

**SHORTCHANGING OUR FORESTS:
HOW TIGHT BUDGETS AND MANAGEMENT
DECISIONS CAN INCREASE THE RISK OF WILDFIRE**

HEARING

BEFORE THE

SUBCOMMITTEE ON CONSERVATION, FORESTRY AND
NATURAL RESOURCES

OF THE

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NUTRITION, AND FORESTRY
UNITED STATES SENATE

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Tuesday, November 5, 2013

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
SUBCOMMITTEE ON CONSERVATION, FORESTRY
AND NATURAL RESOURCES
Washington, DC

The Subcommittee met, pursuant to notice, at 2:31 p.m., in room 328A, Russell Senate Office Building, Hon. Michael F. Bennet presiding.

Present: Senators Bennet, Klobuchar, Boozman and Thune.

**STATEMENT OF HON. MICHAEL BENNET, U.S. SENATOR FROM
THE STATE OF COLORADO**

Senator BENNET. Well, good afternoon and thank you all for being here today.

Thank you, Senator Boozman, for being here today.

The Subcommittee on Conservation, Forestry and Natural Resources will come to order.

I want to thank all of our witnesses on both panels for being here. In particular, I want to acknowledge our witness from South Dakota and two witnesses from my home State of Colorado who traveled thousands of miles to testify on this really important matter.

Wildfires are a growing crisis across the United States. A century of fire suppression—putting all forest fires out instead of letting some of them run their course—has drastically increased fuel loads on the forest floor. That fuel, combined with persistent droughts and a warming climate, has increased the frequency and severity of wildfires in recent years, and that is putting it mildly.

Since 1980, wildfires have caused over \$28 billion in economic losses. The 6 most destructive fire seasons in the past 50 years—all 6—have occurred since the year 2000.

This trend has been particularly difficult for people in Colorado. This year's Black Forest fire and last year's Waldo Canyon and Hyde Park blazes were, respectively, the first, second and third most destructive fires ever in Colorado history.

The picture to my right is a photo showing that fire up close—the Black Forest fire. It is a neighborhood just outside of Colorado Springs, which was partly destroyed in the summer of 2012.

Last year, Colorado reported over 4,000 wildfires that destroyed 648 structures, burned more than 384,000 acres and, tragically, killed 6 people. Nationwide, over 51,000 fires torched over 9 million acres. Unfortunately, the official figures often understate the damage. The Waldo Canyon and Hyde Park fires, for instance, left gaping burn scars that caused serious soil erosion and damage to major water infrastructure. Worse, these burn scars have led to a number of dangerous mudslides and flash floods, in some cases over a year after the fires were extinguished.

Over a dozen Colorado counties are continuing to rebuild following the massive floods that hit our State in September. Wildfires were not the main cause of that destruction, but in some areas the burn scars made an already bad situation even worse.

It is hard to believe that while damages have soared we are also spending more money than ever to fight fires. Our fire suppression costs have quadrupled over the past 25 years. And, because we are likely to be operating with fewer overall discretionary dollars for agencies in the future, this hearing is particularly important. These escalating costs have caused the Forest Service to routinely borrow money from other programs, like trail maintenance and timber contracting, so they can continue to fight fires.

In a highly publicized letter from earlier this summer, Chief Tidwell informed Forest Service employees that so-called fire borrowing would occur again this year. This marks the seventh time that has happened in the last twelve years.

There has got to be a better way, which is the reason we are all here today.

In this case, there is a lot of evidence to suggest that an ounce of prevention is worth a pound of cure. Targeted investments in hazardous fuel reduction and common-sense forest health projects can save us from far costlier suppression and recovery spending down the road. One Congressional Budget Office study found that for every dollar the Federal Government invests in fire mitigation and prevention we save over five dollars by avoiding future costs associated with catastrophic wildfires.

Unfortunately, Washington budget politics, coupled with real-time necessities on the ground, has resulted in exactly the opposite approach. As suppression costs have spiked, the Forest Service has been forced to instead redirect long-term mitigation dollars so they can focus on fighting fires that are immediate threats to lives and property.

It is a textbook example of penny-wise and pound-foolish, and it has to change.

This year the Administration requested less money, not more, for hazardous fuels reduction. This is the opposite of what Colorado and the West need.

We, instead, need a sustained, robust commitment to hazardous fuel reduction that is protected in the Forest Service budget. We need more mitigation dollars that are targeted towards specific wildfire prevention. We need to cut red tape and provide greater flexibility to officials on the ground. And we need those resources focused on treating areas in the wild-land-urban interface.

These are some of the reasons I worked with people in Colorado to craft the PREPARE Act, a bipartisan bill we introduced with

Senator Crapo from Idaho. The bill creates a new FEMA pilot program for fire mitigation projects. That is why this Committee worked to reauthorize stewardship contracting and update the Healthy Forests Restoration Act as part of the Farm Bill, and that is why we are working to reauthorize Good Neighbor Authority to allow state foresters to do work on Federal lands.

We should look for additional solutions to make it easier, not harder, for all levels of government to work together and get treatments carried out in the woods.

We need to budget for the Forest Service's long-term personnel and equipment needs, including a long-term and efficient strategy to modernize and support a fleet of air tankers to fight fires.

Getting ourselves out of this vicious cycle will be no easy task, but catastrophic wildfire is literally an issue of life or death for many of the people I represent in Colorado. We are doing them and the country a great disservice by not tackling this problem, and it is my hope that today's hearing will help us consider innovative ideas to put us back on sure footing.

We need to take a saner approach in which we put in the work on the front end before the fires do their damage. Those investments will be good for the health of our forests, to support our rural forest products industries and to save taxpayers money, and most important, they will protect our citizens from this growing threat.

With that, I would like to turn it over to the Ranking Member of the Subcommittee, Senator Boozman, for his comments.

If Senator Klobuchar, who has joined us, from Minnesota, has any opening comments, we will take those too.

Then we will start with Mr. Hubbard.

**STATEMENT OF HON. JOHN BOOZMAN, U.S. SENATOR FROM
THE STATE OF ARKANSAS**

Senator BOOZMAN. Well, thank you, Chairman Bennet, again for holding this very important hearing today.

The threat to our forests and rural communities is not one that is isolated to any particular state. From Florida to Idaho, Colorado and Arkansas, the Forest Service budgets, challenges and management shortcomings interfere with our ability to maintain healthy forests. This is bad for our entire country, and it especially harms rural communities.

One reason that this challenge has proven so difficult is that Congress is failing to reevaluate spending priorities on an annual basis. We have failed to pass standalone appropriations for most departments for nearly a decade, and recent events on Capitol Hill make it hard to see any change on the horizon. The era of perpetual continuing resolutions and omnibus spending bills make it difficult to evaluate programs and direct funds to the areas where they are most needed.

Also, budget uncertainty hinders the ability of agencies tasked with healthy forest management to plan long-term strategies for long-term problems.

To compound this issue, the Administration and Congress have failed to take advantage of low fire years to address the management backlog. When a difficult fire season comes along, Federal

agencies are forced to borrow from forest management programs to meet the needs of fire suppression.

One major step that Congress can take is to obey regular order through the passage of standalone appropriations bills with appropriate funding for critical programs. This would enable Congress to debate priorities, take tough votes, solve problems and lead. It would restore certainty to policy planners seeking to address the many challenges facing our Nation's forests.

While funding uncertainty and lack of resources make planning and implementation of critical programs harder, only fixing our budget woes will not provide a silver bullet for our forest management problems. In difficult budgetary times, we must measure the effectiveness of Federal programs by good policy and outcomes rather than numbers in a budget baseline.

When it comes to healthy forest policy, we are not doing ourselves any favors with the current failure to capitalize on the benefits of public-private partnerships and throwing out bureaucratic red tape. Litigation and what Mr. Troxel refers to as analysis paralysis have led to missed opportunities to better manage public lands and fuel the engine of economic opportunity in our forest communities.

While a tight budget environment is making forest management more difficult, we need to look at all the tools in our box to promote healthy forests. An important part of that tool kit is timber sales, yet these sales have continued to decline for decades. Responsible timber harvest has been shown to reduce fuel, limit susceptibility to pest infestation and enhance wildlife habitat.

Despite significant cuts to Forest Service budgets due to sequestration, we had an opportunity to increase our board-foot production in the timber from national forests by 11 percent over 2012 levels. However, due to injunctions and a NEPA analysis, we are projected to miss that mark and actually fall short of 2012 levels.

Preparedness is another key component, and tools exist to help individual citizens and forest communities take common-sense steps to mitigate threats. While this is certainly a problem that requires Federal resources, we need to work with individuals and forest communities to reduce their vulnerability to forest fires.

One good program through the National Fire Protection Association is the Firewise Communities Program, which is co-sponsored by the Forest Service, the Department of Interior and the National Association of State Foresters. This program teaches Americans living in forest communities how to act individually or with their neighbors to protect life and property from the risk of forest fires.

I think that we all agree there are significant shortcomings in terms of our budget process, funding allocations and how they are impacting our ability to achieve the goal of healthy forest management. At the same time, solving our funding problems will not automatically solve all the problems that contribute to increased risk of forest fires on national lands.

The good news is that by working together to reform our management policies, eliminate red tape and fixing our budget, we can be on a path to a healthier, more sustainable forest system that is less susceptible to catastrophic fires that threaten life and property.

Again, I appreciate your holding today's hearing, and I look forward to the testimony.

I thank all of you very much for being here today and thank you, Mr. Chairman.

I yield back.

Senator BENNET. Thank you, Senator Boozman.

Unlike me, you actually came in under the five minutes. So we all express our gratitude.

Senator Klobuchar, would you like——

Senator KLOBUCHAR. Thank you, Chairman Bennet, for holding this——

Senator BOOZMAN. Remember that in the future.

Senator KLOBUCHAR. Very good. Now I am under a lot of pressure.

Thank you, Chairman Bennet——

Senator BOOZMAN. —said what I said.

Senator KLOBUCHAR. No, you are eating into my time.

[Laughter.]

STATEMENT OF HON. AMY KLOBUCHAR, U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator KLOBUCHAR. Thank you, Chairman Bennet and Senator Boozman, for those words.

I think maybe not many of you know this, but I actually grew up in a logging family. My grandfather, when the mines shut down up in northern Minnesota, became a logger and did that practically until the years that he got sick. And it was an important part of our life.

In northern Minnesota, the logging industry is very important, as well as the paper mills and other industries relating to the forests. And so forest management decisions have a major impact on employment up in our State and our neck of the woods, and forest health and economic development is very, very important.

As a member of the Senate Agriculture—I always like to say—and Forestry Committee, I have long advocated for policies that promote biomass power like a renewable electricity standard, a broad, consistent definition of renewable biomass and the Biomass Crop Assistance Program.

Just as our forests are a great natural resource that provide multiple benefits, from keeping our water clean and providing habitat for wildlife to providing the biomass for our pulp and paper industries, forests also pose threats as fires can bring a significant amount of destruction.

In the fall of 2011, I actually got to fly over in a helicopter the Boundary Waters Canoe Area following the massive fire they had there, and the fire was actually still going on. And I saw how incredibly close it was to Ely, Minnesota, where my grandpa did his mining and logging, where my dad grew up, where tourism is now their major industry, and in fact, it could have literally gone into the entire town.

That made me very concerned about, one, firefighters and their well being but also the money that we are spending on forest management and if we are doing the right things.

I am concerned about the sequestration and the cuts and the effect that it is having on our forest management.

I am a big fan of passing this Farm Bill, not to go off-topic, but it is not off-topic because it will help us with debt reduction by \$24 billion; the Immigration Bill, something Senator Bennet and I have both worked hard on, \$160 billion in debt reduction; and some of the other smart ideas that are put out there as a way to replace sequestration and make this a lot easier so we can do the right long-term things for our forests and for our firefighters.

But, as we have heard today and we are going to hear more about, the current model of robbing Peter to pay Paul when it comes to forest management is unsustainable. It is harming the economies of the same communities we are protecting from damaging forest fires.

So I am looking forward to hearing from you, Mr. Hubbard, about solutions and how we can do this in these limited budget times.

But I think part of it is resources, and then part of it is smart management techniques so we can both protect our forests but also understand that this is part of a livelihood for people in my part of the country. And we think that there is a lot of possibility out there if we do this right.

Thank you, and thank you, Mr. Chairman.

Senator BENNET. Thank you, Senator Klobuchar. For the record, you win for the briefest opening statement.

We have two great panels today, and let's get to them.

I am now pleased to introduce our first panelist, who is Jim Hubbard, Deputy Chief for State and Private Forestry at the U.S. Forest Service. The Deputy Chief is responsible for, among other things, forest health protection and fire and aviation management. Mr. Hubbard has held the position since 2006.

Before working at the U.S. Forest Service, Jim spent over three decades working for the Colorado State Forest Service, including 20 years as our State Forester from 1984 until 2004.

We are delighted that you are here today, Mr. Hubbard, and please go ahead with your testimony.

STATEMENT OF JIM HUBBARD, DEPUTY CHIEF, U.S. FOREST SERVICE, WASHINGTON, DC

Mr. HUBBARD. Thank you, Chairman Bennet and Ranking Member Boozman and Senator Klobuchar. Thank you for holding this hearing.

I will talk a little bit about the fire season, some about risk and community protection, and how we might get at those issues.

The hearing is part of a process where we come together and we learn, and we think this process is not only important for public policy, but we also think after the tragic season we had with the loss of 34 firefighters that it pays respect and does honor to them by learning from what we have been through.

Our seasons are more complex than they used to be. Temperatures are higher and humidities are lower which has caused fire intensity to increase and length of the season to increase. Dealing with fire has become a more complicated job.

We burned 9 million acres 3 times since 1960, and that has all been in the last 7 years. We expect those kinds of difficulties with fire to continue.

Even though we are still able to control 97–98 percent of our fires with initial attack, the 2 percent that get away and grow large and produce fires of 100,000 acres or more are becoming too common and very difficult to deal with.

You throw in the wildland-urban interface and the values at risk in front of those large fires, and we have a problem that we need to deal with.

The cost of large fires is also proving to be difficult at the current levels. The Forest Service does not stay within its suppression budget. As a result, we have to transfer money from other programs during the season when it has the most impact and when we could be doing other work.

A financing fix to suppression is something that would be something we would really like to pursue and try to find a solution for.

As to risk, we think of risk in terms of communities, how we respond to fire and risk on the landscape.

The response to fires are suppression strategies. We look at probability of success. We look at firefighter exposure. We protect life and property as a priority. Then, we determine how to go about dealing with any particular fire.

In communities, it takes vegetative treatment, local development work, individual homeowner responsibility. Even then, as you well know in the Waldo Canyon and Black Forest fires, you throw in wind and anything is fair game and causes us more difficulties.

On the landscape, the system is out of balance. Insect and disease have shown us it is out of balance. Fuels have shown us it is out of balance. Climate change has also shown us it is out of balance. The landscape definitely needs treatments of some kind.

We have identified 58 million acres on the National Forests system that have high or very high potential of catastrophic wildfire that would be difficult to suppress. Ten million of those acres need some kind of a treatment, and currently, we are able to do approximately two million acres a year.

But, as I said, fire treats more than that, sometimes nine million acres a year. How we deal with fire on the landscape also becomes important.

Community protection is a matter of setting priorities. It starts with risk, but it is more than risk. It takes the land managers of all jurisdictions. It takes state and local government working with individual homeowners to implement practices that make a difference. And, without a forest industry, that usually does not get very far.

So our tools become timber sales, become stewardship contracts, become Good Neighbor agreements. Our approaches become collaborative and across the boundary, working together.

The only way we approach this problem is working together with the kind of panel that you have assembled next. It's the right kind of discussion to have.

Thank you very much.

[The prepared statement of Mr. Hubbard can be found on page 37 in the appendix.]

Senator BENNET. Thank you very much for your testimony.

I guess I will start and then kick it over to the Ranking Member.

Mr. Hubbard, due in part to congressional budget reductions, the Forest Service recently proposed sizeable cuts to the Hazardous Fuels Reduction Program based on the Forest Service's budget proposal for this fiscal year. Some suggest that acreage treated could drop from 1.8 million acres thinned in 2012 to 685,000 acres next year.

Can you speak a little bit in more detail about the Forest Service's thinking here?

Do you agree that hazardous fuels reduction is an important priority, and what can Congress do to support more robust hazardous fuel reduction and other mitigation activities?

Mr. HUBBARD. Congress certainly has the last word on the subject.

The Forest Service very much agrees that hazardous fuels reduction is effective. In an analysis of over 1,400 cases, 90 percent were found to be very effective at accomplishing the objectives that we set out to do.

Our proposal, as was presented to Congress, is simply a matter of a constrained budget and covering things like suppression cost and preparedness cost to fight fire as a priority and not having enough room left in a budget to propose the rest of what we would like to. It does not indicate that we do not believe that it is important, it is important, but we did not have the means.

Senator BENNET. It goes back to Senator Boozman's observations about the budget.

This mindless across-the-board stuff is just not allowing us to set our priorities, and we are seeing it here where these dollars, if spent, would actually mean that we spend less on the back end. So it is costing us money.

You mentioned the importance of private citizens in doing all of this work. Colorado has more than 180,000 farmers and ranchers and other private landowners who own forested private land across the West. These private sector partners are going to be critical, as you said in your testimony, as we seek to reduce fuel loads and lower the risk of fires.

Can you talk a little more about the Forest Service's strategy to engage these folks on the ground, and how do we make sure that our wildfire prevention efforts effectively cover both public and private lands?

Mr. HUBBARD. It is our position that if fuels treatments do not cross that boundary we are not effective.

So, if all we do is manage the public property and the private property is not managed, then we will not succeed. If it is the other way around, we will not succeed. It takes crossing that boundary.

Crossing that boundary involves dealing with many individual landowners. It is our experience landowners want to do the right thing if they understand what that is, but it is a matter of making sure that you reach them in the priority areas that are most at risk.

Doing so takes a combination of the Federal, the state and the local folks working together with those individual homeowners be-

cause if we do not put the whole puzzle together we will not succeed.

Senator BENNET. How about local first responders—the same sort of thing?

I mean, the fires obviously do not have any appreciation for any of these boundaries that we are talking about.

