) What should be considered appropriate management strategy for old growth forests that are found west of the Mississippi, are not appropriate for eastern ranges that typically have much younger trees.

The discussion draft recognizes this dynamic by providing some extra tools for the Forest Service to manage the wide range of differing forest types under its control. We believe this is a positive step. The Discussion Draft also provides the Forest Service with access to emergency spending authority through a budget cap adjustment to address wildfire costs that exceed the 10-year suppression average. This is also critical as the costs of fighting wildfire are hampering the USFS's ability to deliver on its mission in other important categories, including critical project work that would make our forest less prone to the threat of wildfires, while having the added benefit of making them more resistant to disease and insect infestation.

The Hardwood Federation respectfully submits the following observations about the discussion draft for your consideration. We look forward to working with you and your staff in the coming weeks on this issue that is so critical not only to those that live near our federal forests, but the good paying jobs that these forests support.

Title I: Wildfire Budgeting: The discussion draft reasonably assumes the 10-year average for fire suppression costs will increase, and requires the ten year average to serve as the basis of future budget requests. A concern is that increasing average suppression costs drain funds away from forest management and other priorities. In a constrained budget environment, the increasing 10-year average will eventually threaten key management programs, such as timber sales. We simply ask that the Committee be mindful of this potential issue. A specific

recommendation in this area would be adopting a cap on the 10-year average, starting with Fiscal Year 2015, with language requiring that any funds made available to the agency above the capped average level be dedicated to mechanical hazardous fuels reduction projects. This would ensure that critical project work would continue to proceed even during years with higher than average wildfire suppression cost demands.

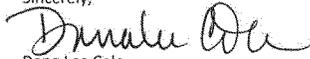
Title III: Public Land and Forest Management: This title provides broad authority for the Forest Service to conduct streamlined NEPA on portions of the National Forest system to meet any one or combination of 5 objectives; reducing hazardous fuels, installing fuel and fire breaks, restoring forest health and resilience, protecting municipal water supplies or communications sites, and improving wildlife habitat. These projects would be analyzed under a streamlined NEPA process that evaluates the proposed action and the no action alternative, with direction to clearly evaluate the consequences of not managing the forest.

This is a positive step. Our member companies that source fiber from federal forests have seen firsthand the frustrating delays in necessary project work that can occur due to overly complex application of NEPA. The Hardwood Federation strongly supports breadth and flexibility built into this new authority.

Conclusion: Longer and more intense fire seasons in the Western United States, human development and increasingly passive management of our federally-owned forest lands throughout the country has created an unacceptable crisis situation that Congress must address now. The Hardwood Federation supports the direction of this discussion draft. We are also on record strongly supporting H.R. 2467, the Resilient Federal Forests Act, which passed the House last July. That legislation arms USFS with a number of additional authorities that we think would be effective in addressing fire funding and promoting health federal forests. At this point, we simply ask that the Committee report a bill that can ultimately be negotiated with the House and the Administration to become law this year.

Again we thank you for your leadership. Please know that the hardwood forest products sector stands ready to assist you in this effort.

Sincerely,



Dana Lee Cole
Executive Director, Hardwood Federation



June 15, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for an amendment delaying the signing of a Transition Record of Decision

Dear Senator Murkowski,

Heatherdale Resources Ltd. is writing to support your amendment to the Senate wildfire bill to postpone the signing of the Record of Decision for the Tongass National Forest Land Management Plan (TLMP).

Heatherdale Resources Ltd. is a mineral exploration and development company focused on advancing the Niblack Copper-Gold-Zinc-Silver Project. The Niblack property consists of 6,200 acres of federal and state mineral claims, 250 acres of patented lands, and related mineral exploration permits, equipment and infrastructure on Prince of Wales Island in southeast Alaska. Six volcanogenic massive sulphide (VMS) deposits are known to occur within the Niblack mineral claims. Significant mineral resources are outlined in two of the deposits with excellent potential to add to these resources in the known deposits as well as make new discoveries.

It is imperative a full inventory of young-growth timber in the Tongass is conducted before the Record of Decision is signed. A determination on the feasibility of early transition to young-growth harvests needs to take place as a result of this inventory, combined with a financial analysis of young-growth manufacturing.

The proposed transition to young growth has the potential to be detrimental to the timber industry in Southeast Alaska, particularly Prince of Wales Island where the impacts would affect the entire economy. The remaining sawmills cannot manufacture their current old-growth, high-value lumber from small diameter young-growth trees and the cost of shipping small-log commodity lumber to the Puget Sound region places Alaskan sawmills at a competitive disadvantage.

The current timber supply crisis in Southeast Alaska has resulted in part from the Forest Service diverting some of its timber sale preparation efforts to young-growth projects. In addition, the high-cost constraints of the 2008 TLMP has caused even young-growth log export sales to be marginally economic.

Heatherdale supports your effort to delay the signing of a TLMP Transition Amendment until a complete inventory and financial analysis of manufacturing young-growth timber is complete.

Sincerely,

A handwritten signature in black ink, appearing to read 'Graham Neale', written over a light grey background.

Graham Neale

Project Manager



Kleeschulte, Chuck (Energy)

From: Brenda Jones <brendajones57@gmail.com>
Sent: Wednesday, June 08, 2016 9:40 PM
To: Petit, Bryan (Energy); Brooks, David (Energy); Kleeschulte, Chuck (Energy)
Cc: Brenda Jones
Subject: Delay the Transition Record of Decision

Dear Senators Murkowski and Cantwell,

Thank you for your common sense approach to delay the signing of a TLMP Transition Amendment until that inventory and analysis is completed.

We need the completed inventory before an informed transition to young growth can occur.

The current timber supply crisis has resulted in large part because the Forest Service diverted some of its timber sale preparation efforts to young growth projects. In addition, the high-cost impact of the 2008 TLMP (Tongass Land Management Plan) constraints causes even the young growth log export sales to be marginally economic.

The Forest Service should continue selling mature timber for the sawmills until a complete inventory and analysis is completed of the financial feasibility of manufacturing young growth timber in Southeast Alaska.

I support your effort to delay the signing of a TLMP Transition Amendment until that inventory and analysis is completed.

Sincerely,

Brenda Josephson
P.O. Box 51, Haines, Alaska 99827
(907) 766-2170

LISA MURKOWSKI
ALASKA

COMMITTEES:
ENERGY AND NATURAL RESOURCES
RANKING MEMBER

APPROPRIATIONS

HEALTH, EDUCATION, LABOR,
AND PENSIONS

INDIAN AFFAIRS

United States Senate
WASHINGTON, DC 20510-0203
(202) 224-6666
(202) 224-5301 FAX

July 1, 2010

510 L Street, Suite 550
ANCHORAGE, AK 99501-1956
(907) 271-3735

101 12TH AVENUE, Room 216
FAIRBANKS, AK 99701-6278
(907) 456-0233

805 FRONTAGE ROAD, Suite 105
KENAI, AK 99811-9104
(907) 283-8808

4079 TONGASS AVENUE, Suite 204
KETCHIKAN, AK 99801-6526
(907) 226-6885

851 East Westport Drive, Suite 307
WASILLA, AK 99654-7142
(907) 376-7665

Mr. Thomas Vilsack, Secretary
U.S. Department of Agriculture
Whitten Federal Building
1400 Independence Ave., SW, Room 200-A
Washington, DC 20250

