

**DISCUSSION DRAFT OF H.R. \_\_\_\_\_,  
“RESILIENT FEDERAL FORESTS  
ACT OF 2017”**

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**LEGISLATIVE HEARING**

BEFORE THE

SUBCOMMITTEE ON FEDERAL LANDS

OF THE

COMMITTEE ON NATURAL RESOURCES

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

Thursday, June 15, 2017

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## CONTENTS

	Page
Hearing held on Thursday, June 15, 2017 .....	1
Statement of Members:	
Hanabusa, Hon. Colleen, a Representative in Congress from the State of Hawaii .....	4
Prepared statement of .....	6
McClintock, Hon. Tom, a Representative in Congress from the State of California .....	1
Prepared statement of .....	3
Westerman, Hon. Bruce, a Representative in Congress from the State of Arkansas .....	7
Prepared statement of .....	8
Statement of Witnesses:	
Freeman, Tim, Commissioner, Douglas County Board of Commissioners, Roseburg, Oregon .....	22
Prepared statement of .....	24
Furnish, Jim, Former Deputy Chief, U.S. Forest Service, Silver Spring, Maryland .....	19
Prepared statement of .....	20
MacDonald, Granger, Chairman, National Association of Home Builders, Washington, DC .....	15
Prepared statement of .....	16
Neiman, Jim D., President and CEO, Neiman Enterprises, Hulett, Wyoming .....	10
Prepared statement of .....	12
Additional Materials Submitted for the Record:	
Crapser, Bill, President, National Association of State Foresters, June 13, 2017 Letter to Chairman Bishop and Ranking Member Grijalva .....	49
List of documents submitted for the record retained in the Committee's official files .....	50
Tidwell, Tom, Chief, U.S. Department of Agriculture, U.S. Forest Service, Prepared statement .....	48



**LEGISLATIVE HEARING ON DISCUSSION  
DRAFT OF H.R. \_\_\_\_\_, TO EXPEDITE UNDER  
THE NATIONAL ENVIRONMENTAL POLICY  
ACT OF 1969 AND IMPROVE FOREST MAN-  
AGEMENT ACTIVITIES ON NATIONAL  
FOREST SYSTEM LANDS, ON PUBLIC LANDS  
UNDER THE JURISDICTION OF THE  
BUREAU OF LAND MANAGEMENT, AND ON  
TRIBAL LANDS TO RETURN RESILIENCE TO  
OVERGROWN, FIRE-PRONE FORESTED  
LANDS, AND FOR OTHER PURPOSES,  
“RESILIENT FEDERAL FORESTS ACT OF  
2017”**

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**Thursday, June 15, 2017  
U.S. House of Representatives  
Subcommittee on Federal Lands  
Committee on Natural Resources  
Washington, DC**

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The Subcommittee met, pursuant to notice, at 10:02 a.m., in room 1324, Longworth House Office Building, Hon. Tom McClintock [Chairman of the Subcommittee] presiding.

Present: Representatives McClintock, Pearce, Thompson, Tipton, Westerman, Rouzer, Bergman, Cheney; Hanabusa, Torres, and Panetta.

Mr. McCLINTOCK. The Subcommittee on Federal Lands of the House Natural Resources Committee will come to order.

Today, the Subcommittee meets to consider a draft legislation to save and restore what remains of our Federal forests after decades of neglect. This legislation is the result of many hearings that this Subcommittee has conducted on this subject over the last 4 years, incorporating the advice of top foresters in our country.

We will begin with opening statements by the Chairman and the Ranking Member.

**STATEMENT OF THE HON. TOM McCLINTOCK, A REPRESENTA-  
TIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. McCLINTOCK. As this Subcommittee has met to hear the testimony of foresters, scientists, legal experts, water agencies, and many others, one consistent point was made: our Federal forests are dying.

Up until the mid-1970s, we managed our national forests according to well-established and time-tested forest management practices. These practices, supported by sound science, managed

the forests to prevent vegetation and wildlife from overgrowing the ability of the land to support them.

Not only did this assure robust and healthy forests capable of resisting fire, disease, and pestilence, it also supported a thriving economy. Revenues from the sale of excess timber, grazing and cabin permits, mining, and recreational activities provided a steady stream of revenues to the Treasury, which could, in turn, be used to further improve the public lands.

But 40 years ago, we replaced these sound management practices with what can only be described as a doctrine of benign neglect. Ponderous, byzantine laws and regulations administered by a growing cadre of ideological zealots in our land management agencies promised to save our environment. The advocates of this doctrine have dominated our law, our policies, our courts, and our Federal agencies ever since.

These policies have been weighed by experience and found wanting—not only have they decimated the economy, they have immeasurably damaged the environment.

Surplus timber harvested from our national forests has dropped dramatically since the 1980s, while acreage destroyed by forest fire has increased concomitantly. Wildlife habitats that were supposed to be preserved are now being incinerated. Precipitation that once flowed to riparian habitats now evaporates in overgrown canopies, or is quickly claimed in the fierce competition of densely packed vegetation. We have lost vast tracts of national forests to beetle infestations, as weakened trees can no longer resist their attacks.

Revenues that our forest management agencies once produced, and that facilitated our forest stewardship, have all but dried up. This has devastated rural communities that once thrived from the forest economy, while precious resources are diverted for lifeline programs, like Secure Rural Schools. Despite a growing population, visitation to our national forests has declined significantly as the health of our forests has decayed. We can no longer manage lands to prevent fire or even salvage dead timber once fire has destroyed it.

Appeals, lawsuits, and especially the threat of lawsuits has paralyzed and demoralized the Forest Service, and created perverse incentives to do nothing. Worse, the steadily deteriorating situation is forcing managers to raid forest treatment and fire prevention funds to pay for the growing cost for wildfire suppression, creating a death spiral. The more we raid prevention funds, the more wildfires we have; the more wildfires we have, the more we raid prevention funds.

By all accounts, our private lands are now conspicuously healthier than the public lands, precisely because they are freed from so many of the laws that are tying the hands of our public foresters. These policies may be making environmental law firms rich, but they are killing our national forests.

The legislation before us is the first step toward restoring sound, rational, and scientific management of our national forests. I want particularly to single out the work of our colleague and resident forester, Mr. Westerman of Arkansas, for his work in advancing reforms in this bill.

It requires forest managers to consider the cost of no-action alternatives. It streamlines the fire and disease prevention programs, and ensures that fire-killed timber can be quickly removed to create both revenues and room to restore fire-damaged lands. It streamlines onerous environmental review processes without sacrificing environmental protection, and provides forest managers with alternatives to resolve frivolous lawsuits.

This draft seeks to provide the Forest Service with tools that they can use immediately, building on existing authorities from the 2014 Farm Bill that have been successfully implemented.

The management of the public lands is our responsibility. For 40 years, we have experimented with laws that have proven disastrous to the health of our forests, the preservation of our wildlife, and the economies of our communities. That is on us. And that is about to change.

[The prepared statement of Mr. McClintock follows:]

PREPARED STATEMENT OF THE HON. TOM MCCLINTOCK, CHAIRMAN,  
SUBCOMMITTEE ON FEDERAL LANDS

Today the Subcommittee on Federal Lands meets to consider draft legislation entitled, "Returning Resilience to our Overgrown, Fire-Prone National Forests Act of 2017." This legislation has been compiled by the Committee following detailed hearings over several Congresses examining the declining health of our Federal forests and the Federal policies responsible.

As this Subcommittee has met to hear the testimony of foresters, scientists, legal experts, water agencies and many others, one consistent point was made: our Federal forests are in grave danger.

Up until the mid-1970s, we managed our national forests according to well-established and time-tested forest management practices. These practices, supported by sound science, managed the forests to prevent vegetation and wildlife from overgrowing the ability of the land to support it. Not only did this assure robust and healthy forests capable of resisting fire, disease, and pestilence, it also supported a thriving economy. Revenues from the sale of excess timber, grazing and cabin permits, mining and recreational activities provided a steady stream of revenues to the Treasury which could, in turn, be used to further improve the public lands.

But 40 years ago, we replaced these sound management practices by what can only be described as a doctrine of benign neglect. Ponderous, byzantine, and highly litigious laws and bureaucratized agencies promised to "save the environment." The advocates of this doctrine have dominated our law, our policies, our courts and our agencies ever since.

These policies have been weighed by experience and found wanting: not only have they decimated the economy—they have immeasurably damaged the environment.

Surplus timber harvested from our national forests has dropped dramatically since the 1980s, while acreage destroyed by forest fire increased concurrently. Wildlife habitats that were supposed to be preserved are now being incinerated. Precipitation that once flowed to riparian habitats now evaporates in overgrown canopies or is quickly claimed in the fierce competition of densely packed vegetation. We have lost vast tracts of national forests to beetle infestations as weakened trees can no longer resist their attacks.

Revenues that our forest management agencies once produced—and that facilitated our forest stewardship—have all but dried up. This has devastated rural communities that once thrived from the forest economy, while precious resources are diverted for lifeline programs like Secure Rural Schools. Despite a growing population, visitation to our national forests has declined significantly as the health of our forests has decayed. We can no longer manage lands to prevent fire or even salvage dead timber once fire has destroyed it.

Appeals, lawsuits and especially the threat of lawsuits has paralyzed and demoralized the Forest Service and created perverse incentives to 'do nothing.'

Worse, the steadily deteriorating situation is forcing managers to raid forest treatment and fire prevention funds to pay for the growing costs for wildfire suppression, creating a death spiral—the more we raid prevention funds the more wildfires we have; the more wildfires we have, the more we raid prevention funds. This negative

feedback loop must be stopped and we will give high priority to a lasting solution in the days ahead.

By all accounts, our private lands are conspicuously healthier than the public lands precisely because they are freed from so many of the laws that are tying the hands of our public foresters. These policies may be making environmental law firms rich, but they are killing our national forests.

The legislation before us is the first step toward restoring sound, rational and scientific management of our national forests. I want particularly to single out the work of our colleague and resident forester, Mr. Westerman of Arkansas, for his work in advancing reforms in this bill. It requires forest managers to consider the cost of no action alternatives; it streamlines fire and disease prevention programs and assures that fire-killed timber can be quickly removed to create both revenues and room to restore fire-damaged lands. It streamlines onerous environmental review processes without sacrificing environmental protection and provides forest managers with alternatives to resolve frivolous lawsuits.

This draft seeks to provide the Forest Service with tools they can use immediately, building on existing authorities from the 2014 Farm Bill that have been successfully implemented.

The management of the public lands is OUR responsibility. For 40 years, we have experimented with laws that have proven disastrous to the health of our forests, the preservation of our wildlife, and the economies of our communities. THAT is on us. And THAT is about to change.

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Mr. MCCLINTOCK. I now recognize the Ranking Member for 5 minutes.

**STATEMENT OF THE HON. COLLEEN HANABUSA, A  
REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII**

Ms. HANABUSA. Thank you, Mr. Chairman. And thank you to the witnesses for joining us today.

In Hawaii, we often use the word “kuleana,” which roughly translates to responsibility. Native Hawaiians and those who grow up in Hawaii believe that society has a kuleana to the natural environment. That is why our state supports efforts to address the very real threats of climate change.

As we discuss the challenges of managing our national forests to produce better outcomes, from reducing wildfire risk to habitat conservation, and even increased timber harvest, this word should resonate with all of us. It is our kuleana and responsibility to ensure the future viability of our natural forests that the bill before us today puts in jeopardy.

This discussion draft strikes at the core of environmental laws put in place by Congress to ensure sound management of public lands. Bedrock environmental laws like the National Environmental Policy Act and the Endangered Species Act ensure that economic development and other essential activities are balanced with the sound principle of conservation and stewardship.

Unfortunately, the discussion draft we are considering today upends both of these important laws.

First, it eliminates robust review of a wide range of activities across the National Forest System. NEPA makes sure that the public voice is heard, and this doesn’t mean just environmental voices, but also ranchers, farmers, timber companies, recreation outfitters, and those Americans who depend on the land for their drinking water and economic livelihoods. NEPA helps the Forest Service consider alternate proposals for the benefit of local landowners.



Second, this bill makes it easier to ignore protections put in place by the Endangered Species Act intended to prevent human-caused extinction. I would like to remind my colleagues that the ESA has been 99 percent effective at preventing human-caused extinction, the purpose for which it was enacted. By cutting out Fish and Wildlife Service oversight of key land management decisions, this bill could jeopardize that success rate.

When it comes to addressing forest health and dealing with increased disease, pestilence, and drought, the Forest Service already has a variety of administrative tools to expedite NEPA review in emergency situations to protect public safety, property, or important natural resources. Unfortunately, this discussion draft irresponsibly expands those tools in a way that opens the door to unsound, unchecked management decisions.

The 170 million acres of national forests and grasslands supply drinking water to 60 million Americans, provide critical wildlife habitat, and create jobs through supporting a sustainable timber industry and playing an important role in the over \$850 billion outdoor recreation economy. Making land management decisions that reflect and honor all of these multiple uses and various mandates from Congress can be a painstaking process. Federal land managers are tasked with the difficult role of managing our public lands for a wide range of benefits and uses. This requires striking a delicate balance and often requires compromise, patience, and a lot of hard work.

And sometimes mistakes are made. This is why statutes like NEPA, which provides an opportunity for public input through the planning process, and, yes, even sometimes litigation, are very important aspects of the American democracy. Challenging government decisions is as American as apple pie. It is embedded in the founding principles of our Nation.

Thomas Jefferson once said, "When government fears the people, there is liberty. When people fear the government, there is tyranny." Thomas Jefferson was right; liberty requires an informed public who question and challenge government decisions. That is how our judicial system works. When we talk about streamlining NEPA or doing away with judicial review for timber sales, there is more at stake than bureaucratic reform. Liberty and justice are at stake. Our democratic and constitutional heritage is at stake. Nothing is more tyrannical than Congress taking away a citizen's right to challenge the government.

Don't get me wrong, I am not advocating for a moratorium on timber sales or active management of national forests. But I believe that we should work together to enhance collaboration without undermining due process, and fix the wildfire budget so that half of the Forest Service budget does not get consumed by wildfire suppression every year. That is the real way to increase the pace and scale of restoration across the National Forest System.

Thank you to all the witnesses for being here today, and I look forward to today's discussion. I yield back, Mr. Chair.

[The prepared statement of Ms. Hanabusa follows:]

PREPARED STATEMENT OF THE HON. COLLEEN HANABUSA, RANKING MEMBER,  
SUBCOMMITTEE ON FEDERAL LANDS

In Hawaii, we often use the word, “kuleana,” which roughly translates to responsibility.

Native Hawaiians and those who grew up in Hawaii believe that society has a ‘kuleana’ to the natural environment. That’s why our state supports efforts to address the very real threats of climate change.

As we discuss the challenges of managing our national forests to produce better outcomes—from reducing wildfire risk to habitat conservation and even increased timber harvest—this word should resonate with all of us. It is our kuleana, and responsibility, to ensure the future viability of our national forests that the bill before us today puts in jeopardy.

This discussion draft strikes at the core of environmental laws put in place by Congress to ensure sound management of public lands. Bedrock environmental laws like the National Environmental Policy Act and the Endangered Species Act ensure that economic development and other essential activities are balanced with the sound principle of conservation and stewardship. Unfortunately, the discussion draft we are considering today upends both of these important laws.

First, it eliminates robust review of a wide range of activities across the National Forest System. NEPA makes sure that the public voice is heard. And this doesn’t mean just environmental voices, but also ranchers, farmers, timber companies, recreation outfitters, and those Americans who depend on these lands for their drinking water and economic livelihoods. NEPA helps the Forest Service consider alternate proposals for the benefit of local landowners.

Second, this bill makes it easier to ignore protections put in place by the Endangered Species Act intended to prevent human-caused extinction. I would like to remind my colleagues that the ESA has been 99 percent-effective at preventing human-caused extinction—the purpose for which it was enacted. By cutting out Fish and Wildfire Service oversight of key land management decisions, this bill could jeopardize that success rate.

When it comes to addressing forest health and dealing with increased disease, pestilence and drought, the Forest Service already has a variety of administrative tools to expedite NEPA reviews in emergency situations to protect public safety, property, or important natural resources.

Unfortunately, this discussion draft irresponsibly expands those tools in a way that opens the door to unsound, unchecked management decisions.

The 170 million acres of national forests and grasslands supply drinking water to 60 million Americans, provide critical wildlife habitat, and create jobs through supporting a sustainable timber industry and playing an important role in the over \$850 billion outdoor recreation economy. Making land management decisions that reflect and honor all of these multiple uses and various mandates from Congress can be a painstaking process.

Federal land managers are tasked with the difficult role of managing our public lands for a wide range of benefits and uses. This requires striking a delicate balance and often requires compromise, patience, and a lot of hard work.

And sometimes mistakes are made. That is why statutes like NEPA, which provides an opportunity for public input throughout the planning process, and, yes, even sometimes, litigation, are all important aspects of American democracy.

Challenging government decisions is as American as apple pie. It’s embedded in the founding principles of our Nation.

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Nothing is more tyrannical than Congress taking away a citizen’s right to challenge the government.