I know from the first responders that I have met with in Colorado there is sometimes frustration that people are not finding ways to work more quickly together. We are getting better at that, I think, unfortunately, because of all the experience that we have had.

But I wonder whether from the Agency's perspective if you have got a thought.

Mr. HUBBARD. Well, part of the Forest Service program is reaching out to those local fire departments and working with them as part of an interagency system because, when you have the conditions we do, that initial attack is critical. Even though we are successful most of the time with initial attack, in these high-risk areas it is extremely important because of the values at risk and because of the firefighter exposure. It is really important that we work closely together in forming our response to any fire.

Senator BENNET. I have got one last question, and it is about our current air tanker fleet, which just seems not to be adequate for our long-term fire suppression needs.

The average Forest Service tanker is more than 50 years old, and the number of available aircraft has declined dramatically over the past decade due to accidents and attrition.

It is our understanding that the Agency has recently awarded contracts for seven next generation air tankers, which is a good step forward.

Are you satisfied that the Agency will have the aerial assets it needs in the 2014 fire season, and in the long term how does the Agency plan to move forward with an air tanker modernization program?

Mr. HUBBARD. We are satisfied with the progress that has been shown, but it is not enough.

Of those seven contracts that have been awarded, only two are currently performing. We expect the others will be before the season, but they have not yet. Because they are dealing with new planes and new systems, it takes a while to make that work. So they are working towards that, but we are not there.

Even if they were to succeed, we will struggle. We will still depend on those old airplanes, those legacy planes, for our fleet this summer. We would like to move beyond that, to modernize that.

Senator BENNET. What would it take to move beyond that?

Mr. HUBBARD. It will take more planes. It will take a different kind of plane. If the current next gen contractors are successful—and we hope that they will be—it will take adding more of the planes that they have offered, and it will take looking at other options.

Senator BENNET. Thank you.

My time is up; Senator Boozman.

Senator BOOZMAN. Thank you, Mr. Chairman.

The Chairman alluded to the fact that the President's fiscal year 2014 budget cut funding for hazardous fuels and timber management.

Can you tell us what is in the budget regarding land acquisition through the Forest Service, and then the criticism that I hear all the time, that we are in the process of spending significant sums on land acquisition and really struggling to maintain and manage the lands that we currently have in inventory?

Mr. HUBBARD. Certainly. I cannot speak with any expertise on the land acquisition part other than I know it is a part of the budget and it is not, to my way of thinking, necessarily a priority of the Forest Service in that budget formulation.

If you ask the Chief of the Forest Service his priorities, he is going to say restoration of the landscape and all the different programs that contribute to restoration of the landscape. So that does include the forest management budget, the wildfire budget, those pieces of the budget that actually treat the land, because we know that we are in need of that treatment. And that is our highest priority.

Senator BOOZMAN. Very good.

The other thing I would like to talk about is the NEPA compliance.

You mentioned in your testimony that the complexity that we face with these fires is greater than ever. It is just not your old-fashioned forest fire at times.

I guess what I would like to know is—can you talk about the time that you have spent on NEPA compliance, things like that, and then, again, what is the time spent on that compliance now as compared to 10 or 15 years ago?

Mr. HUBBARD. NEPA has become an important part of our operating procedure for sure. The environmental clearance process is something that we respect and we will continue to work through, but we need to do better at it.

It is not so much the time it takes for NEPA that stops us as it is the litigation that results. Even though that litigation is not a high percentage of our projects, it can be in some places.

We have tried to do a couple approaches within NEPA. We use the objection process which tries to settle issues early and resolve differences before you go into an appeal and litigation. Secondly, we look at landscape-scale planning so that we can deal on a larger scale and not on individual small projects but lay out a work that makes sense and is consistent with forest plans, is consistent with NEPA, and has the acceptance of the people that are paying attention to that environmental clearance. We think both of those will help us to get more land treated.

Senator BOOZMAN. A few years ago we had the situation where we had the bridge fail in Minneapolis-St. Paul, and the bridge was rebuilt in a matter of a year, you know, which was just unbelievable.

Do you have the ability when you run into situations where you know that there is a possibility of great impact, not to do away with the processes that you have to deal with not just this but other things?

Do you have the ability to coordinate and expedite so that you do not get yourself in a situation where we have a large fire and then tremendous flooding and things like that?

Mr. HUBBARD. To some extent. Categorical exclusions do help in some situations, but mostly it is those relationships that are built through the objection process and landscape-scale agreements on what we need to do.

It does not inhibit our fire suppression efforts and our actions taken in response to fire, but we do have to pay more attention to it after fire.

Senator BOOZMAN. There was a 2009 GAO study that recommended action to mitigate the effects of fire suppression cost on other agencies, with better methods of predicting necessary suppression funding to reduce the need of transferring funds.

Can you talk to us a little bit, 25 seconds worth, about some of the steps that the Forest Service perhaps has done to better predict funding needs for fire suppression?

Mr. HUBBARD. We typically have a pretty good predictive services group and the scientists behind that tell us what suppression is likely to cost us in a given year based on weather patterns setting up well in advance of the season in the Pacific Ocean. Those predictions have been accurate and have provided good estimates of our suppression costs.

It is finding the money to deal with those emergencies. Those large fires that escape and become emergencies are what we need to probably have more conversation about—is how to finance that kind of suppression.

Senator BOOZMAN. Good. Thank you, Mr. Hubbard. Thank you for your hard work.

Mr. Chairman, I yield back.

Senator BENNET. Thank you, Senator Boozman.

Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much, Mr. Hubbard.

I want to start with we had an incident last year in my State, with 84-mile-per-hour straight-line winds in the Chippewa National Forest that blew down thousands of acres in trees. We had an actual opportunity in the days and weeks that followed to perhaps harvest some of the wood before it started to degrade from beetles and fungus. And, in this case, it is easy to see how permitting delays—Senator Boozman was getting at the time-sensitive nature of your work—but how permitting delays turned what could have been a profitable salvage operation into a cost liability.

What can you do at the Forest Service to be more responsive to incidents like these to better meet the multiple goals of supporting local communities and reducing dangerous fuel loads after a disaster?

Mr. HUBBARD. That is a problem. I understand it is.

It is a problem with blow-down. It is a problem with salvage after fire, and it is one that we think within the current statutes that we operate, that there is probably room for some modifications that might help to address that in a better way, and we would like to work with you to do that.

Senator KLOBUCHAR. That sounds great. Good answer. In February, the Agriculture Committee held a hearing on drought and

disaster, and we were briefed on the cost of the 2012 drought and predictions that we will continue to see more extreme weather due to climate change.

You testified then, as you have mentioned today, that you were seeing twice as many acres burn each year and seeing 7 times as many large fires, defined as fires that burn over 10,000 acres, as compared to 40 years ago.

Given the additional risk that these fires have on communities and forested areas—what we have certainly seen in Colorado and in Arizona, and what we have seen in Northern Minnesota—how do you see the goal of harvesting three billion board-feet each year as assisting the preventative efforts that protect life and property in forested areas?

Mr. HUBBARD. I see it as a challenge, but I think part of that challenge is finding ways of doing more than that. And that is with public-private partnerships. That is with NEPA streamlining. That is with picking the priorities and then getting the right people together.

So it becomes increasingly important that we pick the right places to apply what resources we have and do what work we can.

Senator KLOBUCHAR. And do you think has sequestration reduced the amount that we can get toward your goal?

Mr. HUBBARD. The timing of sequestration did not work to our advantage. It hit us during a period where we could have accomplished some opportunity work. When that is prescribed fire, you only have a certain window. If you lose that window, then you just have to wait.

So that was unfortunate. We lost some productivity that way, but we will work to gain it back.

Senator KLOBUCHAR. Well, it was unfortunate for you, but it is unfortunate that we cannot make the changes we need to replace it. So it is a shared unfortunate situation.

How would additional commercial harvesting help offset some of the costs of the Secure Rural Schools and Community Self-Determination Act, which supports local governments that have Federal public lands within their borders.

Mr. HUBBARD. We cannot do any of the work that we have been talking about without a forest industry, and forest industry exists because of some—in part because of the supply from the Federal lands. And many of those communities depend on forest industry for their economy and their jobs. So it is extremely important to us.

Senator KLOBUCHAR. And, along those lines, what do you see as concrete steps that we could take in the near term to complete sales in a more timely manner and expedite many of the projects that can get tied up for months and assist some of the NEPA issues you were raising?

Mr. HUBBARD. Yes, I think we would have to have some more discussion about that. There are things we would like to propose that we think make some sense, but in the meantime we are going to continue to press with the objection process and the landscape-scale planning so that we can get more work ready to go that has an agreement and the support from enough of a base that we can actually carry it out.

Senator KLOBUCHAR. Okay. So my last one—I sound like a broken record, but it is around this idea of the shutdown and sequestration. But, do you see budget uncertainty as impacting some of the private investment decisions throughout the forest industry, from the loggers to the mill operators?

I just know it is such a fragile industry as it is, with world demand and things that are going on with paper and the value of the dollar. I see it with our competition with the Canadians right across the border.

Would it be helpful if we stop the brinkmanship so at least you could have some certainty and budget certainty for the private industry that we need so dearly to be involved in these parts of our country?

Mr. HUBBARD. In the time I have left, yes, it would be.

Senator KLOBUCHAR. Thank you.

Senator BENNET. And, with that, we will close the first panel. I want to thank Mr. Hubbard.

Thank you for your testimony.

As I listen to my colleagues talk about the budget situation we are in and also reflect on the dysfunction of this place, one of the things I think would be good would be to figure out how to pilot some of these practices rather than wait to figure out how we are going to do it for the whole country.

Everybody has their examples. The bark beetle kill in Colorado is ours, but I know every state has their own challenges.

So we look forward to working with you in the future, thanks for coming today.

I would like to ask the witnesses on the second panel to make their way forward and be seated.

Senator BOOZMAN. Mr. Chairman, something that we might consider doing that I think would be helpful, and Mr. Hubbard alluded to it, was perhaps looking at the NEPA structure, you know, things like that, and maybe having a hearing. I know that our Infrastructure Committee, Senator Boxer and Senator Inhofe have worked really hard to try and expedite that, not in an effort to do away with things but just to make sure that the different groups are talking and see if we can get some——

Senator BENNET. Okay. Well, let's think about that, and I will certainly talk to Senator Boxer and Inhofe.

Welcome to our second panel. Thanks for joining us today. We are looking forward to your testimony. We will hold our questions until the final witness's testimony.

Please try to keep your remarks to five minutes. Your written testimony will be submitted for the record.

With that, I am pleased to introduce our first panelist, Mr. Davey Pitcher. Davey is the President and CEO of the Wolf Creek Ski Area in southwest Colorado. Mr. Pitcher has been involved with the ski area since 1976, managing the area's overall operations since 1987. He has the privilege to live in beautiful Pagosa Springs, Colorado, with his wife, Rosanne, who is here today.

Our next panelist is Dr. Chris Topik. Chris directs the Nature Conservancy's Restoring America's Forest Program that aims to help restore forests' health and improve the ecological management of America's forests.

Previously, Chris was professional staff of the House Appropriations Committee for 15 years. Before his time in Congress, he worked for the Forest Service for 16 years. During this time, he worked as an area ecologist for 10 years on National Forests in Oregon and Washington. He received his undergraduate degree from the University of California-San Diego and earned his Ph.D. in forest ecology from the University of Oregon.

Next, we have Mr. Tom Troxel. Tom is the Executive Director of the Intermountain Forest Association in Rapid City, North Dakota.

It is nice to see you again.

He has worked for the association since 1989, representing forest products companies in Colorado, South Dakota and Wyoming primarily on issues relating to National Forest timber programs and timber sale contracts. Tom received a Bachelor of Science degree in forestry from the University of Montana in 1973 and worked for the U.S. Forest Service in Idaho, Montana and California from 1973 to 1989.

Last, but certainly not least, we have Commissioner Sallie Clark from El Paso County, Colorado. Her district encompasses western El Paso County, including the central and west areas of the City of Colorado Springs and the City of Manitou Springs. She also holds a leadership position in the National Association of Counties as their Second Vice President.

As Sallie will tell you, El Paso County has been hard hit by wildfires and flooding in each of the past two years. The community has shown remarkable courage and resilience as they have begun to rebuild from these terrible disasters.

So thank you, Sallie, for being here.

Thanks to all of you for being here. It is an outstanding panel.

Senator KLOBUCHAR. Mr. Chairman, I just have a little Midwestern update, that is it Rapid City, South Dakota.

Senator BENNET. What?

Senator KLOBUCHAR. South Dakota. I think you said North Dakota for Mr. Troxel.

Senator BENNET. Yes, South Dakota.

Senator KLOBUCHAR. It was a little Midwestern thing that I could not let go.

Senator BENNET. South Dakota.

Senator KLOBUCHAR. I often confuse——

Senator BENNET. Where did you say you are from?

[Laughter.]

Senator BENNET. I cannot remember.

Senator KLOBUCHAR. It is like me confusing Colorado and Wyoming, like they are all the same thing.

Senator BENNET. Milwaukee?

Did I screw that up?

[Laughter.]

Senator BENNET. All right, now I am pleased to turn to the panel.

Mr. Pitcher, why don't you take it away?

Thank you very much, again, for being here.

STATEMENT OF DAVEY PITCHER, PRESIDENT AND CEO, WOLF CREEK SKI AREA, PAGOSA SPRINGS, CO

Mr. PITCHER. Chairman Bennet, Ranking Member Boozman and members of the Subcommittee on Conservation, Forestry and Natural Resources, thank you for the opportunity to appear before you today and share my thoughts about the spruce beetle outbreak, the ensuing fires and my perceptions of the U.S. Forest Service and their ability to adjust to these changing conditions.

Being born and raised in New Mexico and Colorado as a second-generation owner and operator of Wolf Creek Ski Area, growing up with a family business that is entirely on U.S. Forest Service lands, as well as being an avid outdoorsman and a private pilot, has given me a perspective with some relevance.

Wolf Creek Ski Area is located on top of Wolf Creek Pass and lies between South Fork and Pagosa Springs, Colorado. Our family has built it up for the last 40 years to be one of the largest employers in the tricounty area, with over 400 seasonal and year-round employees and a payroll that has averaged over \$4 million a year for over a decade. Over 200,000 skiers visit each year, bringing economic stability to the region.

Around 2001, with the onslaught of drought and the monolithic spruce forest structure, it was the perfect breeding ground for the spruce beetle. The Forest Service advised us of this plight. As a private business, they could clearly see the potential impact to our livelihood.

We budgeted and began to methodically treat our 1,600-acre permit, using Forest Service specialist guidelines. We budgeted about \$100,000 per year and systematically treated our permit by using a helicopter and removing infested and hazard trees.

During the same time, we began to see some signs of the spruce beetle in our surrounding forest and requested permission to extend treatment beyond our permit as part of a boundary management fire protection plan. We were informed by the local foresters that there was no mechanism in forest regulations to do this and that it would require administrative funds, which were not available, but they were being sought. And, certainly, there was a level of frustration expressed by the forest staff about their inability to react, given the regulations they work under.

By 2011, it was obvious that the spruce beetle was overrunning Wolf Creek Pass and the surrounding forest. The sheer number of bugs made our efforts on the permit seem pitiful. It also set the stage for fire.

In mid-June of 2013, 2 fires broke out, and within 7 days the complex was over 90,000 acres and uncontained. Our ski area was consumed in smoke. Flames were licking the edge of our permit.

The West Fork fire ran 50,000 acres in 3 days. The flames were 400 to 600 feet tall, and the smoke column topped 30,000 feet. It was entirely possible that Wolf Creek Ski Area was going to be overrun by the fire.

We were not without support. The U.S. Forest Service supervisors and district rangers, under a different set of emergency rules, were quick to respond with structure protection and aerial support. Resources were quickly mobilized, and a very high level of professionalism was apparent.

What struck me was how different the U.S. Forest Service performed when operating under rules that allowed decision-makers to apply resources in what had to be a timely manner.

I believe that a paradigm shift in the U.S. Forest Service policy is needed. Rather than continuing to only have funds for these reactive moments of fighting fires, Forest Service supervisors should be enabled to work within a regulatory structure which empowers them to apply funds to mitigate the chances of large, overwhelming fires that are becoming more and more common in the West.

I believe this can be done without jeopardizing the values at risk, which include:

Protecting sensitive areas and watersheds. This is a priority for conservation groups and makes good sense.

Identifying and creating fire buffers. The Forest Service should prioritize forest treatments near communities, ski areas, inholdings, highways and critical power lines.

This can be done in a variety of ways, which include (a) timber removal for local industry, fuel reduction, utilized as biofuels, and controlled burns which closes the cycle that nature has started with the spruce beetle outbreak.

In closing, Wolf Ski Area has just invested over \$5 million in new lifts and infrastructure. This is our commitment to the future. We understand that we live and work in a dynamic forest in which there will continue to be forest mortality and fire, but it does not have to be catastrophic.

Thank you for your time.

[The prepared statement of Mr. Pitcher can be found on page 48 in the appendix.]

Senator BENNET. Thank you, Mr. Pitcher.

Dr. Topik.

STATEMENT OF CHRIS TOPIK, DIRECTOR, RESTORING AMERICA'S FORESTS PROGRAM, THE NATURE CONSERVANCY, WASHINGTON, DC

Mr. TOPIK. Thank you very much for holding this hearing. I am particularly pleased that the Senate

Committee on Agriculture and Forestry is getting involved in this issue, and I hope you will stay deeply involved.

I would also like to closely associate myself with the opening remarks of the Chairman and the Ranking Member. I think you pretty much said my speech, so I will try to summarize. It was terrific.

I am with The Nature Conservancy, and our mission is to conserve the lands and waters upon which life depends. We have been around for over 60 years, and for over 50 years we have been doing controlled burns. And, in fact, our staff this past year did nearly 100,000 acres of burns ourselves. We have a long history of using science to get involved with on-the-ground management. And our Fire Learning Network has been working now for 12 years with communities to build capacity to learn to live with fire.

My own history—I have visited most of the most destructive fires that occurred in the previous decade—most were destructive and deadly.

I think this is really the time, like you have all said, for us to make a big step up and a sizeable change in investment. We can do it.

