

Testimony Before the
Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations
U.S. House of Representatives
Regarding the
Fiscal Year 2013 President's Budget Request for the U.S. Forest Service
By
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Washington, DC
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Good morning, Mr. Chairman, Ranking Member Moran, and members of the Subcommittee. My name is Bill Imbergamo, and I am the Executive Director of the Federal Forest Resource Coalition (FFRC). When we testified before you last year, the FFRC was an informal coalition of regional trade associations. Now, the FFRC is a formal, 501(c)(6) trade association, representing purchasers of Forest Service and BLM timber across the country. We have members in more than 24 states, with approximately 650 member companies representing 350,000 workers and about \$19 billion in payroll.

The FFRC supports sustainable management of the National Forests and Bureau of Land Management lands to produce clean water, enhance wildlife habitat, produce forest products including timber and biomass, support rural economic development, and to reduce the threats of catastrophic wildfires and insect outbreaks. Our members come from every link on the forest products value chain, from loggers to landowners and from large pulp and paper facilities to forest bioenergy plants. Our member companies are frequently located in rural areas, which have higher than average unemployment, poverty, and population loss compared to their States' averages.

Many of our member companies rely on the National Forests and BLM lands to provide a consistent and sustainable timber supply. Forest products companies also represent the lowest cost, and most effective, tool for Federal land managers to improve the health of our public lands. Increased management and forest products outputs would provide a much-needed economic boost to rural America, creating thousands of jobs, as well as increasing the pace of forest restoration on our public lands, particularly the National Forests. The health of the National Forests, the economic health of our member companies, and the health of the communities where we live and work, are inextricably linked.

Increasing the Pace of Forest Restoration: Last month, the Secretary of Agriculture announced an initiative to accelerate the pace of forest restoration on the National Forests. We applaud the Administration for recognizing the urgency of the forest health threat facing the National Forests and taking steps to address it. We are concerned, however, that the initiative announced last month by Secretary Vilsack does not go either far, or fast, enough. Some of my member companies have faced situations where the Forest Service is proposing management projects which either fail to address pressing forest health concerns, like the pine beetle epidemic

in the Rockies, or which don't go as far as local collaborative groups would like to go, such as in the Northeast Washington Forest Vision project around the Colville National Forest.

Even in these extremely challenging wood markets, some FFRC member companies have been frustrated by the Forest Service's lack of commitment to sell adequate log supplies. The result is idled investments, reduced shifts at sawmills, jobs lost to foreign competition, and a failure to position the Forest Service to help sustain or enhance a value-added, manufacturing industry that can capture greater domestic and international market share. Our member companies are extremely competitive in the global market, and only need a fairly priced raw material to capture more of those markets. The time available to capture these opportunities is limited, and we urge you to reward the Forest Service's recent initiative by investing in more aggressive in management of the National Forests.

We have worked – and will continue to work – closely with the leadership in the Forest Service and USDA to find ways of reducing overhead and making the forest products and fuels reductions program more efficient. We believe some of the steps taken by the Forest Service in their February 2, 2012 report will help achieve these efficiencies. However, other authorities, like allowing the Forest Service to use designation by description on regular timber sales, much as they do on current Stewardship contracts, will help reduce unit costs even further.

Investing in Land Management: We are very thankful to the Subcommittee for including national direction to the Forest Service to increase timber outputs from 2.4 billion board feet to 3.0 billion board feet in 2012. We urge the subcommittee to continue raising the bar for the agency and set a goal of 3.5 billion board feet for fiscal year 2013. The current annual harvest from the National Forests represents less than 10% of annual forest growth, and less than half the allowable sale quantity under existing forest plans. In many regions, the Forest Service is falling short of its own management goals; including in reacting to the pine beetle outbreak in the Rockies and in managing aspen habitat in the Lake States. Stepping up management, through formal collaboratives where they exist and normal timber programs elsewhere, will help address pressing forest health concerns while helping bolster employment in rural communities where unemployment is frequently near 20% and poverty is well above state averages. Investing in the Forest Service timber program is a very effective job creator, generating 16.5 new direct and indirect jobs per million board feet harvested.

While we appreciate the support for forest management, we urge the subcommittee to make new investments in the National Forest Timber Management line item this year. This program has not received an increase since 2008, and due to inflation it has lost about 5% of its purchasing power. Further, extraordinarily high overhead rates have further eroded the program's effectiveness. To help keep the program pointed in the right direction, we urge the Subcommittee to invest \$371 million, an increase of \$36 million over the current fiscal year to achieve a fiscal year 2013 target of 3.5 billion board feet.

Forest Roads, Hazardous Fuels Reduction: It is also urgent that the Subcommittee restore funding which has been cut since 2010 from the Capital Improvement and Maintenance Account, as well as the Wildland Hazardous Fuels Reduction program. These two programs are vital to maintaining access to the National Forests and in helping to reduce the massive, 90-million acre

backlog of lands which urgently need hazardous fuels reduction. The work cannot be done economically without the ability to use the Forest Service road system. We continue to oppose a blanket moratorium on new roads, because this arbitrarily restricts the agency from implementing needed management, and also prohibits the Forest Service from replacing poorly located or damaged roads with new roads which are engineered and located properly.

We appreciate the efforts of the Subcommittee to remove the arbitrary requirements for hazardous fuels reduction work in the Wildland Urban Interface (WUI), but we were troubled that the President's budget continues to focus the Forest Service's efforts there. A greater percentage of lands in need of fuels reduction are outside of the WUI, and mechanical thinning allows the Forest Service to take advantage of the wood products infrastructure to reduce treatment costs. Extensive Forest Service research shows that mechanical thinning (which included removing useable wood fiber) followed by prescribed fire is the best approach to significantly reduce threats from wildfire and forest pests.