Dear Secretary Vilsack:

On May 25, the Regional Forester for Region 10, Beth Pendleton, delivered a letter to the Tongass Futures Roundtable (TFR) that sets out the Obama Administration's "new approach to forest management on the Tongass National Forest that builds from the existing Tongass Land Management Plan and will move timber harvesting into roaded, young growth areas and away from old-growth timber in roadless areas."¹

According to the letter, building from the existing Tongass Land Management Plan, the Forest Service will continue to offer a limited number of old-growth sales in the near-term in roaded forest areas, in order to ensure that a bridge exists for the remaining forest industry infrastructure to make the transition. Allowing these sales and the proposed stewardship contracts to move forward expeditiously is critically important to maintaining a robust forest industry while we transition to a young growth-dependent industry.²

The Regional Forester's letter repeats points made by Deputy Under Secretary Jay Jensen in his March 22nd testimony before the House Natural Resources Committee on the Sealaska Lands Bill. The Deputy Under Secretary asserted that the Obama Administration intends "to expeditiously transition that [timber] program away from reliance on sales of old growth timber in roadless areas to an integrated program focused on restoration, development of biomass opportunities and sales of young-growth timber in roaded areas."³ Deputy Under Secretary Jensen's March testimony lists "some initial steps to transition the timber program," such as a 10-year stewardship contract, an inventory of "young growth management opportunities", and "retooling of existing large diameter based sawmills,"⁴ all of which he stated is contingent upon passage of "the FY2011 President's Budget proposal for an Integrated Resource Management line item, including the proposal for \$50 million in Priority Watersheds and Job Stabilization..."⁵

QUESTIONS TO CLARIFY THE TRANSITION FRAMEWORK

¹ Press Release accompanying the Pendleton Letter.

² Pendleton Letter at page 2.

³ Jensen Testimony, page 2.

⁴ *Id.*

⁵ *Id.*

Ms. Pendleton's letter, however, makes no mention of the \$50 million appropriation contingency. Is the Transition Framework for the Tongass dependent upon Congressional approval of the President's \$50 million budget proposal? Her letter makes no mention of the inventory of young growth timber. Is this step still part of the Transition Framework? Also I have proposed adding \$5 million to the Forest Service's budget for FY '11 to be divided evenly between pre-sale activities and road work in the Tongass. Would the administration consider supporting such an appropriation to guarantee that money for Tongass activities would be built into next year's agency budget?

Further Deputy Under Secretary Jensen testified that the transition to young growth would occur "expeditiously." The Regional Forester's letter states that the transition will occur "quickly."⁶ Could you please explain when the Forest Service intends to begin this transition and the volume of second-growth timber on roaded areas that the agency intends to make available for sale by year from the starting point of the transition? More specifically, could you please provide me the Forest Service's timber sale schedule for the Tongass for the next five years and describe any changes from the current TLMP currently planned for the transition to make that schedule function.

QUESTIONS REGARDING THE TRANSITION FRAMEWORK PLAN

I also have a number of questions and comments regarding the Transition Framework announced by the Deputy Under Secretary and the Regional Forester. I would appreciate your detailed answers to the following:

Will the transition from old growth to young growth be implemented by a formal amendment to the 2008 Amended Tongass Land Management Plan (TLMP)? As the Ninth Circuit held in *Lands Council v. McNair*, 537 F.3d 981, 988 (9th Cir. 2008): After a forest plan is developed, all subsequent agency action, including site specific plans . . . , must comply with the NFMA and be consistent with the governing forest plan. 16 U.S.C. § 1604(i). The 2008 Amended TLMP made a number of commitments that have the force of law. For example, the Regional Forester selected Alternative 6 in the 2008 Amended TLMP ROD.⁷ In part, he selected Alternative 6 to secure the objective of an integrated timber industry. Therefore, a reliable annual supply of at least 200 million board feet (MMBF) of economic timber would be needed from the Tongass to meet the objective of providing an opportunity for the reestablishment of an integrated industry. None of the alternatives with Allowable Safe Quantities (ASQs) lower than the amended Forest Plan's will meet that criterion.⁸

In describing Alternative 6 the 2008 Amended TLMP FEIS points out: "The vast majority of current roadless areas would remain in (their) natural condition; however, the majority of roadless areas that contain substantial Productive Old Growth, outside of wilderness, would be partially developed."⁹ Table 2-14 in the 2008 Amended TLMP FEIS shows that under

⁶ Pendleton Letter to TFR, at page 1.

⁷ 2008 Amended TLMP ROD at pages 14 and 35.

⁸ *Ibid.* at page 37.

⁹ 2008 Amended TLMP FEIS at page 2-35.

Alternative 6, 2.3 million acres of the Tongass would be in “Development LUDs in Roadless Areas.”¹⁰

Indeed, the 2008 Amended TLMP’s selected alternative’s stated need for 200 MMBF of economic timber to achieve an integrated timber industry cannot be met without harvesting in roadless areas:

As noted earlier, and as depicted in Figure 1 [See page 65, 2008 Amended TLMP ROD], the VCUs in the Alternative 6 suitable land base have been evaluated according to each VCUs roadless values. ... a harvest level of 200 MMBF would require most of the remaining moderate Value Roadless portions. Any harvest level over 200 MMBF would require entry into some of the Higher Value Roadless portions of the suitable land base.¹¹

Accordingly, a plan amendment would be required (accompanied by a NEPA analysis) to change the 2008 Amended TLMP ROD’s TAMS and its authorization to harvest 200 MMBF of economic timber (including old growth) in areas including roadless areas. (16 U.S.C. § 1604(g)(1)). Moreover, because timber harvest units will be dispersed quite differently if they are limited to young growth timber along roaded areas, than such units are dispersed under the current plan, how would the agency know the environmental and economic impacts on watersheds, fish and wildlife, and recreation without such a plan amendment and NEPA analysis?

If there is no formal plan amendment, how will the transition avoid litigation on NEPA grounds which would halt/delay whatever timber sale program has been kept alive up to this point? Therefore, I strongly urge that you continue to implement the existing plan until you have carefully thought through all of the practical economic and environmental problems with the proposed transition. For instance, the National Forest Management Act (NFMA) requires that timber cannot be harvested until it has achieved its culmination of mean annual increment of growth (CMAI).¹² Is there sufficient economic young-growth timber on roaded areas that has achieved CMAI “to afford existing industry a transition – a ‘bridge’ – to a sustainable forest products industry?” The Tongass has little second growth timber older than 60 years and the CMAI for Tongass timber averages 100 years, depending on a variety of technical factors.¹³ Accordingly, please explain how, and over what time period, the Obama Administration intends to legally achieve the Deputy Under Secretary’s and Regional Forester’s commitments to make the transition “expeditiously” and “quickly.”

Are Forest Service silviculture experts from Region 10 or from the Washington Office involved in answering questions like this? Do you intend to conduct the inventory of second growth timber on the Tongass that has achieved CMAI that was offered by Deputy Under Secretary Jensen in his March 22, testimony on the Sealaska Bill? Alternatively, does the Forest Service now contend that, contrary to what the Regional Forester stated in the 2008

¹⁰ *Ibid.* at page 2-38.

¹¹ 2008 Amended TLMP ROD at page 64. (Emphasis added).

¹² 16 U.S.C. § 1604(m)(1).