Look, don’t get me wrong: I am not advocating for a moratorium on timber sales or active management of national forests. But, I believe that we should work together to enhance collaboration without undermining due process, and fix the wildfire budget so that half the Forest Service budget doesn’t get consumed by wildfire suppression every year. That is the real way to increase the pace and scale of restoration across the National Forest System.

Thank you to all our witnesses for being here today. I look forward to today’s discussion.

Mr. McCLINTOCK. Thank you.

Without objection, the Chair will now recognize Mr. Westerman of Arkansas for 5 minutes to present his bill.

**STATEMENT OF THE HON. BRUCE WESTERMAN, A  
REPRESENTATIVE FROM THE STATE OF ARKANSAS**

Mr. WESTERMAN. Thank you, Chairman McClintock, for holding today's legislative hearing to discuss the Resilient Federal Forests Act of 2017. I greatly appreciate your leadership on this issue.

Gifford Pinchot, who was the first Chief of the United States Forest Service, and the man who many consider to be the father of conservation, once said, "Conservation means the wise use of the earth and its resources for the lasting good of men." He also coined the motto of the Forest Service from his utilitarian philosophy of the 'greatest good for the greatest number for the long run.'

I strongly believe that the Resilient Federal Forests Act of 2017 exemplifies Pinchot's version of conservation and stewardship. By the end of this legislative hearing, I am hopeful that our discussion will embrace a bold new vision for our national forestlands that is grounded in our rich history.

The fact is, we have loved our trees to death, literally. Our Federal forests are suffering, due to overgrowth, disease, insect infestation, and wildfire. My bill aims to fix those issues by giving the Forest Service the tools it needs to proactively use proven, scientific, silvicultural techniques to better manage our Federal forestlands, as well as reduce red tape.

Though the current discussion draft of the Act is similar to the bipartisan bill that was passed in the 114th Congress, I will take just a moment to talk about two of the differences.

First, this legislation will expedite the NEPA process by raising the acreage covered under categorical exclusions in a forest management plan that both was and was not through collaborative processes, was proposed by resource advisory committees, or covered by a community wildfire protection plan. It is important to note that these categorical exclusions must meet the requirements of NEPA and the forest management plans. If passed into law, the Forest Service could start executing these CEs tomorrow.

Second, in the new version we removed the litigation bonding requirements that caused trouble for several of our colleagues across the aisle, and we replaced it with a more palatable discretionary, arbitration-instead-of-litigation pilot program. This will allow projects with merit to move forward, while making those that may need a second look to be rethought within a reasonable time frame.

We are seeing some changes in our climate. Drought conditions can place more stress on trees, making them susceptible to insect and disease attacks, and compound the intensity and occurrence of wildfires. This is a valid argument that my friends across the aisle have made over the last several decades.

But there is more to the story. In my home state of Arkansas, we have seen drought conditions and more environmental stress on our forests, but at the same time we have not seen an increase in the number or intensity of forest fires. Although wildfire has not been as historically devastating in Arkansas as in farther western states, we do have wildfires. And if changing climate were the only

factor in increased wildfires, surely we would see increases in the number and intensity of wildfires in my state.

But, like I said, there is more to the story. On our private, state, and even to some extent Federal lands in Arkansas, we are actively managing our forests, and we have a thriving and growing forest economy. Sound, scientific-based forestry management makes the difference in many ways.

While we have heard testimony from experts that the forest's total biomass is actually decreasing year after year in the states of California and Colorado, that have relatively little forest management, in my state, where we have active management and productive working forests, we are actually growing 28 tons of wood per minute, more than we are harvesting or losing to insects, disease, old age, or fire.

I would like to pose a question: If we are actively managing our forests, and sequestering the carbon in 16 million tons per year of new growth in Arkansas while other states' forests are burning, dying, and releasing more carbon to the atmosphere than they are sequestering, then which state is actually doing more for the environment? Which states are practicing true conservation? Which states are doing the greatest good for the greatest number for the long run? It is those states who are managing their forests.

If we truly want clean air, clean water, better wildlife habitat, more biodiversity, thriving rural communities that can supply renewable, American-made building products, energy, paper, and packaging products, then we will pass this bill as quickly as possible in the House and in the Senate, and the President will sign it into law, so that our forestry professionals across the U.S. Forest Service can implement it.

If any of my friends across the aisle can present a better way to manage our forests, please present your ideas. Let's debate the ideas. And if they pass muster, let's make them part of the law. But we cannot continue down the same path and expect to leave our treasured national forests in better shape than we found them if we continue to do nothing.

I yield back.

[The prepared statement of Mr. Westerman follows:]

PREPARED STATEMENT OF THE HON. BRUCE WESTERMAN, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF ARKANSAS

Thank you Chairman McClintock for holding today's legislative hearing to discuss the Resilient Federal Forests Act of 2017, I appreciate your leadership on this issue.

Mr. Chairman, Gifford Pinchot, the first chief of the United States Forest Service, and the man who many consider to be the "father of conservation" once said, "Conservation means the wise use of the earth and its resources for the lasting good of men." He also coined the motto of the Forest Service from his utilitarian philosophy of the 'greatest good, for the greatest number, for the long run.' I strongly believe that the Resilient Federal Forests Act of 2017 exemplifies Pinchot's version of conservation and stewardship. By the end of the legislative hearing today, I am hopeful that our discussion will embrace a bold new vision for our national forest lands that is grounded in historical foundations.

The fact is we have loved our trees to death, literally. Our Federal forests are suffering due to over growth, wildfire, disease, and insect infestation. My bill aims to fix the aforementioned issues by giving the Forest Service the tools it needs to proactively use proven, scientifically sound silviculture techniques to better manage our Federal forest lands as well as reduce red tape that cripples the Forest Service's ability to plan for future management and conservation.

Though the current discussion draft of the Resilient Federal Forests Act of 2017 is similar to the bipartisan bill, H.R. 2647, that passed the House in the 114th Congress, I'll take just a moment to talk about two of the differences. First, this legislation will expedite the NEPA process by raising the acreage covered under categorical exclusion from 5 thousand acres to 10 thousand acres in a forest management plan that did not go through a collaborative process, and from 15 thousand to 30 thousand acres in a forest management plan that was developed through a collaborative process, proposed by a resource advisory committee, or covered by a community wildfire protection plan. Additionally, CEs for salvage operations in response to catastrophic events have been increased to 10 thousand acres. It's important to note that these categorical exclusions must meet the requirements of NEPA and the forest management plans. If passed into law the Forest Service could start executing these CEs tomorrow.

Second, in the new version of the Resilient Federal Forests Act of 2017, we removed the litigation bonding requirements that caused trouble for several of our colleagues across the aisle and replaced it with a more palatable discretionary arbitration-instead-of-litigation pilot program. This program will allow the Secretary of Agriculture to use arbitration as a means of dispute resolution in lieu of judicial review. This process will allow a quicker resolution to forest management challenges and will allow all stakeholders concerned to come to the negotiating table to voice their ideas and objectives. This will allow projects with merit to move forward while making those that may need a second look to be rethought within a reasonable time frame.

I believe that these changes are paramount to placing our Forest Service in the best position possible to better manage our Federal forest lands. While I've talked briefly about the importance of the bill let me also talk for a moment about why a healthy forest is so important for both the environment and our economy.

We are seeing some changes in our climate. Drought conditions can place more stress on trees making them more susceptible to insect and disease attacks and compound the intensity and occurrence of wildfires. This is a valid argument that my friends across the aisle have made over the last several decades. But there is more to the story. In my home state of Arkansas, we have seen drought conditions and more environmental stress on our forests but at the same time we have not seen an increase in the number or intensity of forest fires. Although wildfire has not been as historically devastating in Arkansas as in farther western states, we do have wildfires and if changing climate were the only factor in increased wildfires surely we would see increases in the number and intensity of wildfire in my state. But like I said, there is more to the story. On our private, state, and even to some extent Federal lands in Arkansas, we are actively managing our forests and we have a thriving and growing forest economy. Sound, scientific-based forestry management makes the difference in many ways. While we have heard testimony in this Committee from experts that the amount of forests total biomass is actually decreasing year after year in the states of California and Colorado that have relatively little forest management, in my state, where we have active management and productive working forests, we are actually growing 28 tons of wood per minute more than we're harvesting or losing to insects, diseases, old age, or fire. That equates to a net year over year gain of 16 million tons. I would like to pose a question, if we are actively managing our forests and sequestering the carbon in 16 million tons per year of new growth in Arkansas while other states' forests are burning, dying, and releasing more carbon to the atmosphere than they are sequestering, then which state is actually doing more for the environment? Which states are practicing true conservation? Which states are doing the greatest good for the greatest number for the long run? It's those states who are managing their forests.

If we truly want clean air, clean water, better wildlife habitat, more biodiversity, thriving rural communities that can supply renewable, American-made building products, energy, paper, and packing products, then we will pass this bill as quickly as possible in the House, and the Senate, the President will sign it into law, and our forestry professionals across our U.S. Forest Service will implement it. I don't claim to have the market cornered on good ideas. If any of my friends across the aisle and especially in the Senate can present a better way to manage our forests using sound, scientific-based management, by all means please speak up. Please present your ideas. Let's debate the ideas and if they pass muster let's make them part of the law, but we can't continue down the same path and expect to leave our treasured national forests in better shape than we found them if we continue to do nothing.

Mr. McCLINTOCK. I thank you very much. That concludes opening statements. We will now turn to our panel of witnesses, and the Chair is pleased to defer to Congresswoman Liz Cheney of Wyoming to introduce our first witness.

Ms. CHENEY. Thank you very much, Mr. Chairman. It is my pleasure to introduce Jim Neiman to the Committee. Jim is a friend and the third generation in his family to work in the forest products industry. His grandfather, A.C. Neiman, started a saw mill in the Black Hills in 1936, and his dad, James S. Neiman, is still actively involved in the family's ranch and timber businesses at the age of 85.

The Neiman family owns four forest products facilities: Devil's Tower Forest Products in Hulett; Rushmore Forest Products in Hill City, South Dakota; Spearfish Forest Products in Spearfish, South Dakota; and Montrose Forest Products in Montrose, Colorado.

Jim is a 1974 graduate of the University of Wyoming, with a BS degree in range management and a minor in business administration. He is also a past member of the Wyoming Occupational Health and Safety Commission, the Wyoming Economic Development and Stabilization Board, the Independent Forest Product Association, the Enhanced Oil Recovery Commission, and the Chairman of the School of Environmental and Natural Resources at the University of Wyoming. He is past president of the University of Wyoming Board of Trustees and a former director with Summit National Bank.

From 2013 to 2015, he also served as a steering committee member for Wyoming Governor Matt Mead's Task Force on Forests. He is a founding member of the Federal Forest Resource Coalition, and has served as its president since 2015. He has also served on the Federal Reserve Bank of Kansas City's Economic Advisory Council since 2013.

Jim and his wife, Christy, of 38 years have two grown children. Marcus works in the family companies and is also a member of the Army National Guard, and Sonya lives and works in Gillette, Wyoming.

It is my pleasure, Mr. Chairman, to introduce Jim Neiman to the Committee.

Mr. McCLINTOCK. The gentleman is recognized for 5 minutes.

I also should explain before we start the clock. Oral testimony is limited to 5 minutes. Your full remarks will be printed in the Committee record, and the lights will help keep you within those guidelines. When you see the yellow light that means you have 1 minute remaining.

**STATEMENT OF JIM D. NEIMAN, PRESIDENT AND CEO,  
NEIMAN ENTERPRISES, HULETT, WYOMING**

Mr. NEIMAN. Thank you, Congresswoman Cheney. I really appreciate it. Thank you, Chairman McClintock and Ranking Member Hanabusa. I really appreciate it. My name is Jim Neiman. As Liz well described, I am the President and CEO of Neiman Enterprises, a third-generation, family run operation.

Liz has already described the operations and where those are at. We currently have 475-plus direct employees, and that supports over 250 independent contract workers, on top of that.

I am the President of the Federal Forest Resource Coalition, representing purchasers of Forest Service timber from 32 states, whose members employ well over 390,000 people and provide over \$19 billion in payroll.

This Committee acted on a bill similar to today's discussion draft in 2015. The need for reform is greater today. People in rural America have been waiting a long time for Congress to act on meaningful reforms.

Our company is one of the last wood products companies to survive the significant reductions in timber harvests from Forest Service lands in the Central Rockies. Many other mills did not survive. The decision to reduce timber harvest has led directly to the crisis facing the national forests. Over 80 million acres are in need of restoration, primarily due to overstocking after years of reduced harvests. This Committee has heard about the large die-off in California. We are also at the tail end of a significant bark beetle epidemic in the Central Rockies.

More than half of the Forest Service annual budget is dedicated to firefighting, in large part due to the poor health of our forests. National forests in Pennsylvania, Michigan, and Louisiana also suffer from a lack of management. Timber outputs are less than half the amount called for in the current forest plans.

The reforms embodied in the discussion draft address all aspects of the crisis we are facing in the Forest Service. By streamlining the required analysis and consultation process while discouraging frivolous lawsuits, the bill will help expand management and reduce fire danger. Critically, it also creates a solution to fire funding crisis. I will highlight just a few of the important provisions.

The bill expands upon the successful approach of the 2014 Farm Bill. We are particularly happy to see the expansion of the existing insect and disease CE in more forest types, and the addition of the CE for young forest types. The Forest Service tells us that using streamlined approaches, they have been able to treat twice as many acres in significantly less time. We are very supportive of the pilot arbitration program proposed in Title 3, as well as the corrections to the Good Neighbor Authority that have hampered the growth of that program.

The state-supported fund also provides a good structure for states to help the Forest Service implement needed management. Numerous states, including South Dakota, have stepped up with millions of dollars to help pay directly for management of overstocked national forests.

I would like to discuss the fire funding solution found in the bill. Fire borrowing is a real problem, and it has a real impact on the Forest Service's ability to achieve its goals. We know that many of you on this Committee have worked tirelessly the last few years to get the fire funding solution across the finish line.

We appreciate the fiscal and jurisdictional challenges you face. Whatever solution you settle on, we would urge you to pass a bill that arrests the growth of the 10-year average. The rate of growth in fire suppression spending is unsustainable.

We would also encourage the Committee to consider allowing unsuspended fire suppression funds to pay for future hazardous fuels

reduction efforts. This will allow stepped-up fuels reduction efforts, and could create efficiency in fire suppression work.

I know firsthand how difficult it has been to keep my family business going when the Forest Service struggles to manage their forests. The Congress has ample evidence that the no-touch management strategies adopted in the 1990s have failed, whether you rely on the forest for timber supplies or you would simply prefer to visit living, healthy forests.

The need for reform, both in forest management and fire funding, has been evident for some time. We look forward to working with you to address both problems. Thank you much, Mr. Chairman.

[The prepared statement of Mr. Neiman follows:]

PREPARED STATEMENT OF JIM D. NEIMAN, PRESIDENT & CEO, NEIMAN ENTERPRISES, HULETT, WYOMING; PRESIDENT, FEDERAL FOREST RESOURCE COALITION

Thank you, Chairman McClintock and Ranking Member Hanabusa. My name is Jim Neiman, and I am President and CEO of Neiman Enterprises. We own and operate four sawmills, one each in Hill City and Spearfish, SD, one in Hulett, WY, and one in Montrose, Colorado. These mills create 475 direct jobs, and help support 250 contractors. Neiman Enterprises is a third generation, family owned company that has done business in the Black Hills and Bear Lodge Mountains since my grandfather—A.C. Neiman—opened our first mill in Hulett, WY in 1936.

I am also President of the Federal Forest Resource Coalition, representing purchasers of Forest Service timber from 32 states. Collectively, our members employ over 390,000 people, and provide over \$19 billion in payroll. Our members purchase, harvest, transport, and process National Forest and BLM timber into renewable wood, paper, and biomass energy products.

Our company is one of the last wood products companies to survive in the Central Rockies because the Forest Service controls 90 percent or more of the standing timber in the areas we operate in. In the 1990s, the Forest Service deliberately—and drastically—reduced timber sales across the board and in the Rockies in particular. We pride ourselves on have survived downturns—including the depression era when we started and the more recent Great Recession of 2007 to 2009. Many other mills—and many other mill towns—did not survive.

The decision to reduce timber harvests has led directly to the crisis facing much of the National Forest System; over 80 million acres of National Forest land are in need of restoration, primarily due to overstocking after years of reduced harvests. Many of the forests in the Central Rockies, California and other parts of the west are experiencing unprecedented mortality due to a variety of factors, including drought, overstocking, lack of management, and climate change. More than half of the Forest Service annual budget is dedicated to fighting fires, in large part due to the poor health of many National Forests. The agency is carrying a deferred maintenance backlog of more than \$5 billion. Timber outputs are less than half the amount called for in current forest plans.

Many other eastern National Forests are well behind on their early successional management goals, limiting opportunities for sportsmen, birdwatchers, and other forest users. Forests in Pennsylvania, Michigan, and Louisiana are substantially behind on creation of early successional habitat.

Forest mortality, large scale fires, declining forest health, and a forest management program that doesn't produce needed sawtimber or needed wildlife habitat; this is not a recipe for success. The significant threats building on our National Forests have been recognized by several recent Chiefs and were described as a significant threat by the GAO as early as 1999. In 2014, the Congressional Research Service found that the Forest Service does more complex NEPA documents—and takes longer to do them—than any other Federal agency.

