U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Subcommittee on Conservation, Climate, Forestry & Natural Resources
Forestry in the Farm Bill: The Importance of America's Forests
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Chairman Bennet, Ranking Member Marshall, and members of the Subcommittee, thank you for inviting me to testify on the Importance of America's forests and my family's commitments to America's forests. My name is Jim Neiman, and I am the President of Neiman Enterprises. Neiman Enterprises is a family owned, 4th Generation, forestry first company.

Before I was the President of the family business, I was in charge of sweeping the sawdust at our first mill, which my grandfather started in 1936 in the black hills of Wyoming. I got to be pretty good at that and I guess I just kept getting promoted!

That little operation my grandfather started has grown into a company that currently runs 4 sawmills located in: Gilchrist, OR; Montrose, CO; Spearfish, SD; and Hulett, WY.

One thing that has been impressed upon me and my thinking since I started sweeping sawdust at six years old, is the importance of having healthy forests.

Although forest products companies often play a central role in local economies, the reality is that **forest products can work hand in hand with improving forest health.**

When we talk about the health of our forests, it is important to closely examine which factors and disturbances have outsized impacts on the ecology, function, and sustainability of America's forests. In Colorado (as in much of the country), it is abundantly clear that wildfires and insect epidemics have had a significant effect on our national forests.

Wildfire

We have a wildfire crisis in the United States. From fiscal year 2017 through fiscal year 2021, total acres of timber harvest on national forest lands, of every harvest type, averaged approximately three (3) percent the acres impacted by wildfires each year[1].

The United States Forest Service (USFS) and communities have placed high priority on addressing this crisis. Since the year 2000, wildfires in the US have burned an average of more than seven (7) million acres per year. Wildfires are not discriminant, burning old and young trees alike, across any ownership where flammable fuels are present. The 2020 wildfire season saw more than 650,000 acres and 700 structures burned in Colorado. In California, wildfires killed 31 people, and emitted an estimated 106 million metric tons of carbon dioxide according

[1] https://www.fs.usda.gov/forestmanagement/documents/harvest-trends/NFS-HarvestHistory1984-2021.pdf

to a California Air Resources Board report[2] - the annual emissions equivalent to 123 million cars[3].

Most people would agree this is not what we want from America's forests.

Multiple factors influence wildfire ignition and behavior. Wildland firefighters are taught the three components, or sides, of the fire triangle[4] – oxygen, ignition source, and fuel. Eliminate any one of these components and it is impossible to complete the fire triangle and impossible to support wildfires. However, in a wildland setting, it becomes exceptionally difficult to completely remove any one of these components. Air and oxygen will always be present. Heat, or ignitions from natural and human sources, will always be present. Fuel is theoretically a side of the triangle you could eliminate but the reality is that would involve removing all vegetation down to bare mineral soil. That simply isn't practical, or desired from an ecological or managerial perspective, on a landscape scale basis. Changes in the fuel composition and abundance, however, can substantially moderate the intensity and rate of spread of the fire and, as such, reduce the ecological impacts resulting from fire and increase the safety margins for firefighters. In many instances, proactive vegetation management – thinning forested stands, clearing defensible space and other fire breaks - that removed some portion of the fuel available before a wildfire starts has saved communities and produced desirable ecological outcomes – much like natural fire would have produced 150 years ago.

In Colorado, there have been numerous examples of successfully changing the outcomes of wildfires from potentially catastrophic to benign. One that has long resonated with me is from a few years ago where the USFS[5] and Denver Water[6] credited proactive fuel breaks around the community of Silverthorne with preventing more than $1 billion of losses. USFS staff told reporters that "Without the proactive forest treatments, we likely would have lost homes." The Buffalo Fire burned in a priority area for forest vegetation management as identified by Denver Water. At the time of the fire, Denver Water had invested more than $33 million dollars to implement vegetation management activities for federal, state, and private ownerships. These investments underscore the long-term impacts wildfires have on water quality for communities and wildlife.

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[2] Wildfire Emission Estimates for 2020. https://ww2.arb.ca.gov/sites/default/files/2021-07/Wildfire%20Emission%20Estimates%20for%202020%20_Final.pdf

[3] EPA Greenhouse Gas Emissions from a Typical Passenger Vehicle. https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#:~:text=A%20typical%20passenger%20vehicle%20emits,of%20miles%20driven%20per%20year.

