

Federal Forest Resource Coalition

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Testimony of the Federal Forest Resource Coalition

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Committee on Agriculture

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Mr. Chairman, Ranking Member Boozman, my name is Tom Troxel, and I am the Executive Director of the Intermountain Forest Association, a nonprofit corporation representing timber industry companies in Colorado, South Dakota, and Wyoming. I am here today on behalf of the Federal Forest Resource Coalition, a national non-profit trade association representing a diverse coalition of federal timber purchasers, conservation groups, and county governments. With over 650 member companies in 32 States, FFRC members employ over 390,000 people and produce over \$19 Billion in annual payroll.

We appreciate the opportunity to share our thoughts on the wildfire crisis impacting the National Forest System and other Federal lands, and the budgetary impacts of this crisis on the Forest Service. FFRC and various industry associations around the country have long supported a sustainable model for fire suppression funding, including the establishment and funding of the FLAME Fund. We continue to actively participate in the Partner Caucus on Fire Suppression Funding Solutions, which continues to work to find a better way of funding fire suppression without robbing appropriated funds from accounts needed to manage the National Forest System.

In my written testimony, I will lay out some common ideas needed to eliminate the occurrence of “fire borrowing”, where funds from management, research, and other accounts are redirected to fire suppression costs, with Congress left to pay back the management accounts out of future year appropriations. I’ll also mention some legislative ideas that can help the Forest Service be more proactive both in mitigating wildfire hazards and restoring damaged areas.

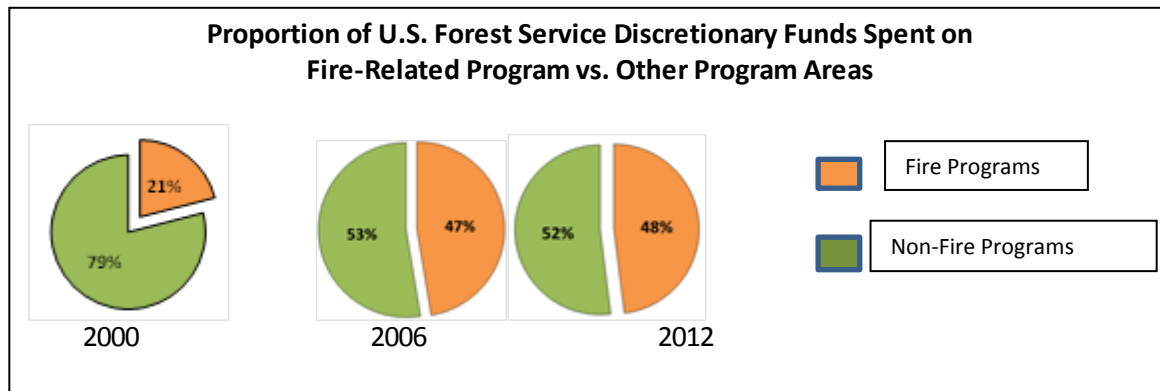
However, we must stress that the phenomena of fire budgets “crowding” out other activities is, like a fever, merely a symptom of a more serious systemic problem, that is, over 82 million acres of the National Forest System are in poor health due to combined effects of fire suppression and under-management. These millions of acres of fire prone stands, combined

with increased settlement in the Wildland-Urban Interface, drought, and climate change have created a perfect storm on our National Forests that materializes each spring and summer as large, uncontrollable wildfires that destroy vast amounts of timber, watersheds, wildlife habitat, and private property in and near our National Forest System.

While we strongly support good government steps such as full funding of the FLAME Fund, protection of suppression reserve accounts from future budget cuts, and the use of FEMA funding to both reduce wildfire hazards and restore damaged areas, these steps alone are not enough to treat the systemic infection plaguing the National Forest System. Congress must act, both to provide the agency with the resources it needs to suppress fires and manage forests, and also to reform the laws that have been interpreted not just to allow but to require that we let our forests continue to die, burn, and endanger communities.

