

December 22, 2015

Forest Management and Fire Funding Package Dies in Senate

After months of effort to couple a workable solution to wildfire suppression funding with forest management reforms, a bipartisan package was left out of a year-end Omnibus Appropriations bill in the waning hours of negotiations. The deal was scuttled by opposition from the Chair and Ranking Member of the Senate Energy and Natural Resources Committee – Senators Lisa Murkowski (R-AK) and Maria Cantwell (D-WA).

The compromise fire funding and forest management legislation was spearheaded by House Natural Resources Committee Chairman Rob Bishop (R-UT) and Senators Ron Wyden (D-OR) and Mike Crapo (R-ID). About a half dozen members in each chamber – Republicans and Democrats – also helped broker the agreement, including several members of the Northwest delegation.

The package included a long-term budgetary mechanism to not only end “fire borrowing,” but also sought to treat 30 percent of the ever-increasing 10-year average wildfire suppression cost as emergency spending through FEMA. The Administration has been urging Congress to take action on budget reforms to treat a portion of wildfire suppression costs as emergency spending to reign in the growth of a 10-year average that continues to eat into the Forest Service’s non-fire, forest management accounts.

The bipartisan package also included several new authorities to fund and streamline the planning process for forest management projects on Forest Service and BLM lands, including:

- Streamlined NEPA for collaboratively developed projects – only required to consider the proposed action and the no-action alternative;
- A new 250-acre categorical exclusion for forest management projects to create early seral habitat;
- A 3,000-acre critical response categorical exclusion for projects to protect communities and municipal watersheds;
- A new state-supported management fund to allow states to help fund forest management projects;

These new authorities were largely tied to collaboration and similar to provisions included in the House passed Resilient Federal Forests Act (HR 2647 – Rep. Westerman). Democratic negotiators also sought authorizations for new road and watershed conservation programs, as well as an increased reauthorization of the Collaborative Forest Landscape Restoration Program.

For their part, Senators Murkowski and Cantwell took to the Senate floor to explain their reasons for opposing the bipartisan package. Interestingly, Senator Murkowski indicated that forest management

reforms didn't go far enough while Senator Cantwell raised concerns about the 250-acre categorical exclusion for creating early seral habitat. Both Senators did reaffirm their support for moving a long-term solution to prevent fire borrowing and increase forest management activities through the Senate Energy and Natural Resources Committee next year.

While the latest Congressional failure to enact forest management reforms is incredibly frustrating, there are some positive takeaways. First, a bipartisan group of Senators – led by Senators Wyden and Crapo – reached consensus on reforms to reduce the time and cost required to plan forest management projects through NEPA streamlining. While these reforms were limited in scope, they represented an important first-step towards reforming broken federal forest policies.

Second, thanks in large part to the efforts of House Natural Resources Committee Chairman Bishop, Congress appears intent on linking a long-term fire borrowing fix to forest management reforms – a goal of AFRC.

AFRC would like to thank Democratic and Republican Members of Congress that negotiated in good faith to find a solution, particularly Senator Wyden and Chairman Bishop. /*Heath Heikkila and Travis Joseph*

Congress Passes Omnibus Bill

On December 18, Congress overwhelmingly passed a \$1.1 trillion Omnibus Appropriations bill funding the federal government for the remainder of Fiscal Year 2016 (FY16). The House passed the bill on a 313-113 vote and the Senate followed shortly after with a 65-33 vote. Both chambers also passed a nearly \$700 billion package of popular tax extenders.

The relatively smooth passage of the Omnibus was aided by a bicameral, bipartisan agreement reached by former House Speaker John Boehner to increase defense and domestic discretionary spending beyond the sequester levels adopted in past budget agreements.

A number of the high profile legislative riders rumored to be under consideration for inclusion in the Omnibus were left out, including a provision to block the Environmental Protection Agency's Waters of the United States (WOTUS) rule under the Clean Water Act (the WOTUS rule was recently put on hold by the Sixth Circuit Court of Appeals). The principal achievement for Republicans was a permanent end to the ban on crude oil exports, which has been in place for four decades.