Congress has haltingly moved in the direction of reform over the last decade and a half. Most significantly, the Healthy Forests Restoration Act of 2003, followed by the 2014 Farm Bill, provided streamlined approaches to NEPA for certain projects on the National Forests. Both provided guidance to the courts on how they should evaluate proposed forest management projects, and guidance to the agency on how to comply with NEPA.

Since the enactment of the 2014 Farm Bill, however, focus has shifted to protracted discussions of how to best fund fire suppression activities. While there is



widespread recognition of the fact that our current fire funding model has been broken for years, Congress has yet to enact a long-term, sustainable solution.

FFRC strongly supported the earlier version of the Resilient Federal Forests Act, which passed this chamber in 2015. Unfortunately, our efforts to find a path through the Senate have been unsuccessful. We welcome the new discussion draft as another step on the long journey toward enactment of a combined fire funding and forest management package that addresses the twin crises facing the agency.

#### FOREST MANAGEMENT REFORMS

We strongly support the provisions in the Discussion Draft which provide streamlined authority for a variety of badly needed forest management projects. The authority to conduct Environmental Assessments and Environmental Impact Statement's which evaluate only the proposed action and the no action alternative will greatly reduce the planning timelines needed to get needed projects implemented faster. Likewise, we appreciate the Categorical Exclusions provided by the bill. Our Forest Service partners tell us that using streamlined EAs, they have been able to treat twice as many acres in 30 percent less time than using traditional approaches to NEPA.

We also appreciate the provisions which reduce the need for consultation with the Fish and Wildlife Service, and provide a streamlined approach to consulting with State Historic Preservation Offices. Both of these provisions recognize that the Forest Service has trained professionals who can recognize when projects are unlikely to impact critical resources like sensitive habitats and historic and cultural resources. The provisions here will allow needed projects to go through, while allowing the Fish & Wildlife Service to focus on higher priority recovery efforts.

We appreciate the modest changes proposed for Stewardship Contracting. In addition to those proposed here, we've long advocated that retention of existing wood products infrastructure—including logging capacity and local wood using facilities—should be a co-equal objective for Stewardship Contracting. We understand that there may be some limits on how much change can be made in this bill, and we appreciate the opportunity to discuss the need for such changes.

We are particularly pleased to see a new, pilot arbitration program proposed in Title III. The Forest Service has worked with an administrative objection process since 2011, which became the standard administrative review process for all Forest Service projects in 2014. Experimenting with alternative dispute resolution—particularly one designed to bring parties to the table with pro-active alternatives—is definitely in order. We hope we can work with you to retain these important provisions.

The Discussion Draft also includes provisions which would allow states and other entities to provide support for forest management projects through the establishment of a State Supported Fund. Several states, including South Dakota and Montana, have stepped up with direct financial support for needed management projects on the National Forest System. We believe the fund created by this bill will encourage other partners to provide financial support by allowing the projects to repay receipts in to a State Supported Fund. This will allow success to build on itself.

Good Neighbor Authority, expanded in the 2014 Farm Bill, has experienced exponential growth since, but limits on the use of the program for road repair and reconstruction have hampered its use. We appreciate the provisions in the Discussion Draft and look forward to working with you on them.

Litigation is a serious problem for the Forest Service. Frequently, Forest Plans themselves, although they themselves do not allocate resources or offer real timber sales, are subject to years of litigation.

Individual projects are then also subject to litigation. This can cause significant delays—in some regions, the Forest Service seems to believe that they can “bullet-proof” timber sales by engaging in exhaustive NEPA analysis; this frequently just delays the eventual litigation, while dead and dying timber deteriorates.

The litigation reforms in the Discussion Draft would right size litigation so that it isn't an all purpose way for anti-management groups to interact with the Forest Service. Without removing access to the courts for cases against specific projects, the bill limits dilatory litigation against Forest Plans, requires the balancing of harms for litigation against projects, and cuts off the gravy train of government funded settlements and legal fees. We believe these are reasonable and prudent steps, given the large impact of litigation against the Forest Service.

On balance, we are strongly supportive of the targeted reforms in the Discussion Draft. We continue to believe that clarifying the Forest Service's management mandate, particularly on the roughly 24 percent of the National Forest System

designated as suited for timber production, is worth congressional consideration and action. A trust mandate works very effectively on state forest lands, and would allow other, less intensive uses on the other portions of the National Forest System, such as wilderness and roadless areas.

However, we strongly support the enactment of reforms such as those found in the Discussion Draft. They can be used—in most cases immediately, and in other cases after minimal rulemaking—to put needed projects together and begin addressing the various forest health crises we are experiencing on Federal forests.

#### EMERGENCY FIRE FUNDING

The Forest Service has repeatedly—and accurately—urged Congress to act on a solution to the current, flawed approach to paying for fire suppression. The current practice assumes that the Administration will request—and Congress will provide—fire suppression funding at the 10-year rolling average. When these funds prove inadequate, as they do most years, the Forest Service is forced to “borrow” from non-fire accounts. In most years when “fire borrowing” has occurred, the vast majority of the funds come from timber related accounts, which directly impacts the Forest Service’s ability to care for roads and ensure adequate reforestation.

FFRC has long supported a fix to the fire funding problem, and we applaud Mr. Westerman for taking on this tough challenge. We recognize that there are complicated issues regarding jurisdiction and funding sources that Congress must grapple with, but we also stress that it is past time for Congress to address this universally agreed-upon challenge. The proposal in the Discussion Draft is a good step toward fixing the problem.

The Draft allows access to Stafford Act disaster funding if and only if the Forest Service has requested and been funded at the 10-year average, and then on a fire by fire basis once the Chief has determined that appropriated funds will be exhausted in less than 30 days. While we understand fiscal concerns with other proposed fire funding approaches, we are concerned that the one currently proposed here will allow the rising costs of fire to continue eating into the Forest Service budget.

In Fiscal Year 2016, fire suppression costs rose to account for 55 percent of the Forest Service discretionary budget. By 2025, this is projected to increase to 67 percent of the budget. While Congress has continued to provide increased spending for hazardous fuels reduction and forest management, the growth of the 10-year average threatens to eventually squeeze out other priorities, such as addressing large scale mortality events or repairing the Forest Service’s large—and growing—infrastructure problems.

We support a fiscally responsible fire funding solution that arrests the growth of the 10-year average while ending the practice of fire transfers. The current Discussion Draft could be improved by freezing the 10-year average at last year’s level, with provisions to revisit it periodically to allow Congress to evaluate growth in the average. Once the 10-year average is frozen, the Discussion Draft approach of requiring emergency declarations could operate fairly seamlessly.

We would also encourage the Committee to consider allowing unexpended fire suppression funds to be retained by the Forest Service for use in hazardous fuels reduction and forest access. Congress has been hard pressed to find funding for these priorities, and the prospect of holding on to the funds could incentivize cost savings in fire suppression operations.

#### CONCLUSION

I know firsthand how difficult it’s been to keep my family run business going when the Forest Service struggles to manage their forests. The Congress has ample evidence that the “no touch” management strategies adopted in the 1990s have failed the public, whether you rely on the forests for timber supplies or you’d simply prefer to visit living, healthy forests. Poverty, unemployment, and population loss have for too long been the leading characteristics of the rural communities that surround our National Forests. The fire funding model adopted generations ago is in dire need of modernization.

We appreciate the fact that this Committee and the House have acted on forest management and fire funding reforms in recent years. We urge you to resume this effort, make a few targeted changes to the Discussion Draft, and come to an agreement with the Senate as soon as possible.

Mr. McCLINTOCK. Thank you very much for your testimony. The Chair is now pleased to recognize Mr. Granger MacDonald. He is the CEO of MacDonald Companies. He is here today from Kerrville, Texas.

Welcome to the Committee.

**STATEMENT OF GRANGER MacDONALD, CHAIRMAN,  
NATIONAL ASSOCIATION OF HOME BUILDERS,  
WASHINGTON, DC**

Mr. MACDONALD. Thank you, Chairman McClintock, Ranking Member Hanabusa, and members of the Subcommittee. Thank you for the opportunity to testify today. My name is Granger MacDonald. I am the Chief Executive Officer of the MacDonald Companies, and a home builder and multi-family developer from Kerrville, Texas. I am also the National Association of Home Builders Chairman of the Board.

Mr. Chairman, I appreciate the opportunity to testify in strong support of Representative Westerman's Resilient Federal Forests Act of 2017. The common-sense legislation significantly reduces the red tape and prevents the U.S. Forest Service from better managing its timberlands, and it increases the delivery of domestic timber products into the market.

Increasing the domestic lumber production for Federal lands, both as a means to improve housing affordability and address the resilience of our national forests, must be a top priority of Congress and the Administration. Restoring the health of our national forests depends critically on the ability of foresters to actively manage these invaluable resources.

To untie the hands of our foresters, Congress must act to reduce the regulatory and legal burdens. Expedited environmental analysis review for certain forest management projects, as well as the arbitration in lieu of litigation—both included in Representative Westerman's bill—are positive steps. They would put responsible forest management decisions back in the hands of professionals, instead of being tied up on some bureaucrat's desk or, worse still, in a courtroom.

Representative Westerman's bill represents not only a great start, but a potential win-win-win that should be a no-brainer.

Over the course of three decades, there has been a dramatic decline in timber production from our federally owned forests. The result of the decline is fewer jobs and productivity in the forestry sector, fewer board feet of domestically produced lumber entering the market, and a marked increase in the acreage ravaged by insects, disease, and fire.

From the mid-1950s to the mid-1990s, timber harvests from National Forest Service averaged between 10 and 12 billion board feet per year. That number has plunged to an average of 1.5 to 3.3 billion board feet per year in the mid-1990s, and it has remained significantly low ever since.

So what happened? The unfortunate reality, as I understand it, is that bureaucratic red tape and litigation have conspired to cripple the once-thriving timber industry that relies on harvesting logs from Federal lands. Decades of poor land management have led to the declining health in our national forests. Evidence of this is seen

in the substantial acreage under threat from insects and disease, as well as devastating fires that have laid waste to millions of acres of forestland.

We must strike a more appropriate balance on how we manage our national forests. Doing so will restore the health of one of our great natural resources and offers the potential to reinvigorate the foresting industry, while improving housing affordability. That is the win-win-win, in my book.

In the housing industry, lumber accounts for approximately \$18,000 of the cost of constructing a typical single family home. In my business, which focuses on affordable multi-family rentals, I am spending about \$2 million a year on lumber. And that number is increasing, as the price of lumber has soared with the housing recovery. Recent price increases are a result of trade disputes with Canada. We depend on imports because we do not produce enough lumber domestically to meet our own needs. This leads to higher construction costs, an issue of particular concern, as my business is focused on affordable housing.

Affordability remains a real challenge for first-time home builders. NAHB analysis shows that, nationwide, an increase of just \$1,000 in the median new home price will leave 152,903 households priced out of the market. As the U.S. housing market continues to improve, demand for lumber and other building materials will also increase.

Moreover, global demand for lumber is also increasing, especially in China. Unless additional supply can be brought into the market, there will be ongoing upward pressure on prices. We have the opportunity to take a small step in addressing housing affordability, as well as grow our economy by increasing domestic lumber supplies.

I commend you, Chairman McClintock, for holding this hearing today, and thank you for the opportunity to testify. We look forward to working with you in advancing this important legislation, and expand the availability of affordable housing.

[The prepared statement of Mr. MacDonald follows:]

PREPARED STATEMENT OF GRANGER MACDONALD, CHIEF EXECUTIVE OFFICER,  
MACDONALD COMPANIES ON BEHALF OF THE NATIONAL ASSOCIATION OF HOME  
BUILDERS

#### INTRODUCTION

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I appreciate the opportunity to testify today. My name is Granger MacDonald, and I am Chief Executive Officer of the MacDonald Companies in Kerrville, Texas.

The MacDonald Companies have developed over 50 multifamily apartment communities and scores of workforce housing units in my time at the helm. On average, we spend about \$2 million annually on lumber, and we have found lumber prices to be much more volatile than the cost of other products used in construction. We can see wide price swings over a short period of time, which has a direct effect on the affordability of our developments.

The price of lumber has soared as the housing recovery gains momentum. For example, softwood lumber prices are up nearly 25 percent<sup>1</sup> since January of 2016; most of this increase is directly attributable to the ongoing trade dispute between the United States and Canada over softwood lumber.

<sup>1</sup> Random Lengths, NAHB calculations.

The rising cost of this critical component drives up the cost of construction and the price of a new home. The impact is of particular concern in the affordable housing sector, where I do my building. Relatively small price increases can have an immediate impact on low- to moderate-income renters and home buyers who are more susceptible to being priced out of the market.

It is no secret that we have a rental affordability crisis in this country, and that there is an acute need for additional affordable rental options. Over 40 percent of renters are cost-burdened, which the Department of Housing and Urban Development defines as paying more than 30 percent of income for rent.

According to a 2011 study by Harvard's Joint Center for Housing studies, to develop new apartments with rents affordable to households with incomes equivalent to the full-time minimum wage, construction costs would have to be only 28 percent of the current average.<sup>2</sup>

Clearly, the solution to the rental housing crisis involves more than reducing building material prices, and requires the support of programs like the Low Income Housing Tax Credit. But the effect of lumber prices on affordability must not be ignored.

NAHB believes increasing domestic lumber production from Federal lands, both as a means to improve housing affordability and address the resilience of our national forests, must be a top priority of Congress and the Administration. Specifically, NAHB strongly supports Representative Westerman's Resilient Federal Forests Act of 2017, which significantly reduces red tape that prevents the U.S. Forest Service from better managing its timber lands and increases the delivery of domestic timber products into the market.

#### WIN-WIN-WIN

Over the course of three decades there has been a dramatic decline in timber production from our federally owned forests. The result of this decline is fewer jobs and productivity in the forestry sector, fewer board feet of domestically produced lumber entering the market, and a marked increase in acreage ravaged by insects, disease, and fire.

We must strike a more appropriate balance in how we manage our national forests system. Doing so will restore the health of one of our great natural resources and, offers the potential to reinvigorate the forestry industry while improving housing affordability. That's the true definition of a win-win-win.

From the mid 1950s to the mid 1990s, timber harvests from the National Forest System averaged between 10 and 12 billion board feet (bbf) per year.<sup>3</sup> That number plunged to an average of between 1.5 and 3.3 bbf per year in the mid 1990s and has remained artificially low ever since.

So what happened? The unfortunate reality is that bureaucratic red tape and litigation have conspired to cripple the once-thriving timber industry that relies on harvesting logs from Federal lands.

Equally troubling, decades of poor land management have led to declining health in our national forests. Evidence of this is seen in the substantial acreage under threat from insects and disease as well as devastating fires that have laid waste to millions of acres of forestland. The U.S. Forest Service 2013–2027 National Forest Disease and Insect Risk Map calculates 81.3 million acres of national forestland are at risk from insects and diseases.<sup>4</sup> And since the mid-1990s, an additional 6 million acres per year, on average, have been lost to catastrophic wildfires.<sup>5</sup>

Restoring the health of our national forests depends critically on the ability of foresters to actively manage these invaluable resources. To untie the hands of our foresters, Congress must act in concert with the Administration to reduce regulatory and legal burdens. Expedited environmental analysis review for certain forest management projects, as well as arbitration in lieu of litigation, are positive steps toward putting responsible forest management decisions back in the hands of professionals and preventing them from being tied up on some bureaucrat's desk or worse still, in a courtroom.

<sup>2</sup> America's Rental Housing: Meeting Challenges, Building on Opportunities. Joint Center for Housing Studies of Harvard University, 2011. Page 24.

<sup>3</sup> USDA Forest Service, FY 1905–2015 National Summary Cut and Sold Data and Graphs, January 20, 2016.

<sup>4</sup> USFS, National Disease and Insect Risk Maps, <https://www.fs.fed.us/foresthealth/technology/nidrm.shtml>.

<sup>5</sup> National Interagency Fire Center, Total Wildland Fires and Acres (1960–2015), [https://www.nifc.gov/fireInfo/fireInfo\\_stats\\_totalFires.html](https://www.nifc.gov/fireInfo/fireInfo_stats_totalFires.html).

## THE LUMBER MARKET, THE HOUSING INDUSTRY, AND UNLOCKING ECONOMIC GROWTH

Among building materials, lumber accounts for the largest share of the cost of a new home. It is used for wood-frame residential construction and is common for interior and finishing purposes, such as windows and doors. NAHB research shows that, at current prices, lumber accounts for approximately \$18,000 of the cost of constructing a typical single-family home. As such, lumber price increases have severe effects on our Nation's housing market.

Even modest price increases in the cost of lumber can deny many American families an opportunity to achieve homeownership. Congress and the Administration can take positive steps to reduce the cost of housing by increasing the supply of domestically produced lumber from Federal lands. Reducing the price of the average single-family home would help unlock pent-up housing demand and add fuel to the economy.

Unlocking the pent-up demand for housing has the potential to significantly grow the economy. Home construction is on the rise after many years of stagnation, and demand for lumber is increasing accordingly. For example, NAHB forecasts that single-family housing starts for 2017 will rise to 855,000, an increase of about 9 percent over 2016.