Fire Suppression Funding:

Fire suppression costs have grown steadily as a proportion of the National Forest System budget since 1991. That year, they represented just 13% of appropriated funds; by 2012, they had ballooned to over 48% of appropriated funds. This trend shows no signs of abating.



Moreover, from FY 2002 to FY 2013, the Forest Service transferred \$3.4 billion from non-suppression accounts to fire suppression efforts. However, only \$3.1 billion were repaid during that same time period, leaving \$457 million worth of agency accounts unfunded. Every program at the Forest Service has been impacted, including National Forest management, Research and Development, as well as State and Private Forestry. In the last two fiscal years alone, the Forest Service spent \$1.4 Billion more on fire suppression than was budgeted by Congress.

No other federal agency is required to fund emergency response out of operating funds. By funding these shortfalls out of operations, the Forest Service and Congress only set themselves up for future problems. Funding for key management programs, including National Forest Timber Management, Hazardous Fuels Reduction, Knutson-Vandenberg, and Salvage Sales have all been redirected to fight fires in the last two years. By moving money out of programs that should be used to reduce fuel loads, create defensible space, and protect watersheds and private property, the Forest Service and Congress simply allow the hazardous conditions to worsen while reducing both public sector and private sector capacity to address the problem. It is the very definition of a downward spiral, or vicious cycle.

In addition to the mutually reinforcing negative trends on the National Forest System, this committee should note that because the Congress has routinely condoned fire “borrowing”, the ability of the Forest Service to be a dependable partner in university research has been compromised. Further, the one and only time Congress provided mandatory funding for State and Private Forestry programs (the Forest Land Enhancement Program, authorized by the 2002 Farm Bill), those mandatory funds were promptly redirected to fire suppression accounts and were never fully paid back.

In 2009, with the support of the forest products industry, recreation interests, communities, and environmental groups, Congress created the FLAME Fund to provide a reserve account to prevent the destructive practice of fire borrowing. Congress provided some funding to the fund, but ironically we then experienced several consecutive relatively “light” fire years. The Administrator then asked for less funding for “on budget” suppression, while eventually the FLAME fund balance was depleted in the name of deficit reduction. Of course, by 2012, we had another record breaking fire year, and the budget crisis began again.

FFRC appreciates Congressional action which has reimbursed the 2012 and 2013 fire transfers, which have totaled more than \$1 billion. We fully comprehend how difficult it has been to find the discretionary funds to make these repayments in the current budget climate. We urge you to fund the full year 2014 budget to avoid another transfer of funds from non-fire accounts next year, specifically, by funding suppression at the ten-year average, and fully funding the FLAME accounts in addition to suppression. Congress needs to provide the USFS and DOI with an emergency wildfire funding structure that will enable them to meet their fire protection responsibilities and still achieve their mission of managing our Nation’s forests to sustain their health, diversity, and productivity.

The standard practice of including language allowing the Chief to redirect other appropriated funds to fire suppression in the appropriations acts simply must end. Congress must recognize suppression funding as an emergency and stop allowing the improvised approach to reduce agency capacity while exacerbating future fire danger.

A Role for FEMA:

Earlier this year, Senators Mark Udall (D-Colo.) and Jim Inhofe (R-Okla.) introduced bipartisan legislation to allow the Federal Emergency Management Agency to proactively work with states and localities on wildfire mitigation projects. The bill, which places wildfires on par with other natural disasters such as hurricanes, floods and tornadoes, would make states eligible to receive an additional 15 percent of the total funds FEMA allocates for fire suppression to support wildfire-mitigation efforts.

Udall and Inhofe's bill specifically allows FEMA to proactively fund the Hazard Mitigation Grant Program with an additional 15 percent of funds already allocated for the Fire Management Assistance Grant program to address wildfire risks. The program's funds currently are only used for wildfire suppression. This is important for western states like Colorado who do not often experience major disaster declarations, but have frequent large wildfires.

Enactment of this bill (S. 1396) would be a good step towards helping communities protect themselves from the threat of catastrophic fire. But unless it is coupled with adequate funding

for forest management, hazardous fuels reduction, and a functioning reserve account that prevents fire “borrowing,” it is insufficient to address the problem.