We have been hearing about all these up-front investments that need to be done. We know that the up-front investments in forests and communities do reduce fire danger. We know they have tremendous other benefits such as improving our water quality and quantity, helping with jobs in our communities and helping a whole variety of industries.

We know many of the steps that can be done. I hope you have a chance to look at my rather long written testimony which has a lot of specific things. It will take more efficiency, but work can happen.

Twelve years ago, the Congress and the Administration and the states got together with a National Fire Plan and stepped up activity dramatically, but since then it has waned. And so we need to step up.

First of all, Federal funding for hazardous fuels reduction programs—this is absolutely essential. You have all mentioned it. There is no reason why we cannot at least do a 50 percent increase in these funds.

We know these projects work. We have ample evidence for the Department of the Interior as well as for the Forest Service, that these projects have tremendous benefits. My paper references several Science Review articles that give more detail.

Another important project that needs to be funded is the Collaborative Forest Landscape Restoration Program. In essence, as the Chairman mentioned, the collaborative forest program is a pilot effort that is bringing people together across the country. The Conservancy is involved deeply in 16 of the 23 efforts.

I personally have visited many of these. I have had the good experience of going to Colorado with the Front Range Group which is doing terrific work. I also had the good experience this past summer to go to Arkansas and spend time in the Ozark National Forest where I was amazed at the terrific work being done there to reintroduce fire, to bring out pine for the forest products industry and have tremendous biodiversity.

Now how are we going to do this?

We need to step up with—as we have mentioned—changing the way fire suppression is funded. The fire suppression is just killing us, all the money going to the reactive areas.

I have been suggesting that we need to create a separate wildland fire disaster suppression fund, and I think this can be done.

I encourage you to also take a look at the pending House and Senate fiscal 2014 Interior appropriations bills. Each of those uses emergency declarations, and I think a similar process could be used to help get the funding for the fire suppression, to free up sizeable increases in resources for these other efforts that we know work.

As Senator Boozman mentioned, non-Federal funding and partnerships are essential. There are a lot of terrific efforts going on. Colorado, in particular, is a leader of having various partners—utilities, industrial partners—working to get work done on the ground. The recreation and tourism industries can be deeply involved. We

are seeing more and more municipalities get directly involved in helping take care of Federal lands because they understand how critical that is for their own work.

We have heard mentioned about the NEPA problems, and I think there is a lot to be done there to increase the efficiency and scaling-up of efforts. But by keeping public transparency, it is essential to create the social license to be able to get better projects done, and I think that is something we cannot forget.

Lastly, let me mention the Fire Adapted Communities Coalition. This is something. The Conservancy, the Federal agencies, the states, the insurance industry and many others are working with the Fire Adapted Communities Coalition to produce education materials. And I think a lot more can be done with those kinds of efforts to get people directly involved with protecting their communities, to get directly involved with the surrounding wildlands.

With Federal and non-Federal investments, we can make a big difference.

All that can happen if we can figure out and actually implement a better way of funding the fire suppression.

So let me just finish by kind of reflecting. I had the good fortune of visiting several of these hearings, and the bipartisan agreement is so profound on these issues that it would just be a terrible shame if we do not seize this moment and make a big step up.

I think the Farm Bill has some terrific forestry provisions in it. And I think you guys, if you stay involved, you can help us bring this across the finish line.

So thank you very much.

[The prepared statement of Mr. Topik can be found on page 54 in the appendix.]

Senator BENNET. Thank you very much, Dr. Topik.

Mr. Troxel.

**STATEMENT OF TOM TROXEL, EXECUTIVE DIRECTOR,
INTERMOUNTAIN FOREST ASSOCIATION, RAPID CITY, SD**

Mr. TROXEL. Chairman Bennet, Ranking Member Boozman, Senator Klobuchar, thank you very much for this opportunity to testify today.

I am Tom Troxel. I am from Rapid City, South Dakota. I am here on behalf of—

Senator BENNET. See, I told you—South Dakota.

[Laughter.]

Senator KLOBUCHAR. That would be the power of the Chair.

Mr. TROXEL. I am here today on behalf of the Federal Forest Resource Coalition, which represents 650 forest products companies in 32 states.

I would also like to start by complimenting each of you for your opening statements and your understanding of the issues in framing this hearing.

The inadequacies of the current Forest Service fire funding model are well documented. First of all, when suppression costs exceed appropriated funding levels, the Forest Service is forced to withdraw funds from ongoing programs. This so-called fire borrowing diverts funding from current programs, increases Forest

Service costs and distracts forest managers from their day-to-day business.

The second, and more significant, issue is that 82 million acres of the National Forests are in poor health due to the combined effects of fire suppression and undermanagement. As fire suppression costs have consumed an ever larger portion of the Forest Service's budget over the past 20 years, the funding available to implement forest health programs has gone down.

This is a vicious cycle—the more the Forest Service has to spend fighting fires, the more fires there will be in the future.

The Federal Forest Resource Coalition has long advocated for a sustainable fire funding model that includes preparedness and emergency funding, eliminates the need for fire borrowing and increases science-based proactive forest management that can reduce the potential for catastrophic fires and restore the health of the National Forests.

To reiterate, proactive forest management works, and any new fire funding model must include a substantial increase in the amount of on-the-ground proactive management in the National Forests. This is crucial for rural America.

Last year, the Forest Service published a restoration strategy which called for increasing the pace and scale of restoration, reducing hazardous fuels, restoring forests and increasing timber sales to 3 billion board-feet. However, the Forest Service is struggling to increase the pace and scale of restoration. At their current rate, it will take 242 years to treat the 82 million acres currently in need of restoration.

The GAO has recognized the need to reduce hazardous fuels. The Western Governors Association and the National Association of State Foresters both support increased management. However, litigation, misuse of NEPA, analysis paralysis, and the failure to respond rapidly to catastrophic events are preventing the Forest Service from meeting its management goals whether the metric is acres treated, timber sold or habitat improved.

I offer the following recommendations:

Adequate funding is essential. This is not a budget hearing, but budgets reflect policy. The President's 2014 budget goes the wrong direction in proposing reductions in timber harvest and hazardous fuels treatments.

Reduce Forest Service costs through finding efficiencies, using more cost-effective processes and reducing overhead costs.

Use timber revenues to offset the cost of restoration, thinning and hazardous fuels reduction.

Finally, increased funding by itself is not enough. Congressional legislation is needed to streamline NEPA compliance, endangered species consultation, judicial review and program implementation. Reforming these laws is critical to treat the systemic infection plaguing the National Forest system.

Forest products companies are the Forest Service's most efficient tool to help address the forest health crisis on the National Forests. However, in some areas, forest products companies are on the brink because National Forest sale programs have been shut down by serial litigation.

Ultimately, the future of these companies and the restoration of the National Forests hinges on providing certainty to forest managers, to communities and to private industry that these programs will be properly managed.

Our domestic forest industry is well positioned to help improve the health of the National Forests, create thousands of new jobs and generate critical revenue for counties and the Treasury. Again, however, that depends on a predictable, sustainable supply of timber from the National Forests, especially in the West, where in many areas the Forest Service is the dominant landowner.

We need to do better than watch our National Forests burn and our rural communities struggle while lumber is being imported. We have an opportunity to meet the needs of all right here in the United States through active, sustainable forest management.

Again, thank you for this opportunity to testify.

[The prepared statement of Mr. Troxel can be found on page 67 in the appendix.]

Senator BENNET. Thank you, Mr. Troxel.

Ms. Clark.

STATEMENT OF SALLIE CLARK, SECOND VICE PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES AND COMMISSIONER, EL PASO COUNTY, CO

Ms. CLARK. Thank you for the opportunity, Chairman Bennet, Ranking Member Boozman, Senator Klobuchar and Committee.

I will not introduce myself because Senator Bennet did such a nice job.

But, the Waldo Canyon fire started in my commissioner district on June 23, 2012, along a popular U.S. Forest Service hiking trail just a few miles west of Colorado Springs. Two citizens lost their lives, 346 families lost their homes, and more than 18,000 acres of scorched earth was left behind.

The photo over here to my right shows what it looked like to see the neighborhood burn.

The Waldo Canyon fire also destroyed huge areas of vegetation and burned the soil so badly that it will no longer absorb water and has created devastating flash flooding.

We hope and pray each time we see a typical summer thunder-shower developing over the massive burn scar that we will not have a repeat of the disastrous flash flooding, evacuations and fear that has ripped through the small town of Manitou Springs and communities along our major highway.

Experts tell us that vegetation will be slow to return to the steep mountain slopes, and so far, more than \$30 million has been spent on recovery, restoration, flash flood mitigation and protection of critical water systems. However, much more is needed. It is estimated that \$50 million more is needed, as a conservative estimate, for additional combined agency funding.

Our story is one that has been repeated many times throughout the West. Cerro Grande, New Mexico destroyed 400 homes and burned through parts of Los Alamos National Laboratory, estimated damages at \$1 billion.

Colorado's Hayman fire scorched 180,000 acres of forest land, destroyed 180 homes, and 10 years later flash flooding destroyed a major mile-long section of Highway 67.

The Schultz fire in Coconino County, Arizona—15,000 acres, loss recovery and flood mitigation costs have topped \$120 million.

Thousands of acres of dead or dying trees, basically, adjacent to our neighborhoods have a recipe for the kind of disaster we experienced. As our community begins to recover in the aftermath of a fire, the burned and scarred mountainside continues to generate dangerous flash flooding. Lives have been lost since flooding has started. A major highway washed out, homes destroyed and utilities infrastructure lost. Our water system is threatened, and jobs and our economy devastated.

There are many lessons learned, but essentially, the problem is that our beautiful public lands not controlled by the local government are great contributors to our quality of life but also pose a substantial threat to lives and property nearby.

In a recent flash flood post-fire, another life was lost on a major highway to the mountains. Hundreds of thousands of dead trees currently surround mountain towns, cross major highways and threaten the headwater regions of the Colorado, Platte, Arkansas and Rio Grande Rivers.

Appropriate forest mitigation recognizes the need to preserve our national resources while protecting the health, welfare and safety of our citizens. It is important to also recognize that fire suppression should be considered as an emergency in terms of funding replenishment so that it maintains the important efforts by agencies like the U.S. Forest Service to provide needed resources for continued healthy forest efforts.

We understand that fire mitigation projects, despite the fact that they will pay for themselves many times over, are rarely funded by FEMA. The number is getting larger every day. So I cannot tell you what the total cost to El Paso County and its citizens would be, but I can say with absolute certainty that pre-fire mitigation in Pike National Forest would have been an excellent return on investment.

We need to mitigate the greatest threats for fires and floods, whether on public or private property. Fire knows no boundaries and neither does flash flooding.

In the Black Forest fire, the second fire that hit us in one year, firefighters were able to successfully defend areas where trees were healthy and property owners had taken proper mitigation steps, but where there had been little or no mitigation were completely wiped out.

NACo, the National Association of Counties has been actively involved in the Cohesive Strategy. The three goals are restore and maintain landscapes, create fire adapted communities and respond to wildfire.

One thing is clear; we can no longer afford to have one disastrous wildfire after another. Healthy forests and pre-mitigation efforts are the only answer. The opportunities to prepare and prevent are priceless.

Senator Bennet, as you know, I generally bring a memento of our area. I have debris from Fountain Creek that shows that wildfire and the flooding afterwards is worse sometimes than the fire itself.

[The prepared statement of Ms. Clark can be found on page 34 in the appendix.]

Senator BENNET. Thank you for bringing that.

Thank you all for your testimony.

We have been joined by Senator Thune.

It really was excellent testimony.

Ms. Clark, I just want to tease out a point that you made for everybody, which is that we are talking about the headwaters of a big part of this country. This is not just about the State of Colorado or one place, as Senator Boozman said earlier. This is happening in many, many places, and the potential aftereffects, when you think about what could happen in these watersheds, is something that should be of profound interest to everybody in the country.

I wonder whether you would share a little bit in more detail what the citizens of Manitou Springs are going through right now as a consequence not just of the fire, which we did not do sufficient mitigation for, but then the flooding as well.

Ms. CLARK. Well, as you know—and we appreciate your visits to our county to tour the area time and time again, but—the Manitou Springs is a town of around 6,000 people. It is right next door to Colorado Springs, which is our largest community. The areas to the west include the town of Green Mountain Falls and unincorporated El Paso County.

But all summer long the sirens would go off. And it is a tourist town. So all the tourists would flee.

Then we would decide whether there was going to be a big rainstorm on the mountain scar or not, and then they would go back to their life. And then they would leave again.

Several times during those time periods, there were significant floods that totally wiped out houses. In fact, one lady was actually on her front porch when the house lifted up off its foundation and floated downhill. She survived.

But it is a frightening experience to see where this town, even though they have never experienced this kind of flooding—there is no historical data to show you that there was flash flooding in the past related to Waldo Canyon, but now because of the scarred burn area up above, basically, it has very much affected the economy of the town, and some businesses are actually closing their doors and moving out.

Senator BENNET. So I will use the Chairman's prerogative to say that Manitou Springs is open for business and please go spend your money there.

Mr. Pitcher, you had said in your testimony that—and you put it much more eloquently than I will repeat it, but—you had noticed a difference in the way the Federal Government approached things when it actually had an immediate deadline of putting a fire out versus doing the mitigation stuff to begin with.

I wonder whether you could elaborate a little bit about the frustrations you heard from Forest Service personnel or others who felt that the rules and regulations were somehow getting in the way of

their ability to play a more constructive role or allowing you to play a more constructive role.

Mr. PITCHER. Yes. I guess the biggest contrast I saw was during the time that the spruce beetle was starting to infest the forest and we were attempting to move outside of our permit area, the fuel reduction we were doing within was orchestrated in conjunction with the Forest Service.

The administrative problems that arise with some of the NEPA regulatory guidelines that they work under, I think, are always a challenge. And I think it is something that is necessary, but I think with regard to the nature of the timeline of these disaster-type fires, or outbreaks, maybe something could be done better.

I think the other item that they expressed some frustration with is the funding that they go through to get to the point where they can actually determine whether they can do timber sales or fuel reductions. Because of the nature of the funding coming in on a yearly basis, they are always struggling with trying to meet budget and then trying to decide if they have money. And then it is the next year, and it is a different budget. So that is a concern, I believe.

Senator BENNET. How would you describe this for the people that are not familiar with Colorado—the state of the forest today?

Mr. PITCHER. Oh, it is—you know, 20 years ago, if you had come to me and said that there was going to be forest fires in southwestern Colorado of the scale that I have seen this last year, I would have probably laughed. It is just incredible.

There is about 90 percent mortality. The forest up in Wolf Creek Pass and that whole area—Mineral County, Hinsdale County—is very monolithic, and it is all spruce, and it is all dead.

It is part of the natural process. I do not think anybody is debating that.

I think how we deal with the interface—I am not sure that 20 years ago anybody really extrapolated how even in these areas with 4 million acres of National Forest, for example, and very low population density, how with inholdings, ski area permits, roads, power lines, there really is not any area where this kind of natural fires of a grand scale that really take place without affecting somebody.

Senator BENNET. Thank you. Thank you for your testimony.

Senator BOOZMAN.

Senator BOOZMAN. Thank you, Mr. Chairman.

Mr. Pitcher, you mentioned that you had a situation where you wanted to extend your permit. I know that processes have to get done. But, was there any common-sense reason not to do that?

Mr. PITCHER. On the fire management plan and trying to extend our work, I think common sense—again, the regulatory structure that the Forest Service works within disallowed the planners to really move forward with being able to do that.

They did not say they could not do it.

Senator BOOZMAN. Right.

Mr. PITCHER. They just said it is going to take time.

Senator BOOZMAN. But it truly was an emergency situation, as we—

Mr. PITCHER. Well, I believe—this was over the course of the last decade, and I believe that there was an awareness that the spruce beetle was getting worse every year. And I think that the Forest

Service, the local decision-makers, were working towards getting a mechanism set up that they could actually allow something to happen. But, you know what? With the NEPA regulations and so on and so forth, it was very difficult for them.

Senator BOOZMAN. Right, and that is why we need to have some sort of vehicle, a hearing or whatever, try and cut through some of that stuff.

Dr. Topik. The Nature Conservancy does a tremendous job in Arkansas. Scott Simon and, again, you all are exemplary and just a great example of what public-private partnerships can do. So, again, I want to commend you for that.

I would like to ask you and Mr. Troxel. You know, we have heard about climate change. We have heard about budget cuts and this and that. We have heard about the problem of fighting fires and expending all of our funds doing that versus mitigating these things.

What percentage of this is caused over the last 20–30 years just from poor management as far as the situation that we are in now?

Mr. TOPIK. I think the intent——

Senator BOOZMAN. In the situation we are in now, Ms. Clark said that the forests are a threat to her community. I do not want to put words in your mouth, but essentially she is concerned because this is a danger now—the surrounding landscape.

I think Mr. Pitcher alluded to the same type of thing in the sense we have got all this acreage that is a tinderbox for a variety of different reasons.

What percentage of that is just poor management?

Mr. TOPIK. I do not have a percentage, but I mean, I would say that we would be wrong if we did not attribute an awful lot of the weather-related events to these real intense fires. The very intense fires we have had in the last decade or so are due to these high-temperature, long-drought events, and there is a tremendous relationship there.

Senator BOOZMAN. Ms. Clark mentioned that the areas that were well managed in her area did not have as much problem——

Mr. TOPIK. Sure.

Senator BOOZMAN. —as the others.

Mr. TOPIK. Yes. I have had the good fortune of visiting a number of sites. I got to spend time up in the air around the Wallow fire, the largest fire in Arizona.

Thinning can often be a very good use, and it is something we very strongly advocate for. We are involved in a project with the City of Colorado Springs and Manitou Springs and the Forest Service ourselves. That is the kind of work we support.

So it is a combination. There are several fire problems, and we are going to need several fire solutions. But, if it were not for the problematic climate and weather problems, it would not be nearly as bad.

But the overzealous fire suppression that we had for many decades when we had warmer—excuse me, when we had wetter areas—I mean, that is a big contribution also. We cannot overplay.

It depends where you are. It is very different between chaparral and high-elevation forests versus the pine zone. Each have com-

pletely different sorts of ecologies. So it is important that we do not overgeneralize.

Senator BOOZMAN. Mr. Troxel.