¹³ 2008 Amended TLMP FEIS at page 3-348.

Amended TLMP ROD (See ROD at pages 34-35 and 64), that there is sufficient economic old growth timber on roaded areas to support the alternative selected by the ROD?

Will the Obama Administration advocate for the annual appropriations needed to implement the new plan, including the habitat restoration, and energy development parts of the Transition? I am concerned that, having terminated the 2008 Amended TLMP's plan for old growth harvest on Roadless Areas, the Forest Service will not have the funds to fully implement the new plan. Clearly, the 2008 Amended TLMP should continue until assurance of funding is in hand and environmental groups commit not to litigate any new plan.

If there is an amendment to the 2008 Amended TLMP will it be processed in conjunction with a rulemaking to terminate the Tongass exemption to the Clinton Roadless Rule? On what basis are you deciding whether or not projects can be undertaken in Roadless areas when the Tongass is exempt under the Forest Service's own regulations?¹⁴ So there is no mistake, I urge you to leave the Tongass exemption in place. Will the DOJ vigorously defend against NRDC's and Earthjustice's litigation against the Tongass exemption? How would application of the Clinton Roadless Rule to the Tongass impact mining, and power line corridors? How would it affect those Southeast transportation corridors where the State and Forest Service have not finalized the reciprocal easements authorized by SAFETLU (the highway reauthorization bill) in 2005? It is my understanding that none of the mining, utility or municipalities affected by these problems have been consulted about the Transition Framework – if that is the case, why not?

Finally, the Transition Framework speaks about Tongass "restoration projects." One such project is beach fringe thinning at Spit Point. In this case Region 10 was provided money for the project and it was unanimously endorsed in 2009 by the TFR. But its funding was transferred elsewhere and nothing has come of it. The point is that there has been more than a year's worth of conversation about your Transition Framework, but while my staff and I have had very pleasant conversations with your staff regarding them, even the simplest plans do not seem to happen and the practical details of the proposed transition to an industry dependent on young growth timber do not appear to have been fully thought through.

On a slightly different issue, last year I introduced legislation to authorize the Forest Service to provide assistance to timber-related businesses to allow them to transition to second-growth, smaller-diameter timber products, or to perhaps move into other ventures totally. Last December, given the glacial pace of committee review of my bill (The Southeast Alaska Timber Retooling and Restructuring Act, S. 785), I asked that the U.S.D.A.'s Rural Development Administration make grants available to timber mills in Southeast: specifically

¹⁴ 36 C.F.R. § 294.14 (d). (See, also, 68 Fed. Reg. 75,136 (Dec. 30, 2003).

Pacific Log and Lumber in Ketchikan and Icy Straits Timber Co. in Hoonah and to firms traditionally dependent on timber roadbuilding, such as DuRette Construction Co. of Ketchikan, to help them transition to a young-growth industry. I followed up my verbal request in a March letter to Under Secretary Jensen noting that these firms desperately need assistance, otherwise they may not survive to assist in the industry transition that the Administration is now seeking. I renew my request that U.S.D.A. RDA immediately provide assistance to these firms, all vital for any future timber strategy to function in the Tongass.

I also wish clarification from you and the Forest Service about the Administration's intention to honor a 2008 commitment to make up to four longer-term (10-year) timber sales available in the Tongass. Such sales are vital for mills to have the stability of timber supply needed for financing of new types of young-growth operations. How will your efforts to move to a young-growth strategy impact those longer term sale commitments?

I again urge you to continue to manage the Tongass under the 2008 Amended TLMP until your Administration has fully developed the details of your transition plan and is prepared to take it through a NEPA review. In my opinion, such an exercise will prove to the agency that the proposed transition plan is 40 years premature.

Please provide the answers to these questions within the next two weeks so that the information can help Congress determine whether to provide the funding proposed by the Deputy Under Secretary in his March 22, testimony as part of the FY 11 Interior Appropriations Bill. I, of course, hope that the Department in developing Tongass policy will consult with the State of Alaska, which was a co-operating agency on the 2008 Amended TLMP. Thank you for your attention to this letter. I, of course, would love to chat with you personally about forest policy in the nation's largest national forest. I look forward to receiving your answers and would be delighted to meet in person if your schedule would permit.

Sincerely,



Lisa Murkowski,
U.S. Senator Alaska

NATIONAL ASSOCIATION OF
444 North Capitol Street NW | Suite 540 | Washington DC 20001



202-624-5415 Phone | 202-624-5407 Fax | www.stateforesters.org

STATE FORESTERS

June 10, 2016

The Honorable Lisa Murkowski
U.S. Senate
SH-709 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Maria Cantwell
U.S. Senate
SH-511 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Michael Enzi
U.S. Senate
SR-379A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Patty Murray
U.S. Senate
SR-154 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Murkowski, Chairman Enzi, Ranking Member Cantwell, and Ranking Member Murray:

The National Association of State Foresters (NASF) is composed of the directors of forestry agencies in the 50 states, eight territories and the District of Columbia. Collectively these member organizations have responsibility for forest and fire management on almost two-thirds of America's forests, or 500 million acres. Thank you for the opportunity to comment on the discussion draft. Resolving fire funding challenges and enhancing active forest management are top priorities for the forestry community. In this letter we want to: 1) note the most helpful aspects; 2) describe an important change which we believe is needed and 3) request a meeting to discuss specific details and potential modest additions. First we want to thank you for your leadership in trying to find a solution to the wildfire funding challenges faced by the USDA Forest Service and the Department of the Interior as well as providing responsible fire suppression language and forest management provisions which will help facilitate more active forest management.

Helpful aspects. In terms of fire transfers and borrowing, NASF much appreciates the draft bill language which will curtail this late season practice. As Alaska State Forester Chris Maisch mentioned at a Senate Energy and Natural Resources Committee field hearing on May 31, 2016 in Kenai, Alaska, this practice has deleterious impacts on the agency's ability to develop partnerships and accomplish on the ground work as we have seen the agency cancel contracts with key partners, or send seasonal employees home in mid-summer who were engaged in important resource work. The agency continues to take these actions in order to pay the anticipated fire suppression bill for that season. Per language in this bill, that practice would end.

NASF also appreciates many of the forest management and fire operation provisions and believe they will add to enhanced fire fighter safety as well as more active forest management, ultimately reducing the impacts of wildfires. For example: 1) The suggested efforts at streamlining the National Environmental Policy Act (NEPA) analysis for priority

projects that address wild land fire issues by limiting alternatives to a no-action and recommended action analysis should streamline the process and save both time and funding for agency planning staff. 2) Requiring agencies to work with states on an equal footing on fire aviation issues is a positive step, especially since eighty percent of the nation's wildfires are on state and private lands. 3) Allowing unspent funds in a "good fire season" to be used for fuels works represents another positive step to minimize the impacts of catastrophic wildfire.

Important change needed. In recent years, the portion of the Forest Service's overall budget allocated to fire programs has significantly grown. As more funding is allocated to fight fires, less is allocated to other areas of the Forest Service budget. Agency staff have noted that the trend is a 100 million dollar reduction per year in funding available for non-fire suppression programs, including critical fuels and forestry work which would minimize wildfire impacts, and the host of critical forestry programs important to the management of the nation's state and private trees and forests. Suppressing fires is becoming more expensive and complex as a result of issues including prolonged drought, lack of active forest management, and more people moving into Wild land Urban Interface (WUI) areas. Fire costs accounted for 16 percent of the Forest Service's total budget in fiscal year (FY) 1995, grew to over 50 percent in FY 2015 and are expected to continue to increase.