Instability of Appropriations:

In addition to the disruption caused by fire borrowing, we’d be remiss if we did not point out that the Forest Service, much like the rest of the Federal government, has been funded by a series of erratically enacted, short-term, Continuing Resolutions and Omnibus Appropriations Acts since 2008. In that 5 year span, there have been 12 CRs or Omnibus bills, lasting an average of just 5 months. The last time an Interior, Environment, and Related Agencies bill was enacted as a separate law was 2004. The Boston Red Sox winning the World Series has become a far more frequent occurrence than the enactment of an annual spending bill for the Forest Service.

With budgets coming in shorter increments, at unpredictable times, and frequently late in the year, the Forest Service is less able to plan and execute a program of work. Planning for important forest management activities is increasingly a game of educated guessing, with final allocations not reaching the field until the beginning of the field work season. As a result, work gets done later in the year and is more vulnerable to fire borrowing. This year, for instance, field units did not receive their final budget allocations until June, with just slightly over 3 months left in the fiscal year.

Congress should consider radical changes to the appropriations process, such as two-year budgeting, to provide the Forest Service with predictability to do the forest management work that is needed to reduce fire dangers, protect watersheds, and provide a growing and predictable supply of timber to our mills.

The Forest Health and Fire Crisis:

As we mentioned above, the problem of fire “crowding” out other important management activities is undeniable. We’ve provided a few suggestions for budgetary planning and structures which can prevent or ameliorate the disruption caused by growing fire budgets and fire “borrowing.” However, ultimately these efforts will fail unless the Forest Service moves far more aggressively to reduce fuel loads, increase timber outputs, and protect watersheds across the National Forest System. To achieve these goals, the Congress must clarify the Forest Service’s mission and provide them with expedited authority to manage portions of the National Forest System.

As the Administration noted in February of last year, there are up to 82 million acres of the National Forest System which are experiencing severe forest health problems. Bark beetles in the Central and Northern Rockies have impacted some 48 million acres. In addition to the disruptions caused by the growth of fire spending and fire borrowing, less fire prone National Forests suffer as resources are redirected to fight fires and restore damaged lands.

We are now entering our third decade of drastically reduced harvest from the National Forest System. Many who advocated for this approach to management (primarily through the courts) claimed that by harvesting fewer trees, harvesting them on fewer acres, and making it more difficult for land managers to select those acres, we would improve forest health, create more vibrant populations of wildlife, and improve rural economies. The results on each of these

counts have proven otherwise and actually have proven to be more harmful. Judging from the inability of the Forest Service to address these problems, the legal and administrative tools available are inadequate to the task.

In addition to the excellent forest management provisions included in the Farm Bill, Congress must consider and pass legislation which addresses the management challenges plaguing the National Forest System. Rural communities have suffered decades of lost jobs and reduced economic prospects, watersheds have deteriorated, and county governments have been strained to the breaking point.

Forest Health has deteriorated significantly:

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 Colorado 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.

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 decline.

The extent of the problem is not in doubt. The Government Accountability Office recognized the urgency of the need to reduce hazardous fuels in 1999¹. 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."² The Western Governors Association has adopted numerous resolutions acknowledging the extent and severity of the forest health crisis³.

The Forest Service has made efforts to address these problems, but increasingly evidence is coming in from the field that these efforts are being stymied by groups philosophically opposed to active management, utilization of timber, or rural community stability. Groups that sit out collaboration have no investment in the outcome, and instead use appeals and litigation to kill collaborative efforts and badly needed forest management projects.

Some national forests in some regions have consistently proposed projects which pro-actively create healthier forests, and have been more responsive to changing conditions. On balance, however, it is apparent that the public and Congressional consensus that our forests must be more actively managed is difficult to translate into projects which directly improve stand

¹ *Western National Forests: A Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats*; General Accounting Office, April, 1999.