Forest Service Funding Increased

The Forest Service fared well under the spending agreement, including the National Forest - Forest Products account which received an increase of \$20 million, or 6 percent, to nearly \$360 million. The Hazardous Fuels account was increased by another \$14 million, bringing the program to \$375 million. The Forest Products and Hazardous Fuels accounts have fared well in recent years, despite pressure being placed on discretionary budgets and the growth of the 10-year wildfire suppression average.

While Congress failed to include a long-term solution to reform fire suppression funding, the Omnibus funds a nearly \$600 million suppression reserve account available to the Forest Service and BLM if regular appropriated wildfire suppression funding is exhausted (based on the 10-year average). This \$600 million in additional suppression funding is intended to prevent "fire borrowing" in 2016.

However, since this \$600 million was provided within discretionary spending it likely resulted in reduced funding levels for other natural resource programs.

The Administration's FY16 budget request proposed a national timber sale program of 3.2 billion board feet – up from 2.9 billion board feet in FY15. The Administration's proposed timber target assumed Congressional adoption of a fire funding fix to stem the growth of the 10-year average, which Congress did not approve. However, the House Appropriations Committee did include report language endorsing the 3.2 billion board foot target. Both the Senate and House included report language emphasizing the need to track accomplishments of merchantable materials, separate from any personal use firewood.

Now that the Forest Service has a budget for FY16, the agency should soon provide final timber sale program guidance to the regional offices.

BLM O&C Account Takes a Hit

The Omnibus funded BLM Western Oregon Resource Management at \$107.7 million, which is a \$6 million reduction. This reduction was originally proposed in the Obama Administration's FY16 budget request. The budget justification cited the BLM's planned adoption of new resource management plans for the O&C lands as a rationale for the reduction.

While the \$107.7 funding level is \$2 million higher than the level proposed by the Senate Interior Appropriations Subcommittee, it is still a reduction in the funding available for the BLM to offer timber sales in Western Oregon. Any reduction in the BLM timber sale program will negatively impact the remaining mills and hard hit rural communities in Western Oregon.

AFRC is hopeful that Senators Lisa Murkowski and Jeff Merkley both key members of the Senate Interior Appropriations Committee, will be able to prevent further cuts in the future. /*Heath Heikkila and Travis Joseph*

Region Six Timber Purchasers Meeting

On December 10, AFRC held its annual meeting of timber purchasers and Region Six Forest Service regional timber staff, forest supervisors, and resources staff in Portland. The event provides an opportunity for industry representatives and agency personnel to discuss challenges and creative solutions to issues of mutual concern.

The following 2015 regional accomplishments were highlighted:

- FY 2015 Target: 615 mmbf
- Target Assigned to Forests: 624 mmbf
- FY 2015 Offered: 577.7 mmbf
- FY 2015 Awarded: 585.3 mmbf (95% of target)
 - Timber Sales: 320.9 mmbf (55%)
 - Stewardship Contracts: 264.4 mmbf (45%)
- Volume Sawtimber 82%; Non-sawtimber 18%

The Regional Office projects a capability to produce 570-580 mmbf in 2016, a 35-45 mmbf decline, if funding remains at 2015 levels.

Group discussions centered around [existing operational tools to increase efficiencies in the timber sale program](#); the extent and severity of the 2015 fires and efforts at post-disturbance rehabilitation; and opportunities for use of third party investments to increase pace and scale. AFRC staff presented reports on the current outlook for national legislation and on outcomes of litigation affecting the timber program.

AFRC appreciates the opportunity to engage in constructive conversations with our Forest Service partners as we work together to improve the health and resiliency of our national forest lands and to preserve industry infrastructure. */Ann Forest Burns*

Western Lumber Snapshot

Recent data published by [Random Lengths](#) provided some optimistic news regarding national production of U.S lumber; however, western outputs are on the downturn. Nationally lumber production through three quarters of 2015 was 24.177 billion board feet (bbf), up 2% from the same period in 2014. Outputs from western sawmills reached 10.543 bbf, which was down 0.6% from 2014.