There is a critical need to find a way to access disaster funding to pay for catastrophic (large, costly, extreme) wildfires - placing these fires on par with other natural disasters or fund wild fire suppression beyond a certain limit in increasingly challenging wild fire years. The two legislative proposals which we understand have been considered are either funding above a fixed fire suppression appropriation amount through: 1) a budget cap adjustment or 2) the FEMA Disaster Relief Fund. NASF does not have a preference in how this challenge is resolved, only that it is resolved.

Specific details and modest additions. We would also like an opportunity to visit with the Committee to discuss technical legislative language adjustments such as those related to fire aviation credentialing and community planning for at-risk communities which could potentially avoid unintended negative consequences. We would also appreciate an opportunity to provide additional recommendations for environmentally responsible forest management measures which would yield significant benefits for America's forests.

Again we appreciate the opportunity to provide comment on the proposal and look forward to working with the Committee as this critical legislation moves forward.

Sincerely,



Paul DeLong
 President, National Association of State Foresters
 State Forester of Wisconsin

Executive Director
 Jay Farrell

2015-16 Executive Committee

President: Paul DeLong, Wisconsin
 Vice President: Bill Crapper, Wyoming
 Treasurer: George Geisler, Oklahoma
 Past President: Jim Karelis, Florida

Northeastern Representative
 Western Representative
 Southern Representative

Dan Devlin, Pennsylvania
 Ken Piniotti, California
 Robert Farris, Georgia



NPCA's Position on the Wildfire Budgeting, Response, and Forest Management discussion draft at June 23rd Hearing

The Honorable Lisa Murkowski
Chairwoman
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

June 23, 2016

Dear Chairwoman Murkowski, Ranking Member Cantwell, and members of the Senate Committee on Energy and Natural Resources,

Since 1919, the National Parks Conservation Association (NPCA) has been the leading voice of the American people in protecting and enhancing our National Park System. On behalf of our more than one million members and supporters nationwide, I write to urge you to consider our position on the discussion draft of the Wildfire Budgeting, Response, and Forest Management Act of 2016.

As you know, this year marks the centennial anniversary of the National Park Service. Our national parks are already receiving record numbers of visitors and are expected to see an additional surge in visitation this summer, allowing millions to experience our nation's cultural and natural treasures, including dynamic forest landscapes. NPCA is concerned with the impacts the Wildfire Budgeting, Response, and Forest Management discussion draft may have on our national parks, their adjacent landscapes, and the communities that care about and depend upon both.

In addition to the lands, water, and wildlife within our national parks, these natural resources adjacent to parks remain critical to ensuring our park ecosystems remain dynamic and healthy. In fact, national parks are only as healthy as the landscapes they are a part of. Threats to the lands, water, and wildlife that surround and flow through national parks and the federal laws that protect them, directly impact the resources within parks. Efforts of the National Park Service to protect parks can be undermined by incompatible development on adjacent federal lands. NPCA has long been a supporter of federal laws, community engagement, and other policies and plans that seek to identify and avoid areas of conflict in order to promote landscape connectivity. It is through this frame that we evaluate the discussion draft before the Senate Energy and Natural Resources Committee today.

1

Title I—Wildfire Budgeting

NPCA joined a diverse coalition in voicing concerns over Title I's insufficient methods for fully addressing a wildfire budgeting solution. Unfortunately, the discussion draft does not resolve fire borrowing or the intense drawdown of the U.S. Forest Service (USFS) budget over time. As noted in the letter submitted to the committee on June 13, 2016, from the Partner Caucus on Fire Suppression Funding Solution, of which NPCA is a member, Title I decreases the need to transfer funds to support ongoing wildfire suppression needs once appropriated funds are spent, but it does not address the consistently increasing cost of fighting wildfires, as calculated by the ten-year average. As a result, the draft ignores that over half of the USFS budget is already expended on fire suppression, and unless Congress addresses the long-term budget erosion, only 30 percent of the agency's budget will be available for all other functions.

In sum, the current discussion draft does not create a comprehensive fix to the wildfire budgeting problem, which remains a priority for federal agencies, many members of Congress, and local communities.

Title III—Public Land and Forest Management
Subtitle A—Environmental Analysis for Certain Forest Management Activities

Unfortunately, Subtitle A undermines the heart of the National Environmental Policy Act (NEPA), and therefore the opportunity for full community education and engagement. NPCA has a long history of supporting NEPA within and beyond parks, in order to ensure the public has adequate information about and opportunity to engage in natural resource management activities. By offering only Action/No Action alternatives in Section 301, the discussion draft severely limits the application of NEPA and thereby the opportunity for full and transparent accounting of the range of impacts of forest management projects.

Instead, Section 301 provides ample opportunity for forest management projects (via a community wildfire protection plan or through a collaborative process) where the primary purpose is: Reducing hazardous fuels; installing fuel and fire breaks; restoring forest health and resilience; protecting a municipal water supply or critical communication; improving wildlife habitat to meet management and conservation goals, including state population goals; or any combination of the above. These criteria effectively cover projects on essentially any USFS or BLM forestlands and therefore the scope of Section 301 is far too large.

Finally, by not effectively limiting the landscapes that may be excluded from the forest management projects identified in Section 301, roadless areas or old-growth may be subject to these forest management projects with limited NEPA. As such, projects on these sensitive landscapes, some of which lay adjacent to some of our nation's most iconic national parks, is of considerable concern.

Title III—Public Land and Forest Management
Subtitle D—Accelerated Restoration Program for Ponderosa Pine and Dry-site Mixed Conifer Forests

NPCA is concerned that Subtitle D does not effectively address the problem it is intended to solve. That is, perhaps, to consider forest management in landscapes that were historically ponderosa pine forests in order to restore them to naturally healthy and fire resilient landscapes. If this is indeed the goal, or part of the goal for Section 331, the current discussion draft does not effectively achieve this.

Instead, Section 331, which is purportedly a pilot (typically a project limited in size and

scope, and test case for future projects), has no acreage limitation, does not necessarily distinguish a difference in management objectives between those within or beyond the Wildland Urban Interface (WUI), may apply well beyond ponderosa pine forests, supports long 20-year contracts, all while proposing fairly intense hazardous fuels management. It is problematic that Section 331 lacks the focus and clarity needed to effectively restore ponderosa pine forest ecosystems; by applying resources beyond just ponderosa pine and the WUI, the scope of the pilot is essentially untenable. Should treatment of hazardous fuels within the WUI be necessary, they should be a priority; beyond the WUI, other restoration options should be considered, but in keeping with the best available science on the restoration of ponderosa pine forests.

In addition to the management concerns, NPCA is also concerned with Section 331's intention to legislate new terms for "emergency circumstances." Typically used at the discretion of the agencies, the discussion draft would essentially alter both the definition and application of such circumstances—significantly broadening their scope, and therefore the opportunity for expedited NEPA. Finally, Section 331 also alters judicial review—something NPCA opposes given the limitations it would impose on oversight of resource management projects.