² <http://www.fs.fed.us/publications/policy-analysis/fire-and-fuels-position-paper.pdf>

³ See, among others: Western Governors Association Policy Resolution 12-01: *Wildland Fire Management and Resilient Landscapes*

conditions, reduce fire danger, and stimulate local employment in frequently economically depressed communities.

Seizing the Opportunity to Manage Our Federal Forests:

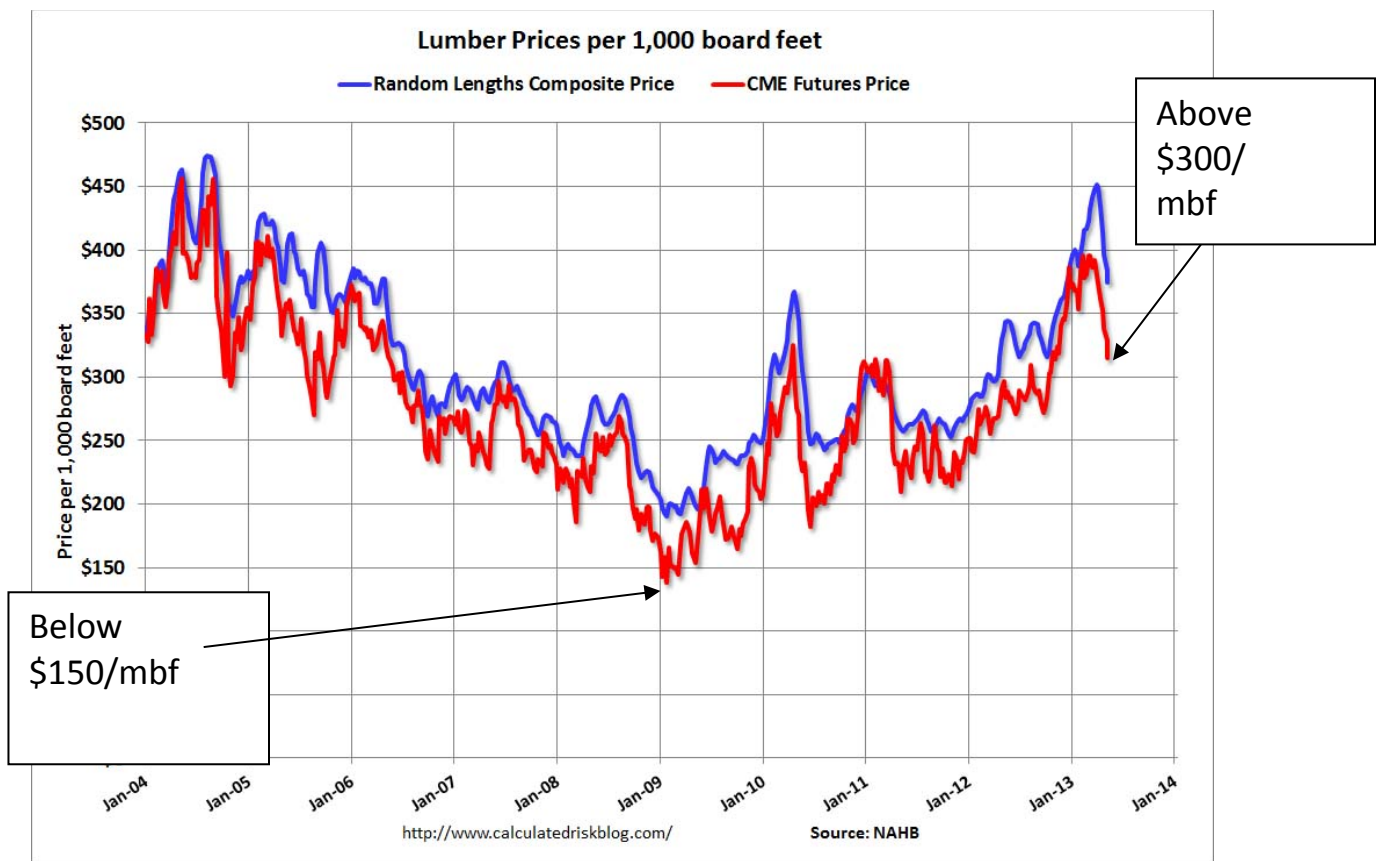
The Forest Service and BLM have not traditionally been responsive to market demand. As lumber prices ran up to historic highs during the boom of the 2000s, Forest Service outputs remained static. As large fires dominated the news and Congressional thinking about the National Forests, lumber output remained stagnant.