[4] S-190 Introduction to wildland fire behavior. https://www.nwcg.gov/publications/training-courses/s-190/course-materials

[5] Proactive fuel breaks protect nearly 1 billion in homes and infrastructure during Colorado wildfire. https://www.fs.usda.gov/features/proactive-fuel-breaks-protect-nearly-1-billion-homes-infrastructure-during-colorado-wildfire

[6] Fuel breaks saved nearly $1 billion worth of homes and infrastructure from Buffalo Fire. https://www.denverwater.org/tap/fuel-breaks-saved-nearly-1-billion-worth-homes-and-infrastructure-buffalo-fire

The Buffalo Creek Fire in 1996, which burned 12,000 acres – a relatively small fire by today's standards – in Denver Water's South Platte River watershed is an example of how sediment can cause problems for water quality and storage after a fire. Two months after the fire, flash flooding sent an estimated 160,000 cubic yards — approximately 17,000 dump truck loads — of debris and sediment into Strontia Springs Reservoir in Waterton Canyon[7]. More than 650,000 acres burned in Colorado in 2020. Similar flash flooding happened after the 2002 Hayman Fire burned 138,000 acres around Cheesman Reservoir. Denver Water spent more than $27 million to repair infrastructure, remove sediment and restore land around key drainages in the Buffalo Creek and Hayman burn areas.

Closer to where I live in Hulett, Wyoming, we have also seen successes in conserving ecological integrity within forests threatened by wildfire. In April of 2022, the Wabash Springs Fire broke out just west of the community of Custer, SD during a period of moderate drought, high fire hazard, and exceptionally high winds. These are the types of fires that typically end up on the evening news with flames roaring above the forest canopy. Evacuations were immediately issued and the highway was closed. However, the fire only grew to 110 acres and nearly every tree larger than seedling size in the fire area survived and is green today. This was not some kind of good luck or divine intervention. Instead, the fire remained controlled due to a previous timber harvest with a follow-up treatments to reduce the fuels in that area. Local news coverage[8] detailed the importance of those treatments:

> *Jacobson said a major aid in suppressing the fire and making sure no homes or other structures were destroyed was work done in recent years by both the forest service and private landowners in the area.*
>
> *Noting that no structures or even large trees were burned, Jacobson said "The fuels treatment and the thinning that's been done in and around that area for the last 8-10 years certainly made a difference."*
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> *Custer County Emergency Management Director Steve Esser echoed that sentiment.*
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> *Esser said thinning and fuel suppression work done by the forest service in the area north of the fire scene was a big help as well, noting that if the fire had occurred five years ago the outcome may have been different. He said as it was, the trees were not close enough together to carry a crown fire which may have not been able to be stopped by the highway.*

[7] Keeping a close eye on the wildfires of 2020: Learn about the connection between fires in the mountains and the Front Range water supply. https://www.denverwater.org/tap/keeping-close-eye-wildfires-2020

[8] Wabash Springs Fire threatened homes. Custer County Chronicle. https://myblackhillscountry.com/content/wabash-springs-fire-threatened-homes

Esser said the high winds were a significant factor in fighting the fire, noting that firefighters were unable to use helicopters to drop water on the blaze as has been done with other recent fires.

Insects and disease

Colorado, like much of the Western United States, has faced prolonged epidemic level infestations from insects. The largest areas of damage have been primarily from bark beetles infesting spruce and pine forests. The most recent report from the Colorado State Forest Service shows infestations continuing in areas of the state. In 2022, the spruce beetle continued on the landscape with 29,000 new acres of impact in Colorado[9]. Since the year 2000, more than 40 percent of the spruce forest in Colorado has been impacted[1].

Similarly, a mountain pine beetle epidemic played out across the state for 20 years, causing an additional 3.4 million acres of tree mortality in the forests of Colorado[10].

Mortality of this magnitude causes extensive, long lasting loss of wildlife habitat, long-term increases in available fuels that increase wildfire hazard, impacts carbon cycling, and degrades scenic quality.

Much like wildfires, the risk posed to forests from bark beetles is closely related related to forest structure. As stated by Colorado State University Extension, "An important method of prevention involves forest management. In general, mountain pine beetles (MPB) prefer forests that are old and dense. Managing the forest by creating diversity in age and structure will result in a healthy forest that will be more resilient and, thus, less vulnerable to MPB. Most mature Colorado forests have about twice as many trees per acre as those forests which are more resistant to MPB."[11] The same concept applies to managing risk of tree mortality from spruce beetles: "One of the best ways to mitigate the effects of spruce beetle outbreaks is to manage for overall forest health and resiliency. Improving tree stand condition, by creating tree age and species diversity, will maintain and support forest health and reduce the potential impact of future spruce beetle attacks. Removing downed spruce also may prevent the build-up of large local spruce beetle populations."[12]