However, this level of production is only about 65 percent of the 1.3 million new units needed each year to meet the needs of our growing population and replace homes that are taken out of service. For the economy as a whole, Residential Fixed Investment comprised 3.5 percent of Gross Domestic Product in the fourth-quarter of 2016, but over the past 35 years, that number has averaged closer to 5 percent of GDP. While housing has recovered significantly from the downturn, there is significant potential for additional growth that has not been realized. In particular, the first-time home buyer market continues to lag.

Affordability remains a real challenge for first-time buyers. A 2016 analysis by NAHB shows that nationwide, an increase of just \$1,000 in the median new home price will leave 152,903 households priced out of the market.<sup>6</sup>

Likewise, reducing the price of the average new single-family home by \$1,000 would have a significant positive effect on economic growth. NAHB estimates that such a reduction would generate \$719.9 million in additional single-family construction, \$363.4 million in wages and salaries, 6,313 full-time-equivalent (FTE) jobs,<sup>7</sup> and an additional \$243.9 million in taxes and fees for Federal, state and local government.

If the \$1,000 reduction (indexed to inflation) remains in effect for 5 years, the impact is even greater: \$4.457 billion in single-family construction, \$2.250 billion in wages and salaries, 39,082 FTE jobs, and \$1.510 billion in taxes and fees for various levels of government.<sup>8</sup>

Any efforts to ease escalating price pressures, help rebuild the supply chain, and support a continuing housing recovery are smart economic policy. For these reasons, NAHB fully supports multi-use forest management practices for national forests and an increase in the supply of Federal timber products and strongly recommends that the Committee support the Resilient Federal Forests Act of 2017.

## CONCLUSION

According to the American Forest & Paper Association, one-third of the United States, or approximately 751 million acres of land, is forested. Privately-owned forests supply 91 percent of the wood harvested in the United States, and U.S. state and tribal forests supply another 6 percent. Federal forests supply a mere 2 percent of the wood used by the forest products industry.

As the U.S. housing market continues to improve, demand for lumber and other building materials will increase. Moreover, global demand for lumber is also increasing, especially in China. Unless additional supply can be brought into the market, there will be ongoing upward pressure on prices.

We have the opportunity to take a small step in addressing housing affordability as well as to grow our economy by increasing domestic lumber supplies. Representative Westerman's Resilient Federal Forests Act of 2017 encourages better management of our Federal timber lands.

<sup>6</sup>[http://www.nahb.org/en/research/housing-economics/housings-economic-impact/households-priced-out-by-higher-house-prices-and-interest-rates.aspx?\\_ga=1.28211193.437440231.1491967805](http://www.nahb.org/en/research/housing-economics/housings-economic-impact/households-priced-out-by-higher-house-prices-and-interest-rates.aspx?_ga=1.28211193.437440231.1491967805).

<sup>7</sup>Full-time equivalents represent enough work to keep one worker employed for a full year based on average hours worked per week in the relevant industry.

<sup>8</sup>Measured in 2017 dollars.

At the same time, it is attentive of important environmental considerations. This legislation will go a long way toward better managing our Federal forest natural resources while also ensuring the continued recovery of the housing industry.

I commend Chairman McClintock for holding this hearing today and taking steps to discover what barriers the Administration is facing in its pursuit of active forest management plans. It is important for Congress to take a deep look at these issues and determine what actions can be taken in an environmentally-friendly way.

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Mr. MCCLINTOCK. Great, thank you for your testimony.

The Chair next recognizes Mr. Jim Furnish. He is the former Deputy Chief of the United States Forest Service. He comes to us all the way from Silver Spring, Maryland to testify.

Welcome to the Committee.

**STATEMENT OF JIM FURNISH, FORMER DEPUTY CHIEF, U.S.  
FOREST SERVICE, SILVER SPRING, MARYLAND**

Mr. FURNISH. I am Jim Furnish, former USDA Forest Service Deputy Chief for National Forest Systems. And I would like to thank Chairman McClintock and Ranking Member Hanabusa for the opportunity to testify today.

I left the Forest Service in 2002, following a 35-year career that also included jobs as a district ranger and forest supervisor. And I served from coast to coast. I managed national forests and their issues in the same milieu of social forces and emerging science that continue to vex and frustrate people of good intentions, agency officials and private citizens alike.

Speaking bluntly, the bill before you seeks to enact legislation that is an affront to well-entrenched pillars of our democracy and culture as a society, a society blessed with a legacy of stunningly rich public lands. This bill puts forth a false choice between commerce and our environment, and is certain to exacerbate long-buried conflicts that can be, should be, and have been effectively addressed by other laws and pragmatic policies and practices already in use in our public lands.

I do not believe that public lands are neglected, but managed for different purposes than once was the case. No longer is there singular focus on timber production.

In my recent memoir, "Toward a Natural Forest," published by Oregon State University Press 2 years ago, I noted that the Forest Service I loved and left had refused to conscientiously wrestle with this profound truth. A significant portion of the public we had sworn to serve had rejected Forest Service management of their public lands, and the land itself was telling us of its distress. This, to me, describes the spotted owl crisis of the 1990s and, more broadly, the misguided effort to maximize timber production at the expense of other, more valuable resources.

Now, rather than continue with a reading and recitation of my prepared remarks, I would like to speak from the heart, if I could, and take you back in time to the early 1990s, when the Siuslaw National Forest, among the most productive landscapes and timber in the world, was in the midst of gridlock, freefall, absolute chaos, and crisis. And how did we work our way out of that?

The celebrated Northwest Forest Plan that was developed during the Clinton administration provided a blueprint, but not a

cookbook. We took the challenge of that blueprint and crafted management that endures on the Siuslaw National Forest today. They at one time produced 350 million board feet of timber. That fell to basically zero in a period of a few years.

We had to build that back. And the way we did it was, in my view, we let the owners back in the room. We had certain formal practices that involved resource advisory committees and inter-agency committees. But the true hammering out on the anvil of public policy was done through ad hoc invitation to members who were concerned about our public forests.

And we did, we worked things out. And it was not done instantaneously. It took 2 or 3 years. But I will tell you we did this without the benefit of this legislation that is under discussion today. We used the framework of laws, as well as the blueprint of the Northwest Forest Plan at that time to craft an enduring and effective approach to managing our national forests, primarily for restoration of the environment, not for timber production. And you know what? Timber production today on the Siuslaw National Forest is one of the leaders in the Pacific Northwest, although timber production is viewed as a by-product of environmental restoration, not a primary focus of action.

I can't tell you, but I will tell you one metric that you should pay attention to. There has not been one single appeal or lawsuit of timber sales on the Siuslaw National Forest in over 20 years. And the reason why is people believe in what they are doing. And the reason they believe it is because they are not against logging, they want to see logging done for the right purposes and in the right way. The way we did this was we let the owners back in the room and we talked about how to do this in a conscientious and environmentally sensitive way. And they have succeeded, profoundly.

I just want to say that asking the Forest Service to faithfully implement all elements of this law is to assign them a biased, prejudicial role unbecoming a professional. And I know that you have this important work before you. I hope you take a hard look, and don't go back to the old ways of making timber number one. It didn't work then, it won't work again. Thank you.

[The prepared statement of Mr. Furnish follows:]

PREPARED STATEMENT OF JIM FURNISH, FORMER U.S. FOREST SERVICE  
DEPUTY CHIEF

I am Jim Furnish, former USDA Forest Service Deputy Chief for National Forest Systems. I'd like to thank Chairman McClintock and Ranking Member Hanabusa for the opportunity to testify today. I left the agency in 2002, following a 35-year career that also included jobs as district ranger and forest supervisor, and I served from coast to coast. I managed national forests and their issues in the same milieu of social forces and emerging science that continue to vex and frustrate people of good intentions—agency officials and private citizens alike.

Speaking bluntly, the bill before you seeks to enact legislation that is an affront to well-entrenched pillars of our democracy and culture as a society; a society blessed with a legacy of stunningly rich public lands. This bill puts forth a *false choice* between commerce and our environment, and is certain to exacerbate long-buried conflicts that can be, should be, and have been effectively addressed by other laws and pragmatic policies and practices already in use on our public lands. I would hope that you see your role as legislators as *improving* circumstances, not worsening them.

I have heard many people blame our current difficulties with wildfire on NEPA, ESA, and frivolous litigation, and this draft bill echoes these views. Such views are simplistic and incorrect. We cannot log our way out of this difficulty. The scale of



biologic forces associated primarily with *climate change*—longer, dryer burning periods, increased insect mortality, and decades-long suppression policies—have created a landscape at higher risk. This situation requires focused and highly prioritized measures applied to the highest risk acres. And an acceptance of the reality that climate change will impose on us certain inevitable consequences long in the making.

My experience literally screams that this draft bill is misguided, unnecessary, ultimately harmful, and *just plain WRONG*. This bill breeds mistrust.

In my recent memoir, *Toward A Natural Forest*, I noted that the Forest Service I loved and left had refused to conscientiously wrestle with this profound truth: “a significant portion of the public we’d sworn to serve had rejected our management of their public lands, and the land itself was telling us of its distress.” This describes the spotted owl crisis of the 1990s, and more broadly, the misguided effort to maximize timber production at the expense of other more valuable resources.

This bill seeks to take us back to the old days when logging dominated public lands. That policy proved bankrupt socially and legally. The bill essentially creates a series of work-arounds by legislating fixes to non-existent problems, unless you see national forest lands primarily as timber farms. As one who lived through that era, this bill is a prescription for the same short-sighted policies that caused gridlock. There has been a fundamental shift in thinking about what values best represent the broader public. Water quality, fish and wildlife, recreation, and now carbon all far exceed timber products in value and importance.

As a frame of reference, I served on Oregon’s Siuslaw National Forest as Supervisor in the wake of the spotted owl crisis from 1992–1999, instituting management reforms aimed at forest restoration rather than exploitation, as chronicled in the video documentary *Seeing The Forest*. These reforms are still in place, and have proven effective and durable. Today the Siuslaw National Forest is one of the largest and most reliable providers of timber in the PNW, and also carefully safeguards endangered species habitat and restores salmon runs. Notably, the Siuslaw has not had a single timber sale appeal or lawsuit in over 20 years. The reason is that timber production is no longer a primary goal there, but a by-product of restoration activities. And I might add that all the above was accomplished without the provisions of this draft bill. Even harsh critics of logging will accept commercial timber activity *IF* the agency provides legitimate reasons to harvest trees while fostering ecological integrity.

Let me give you examples. Siuslaw timber production slipped to essentially ZERO in 1993, and we instituted collaborative processes with friend and foe to dig ourselves out of the hole. I can assure you the issues and table stakes exceeded those on most national forests. Agency credibility and success rested on honesty, transparency, candor, information sharing, power sharing, mutual respect, and a penchant for listening well. We had to create new solutions that satisfied all parties, and the law. Failure was not an option—we could sink no lower.

Collaboration succeeds when trust and respect are nourished and flourish. The discussion draft puts a heavy finger on one side of the scale—the side predicated on logging. I guarantee you this provision dooms success. Those citizens most needed to ensure successful deliberations—those you consider intractable foes of logging—will either refuse to participate or walk away, requiring the application of numerous other band-aids to keep logging proposals from foundering. The success we enjoyed on the Siuslaw NF was based on the assumption that everyone was reasonable and would work toward solutions that truly benefited the land and resources. This bill nullifies that presumption by bullying those with viewpoints perceived as anti-logging. Asking the Forest Service to faithfully implement all elements of this law is to assign them a biased, prejudicial role unbecoming a professional.

Let’s look at the bill’s approach to the use of categorical exclusions, or CEs. Increasing the threshold to 10,000 acres is excessive and uncalled for. This is the equivalent of 15 square miles!! Projects of such massive extent were never intended by NEPA procedures to be excluded from public participation, analysis and review. This provision can only be seen as intended to avoid scrutiny and due process. Yet another provision increases the threshold to *30,000 acres* if the project is supported by collaboration. But NEPA is predicated on analyzing and documenting environmental effects, not whether social processes are invoked.

Title II accelerates the review timelines for salvage. I knew a time when virtually all salvage was harvested, yet we now know that the role of dead trees is very complex and deserving of the most careful analysis. Haste and delay are both uncalled for in pursuit of consensus solutions.

Another collaboration provision requires analysis of only two alternatives—action and no action—thus stipulating that collaboration must conclude with *only one*

*option* and arbitrarily assigning other meritorious alternatives to the trash can. NEPA contains important learning functions that necessitate consideration of all reasonable alternatives; a premise strongly supported by case law. Such precautionary principles are intended to conserve resources and combat smug certainty.

This unstable house of cards is built on progressively biased strategies, all directed at making logging essentially mandatory rather than discretionary. The approach is in essence the same tragic mistake that created the spotted owl crisis; elevating logging over other uses and values. Add one last insult—deny due process for litigation and recovery of legal expenses. You are creating a system of haves and have nots . . . again.

Regrettably, the have nots will include species protected by ESA. Rather than viewing ESA as an obstacle, ESA should be seen as a fundamental responsibility of public land management. Case studies abound throughout the country illustrating recovery of species in peril as well as how thoughtful forest management, done properly, supports recovery.

I am also deeply distressed that this bill ignores the major problem confronting the Forest Service today—the escalating cost of fire suppression and its consequence of diminishing all other resource management. Your legislative proposals aimed at resolving this long-standing impasse enjoy broad bipartisan support, including mine, and I suspect my fellow witnesses support them also. If you truly seek to address the major problem standing in the way of applying sound science to create effective solutions, pass the fire funding bill. And leave this bill on the shelf where it belongs.

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Mr. MCCLINTOCK. Thank you for your testimony.

Our final witness is Mr. Tim Freeman. He is Commissioner for the Douglas County Board of Commissioners. He is here today from Roseburg, Oregon to testify.

Welcome.

**STATEMENT OF TIM FREEMAN, COMMISSIONER, DOUGLAS COUNTY BOARD OF COMMISSIONERS, ROSEBURG, OREGON**

Mr. FREEMAN. “Water, water everywhere, and all the boards did shrink. Water, water everywhere, nor any drop to drink.”

Good morning, Chairman McClintock, Vice Chairman Westerman, Ranking Member Hanabusa, and members of the Subcommittee. Thank you so much for inviting me here to testify.

For the record, my name is Tim Freeman, and I am a County Commissioner from Douglas County in western Oregon, the most productive timber-growing region in the United States, where we are surrounded by millions upon millions of acres of Federal timber that, unfortunately, is mostly withdrawn from even the most benign economic utilization.

As with the “Ancient Mariner,” Samuel Taylor Coleridge, the resource we so desperately need is all around us, yet we are prevented by Federal policies from using it to help fulfill our communities’ needs. I am here today as the President of the Association of O&C Counties. Since 1925, the Association has represented counties in western Oregon that have a statutory interest in 2.1 million acres managed by the BLM, pursuant to the O&C Act of 1937.

We also have a statutory financial interest in about a half million acres of O&C lands that are managed by the Forest Service. The O&C counties also have within their boundaries many millions of acres of national forest. We are quite literally surrounded by Federal timberlands.

We, therefore, very much appreciate this Committee’s interest in streamlining some of the aspects of Federal forest management. We

are critically in need of forest management reform legislation that addresses Federal forest management practices to get more work done on the ground, to improve the health of our forests, and to improve the economic opportunities for our forest communities.

Proper management can also produce much-needed revenue for the U.S. Treasury. I would like to remind the Committee that for many years the Federal timber and forestlands produced more revenue than what it cost to manage them. Only government can take this great asset and turn it into a liability. As you know, the O&C lands have a very unique history, having been granted in the late 1800s in exchange for construction of a railroad, but then taken back to Federal ownership in 1916, due to the railroad company's violation of the terms of the grant. For a complete history of this, we have a wonderful website. Please go to the O&C website.

One way to look at this is that you, as the Federal Government, and us, as the counties, are in a partnership, and the BLM is our land manager. When reasonable management occurs, we both see the benefit. The relationship between the Federal Government and the counties worked very well until the early 1990s.

Beginning in 1990, becoming progressively worse since, Federal policies have become so tangled, and the regulatory agencies have usurped much of the management authority so that the Forest Service and the BLM are no longer able to manage Federal forests and timberlands as they should. It appears that the BLM and the Forest Service are no longer even willing to try. Fearful of litigation and criticism, the agencies have taken the path of least resistance.

O&C counties and many other counties in the West are reeling from two decades of Federal mismanagement on the O&C and Forest Service lands. Because of this mismanagement, there has been a drastic reduction in revenues from shared timber harvestry seats. Counties struggle to provide even the minimal-accepted levels of public service.

As an example, under the new O&C plans, if fully implemented, only about 19 percent of historic payments will be produced. Based on BLM's past performance, the Association of O&C Counties is confident that the BLM plans will never be fully implemented, and the shared timber receipts will resemble those of recent years, which are only about 8 percent of historical averages.

In rural timber counties, commissions are faced with closing libraries, jails, mental health, public health, sheriff's patrols, hundreds of employees have been laid off, and services have been curtailed. Unfortunately, there is more bad news to come, and it does not have to be this way.

In 1937, the inventory on the O&C lands was approximately 50 billion board feet. After 80 years of management, there was approximately 50 billion board feet harvested, and today there is 73 billion board feet of timber. This goes to show that sustained yield management works.