To their credit, the Obama administration, in its first term, steadily increased timber outputs. It is worth noting, however, that the Forest Service consistently counts free or low cost firewood – “sold” by permit – as part of its timber sale accomplishments, and during this timeframe firewood accounted for between 11 and 14 percent of NFS timber “sold.” It is also worth noting that, according to Forest Service data, every 1 million board feet of timber harvest from the national forests generates 16.5 jobs.

In February, 2012, the Administration released the report entitled “*Increasing the Pace and Scale of Restoration and Job Creation on Our National Forests.*” This report called for increased efforts to reduce hazardous fuels, restore forests, and supply up to 3 Billion Board Feet of timber from the National Forest System by increasing the pace and scale of proactive management.

Further, the *National Cohesive Wildland Fire Management Strategy* (Cohesive Strategy) was released in May 2013. The number one goal of the Cohesive Strategy is to restore and maintain resilient landscapes through proactive forest management.

The signs of recovery are showing up across the country. New sawmills have been announced in Georgia, Louisiana, and Arizona. Mills teetering on the brink of bankruptcy have been saved, including the mill in Montrose, Colorado. A mill, shuttered for more than a decade in Wyoming, has reopened. As you can see by the following chart, this is an auspicious time to take advantage of the nation’s wood using infrastructure and make serious headway in reducing these historic fuel loads.



While we were glad to see timber outputs inch upwards to 2.62 Billion Board Feet in FY 2012, outputs from the National Forests dropped again in FY 2013. We don't have final numbers for the FY 2013 timber sale program, but preliminary numbers suggest that the Forest Service sold 2.41 Billion board feet (BBF) of timber. That is a drop of over 200 million board feet from the FY 2012 sale level, volume desperately needed by forest products companies in many parts of the country. So, where did they miss targets? So far, we hear:

Region 1 (Montana and North Idaho): At least 100 million board feet was held up due to injunctions, most of which were allegations of procedural problems with timber sales like the Colt Summit Project, a CFLRA project being implemented through a Stewardship Contract.

Region 9: (Minnesota): The Forest Service missed an opportunity to harvest millions of board feet as salvage from the Chippewa National Forest's 2012 blowdown, which impacted over 87,000 acres. If the Forest Service had implemented salvage on just another 18,000 damaged acres, they could have put another 150 million board feet on the market, according to our sources in Minnesota. The Forest spent over a year conducting NEPA analysis on the blowdown, while the timber steadily lost value. Ultimately, the Forest Service conducted salvage on less than 25% of the blowdown area.

Region 10 (Alaska): At least 150 million board feet was remanded for further analysis of predator-prey relationships. This is on a Forest with a revised forest plan, no listed species, and in a part of Alaska where hunters are allowed to kill several deer and wolves with resident

hunting licenses purchased over the counter. Thanks to the delay in awarding the Big Thorne sale, the domestic processing industry in SE Alaska once again faces a prolonged period of constrained supply and uncertainty.

So if these sales had not been delayed, disrupted, or rendered worthless because of ‘analysis paralysis’ and litigation, the Forest Service would have sold 2.8 Billion board feet, or an 11% increase over fiscal year 2012, even after a 5% budget reduction. Keep in mind USDA initially told Congress that sequester would result in a 400 million board foot reduction in harvest. As it turned out, but for NEPA, litigation, and appeals, they would have actually offered **a 200 million board foot increase** in volume sold. Also, keep in mind that current Forest Plans call for a harvest level of over 6 Billion Board Feet annually.