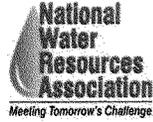
We applaud, however, the numerous sideboards offered in Section 331 that would ensure projects would not take place in some of our nation's most sensitive landscapes (e.g. Wilderness, any National Forest System land or public land where vegetation removal is illegal, etc.), seeks to retain large trees, intends to allow for appropriate road decommissioning, and more. Unfortunately, these protections do not sufficiently protect the landscapes that may be affected by the proposed pilot project. We hope that the committee will consider improvements to Section 331 by first ensuring it defines the project it is attempting to address.

This summer, the National Park Service will no doubt face fires on park lands or lands adjacent to our nation's parks. From Sequoia to Shenandoah, national parks offer dynamic landscapes that are subject to fire. NPCA recognizes the need to address fire suppression costs and consider its impacts to the budgets of all our land management agencies. We are hopeful that the committee will refocus its efforts primarily on a comprehensive fire funding fix. As such, and until such time, NPCA opposes the current discussion draft of the Wildfire Budgeting, Response, and Forest Management Act of 2016.

Thank you for the opportunity to comment, and we appreciate your consideration of our views as. Please contact me with any questions or concerns (akameenui@npca.org).

Sincerely,

Ani Kame'enui
Director, Legislation & Policy



Association of
California Water Agencies
1961 • 1970



June 13, 2016

The Honorable Lisa Murkowski
Chairman
U.S. Senate Committee on Energy and Natural Resources
304 Dirksen Senate Building
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
U.S. Senate Committee on Energy and Natural Resources
304 Dirksen Senate Building
Washington, DC 20510

Chairman Murkowski and Ranking Member Cantwell,

As entities responsible for delivering a sustainable water supply to more than 27 million people, we appreciate the opportunity to comment on the draft Wildfire Budgeting, Response, and Forest Management Act of 2016.

As we enter the 2016 wildfire season, we are extremely concerned about the rapidly declining health of our national forests in the Western states. A persistent drought that exacerbates a lack of active management in Western forests has resulted in overgrown forests that are highly susceptible to insect infestation, drought, disease, and catastrophic wildfire. We believe that proactive forest management will provide measurable benefits that reduce the devastating economic impacts of catastrophic wildfire and protect municipal and agricultural water supply, hydropower production and environmental health.

Communities in the West, and the watersheds they depend on, are facing very real threats from wildfire. In 2015, wildfires burned over 10.1 million acres across the United States. According to the California Tree Mortality Task Force, over 29 million trees died in the Sierra Nevada range in 2015. Aerial surveys indicate parts of the Sierra Foothills between 2,000 to 6,000 feet have suffered over 50 percent tree mortality. In Washington State the 2015 wildfire season was the most severe in modern history burning more than 1 million acres and tragically claiming lives and homes, while damaging watersheds. Following recent high severity wildfires along Colorado's Front Range, sediment production and transport is up to 200 times greater than for

areas burned at low-severity. In Arizona tree densities are up to 20 times greater than what is normal for Southwestern ponderosa pine forests. The West is not alone in facing these threats. The Southwest and Southern states, as well as Alaska and Hawaii, will have above-normal significant wildland fire potential (Nat. Interagency Fire Center 6/1/16). The Committee's attention to this problem is greatly appreciated.

We are pleased that the draft legislation contains a number of important provisions that will provide additional tools to improve forest management and protect communities. Importantly, we greatly appreciate that the draft legislation recognizes that both funding and management reforms are required to begin addressing our forest health emergency. Provisions that are in line with our priorities include:

- Title I. Ending the untenable practice of fire borrowing and capturing any unspent fire suppression funds for projects to protect at-risk communities and municipal watersheds is critical to the continued improvement of forest health and ultimately reducing the overall cost of fighting wildfire;
- Title III, Subtitle A. Allowing forest treatments developed collaboratively to comply with NEPA by analyzing two alternatives – action or no action – will accelerate forest treatment on the ground. This provision rightly recognizes that the development of forest management activities through a collaborative process allows a balancing of project specific challenges at the front end of the process, while producing the most viable action alternative that reduces wildfire risk and protects water supply;
- Title III, Subtitle C. Improving the administrative process for obligating funds related to contract termination and allowing stewardship project revenues to be available for the planning of additional stewardship contracts will help increase the capacity of the U.S. Forest Service to undertake forest management projects. There are an extraordinary number of National Forest acres that need to be restored in the west, and this provision is a common sense change that will facilitate they types of long-term landscape-scale projects that are needed.

In addition to the provisions discussed above, we appreciate the inclusion of language specifically aimed at accelerating restoration of Ponderosa Pine and Dry-site Mixed Conifer Forests, and the recognition that these areas deserve unique consideration. However, we have concerns that the process outlined in the draft Wildfire Budgeting, Response, and Forest Management Act may not, despite best efforts, translate into a significant acceleration of the approval process on-the-ground and look forward to working with you on this issue. As you know, the body of science and empirical evidence showing the urgent need to treat these forest types in order to restore a natural fire regime is substantial. The Forest Service should be allowed to utilize this extensive experience and expertise to directly make decisions about management activities that will protect ecosystems, wildlife habitat, watersheds and all of the multiple values of our forests from catastrophic wildfire.

This provision could also be improved by amending Subtitle D, Sec. 331. (1) Eligible Areas (B) to include (iii) municipal watersheds where wildfire can result in significant adverse impacts to water quality, hydropower generation, environmental quality and human health and safety.

We would also like to work with the Committee to ensure that the exclusion of projects on "highly erodible lands" in this section would not prevent certain watershed protection projects from qualifying for assistance. The potential for post fire sediment runoff into reservoirs is often

a major factor in the prioritization of watershed protection projects, and in some instances the soil erosion potential may actually increase the urgency to mitigate impacts from catastrophic wildfire.

We encourage the Committee to also consider provisions that would expedite approvals for fuel treatments in utility access rights of way. Timely vegetation management in these areas would help protect vital infrastructure.

Finally, as consideration of draft Wildfire Budgeting, Response, and Forest Management Act of 2016 proceeds forward, we urge the Committee to continue to explore options to address delays associated with litigation on critical projects. A pilot program to evaluate the use of binding arbitration in place of judicial review to resolve disputes, specifically for projects developed collaboratively or under the Good Neighbor Authority, is one approach that could be discussed in this regard.

We look forward to working with you and your staff to develop comprehensive legislation to strengthening active forest management and funding stability. Please contact Ian Lyle (ilyle@nwra.org), David Reynolds (dreyns@sso.org), Lane Dickson (Lane.Dickson@srpnet.com) or David R. French (dfrench@ensresources.com) for any additional information.