Solutions – Farm Bill

The need for active management on the millions of acres of National Forests at risk to wildfire, insects, and disease has been acknowledged by successive USFS chiefs, congressional

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[9] 2022 Report on the health of Colorado's forests. https://csfs.colostate.edu/forest-management/forest-health-report/insects-and-diseases/

[10] USFS, Region 2, Aerial Detection Survey: Highlights for 2018. https://www.fs.usda.gov/detail/r2/forest-grasslandhealth/?cid=fseprd614980

[11] Mountain pine beetles. https://static.colostate.edu/client-files/csfs/pdfs/MPB.pdf

[12] Spruce Beetle. https://csfs.colostate.edu/wp-content/uploads/2014/02/Spruce-Beetle-QuickGuide-FM2014-1.pdf

committee chairs, secretaries of agriculture, and U.S. presidents dating back over 20 years now, including the 2012 USDA report titled "Increasing the Pace of Restoration and Job Creation on Our National Forests". The Biden Administration released the "Climate-Smart Agriculture and Forestry Strategy: 90 Day Progress Report" in May of 2021, bolstering this common agreement that we must be doing more management in America's forests. That climate-smart strategy calls for improving forest conditions on USFS lands through forest management on 5.3 to 10.6 million acres each year[13]. Now, we have a 10-year strategy to "address the wildfire crisis in the places where it poses the most immediate threats to communities"[14]and calls for treating an additional 20 million acres above existing forest management programs over the next 10 years.

Management of our National Forests must be both proactive and reactive – implementing forest management actions to help reduce wildfire hazards and risk of insect epidemics before they occur, but also managing to aid recovery from similar disasters.

The 2014 and 2018 Farm Bills included sections in the Forestry Title that have contributed to successes across the US and have made a difference. The 2014 and 2018 Farm Bills saw the expansion of Good Neighbor Authority (GNA), expansion of Designation by Description and Designation by Prescription, permanent reauthorization of Stewardship End-Results Contracting, and enactment of streamlined authorities to treat forest insects, disease, and reduce hazardous fuel loads on National Forests. However, there is still substantial work to be done, at greater scale, and the 2023 Farm Bill provides an opportunity to build on these successes to scale up management to meet the significant challenges facing the health and sustainability of the National Forest System.

Prioritizing US Forest Service Efforts: Year after year we witness tremendous impacts, from wildfires and insect epidemics, to multiple resources the USFS manages for under Forest Plans. It is critical that the USFS prioritize mitigating these impacts and begin addressing the wildfire crisis at hand. To do this, the USFS should prioritize goals and objectives that would reduce the risks of insect and disease infestation and wildfire hazards.

Good Neighbor Reform: The 2014 Farm Bill expanded GNA to all 50 States, following years of pilot authorities which allowed small scale work in several states. The 2018 Farm Bill expanded the GNA to counties and tribes. The program has been a resounding success and we urge Congress to build upon it in the 2023 Farm Bill. Since expanding the authority in the 2014 Bill, the number of acres treated annually under this program has grown more than twenty-fold and is averaging more than 60,000 acres each year for the last four years. Since the 2014 Bill, more than three dozen states have begun work on over 380 GNA projects, tripling the number of acres treated. In addition to improving forest health, GNA has helped increase wood supply to

[13] Climate-Smart Agriculture and Forestry Strategy: 90 Day Progress Report https://www.usda.gov/sites/default/files/documents/climate-smart-ag-forestry-strategy-90-day-progress-report.pdf

[14] Confronting the wildfire crisis: a strategy for protecting communities and improving resilience in America's Forests. https://www.fs.usda.gov/sites/default/files/fs_media/fs_document/Confronting-the-Wildfire-Crisis.pdf

bring additional needed forest products to market. The amount of Forest Service timber sold under GNAs has increased from 14.4 million board feet in FY2016 to 262.9 million board feet in FY2019. That's enough lumber to frame more than 20,000 single family homes. As many Americans struggle with finding affordable housing, this program is helping to increase the supply of available homes.

With States investing substantial sums of money to support implementation of GNA projects, including cross-boundary projects, treatment of revenue from these projects must reflect this reality.

The 2018 Farm Bill limited the ability of States to utilize GNA project receipts on non-Federal lands – despite the clear direction in the legislation that these projects be conducted to improve forest health on both Federal and non-Federal lands. We note that this recommendation is consistent with those provided by the National Association of State Foresters.