Appeals, litigation, misuse of NEPA, analysis paralysis, and failure to respond rapidly to catastrophic events currently prevent the Forest Service from meeting its goal of increased management, whether the metric is acres treated, timber sold, or habitat improved. The Administration says it can address these challenges without legislative help. Experience, at least in FY 2013, suggests otherwise.

Further, the agency's budget presentation states that they have a \$6 billion infrastructure maintenance backlog, up from \$5.3 billion in 2012. This backlog does not just affect the roads my members depend on to access timber, but the trails, campgrounds, and visitor centers millions of Americans use for recreation. To cut these programs further goes right to the heart of the visitor experience and raises serious questions about the governments continued commitment to manage these lands for the greatest good.

While this is not a budget hearing, we must point out that budget is policy, and the Administration’s FY 2014 budget proposes to reduce active management of the national forests, specifically reduced timber harvests, reduced hazardous fuels reduction acres, and reduced funding for prudent management of the basic forest infrastructure. This is a wrong turn and we appreciate this committee’s forceful oversight on this matter.

Restoration in Action:

In 2012, the House Natural Resources Committee held a hearing during the peak of the fire season. At that hearing, the Forest Service said they had “restored” 3.7 million acres in 2011. The Committee asked for a breakdown of those numbers, which we’ve provided in the following chart:

| <u>Acres Restored by:</u> | <u>Acres:</u> | <u>Percent of Total:</u> |
|-------------------------------------|-----------------------|---------------------------------|
| Prescribed Fire: | 1,081,318 | 29% |
| Lake, water & soil, noxious weed: | 2,563,595 | 69% |
| Mechanically Treated: | 1,136,405 | 30% |
| Pre-Commercial Thin: | 145,928 | 3.90% |
| <u>Commercially Thinned:</u> | <u>195,477</u> | <u>5.20%</u> |
| Total: | 3,700,000 | |

Some acres received more than one treatment, so the numbers don't total up.

Over 1 million acres were "treated" with prescribed fire; over 400,000 of these acres were "treated" by wildfires burning within prescription. This is 10% of the total, and 37% of the prescribed burn acres.

The Forest Service only harvested usable wood fiber from the 195,000 acres that were commercially thinned. This means that on 3.5 million of the 3.7 million acres restored, the Forest Service was generating no revenue whatsoever, and on 90% of the acres restored, there was no thinning of any kind.

In other words, when Congress provides substantial funds to pay for restoration work and encourages the agency to provide jobs and usable wood fiber, it is important for Congress to know how little of the National Forest System gets treated every year. If we accept the 82 million acre figure in the Administration's "accelerated" restoration strategy, the Forest Service is now on pace to complete a thinning of these acres in a mere 241 years, in the unlikely event that these forests do not succumb to insects, disease, and/or wildfire before then.

The Role of Harvest in Forest Restoration:

After nearly three decades of drastically reduced harvest, the National Forest System is facing an ecological and managerial crisis. Overstocked stands, drought, climate change, insects, and fire threaten to reconfigure the landscape and damage watersheds throughout the west. Non-fire prone Forest, such as the Superior in Minnesota, the Ottawa in Michigan, and the Ouachita in Arkansas, still lose management capability when key staff are diverted to fighting western fires rather than managing their home units.

A great deal of research, including research conducted by Forest Service scientists, indicates that active management which produces valuable timber can help meet a wide variety of restoration goals. Active forest management and timber harvest have been shown to have multiple long-term benefits, including reducing fuel loading, reducing potential for crown fires, increasing structural stage diversity, increasing age class diversity, reducing stand density and thus susceptibility to mountain pine beetles and other bark beetles, and improving wildlife habitat. Wildlife habitat can either be directly improved or indirectly improved by reducing the potential for catastrophic fires

Forest Service Researchers Ken Skog and James Barbour, for instance, found that thinning which produces sawtimber can treat more than twice as many acres as treatments which rely solely on non-commercial thinning. The thinning projects that produce timber, the researchers found, could treat 17.2 million acres, whereas non-commercial thinning could only treat 6.7 million acres. This study eliminated roadless areas and stands on steep slopes from consideration, and evaluated treatments on whether they reduce stand susceptibility to insect attack, fire, and windthrow⁴.