Sincerely,

National Water Resources Association
Agribusiness and Water Council of Arizona
Association of California Water Agencies
Placer County Water Agency
Salt River Project
South Tahoe Public Utility District
Washington County Water Conservancy District

cc:

The Honorable Ron Wyden
The Honorable Mike Crapo
The Honorable Jim Risch

Founded 1975

Executive Director
Marloanna Hall

2015-2016 Executive Committee
Ralph Samuels, President
Eric Fjellstad, Sr. Vice President
Lorna Shaw, Vice President
L.F. "Len" Horst, Treasurer
Ethan Schutt, Secretary
Phil Couchman, Past President

Bob Berto
Patty Bielawski
Pat Carter
Ella Eds
Stan Foo
Tim Gallagher
Bill Jeffress
Scott Jepsen
Wendy Lindskoog
Tom Makoney
Lance Miller
Kara Moriarty
Hans Needig
Glenn Reed
Mike Satria
John Shively
Jennine St. John
Carm Techev

Directors
Jabeen Araujo
Anna Atchison
Greg Baker
Tom Barrett
Greg Benschner
Jason Bergerson
Rick Boyles
Jason Brune
Dave Chaput
Steve Connelly
Dave Cruz
Steve Denton
Mike Ferris
Carol Fraser
Garoon Garcia
Ricky Gease
Paul Glavinovich
Stephen Grabacki
Dan Graham
Scott Habberstad
Karl Hanneman
Steve Hites
Teresa Jinn
Monica James
Michael Jasperson
Mike Jungreis
Thomas Krzewinski
John Lau
Tom Lovas
Thomas Mack
John MacKinnon
Stephanie Madison
Karen Mathias
Sam Mazzeo
Joey Merrick
James Mery
Loft Nelson
Tom Panamaroff
Lisa Parker
Judy Patrick
Shannon Price
Christy Resler
Rick Rogers
Joe Schierhorn
Keith Silver
Lorali Simon
Doug Smith
Phil Stayer
John Sturgeon
Casey Sullivan
Jan Trigg
Doug Vincent-Lang
Doug Ward
Sincire Will

Ex-Officio Members
Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young
Governor Bill Walker



RESOURCE DEVELOPMENT COUNCIL
Growing Alaska Through Responsible Resource Development

June 7, 2016

The Honorable Lisa Murkowski, U.S. Senate
SH 709 Hart Office Building
Washington, D.C. 20510

Re: Tongass Land Management Plan Record of Decision Amendment

Dear Senator Murkowski:

The Resource Development Council for Alaska, Inc. (RDC) is writing to support your amendment to the Senate wildfire bill to postpone the signing of the Record of Decision for the Tongass National Forest Land Management Plan (TLMP).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The Record of Decision should not be signed until the U.S. Forest Service completes a full inventory of young-growth timber in the Tongass in a timely manner. The inventory, combined with a financial analysis of young-growth manufacturing, will enable an accurate determination on the feasibility of early transition to young-growth harvests.

At this time, the proposed early transition to young-growth harvest makes little sense. The region's remaining sawmills cannot manufacture their current high-value lumber from small diameter young-growth trees and the cost of shipping small log commodity lumber to the Puget Sound region places Alaska sawmills at a competitive disadvantage to mills that are already producing similar lumber in the Lower 48.

The current timber supply crisis in Southeast Alaska has resulted in part from the Forest Service diverting some of its timber sale preparation efforts to young-growth projects. In addition, the high-cost constraints of the 2008 TLMP has caused even young-growth log export sales to be marginally economic.

RDC supports your effort to delay the signing of a TLMP Transition Amendment until a complete inventory and financial analysis of manufacturing young-growth timber in the national forest is completed.

Sincerely,

Carl Portman
Deputy Director

Kleeschulte, Chuck (Energy)

From: Robert Sivertsen <rwsivertsen@gmail.com>
Sent: Thursday, June 09, 2016 2:50 AM
To: Kleeschulte, Chuck (Energy)
Subject: TLMP Transition Amendment

June 8, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for an amendment delaying the signing of a Transition Record of Decision

Dear Senator Murkowski,

I agree and support your effort to delay the signing of a TLMP Transition Amendment until a comprehensive inventory along with a financial analysis of the Tongass is completed.

The proposal of the USDA to transition to harvesting none mature young growth stands of timber while also ending old growth harvest is not viable. This move will be an end to our manufacturing sector and further undermine our local economy.

Members Forest Service has proven and stated that it is premature to begin harvesting these young stands now for both biological and economic reasons.

This decision by the Secretary of Agriculture is purely political and does not support proper scientific management of the Tongass National Forest.

Thank you for introducing this amendment.

Sincerely,

Bob Sivertsen
3817 Alaska Avenue
Ketchikan, Alaska 99901
907-617-1139

Thank you.
Bob Sivertsen

June 13, 2016

The Honorable Lisa Murkowski
US Senate
SH-709 Hart Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
US Senate
SH-511 Hart Senate Office Building
Washington, DC 20510

The Honorable Michael Enzi
US Senate
SR-379A Russell Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
US Senate
SR-154 Russell Senate Office Building
Washington, DC 20510



Dear Chairman Murkowski, Chairman Enzi, Ranking Member Cantwell, and Ranking Member Murray,

The Society of American Foresters (SAF), with 12,000 professionals representing all disciplines in the forestry profession, promotes science-based, sustainable management and stewardship of the nation's public and private forests. SAF applauds the Committee's leadership on forestry and wildfire funding issues and greatly appreciates the opportunity to comment on the recent discussion draft addressing these important issues.

Overall, the draft presents a number of good ideas to allow for access to disaster funding, make communities more resilient, and accelerate the pace and scale of forest management on public lands. SAF is particularly pleased by provisions allowing for accelerated environmental analysis, community planning assistance, and wildfire risk reduction projects near at-risk communities, watersheds, and other important landscapes. If adequate funds are made available, the suite of solutions presented in the discussion draft would go a long way in beginning to restore the health and resilience of public forests and the communities surrounding them.

SAF respectfully submits the following comments regarding a few of our concerns, questions, and ideas to strengthen the draft.

Section 101: Wildfire Disaster Funding Authority

While the draft makes great strides in addressing the holistic nature of the problem by including preventative programs and forest management reforms, SAF is concerned that the wildfire disaster funding language is not a comprehensive budgetary solution. Access to disaster funding through a budget cap adjustment is a critical piece of the solution and will help to end the harmful and disruptive practice of transferring funds from other important agency programs and priorities. While this authority may stop these mid-year transfers, a different, more insidious kind of transfer will still occur as agency

resources continue to shift under the weight of the rapidly increasing 10-year average. An immediate budgetary solution is needed to address the problems associated with growing suppression costs and the resulting glut of the 10-year average. Without addressing this fundamental issue, less and less will continue to be available for forest management, restoration, research, recreation, and other critical private and public land objectives.

SAF recommends a minor amendment to the discussion draft to allow access to disaster cap funding at 70 percent or some percentage less than the full 10-year average. Alternatively, the Committee could also consider freezing the 10-year average to give the agencies greater stability. SAF supports either solution, and encourages the Committee to evaluate these options and implement a workable compromise.

Section 104: Wildfire Risk Reduction Projects

SAF strongly supports the ideas presented in this section, and agrees that excess suppression funds should be invested back into targeted, on-the-ground activities designed to improve forest health and reduce wildfire risks. In particular, we are pleased to see the inclusion of both at-risk communities and high-value watersheds as eligible project areas.

Again, our main concern is that funding for these projects is only made available if suppression costs do not exceed the 10-year average. Since the 10-year average has been surpassed 12 out of the last 14 years, we are concerned that funds would rarely be available for these vital activities. Therefore, these projects—and their potential risk and cost reduction benefits—could be completely blocked or significantly delayed due to their tie to the 10-year average.

Section 204: Community Planning Assistance for At-Risk Communities

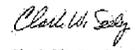
SAF has long been a proponent of developing fire-adapted and resilient communities by cross-boundary coordination among homeowners, communities, and local, state, and federal government efforts. We are encouraged by the Committee's attention to this aspect of the wildfire problem, and hope to assist with implementation of these critical efforts.