Reducing NEPA Costs: The President's Council on Environmental Quality issued a memo on increasing the efficiency and effectiveness of environmental reviews required by the National Environmental Policy Act in December. The Forest Service has told Congress that complying with NEPA and other environmental laws costs them \$356 million annually, which is more than the agency spends on timber management, or Research, or State and Private Forestry. Saving even a portion of these expenses would free up resources to actually manage forests and reduce the threat of wildfire and insect outbreaks. We urge the subcommittee to direct the Forest Service and CEQ to take more aggressive steps to reduce NEPA costs than the comparison study of two landscape restoration projects approved on February 9th.

Timber purchasers across the country report that Forest Service personnel frequently conduct exhaustive NEPA analysis, only to propose and implement small scale land management projects which do not meet the objectives the agency set out to meet. Examples include leaving higher than called for stand densities, or dropping entire units from proposed sales even though doing so leaves forest stands susceptible to insects and mortality. The Forest Service's February 2nd report on increasing the pace of forest restoration touches on this subject, but we believe direction from this subcommittee would help reinforce the urgency of directing the resources to management rather than paperwork.

When National Forests in the Lake States are up to 75% behind on their management goals for early successional habitat, and the National Forests in the Rocky Mountains are falling woefully behind in dealing with a massive, 41 million acre and growing pine beetle outbreak, finding some way of reducing NEPA costs is urgently needed.

Land Acquisition: Considering the fiscal situation facing the Nation and the backlog of both forest management and roads and facilities maintenance needs on the National Forests, we recommend no funding for the National Forest System Land Acquisition line item. It makes little sense to increase the size of the National Forest System at a time when the agency has a demonstrated backlog in maintenance and land management. We recommend that the \$59 million recommended by the Administration be redirected to the land management priorities recommended above.

BLM Forest Management: The President's FY 2013 Budget includes a sharp reduction in funding for the BLM Public Domain Forest Management Program. The President's Budget proposes to reduce BLM PD Forest Management funding by nearly 40%, which will result in reduction of 40% of associated FTEs, 50% reduction in biomass volume, and 80% reduction in Stewardship Contracts. This would mean the BLM would drop from offering 123 Million Board Feet in 2012 to offering 19 Million Board Feet, a decline of over 85% of the public domain timberlands. FFRC supports funding for BLM PD Forest Management Program at no less than the FY 12 level of \$9.7 million. Aggressive action is also needed to offer regeneration harvests from the O&C lands in Oregon that meet the needs of local mills. This will necessitate funding at or near FY 11 levels, coupled with strong direction to the agency to fulfill its statutory duty under the O&C Act to produce a sustainable flow of timber for local economies.

Alaska: The timber industry in Alaska faces several challenges stemming from years of controversy over the management of the Tongass National Forest. FFRC members depend upon supplies of timber from this forest, and have been hard pressed as the Forest Service has placed complete restrictions on harvest in roadless areas. Current efforts billed as "restoration" forestry have instead focused on a particular approach to fisheries management and on a transition to harvesting second growth timber that will not meet the local industries needs for decades. Steps must be taken to offer a timber sale program that complies with the National Forest Management Act and can sustain the local value added industry in order to save the capacity to manage the very small percent of the Tongass that is open to any harvest. Current policies of avoiding all litigation risk will surely cause the death of the local industry in Southeast Alaska, leaving the region dependent on a less diversified, tourism-based economy.

Forest Health and Forest Restoration: 2011 demonstrated that the poor health of our National Forests and other Federal Forests impacts everyone, from the industries that depend on useable wood fiber to casual weekend visitors to the Forests. The large fires in Arizona and New Mexico last year forced the closures of popular campgrounds, destroyed dozens of recreational cabins, and forced cancellations of Fourth of July events at popular mountain resorts. Many miles of forest roads and several campgrounds in Arizona remain closed. The large scale beetle infestation in the Black Hills has forced local campground owners to spend more than \$100,000 annually to remove beetle killed trees and spray others in an effort to stop beetles from spreading off of the National Forests. The Pagami Creek fire in Minnesota disrupted popular hiking and canoeing areas in an around the Boundary Waters Canoe Area. Campers, hikers, hunters, and skiers all want to visit healthy, green, and growing forests.

In each of these cases, wood using industries, from start-up biomass plants to family run sawmills to internationally competitive pulp and paper facilities, stand ready to help the Forest Service and BLM to actively manage the public lands they oversee. Opportunities to expand this management, and the benefits that come from it, abound nationwide. We thank you for your support for our efforts to manage these lands and help our rural communities in the process.

Bill Imbergamo, Executive Director, Federal Forest Resource Coalition: Bill Imbergamo has been Executive Director of the Federal Forest Resource Coalition since the organization formally launched in September of 2011. His career in Washington began in 1991 with the National Association of State Foresters, where he served as Executive Director for four years before joining the American Forest & Paper Association. He has also served as senior forestry staff for both the House and Senate Agriculture Committees. He is a 14-year member of the Society of American Foresters, a Bronze Sponsor and Federal City Committee Member, Ducks Unlimited, and was appointed to the Virginia Board of Forestry in 2011.

Interior, Environment, and Related Agencies

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

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1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

Federal Forest Resource Coalition

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No X

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature:



Date: March 12, 2012