While housing starts in the U.S. remain consistent around 1.2 million, competition from other regions of the U.S. (primarily the southeast) and imports are impacting western manufacturers' ability to find market share. A large decline in export lumber going to both China and Japan is also impacting western production.

For western mills to be more competitive in both the U.S. and global markets, one key is the availability of competitively priced logs. Since public timber is appraised using current market conditions, the availability of public timber is essential during times like now when lumber prices are down. AFRC will continue to work with our public timber partners to grow the wood basket and keep our western sawmills competitive. */Tom Partin*

New Study on Owls

A federal study published this week underscores the threat posed by barred owls to the survival of threatened northern spotted owl populations across the Pacific Northwest. The study, led by researchers with the U.S. Geological Survey and the Forest Service, found significant declines in northern spotted owl populations over the past 29 years in three states - California, Oregon and Washington.

The researchers found that spotted owl populations between 1985 and 2013 declined as much as 77 percent in Washington, 68 percent in Oregon, and 55 percent in California. In the three states, the spotted owl populations declined an average of four percent per year between 1985 and 2013. The biggest driver of the spotted owl population declines appears to be the spread of the barred owl, which is larger and more aggressive and competes with spotted owls for space, food and habitat, the study says.

“This study provides strong evidence that barred owls are negatively affecting spotted owl populations,” said Katie Dugger, a research biologist at the USGS-Oregon Cooperative Fish and Wildlife Research Unit at Oregon State University and the study's lead author, according to a report in Greenwire. “The presence of barred owls was associated with decreasing spotted owl survival rates in some study areas, and spotted owls were disappearing from many of their historical breeding territories as those areas were invaded by barred owls.”

The barred owl was once restricted to the forests of eastern North America, the study notes, but spread as European settlers moved west. By the mid-1800s, barred owls had reached the West Coast, and since then have been “rapidly colonizing forests from southeast Alaska to central California, largely within the last two to three decades.”

Management of the barred owl has extraordinary implications for forest management in the Pacific Northwest. The U.S. Fish and Wildlife Service (the Service) is currently conducting an experimental removal of the northern barred owl to determine if removal would increase northern spotted owl site occupancy and improve population trends. The Service will use results from the experiments to inform future decisions on potential long-term management strategies for barred owls. /*Bill Imbergamo and Travis Joseph*

Court Upholds French Fire Project

In an order issued December 14, the U.S. District Court in Sacramento ruled in favor of the Forest Service on nearly every aspect of its NEPA compliance for the French Fire Recovery Project. Lawson Fite, AFRC’s staff attorney, argued before the court in November representing Sierra Forest Products as an intervenor in the litigation.

The project involves approximately 2,500 acres of commercial harvest on the 14,000 acres of the Sierra National Forest that burned in the summer of 2014. Plaintiffs alleged that (1) the Forest Service failed to adequately analyze alleged “roadless” areas; (2) that the Forest Service did not allow adequate public comment on its analysis of wilderness impacts; and (3) that an Environmental Impact Statement should have been prepared, instead of an Environmental Assessment.

The Court found in favor of the Forest Service in all respects except for the adequacy of public comment, instructing the agency to circulate the wilderness analysis for public comment before allowing logging to resume in the 142 acres inventoried by the Forest Service.

Under an agreement negotiated last fall by AFRC, the plaintiffs, the Forest Service, and Sierra Forest Products, a preliminary injunction was avoided and harvesting began in November. (See, [AFRC newsletter October 30, 2015](#).) Due to weather, harvest is currently suspended, but may resume in early 2016. /*Ann Forest Burns*

DNR Withdraws Aquatics HCP

On December 8, the Washington State Department of Natural Resources (DNR) announced it will not pursue a habitat conservation plan (HCP) to cover log booming and overwater structures on state-owned aquatic lands. In announcing its decision, DNR cited lack of stakeholder support.