Section 301: Environmental Analysis for Certain Forest Management Activities

SAF strongly supports streamlining environmental analyses for activities developed through the collaborative process. Limiting the analyses to the proposed forest management activity and the no action alternative could decrease the time and resources required to implement priority projects to reduce fire risk, improve forest health and resilience, and protect important water supplies. This process rewards collaboration and should increase the pace of landscape scale management activities to improve forest health and resilience.

Likewise, SAF sees promise in the definition of emergency circumstances proposed in Section 331 Subtitle D: Accelerated Restoration Program Ponderosa Pine and Dry-site Mixed Conifer Pilot Projects. Preparation of concise emergency environmental assessment by the Secretary in areas where hazardous fuels projects are proposed could reduce the threat to forest ecosystem, property, and human welfare on these landscapes. Testing of this concept as a pilot should also offer lessons and evaluation to determine if emergency environmental assessments can be utilized elsewhere.

Sincerely,

A handwritten signature in cursive script that reads "Clark W. Seely".

Clark W. Seely, CF
President and Chairman
Society of American Foresters

Cc:

The Honorable Michael Crapo
The Honorable James Risch
The Honorable Ron Wyden



612 W. Willoughby Ave., Suite B
P.O. Box 21989, Juneau, AK 99802
Phone (907) 586-4360
www.seconference.org
Email info@seconference.org
SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

June 7, 2016

Honorable Senator Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

Re: Support for an amendment delaying the signing of a Transition Record of Decision

Dear Senator Murkowski,

We support your effort to delay the signing of a TLMP Transition Amendment until a comprehensive inventory and financial analysis of the Tongass is completed.

The proposed Transition to young growth would be very detrimental to the timber industry in Southeast Alaska. Our sawmills cannot manufacture their current high value lumber from small diameter young growth trees and the cost of shipping small-log commodity lumber to the Puget Sound region places our sawmills at a competitive disadvantage to mills that are already producing similar lumber in the Pacific Northwest.

Southeast Conference was incorporated in 1958 to assist in the creation and development of the regional transportation system that eventually became the Alaska Marine Highway System. After that success, that group of leaders stayed together to continue to advocate for issues that are key to the southeast region as a whole. The goal was then and still is, to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. Through our membership network and our committee process we support local projects that will benefit the region and regional projects that will benefit the local communities.

The current timber supply crisis has resulted in large part because the Forest Service diverted some of its timber sale preparation efforts to young growth projects. In addition, the high-cost impact of the 2008 TLMP (Tongass Land Management Plan) constraints causes even the young growth log export sales to be marginally economic.

Rather than attempting to lock-in a premature transition away from mature timber with a TLMP Amendment, the Forest Service should continue selling mature timber for the sawmills until a comprehensive inventory and analysis is completed. Then a review of the financial feasibility of manufacturing young growth timber in Southeast Alaska can be discussed.

In the long term, we need to establish a State Forest so our timber supply is not subject to the whims of the federal government.

Sincerely,

Shelly Wright

MICHAEL R. ENZI, WYOMING, CHAIRMAN
 CHARLES C. GRASSLEY, IOWA
 JEFF SESSIONS, ALABAMA
 MIKE CRAPO, IDAHO
 LINDSEY O. GRAHAM, SOUTH CAROLINA
 ERIC LITTLER, OHIO
 PATRICK TOOMEY, PENNSYLVANIA
 BOB JOHNSON, WOODBRIDGE
 KELLY AYOTTE, NEW HAMPSHIRE
 ROBERT F. WICKER, MISSISSIPPI
 BOB CORKER, TENNESSEE
 DAVID A. PERDUE, GEORGIA

BERNARD SANDERS, VERMONT
 PATTY MURRAY, WASHINGTON
 RON WYDEN, OREGON
 DEBBIE STABENOW, MICHIGAN
 SHELOAN WYTESKULL, RHODE ISLAND
 MARK R. WARNER, VIRGINIA
 JEFF BLAKELEY, OREGON
 TAMMAY BALDWIN, WISCONSIN
 TIM GAUCHE, VIRGINIA
 ANGUS S. KING, JR., MAINE

ERIC UELAND, REPUBLICAN STAFF DIRECTOR
 WARRIOR GUINNESS, SENATOR STAFF DIRECTOR
 www.budget.senate.gov

United States Senate
 COMMITTEE ON THE BUDGET
 WASHINGTON, DC 20510-6100

TELEPHONE: (202) 224-6842 FAX: (202) 224-4835

Michael R. Enzi *Mike Crapo*
Ron Wyden
John Barrasso *Tom Murkowski* *Jeff Flake*
Jeffrey A. Merkley
Maria Cantwell *Steve Daines* *John Tester*
John McCain

Colloquy on Wildfire Funding
 Between Senators Enzi, Wyden, Murkowski, Cantwell,
 Crapo, McCain, Flake, Barrasso, Merkley & Daines ~~and Tester~~
 August 6, 2015

Mr. Enzi: Mr. President, Congress needs to find a fiscally-responsible solution to wildfire funding and fire borrowing. While the Forest Service still has half a billion dollars remaining for fire suppression, there are years when firefighting costs exceed predicted funding levels. We need a focused discussion on this issue and I plan to begin the conversation with key offices and states - Wyoming, Oregon, Idaho, Arizona, Alaska, Washington, California, Nevada, Montana, Colorado, and others that would like to join and will be constructive to its resolution. I know there are differences of opinion out there as to how to solve this problem, but the key to solving it is getting everyone in a room to discuss it. As cap adjustments are under the jurisdiction of the Budget Committee, I look forward to working with my colleagues on a durable and long-lasting solution that fits our fiscal priorities and is responsible budgeting.

Mr. Wyden: Mr. President, I agree with the Senator from Wyoming that we need to find a solution to this problem and I have introduced legislation with Senator Crapo that currently sits in the Budget Committee. Oregon is on fire and the Forest Service tells me that with current fire seasons getting longer and current budgetary constraints the days of spending over 50 percent of their budget on suppressing fires is here to stay. The time for talking is coming to an end and the time to negotiate a fix to this very serious problem is at hand. I would like to work under the leadership of my friend, the Chairman of the Senate Budget Committee, over the summer, on an answer to this chronic problem.

Ms. Cantwell: Mr. President, I agree with the Senator from Wyoming, Senator Murkowski and I have been working together to propose a solution to this problem as well, and I am proud to be able to say that we have been working with Senator Enzi, Senator Wyden, and our other colleagues. We have to enable the Forest Service to have both the resources it needs to deal with wildfires, but also the resources it needs to manage the National Forests. The current system of paying for wildfires by, perpetually, taking funding away from the programs that enable the Agency to maintain recreation facilities and complete important restoration projects is simply unacceptable. We can't sit idle and expect this budget issue to fix itself. We all agree a budget cap adjustment of some sort is the solution needed to end the practice of fire borrowing. I appreciate Senator Wyden's efforts to fix this problem, and I appreciate Senator Murkowski's recent work to fix this problem. Most of these solutions have the common theme of requiring a budget cap adjustment, and we are looking to your leadership, Senator Enzi to assist us with that. People's homes are burning because of these wildfires. We need to get the Forest Service and the Department of the Interior the money they need to respond to wildfires, but we also need to ensure the money is being well spent. We have a number of ideas to round out the solution. I will be working over the summer with my colleagues to develop comprehensive legislation that solves this budget problem, but also ensures we see fewer large wildfires and fewer houses being lost to them. Our solution, and I want to emphasize *our*, will be a solution that is easy to explain to the public and that is able to get to the President's desk to be enacted.