We are very pleased that this Committee is giving attention in the Resilient Federal Forests Act of 2017 to some of these issues. We stand ready to assist in developing and improving legislation that recognizes the necessity of resuming activities to manage in ways that contribute to the economic health of local communities

and reverse Federal policies that are killing jobs and communities. We desperately need your help.

Thank you, and I would be happy to answer any questions.  
[The prepared statement of Mr. Freeman follows:]

PREPARED STATEMENT OF COMMISSIONER TIM FREEMAN, PRESIDENT,  
ASSOCIATION OF O&C COUNTIES

With apologies to Samuel Taylor Coleridge, I quote the most famous stanza from his most famous poem:

*“Water, water, everywhere,  
And all the boards did shrink;  
Water, water, everywhere,  
Nor any drop to drink.”*

I am Commissioner Tim Freeman and I am from Douglas County in western Oregon, the most productive timber-growing region of the United States, where we are surrounded by millions upon millions of acres of Federal timber that, unfortunately, is mostly withdrawn from even the most benign economic utilization. As with the Ancient Mariner, the resource we desperately need is all around us, yet we are prevented by Federal policies from using it to help fulfill our communities’ needs.

I am here today as President of the Association of O&C Counties (AOCC). Since 1925 AOCC has represented counties in western Oregon that have a statutory interest in 2.1 million acres managed by the BLM pursuant to the O&C Act of 1937, 43 U.S.C. 1181a-f. Similarly, the O&C Counties have a statutory financial interest in about 500,000 acres of O&C Lands that are managed by the Forest Service. And although I am not here today specifically to address National Forests, the O&C Counties also have within their boundaries many millions of acres of National Forests.

We are, quite literally, surrounded by Federal timber lands. We therefore appreciate very much this Committee’s interest in streamlining some aspects of Federal forest management. We are critically in need of forest management reform legislation that addresses Federal forest management practices to get more work done on the ground, to improve the health of our forests and to provide economic opportunity for our forest communities. Proper management can also produce much-needed revenue for the U.S. Treasury.

The O&C Lands have a unique history, having been granted in the late 1800s in exchange for construction of a railroad, but then taken back into Federal ownership in 1916 due to the railroad company’s violations of the terms of the grant. For a complete discussion of the fascinating history of the O&C Lands, visit the history section of the AOCC website: <http://www.oandc.org/o-c-lands/history-of-o-c-lands/>.

In 1937, the O&C Lands were designated by Congress for sustained-yield timber production. All of the O&C Lands classified as timberlands

“ . . . shall be managed . . . for permanent forest production, and the timber thereon shall be sold, cut and removed in conformity with the principal [sic] of sustained yield for the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities . . .” 43 U.S.C. § 1181a.

The O&C Act goes on to require that “timber from said lands in an amount not less than one-half billion feet board measure, or not less than the annual sustained-yield capacity when the same has been determined and declared, shall be sold annually . . .” 43 U.S.C. § 1181a. The O&C Lands have a dominant use—timber production—that has been recognized many times by the courts. See, for example, *Headwaters, Inc. v. BLM, Medford Dist.*, 914 F2d 1174, 1183–84 (9th Cir. 1990). For more than 50 years following the O&C Act, the O&C Lands were managed as Congress directed—for sustained yield timber production—and our communities thrived as a result. For many decades the O&C Lands supported local communities and were at the same time a source of revenue for the Federal Government.

And yet currently, the vast majority of the O&C timberlands, about 80 percent, are withdrawn from sustained yield timber production. How can this be?

Beginning in the 1990s and becoming progressively worse since, Federal policies have become so tangled and the regulatory agencies have usurped so much of the management authority that the BLM is no longer able to manage the O&C Lands

as it should. It appears the BLM is no longer willing to even try. Fearful of litigation and criticism, the BLM has taken the path of least resistance.

The most recent example of the avoidance principle on full display is the resource management plan (RMP) adopted by the BLM for the O&C Lands in 2016. The land use allocations in the RMP are (in the opinion of AOCC) illegal, in that the majority of the O&C lands (about 80 percent) are allocated to reserves in which sustained yield management is not allowed. Some of the driving policies are internal to the BLM, but the inspiration for the management restrictions are largely traceable to other agencies. The BLM's ability to utilize broad flexibility under principles of sustained yield forestry is primarily constrained by policies of the U.S. Fish & Wildlife Service.

Just prior to the most recent BLM planning process the U.S. Fish & Wildlife Service issued a recovery plan for the northern spotted owl that precludes sustained yield management for substantially all older, more structurally complex forest as a blanket restriction across three states. This inflexible policy is supposed to be voluntary for the land management agencies, but is being treated as though it has the force of law. In addition, "critical habitat" was designated for the marbled murrelet and northern spotted owl, covering 57 percent of the BLM forest in western Oregon. This designation of critical habitat included over a half million acres of younger forest, which are not currently habitat, but as these forest age they too will have constraints placed on sustained yield management.

These policies and designations were developed largely without consideration of ways sustained yield management could provide habitat that would aide recovery of the northern spotted owl and marbled murrelet. There was almost no consideration by the U.S. Fish & Wildlife Service of forestry techniques that would permit simultaneous achievement of sustainable economic and environmental objectives. The BLM took the U.S. Fish and Wildlife Service policies as binding, and in its own planning process the BLM also gave little consideration to forestry methods that would permit simultaneous achievement of economic and environmental objectives. The door was shut to such consideration by the BLM's up-front designation of reserves that precluded analysis of sustained yield techniques within those reserves.

There are numerous kinds of "reserve" designations under the BLM's RMP, but the story of the "large block" reserves is perhaps the most troubling. The BLM in its planning process designated over a million acres of large block reserves in which sustained yield management is precluded. The boundaries of the BLM's million-acre large-block reserves do not coincide with the U.S. Fish & Wildlife Service's designated critical habitat. The BLM's large block reserves preclude sustained yield management on approximately 250,000 additional acres that the U.S. Fish & Wildlife Service did not think was critical habitat.

Conversely, 40 percent of the lands that are allocated by the BLM for sustained-yield management are designated as critical habitat by the U.S. Fish & Wildlife Service—meaning that the BLM's planned sustained-yield management activities within those areas will almost certainly be substantially curtailed. The BLM RMP pretends that timber harvests will occur within the designated critical habitat, but any experienced observer well knows that they will be repeatedly litigated and ultimately avoided by the agency.

On top of all this, at the end of the RMP process the BLM agreed to a U.S. Fish & Wildlife demand for a "No Take" provision until more is known about barred owl interactions with the spotted owl. The No Take policy means that timber management is precluded on 30–40 percent of the lands allocated by the BLM for sustained yield timber harvests, which could potentially reduce by half the BLM's declared sustainable harvest level.

The combination of these restrictions and impediments make it clear to AOCC that the BLM's RMP—which is grossly inadequate to begin with—will never be implemented as advertised. The regulatory actions by the U.S. Fish & Wildlife and the BLM plans are not effectively coordinated nor do they recognize the unique sustained yield mandate of the O&C Lands to contribute to the support of rural communities. The counties and the public had limited opportunity to participate in the up-front decisions that severely limited the management strategies considered under NEPA in the recent BLM planning process. These Federal Government actions fail to address the human species and the well-being of rural communities, which is directly tied to the management of the O&C forests.

Numerous judicial decisions have made clear that O&C Lands are dedicated to sustained yield timber production in order to generate revenue for the O&C Counties and to provide an economic base for local industries and communities. Pursuant to 43 U.S.C. 1181f, the O&C Counties share 50 percent of the total revenues generated from timber harvests on O&C Lands. Counties depend on shared timber receipts to pay for essential public services of all kinds, from public safety

such as sheriff patrols and jails to public health programs and libraries. When O&C lands are withdrawn from sustained yield management, there is a direct financial loss to county governments and a loss of services to local citizens and their communities.

The O&C Counties are reeling from two decades of Federal mismanagement of the O&C lands and a drastic reduction in revenues from shared timber harvest receipts. Counties struggle to provide even minimally acceptable levels of public services. Under the new BLM plans, if ever fully implemented, payments would be only 19 percent of historic payments. Based on the BLM's past performance, AOCC is confident these BLM plans will never be fully implemented and shared timber receipts will resemble those of the recent past that are only about 8 percent of the historic payment average. In the rural O&C Counties commissioners are faced with closure of libraries, jails, and elimination of sheriff patrols. Hundreds of employees have been laid off in recent years, services have been curtailed, and whole departments shuttered. Unfortunately, there is more bad news to come.

Perhaps worse than loss of public services has been the loss of jobs in the private sector. The lack of adequate timber supply has caused many of our mills to close and forced thousands of people out of work. Some mills in our area even have to import timber from Canada in order to have the raw materials they need for operations. Living in a sea of timber, we nevertheless must buy and transport logs from Canada, a sad irony that makes local residents question their government at every level.

We are very pleased that this Committee is giving attention in the Resilient Federal Forests Act of 2017 to some of the issues that hinder proper management. We stand ready to assist in developing and improving legislation that recognizes the necessity of resuming active management in ways that contribute to the economic health of local communities and reverses Federal policies that are killing forest jobs.

Through sustained yield management, the O&C Lands can contribute to the economy of local communities and county governments and simultaneously provide a wide range of forest values such as recreation, wildlife habitats, clean water, wood products, and carbon storage. The O&C Lands can once again be a performing asset that produces revenue to help balance the Federal budget. The benefits of proper management accrue both locally and nationally. AOCC wishes to be a partner in your efforts to correct some of the Federal policies that interfere with these objectives.

In the coming weeks we will provide comments regarding specific titles of the draft bill to Committee staff. The bill as a whole is of major importance to us, but AOCC is likely to give extra attention to sections dealing with the Stewardship Contracting, the Secure Rural Schools and Community Self-Determination Act and, of course, anything having to do specifically with the O&C Lands.

Thank you for the opportunity to comment on these important issues.

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Mr. MCCLINTOCK. Thank you very much for your testimony. And we will be happy to provide them for you, beginning right now.

Mr. NEIMAN, we have received extensive testimony that private lands are in much better condition, overall, than the public lands. I have seen it myself. You can actually see the property line between private lands and public lands. On the private land side, there are green, healthy, thriving forests. On the public lands, there are dead and dying trees and scrub brush. And yet we are told this is because of climate change. What is your observation?

Mr. NEIMAN. We can show you many examples just like that in the Black Hills, not only between private and Forest Service, but between the Custer State Park in South Dakota—

Mr. MCCLINTOCK. How is it that climate change can affect one property completely different than another property next to it?

Mr. NEIMAN. We can show you a picture of the wilderness in the Black Hills, and it goes right down the border. It is all dead on the wilderness side. And the Custer State Park—

Mr. MCCLINTOCK. I have seen it time and again in my own district. It is hard to believe that the climate can be so precise as to

know exactly the property line between the private and the public lands. What do you think is causing that difference?

Mr. NEIMAN. It is clearly over-aged, over-stocked forest.

Mr. MCCLINTOCK. The president of the California Forestry Association recently speculated before this Subcommittee that the timber die-off in the Sierra has now become so severe that he believes the forest may be becoming a net carbon emitter. What is your observation?

Mr. NEIMAN. Clearly, old growth forests do get to that point after they get so old. They just get to a stagnant state. That is why part of this bill is so important to create some of the young, resilient forest types. Like I talked about in my testimony earlier, when you look at Louisiana and some of the states back East, the forests are getting old, and they are not sequestering as much carbon as they would if they were younger and more resilient.

Mr. MCCLINTOCK. Well, that is exactly right. And that gets me to my next point, which is if we are facing warmer weather, and if CO<sub>2</sub> is the culprit, doesn't that point to a greater need to keep the tree density under control, for example, and to match that tree density to the ability of the land to support it?

Mr. NEIMAN. If you have warmer temperatures, you probably have a longer growing season, which could contribute to more growth, annual, which means you might need to harvest more to control that inventory.

Mr. MCCLINTOCK. And if you have less—

Mr. NEIMAN. And if you have a longer—

Mr. MCCLINTOCK [continuing]. Precipitation, obviously, you also need to control the tree density to assure that the tree density matches the ability of the land to support it in that new condition.

Mr. NEIMAN. Yes. If you look at the climate change scenario, and you have drought conditions—you heard the testimony earlier, my degree is in range management—your carrying capacity is not going to be as high.

Mr. MCCLINTOCK. As you pointed out, a young growing tree absorbs far more carbon dioxide than a fully grown older tree. Correct?

Mr. NEIMAN. Correct, definitely.

Mr. MCCLINTOCK. Well, doesn't that suggest that maybe we ought to be harvesting some of the old trees, so that there is room for young trees to grow, under this theory?

Mr. NEIMAN. Clearly, in Ponderosa pine, you want a mixture of all. You don't want a total old growth. In many cases, we are required to have 5 percent old growth, and we try to meet that—so I support that scenario.

Mr. MCCLINTOCK. Right, as do I. Does it suggest also that perhaps we should expedite the salvage of fire-killed timber while it still has some value and before it begins to decay and release enormous quantities of CO<sub>2</sub> into the atmosphere?

Mr. NEIMAN. Ponderosa pine, you have about 10 months that you can salvage that wood. So, you look at a normal NEPA process that might take 1½ to 2 years, you are too late.

Mr. MCCLINTOCK. Well, we have entire tracts in the Sierra where there has been virtually no salvage. The result is that these trees are decaying and releasing enormous amounts of carbon

dioxide into the air. At the same time, scrub brush is growing up under them. They topple on top of that, and then you have dry timber on top of dry scrub brush, which is a perfect fire stack for a second-generation fire.

Do our policies promote any of those global warming-related policies?

Mr. NEIMAN. Well, the original Farm Bill tried to focus on that, but it clearly needs to be enhanced.

I just want to point out one other issue. We talk about CO<sub>2</sub>. When you have, in some cases in Wyoming, 10 foot of downed timber, those trees, when they die and they start rotting, it turns into methane gas. That is 22 times more harmful than the CO<sub>2</sub>. So, you have a couple issues here you are dealing with.

Mr. MCCLINTOCK. There seems to be a complete disconnect between the global warming enthusiasts and the policies that they are recommending to us.

Mr. NEIMAN. Correct.

Mr. MCCLINTOCK. Thank you. I recognize the Ranking Member.

Ms. HANABUSA. Thank you, Mr. Chair.

Mr. FURNISH, thank you for your 35 years of service. And we are going to call upon that in, hopefully, your responses to my questions.

Mr. FURNISH. Thank you.

Ms. HANABUSA. On numerous occasions, you will always hear that it is the environmental laws like NEPA and Endangered Species Act combined with the citizen review of project planning and litigation that are responsible for, basically, the catastrophic wildfires that we are experiencing throughout the country.

What I would like to find out from you is, you say in your testimony that the bill puts forth a false choice between commerce and our environment. I would like to understand what you meant by that statement.

Mr. FURNISH. I was trying to speak to the issue that—the notion you could have one but not the other. I would argue that the Forest Service that I grew up in, when I started in the 1960s, that went until, really, the spotted owl crisis, which I argue changed everything in the early 1990s, was based on the primary function of the national forests being a source of commercial material. This came at the expense of numerous other resources like water, wildlife, and it was litigation, primarily, over wildlife—the spotted owl in particular, and a number of other associated species—that brought this gridlock.

What I was trying to articulate with the Siuslaw experience is, instead of having one or the other, we strove to have both. Less timber, to be sure, but it was done in a way that was truly sustainable and worked in concert with the needs of wildlife habitat.

Ms. HANABUSA. We have all heard about the spotted owl crisis of the 1990s. You, obviously, were part of that.

Mr. FURNISH. Yes.

Ms. HANABUSA. So, what do you think caused that situation, that you would call it the spotted owl crisis of the 1990s?

Mr. FURNISH. I believe it was the result of a very exuberant obsession with timber production on public lands. There was more timber harvested on public lands in 1989 than ever in its history,



even after at least a decade of intense litigation. This really came to a head with the spotted owl situation, where a Federal judge found that the Forest Service had willfully violated laws in its pursuit of timber.

The crash came. Then it had to begin to be rebuilt from scratch, which is what we tried to do on the Siuslaw. And I would point out that, rather than pursuing one or the other—in other words, the total exclusion of logging—what we tried to do was build a model that had some modest forms of logging that were intended to work in concert with wildlife habitat needs and clean water, salmon runs, these type of things, in a way that was truly durable and sustainable. And we succeeded.

Ms. HANABUSA. You also hear statements that environmental safeguards, primarily NEPA and ESA, which are designed to protect the endangered species and, as you just mentioned, the water, as well as the salmon and even the owls, that somehow they increase the risk of wildfires.

First, have you heard that type of a connection? And second, what does that mean to you, when you hear that?

Mr. FURNISH. Yes, I have heard that. I tend to reject that view as being too simplistic and incorrect. I think it is a much more complicated situation than even I can understand or, hopefully, articulate.

But we have had wildfires with us for millennia. We will continue to do so. I do believe in climate change. I believe that the firefighter is one of the best testimonials to climate change. They say if you don't believe it, talk to any firefighter and they will tell you climate change is with us. It is real, all the phenomena that we are experiencing with longer fire seasons, drought, all these kinds of things are evidence of this.