Mr. TROXEL. I agree with what Dr. Topik said. There are so many different forest types and the right treatment in a ponderosa pine forest type is different than the right treatment in Engelmann spruce.

Mr. Pitcher referred to the monolithic forest on the Rio Grande National Forest, and that is part of the problem, with so little age, class and structural stage diversity. That was a result of the history of fire suppression in those areas and not taking the initiative to do more management to create that diversity.

Diversity is good, whether we are talking about forests or stock portfolios. We just did not have that diversity in the National Forests, which is why so many huge areas of forest in Colorado and other western states have been so affected by the beetle epidemics.

Senator BOOZMAN. Thank you, Mr. Chairman.

Senator BENNET. Thank you, Senator Boozman.

Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much to all of you.

I wanted to follow up. Dr. Topik, you know The Nature Conservancy has a very strong presence in Minnesota, and there have been great strides at a more collaborative approach to forest management in part because of The Nature Conservancy. And I think other regions of the country would look at the work you are doing with some envy.

But, despite these improvements, I think you know, the timber industry still struggles with some of the red tape issues. What do you see—you mentioned some potential reforms. What do you see as steps we can take in the near term to complete sales in a more timely manner and expedite many of the routine projects that get tied up for months?

Mr. TOPIK. Thank you for complimenting our Conservancy staff. They are good in Minnesota. They are good in Arizona.

Senator BENNET. They are great in Colorado.

Mr. TOPIK. Excuse me. They are great in Colorado, Arkansas and South Dakota.

Senator KLOBUCHAR. South Dakota.

Mr. TOPIK. Our Minnesota and South Dakota folks work together. That is a great partnership for The Conservancy there.

One of the things—directly answering the question—I have tried to avoid it here for a moment.

Directly answering the question is I believe larger-scale NEPA projects that include an adaptive component.

So I would like to see—and I saw this actually in Arkansas, in the Ozark National Forest, and I hope people can copy what they have done there—over a whole range of districts, of a couple hundred thousand acres, having an environmental analysis done that allows projects to be done without then having to do it over and over again, real local detailed projects.

So you still have the benefits of having NEPA and public involvement. We have the decision-making that is open and transparent. But we are doing it at a scale that you can actually assess treat-

ments and have a better idea of cumulative impacts. So I think that is an area where a lot more can be done.

There are places—and South Dakota, I believe, is another place where they have stepped up with some large-scale NEPA project analysis.

So I would like to see those done in a lot more places.

Senator KLOBUCHAR. And I mentioned in my earlier comments, in talking to Mr. Hubbard, about bioenergy.

Could you talk about how you see working forests and bioenergy as part of a broader strategy to support economic development—we certainly see it in Northern Minnesota—still understanding that we have to preserve large tracts of our forests and make sure we do it right?

Mr. TOPIK. Well, I am not an expert in that field. I did have a good experience up in Arizona, visiting some areas where a terrific small factory, I believe, has 48 employees and is generating wood pellets for local industry, not for the European export. So that is a very important kind of component.

So I would like to see more of this distributed local energy use through bioenergy done in a lot of places.

I think there are many parts of this country where that could be done. We have seen, for instance, in eastern Oregon a lot of hospitals and schools are able to use locally grown fuels for heating and such.

I think there is a lot to be done there.

Senator KLOBUCHAR. In Minnesota, we have seen a dramatic decline in the number of moose, which is really a big deal in our State. It is an icon up in northern Minnesota. How can improved forest management and changes in the forest habitat play a role to help protect this critical species?

Anyone want to weigh in on moose?

[Pause.]

Senator KLOBUCHAR. Okay, I will do it in writing later.

[Laughter.]

Senator KLOBUCHAR. You can go back and check your books.

But it is something that we are seeing a change. It may be some of the climate change issues that you are raising.

Mr. TOPIK. This is way out of my area of expertise. I know that up in Maine in particular there are weather-related impacts and disease on the moose. I am not familiar at all with the Minnesota situation.

Senator KLOBUCHAR. Thank you.

Then just two last questions here—Ms. Clark, one of the things we have tried to do in recent Farm Bills is to try to encourage a more regional approach for rural development. We have seen significant returns in Minnesota when we do this.

Fire management is another area where coordination can help with town, counties, state and Federal agencies.

How can Federal agencies be more responsive to your needs and coordinate better with your local government units.

Ms. CLARK. Well, I think that some of the bipartisan legislation that is moving through various agencies here and through Congress will help in terms of stewardship and partnership programs that really look to local governments to help in the planning of

those forests because they are right adjacent to private property; they are adjacent to both county and city parks. And I think that collaborative nature is important—that we are brought to the table early in the process, not at the end of the process when they have already decided.

If you look at Pikes Peak and the Pike National Forest on the Pikes Peak side, which was not impacted—actually did light on fire, but our hotshot crews got it out—there are over 1,000 trees per acre there. It should be around 100 trees per acre.

So that is not good for wildlife. It is a threat to Cheyenne Mountain complex, which includes NORAD, a major military installation.

I just think those partnerships are critical to us.

Senator KLOBUCHAR. Well, thank you very much.

I will just—my colleague is here from South Dakota, and so I will put my question in writing for you, Mr. Pitcher.

But, I used to head up the Subcommittee on Tourism and now head the Tourism Caucus and know how important this is. And I think when we talk about these wildfires we need to go beyond talking about them in terms of the timber industry, important in my State, but also the effect it can have on tourism and as an argument for the economic importance of investing in forest management.

So thank you for being here.

Senator BENNET. As head of that tourism thing, you should know Wolf Creek is open for skiing already this year.

[Laughter.]

Senator KLOBUCHAR. That is very good. We will put that up on our web site, and everyone can look at that.

Senator BENNET. So glad Senator Thune has joined us because he has been a leader on these issues for a long time.

We are glad you are here.

On the NEPA point, you and I did some work in the Farm Bill to try to update for faster NEPA analysis in the beetle kill areas of our respective states. So I wanted to thank you for that.

With that, I will turn it over to you.

Senator THUNE. Thank you, Mr. Chairman, and thank you to you and Senator Boozman for calling this hearing and for assembling such a great panel of witnesses to talk about these issues.

As you mentioned, we have, in the Farm Bill, tried to address some of these—in the forestry title—challenges that we face and particularly in your area of the country and my area of the country.

I think the moose have migrated to South Dakota. That is why they do not know about the Minnesota moose. No, I am kidding.

We have pheasants in our state, no moose, at least not any so far.

But I would want to especially recognize Tom Troxel who is someone—he is the Executive Director of the Intermountain Forest Association from my home State of South Dakota and somebody who knows full well the positive benefits of successful thinning in a timber harvest program and what that can achieve in terms of proactively diminishing the risk of wildfires and protecting our western forestlands.

He has worked extraordinarily well with the Forest Service and the timber industry and other stakeholders in our State, putting forth common-sense solutions to a lot of the problems and the concerns that are represented by those who care about, and depend upon, our western forestlands for their livelihood and for recreational interests as well.

There are some things, as you mentioned, Mr. Chairman, that are going on in our State, and I would like to have Tom speak a little bit about that.

We have, obviously, got tight budget constraints that we are dealing with now, which has been a challenge. And I appreciate the suggestions about how to, in new and creative ways, fund some of these issues that we face in the forests.

We have been able, in the State of South Dakota, to combat the growing threat of the mountain pine beetle in an innovative way. And like many of the forests in the Rocky Mountain region, the Black Hills is experiencing this epidemic. It is not on the level that you are experiencing in Colorado yet, but I think one of the reasons for that is due to the innovative way in which the various stakeholders and the Forest Service have worked together to address the issue.

They developed this Mountain Pine Beetle Response Project which was able to complete an environmental review of the most critical areas in the entire Black Hills National Forest, allowing the Forest Service the flexibility to quickly treat areas under the threat of the mountain pine beetle. Due to the unprecedented large landscape project this represents, more affected trees have been timely treated, fuel has been removed, and much more forestland is protected from the pine beetles.

So there is a lot more work that can be done in other areas, and I guess I would suggest that this kind of an innovative approach—and you referenced it too, Mr. Topik—is something that could be replicated in other areas managed by the Forest Service.

So the question, I guess—and I would direct this to you, Mr. Troxel—is would the Black Hills National Forest Pine Beetle Response Project, with its large-scale NEPA, be something that could be an effective tool for future forest management?

Mr. TROXEL. Thank you, Senator Thune.

Absolutely. As you know, it analyzed about 250,000 acres and made decisions about how to treat the 250,000 acres, about half of it commercially and half of it noncommercially.

The Black Hills is a great example because the link between thinning the ponderosa pine forest and reducing the risk of fires and reducing the risk of mountain pine beetles is so well established.

It is critical, and it is also cost-effective, and it helps the Forest Service be timely, to do a NEPA analysis on the scale of the Pine Beetle Response Project, and I believe it is a model that other national forests should emulate.

Senator THUNE. If Congress were to change the way Forest Service fire suppression costs are funded, with your 24 years of experience in western forestlands, what would be the best strategy and how important is ensuring adequate funding for proactive forest management, and how important is that in fitting into a strategy?

Mr. TROXEL. Thank you, Senator.

It is critical. It really does not make sense to just fix the funding piece without trying to incorporate a package of proactive forest management steps so that we have a chance to get ahead of the fire problems that we have.

It is like preventive medicine. It is cost-effective. It is good for the patient—the same thing we have heard today from several witnesses.

Mr. Hubbard talked about the proven cost-effectiveness of preventive measures.

Proactive forest management absolutely needs to be part of the strategy, but there is just not enough money to pay for proactive forest management without doing some reform of the underlying laws. I included references in my testimony about changes to NEPA and the Endangered Species Act and litigation that would also be helpful components.

Senator THUNE. And I would ask—anybody can react to this, but—what would you all think of the concept of using funds that are targeted for—and I have got a bill actually that would do this—for future Forest Service acquisitions, that be redirected to forest operations and maintenance on existing Forest Service lands?

Before we buy more land, we redirect funds that we need—we know we need—given the fact that we have got these budget constraints that we are dealing with.

Mr. TROXEL. I will take a shot at it. I think it is obvious that the priority for the Forest Service needs to be taking care of the lands they already own and acquiring additional lands would be a lower priority, at least for some period into the future.

Mr. TOPIK. Just so we do not have complete comity and agreement on everything, I would hate to see a blanket kind of approach to something like that. I know that there are a number of incredibly important acquisition projects that often can occur and have a lot of management efficiency as well as protection quality. And so I would ask people to look at that very carefully rather than to make that kind of a blanket decision.

When you think of the source of land acquisition funding being from our offshore oil, a one-time kind of agreement with the people, with the public, that as we use that one-time resource that we reinvest it in something that has some permanent value, I think there is something to be said for that.

Ms. CLARK. Senator, if I might just—and I certainly speak only for myself when I give this observation, but I think it is important to be able to take care of what you have before you add on, or when you add on, you need to make sure you can take care of that new acquisition.

At the same time, I think one of the issues is that, with the Forest Service, forest fire suppression is not treated like an emergency that is replenished. So, when these emergencies come up, the Forest Service has to manage their budget within their budget. So they have to reduce the pre-mitigation versus deciding where they are going to put that fire suppression money.

I think that is a critical component to making sure that at least the funding for the mitigation stays stable even in the face of all of these wildfires that keep hitting.

Colorado has been hit time and time again, not just by fires but floods and other issues—floods related to fires. But I think that is a critical component, that fire suppression has to be also looked at as an emergency so that it does not do harm to what we are trying to prevent.

Senator THUNE. I appreciate that. Yes, your area has been the front line of that.

I guess my time is well expired, Mr. Chairman.

Senator BENNET. If you want another question, go ahead and take one.

Senator THUNE. I think that is okay. I have probably exhausted that line of questioning.

Senator BENNET. I have one. I am just going to ask a question to Dr. Topik and then turn it over to the Ranking Member.

You have got such an interesting experience and background in the Forest Service and over on the House side, the Appropriations Committee. For those of us, all of us, that would like to spend more money on the front end and less on the back end, certainly get away from this fire borrowing, do you have any final words of advice for us about how we can make that case or what we should be thinking about in terms of approach?

Mr. TOPIK. Well, I just think the investments work so well. Commissioner Clark mentioned the five-to-one returns on this. We really cannot afford not to do the up-front work. We know we are going to end up having these big costs afterwards.

So it seems to me absolutely essential that the Congress just—you know. And that is why I was so happy to see this Committee also get involved. You can make these decisions, and we can ramp up Federal money, and that will attract non-Federal money and more participation by more sectors of society that can get involved and also help.

Senator BENNET. Thank you.

Senator BOOZMAN.

Senator BOOZMAN. Well, I really do appreciate your leadership on this issue, Mr. Chairman. It is so important.

This is an issue that is certainly not partisan at all. It is not this Administration's fault. It is not the last administration's fault. It is the last several, several administrations' and Congress's fault.

But we do need to—you know, we do have to—it should not be that Ms. Clark and Mr. Pitcher feel like the adjacent lands surrounding them are a hazard and something that they fear instead of enjoy.

I do think that in the situation where we have hundreds of thousands of logs laying around—that, to me, is a situation, in the watershed it is in, that is almost like the collapse of the bridge in Minneapolis. You know.

I would hope that we are cutting through the red tape, that we are doing all that we can do to go forward so that we can aggressively get the area cleaned up and restored.

Again, thank you, Mr. Chairman.

Thanks also to the panel. You guys—you and Mr. Hubbard—were excellent. This was a very, very helpful hearing. We appreciate your making the trip.

Thank you.

Senator BENNET. I would say to the Ranking Member and the Committee that my wife's grandfather is from Arkansas and was an attorney in eastern Arkansas and his law firm is still there. And one of the times I met with him he remembered very fondly standing at the headwaters of the Arkansas River with the river running between his legs, and that was in the great State of Colorado. So that does connect us all.

I want to thank my colleagues who are here today, and I want to thank all the witnesses for appearing before the Committee.

Any additional questions for the record should be submitted to the Committee clerk five business days from today. So that is by 4:00 p.m. Tuesday, November 12th.

We are adjourned.

[Whereupon, at 4:03 p.m., the Subcommittee was adjourned.]

A P P E N D I X
NOVEMBER 5, 2013



Date: November 5, 2013 2:30 p.m.

To: Senate Agriculture Committee, Subcommittee on Conservation, Forestry and Natural Resources

Re: Shortchanging Our Forests: How Tight Budgets and Management Decisions Can Increase the Risk of Wildfire

Dear Chairman Bennet and members of the committee:

I am El Paso County Commissioner Sallie Clark representing District 3 in the Pikes Peak area of Colorado. I also represent National Association of Counties (NACo) as 2nd Vice President. The Waldo Canyon Fire started June 23, 2012 in my commissioner district, along a popular U.S. Forest Service hiking trail just a few minutes west of Colorado Springs. Two citizens lost their lives, 346 families lost their homes and more than 18 Thousand acres of scorched earth was left behind.

The Waldo Canyon Fire destroyed huge areas of vegetation and burned the soil so badly that it will no longer absorb water and has created devastating flash flooding. We hope and pray each time we see a typical summer thundershower developing over the massive burn scar area that we will not have a repeat of the disastrous flash flooding, evacuations and fear that has ripped through the small town of Manitou Springs and communities along our major highway. Experts tell us that vegetation will be slow to return to the steep mountain slopes made up primarily of unstable decomposing granite and we will continue to face the threat of catastrophic flash flooding for decades to come. So far, more than 30 million dollars has been spent on combined recovery, restoration, flash flood mitigation, and protection of critical water systems, however, much more is needed. It is estimated that over 50 million dollars is a conservative estimate for additional combined agency funding.

Our story is one that has been repeated many times throughout the west:

- Cerro Grande, New Mexico in 2000 destroyed 400 homes and burned through parts of the Los Alamos National Laboratory- the U.S. General Accounting Office estimated damages at 1 Billion dollars.
- Colorado's Hayman Fire in 2002 scorched 180,000 acres of forest land destroyed 180 homes and 10 years later, flash flooding off the Hayman burn scar destroyed a mile long section of Highway 67.
- The Schultz Fire 2010 in Coconino County, Arizona...15,000 acres burned.... Loss, recovery and flood mitigation costs have topped 120 Million dollars.

Wildfire risks can and must be mitigated. Thousands of acres of dead or dying trees adjacent to urban neighborhoods are a recipe for the kind of disaster we experienced with the Waldo Canyon Fire. Now, as our community begins to recover in the aftermath of the fire, the burned and scarred mountainside continues to generate dangerous flash flooding. Lives have been lost, a major highway washed out, homes destroyed, critical utilities infrastructure lost, businesses closed and jobs eliminated. There were many lessons learned from

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this disaster, but one of the most painful is that beautiful public lands, not controlled by local government agencies, are great contributors to our quality of life, but can also pose a substantial threat to lives and property nearby. In a recent flash flood post-fire, another life was lost on our major highway to the mountains.

Too many trees are too close together and are too close to homes, schools, parks and playgrounds.

Many years before the Waldo Canyon Fire, a typical acre of land in the Pike National Forest was covered with more than a hundred trees. The experts say the topography, climate and elevation can reasonably be expected to support only about thirty. At a recent hearing on healthy forests in 2012, County Commissioner Dan Gibbs of Summit County, Colorado, representing the world famous ski areas of Breckenridge and Keystone testified. He is a certified wildland firefighter who has fought large blazes throughout the West. Commissioner Gibbs stated that the Mountain Pine Beetle epidemic which has been raging for years throughout the forests in Colorado and Wyoming has left his county with over 146,000 acres of dead or dying pine trees. He also stated that most of the Lodgepole Pine trees are dead and over half of all Pine trees are diseased and dying. Hundreds of thousands of dead trees currently surround mountain towns, cross major highways and threaten the headwaters regions of the Colorado, Platte, Arkansas and Rio Grande Rivers.

The climate of the Western United States will continue to see cycles of ample precipitation and drought.

Insects and disease will continue to take a toll on our forests but we have a responsibility to manage these issues and mitigate the risks. The Waldo Canyon Fire was a stark reminder of the need to be proactive in our efforts to protect our citizens, property, and resources. We understand that no single effort is perfect and we cannot end the threat of destructive wildfires. But it is important that we recognize and establish a framework for state, local and federal government agencies and the private sector, to work together to identify and manage our forests in a responsible way and to implement policies that provide the ability to get the job done. Appropriate forest mitigation recognizes the need to preserve our natural resources while protecting the health, welfare and safety of our citizens.