⁴ *Evaluation of Silvicultural Treatments and Biomass Use for Reducing Fire Hazard in Western States*, Kenneth E. Skog and R. James Barbour, et. al, Forest Service Research Paper FLP-RP-634, 2006

One of the most productive National Forests in the country, the Ouachita National Forest in Arkansas, is actively restoring significant wildlife habitat through the use of commercial timber sales and stewardship contracts, with active support from conservation groups such as the National Wild Turkey Federation (an FFRC affiliate member) and The Nature Conservancy. While producing commercially valuable shortleaf pine timber, this Forest is also creating habitat for the red-cockaded woodpecker, prairie warbler, yellow breasted chat, and common yellowthroat. The Forest noted that red-cockaded woodpeckers had increased by almost 300% due to the improved habitat. Researcher Larry Hedrick noted that “The ability to sell valuable wood products is at the very heart of restoration efforts All commercial thinning or regeneration cutting is accomplished through the use of timber sales that are advertised and sold to the highest bidder. Further...portions of the proceeds from these timber sales are retained to pay for most of the follow-up midstory reduction and prescribed burning needed to restore the stands.”⁵

Recent research in Minnesota suggests that aging forests may be contributing to a decline in forage for moose populations, which have declined dramatically in recent years. Dr. David C. Wilson and Dr. Alan R. Ek found last month that significant decreases in forest disturbance – including reduced harvest on the Superior National Forest – explained 80% of the year to year variation in moose population in the State. Unfortunately, moose have declined from more than 8,000 in 2005 to just 2,760 today.⁶

In the case of northern goshawks, present forest conditions in the southwestern United States may be adversely affecting goshawk populations. Management of goshawk habitat focuses on creating and sustaining a patchy forest of highly interspersed structural stages ranging from regeneration to old forest throughout a goshawk territory. Managing the forest, through timber harvest and other treatments, to thin the understory, create small openings, and provide different tree sizes across the landscape will help produce and maintain desired forest conditions for goshawks and their prey⁷.

Certainly not all acres of the National Forest System are suited to be managed for timber. FFRC members value wildland as much as the rest of the public, and frequently our members don't just earn their living in these remote places, but they depend on them for recreation, hunting, and family time as well. But ample research indicates that active management can produce a multitude of benefits, well beyond timber harvest.

In the current budget environment, it makes sense to look at this research and see how the value of the trees and other forest products can help pay for the management that science says need to take place.

⁵ *Shortleaf Pine-Bluestem Restoration in the Ouachita National Forest*, Larry D. Hedrick et. al. Transaction of the Sixty-Second North American Wildlife and Natural Resources Conference, Washington, DC, 14–18 March, pp. 509–515

⁶ *Minnesota Moose Population: Using Forest Inventory Data to Assess Changes in Habitat*, D. Wilson , A. Ek., Minnesota Forestry Research Notes, No. 296, May 2013.

⁷ *Implementing Northern Goshawk Management in Southwestern Forests: A Template for Restoring Fire-Adapted Forest Ecosystems*, James A. Youtz, Russell T. Graham, Richard T. Reynolds, and Jerry Simon; Proceedings of the 2007 National Silviculture Workshop.

Restoring the Connection Between Communities and Forest Management:

Counties with National Forest and other Federal lands within their borders cannot tax or develop these Federal public lands. Recognizing this, the Federal government has for decades provided payments, both in lieu of taxes and as a share of revenues from economic activities, to these counties. Congress enacted a law in 1908 which requires the Federal government to share 25% of the gross revenues derived from U.S. Forest Service activities (e.g. – timber sales, mineral leases, and grazing fees) with the counties. These revenues supported schools and the maintenance of infrastructure, and grew to become a significant source of revenue for National Forest counties.

By 2000, as a result of litigation and changes in policy, the scope of land management on Federal forests, particularly National Forest timber sales, had fallen by more than 80%, and these revenues dwindled. At the time, these drastic reductions were justified as necessary measures to protect “old growth” dependent species, watersheds, and other ecological values. Many argued that recreational activities would supplant timber management as the driving economic force in National Forest counties.