But I don't think we are going to be able to log our way out of this problem. It is simply too enormous, too costly. It is going to require highly prioritized and rifled approaches to deal with the risks where they are greatest. But the chickens are coming home to roost, and we are going to be dealing with this for decades to come.

Ms. HANABUSA. When you say we are going to be dealing with this, what do you mean?

Mr. FURNISH. I mean the elevated fire risk and consequences. But I would quickly add that, although we look at a fire of, say, 100,000 acres, it is important to note that almost throughout history this 100,000 acres that burns, the vast majority of that burns in a light to moderate fire activity. There is a portion that burns severely. These are the acres we would be most concerned about.

Ms. HANABUSA. Thank you. Mr. Chair, I yield back.

Mr. MCCLINTOCK. Thank you. The Chair now recognizes Mr. Westerman for 5 minutes.

Mr. WESTERMAN. Thank you, Mr. Chairman. Thank you to the witnesses for coming today to have this important discussion.

Mr. MacDonald, you talked about the home construction in the United States. I believe you said the average cost of lumber in a home is \$18,000, but that is really a small percentage of the total cost of building a home. And the reason I point that out is because I think we sometimes forget the overall economic impact to our

country when home building is strong, because you have appliances, you have plumbing, electrical, all those things that go into building a home. And it creates jobs, as well.

In the rural communities in my district, we are not seeing too many homes being built, and we are seeing people struggling. And on top of that, many of these communities are surrounded by national forests, where they have seen a decrease in funding for their schools, a decrease in funding for their emergency services, and just overall tough economic times.

I had submitted for the record in a previous hearing a paper authored by Chad Oliver, a professor at Yale, who did a big study on the carbon benefits of good forest management. And the conclusion was that active forest management is better for the environment than not managing the forest. So, when I hear testimony that there is a false choice between commerce and our environment, I take strong exception to that.

As the need for housing continues to grow, what are the alternatives if you don't have a lumber supply or a wood product supply to build those houses? What kind of materials do you use if you don't have lumber?

Mr. MACDONALD. Well, obviously, there are alternatives, such as metals and all that, metal studs, but that creates a whole other set of environmental problems.

Typically, we will be substituting domestic lumber for imported lumber. This is lumber that comes from Canada and other parts of the world that, only because of the transportation issue, continues to raise the price of housing. Sweden and Germany are a perfect example of countries that are much more socially liberal than the United States in how they carry their business, and they manage their forests, and they manage them very well, and they continue logging operations year in, year out, which goes to the benefit of the housing industry in Europe, as a whole, and, likewise, in Canada.

And, as I stated, just a \$1,000 change in the price of a home puts over 150,000 people out of being able to have housing affordability.

Mr. WESTERMAN. Seems like I have heard that for every home that is built there are two or three jobs created for that?

Mr. MACDONALD. There are four permanent jobs created with every home that is built, yes, sir. For example, the National Association of Home Builders has 140,000 members that employs almost 12 million Americans.

Mr. WESTERMAN. We are seeing new products like cross-laminated timber that are going into the high-rise structures that sequester even more carbon and offer more opportunities. I have stated before that the forests need industry much worse than industry needs forests today.

That is evident in my state, where we have a very active forest management, we have a very active forest products industry. We are a sequester of carbon, it is 16 million tons a year. As I said in my opening testimony, that is 28 tons every minute, every hour of every day. During the 5 minutes that I have had to make this presentation, the forests in Arkansas have sequestered over 100 tons—or there are over 100 tons of new growth.

I just cannot see a downside to us managing our national forests and keeping them healthy. We don't have to make timber the number-one goal of forest management, but it does not hurt if the country prospers economically while we are doing good for the forests. I hope at some point we can understand that, and that Congress can act, and that we can move this legislation and other common-sense ideas forward. I yield back.

Mr. MCCLINTOCK. Thank you.

Mr. Panetta.

Mr. PANETTA. Thank you, Mr. Chairman. I appreciate that. And, of course, to the four gentlemen who are here, the witnesses, thank you very much for coming, preparing, and giving your testimony. I appreciate that.

You, obviously, are the experts on this, and you know more than me about this. I will admit that right up front. However, I come from an area on the central coast of California that, unfortunately, suffered the most expensive wildfire in our Nation's history this last year, the Soberanes Fire. It was so big and so vast that it actually got to a point where my two daughters and I got to watch some of our hills burning around us. And looking out our living room window, you could see the backfires that were lit in order to contain it.

So, clearly, it is an issue, not just in your areas, in Arkansas, and, of course, in California, we know that, but throughout our Nation. So, I appreciate you coming here and talking about it.

Mr. Westerman, thank you for your bill and what you are doing. But obviously, there are some differences that we can hopefully work out.

Mr. Neiman, you talked about the Farm Bill, you mentioned it briefly, how it tried to focus on, I think, the balance between old growth and new growth. Is that correct? What were you referring to when you mentioned the Farm Bill?

Mr. NEIMAN. Part of what is in this bill focuses on—you have some forests back East that have been no harvesting for a number of years, and you have some out West with no harvesting. And you have a fair amount of older-type forests, but you do not have any young, successional forests in some of those forests. The young successional forest is the next new generation, just like babies. It is important to have a mixture of those. So, that is partly what I was referring to in the mixture.

Mr. PANETTA. And the Farm Bill, it tried to do what?

Mr. NEIMAN. The Farm Bill talks about young successional forests, and helping provide for that.

Mr. PANETTA. OK, great, thank you.

Mr. Furnish, thank you for your experience, obviously, and your testimony today. You talked about an area that I admit and I apologize that I had not heard of, the Siuslaw—is that how you pronounce it?

Mr. FURNISH. Shame on you.

Mr. PANETTA. Yes.

Mr. FURNISH. Yes, correct, Siuslaw.

Mr. PANETTA. And where, exactly, is that located?

Mr. FURNISH. The central coast of Oregon.

Mr. PANETTA. OK. And how big is it?

Mr. FURNISH. About 1,000 square miles.

Mr. PANETTA. OK, all right. You talked about, obviously, and a lot of your testimony talks about a lot of the efforts that went into managing that. And basically, it sounded like you had all sides at the table——

Mr. FURNISH. Absolutely.

Mr. PANETTA [continuing]. In order to manage that. What are some of the efforts that were done, and—I mean, obviously, it is a complicated process when you do that. But, clearly, it is worth it when you have everybody at the table to work out their differences, correct?

Mr. FURNISH. Yes. I would say that I could line up about 10 people across the table from me today that were former entrenched enemies of me and the Forest Service. Today, I consider them close friends. And it was because we hammered out our differences in a very principled, respectful way. When the coin of the realm were things like honesty, transparency, sincerity, respect, trust, these things had to be forged over forest policy.

It was not easy. We came into this with a great deal of cynicism and mistrust, and we basically had to prove that we were willing and open to hearing other views about how the Siuslaw National Forest ought to be managed. And they had been excluded. They had been excluded from the discussion for decades, and when they came back in, yes, they had a lot of bitterness to work through.

Mr. PANETTA. Sure.

Mr. FURNISH. But after a while, when they felt that they were being respected and listened to, then we got down to work. And we really started to make things happen. But the first key was to invite them into the room. And the second thing was to listen, and listen hard, and be humble. Take your medicine.

Mr. PANETTA. And you write about that in your book that you held up there?

Mr. FURNISH. I do.

Mr. PANETTA. Is that part of it?

Mr. FURNISH. Yes.

Mr. PANETTA. And have you seen that? In your experience, have you seen that process replicated anywhere else in our Nation when it comes to managing our forests?

Mr. FURNISH. Well, I would say there has been a wave of what I call a collaboration movement within the Forest Service over the last 10 or 15 years. I would say the best examples of collaboration, I think, mirror the experience I had on the Siuslaw. It works in some places and it doesn't in others.

I would say that places where I see it not working is where you put your thumb on one side of the scale and begin to mandate and approach an outcome. And when you get your finger off the scale, then you have a chance.

Mr. PANETTA. Great, thank you. I yield back.

Mr. MCCLINTOCK. Thank you.

Mr. Thompson.

Mr. THOMPSON. Thank you, Chairman. And thanks to the members of the panel for being here. Clearly, we are seeing some higher temperatures, certainly. And I appreciate the observation that that provides for longer growing seasons. Quite frankly, I think that

just calls for more aggressive active management, because the overstory and the understory are growing at rates where we are not harvesting anywhere close to—anywhere I know, within the National Forest System—the sustainable rate.

I think the active management fulfills a promise, a contractual obligation that our predecessors—when national forests were created, that was an obligation between the Federal Government and our communities and our counties. I have a national forest, I am one of those eastern national forests. I have to tell you my communities are not better off today, economically; they struggle. Our schools wonder how they are going to keep the lights on; the Federal Government has not fulfilled its obligation.

If this was health care, it would be a malpractice suit, and we would resolve it. I am not much for attorneys and malpractice, but maybe we ought to extend that to the Forest Service. It seems to work in other situations.

I also think, as a firefighter—although I am kind of an old, fat firefighter today, so I am a little slow, but I still have my turnout gear—but as a firefighter, prioritizing restorative work over active management is like letting a house burn down only to celebrate that we do really good salvage and overhaul work. It does not serve anyone.

My question, Mr. Freeman, in Douglas County, Oregon—your county—are your forests healthier than they were in the 1990s?

Mr. FREEMAN. Thank you for the question. Absolutely not. Our forests are overgrown, both the O&C land that is in Douglas County and the Umpqua National Forest. When we have wildfires, they are much more intense. There is a lot more wood on the ground that burns than ever before, and they burn much hotter.

After the fire, both the BLM and the Forest Service have chose not to go after salvaging what is really a valuable resource, because the time it takes to get through the litigation, the value of that timber is lost and there is no reason to do it. So, you end up just leaving huge stands of burnt trees to rot.

So, on top of all that, during the fires—and I got to witness a lot of fire activity in the fire camps as it happened—the O&C is a checkerboard pattern of ownership, so it is public land and private land. And you can watch the fire activity as it goes through these sections of land. When it is on the private land, they almost get a handle on the fire. And then it crosses back over into the public, and it just takes off again.

There was a question earlier about, if the management makes a difference, and it certainly makes a difference as it pertains to fire and putting fires out.

Mr. THOMPSON. So, forest health sounds like it is getting a failing grade since the 1990s. How about your economic health?

Mr. FREEMAN. Again, thank you for the question. And perhaps worse than the public services that I talked about earlier has been the loss of jobs in the private sector. The lack of adequate timber supply has caused many of our mills to close and forced thousands of people out of work. Some mills in our area even have to import timber from Canada in order to have raw materials they need for operations.

We live in a sea of timber. We, nevertheless, must buy and transport logs from Canada. It is a sad irony that makes local residents question government at every level.

Mr. THOMPSON. I am fortunate. They describe our forests in the East, at least in Allegheny, as asbestos. Not that we don't have forest fires, but they are limited in scale, compared to what I know are suffered in the West. But our wildfire impact is our invasive species. I know currently on the Allegheny National Forest we have huge stands of ash that the emerald ash bore has taken down. We have a market for it, there is a foreign market we know for it that are anxious to get access to; but the longer that stands, the less value is there.

I know you have more wildfires, but are there situations where you have a valuable asset that could contribute money to your communities that is going to waste, standing?

Mr. FREEMAN. Absolutely, both on fire and bug infestation and some drought-related trees that died. We used to say we had about 2 years to harvest Douglas fir before the bugs got into it and made it unvaluable. Now that has sort of sped up. There is so much dead standing timber around, the bugs are so intense, that within probably a year or so now that timber is not worth the value to take it out.

And, of course, if it is not taken out, there is not a new forest planted. If we were to harvest it, we would plant a new forest, and it would grow back. So, we are literally taking these huge stands of timber out of the rotation for a long, long time.

Mr. THOMPSON. Thank you, Chairman.

Mr. MCCLINTOCK. Mr. Tipton.

Mr. TIPTON. Thank you, Mr. Chairman. I thank our panel for taking the time to be here. And I applaud Mr. Westerman, in terms of his expertise and hard work that he is putting in on this legislation.

Mr. Neiman, you have established Montrose Forest Products in my district. I think it is worthy of note that that was the last standing mill in the entire state of Colorado, and you brought that out of receivership.

In terms of some conversations we have had through our district office, there is a desire to be able to expand production, to be able to increase shifts, to be able to create jobs. And as Mr. Thompson was just pointing out, to be able to provide more revenues for schools, to be able to create a healthy environment, to be able to protect our watersheds, and to be able to protect the structures in a variety of the communities within the state of Colorado.

During your testimony, you had cited some of the challenges that we see with the NEPA process, in terms of the complexity, the longevity of those studies that are going on. What effect would you say that a drawn-out NEPA process has in terms of Montrose Forest Products' ability to be able to add those well-paying jobs and to be able to create that forest health?

Mr. NEIMAN. Thank you, Congressman Tipton. I am going to reflect back on your comments and some of the discussions we had when we purchased the mill in 2012. We had no timber under contract, but the Forest Service partly enticed us in. They had

40 million board feet on the shelf that had all the work and was ready to sell with no purchasers.

We go ahead and buy the mill—and, by the way, a few of my associates thought we were either very brave or idiots, buying that mill with no timber under contract. We took the risk, and then we went to the Forest Service and all of a sudden they started looking at their timber sales and said, “Oh, my gosh, we have bugs on all 40 million feet. We have pine beetle, we have the spruce beetle.” So, they pulled them off the shelf and did not offer them because they said there has been a change in the process, in the NEPA—a change of conditions.

So, we started buying wood—291 miles away was our longest haul—to keep our commitment to the community. If this bill had a quicker way to handle that dead timber, they maybe could have re-offered that wood. By the time they got the process completed for the second time, those trees had been 3 to 5, and in some cases 7, years dead and it was not salvageable. So, the process at that time, we wasted a good part of that timber.

We went ahead and the Rio and some of the other forests were moving in and now we have some processes, due to the last Farm Bill. It took too long, but things were moving ahead. I am excited to see some of the changes in this Farm Bill to do larger CEs and move ahead at a quicker pace, when you look at the salvage of some of those areas.

Mr. TIPTON. Interesting observation, changing conditions. Changing conditions is the trees were dying, and as a result you had to haul in wood from 250 miles away just to be able to operate the mill.

Mr. Westerman has put in a lot of work on this legislation, and, Mr. Neiman, can you maybe tell me a provision in this bill that would be particularly helpful to the facility that you now own and operate in our district? And what specific challenge would a bill be able to address for you?

Mr. NEIMAN. The salvage CE that I just briefly talked about, and the salvage authority that is in there in Section 201, those are going to be very, very helpful. Those are going to be important, I think, to help the Forest Service act quicker and still comply and follow with all the rules. It will give them an opportunity in salvage cases to get the wood up much quicker.

Mr. TIPTON. Great. Well, I appreciate that, and certainly appreciate the efforts, the jobs, and your commitment to a healthy environment, healthy watershed, being able to help protect endangered species, to actually have an environment to be able to thrive in through good forest management within the 3rd Congressional District of Colorado, and appreciate you being here.

Mr. NEIMAN. It is important to note that we are getting strong support from the ranch community and the irrigation districts. Water is important to us, and they are seeing the benefits both to water and wildlife as we work together collaboratively to move ahead in the whole southwest corner of Colorado.

Mr. MCCLINTOCK. Thank you.

Mr. TIPTON. Thank you, sir.

Mr. MCCLINTOCK. We will be doing a second round of questioning.

Ms. Cheney.

Ms. CHENEY. Thank you, Mr. Chairman, and thank you to all the panelists for being here today.

I also want to just add my gratitude to Mr. Westerman for his work on this, for this crucial bill which takes steps that I think it is unquestionable that they are necessary, in terms of improving management in our Federal forestlands. Also, reducing frivolous litigation and increasing the tools that the Forest Service has for responsible management.

We have seen across Wyoming the impact that it can have when we have these devastating and catastrophic fires. And the impact is not just in terms of what it is doing to the forest. The impact is the effect it has on our communities, the effect that it has on jobs. And, of course, the mismanagement has been a direct cause of the bark beetle epidemic we faced, as well. So, I applaud this bill, and I support continued action on it.

Mr. Neiman, I wanted to talk to you a little bit about NEPA and, in particular, about large-scale NEPA. If you could describe how the Forest Service handles that now. Is it really working? And how could that be improved, going forward, in terms of some of the provisions in this legislation?

Mr. NEIMAN. I could really reflect over the last 40 years and talk in depth much more than the 5 minutes allowed here on NEPA and the struggles we have had, both in the Black Hills and what we have observed in other states.

There clearly, as I pointed out earlier—the NEPA process is improving, but I have watched it shut down forests. I am going to refer to one issue. When you look at the NEPA process in our new experience in Colorado, the Southern Rockies lynx that was adopted has tied up 5 million acres. Guess what is the habitat that helps the lynx the most? It is the clearcuts. It has a habitat for the white snowshoe rabbit. The old clearcuts that shut down all that forest in the 1990s that were clearcuts from the 1960s is the only habitat available for them right now.

When I look at some of the bigger—and I will jump to answer your question—when I look currently at this bill, this will help us do some larger landscapes. They do not need to be huge. We have watched some of them get too big. But doubling the CEs and helping the NEPA, the litigation that stopped a lot of the process in the past has really slowed down. And what it does is forces the Forest Service to be perfectionists. They do not take any risk, so they analyze it to death.