Unprecedented collaboration and flood mitigation since the Fire –but too little before: I am pleased to report that El Paso County, The City of Colorado Springs, the United States Forest Service, the Colorado Department of Transportation, the Army Corps of Engineers, the Natural Resources Conservation Service, FEMA and other government related and non-profit volunteer agencies have come together since the Waldo Canyon Fire and continue to meet regularly to seek funding sources, identify and construct flash flood mitigation projects that are making an important difference. This unprecedented cooperation between many groups and jurisdictions is a model for the effectiveness of collaboration between federal, state and local agencies. This highly effective collaboration should be incorporated into all new Healthy Forest legislation to insure that those who know the community best have a voice in setting the policies and procedures that will help to reduce the risk that wildfires raging on public lands will race into city neighborhoods where loss of life and property is almost certain. It is also important to recognize that fire suppression is looked upon as an emergency in terms of funding and does not diminish the ability of efforts by agencies to provide continued healthy forest fire mitigation efforts.

The Board of El Paso County Commissioners unanimously supports proactive measures to lessen the likelihood of future deadly and destructive wildfires like Waldo Canyon and support the results of a 2007 Congressional Budget Office study indicates that every dollar invested in healthy forest and wildfire mitigation will save more than five dollars in future disaster losses. In the same report, CBO concluded that fire mitigation projects have one of the highest returns on investment out of all the different FEMA mitigation categories. We understand that fire mitigation projects, despite the fact that they will pay for themselves many times over, are rarely funded by FEMA. The number is getting larger every day, so I can't tell you what the total cost will be to El Paso County and its citizens as a result of our recent wildfires, but I can say with absolute

certainly that pre-fire mitigation in Pike National Forest would have been an excellent return on investment.

In conclusion, I want to stress the need for more investment in mitigation and the importance of having the Forest Service working together with local officials to make the most of that investment. Fires and devastating and destructive flash floods have no respect for private property lines, city, county, state and federal boundaries or critical public safety and utilities infrastructure or potential loss of life. So, I am encouraged to see the introduction of bipartisan legislation that would give local officials the flexibility needed to do fire mitigation in a manner that will ensure the greatest return on our investment. We need to mitigate the greatest threats for fires and floods, whether they are on public lands or private property and we need the flexibility to partner and collaborate with multiple agencies, jurisdictions and land owners to get the job done. And, local input is a key to understanding the needs of communities.

Finally, if you are not already aware of it, the Waldo Canyon Fire of 2012 was at that time, the most destructive wildfire in Colorado history. Just a year later, in June of this year, we experienced in El Paso County, the Black Forest Fire which is now the most destructive wildfire in Colorado history. In the Black Forest Fire, two more of our citizens lost their lives and this time more than 500 structures were lost. Combined recovery and suppression costs for both fires are estimated in the billions. The terrain in Black Forest is different from Waldo Canyon, so we haven't seen the catastrophic flooding that we have witnessed in the Waldo Canyon. But the value of pre-fire mitigation is prominently on display throughout the Black Forest burn area. Firefighters were able to successfully defend areas where trees were healthy and property owners had taken proper mitigation steps but whole neighborhoods where there had been little or no mitigation were wiped out.

National Association of Counties (NACo) has been actively involved in the development of the National Cohesive Wildland Fire Management Strategy ("Cohesive Strategy"). The three goals are to:

1. **Restore and Maintain Landscapes:** Landscapes across all jurisdictions are resilient to fire-related disturbances in accordance with management objectives.
2. **Create Fire-Adapted Communities:** Human populations and infrastructure can withstand a wildfire without loss of life and property.
3. **Respond to Wildfire:** All jurisdictions participate in making and implementing safe, effective, efficient risk-based wildfire management decisions.

One thing is clear, we can no longer afford to have one disastrous wildfire right after another. Healthy forests and pre-mitigation efforts are the only answer. Thank you for the opportunity to speak to you today and I am happy to answer any questions you may have related to wildfire prevention, recovery and post-fire flooding.



Sallie Clark
El Paso County Commissioner District 3
2nd Vice President, National Association of Counties

**STATEMENT OF
JIM HUBBARD
DEPUTY CHIEF, STATE AND PRIVATE FORESTRY
USDA FOREST SERVICE**

**BEFORE THE U.S. SENATE COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON CONSERVATION, FORESTRY AND NATURAL RESOURCES**

NOVEMBER 5, 2013

**SHORT CHANGING OUR FORESTS: HOW REDUCING INVESTMENTS IN FOREST
HEALTH INCREASES RISK IN WILDFIRE**

Chairman Bennet, Ranking Member Boozman, and members of the Subcommittee, thank you for the opportunity to appear before you today to provide the status of investments by the United States Department of Agriculture (USDA) Forest Service in wildland fire suppression and hazardous fuels treatments and their impacts on forest health.

Around the world, the last two decades have seen fires that are extraordinary in their size, intensity and impacts. In Australia in 2009, the Black Saturday Bushfires killed 170 people. Domestically, Florida, Georgia, Utah, California, Texas, Arizona, New Mexico and Colorado have all experienced the largest and/or the most destructive fires in their history just in the last six years. On average, wildfires burn twice as many acres each year as compared to 40 years ago and there are, on average, seven times as many fires that are larger than 10,000 acres per year. (Climate Central, 2012).

In 2013, over 4.1 million acres burned in the United States. The 2013 fires included 20 that were greater than 40,000 acres in size and 7 that exceeded 100,000 acres. Unfortunately, fires this

season have destroyed 1,059 residences, 96 commercial buildings and 935 outbuildings. Our condolences remain with the families of the 34 individuals who lost their lives during this fire season including the 19 brave members of the Granite Mountain Interagency Hotshot Crew.

Increases in large fires in the West coincide with an increase in temperatures and early snow melt in recent years. These factors also contribute to longer fire seasons. The length of the fire season has increased by over two months since the 1970s (Westerling, 2006). Contributing to the problem of large fires is severe drought, increased levels of hazardous fuels and a changing climate. Some experts anticipate future fire seasons on the order of 12 to 15 million acres burned each year. Extreme wildfire threatens lives and the natural resources people need and value, such as clean, abundant water; clean air; fish and wildlife habitat; open space for recreation; and other forest products and services. The Forest Service Missoula Fire Lab completed an analysis in 2012 that showed 58 million acres of National Forest System (NFS) lands with a high, or very high, potential for a large wildfire that would be difficult for suppression resources to contain (Dillon, 2012). At the same time, landscapes are becoming more susceptible to fire impacts, and more Americans are choosing to build their home in the Wildland Urban Interface (WUI). In the conterminous United States, some 32 percent of housing units (i.e. homes, apartment buildings, and other human dwellings) and one-tenth of all land with housing units are situated within the WUI (Radeloff et al., 2005).

Forest Service estimates indicate 464 million acres of all vegetated lands are at moderate to very high risk from uncharacteristically large wildfires (Dillon 2012). The National Association of State Foresters estimates that over 70,000 communities are at risk from wildfire.

IMPACTS OF INCREASED FIRE COSTS

In Fiscal Year (FY) 1991, fire activities accounted for about 13 percent of the total Agency budget; in FY 2012, it was over 40 percent. In the 1980s and 1990s, the 10-year average of suppression costs remained relatively stable, as did the number of acres burned nationwide. This was an abnormally wet period in the United States and fire activity was relatively low. However, beginning in the extreme fire season of 2000, which cost \$1 billion in suppression, this trend started to change. The cost of the FY 2000 fires alone caused the 10-year average to rise by over \$80 million – a 16 percent increase. Wildland Fire Management now makes up almost half of the Agency's discretionary budget. Funding fire suppression has presented budgetary challenges for the Forest Service including the need to budget less for non-fire programs in an effort to maintain funding for fire suppression.

Fire transfers from non-fire accounts occur when the Agency has exhausted all available fire resources from the Suppression and FLAME accounts. From FY 2002 to FY 2012, the Forest Service made fire transfers from discretionary, trust, and permanent non-fire accounts to pay for fire suppression costs six times, ranging from \$100 million in FY 2007 to \$999 million in FY 2002, and totaling approximately \$2.7 billion. Of that total, \$2.3 billion was repaid but the transfers still led to disruptions within all Forest Service programs. In FY 2013, the Forest Service transferred \$505 million to the fire suppression and preparedness accounts for emergency fire suppression due to severe burning conditions and increasing fire suppression costs. We greatly appreciate the repayment of these transferred funds provided by Congress as part of the Continuing Appropriations Act, 2014.

Each time the Agency transfers money out of non-fire accounts to pay for fire suppression there are significant and lasting impacts across the entire Forest Service. When funding is transferred from other programs to support fire suppression operations, these non-fire programs are impacted because they are unable to accomplish priority work and achieve the overall mission of the Agency. Often this priority work mitigates wildland fire hazards in future years. In addition, transfers negatively impact local businesses and economies, costing people jobs and income as a result of delayed or cancelled projects.

Our partners at DOI have experienced similar challenges. The Administration believes that a new approach to funding wildland fire management is necessary. We are committed to working with Congress to find a solution that avoids funding transfers and enhances the Agency's ability to prepare for, respond to, and mitigate the threat of wildfire in a way that is accountable and science-based.

BURNED AREA EMERGENCY RESPONSE

The funding spent to extinguish wildfires accounts for only a fraction of the total costs associated with a wildfire event. Damages from wildfire can result in increased flooding and erosion, water and air quality impacts, lost recreational and tourism opportunities resulting in impacts on revenues to local businesses, infrastructure shutdowns (e.g., highways, railroads), and increased costs for recovery and restoration. Burned Area Emergency Response (BAER) is a Forest Service emergency program that responds to imminent and unacceptable risks to people and resources that are triggered by changed conditions caused by fires. BAER teams conduct

assessments as soon as conditions are safe (often before a fire is fully contained). Assessments are completed to identify potential threats such as excessive erosion, flooding, invasive plants and falling trees and rocks. After determining risk, BAER teams evaluate the most cost effective treatments that can be accomplished to minimize additional damage. Treatments such as hillside stabilization, invasive weed treatment, recreation site repair, soil and stream channel improvement, line boundary resurveys, road protection, hazardous material stabilization and hazard tree removal occur within the first year following the fire and follow National Environmental Policy Act (NEPA) requirements for emergency actions. In some cases, conditions are such that no treatment will mitigate the risk of potential threats (e.g., excessive erosion, flooding).

In FY 2011 and FY 2012, the Forest Service program spent almost \$94 million through the BAER program for emergency stabilization efforts on NFS lands immediately after fires. As of mid-September this year, the Forest Service has spent \$25 million for BAER work in response to fires during FY2013 and expects to approve an additional \$15 million for work to be accomplished before the end of this calendar year. In Colorado, there is an estimated \$15 million needed for reforestation, fence replacement, weed treatment, boundary resurveys, road and trail work, and other recovery efforts following last year's High Park, Waldo, and West Fork fires.

Through other non-emergency programs, the Forest Service repairs fire-damaged facilities, repairs or improves land by replanting trees, re-seeds bare areas with grass or forbs, rebuilds burned fences, resurveys property boundaries, rebuilds burned campgrounds, restores wildlife habitat and other rehabilitation activities.

RESTORING ECOSYSTEMS AND REDUCING HAZARDOUS FUELS

The Forest Service is restoring the ability of forest and grassland ecosystems to resist climate-related stresses, recover from climate-related disturbances, and continue to deliver important values and benefits. By restoration, we mean restoring the functions and processes characteristic of healthier, more resistant, more resilient ecosystems, even if they are not exactly the same systems as before. Restoring and maintaining fire resilient landscapes is critical and essential to our stewardship responsibilities for the National Forest System. Factors including human activities and land development, loss of indigenous burning practices, and fire suppression have all led to changes in forests that historically had frequent fires. Some forests have experienced a buildup of trees and brush due to a lack of fire. In some areas fuel loads on the forest floor have increased where low intensity fires were historically the norm. These forest types are now experiencing high severity fires under even moderate weather conditions.

There are many programs within the Forest Service that can reduce the risk of catastrophic wildland fires. These include Integrated Resource Restoration, Collaborative Forest Landscape Restoration, Hazardous Fuels, Federal and Cooperative Forest Health programs, Stewardship Contracting, Good Neighbor Authority, State Fire Assistance, and others. Approaches to restoring fire-adapted ecosystems often require treatment or removal of excess fuels (e.g., through mechanical thinning, prescribed fire, or a combination of the two) that reduce tree densities in uncharacteristically crowded forests, and application of fire to promote the growth of native plants and reestablish desired vegetation and fuel conditions. Excess fuels often include leaf litter and debris on the forest floor as well as the branches and foliage of small trees. These

provide ladder fuels that often allow surface fires to transition to high intensity crown fires. Fuel treatments result in more resilient and healthier ecosystems that provide the many benefits society wants and needs, including clean water, scenic and recreational values, wood products, biodiversity, communities that are better able to withstand wildfire, and safer conditions for firefighters. Fuel treatments change fire behavior, decrease fire size and intensity, divert fire away from high value resources, and can result in reduced suppression costs.

When a wildfire starts within or burns into a fuel treatment area, an assessment is conducted to evaluate the resulting impacts on fire behavior and fire suppression actions. Of over 1,400 assessments conducted to date, over 90 percent of the fuel treatments were effective in changing fire behavior and/or helping with control of the wildfire (USFS, Fuels Treatment Effectiveness Database).

In FY 2012, the Forest Service treated a total of 2 million acres, which included 1.2 million acres of prescribed fire treatments, 662,500 acres of mechanical treatments to reduce hazardous fuels, and 141,300 acres of wildfire management to reduce hazardous fuels. The WUI remains the highest priority. Nearly 1.3 million acres of the total hazardous fuels reduction acres were in the WUI. Of these treatments, 93 percent of the acres accomplished were identified as a treatment priority in a community wildfire protection plan or an equivalent collaborative plan. Hazardous fuels treatments also produced 2.8 million green tons used for energy and nearly 500,000 million board feet (MMBF) of wood products. We are working with the Department of the Interior to improve the implementation and measurement of hazardous fuels removal projects to increase the beneficial outcomes.

The Forest Service utilizes the Collaborative Forest Landscape Restoration (CFLR) Program to restore large landscapes. Currently, 23 CFLR projects are underway that emphasize restoration across large scale landscapes in order to reestablish natural fire regimes and reduce the risk of uncharacteristic wildfire. In addition to finding efficiencies in planning and treating larger landscapes, CFLR emphasizes collaboration. Through work with partners, land managers are able to leverage funding to accomplish additional work on the ground. In FY 2012, these projects exceeded the targets for the majority of performance measures.

Colorado has two CFLR projects that are having a measurable impact on rural economies and reducing hazardous fuels, the Uncompahgre Plateau and the Front Range Landscape Restoration Initiative. To date, the Uncompahgre project has generated 12 MMBF of timber, and it reduced hazardous fuels on more than 11,500 acres. The Uncompahgre Plateau and the rest of the lands administered by the Grand Mesa, Uncompahgre, and Gunnison National Forests will play a key role in support of the newly opened lumber mill in Montrose. As part of the Colorado Front Range project, Denver Water contributed more than \$1,000,000 in 2012 for restoration efforts. Since FY 2010, the Front Range project has reduced hazardous fuels on more than 17,000 acres and generated more than 17 MMBF of timber.

The Southwest Crown of the Continent CFLR project in Montana has produced more than 139,000 green tons of biomass and 36 MMBF of timber, established or improved vegetation on more than 6,600 acres, and enhanced more than 66 miles of stream habitat and 18,799 acres of terrestrial habitat. This project generated and maintained 155 full and part time jobs in FY 2012.

We know we cannot achieve this restoration work without a strong integrated forest products industry that can use all parts and sizes of trees. Our best opportunity for reducing the cost of these restoration treatments is through timber harvest and stewardship contracting. Maintaining a robust forest industry also provides benefits to local communities and economies—we rely on local forest contractors and mills to provide the workforce to undertake a variety of restoration activities.

Stewardship contracting (along with timber sale contracts) is a critical tool that allows the Forest Service to more efficiently complete restoration activities. Permanently reauthorizing stewardship contracting and expanding the use of this tool is crucial to our ability to collaboratively restore landscapes at a reduced cost to the government by offsetting the value of the services received with the value of forest products removed. In FY 2012, 25 percent of all timber volume sold was under a stewardship contract. Stewardship Contracting facilitates the removal of low value material (woody biomass) through removal of higher value products, aiding in accomplishing restoration objectives through goods for services. Stewardship contracting authorities enable the Agency to fund watershed and wildlife habitat improvement projects, invasive species removal, road decommissioning, and hazardous fuels reduction activities.

Another tool that has been helpful in fuels reduction has been the Good Neighbor Authority. In 2000, Congress authorized the Forest Service to undertake a pilot program referred to as “Good Neighbor” in Colorado and granted authority for the program in Utah in 2004. This legislation

authorizes the Forest Service to enter into cooperative agreements or contracts with state foresters to conduct certain watershed restoration activities—such as reducing hazardous fuels, addressing insect outbreaks, and improving drainage to prevent sediment from eroding into forested watersheds—on NFS land. In Colorado, the state must be conducting similar activities on adjacent state or private land, but in Utah the statute does not require the state to conduct similar work on adjacent state or private land. Although projects are conducted by the state, projects on federal land remain subject to NEPA and this responsibility cannot be delegated to the state. The Good Neighbor Authority expired in Colorado on September 30, 2013, but was extended by the 2014 Continuing Resolution through January 15, 2014. The Forest Service supports extending this authority and expanding its use to other states.

The agency is looking to target and focus limited resources on high value resources to communities. One example of this is the Western Watershed Enhancement Partnership announced this past summer as part of the President's Climate Action Plan. The Partnership, a cooperative arrangement between the USDA Forest Service and the DOI Bureau of Reclamation (BOR), targets the 43 BOR reservoirs for hazardous fuel reduction and other wildfire risk reduction efforts. Key to the effort is the open invitation to local communities and municipalities to join the federal agencies to manage key watershed storage resources and reduce their risk to wildfire.