In 2000, Congress passed the Secure Rural Schools and Community Self-Determination Act (SRSCA). This legislation provided guaranteed payments to these forested counties, based on some of the highest years of timber revenue in the history of the Forest Service. Congress provided extensions of these guaranteed payments in 2006 and again in 2008.

This legislation expired in October of 2011, although Congress extended a greatly reduced guaranteed payment program for one year as part of the 2012 Transportation bill. Just last Congress approved a one-year extension of these payments, financed by the sale of non-renewable resource, helium. It makes no sense to use non-renewable resources to pay for local governments in communities surrounded by abundant, renewable resources which should be both driving the local economy and supporting local government.

It has become apparent that continuing to rely on guaranteed payments from the Treasury is no longer a viable option for forested counties. Further, it has become apparent that the passive management of the National Forests has failed to produce promised benefits, and the current approaches to land management will meet neither the needs of the counties nor the needs of the forests. A fundamentally different approach, which focuses management on the 23% of Forest Service lands which are currently under a timber objective is needed.

The guaranteed funding provided under SRSCA was never intended to permanently replace shared revenue from active management on Federal public lands. Congress should not provide further extension of mandatory funds without ensuring a transition that makes improvements in both the health of Federal forests and the economic condition of forest dependent counties through active forest management.

Principles of Reform:

- Payments to forest counties should be linked to fundamental reforms which streamline the process of proposing, analyzing, executing, and resolving conflicts over forest management projects on Federal forest lands.

- With due recognition of the need for a transition period, payments to counties must be linked to revenues produced by viable economic activity on Federal forests, including substantial, sustainable increases in timber outputs.
- All revenues generated on Federal forests, including a portion of revenues from stewardship contracts, should be used to develop additional sustainable forest management projects as well as to provide revenue sharing to counties.
- A trust approach, focusing on the 23% of National Forest acres already identified as suited for timber production, can provide stable funding on a trust-trustee basis, while restoring and strengthening the overall multiple use framework on Federal forests.

Legislation is needed which streamlines compliance with several environmental statutes on the small portion of the National Forest System already identified as having a timber management objective, which can serve as the basis of a Federal forest trust. With the Forest Service currently spending \$356 million annually on NEPA compliance, reform legislation must:

- Streamline NEPA analysis, ESA consultation, and judicial review for projects conducted on lands designated for timber production.
- Set clear volume and acreage treatment targets to ensure accountability.
- Clarify to the courts that timber production is the primary objective on this relatively small portion of the National Forest System, not one use among many.
- Focus on timber economics in the design, operation, and management of projects on lands designated for timber production.

Locking in Conservation and Sustainable Timber Production:

A trust approach on lands which can support commercial timber production would focus on the small portion of the National Forest System which is supposed to be producing timber. Lands which have been set aside after countless hours of public involvement, Congressional review, and official designation as wilderness would remain off-limits to commercial harvest. Agency resources, currently wasted by over-analyzing even modest timber sales or hazardous fuels projects, would be freed up to offer economic timber sales, or to fund restoration work through Stewardship contracts.

On acres designated for timber production, concrete management requirements would help spur investment in wood using industries and land management capacity. Existing mills would receive some assurance that the National Forests they depend on will produce reliable supplies of timber into the future. Economic development, currently stymied by a declining forest products sector and extreme wildfires, would be encouraged.

The American public would no longer be forced to bankroll a litigation driven analysis machine, and instead could spend the few dollars available to actually improve the condition of the National Forest System.

Combined with the budget reforms mentioned above, a comprehensive reform approach would help reduce fire fighting costs by extending needed forest health treatments across the landscape, and providing additional revenues to the Treasury, local governments, and to pay

for still more forest management projects. These are all required steps to address the problem of fire suppression costs and the crowding out of needed programs.

The current system is unsustainable, socially, economically, and ecologically. Piecemeal reforms hold little promise. The opportunity to change the management paradigm is here.