Now, this is going to give them some opportunities to support, with the right administration, to move ahead with the process so that they can have confidence to do the right thing and with the right sciences.

Ms. CHENEY. In your estimation, Mr. Neiman, is the choice—sometimes we hear it described as streamlining the NEPA process, or moving toward this kind of large-scale approach, that somehow that is going to have a damaging impact on the environment, that we have to choose. In your experience, is that the case?

Mr. NEIMAN. Absolutely not. No question. It is not going to be a choice of one or the other, and it is not going to damage the environment. It is going to help move us ahead and treat some of the



acres. As my dad has said many times, sometimes the worst thing you can do is to do nothing. And that is what we used to do.

Ms. CHENEY. Thank you. And let me just talk a little bit about the Good Neighbor Authority and ask you if you could describe how that has worked, and what considerations you would urge us to use, in terms of trying to expand it nationwide, and making it as effective as possible.

Mr. NEIMAN. My understanding of the new bill, the Good Neighbor—one of the issues that we are faced with right now is the road issue that is tied back to that. If there are any roads, you can't—so this bill allows the states to work with the Forest Service and deal with some of the reconstruction of roads. That is an important issue to take care of. You have to have roads, and you have to have access to the timber.

Bringing that provision back in to the Good Neighbor Authority will help that tremendously, so I support that. Expanding it beyond just right next to the borders will also help that, too.

In the case of, in Colorado—

Mr. MCCLINTOCK. I am going to have to call time on that, but we will do a second round.

General Bergman.

Mr. BERGMAN. Thank you, Mr. Chairman.

Commissioner Freeman, over the past 30 years or so, changes in Federal forest management policies have significantly reduced forest management activities in the forests. I know you have talked a little bit about this already, but would you elaborate a little more on the impact this shift in policy and the significant decline in the forest production has had on your community and the jobs and the opportunities available to the residents, or potentially future residents?

Mr. FREEMAN. Yes. Thank you very much for the question. I believe somewhere along the way that we have forgotten the purpose of timber and forestlands as a means to also create habitat for the human species.

When I graduated high school 30-something years ago in a little town called Oakland, Oregon—we call it the real Oakland; I understand there is an Oakland somewhere else—the people that I went to school with went to work in the logging industry or in the mills, oftentimes making more money than the teachers that were teaching them at school. Everybody could have a job if they needed one.

Over this last 30 years, what has happened is our community now is known for exporting our youth. There is very little opportunity for young people in our community. They have to leave rural Oregon to go find employment. That, in itself, has really been tragic.

On top of that, areas like the Umpqua National Forest that were managed very well in the heyday of management, they were harvesting less than 50 percent of what grew in that forest, and there was a balanced approach, because it was a multiple-use forest. In 2012, the last year we have seen data for, they harvested about 4 percent of what grew.

In my testimony earlier, I talked about the O&C lands—the O&C lands grow 1.2 billion board feet of timber a year. The plan calls

for harvesting just over 200 million. Currently they are not harvesting even close to that.

Mr. BERGMAN. Thanks. I hate to cut you short on this because I have limited time, and I want to get to the next question here. Some have asserted that the lost forest products industry jobs can be replaced by recreation. Do you believe this is the case, or is a healthy forest products industry critical to your community's economic health and well-being?

Again, I have one more question, so give me a short answer.

Mr. FREEMAN. I will be quick. Thank you for the question. It has to be all of the above. There is always this idea that it has to be one or the other. People cannot recreate if they don't have a job and the money to go recreate. I was told this a long time ago: if you are living in your car, you are really not camping.

Mr. BERGMAN. Living in the middle of the Ottawa National Forest in the Upper Peninsula of Michigan, 1 million acres, we have three national forests in the first district: the Ottawa, the Hiawatha, and the Huron-Manistee. We live there because we use it for recreation. We use it for all the right reasons, and we manage it as best we can, given the current guidelines, to promote health of all species, including the human species, as well as everything that flies, swims, or walks.

So, would you agree with the statement that the best option, going forward, is some kind of a shared use of those lands to management by forestry and for forestry and recreational activities by concerned partners with a skin in the game here?

Mr. FREEMAN. I believe absolutely everything is possible, if done correctly.

Mr. BERGMAN. OK, thank you, and I yield back, Mr. Chairman.

Mr. MCCLINTOCK. Thank you. We are going to go to a second round.

Commissioner Freeman, you mentioned something that brought a memory back to me. You talked about the behavior of fires at treated land. I have now lost over 1,000 square miles of forestland in my district alone over the last 5 years to catastrophic wildfire. I have gone to all of the command centers.

When I visited the command center for the Rough Fire that threatened Yosemite Valley, I asked the firefighters what message can I take back to Congress in your name? They did not mention climate change, they mentioned two words: treatment matters. They said that where the fire hit treated acreage, it slowed to the point where they could often extinguish it, but there wasn't enough of it. And that was the message they wanted me to take back to Congress. Was that essentially the point you were making earlier?

Mr. FREEMAN. Yes, sir. Absolutely.

Mr. MCCLINTOCK. They told me on the King Fire—and I will never forget that day, because this is the one time where the firefighters, who were usually cool, calm, and collected, were actually frightened. They thought they were going to lose the communities of Georgetown and Forest Hill that day. If they had, the fire would have burned on to Tahoe.

One of the firefighters, one of the senior guys, comes to me with tears in his eyes. He says, "Congressman, I can't even get to this fire on the ground." He says, "We used to have good timber roads.

I could get the equipment on the ground with these fires. All I can do now is drop stuff from the air and pray to God the wind shifts." His prayer was answered, and if it hadn't been, we would have lost those communities.

That is what they also tell me. Is that the situation in your neck of the woods, as well?

Mr. FREEMAN. Well, it most certainly is. Back when we had active forest management, we had people in the woods, loggers in the woods, and that stopped a lot of these fires before they got going.

Mr. MCCLINTOCK. That is a tale I hear over and over again in my district, in the Sierra.

Mr. FREEMAN. Yes. And today, when these fires get going, they burn much hotter and much faster than they did, historically, because of the amount of wood that is on the ground.

And what I tell people, these forests are going to grow, regardless of whether we manage them or not, so we are either going to grow timber products and use them, or we are going to grow firewood.

Mr. MCCLINTOCK. That brings me to my next question, where you mention 1.2—did you say 1.2 billion board feet grown in the O&C forest every year?

Mr. FREEMAN. Every year, yes.

Mr. MCCLINTOCK. And 200 million board feet harvested?

Mr. FREEMAN. The plan calls for that. They are, oftentimes, not achieving that.

Mr. MCCLINTOCK. So, at the most, 6 to 1, and you are saying they are not even achieving that.

Mr. FREEMAN. Yes, sir.

Mr. MCCLINTOCK. OK. Now, what happens to the other billion board feet every year?

Mr. FREEMAN. It just stacks up on the land.

Mr. MCCLINTOCK. So, if I had a subscription to and received six newspapers a day, and only threw one away, how long would it take for my house to become a fire trap? Probably about as long as the forest.

Mr. FREEMAN. Yes, that is a great analogy. That is exactly what happens.

Mr. MCCLINTOCK. What would the Good Neighbor Authority in this bill do for the road problem?

Mr. FREEMAN. Well, I think, certainly, on the road access and making sure that, especially in this patchwork area of land, that the industry folks, along with the agency folks, have equal footing on access, it makes a big difference.

And also, it sort of creates an even playing field between the industry folks and the agency.

Mr. MCCLINTOCK. We were told that this is a false choice between the economy and the environment, and I could not agree more. A forester told me long ago, all the timber comes out of the forest one way or another. It is either carried out or it is burned out, but it comes out. When we carried it out, we had healthy, thriving economies in my mountain communities and a healthy, thriving forest. When we changed the laws that have made it virtually impossible to manage our lands, our economies have withered and our forests are dying.

That is the story of the Sierra. Is that also the story in the forests in your region?

Mr. FREEMAN. Yes, sir.

Mr. MCCLINTOCK. Mr. Neiman, how would you characterize it?

Mr. NEIMAN. Well, in the Black Hills we have 4.5 million visitors a year that visit the Black Hills. The water flow off the Black Hills went down over the last number of years, so there is a direct tie. Our whole area has strong support. They see that it is synonymous, that it is important. Our area sees the timber industry as the important tool in the toolbox for the Forest Service to treat—

Mr. MCCLINTOCK. Do you have a spotted owl population or habitats in your region?

Mr. NEIMAN. We have goshawk, pine marten—

Mr. MCCLINTOCK. We used to have an awful lot of spotted owl habitats in my region, and the King Fire alone—scores of them, as I recall, I think the figure was 80, were wiped out by the fire, because we could not properly manage the land to prevent those fires before they happened.

One final thing. Mr. MacDonald, I just wanted to emphasize a point you made. We are not even producing enough timber to meet our own needs as a Nation now, we are importing timber?

Mr. MACDONALD. That is correct, sir.

Mr. MCCLINTOCK. And we have seen an 80 percent decline in timber harvest since the 1980s, is that correct?

Mr. MACDONALD. That is—yes, sir.

Mr. MCCLINTOCK. Thank you.

Ranking Member.

Ms. HANABUSA. Thank you, Mr. Chair.

Mr. Furnish, while potentially controversial, salvage logging is often an appropriate tool that allows the harvest of commercially viable timber without disrupting the sensitive post-fire landscape. However, because each fire is different, and ecological concerns have been considered, it is important that salvage operations are analyzed on a case-by-case basis.

The Healthy Forest Restoration Act provides the Forest Service with an expedited approval process for salvage operations. But this draft bill expands on that irresponsibly on the authority in a way that could create a lasting ecological damage if improperly applied.

First, Mr. Furnish, can you define that when we hear salvage operations, what does that mean? And also, when do you believe it is appropriate to authorize such an operation?

Mr. FURNISH. I think the Forest Service has benefited by a lot of scientific research over the last few decades, and my point of reflection would be back when I entered the Forest Service in the mid-1960s. It was, I would say, kind of a given that fire-killed timber would be salvaged. It just followed that if you had a fire, you salvaged the timber and moved that to market. I think, over time, we have come to understand that the whole issue of fire is very complex. The issue of dead timber is not a “lost resource,” it is transferred and repurposed by nature for other things.

So, I would just say that, whether you are dealing with a Ponderosa pine type, a lodgepole pine, mixed conifer, eastern hardwoods, western Douglas fir, each of these has their own unique

personality and complexity that deserves careful, meritorious consideration when it comes to things like fire salvage.

I do believe that removal of dead timber has a place in these questions. But I do not agree that dead trees ought to be removed from the Forest Service—or, excuse me, from the forest. It is not that simple. It is much more complex. And I do think the Forest Service is at least trying to bring to this issue a much more thoughtful outcome.

Ms. HANABUSA. Congressman Westerman is a great advocate of this bill. He pointed out in his explanation of the bill that the two major differences between this version and the version that was here last year—I think it is in Section 103 where it used to be, I think, 250 acres, and now it is going to be 10,000 for the categorical exemption of the NEPA.

Do you agree with that?

Mr. FURNISH. Well, I think—at least I go back to the original law, NEPA. And I would agree that this is your job, to enact laws. So, I agree that this is within your purview. But the original idea of the categorical exclusion was that it was excluded from detailed consideration, analysis, and documentation. And it was predicated on being either minor in context or repetitive in nature, so that it could be excluded from environmental documentation and would allow the agencies to just move forward.

I think this is a misapplied fix of the notion of a categorical exclusion to create ever-larger exclusions that I think do not honor the original nature of NEPA. But again, this is your job to look at laws and change laws. I just don't think that this is the way to do it.

Ms. HANABUSA. So, when we talk about the categorical exclusion—and that means that it does not have the usual kinds of reviews—can you see or in any way justify or support a situation where you feel like 10,000 acres in certain circumstances may be properly part of or subject to this exclusion, and that is somehow in our best interests?

Mr. FURNISH. Well, I mean, on just personal taste, that is way too big for me. That is too big a gulp. But I would say that I do believe in expedited approaches and putting your foot on the gas when circumstances warrant. And there are ways that the agency, in cooperation with other parties, can do these things. I am all for that.

But I think caution needs to be exercised so that it is not overdone. So, when I hear things like 10,000 acres, 30,000 acres, those, to me, are just too excessive.

Ms. HANABUSA. Thank you, Mr. Furnish.

Mr. Chairman, I yield back.

Mr. MCCLINTOCK. We will go to Mr. Pearce next, who deferred on our first round.

Mr. PEARCE. Thank you, Mr. Chairman. I appreciate each one of you being here today.

Mr. MacDonald, you had talked a little bit about the median decrease in the cost of single family homes spurring the economy. As you look at the bill in front of us today, do you think that it would facilitate lowering the cost of entry for median wage earners back

into the housing market and spurring the economy, getting economic growth? Will this bill accomplish part of that or all of it?

Mr. MACDONALD. Yes, sir. Every time that we can bring on another home buyer in the affordable realm in the United States we are not only creating another home for a family, but we are also creating countless jobs, as it goes all the way down the food chain. And that falls all the way through the economy, at every level.

As we have seen in the last economic recovery, you really do not have a solid economic recovery unless you have an economic recovery in the housing market. The housing market drives this economy, and always has, and always will.

Mr. PEARCE. Thank you, sir.

Mr. Freeman, you have talked a little bit about the active management of our Federal forests, the threat of wildfires in your community. I find the same thing in southern New Mexico.

In other words, we used to have the jobs you were referring to. They used to do a good job of keeping balanced out. They would fund the schools. The Forest Service decided they were going to quit cutting trees. It starved us for jobs. We export our young people away from those rural communities. We also break down the economy of rural states like New Mexico. We are a resource-driven state, so it chokes off one of the main resources we have.

Some have testified that a community only needs to perform fuel reduction work in the area surrounding the community in order to protect it from the catastrophic wildfires. Do you agree with that viewpoint, or would you take a different viewpoint?

Mr. FREEMAN. Thank you for the question. I think it has to be much more than just a fuels reduction program or some of these restoration things that go on. I don't think the Federal Government could ever afford to treat these lands like they would a park. And that is really oftentimes what these restoration programs look like.

I think there has to be active forest management across the landscape to reduce some of the fuel loads. That will certainly help with the fires.

Mr. PEARCE. Yes, thanks. Just in confirmation of that, I have been working for the last 5 years very closely with the National Association of Forest Service Retirees. They are people who spent their life in the Forest Service, and they are very, very critical of the way that we are managing our forests today, and choosing to burn them down rather than to go in and mechanically thin them.

I actually used a retired fire investigator out of the Los Angeles forest—he was there for 30 years—to come in and study the fire in my district that burned down 255 homes. It burned right through any small efforts to clear away and protect that area, because when you get the raging wildfires in the West with these 60, 70, and 80 knot winds, then it blows through everything. The embers will move miles downstream. We almost lost the entire community of Ruidoso.

So, the gentleman that came in, Bill Dare investigated the fire and said it is completely mismanagement.

So, we see that the species, the spotted owl, thrives more in the logged areas. Our communities thrive more in the logged areas, which, again, is what you were saying. The job market thrives

more. The economy of the state thrives more. Yet we can't get the Forest Service to do almost anything.

Our forests in New Mexico are about a million acres, generally, and they are doing 30-acre projects. They are doing this extensive paperwork that is required, EIS, NEPAs, whatever, and they are doing that for 30 acres. How in the world are we ever going to get a million-acre forest cleaned up a 30-acre block at a time?

So, for me, Mr. Chairman, I really appreciate you having this hearing, because this is at the essence of protecting the communities in the West, both our jobs and safety from a perspective of the forest fires that burn right through our communities.

Again, I appreciate all of your testimony today, and thank you for being here.

I yield back my time, Mr. Chairman.

Mr. McCLINTOCK. Mr. Westerman.

Mr. WESTERMAN. Thank you, Mr. Chairman. Thank you for doing a second round of questioning. I want to publicly acknowledge the input we have had from Democrats on this bill, and for the ones that will be co-sponsoring the bill.

Mr. Chairman, we are in a day in time where my constituents ask me all the time, is there anything that Republicans and Democrats can agree on? Is there something that you can do together that is good for the country? And I tell them all the time—I will ask them, do you like trees? Do you like healthy forests? And Republicans, Democrats, Independents alike like healthy forests. They like trees. And there is no downside to a healthy forest. It is a win-win-win.

I tell my constituents and others that if there is anything we should be able to agree on, it is to take care of this treasured resource that we have.

They ask me all the time, "Do something where you don't have all the rhetoric." Forestry and healthy forestry is the perfect thing to do that with. We have science that tells us what a healthy forest looks like.

Mr. Panetta talked about the forest fire in his district. And, I believe it is the same fire, where I also saw a picture of a mountain slide that went into the ocean.

And Mr. Neiman, one thing that we have done in this bill is try to address concerns that we had out of the 114th Congress, and also to look at not just the arbitration, but to look at things to help improve water quality, and to be able to address water issues in the West using our forest to manage that. Can you talk briefly about the nexus between good forestry management and protecting our watersheds?

Mr. NEIMAN. I can step back a little bit, and I go back to the Black Hills. We have example after example where we have logged in the Black Hills, and the stream flow and the establishment of trout year after year for about a 15-year period was very healthy. Then the forest grew back up, the streams dried up, and you lost your fishing and the clean waters.