The Agency has the capability 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. However, we cannot do this alone. Wildland fires are managed by the Federal Government, State, Tribal and local governments. The Forest Service and DOI alone cannot prevent the

loss of life and property. Research demonstrates that the characteristics of a structure's surroundings within 100 feet principally determine the potential for ignition. To improve the survivability of structures, the Forest Service and DOI work with State and local governments to develop and implement community protection plans. In addition, the Forest Service targets hazardous fuels funding to areas with the highest impact which often includes near communities that have already taken steps to reduce fire risk. Forest Service programs, including the State Fire and Volunteer Fire Assistance programs, and the Federal and Cooperative Forest Health Protection programs provide important assistance to States, local communities and non-Federal landowners in responding to, preparing for, and mitigating the threat of wildland fire.

CHALLENGES FOR THE FUTURE

For the Forest Service, changes in environmental conditions are altering forests, grasslands, and waterways and changing the benefits they provide. In an era of catastrophic fires and a changing climate, we must adapt our management to help ensure a sustainable future. Our mandate is to deliver the goods and services Americans need from forests and grasslands, along with the associated jobs and economic benefits. A legacy of fire exclusion, fuel buildup, and increasing wildfires, combined with urban development, loss of open space, invasive species, and the spread of forest pests and diseases are creating dynamic modifications of our landscape. These factors interact in multiple ways and are creating a challenging new environment for land and natural resources management now and into the future.

This concludes my statement. We look forward to working with the Subcommittee to resolve these challenges. I would be happy to answer any questions that you may have.


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INTRODUCTION

Chairman Bennet, Ranking Member Boozman, and members of the Subcommittee, thank you for the opportunity to appear before you on Tuesday, November 5th, 2013 to share my thoughts about the spruce beetle outbreak, the ensuing fires, and my perceptions of the US Forest Service and their ability to adjust to these changing conditions.

The West Fork Complex Fire, which included the West Fork, Papoose, and Windy Pass Fire, burned nearly 110,000 acres and shut down U.S. Highway 160 over Wolf Creek Pass for over a week.¹ This federally funded scenic byway is the economic lifeline of southwest Colorado, averaging 3,200 motorists per day.² Whether for wildfire, rockslide or avalanche, shutting down Wolf Creek Pass has a devastating effect on the surrounding towns. In this corridor alone, public and private values adjacent to thousands of acres of forest lands are still at risk from extreme fire behavior.

Wolf Creek Ski Area (WCSA) operates within this well funded and critical highway, and is a symbiotic member of the Pagosa Springs and South Fork communities. Wolf Creek believes its role is to support the needs and long-term sustainability of the surrounding communities by offering a recreational amenity that attracts tourists to these businesses in which they sleep, eat and shop, as well as providing locals with employment during the winter months. Wolf Creek Ski Area is the largest seasonal employer in Colorado's historic San Luis Valley with an annual payroll of over \$4.6 million dollars for the 2012 fiscal year.

Like many ski areas throughout the West, WCSA is suffering from the impacts of the spruce bark beetle. Since 2002, Wolf Creek has spent over \$100,000 dollars annually removing beetle killed trees via helicopter. This past summer, we removed one million pounds of fuel within the 1,581 acres of our Special Use Permit, 20% of which is considered construction grade lumber. We estimate the total loss of standing trees to be around 100,000, of which 40,000 trees need to be removed in the near future.

Over the past decade, the cost of federal wildfire protection and suppression has averaged more than \$3 billion annually.⁴ The West Fork Complex Fire alone cost taxpayers \$33 million.⁵ By all indications, these numbers will continue to rise. Investing a portion of this cost upfront would most likely minimize

¹ McEvoy, John. "WFCF Costs \$33 Million." *The Mineral County Miner* 8 August 2013: 12A.

² Hildner, Matt. "Wolf Creek Pass to Open." *The Pueblo Chieftain* 27 June 2013. Web. 17 September 2013.

⁴ McEvoy, 12A.

⁵ Ibid.

the overall cost of responding to fires on public land and protecting the wildland-urban interface. There is a general consensus among professional firefighters that a proactive approach to fuel reduction is a far better use of funds. For example, a contracted helicopter will cost over \$15,000 a day when responding to fires.⁶ This three month contract will cost \$1,359,000 whether the ship flies or not. Our average cost for hazard tree removal and fuel reduction is \$1,000 per acre. Therefore, it is possible to treat 1,359 acres of forest surrounding critical infrastructure at the same cost of securing a helicopter for 90 days and having it sit idle, and our approach addresses the problem for years to come.

Businesses and visitors alike must accept the incurred risks of living near forest; however, it is no longer a viable option to let it all burn because of the values at risk. Wolf Creek Ski Area advocates a proactive, multipronged approach to restoring health in the surrounding beetle kill forests while protecting assets.

PUBLIC OUTREACH

One of the most important ways to minimize the economic burden of the spruce beetle invasion is to initiate a public information campaign which identifies the spruce beetle outbreak as a natural process, and accepts that a dramatic change to our existing forest is unavoidable.

In my state, the Tourism Office should address the spruce beetle outbreak, and frame it as such. This is part of a greater acceptance of our changing landscape on a timeline faster than we're used to. We should encourage tourists and locals to walk through beetle kill forests and look about themselves: abundant sunlight is streaming through open canopies above, and saplings are rapidly sprouting from healthy forest floors below.

ALLOW NATURAL PROCESSES

Some tree stands should be left untreated; there are some trees too difficult to extract and there are environmentally sensitive areas that should remain untouched. Foresters should consider which trees will best facilitate regeneration. Some standing dead should be left in order to provide shade and wind protection for saplings. These largely untreated stands will revert back to a spruce/subalpine forest as they are the most shade-tolerant species, whereas an aggressive treatment could change the natural forest trajectory.

It is also necessary to identify and protect wildlife habitats when reducing fuels. Some snags contain dens and bird habitats, while other standing dead trees provide critical shade for populations that depend upon them.

FUEL REDUCTION

Reducing ground fuel loading and crown fire potential is a core component of reducing wildfire potential.⁷ Arborists should identify hazard trees, and decide which ones need to be removed, and

⁶ "National Exclusive Use Large Fire Support Helicopter Services." US Department of Agriculture Forest Service, 4 April 2008. Web. 17 September 2013.

⁷ "Mineral County Fire Protection District Community Wildfire Protection Plan." Land Stewardship Associates, LTD. April 2009. Web. 12 February 2013.

which ones can be laid down to fortify the regeneration of the understory. This will include the necessary removal of hazard trees along the highway corridor and those surrounding critical infrastructure.

Felled trees can be repositioned in a manner that decreases erosion and increases snow retention. Spring is a good time to remove trees, using snow cover to skid over environmentally sensitive areas, thus reducing impact to saplings, ground cover and topsoil. Once the snow melts, skidding trees should cease until conditions dry out. Helicopters can be used in environmentally sensitive and roadless areas.

A healthy forest will protect the watershed by preventing erosion, enhancing ground storage, reducing flooding, and filtering contaminants.¹⁰ Unlike beetle infested or standing dead trees, a healthy tree intercepts, slows, absorbs and stores water through normal functions.¹¹ By removing dead and dying trees and fostering the growth of saplings, it will improve the quality of water being filtered at the headwaters of the Rio Grande and San Juan Rivers. This type of forest management can reduce the risk of a catastrophic wildfire in these high-priority watersheds.

ENERGY DESIGN

Products from fuel reduction treatments can also be used for renewable energy. Biomass boilers are already being installed in northern Colorado, which burn wood chips for heating buildings, rather than relying on natural gas or propane. Wood chips come from forest fire mitigation projects and are therefore a renewable resource. Biomass energy also produces significantly fewer overall emissions than either natural forest fires or prescribed burning.¹²

CONTROLLED BURNS

There are over 3.6 million acres in the surrounding San Juan and Rio Grande National Forests. It is not feasible to restore forest health solely through fuel reduction and timber sales. When conducted thoughtfully and under the correct conditions, controlled burns can greatly reduce the catastrophic impact of a wildfire. This can be done without closing US Highway 160 and the economic centers that depend upon it. The San Juan and Rio Grande forest staff should identify which areas may sustain a healthy burn without undo economic impact. This would accompany a site specific review of existing structures and communities that would be impacted by such a prescription. Controlled burns that create firebreaks between large swaths of standing dead timber could potentially keep a natural wildfire from becoming unstoppable.

LIMITED TIMBER SALES

Below-cost timber sales are a persistent problem for forests, particularly in the Rocky Mountain Region

¹⁰ "Colorado Statewide Forest Resource Strategy." Colorado State University, 2009. Web. 12 February 2013.

¹¹ Ibid.

¹² "CSU Biomass Boiler Fact Sheet." Colorado State University. Web. 19 August 2013.

where high costs and modest timber values are prevalent.⁸ When deciding to conduct a timber sale, forest administrators should be thoughtful of road maintenance costs, timber sale planning and administration, and replanting and restoration expenses which often times made such sales unprofitable.

Professional foresters should first identify the small percentage of high quality timber that can be harvested in a practical and efficient manner. This limited timber sale must be conducted in a timely matter in order to harvest high value wood among the pervasive stands of low grade beetle kill. The sale should also be within the existing logging road infrastructure. Building roads in this rugged and rural landscape is tremendously expensive and will negate the positive economic impact of a timber sale. Harvested timber should be made available to local sawmills and businesses in order to directly benefit these communities.

CONCLUSION

Once the imminent threat of the West Fork Fire Complex passed and firefighters were leaving the ski area, there was a collective “see you next season” from the crew. Another wildfire in southern Colorado is inevitable if conditions remain the same. When looking at the millions of acres of dead trees, we should resist simply seeing a chainsaw. Public outreach, timber sales, fuel reduction, controlled burns and energy design should be used in conjunction to create an economically and environmentally sound forest health prescription that protects asset values on Wolf Creek Pass. Living and working in a dynamic forest, I understand there will continue to be forest mortality and fire, but it doesn’t have to be catastrophic.

⁸ Gorte, Ross W. “Below-Cost Timber Sales: Overview.” CRS Report for Congress, 20 December 1994. Web. 17 September 2013.

Chairman Bennet, Ranking Member Boozman, and members of the Subcommittee on Conservation, Forestry and Natural Resources, thank you for the opportunity to appear before you today and share my thoughts about the spruce beetle outbreak, the ensuing fires, and my perceptions of the US Forest Service and their ability to adjust to these changing conditions.

Being born and raised in New Mexico and Colorado as a second generation owner and operator of Wolf Creek Ski Area, growing up with a family business that is entirely on USFS lands, as well as being an avid outdoorsman and private pilot, has given me a perspective with some relevance.

Wolf Creek Ski Area is located on the top of Wolf Creek Pass and lies between South Fork and Pagosa Springs, Colorado. Our family has built it up for the last forty years to be one of the largest employers in the tri-county area, with over 400 seasonal and year-round employees and a payroll that has averaged over \$4,000,000 for over a decade. Over 200,000 skiers visit each year, bringing economic stability to this region.

Around 2001, with the onslaught of drought and the monolithic spruce forest structure, it was the perfect breeding ground for the spruce beetle. The Forest Service advised us of this plight. As a private business that could clearly see the potential impact to our livelihood, we budgeted and began to methodically treat our 1,600 acre permit.

Using Forest Service specialist guidelines, we budgeted approximately \$100,000 per year and have systematically treated our permit by using a helicopter and removing infested and hazard trees. During this same time we began to see some signs of the spruce beetle in our surrounding forests, and requested permission to extend treatment beyond our permit, as part of a boundary management fire protection plan. We were informed by the local foresters that there was no mechanism in forest regulations to do this, and it would require administrative funds which weren't available (but were being sought). Certainly there was a level of frustration expressed by the forest staff about their inability to react given the regulations they work under.

By 2011 it was obvious that the spruce beetle was overrunning Wolf Creek Pass and the surrounding forests. The sheer number of bugs made our efforts on the permit seem pitiful. It also set the stage for fire.

In mid June of 2013, two fires broke out, and within seven days the complex was over 90,000 acres and uncontained. Our ski area was consumed in smoke, and flames were licking the edge of our permit. The West Fork Fire ran 50,000 acres in three days, the flames were 400-600 feet tall, and the smoke column topped 30,000 feet. It was entirely possible that Wolf Creek Ski Area was going to be overrun by fire.

We were not without support. The USFS Supervisors and District Rangers, under a different set of emergency rules, were quick to respond with structure protection and aerial support. Resources were quickly mobilized and a very high level of professionalism was apparent.

What struck me was how different the USFS performed when operating under rules that allowed decision makers to apply resources in what had to be a timely manner.

I believe that a paradigm shift in USFS policy is needed. Rather than continuing to only have funds for these reactive moments of fighting fires, Forest Service supervisors should be enabled to work within a regulatory structure which empowers them to apply funds to mitigate the chances of large, overwhelming fires that are becoming more and more common in the West. I believe this can be done without jeopardizing the values at risk, which includes:

1. Protecting sensitive areas and watersheds. This is a priority for conservation groups and makes good sense.
2. Identifying and creating fire buffers. The Forest Service should prioritize forest treatments near communities, ski areas, in holdings, highways and critical power lines. This can be done in variety of ways, which include:
 - a. timber removal for local industry;
 - b. fuel reduction utilized as biofuels; and
 - c. controlled burns, which closes the cycle that nature has started with the spruce beetle outbreak.

In closing, Wolf Creek Ski Area has just invested over \$5,000,000 in new lifts and infrastructure. This is our commitment to the future. We understand that we live and work in a dynamic forest, in which there will continue to be forest mortality and fire, but it doesn't have to be catastrophic.

Thank you for your time.



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**Statement of Christopher Topik, Ph.D.
Director, *Restoring America's Forests*
The Nature Conservancy**

**Investments in Forest Restoration Represents a
Responsible Investment for People and Nature**

**Subcommittee on Conservation, Forestry and Natural Resources
United States Senate Committee on Agriculture, Nutrition and Forestry**

November 5, 2013

Chairman Bennet, Ranking Member Boozman and members of the Committee, thank you for the opportunity to participate in this important conversation about the role of fire in our nation's forests and communities. My name is Christopher Topik and I am the Director of The Nature Conservancy's *Restoring America's Forests* Program. The Nature Conservancy is an international, non-profit conservation organization working around the world to protect ecologically important lands and waters for people and nature. Our mission is to conserve the lands and waters upon which all life depends.

I want to thank this Committee for holding this hearing and for seeking to find solutions to the issues our nation faces concerning damaging and deadly fires and the need to invest in treatments that reduce fire risk and restore resilience to our forests over the long term.

In brief, I feel that now is the time for society and the Congress to alter the current downward trajectory of US forest conditions. It is time for a sizable increase in action. We know many steps that will help, and we know that this involves commitment of more resources by more sectors of society. It also requires much greater efficiency of federal, state and local activities that reduce wildfire risks, while enhancing the resiliency of both forests and forest-dependent communities. Twelve years ago the Congress, the Administration and the states stepped up activity with the National Fire Plan. It is time again to collectively make a major change in how we budget and manage our federal forests and wildfires. We know that up-front investments in forests and communities reduce fire danger, and in most cases will ultimately reduce the costs and impacts of continued emergency fire suppression.

This has been a particularly tragic year regarding the loss of wildland fire fighters. We must collectively and immediately dedicate ourselves to finding a way to effectively support both essential emergency wildfire preparedness and response and the proactive fuels reduction and forest restoration that are needed to reduce the demand for emergency expenditures in the future. Our current approach to wildland fire and forest management creates a false choice, pitting the viability of one against the other. In reality, we cannot afford to short-change either. The potential costs are too great.

There are a number of steps we can and should take this year, which I describe in more detail below. But first I want to make it clear that there are actually several fire problems, so we should be looking for several or more solutions. There is no single magic bullet, but there are a lot of logical investments that many sectors of society and government can make to change the course of history. This is why I am so pleased that the Senate Agriculture Committee is committing to help solve this situation.

The Nature Conservancy approach to forest restoration:

The Conservancy's work across North America is guided by an ambitious vision that involves developing nature-based solutions to some of humanity's most pressing global challenges. Among our primary North American priorities is our *Restoring America's Forests* program, through which we aim to foster a dramatic increase in the proactive, science-based, collaborative restoration of our nation's federal forests, thereby reducing the tremendous human and environmental costs associated with unnaturally large and damaging megafires¹.

In short, we are convinced that science-based collaboration and open, public processes can foster community and economic conditions that create the social license allowing more forest treatments to be done, with locally based goals and benefits to local communities, water, and wildlife. And, by creating a new method of funding emergency fire suppression, we can ensure funds are available to meet those needs without continuing to hold hostage the important restoration, fire risk reduction and other vital conservation projects that are essential for sustaining our forests and communities into the future. We can also set the stage for encouraging other sectors of society to invest in and share the benefits of proactive forest management and community preparedness.

SUMMARY OF KEY RECOMMENDATIONS

I. Budgetary

1. Increase federal funding for hazardous fuels reduction, Collaborative Forest Landscape Restoration and associated proactive federal land management operations and science
2. Create and fund a new federal fire suppression funding mechanism to free up resources for proactive management referenced above
3. Permanently authorize stewardship contracting authority
4. Increase capacity of states and communities to become fire adapted
5. Increase research on economic, social and ecological impacts of forest investment

II. Management Decisions

6. Seek policy adjustments that foster innovation and improvement in NEPA implementation, thereby increasing the scale and quality of resulting projects and plans
7. Increase shared commitment and support for forest restoration by states and local governments
8. Enhance participation of additional sectors of society, such as water and power utilities, recreation and tourism, public health, and industrial users of clean water
9. Increase the safe and effective use of wildland fire

¹ For more information see: <http://www.nature.org/ourinitiatives/habitats/forests/index.htm>

Background:

As the Committee well understands, forests are vital for America. Our forests--

- a) Cover more than a third of our nation;
- b) They store and filter half our nation's water supply;
- c) Provide jobs to nearly a million forest product workers;
- d) Absorb 13% of our nation's fossil fuel carbon emissions;
- e) Generate more than \$13 billion in recreation and other related economic activity on Forest Service lands alone;
- f) And, of course, provide habitat to thousands of American wildlife and plant species.