DNR released a draft of the aquatic lands HCP, accompanied by a draft Environmental Impact Statement from the U.S. Fish and Wildlife Service and the National Oceanic and Atmospheric Administration’s National Marine Fisheries Service in September, 2014. AFRC commented in opposition to the proposed alternatives (See, [AFRC Newsletter December 19, 2014](#)) as did a number of other stakeholders. As a consequence, DNR suspended work on the draft HCP. /*Matt Comisky*

Omak Wood Products Closing

In an unfortunate continuation of a pattern we have seen in Western Washington, another mill has announced its closure. This time it is [Omak Wood Products](#) (OMP) in North Central Washington. The closure will bring the loss of 175 jobs in the Okanogan Valley, which also supported an estimated 440 indirect and induced jobs in the community. While no date was specified for the closure, reports indicate it will occur early next year.

Omak Wood Products was operated by New Wood Resources, a subsidiary of Atlas Holdings based in Greenwich, Connecticut. The company leased the facility from the Confederated Tribes of the Colville which owns and had previously operated the mill until 2009. According to OWP's website the company paid \$8.822 million in wages and benefits and purchased \$16 million worth of logs for their operation. A portion of these logs came through a supply agreement with the Colville Tribe, creating a significant economic engine in the rural community.

The mill re-opened in 2013 with much excitement and expectation for helping to support the local economy. The re-opening ceremony was attended by tribal and state representatives, including Governor Inslee. OWP was actively engaged in the community and supported a number of local organizations including youth sports and other community organizations.

Market conditions for plywood and the loss of a primary customer were cited as reasons for the closure. Additionally, the recent wildfires in Eastern Washington were mentioned as contributing factors to the closure decision. The 2014 and 2105 fire seasons saw significant acres in the North Central portion of the state burned. This last summer two large fires on the Colville Reservation burned a significant portion of the tribe's timber inventory. Coupled with the impacts to Washington State Trust Lands by fire, there is concern within the industry at large over current and future availability of raw materials from this portion of the state. While not an AFRC member, OWP was a strong ally in AFRC's 2015 work to defend the Department of Natural Resources Carlton Fire Salvage projects. Further loss of milling infrastructure like OWP, especially in Central and Eastern Washington, will create further challenges to increasing the pace and scale of forest health treatments in Eastern Washington.

A total of seven mills have closed in the last 18 months in Washington. Many of the closed mills, just as OWP, cited concerns over raw material supply as a contributing factor in deciding to close. Delays in planning efforts, legal challenges to proposed management projects, and wildfires have all created obstacles to obtaining raw materials. The thoughts of AFRC's members and staff are with those impacted by the closure. */Matt Comisky*

Oregon Federal Forest Health Program Projects Selected

As of December 15, the Oregon Department of Forestry has selected 20 projects totaling \$1.7 million for funding under the Oregon Legislature's 2015 Federal Forest Restoration funding package. See, [AFRC Newsletter May 28, 2015](#). Consistent with the Legislature's direction, six of the projects will take place on the westside of the Cascade crest on the Mt. Hood, Willamette, Rogue River-Siskiyou, Umpqua, and Siuslaw National Forests. Fifty-six percent of the awarded dollars will be spent on timber presale work, with the remainder going to assist with planning-related activities.

The selections were made based on whether the award would enable or enhance forest management projects that would otherwise not move forward or tests innovative data collection methods.

Approximately one million dollars of state funding remains to be awarded later this spring. */Ann Forest Burns*

Stouts Fire Reforestation

The Stouts Fire consumed over 26,000 acres of mixed ownership in Douglas County this summer. Forest Service, BLM, and private forest lands were affected by the fire that burnt at high intensities on land east of Canyonville. Following any such event, AFRC has the following land management concerns:

- What post-fire activities can be implemented to mitigate the risk of a future re-burn?
- What post-fire activities can be implemented to ensure that the affected lands are properly reforested with a desirable mix of species to meet future needs?
- What role does salvage of damaged trees play in meeting the above two concerns?

After visiting Roseburg BLM managed portions of the Stouts Fire in November, it was evident that the lands affected with high intensity fire will need assistance in meeting the reforestation concerns stated above. Standing at a vantage point above the Stouts Creek drainage, there was not a green tree in sight capable of providing a reliable seed source, outside of a couple small patches along the main Stouts channel. Clearly the BLM shares this opinion as the agency is proposing to plant trees on 4,434 acres within the fire perimeter. What the BLM is not proposing to do is salvage and/or fall the fire killed trees that are standing on these 4,434 acres beyond those that pose a threat to existing roads.