Ms. Murkowski: Mr. President: I want to thank the Chairman of the Budget Committee for his leadership on the important issue of wildfire budgeting. I think we all agree that the way wildfire management has been funded is broken and that it is past time that we fix it. Earlier this year, the Senate Appropriations Subcommittee that I Chair reported the Interior Appropriations bill. My bill provided full funding for the average annual cost of fire fighting over the past ten years, and included a limited cap adjustment to access disaster relief funding only if the agencies exhaust 100 percent of that 10-year average of wildfire suppression funds. This proposal would end the disruptive and unsustainable practice of borrowing from, and later repaying money to, other government programs to deal with fire emergencies, while also providing up front the resources the agencies need to fight fires in all but the most extreme years. But there is more to the issue of wildfire budgeting as my colleague, Senator Cantwell points out. We need to ensure the dollars Congress appropriates are well spent. Senator Cantwell has some good ideas on how to do that. I stand ready to work with my colleagues to advance a solution that will finally fix this long-standing problem in a fiscally responsible manner.

Mr. Crapo: Mr. President, I rise to support the Senator from Wyoming's efforts to address budgetary issues impacting how our nation fights wildfires. Like the State of Wyoming, Idaho's forested lands are consistently under threat of catastrophic wildfires. According to the National Interagency Fire Center in Boise, in the last year alone there were 1,456 wildland fires in Idaho that burned 714,057 acres. As more resources go toward fire suppression, resources that could be used to implement projects that improve forest health, benefit forest communities and enhance public safety are squeezed. We know that wildfires are going to continue to be a threat, and we can better prepare for the increasing costs of wildland fire management by making needed changes that will support the preparation of firefighters and land managers. That is why I partnered with Senator Ron Wyden in introducing legislation, the Wildfire Disaster Funding Act, to provide for more efficient and effective fire management. I look forward to working with my

colleagues across the West, and in the Senate Budget Committee in particular, on legislation that would better budget for our nation's fire suppression activities.

Mr. McCain: Mr. President, I want to commend the Budget Committee Chairman for his ongoing efforts to tackle the fire-borrowing issue. We all agree that the Forest Service should receive the funding it needs to fight fires. I'm also glad that there is growing agreement that the Forest Service should budget for 100% of its wildfire suppression costs as proposed in legislation introduced by me and my colleagues, Senator Flake and Senator Barrasso. We also know that science has shown how forest restoration is highly effective in reducing wildfire severity. I look forward to working with Senator Wyden and the Chairman of the Senate Budget Committee on an agreeable solution that protects wildfire prevention and wildfire suppression as the two top priorities of the Forest Service.

Mr. Flake: Mr. President, there is wide agreement that the current wildfire funding system is broken. There is no doubt that wildfires are disastrous and the cost to suppress them continues to grow. But we cannot let the costly and disastrous nature of wildfire make us lose sight that many of the costs of fighting fire can be anticipated. Like Senator McCain, I am pleased that there is growing consensus that the fiscally responsible way to deal with these wildfires is to allow access to additional funds through a limited process only after agencies have been appropriated for one-hundred percent of the anticipated costs of suppression. I look forward to working with my colleagues on enacting this funding fix as well as incorporating provisions that ease the removal of the hazardous fuels that create fire-prone landscapes.

Mr. Barrasso: Mr. President, I want to thank the Senior Senator from Wyoming and Chairman of the Senate Budget Committee for his steadfast approach to addressing budget priorities in a responsible and fiscally sound manner. There is bipartisan agreement to end the practice of fire borrowing. If Congress is going to consider budgetary cap adjustments under the jurisdiction of the Budget Committee, the Forest Service should first budget for one-hundred percent of its wildfire suppression costs before cap adjustments are made. In order to bring down the long term cost of wildfire suppression, Congress should also actively engage in supporting activities which reduce the cost and severity of wildfire such as hazardous fuels treatments, thinning, and other active forest management projects. I have joined with Senators McCain and Flake on legislation to address these issues. I have also put forward legislation to treat more acres to improve forest health and reduce the risk of wildfire. I want to work with my colleagues in the Senate, and specifically Chairman Enzi, to prevent future fire borrowing and reduce the long-term economic and ecological costs associated with wildfires.

Mr. Merkley: Mr. President, yesterday, the Forest Service announced that for the first time in its 110 year history, it is spending more than 50% of its budget just to fight wildfires. The Forest Service expects this problem to keep getting worse. Within a decade, they are projecting that firefighting costs will rise to two thirds of the Forest Service budget. The Forest Service can no longer sustain these costs of fighting wildfires while continuing other critical functions of managing our federal forests. It's long overdue that Congress eliminate the vicious cycle of fire borrowing, where the Forest Service is forced to dig further and further into its budget to fight fires at the expense of critical work to reduce hazardous fuels from the forest and other forest management. Mr. President I am very grateful that we have such a strong bipartisan group of

colleagues working together on this critical matter. I thank my colleagues who are joining me today, and I note that it is this kind of bipartisan cooperation that gets the issues done, along with the strong leadership of Senator Wyden who has championed this issue with a bi-partisan bill for the last two congresses, in addition to the strong leadership of Senator Murkowski which allowed us to take a big step in the right direction in the Interior Appropriations bill for fiscal year 2016. It is crucial to our communities facing threats of wildfire that we keep this cooperation going. I will keep working with my colleagues to solve this urgent budgetary crisis.

Mr. Daines: I want to thank Chairman Enzi for his commitment to solving the wildfire funding challenge that is increasingly forcing the Forest Service to spend more of its budget suppressing fires rather than preventing them through enhanced management. Like many other Western states, Montana has already experienced several high-intensity fires this year. The fire season thus far has been one of the worst in the past decade and has only made more evident the urgent need for a wildfire funding solution. As a cosponsor of the Wildfire Disaster Funding Act, I believe it is critical that Congress end fire borrowing and ensure that the Forest Service can spend more of its budget on making our National Forests more resilient to fire, while also equipping the agency with the tools and authorities it needs to restore active management. I look forward to working with Chairman Enzi, other Budget Committee members, and fellow colleagues to find consensus on these high-priority reforms.

Mr. Tester: Mr. President, I join my colleagues in wanting to fix the way we fund fire. We have to start using common sense and budget for catastrophic wildfires like we do for other natural disasters. Unfortunately, due to Congressional inaction and growing costs associated with fighting wildfires, the Forest Service is increasingly turning into a firefighting agency. This means fewer resources for smart public land management. Montana's national forests benefit our outdoor recreation economy, support timber jobs in rural communities, and preserve the drinking water that Montanans rely on. I look forward to working with my colleagues on both sides of the aisle to address both the issues of fire borrowing and the increasing costs of fighting fires. The Forest Service cannot continue to absorb these increasing costs without undermining other critical priorities, from timber harvest and research to conservation and recreation management. There is real bipartisan support for getting something done on this issue and I am confident a growing number of our colleagues will join us as we push forward this fall.