The societal, environmental and fiscal costs of fire in our nation's forests continue their precipitous climb. During the 2012 wildfire season, alone, a relatively small 68,000 fires burned across nearly 10 million acres and resulted in a \$1.9 billion bill for federal wildfire suppression (on top of the nearly \$1.5 billion required to staff the federal fire programs). The cost of wildfire management currently consumes more than 40% of the U.S. Forest Service budget, leaving an ever smaller pool of funds to support hazardous fuels reduction, timber management, wildlife habitat improvement, recreational access, watershed protection and the wide variety of other important services that the American people value and expect.

The real economic and social impacts of uncharacteristic wildfires are not fully known, but we do know that the cost of fire suppression alone is at least \$4.7 billion (\$2.5 billion for federal agencies, \$1.2 billion for State agencies and about \$1 billion for local governments)². We also know that the cost of fire suppression is only a small part of the direct cost of fires. Recent analysis of 6 wildfires showed that fire suppression expenditures were as little as 3% or 5% of the total direct financial impact cost of the fire³. Much more research is needed to help us understand and plan for the true costs of fire. Currently, too much of the federal fire funding policy and decision space has focused only on costs of fire suppression and not all of the other fiscal and societal impacts. There are a myriad of difficult to quantify economic, social, and health impacts caused by the recent decade of unusually severe fires.

Climate change is exacerbating the fire problem as our forests are becoming warmer, dryer and subject to both more extreme weather events and longer fire seasons. The Forest Service itself expects severe fires to double by 2050⁴. 2012 was the third biggest fire year since 1960, with 9.3 million acres burned—the Forest Service is estimating 20 million acres to burn annually by 2050. We are already seeing these impacts: the Four Corners region has documented temperature increases of 1.5-2 degrees Fahrenheit over the last 60 years.⁵

² International Association of Fire Chiefs, WUI Fact Sheet, August 2013. available at: http://www.iaffonline.org/pdf/WUI_Fact_Sheet_08012013.pdf

³ "True Cost of Wildfire in the Western U.S." – Western Forestry Leadership Coalition. Lakewood, Colorado. April 2010

⁴ <http://www.globalchange.gov/what-we-do/assessment/nca-overview>;
http://www.denverpost.com/breakingnews/ci_22943189/feds-project-climate-change-will-double-wildfire-risk?source=email

⁵ Managing Changing Landscapes in the Southwestern United States, Center for Science and Public Policy, 2011, find here: http://azconservation.org/downloads/category/southwest_regional

The recent comprehensive climate science synthesis for the U.S. Forest Sector suggests that, whereas currently forests sequester fully 13% of the nation's fossil fuel carbon emissions, trends in forest cover loss due to fire, urbanization and other impacts will make forests a net emitter of carbon by the end of the century⁶. This is another major reason why society should invest in keeping forests as forest. Besides all the historic and substantial benefits of forests mentioned above, maintaining forest cover is probably one of the most cost effective ways our nation has to mitigate climate change simply by helping forests adapt and become more resilient.

Key recommendations- budgetary

1. Increase federal funding for hazardous fuels reduction, Collaborative Forest Landscape Restoration and associated proactive federal land management operations and science

a. Hazardous fuels reduction

It is essential that the Congress and the Administration increase federal investments to reduce fire risk in a manner that makes forests more resilient and resistant to fire and other stressors. Strategic, proactive hazardous fuels treatments have proven to be a safe and cost-effective way to reduce risks to communities and forests by removing overgrown brush and trees, leaving forests in a more natural condition resilient to wildfires. A recent meta-analysis of 32 fuels treatment effectiveness studies, conducted on behalf of the Joint Fire Science Program (JFSP), confirmed that when implemented strategically, fuels treatments can make a crucial difference in the size, spread and severity of wildfires.⁷ These treatments can improve the safety and effectiveness of firefighters and provide protection for a community or essential watershed that might otherwise see extensive loss.

Many of these hazardous fuels reduction projects are also providing jobs and other economic benefits to rural communities. For example, a recent economic assessment of forest restoration in eastern Oregon revealed that “an investment in forest health restoration has the potential to save millions of dollars in state and federal funds by avoiding costs associated with fire suppression, social service programs and unemployment benefits.”⁸ In addition, for every \$1 million invested in hazardous fuels treatments, approximately 16 full-time equivalent jobs are created or maintained, along with more than half a million in wages and over \$2 million in overall economic activity.⁹

It is absolutely essential that we maintain federal investments and skilled capacity in reducing hazardous fuels. The Ecological Restoration Institute's valuable study on the efficacy of hazardous fuels treatments joins the JFSP analysis referenced above in building a growing body of

⁶ Vose, James M.; Peterson, David L.; Patel-Weynand, Toral, eds. 2012. Effects of climatic variability and change on forest ecosystems: a comprehensive science synthesis for the U.S. forest sector. Gen. Tech. Rep. PNW-GTR-870. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station. See p 61.

⁷ Martinson, E.J.; Omi, P.N. 2013. Fuel treatments and fire severity: A meta-analysis. Res. Pap.

RMRS-RP-103WWW. Fort Collins, CO: U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station. 35 p.

⁸ National Forest Health Restoration: An Economic Assessment of Forest Restoration on Oregon's Eastside National Forests. Prepared for Governor John Kitzhaber and Oregon's Legislative Leaders. November 26, 2012. Quote on page (iv). http://www.oregon.gov/odf/BOARD/docs/2013_January/BOFATTCH_20130109_08_03.pdf.

⁹ The Employment and Economic Impacts of Forest and Watershed Restoration in Oregon. Max Nielsen-Pincus and Cassandra Moseley, Institute for Sustainable Environment, University of Oregon. Spring 2010, page 1.

literature documenting the many instances in which on-the-ground actions have modified wildfire behavior, thereby allowing firefighters to safely engage in protecting infrastructure and landscapes.¹⁰

The post-fire assessment of Arizona's record-setting 2011 Wallow Fire also clearly demonstrated that homes and forest were saved in and around the town of Alpine by management treatments applied in tandem with FireSafe practices near structures. I had the good fortune of flying with Project Lighthawk last year over the entire Wallow Fire burn site. The fire area was huge, over half a million acres, and a very complicated and complex burn pattern occurred. It was clear that the extensive tree thinning treatments around the town of Alpine caused the fire to calm down so that firefighters, including the Conservancy's own Southern Rockies Wildland Fire Module, could protect extensive infrastructure.

The Nature Conservancy was very disappointed to see that the President's FY 2014 Budget proposed devastating cuts to the Hazardous Fuels Reduction programs for both the U.S. Forest Service and the Department of the Interior. As mentioned below, the pending House and Senate FY 2014 appropriations bills are an improvement, but much more needs to be done. The Forest Service and the Interior Department have the capacity to productively utilize at least 50% more funds than currently available. That should be an achievable target.

We are also concerned that the President's FY 2014 budget request emphasizes directing hazardous fuels funding to protect structures nearly to the exclusion of natural areas that support life and livelihood. The Conservancy agrees that funding is urgently needed to create community protection buffer zones that can limit the damage from wildfire. Fighting fires will remain costly until such buffers are in place and people feel safe. But shifting too much funding away from undeveloped forest areas where fires have been excluded for a century, and conditions remain overly dense and susceptible to unnaturally damaging wildfire, will have a long-term negative impact on forest health and resiliency. The Nature Conservancy urges a balanced allocation of funding between treatments in wildland and developed areas.

Strategic mechanical fuels reduction in wildlands, combined with controlled burning to reduce fuels across large areas, can significantly reduce the chance that megafires will adversely impact the water supply, utility infrastructure, recreational areas and rural economic opportunities on which communities depend.

b. Collaborative Forest Landscape Restoration (CFLR) Program

The CFLR Program has been a valuable vehicle for prioritizing and testing a variety of collaborative, science-based approaches to forest restoration that both reduce wildfire risks and contribute to local jobs and economic opportunities.

In just three short years since its inception, the CFLR Program has provided support to 20 projects in 14 states, with an additional 3 high priority restoration projects receiving support from non-CFLR funds. Through these projects, the CFLR Program is demonstrating that collaboratively-developed forest restoration plans can be implemented at a large scale with benefits for people and the forests. From fiscal year 2010 – fiscal year 2012, the cumulative outputs generated by the funded projects already total: 94.1 million cubic feet of timber; 7,949 jobs created or maintained;

¹⁰ <http://library.eri.nau.edu/gsd/collect/erilibra/index/assoc/D2013004.dir/doc.pdf>

\$290 million in labor income; 383,000 acres of hazardous fuels reduction to protect communities; 229,000 acres of fire prone forest restoration; and 6,000 miles of improved road conditions to reduce sediment in waterways¹¹.

Collaboration is a foundation for success. The scale and complexity of the situation facing our nation's forests and communities means that we must find ways to forge agreement among diverse interests about the "where, when and how" of forest management and then focus our resources on those landscapes that are poised for success. Collaboration, once considered "innovative" and "new," has become an essential tool to reduce wildfire risks, increase forest restoration and contribute to the sustainability of local economies. By bringing together county commissioners, local mill owners, water and utility managers, fire protection officials, conservation groups, scientists and others, collaborative groups can identify mutually beneficial solutions to forest health challenges and, sometimes by enduring a few bumps and bruises, pave the way for smooth and successful projects on the ground. Equally important is the long-term commitment these projects have fostered to both community sustainability and forest resilience.

The Congress needs to fully fund the CFLR Program, including the matching funds and monitoring requirements, as well as the project planning and preparation activities that facilitate implementation success, over the ten year life span of the projects. Future expansion should be considered. We must also increase our emphasis on and support for collaboration as a fundamental aspect of successful forest restoration planning and implementation. This should involve applying lessons learned through the CFLR Program to improve National Forest management throughout the system as collaborative, large-scale projects are created and new land management plans are developed under the new forest planning rule. It is encouraging that various funding sources, and even the state of Oregon, are providing funds that support the community collaborative capacity that will enhance implementation of the CFLR program.

c. Other key forest operations

The current and recent budgetary stresses to Forest Service management have taken a real toll as evidenced by the substantial reduction in the agency's overall staffing for non-fire personnel. One attempt to enhance efficiency is the Integrated Resource Restoration (IRR) budgetary tool that attempts to increase efficiency by blending funding sources for a variety of forest, watershed and wildlife habitat programs. The IRR is being employed in three regions on a pilot basis (Northern, Southwest and Intermountain). This Committee should encourage this pilot to be continued, and for the Forest Service and outside parties to closely monitor the efficiency claims.

d. FY 2014 funding decisions

The federal government is once again being funded by a continuing resolution. Now is the time for this Committee to work with the Appropriations Committee, the Administration and others to foster funding that facilitates proactive management and hazardous fuels reduction, including the use of fire as a safe and cost-effective management tool, at a meaningful scale. We also encourage sustained investment in applied research, such as the Joint Fire Science Program, that develop both information and tools that enable land managers to maximize the effectiveness and ecological

¹¹ People Restoring America's Forests: 2012 Report on the Collaborative Forest Landscape Restoration Program. Dec. 2012. CFLR Steering Committee. Available at: <http://www.fs.fed.us/restoration/documents/cflrp/CoalitionReports/CFLRP2012AnnualReport20130108.pdf>

benefit of fuels treatments.

The draft FY 2014 Interior and Environment appropriations bills currently pending in both the House and the Senate take positive steps for funding hazardous fuels reduction and CFLR, but much more can be done. Both chambers have far exceeded the remarkably bad funding request in the President's budget, but more should be done.

I encourage this Committee to get involved and to investigate how the use of emergency funding declarations by both the Senate and the House could be immediately employed to help direct needed resources to the vital fire risk reduction programs described above. The House subcommittee bill includes \$1,280,488,000 for the Forest Service and \$285,878,000 for the Department of the Interior in emergency funds for fire suppression¹². The draft Senate bill includes a separate title with emergency funding intended to reimburse fire borrowing this past fire season with \$600,000,000 for the Forest Service and \$75,000,000 for the Department of the Interior¹³. Thankfully these latter funds for fire borrowing reimbursement were included in the current FY 2014 Continuing Resolution¹⁴, but this technique could be used to provide the up-front resources needed to reduce fire risk and subsequent fire borrowing and fire damage.

2. Create and fund a new federal fire suppression funding mechanism to free up resources for proactive management referenced above

It is essential the Congress take actions that guarantee adequate resources for wildland fire first responders, but do so in a way that allows needed investments in the up-front risk reduction programs discussed above.

The Nature Conservancy recognizes that even with a robust, proactive approach to land management, federal fire preparedness and suppression resources will still need to be maintained at an effective level to protect life, property and natural resources. But emergency preparedness and response resources must be provided through a mechanism that does not compromise the viability of the forest management activities that can actually serve to reduce risks to life and property and mitigate the demand for emergency response in the future. The current system of funding fire preparedness and suppression at the expense of hazardous fuels and other key programs threatens to undermine – and eventually overtake -- the vital management and conservation purposes for which the USDA Forest Service and Department of the Interior bureaus were established.

The dramatic increase of homes near natural areas that are prone to frequent and unnaturally damaging fire has added significantly to the cost of fire suppression. In the past, paying for this tremendous cost often resulted in “borrowing” or outright transfer of funding from critical land management and conservation programs into fire suppression accounts. Fire borrowing, and the

¹² FY 14 Full Committee print, House Interior and Environment Appropriations Subcommittee. Available at: <http://appropriations.house.gov/uploadedfiles/bills-113hr-fc-ap-fy2014-ap00-interior.pdf> see page 41 for DOI and page 73 for USDA-FS

¹³ FY14 subcommittee draft bill from Senators Reed and Murkowski. Available at <http://www.appropriations.senate.gov/news.cfm?method=news.view&id=b3e22f9d-a060-45eb-90ef-1225244125a7> see page 144

¹⁴ P.L. 113-46 Division A, Sec 135 and Sec 136 of Continuing Appropriations Act, 2014

threat of fire borrowing, has a chilling effect on the ability of land managers to plan the complex activities that modern forestry requires and retain skilled contractors and workforce. Previous hearings and GAO work documented the tremendous adverse impacts of this fire borrowing helping to generate the public outcry and Congressional action that led to the FLAME Act¹⁵.

The FLAME Act of 2009¹⁶ was signed into law as part of a bipartisan effort to change the funding mechanism for wildfire suppression by establishing two emergency wildfire accounts funded above annual suppression. These FLAME reserve accounts were intended to serve as a safeguard against harmful fire borrowing and should have represented an important change in the funding mechanism for wildfire suppression.

Disappointingly, the implementation of the FLAME Act has not proceeded as intended. Due to several factors, during both of the past two years the Administration had to again transfer hundreds of millions of dollars from the agencies' non-suppression programs into emergency response accounts¹⁷.

The current budget structure has not worked so a new method needs to be employed. The critical life and safety mission associated with wildfire suppression should be guaranteed adequate funding, with oversight and efficiency safeguards, but this funding should not come at the expense of the other vital conservation, public service and science activities for which the federal land management agencies, and other agencies and bureaus which share the same federal funding source, were established.

The Conservancy recommends that a new, separate federal funding source be established so vital fire suppression activities are funded distinct from existing land management requirements. One option the Committee might consider is the establishment of a "Wildland Fire Suppression Disaster Prevention Fund" that could be utilized to support vital federal fire suppression actions during emergencies just as the Disaster Relief Fund is utilized to help communities recover after disasters. Fire suppression is different from other natural disasters, since the federal response is needed most acutely during the actual event. Such support should complement prevention and risk reduction activities discussed earlier, and post-fire recovery and restoration actions. It would also be wise and appropriate to enhance state participation in such a fund. This wildland fire suppression disaster prevention fund could be established in the pending FY 2014 appropriations and it could be supported using declarations similar to those in the pending House Interior and Environment appropriations bill mentioned above, or the emergency wildfire title in the draft Senate bill.

Note, we also commend the pending legislative concepts being discussed by Senator Mark Udall and Rep. Tipton for increasing the ability of the Federal Emergency Management Agency (FEMA) to provide states impacted by wildfire with additional resources for fuel hazard mitigation. As discussed in item 1 above, broadening and diversifying the investments in

¹⁵ Wildfire Suppression Funding Transfers Cause Project Cancellations and Delays, Strained Relationships, and Management Disruptions GAO-04-612, June 2004

¹⁶ Federal Land Assistance, Management and Enhancement Act of 2009. Title V of Division A of 123 STAT. 2904 PUBLIC LAW 111-88—OCT. 30, 2009.

¹⁷ See Taylor, Phil. 10.30.13. Greenwire. 'It's just nuts' as wildfires drain budget yet again. available at: <http://www.eenews.net/greenwire/stories/1059989688>

proactive management and mitigation activities is far more cost-effective than continuing to focus tremendous resources on emergency response.

3. Permanently authorize stewardship contracting authority

We commend the Senate Agriculture Committee for including permanent stewardship contracting authority in the pending Farm Bill. This is a vital and necessary step to enhance forest management and efficiency. Stewardship contracting is an innovative and critical tool that allows the U.S. Forest Service and Bureau of Land Management to implement projects that restore and maintain healthy forest ecosystems, foster collaboration and provide business opportunities and local employment. Stewardship contracts are the only administrative tool that can ensure up to 10 year supplies of timber, a level of certainty that encourages job creation and long-term industry investment. Without Congressional action, Stewardship Contracting authority will sunset on January 15, 2014. Permanent reauthorization is urgently needed to provide surety for contractors and communities and to ensure that the USFS and BLM retain this important proactive tool to address our daunting forest restoration needs.

4. Increase capacity of states and communities to become fire adapted

Programs such as State and Volunteer Fire Assistance and forest health protection provide important resources to help states and local communities develop and sustain community wildfire protection capacity. We encourage both the federal land management agencies and this Committee to prioritize programs that foster the development of fire-adapted communities and, specifically, to allocate other federal resources in a way that rewards communities for proactive actions that collectively result in national benefit.

Relatively small federal and state investments in community capacity can have substantial results for lowering wildfire risk. Building local community capacity to learn to live with fire is the most cost effective way of reducing harmful impacts to society, while also allowing for enhanced, safe and controlled use of fire to restore wildlands as appropriate.