Action Requested:

- Amend 16 U.S. Code § 2113b(2)(c) to allow States, Counties, and Tribes to retain revenues generated through GNA projects on non-Federal lands, pursuant to conditions specified in GNA agreements, and direct the USFS to update existing GNA Master Agreements and Project Agreements to use revenue from existing projects for this work.

- Congress should explore opportunities to evaluate measures that would benefit infrastructure through projects conducted through use of the GNA.

- As Congress moves to reauthorize these programs, we urge you to make the above changes and extend the authority for this program to the Bureau of Land Management (BLM) as well. The 2014 and 2018 Bills extended several forest management authorities to the BLM, and this committee should build upon that precedent in the 2023 bill.

Stewardship Contracting Amendments: The 2014 Farm Bill made Stewardship Contracting authority permanent, responding to a request from then-USFS Chief Tom Tidwell. Stewardship Contracting has been a vital authority allowing the Forest Service to implement forest restoration and management projects. Moreover, as the Forest Service struggles to expand its treatment of at-risk acres of National Forest System lands, it's become clear that retention of existing forest products infrastructure – loggers, trucking capacity, and wood products facilities – is critical to achieving the goals and objectives of the USFS and beginning to address the wildfire crisis.

Over the past three years, we've seen the closure of seven sawmills located near millions of acres of fire-prone national forests, including mills in Oregon, Montana, and South Dakota. All these closures were precipitated – at least in part and sometimes directly – due to insufficient wood supply from nearby national forests. When nearby mills close, experience has taught us that attracting new investment – particularly where there are few non-federal forests to

support a forest products industry – can be extremely difficult. Following the loss of most sawmilling capacity in Arizona, the Forest Service has struggled for over 12 years to attract a capable, well capitalized industry to help it accomplish forest management work that will protect watersheds and communities from catastrophic fire.

Action Requested:

- Amend the purposes of Stewardship End-Results Contracting Projects (16 U.S. Codes § 6591(c)) to add an eighth "land management goal" of retaining and expanding existing forest products infrastructure, including logging capacity and wood consuming facilities, in proximity to the National Forests with the condition that use of this goal also correspond to at least one of the other seven existing land management goals.
- Amend Stewardship Contracting Authority to allow some portion of retained receipts to help pay for required NEPA analysis for Stewardship projects.

Improving the Effectiveness of Farm Bill Insect and Disease, Hazardous Fuels Reduction Authorities: Beginning in the 2014 Farm Bill, Congress provided the USFS with the authority to "categorically exclude" (CE) insect and disease treatments on up to 3,000 acres of National Forest System lands. The 2018 Farm Bill expanded this authority to allow for hazardous fuels reduction work on acres designated under this authority.

These authorities have proven effective in expediting needed forest management work where utilized. However, the size of the areas allowed to be treated is small relative to the size of wildfires experienced each year. The Caldor Fire in California provided numerous examples of effective fuels treatments using the Farm Bill CE. Within that fire's 221,000-acre burned footprint, there were at least five areas treated using the Insect & Disease and hazardous fuels mitigation CE's. In every case, where the USFS had completed all the steps of the fuels reduction process, the treatments reduced flame length, fire intensity, and rate of spread. However, the treatments were not conducted on enough acres to prevent the fire from being the first in history to burn over the crest of the Sierra Nevada mountains. Assuming all five CEs treated the 3,000-acre maximum, the treatments on the Caldor fire area amounted to 15,000 acres, or about 7 percent of the fire area. If the USFS had been able to treat additional acres under each CE, fire intensity and the damage resulting from it could have been reduced on fully one third of the fire and may have even allowed firefighters to control the fire sooner.

As a reminder, the CEs provided to the USFS through the last two farm bills do not open a single new acre of land to timber harvest. More than half of USFS lands are in land designations that preclude or greatly limit forest management activities. In contrast, only about a quarter of USFS lands are designated as suited and available for timber harvest. Use of CEs requires compliance with existing forest plans, including land allocations like designated Wilderness Areas, Inventoried Roadless Areas, and other areas where removal of vegetation is prohibited. CEs merely allow the USFS to more quickly approve needed treatments, rather than engaging in lengthier analysis processes that have delayed small projects for years.

Requested Action:

- Expand use of the 2014/18 Farm Bill CEs to allow their use on any area designated as at risk or a hazard on the most recent National Insect and Disease Risk Map published by the Forest Service.

Reducing Unnecessary and Burdensome Procedures: Conflicting court precedents and other bureaucratic challenges have left in legal limbo whether USFS forest plans are "ongoing actions" under the law. This has left the USFS vulnerable to lawsuits that frequently block or delay needed management projects.