AFRC supports a proactive approach to post-fire land management by putting trees in the ground on a landscape that clearly needs restoration. The practice of stepping aside and letting nature take its course simply does not apply to the majority of the landscape affected by the Stouts Fire. The question remains of how salvage of damaged trees can play a role in post-fire land management on a landscape like this one. Aside from capturing the value of damaged trees to provide useful wood products and support the local economy, the removal of these dead trees could also assuage concerns about worker safety during reforestation as well as concerns regarding the intensity of future fires and the BLM's ability to safely control them. */Andy Geissler*

Idaho Governor Promotes Adaptive Management

Each summer for the past 14 years, Idaho Governor Butch Otter has held a back country trail ride to discuss natural resource issues. Hosted by the Idaho Cattle Association, the annual ride began while Otter was in Congress to help his colleagues understand and see the issues affecting his state. "When I represented Idaho's 1st District in Congress, it became apparent that many of my congressional colleagues had a limited understanding of the western issues on which they were voting," Otter explained. "That's why I started my annual resources trail ride."

The idea is to get natural resources managers - primarily the BLM, Forest Service, U.S. Fish and Wildlife Service, and the state agencies - in touch with the people on the ground who are affected most by land management decisions. Governor Otter says by "getting away from offices and maps to the ground with real water and real trees" the issues become much more evident.

Each year Governor Otter picks a different region of the state for the trail ride. In past years, wolves, water, and endangered species have dominated the discussion. This year the trail ride took place north

of Mountain Home in areas that were burned in the Pony Fire Complex. The focus of this year's ride was the importance of adaptive forest management. The ride passed from private land to state land to federal land. Some landowners and Idaho citizens feel that active management on federal forest land has become passive to the point where it is degrading the shared public resource. The [video](#) of this year's trail ride highlights the Governor's goal: bring federal agency representatives, ranchers, conservationists, and other stakeholders together to find common ground on western policy issues.

/Irene Jerome

Rabot and Hollen Promoted

Theresa (Terry) Rabot will become Deputy Director U.S. Fish and Wildlife Service (the Service) Region One (Idaho, Washington, Oregon, Hawaii and the Pacific Islands) in 2016 following the retirement of Richard Hannan. Terry has served as Assistant Director for Ecological Services for Region One since 2004. She was active for the Service in the formulation of the BLM's 2008 Western Oregon Plan Revisions and has more recently played a key role in the decision not to list the greater sage grouse.

Debbie Hollen, current Assistant Director of Natural Resources, Forest Service Region Six (Washington and Oregon), has been named State and Private Forestry Director for Regions Six and Ten (Alaska). State & Private Forestry provides forestry-related assistance to State and local governments, forest industry, other Forest Service branches, other federal agencies, and non-industrial private forest landowners. Debbie will begin her new duties on January 24.

AFRC looks forward to continuing to work with Terry and Debbie in their new roles. */Ann Forest Burns*

Kirk Ewart Passes

Kirk Ewart, a long time icon of the forest products industry, passed away on December 2 in Boise, Idaho. Known for his large stature, resonating voice, and practical approach to issues, Kirk was a tireless advocate for sustainable management of our federal forests and was highly respected by the people he worked with.

Kirk attended Oregon State University College of Forestry, earning a B.S. in Forest Management in 1959 and was named outstanding student. He began his forestry career working on the Umpqua National Forest before joining Boise Cascade in 1967. Kirk retired in 1998 as Director of Public Timber Affairs, Timberland Resources.

Kirk served on the boards of many associations during his career, but perhaps had the greatest impact serving on the Board of the Northwest Forestry Association (AFRC's predecessor) where he helped guide the industry through the implementation of the Northwest Forest Plan and Eastside Screens. Known for his tough, but fair, negotiating skills Kirk was twice-nominated for Assistant Secretary of Agriculture and once for Secretary of Agriculture, but he declined each nomination.

Kirk is survived by his wife Ruby and sons Geoffrey and Adam. At his request, there will be no services. */Tom Partin*