Given the potential for devastating increases in both values lost and public expense, a diverse range of agencies and organizations (including The Nature Conservancy) have begun promoting the concept of “fire-adapted communities.” The U.S. Forest Service defines a fire-adapted community as a knowledgeable and engaged community in which the awareness and actions of residents regarding infrastructure, buildings, landscaping, and the surrounding ecosystem lessen the need for extensive protection actions and enables the community to safely accept fire as a part of the surrounding landscape.¹⁸

The U.S. Forest Service and other members of the Fire Adapted Communities Coalition are working to get communities the information and resources they need to successfully live with fire. The web site www.fireadapted.org provides access to a wide variety of educational materials and tools in support of community wildfire protection planning and action. Coalition members are also working to develop local, grassroots leaders and partnerships. These partnerships are essential for engaging all relevant stakeholders to assess and continually mitigate a community’s wildfire risk.

¹⁸ http://www.fs.fed.us/fire/prev_ed/index.html.

This level of individual and community preparedness goes beyond just developing a plan and begins to make the fundamental shift that must occur if we are going to get beyond our current wildfire suppression burden and toward restoring resilience to our nation's forests.

5. Increase research on economic, social and ecological impacts of forest investment

It is imperative that the federal government and other sectors invest in monitoring, research and accountability studies. This requires relatively small investments, when compared to the costs of fire suppression and fire damage, but it is essential if we are to really learn what works and what does not. Furthermore, new technologies, including remotes sensing, LIDAR, and focused social science studies can offer creative new perspectives to increase efficiency of action.

Key recommendations- management decisions

6. Seek policy adjustments that foster innovation and improvement in NEPA implementation, thereby increasing the scale and quality of resulting projects and plans

The Nature Conservancy strongly supports the Administration's goal of accelerating restoration in our Nation's forests as described in the February 2012 report, *Increasing the Pace of Restoration and Job Creation on Our National Forests*¹⁹. In this report, the agency acknowledges that the pace and scale of restoration must dramatically increase if we're going to get ahead of the growing threats facing our forest ecosystems, watersheds and forest-dependent communities. In order to facilitate this accelerated rate of treatment, we must make effective use of all available management tools and explore opportunities to increase the efficiency of planning and implementation processes.

We are committed to the principles of public engagement and environmental review embodied in the National Environmental Policy Act (NEPA), we believe there may be opportunities to significantly increase the efficiency of these processes through targeted adjustments in policy and implementation. The U.S. Forest Service is currently testing and tracking a variety of innovative NEPA strategies that hold promise for broader application. Adaptive NEPA, for example, is a relatively new approach in which the official record of decision allows sufficient leeway for some variety of subsequent federal actions, thereby greatly streamlining the analysis, allowing for more efficient project implementation, and enabling land managers to more effectively incorporate emerging science. These innovative approaches to NEPA should be expanded and additional opportunities sought for streamlining policies and processes in a way that increases the pace and scale of implementation while holding true to the core values inherent in the Act.

We do not support short-cuts that eviscerate NEPA procedures, but we do believe that routine forest management projects can more often be implemented utilizing the categorical exclusion procedures that the NEPA allows. The Conservancy believes that the full public participation and transparency of federal decision making, based on science and public discourse, required by the NEPA results in better management decisions that in the long run are more effective and efficient.

We were pleased to see the emphasis on collaborative, science-based adaptive management contained in the new National Forest System Land Management Planning Rule and draft Directives. We hope that, once finalized, this new framework will be promptly implemented and

¹⁹ USDA Forest Service, Feb. 2012. available at: <http://www.fs.fed.us/publications/restoration/restoration.pdf> see page 7

will guide a new round of forest planning that is both more meaningful *and* more efficient, and sets the stage for timely implementation of projects that achieve multiple benefits on the ground. Clear guidance and support for the development and implementation of monitoring strategies will also be essential to the Rule's success.

7. Increase shared commitment and support for forest restoration by states and local governments

Federal agencies alone cannot prevent the loss of homes, infrastructure and other values in the wildland-urban interface (WUI). Individuals and communities living in the WUI must meaningfully invest in preparing for and reducing their own risk from fire. Post-fire studies repeatedly show that using fire resistant building materials and reducing flammable fuels in and around the home ignition zone are the most effective ways to reduce the likelihood that a home will burn.²⁰ Similarly, community investments in improved ingress and egress routes, clear evacuation strategies, strategic fuel breaks and increased firefighting capacity can go a long way toward enabling the community to successfully weather a wildfire event.

Community commitment is also necessary to effectively shift our national approach to wildfire from a costly emphasis on disaster response to a balanced and proactive strategy with multiple benefits. Research increasingly shows that rising wildfire suppression costs are directly linked to the growing presence of homes and related infrastructure in the wildland-urban interface.²¹ A corresponding analysis by Headwaters Economics revealed that 84% of the WUI is still undeveloped, so there is tremendous potential for the costs associated with wildfire protection to exponentially increase.²² According to the same study, if just half of the WUI is developed in the future, annual firefighting costs could explode to between \$2.3 and \$4.3 billion. States and communities need to pay close attention to the ramifications of their planning on the resulting wildfire environment, especially since future decades will no doubt bring more and more severe droughts and wildfire incidents.

Federal public lands and surrounding communities also need to foster greater partnerships and multi-lateral cooperation and coordination. There are many opportunities for states and municipalities to directly participate and even help fund beneficial forest management activities on nearby federal forest lands. The Eastern Oregon study cited above⁷ demonstrates that state investments in federal land management can yield great savings to the state in reduced unemployment costs, reduced social services, and increased tax revenue. Elsewhere, such as in Flagstaff, Arizona, communities are contributing directly to restore forest conditions that reduce fire risk in order to protect existing watershed and recreation resources²³. There are great future opportunities for many states and communities to investigate a wide spectrum of innovative funding mechanisms that will support up-front investments that increase the livability of forest dependent communities and reduce fire risk.

²⁰ See, for example, Four Mile Canyon Fire Findings. Graham, et al. Pages 64-69.
http://www.fs.fed.us/rm/pubs/rmrs_gtr289.pdf.

²¹ Wildfire, Wildlands and People: Understanding and Preparing for Wildfire in the Wildland Urban Interface. Stein, et al. Page 7. http://www.fs.fed.us/rm/pubs/rmrs_gtr299.pdf.

²² <http://headwaterseconomics.org/wildfire/fire-research-summary/>.

²³ See: <http://www.flagstaffwatershedprotection.org/about/background/> summary of Forest Health and Water Supply Protection Project \$10 million bond passed in November 2012.

8. Enhance participation of additional sectors of society, such as water and power utilities, recreation and tourism, public health, and industrial users of clean water

There are tremendous opportunities for diverse and sustainable sources of non-federal funding to provide an effective complement to federal land management resources, thereby facilitating an overall increase in landscape-scale forest restoration on federal lands. There are a number of efforts underway, including water funds, which produce revenue for upstream forest restoration that benefits downstream water users and water companies while enhancing the restoration and maintenance of federal forests. Other utility and industrial partnerships can be developed.

The Forest Service has been particularly active and innovative in Colorado. Since 2009 they have established partnerships with five water utilities (Denver Water, Aurora Water, Colorado Springs Utilities, Northern Water and Pueblo Water), several major corporations (such as MillerCoors, Vail Resorts, Coca-Cola) and several philanthropic entities²⁴. Such efforts, often spearheaded by the National Forest Foundation²⁵, are exciting beginnings for greater shared responsibility that can reduce wildfire risk while enhancing forest health and enhancing the values those companies and other entities rely on.

Other witnesses today are documenting in detail additional, important partnerships with forest products industries. Forest products industry investments in new biomass and wood products development can play a substantial role to facilitate the removal of overstocked trees, while enhancing the condition of the forest and streams following harvest.

The insurance and reinsurance industries are closely involved in wildland fire issues and are important partners in such efforts as the Fire Adapted Communities coalition²⁶. There are important opportunities for greater engagement of these industries since they have such direct contact with citizens and they have such a direct involvement and desire to see fire risks reduced²⁷.

There may be additional opportunities to bring various compensatory mitigation funds for the support of forest restoration.

Wildfires and even controlled fires can have sizable impacts on public health due to smoke²⁸. There is a great need to increase engagement with public health agencies and air agencies concerning impacts of smoke, and the relative merits of massive, uncontrolled smoke events from severe wildfires versus controlled smoke episodes from prescribed burning accomplished to reduce severe wildfire risks.

²⁴ Personal communication Nov. 1, 2013, Brian Ferebee of USDA Forest Service R2

²⁵ See: <http://www.nationalforests.org/connect/corporate/partners>

²⁶ See: <http://fireadapted.org/>

²⁷ Munich Reinsurance America, Inc. April 2013. Focus on Wildfire Firefighting. Available at:

<http://www.munichreamerica.com/mram/en/publications-expertise/research-spotlight/wildfire-firefighters/index.html>

²⁸ Knowlton, K et al. 2011. Health Affairs (Millwood) Nov 30(11):2167-76. Six climate change-related events in the United States accounted for about \$14 billion in lost lives and health costs.

Kochi, I et al. 2012. Valuing mortality impacts of smoke exposure from major southern California wildfires. J. of Forest Economics 18:61-75

9. Increase the safe and effective use of wildland fire

The beneficial use of fire as a tool for resource management is another area where greater forest restoration efficiency and effectiveness could be achieved. By increasing the use of both controlled burns and naturally ignited wildland fires to accomplish resource benefit, land managers can accomplish both ecological and community protection goals on a larger scale and at reduced cost. In fact, some states annually reduce fuels on more than 100,000 acres in wildlands with fire treatments. The Nature Conservancy recommends that both Congress and the Administration make it clear that the safe and effective use of fire is a priority for land management agencies, and provide the necessary funding, training and leadership support needed to foster increased fire use where appropriate.

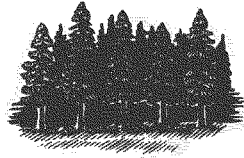
The Conservancy also stresses how important it is to maintain regular use of fire as a habitat and restoration tool for our Nation's public lands, including National Forests, Parks, Refuges, and BLM lands, as well as support for our Native American trust lands.

Many communities across the nation are already deeply engaged in trying to proactively address their role within fire driven forest ecosystems, but this engagement must be both sustained and increased. For more than 10 years, the Nature Conservancy has worked cooperatively with the U.S. Forest Service and the Department of the Interior to foster the Fire Learning Network (FLN) that brings communities together and helps them build collaborative, science-based strategies that protect both people and ecosystems²⁹. The FLN supports public-private landscape partnerships that engage in collaborative planning and implementation, and provides a means for sharing the tools and innovations that help them scale up. Locally, the FLN helps federal land managers to: convene collaborative planning efforts; build trust and understanding among stakeholders; improve community capacity to live with fire; access training that helps fire professionals work with local communities; and address climate change and other emerging threats.

Conclusion

It is timely and important that the Senate Agriculture Committee is holding this hearing during this very busy time of conferencing the Farm Bill. These are vital issues that deserve attention by the Congress in the near term, and on a continuing basis. It is essential that the various Congressional Committees with jurisdiction, as well as a broad array of state, local, industrial and citizens groups all work together to seek solutions. We appreciate the opportunity to offer the Nature Conservancy's perspective on how we might shift our focus toward a more proactive and cost-effective management approach that provides multiple benefits to people and nature. Please let us know if we can provide any additional information or assistance to the Committee as you move forward in this arena.

²⁹ See: <http://www.conservationgateway.org/ConservationPractices/FireLandscapes/FireLearningNetwork/Pages/fire-learning-network.aspx>



Federal Forest Resource Coalition

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Testimony of the Federal Forest Resource Coalition

Tom Troxel

Submitted to the Subcommittee on Conservation, Forestry, and Natural Resources

Committee on Agriculture

United States Senate

Washington, DC

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.

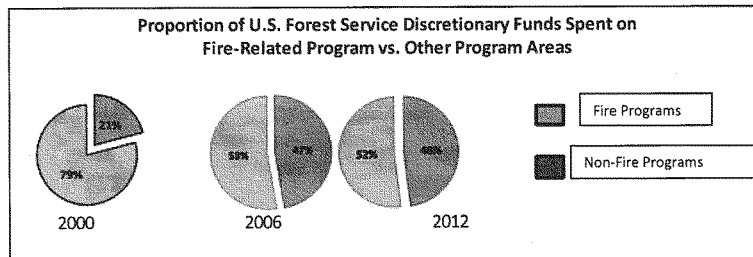
However, we must stress that the phenomena of fire budgets "crowding" out other activities is, like a fever, merely a symptom of a more serious systemic problem, that is, over 82 million acres of the National Forest System are in poor health due to combined effects of fire suppression and under-management.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

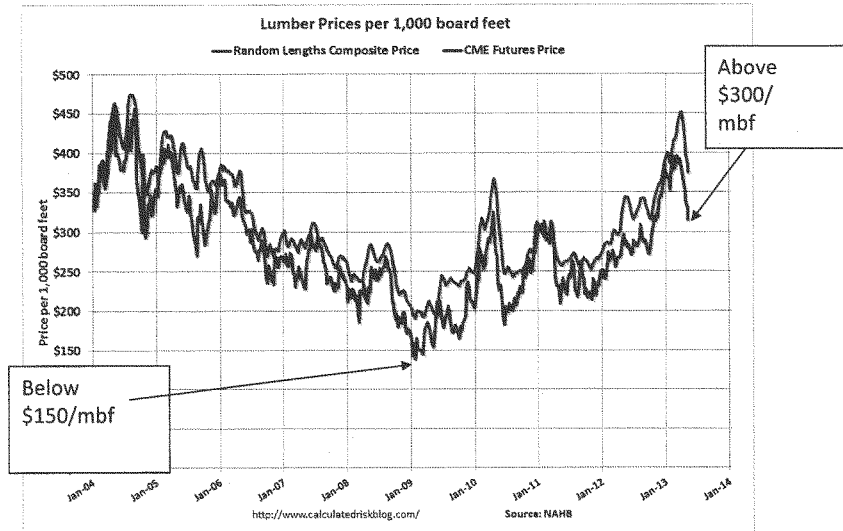
The Forest Service and BLM have not traditionally been responsive to market demand. As lumber prices ran up to historic highs during the boom of the 2000s, Forest Service outputs remained static. As large fires dominated the news and Congressional thinking about the National Forests, lumber output remained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

QUESTIONS AND ANSWERS

NOVEMBER 5, 2013

Senate Committee on Agriculture, Nutrition & Forestry
Shortchanging Our Forests – How Tight Budgets and Management Decisions Can Increase the
Risk of Wildfire
Questions for the Record
Mr. James E. Hubbard, Deputy Chief, U.S. Forest Service
November 5, 2013

Senator Cochran

Questions for Mr. James Hubbard:

- 1) Mr. Hubbard, the current budgetary environment must be incredibly difficult for the U.S. Forest Service to prioritize and fully fund all critical programs. In a time with limited federal resources coupled with the looming pressure of annual sequestration cuts from the Budget Control Act, can you provide the Committee the process by which the Forest Service determines program account sequestration cuts in a given year? Given the challenges of wildfire, what program objectives are prioritized in the context of the Administration's sequestration decisions?
- 2) Wildfire activities currently account for nearly 50 percent of the total amount of the Forest Service's budget expenditures. When the Forest Service exhausts available funding from wildfire suppression and the Federal Land Assistance, Management and Enhancement (FLAME) accounts and transfers funding from non-fire accounts, can you elaborate on the direct impact to these non-fire programs when funding is directed elsewhere. Particularly, can you discuss the impacts on the National Forest Management, State and Cooperative Forestry Programs and the Research and Development Program which this Committee has jurisdiction over?
- 3) In October, the U.S. Forest Service awarded a contract to Aero-Flite of Kingman, Arizona, for one amphibious water scooper aircraft. According to the solicitation notice, it appears to be a five-year contract with a provision to add a second aircraft if both parties agree. After this contract, does the Forest Service plan to acquire additional amphibious water scooper aircraft in FY 2015 and beyond? Will the agency's future budget requests reflect these needs?

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Answer: Sequestration is applied across-the-board to all of our programs. Within each program we focus on high priority projects and work with our State, Tribe and other partners to restore and manage resilient landscapes to provide multiple resource and economic benefits to the public, including reduced wildfire risk, cleaner drinking water, recreational opportunities, protected habitat for at-risk and game species, and jobs generated on and off forests and grasslands. We will ensure that there are adequate resources available to meet the demands of fire activity through the use of contracted assets as well as by managing the levels and location of seasonal employees available nationally. Hazardous fuels programs will focus on areas of highest risk in the wildland-urban interface to protect communities and create defensible space for firefighters to work in.

2) Wildfire activities currently account for nearly 50 percent of the total amount of the Forest Service's budget expenditures. When the Forest Service exhausts available funding from wildfire suppression and the Federal Land Assistance, Management and Enhancement (FLAME) accounts and transfers funding from non-fire accounts, can you elaborate on the direct impact to these non-fire programs when funding is directed elsewhere. Particularly, can you discuss the impacts on the National Forest Management, State and Cooperative Forestry Programs and the Research and Development Program which this Committee has jurisdiction over?

Answer: When funding is transferred from other programs to support fire suppression operations, these programs are impacted because they are unable to accomplish priority work and achieve the overall mission of the agency. Often this priority work mitigates wildland fire hazard in future years. The ability of programs to achieve established targets is impacted and projects are often put on hold or canceled. In addition, transfers negatively impact local businesses and economies, costing people jobs and income because projects are delayed or canceled. Examples of deferred or canceled activities include contracts not awarded for various priority restoration projects, such as our Collaborative Forest Landscape Restoration projects, and ceased activity for land acquisition.

3) In October, the U.S. Forest Service awarded a contract to Aero-Flite of Kingman, Arizona, for one amphibious water scooper aircraft. According to the solicitation notice, it appears to be a five-year contract with a provision to add a second aircraft if both parties agree. After this contract, does the Forest Service plan to acquire additional amphibious water scooper aircraft in FY 2015 and beyond? Will the agency's future budget requests reflect these needs?

Answer: The intent of this water scooper contract was to evaluate a modern turbine powered water scooper during the contract period. The FS may add another aircraft, if this water scooper becomes an important and effective aerial firefighting tool based on the evaluation, which will be reflected in our budget requests.