I would love to show you some direct examples of those that are just evident, the relationship between selective proper management and what it does to water quality and stream flow.

Mr. WESTERMAN. I have been reading a lot of articles by groups like the Nature Conservancy that talk about how you can use natural solutions to solve problems, and forestry is a natural solution to solve an issue with water management in many areas.

Mr. Furnish, I understand you are opposed to this bill. It is pretty evident as I look at your testimony. It says, "Speaking bluntly, the bill before you seeks to enact legislation that is an affront to well-entrenched pillars of our democracy and culture as a society, a society blessed with a legacy of stunningly rich public lands." You also go on to say, "My experience literally screams that this bill is misguided, unnecessary, ultimately harmful, and just plain wrong," with wrong in all caps.

My teenagers tell me, "Don't ever type in all caps, Dad, because that means you are screaming at someone."

"This bill breeds mistrust," which, to me, this sounds like a lot of rhetoric, the thing we are really trying to avoid here. And we want to base this on the science.

You actually said some things in your testimony that I agree with. You talked about how timber production does not have to be the driving force on Federal lands. But it does need to be part of the equation.

I understand the Siuslaw Forest—if I said that right—that is an old plantation forest. It was planted in the 1960s. And we know that sound management tells us that you need to thin plantations.

But the question is, will you continue to manage that forest in the future?

And also, I think you stated in your book, "How did the"—that the land told you of its distress.

My question to you, what is the land saying now? Is the land not distressed now? Does it not cry out for us to manage it, and to implement sound scientific principles on our landscape?

Mr. FURNISH. I have 15 seconds to respond? The Siuslaw is healthier than it has been in a long, long time, and that is because we have been practicing restoration forestry, not timber exploitation.

Mr. MCCLINTOCK. Thank you.

Mr. Tipton.

Mr. TIPTON. Thank you, Mr. Chairman. And I associate myself with the comments of Mr. Westerman, in terms of having an opportunity to be able to create win-wins, in terms of forest health, and being able to admirably take care of our public lands.

We have a great example, actually, in southwest Colorado, outside of Pagosa Springs, where they went in through the Forest Service and treated an area. Springs that had not flowed for years started to flow again. Healthy forests were created, and we turned around from that pilot project, Mr. Chairman, 180 degrees and looked, to my untrained eye, at a pretty forest.

The Forest Service was pointing out trees that were growing there that should not be at that elevation, the overgrowth that was taking place. So, that healthy forest management attitude, to be able to create that win-win, I think is essential.

And Mr. Neiman, you have to be able to deal with a lot of the contracts, in terms of being able to make sure that the mill has the adequate resources to be able to keep those jobs moving. Can you



maybe just briefly elaborate for us on timber sale and the harvest process, and explain how those contracts can be tailored to be able to meet the needs, not only of the commercial side, but also of the Forest Service management objectives?

Mr. NEIMAN. There is a little bit of similarity in the relationship between the size of a timber sale contract and the CEs and the provisions in this bill that you talk about. Clearly, a larger sale helps us because you get in, it reduces the cost to move in. If you have a small sale, a half-million feet or something, and you are traveling 150 miles, it is very expensive.

The same thing goes with the Forest Service when you put up a larger timber sale or stewardship. The larger that can be, the more efficient the Forest Service is in putting that up.

When you look at the CEs, and you jump from a few hundred acres to 3,000, the concern, I want to remind you the Forest Service has a lot of really sharp, good scientists. Your rule of the 10,000 acres, or whatever you decide to use, is a cap. They are going to use whatever size below that. But if your cap is 300 or 500 acres or 1,000, you restrict them.

I go north of where you are talking about and go up into the Gunnison, you can go out there, there are landscapes that are hundreds of thousands of acres that the bugs have wiped out. In that case, that is where a 10,000-acre CE or something applies. You can go down to some other areas, but they will utilize the right size of CE. You have really good scientists that are going to make the right decisions.

So, the higher the cap, it is only a limit that helps them work in the right areas.

Mr. TIPTON. If I may in the time we have remaining, I would like to be able to go back a little bit to our conversation in regards to the NEPA process that you go through to be able to actually achieve some of those actual contracts.

One area that has been identified in terms of a challenge is that the Forest Service tries to be able to "bulletproof"—I think that was the phrase you had in your testimony—some of their analysis for the NEPA process. I am wondering. How many of your different projects have been involved in litigation when you have been applying to be able to actually get a contract?

Mr. NEIMAN. We have observed a fair number, there have not been many the last few years. I have not observed very many at all. But if I go back to around 2000, back in the 1990s, there were a number of them, so that has been reduced. The process, the Farm Bill, has helped. There has been less litigation, and I think this will help, too. This will help.

Litigation is only a stall tactic, and it forces the Forest Service to be perfectionist in what they do in the NEPA process. Why? Why does the Forest Service take longer and spend much more dollars than any other agency? It doesn't make sense that they do that. We have to help them be as efficient as the BLM and other agencies to be effective in doing their NEPA process.

Mr. TIPTON. Great. Thank you so much, and I yield back, Mr. Chairman.

Mr. MCCLINTOCK. Thank you.

Ms. Cheney.

Ms. CHENEY. Thank you, Mr. Chairman.

I wanted to pick up on the litigation issue and ask you, Mr. Neiman, isn't it the case that it is not just the actual cost of litigation that is a challenge to the Forest Service—and I would say to those other agencies you mentioned, as well—but it is the fear of litigation, and the threat of that litigation that results in this kind of attempt to bulletproof and attempt to—basically, the outcome is taking much longer, in terms of the approval process.

So, if you look at the abuse of the court system, and the sort of rote filing of lawsuits, while there is no one who wants to deny people access to the system, we have to get to a place where, in fact, the system is not being abused.

I think one of the terrific parts of this bill is the arbitration provision. And if you could just talk a little bit about the impact that the threat of litigation has, even on permit processes where there may not have been a lawsuit filed, but it is the knowledge that you have groups that are using the system and abusing the system, and the cost in a number of instances to the taxpayers, because of EAJA, which we are trying to reform separately—but if you could talk about that abuse of the court system and the impact that has on decision making, I would be interested to hear your thoughts on that.

Mr. NEIMAN. Well, I have just watched over the last number of decades, watched litigation attempt—it actually did shut the Black Hills down in 2000. In 1999 through 2001, we had zero timber for 2 years due to litigation, until the new forest plan came out. That was a killer to us, and we lost two mills in the Black Hills due to that one issue.

I want to talk quickly about two other subjects. And the collaborative process that we see going on, both in the Black Hills with the multiple-use group, which—the multiple-use group has 60,000 members within all the groups that we sat down and they put together the National Forest Advisory and that collaborative group has worked.

So, when you take the next step past collaboration, and you have the ability to have an arbitrator instead of it going the legal route, I don't know how you are going to have it set up. I am a little ignorant on how that process will work at this point. But I am anxious to observe and see. I would encourage you to move ahead with that process. I think that is a good start to avoid litigation.

Ms. CHENEY. Thank you very much. And I think it is hugely important for us to recognize how important, as you say, that collaborative approach is, and ensuring that our local communities have the voice that they deserve and that they need to have as, really, the best stewards of these resources. So, again, I want to thank you and thank everyone for being here.

And with that, I will yield back, Mr. Chairman.

Mr. MCCLINTOCK. Thank you.

Mr. Pearce, for your—

Mr. PEARCE. Thank you, Mr. Chairman.

Mr. Neiman, if we follow that discussion on the lawsuits, when we get the fires, the crown fires, especially in the West, you know how the tree is standing there—how long do they have value, if you

are going to cut them down? Just approximately, if you have a figure. If you don't, that is fine.

Mr. NEIMAN. I can give you my experience in the Black Hills. You have someplace between—it depends on if the fire is early in the season or late in the fall—you have someplace between 2 and 10 months in the Black Hills. That is it. The flathead wood borer comes in and wipes it out. You cannot do anything with it. It is unusable.

Mr. PEARCE. Yes, so the lawsuits generally come from outside groups. Have you been able to watch any of those lawsuits develop? In other words, the outside groups say you cannot log this burned timber because of—and what we see is that suit will be thrown out. It is then re-filed by another group using almost the same language.

Mr. NEIMAN. Yes, we have had cases where we had our arbitration group together in parts of Wyoming and in Colorado. One group held out and then came back after you had a considerable arbitration between great environmental groups, like Nature Conservancy and others, that we worked together to move ahead. And one purist stayed out and filed a suit.

Mr. PEARCE. Yes, so then 10 months later, at the very latest, then you have no value there to extract. Is that correct?

Mr. NEIMAN. Correct.

Mr. PEARCE. OK. Mr. Freeman, do you ever run across any of this level of intervention?

Mr. FREEMAN. Mostly in our area, and on the O&C, and on a lot of the Forest Service land, they have quit trying to even harvest any of the salvage, because they know the litigation process will be so costly and take so long, the value of the timber will be below what it will sell for. So, they just literally walk away from thousands and thousands of acres of very valuable wood after these fires.

Mr. PEARCE. Yes.

Mr. FREEMAN. We have recently just had the Stouts Creek Fire, some of the most beautiful timber you can imagine, very high value. The Forest Service virtually took nothing off the burn.

Mr. PEARCE. So, our schools starve because we don't have the jobs, we don't have the tax base.

Mr. Neiman, are you familiar enough with the effect of the insects? Why do insects get a foothold in our western forests?

Mr. NEIMAN. I have a huge amount of experience, or at least followed the history. If you go back to Teddy Roosevelt and the first timber sale in the United States, it was in the Black Hills, 1899. And Teddy Roosevelt came out in 1904 and, seeing a bunch of dead trees, called in a world-renowned entomologist to the Black Hills, identified it as the Black Hills pine beetle, and renamed the mountain pine beetle, because they found out it was endemic throughout the West.

What they discovered then was thick, old growth, dense stands are going to be attacked by the bug. And it is a function—if the trees have the water, it can create the sap and eject the bug. If the tree does not have enough water, then the bug gets in epidemic state, it can attack and kill the tree.

So, very similar situations. Old growth, high-density stands, not enough water because of closed-in canopies.

Mr. PEARCE. Again, your earlier comments seemed to indicate that dense growth equals not enough water. Is that correct?

Mr. NEIMAN. Correct.

Mr. PEARCE. Yes. Dense stands of trees contribute to not enough water. Are they linked together at all? They appear to be in New Mexico.

Mr. NEIMAN. Yes.

Mr. PEARCE. We are a very arid climate. We do not get much rain. So, 100 years ago we had 50 trees per acre. The aquifers were filled. We could pump water from fairly high levels. Just recently, there was a fire around one of the well fields for a small community. The water level had dropped 40 feet over the past years. After the fire, it came back 40 feet and another 20 feet beyond it, so they had never seen levels that high.

Our trees—the heavy, dense—the density of our forests sucked the water up. There is not enough water, not enough nutrients. Then the insects get a foothold. They can then work their way through an entire forest. And the Forest Service does not seem to acknowledge that science, that pathway. Meanwhile, we have millions of trees that died in New Mexico and Colorado from insects, and we cannot quite figure that out with all the scientists in the Forest Service.

Again, Mr. Chairman, I appreciate your indulgence. I yield back.

Mr. MCCLINTOCK. Great, thank you very much. I want to thank our panel of witnesses for their time and their expert testimony today. We rarely go to second rounds of questions, which is an indication of how much we valued your testimony today and how helpful it has been in the consideration of this measure.

Our Members may have additional questions. If they do, we will keep the hearing record open for 10 business days so that those can be included in the official record.

With that, if there is no further business to be brought before the Subcommittee, the Subcommittee stands adjourned.

[Whereupon, at 11:55 a.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

PREPARED STATEMENT OF TOM TIDWELL, CHIEF, U.S. DEPARTMENT OF AGRICULTURE  
U.S. FOREST SERVICE  
SUBMITTED TO  
HOUSE NATURAL RESOURCES COMMITTEE, SUBCOMMITTEE ON FEDERAL LANDS  
ON  
THE RESILIENT FEDERAL FORESTS ACT OF 2017

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to present a statement regarding the Resilient Federal Forests Act of 2017. The U.S. Forest Service is currently reviewing this discussion draft, and the Administration does not have a position on it at this time.

We appreciate the significant work the Subcommittee put into this bill since it was last introduced in the 114th Congress. We also appreciate your efforts to incorporate Forest Service comments and recommendations and are encouraged by many of the goals outlined within this bill. We look forward to continuing to work with you and your staffs on the details to ensure this legislation results in meaningful improvements to forest management work on the ground.

The Forest Service welcomes legislation that expands the toolset we can use to restore our Nation's forests while staying within the boundaries and intent of the National Environmental Policy Act and the Endangered Species Act. Forest restoration projects provide rural jobs, mitigate the severity of wildfires, enhance watershed conditions, and ensure a variety of other economic, social and environmental benefits for the American people. Provisions that expand categorical exclusions, incentivize collaboration, and streamline environmental analysis or consultation with other Federal agencies are all important issues in the bill that we are reviewing.

It is notable that the Resilient Federal Forests Act does not contain provisions that would mandate harvest levels, require a new layer of zoning on the National Forests, or elevate one use over another on these multiple-use lands, as we have seen in other recent forestry bills.

While we support efforts to provide new tools to improve forest management and restoration, capacity constraints, including the present approach to budgeting for wildfire, continue to be impediments to increasing the pace and scale of this work. We look forward to continuing to work with you on the wildfire title to find a solution that addresses the disproportionate growth of fire programs as a share of the agency's overall budget.

Again, I thank you for the opportunity to provide this statement. The Forest Service stands ready to continue working with you on this important legislation.

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NATIONAL ASSOCIATION OF STATE FORESTERS,  
WASHINGTON, DC

June 13, 2017

Hon. ROB BISHOP, *Chairman,*  
Hon. RAÚL M. GRIJALVA, *Ranking Member,*  
*House Committee on Natural Resources,*  
*Washington, DC 20515.*

Dear Chairman Bishop and Ranking Member Grijalva:

The National Association of State Foresters (NASF) is pleased to provide comments on the Resilient Federal Forests Act of 2017. NASF represents the heads of state forestry agencies in all fifty states, the District of Columbia and the US Territories. Through the development of comprehensive State Forest Action Plans our members maintain a broad view of the full set of forestry ownerships within their authority, including federally owned forest lands. For citizens of the United States to realize a full set of forest related benefits, federal lands need to provide a complete and balanced set of environmental, economic and social values.

In February of 2016 our organization adopted a formal position on desired reforms to federal land management policy. Suggestions are organized around:

- *Reforms that would allow federal lands to develop a more balanced set of social, environmental and economic benefits;*
- *Reforms that would lower the costs of agency administration, planning, regulatory compliance and litigation; and*
- *Reforms that would enable vegetation management to be carried out at a scope, scale and pace sufficient to create more sustainable and resilient landscape conditions.*

We feel this bill would indeed create the end results our members support as our members want to see more active management of federal forest lands. Expedited planning and analysis, prompt response to catastrophic events, alternative dispute resolution, greater collaboration and less costly litigation are all outcomes that for which we strongly advocate. In addition, we're encouraged to see some desired modification to Good Neighbor Authority allowing road repair to be part of cooperative projects, as well as support for giving the land management agencies the opportunity to make their own determinations of endangered species jeopardy or adverse effects. Finally, NASF appreciates that this discussion draft recognizes the need to solve the wildfire suppression funding issue. We look forward to working with the House Natural Resources Subcommittee on Federal Lands and Congressman Bruce Westerman to ensure that a solution addresses both fire borrowing and the erosion of the Forest Service's budget over-time due to increasing wildfire suppression costs.

We recently provided comments on Federal land management reform to the House Natural Resources Committee's Subcommittee on Oversight and Investigations. One additional suggestion we made there and would repeat here is to *"Require that National Forest Management Plans specifically address how they support State Forest Action Plans. In addition, encourage regular consultation with State Foresters by National Forest System leadership to ensure their annual programs of work are dovetailed where appropriate."*

Thank you for this opportunity to comment. We would be happy to answer any questions or provide any additional information that might be of assistance.

Sincerely,

BILL CRAPSER, WYOMING STATE FORESTER,  
President of the National Association of State Foresters

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[LIST OF DOCUMENTS SUBMITTED FOR THE RECORD RETAINED IN THE  
COMMITTEE'S OFFICIAL FILES]

**Rep. Hanabusa Submissions**

- Letter dated June 14, 2017 to Chairman McClintock and Ranking Member Hanabusa from the Alaska Wilderness League; American Bird Conservancy; American Rivers; Center for Biological Diversity; Earthjustice; Environmental Protection Information Center; Friends of the Inyo; Klamath Forest Alliance; League of Conservation Voters; Los Padres ForestWatch; National Parks Conservation Association; Natural Resources Defense Council; New Mexico Sportsmen; Sequoia ForestKeeper; Sierra Club; Sierra Forest Legacy; Soda Mountain Wilderness Council; Southern Environmental Law Center; The Lands Council; Ventana Wilderness Alliance; and Western Environmental Law Center.
- Letter dated June 14, 2017 to Chairman McClintock and Ranking Member Hanabusa from the Outdoor Alliance.