Requested Action:

- Clarify that forest plans are not "ongoing actions" for the purposes of Federal law and make clear that consultation under the Endangered Species Act Section 7 is not required at the plan level.
- Second, Congress should, through amendments to the National Forest Management Act, clarify that projects conducted on acres designated as suited for timber production should be subjected to reduced analytical requirements under other statutes. Planning for an accounting for "sensitive" resources on the National Forest System must balance with the half the acres are in land uses that will not see active management.

Reducing hazardous fuels and capturing stored carbon: Insect epidemics and wildfires can drastically shift forests from carbon sinks to carbon sources[15] as a result of emissions from wildfires and decaying woody material, and by limiting new carbon sequestration processes. Salvaging trees following insect mortality and wildfires captures and stores carbon in forest products from salvaged material. The extent to which the USFS salvages timber after these events varies widely. For instance, after Hurricane Katrina, the DeSoto National Forest in Mississippi conducted salvage on about 85 percent of the impacted acres, and did so very quickly following a brief environmental review. They swiftly developed guidelines to protect sensitive resources like gopher tortoise while ensuring that damaged timber made it to market and the process of reforestation began more quickly. These types of successful project implementations should serve as models for replication around other natural disasters, including wildfires.

Requested Action:

- To increase opportunities to recover after disturbances, the USFS can develop Forest by Forest plan amendments, or large-scale projects that outline recovery efforts for the types of disturbances that typically impact each forest type. Being prepared for these events can help begin the process of forest recovery much sooner.

[15] https://www.washingtonpost.com/graphics/2019/national/gone-in-a-generation/forest-climate-change.html

The forest products sector plays a significant role in prevention of and recovery from insect epidemics and wildfires. Forest products companies are diverse in the size of their businesses and the size/type of material they use – ranging from sawlogs, to posts and poles to biomass.

These businesses must remain healthy to help the USFS respond to emergencies on the landscape. The San Juan National Forest (SJNF) has been experiencing an outbreak of roundheaded pine beetle and western pine beetle in ponderosa pine forests since 2011.

A few years after my company made a substantial investment in 2012 to buy the Montrose sawmill out of receivership, the USFS came to me expressing great concern about the increasing acres of mortality on the SJNF from these beetles. However, the Montrose location as purchased was tooled to produce only studs – ponderosa pine does not manufacture into studs – and no other forest products companies were present on the landscape that could implement projects at the scale necessary to address this emergency. In an effort to be a good partner and our belief in the need for collaboration and teamwork around forest management practices, we agreed to invest over $20 million to re-tool aspects of our facility to enable us to process ponderosa pine and did so with the full knowledge that any profit we would make here would be extremely limited.

Without our sawmill and our commitment to helping manage and restore forests, no options would have existed to address the emergency developing on the SJNF. Since beginning implementation of timber sales in ponderosa pine on the SJNF, annual acres of new beetle infestation have been cut in half.

This investment to help the USFS manage the infestation in the SJNF is only the latest example of our commitment to the community in Montrose. Based on assurances by those that asked our family to invest in this mill, we've taken a pretty tired sawmill and transformed it into a modern, efficient and safe facility.

To date, we've invested more than 54 million dollars to improve the condition and capacity of this mill. We now directly employ 100 workers at our mill in Montrose, all of whom receive full benefits, including 100% of health care premiums covered for all of our families. We've paid over $47 million in wages since we bought the mill and that doesn't include, retirement contributions, the cost of benefits, or the wages earned by 150 other job holders who are working to get the trees to us and other associated roles.

Like many other businesses, partners in the forest products industry require certainty that they will be implementing enough management that supplies the required amounts of material to sustain their businesses. However, numerous facilities across Colorado that implement the much needed forest management projects on national forests across the state – and across the West – are desperately in need of material to remain operational. The facilities in Colorado are already diversified and are able to process sawtimber size trees, smaller post and pole size trees, and also biomass. But all of those companies, including our Montrose location, must

remain healthy with enough timber to withstand fluctuating markets, supply chain stresses, and to make future investments to help the USFS address the wildfire crisis among other emergencies.

Despite all the challenges facing our industry, we are looking to the future as partners in efforts not only to support local communities economically, but also to care for our forests, and with hope that we can, collectively, have a positive impact on reducing the threats from the wildfire crisis and insect epidemics. The good work of this committee has been critical to providing helpful tools and we appreciate your work to both explore opportunities to build on measures that have been successful while seeking out new roads that work for all stakeholders moving forward.