

American Forest Resource Council

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February 23, 2012

Timely DC Trip

Last week, ten members and AFRC staff were in Washington DC and were able to witness, participate in, and discuss some of the most important issues that could guide management on both Forest Service and BLM lands not only for 2012, but for many years to come. Many of the company representatives were also in DC to attend a Federal Forest Resource Coalition (FFRC) board meeting.

President's FY 13 Budget Request

On February 13, the Obama Administration's Fiscal Year 2013 Budget Request was submitted to Congress. Fortunately, both the Forest Service and BLM budgets appear to be flat and at near FY12 levels, even in this time of austerity when many other departments had funding substantially reduced.

Forest Service Budget

The Forest Service's budget request was fairly similar to last year's request, including the overall funding level. The total request for discretionary spending is \$4.86 billion, an increase of \$15.5 million from the FY12 enacted level. For the National Forest System, the budget request proposes \$1.6 billion, which is an increase of \$69.5 million.

The Forest Service request again recommends consolidation of several programs and transfers from others into a single, \$793 million Integrated Resource Restoration (IRR) line item. The IRR line item would fold in current line items for timber management, wildlife and fisheries habitat management, land management planning, inventory and monitoring, grazing, and vegetation management. As you may recall, the FY12 budget gave the Forest Service the authority to test the IRR concept in Regions 1, 3 and 4.

On February 17, the House Appropriations Subcommittee on Interior, Environment and Related Agencies held a hearing to review the FY13 budget. The main witness was Forest Service Chief Tom Tidwell. Subcommittee Chairman Mike Simpson (R-ID) and Rep. Norm Dicks (D-WA), ranking member of the full Appropriations Committee, expressed concerns about expanding the IRR concept. Simpson indicated he believed more time was needed for the regional IRR pilots before expanding it nationwide. Dicks objected to the inclusion of Legacy Roads & Trails funding in IRR. Tidwell reminded the members stewardship contracting authority is expiring in 2013. He also encouraged Congress to reauthorize the Secure Rural Schools (SRS) program. While the future of SRS remains uncertain, most members tend to support some form of reauthorization for stewardship contracting.

BLM Budget

The BLM's budget request is essentially level with the FY12 enacted level. The request includes \$112 million for the O&C Grant Lands, which is a modest \$179,000 increase over the FY12 enacted level. Within the Western Oregon Resources Management line item, the budget outlines a program of work consistent with the Secretary's "Western Oregon Initiative" and an increasing push by the BLM to promote "restoration forestry" on the O&C lands.

National Forest Trust legislation passed out of Committee

On February 14, Doc Hastings (R-WA) Chairman of the House Natural Resources Committee introduced <u>HR 4019</u>, the Federal Forests County Revenue, Schools, and Jobs Act of 2012. The bill is nearly identical to the "discussion draft" released by Chairman Hastings last September following committee hearings exploring the need to practice active forest management as a means to restore county payments (see <u>AFRC newsletter July 19, 2011</u>).

On February 16, the Committee passed the bill by a vote of 26 to 17. The bill applies to National Forest System lands nationwide.

Principal provisions of HR 4019:

- Creates a County, Schools, and Revenue Trust whose beneficiaries are counties with Forest Service lands within their boundaries. The Secretary of Agriculture is the trustee.
- Requires that, beginning no later than FY14, "trust projects" be carried out annually on each National Forest. The projects must be sufficient to generate revenues at least equal to 60% of the Forest's average annual gross receipts between 1980 and 2000.
- Revenues from trust projects may include timber sales, grazing, mineral development, power, special use permits and recreational use.
- 65% of project revenues are to be distributed to the counties under the Secure Rural Schools formula; 35% will go to the U.S. Treasury to be available through Congressional appropriation to the Forest Service.
- Requires each National Forest to annually sell timber at least equal to 50% of its yearly sale volume between 1980 and 2000; posts and poles and firewood would be excluded from the calculation.
- Provides opportunities for the public to comment on and to object to project proposals before they are approved.
- Requires that an "environmental report," including impact on threatened and endangered species, be prepared for each project. The cost of report preparation is limited to 30% of the anticipated revenues from the project; these reports are not subject to judicial review.
- Preparation of the report, together with compliance with other provisions related to selection and preparation of "trust projects," will be deemed compliance with applicable environmental laws.

O&C Trust Legislation Draft Released

On February 16, Representatives Peter DeFazio (D-OR), Greg Walden (R-OR) and Kurt Schrader (D-OR) announced the release of a <u>discussion draft</u> of their bipartisan O&C forest management trust proposal. The draft proposes the creation of a trust comprised of approximately 1.5 million acres of O&C lands containing stands of timber less than 125 years old at the time the trust is created. These lands would be managed primarily for timber production by a Board of Trustees appointed by the

Governor. The remaining 1 million acres containing older stands of timber would be transferred to the Forest Service to be managed for conservation values and wildlife. Also included in the bill are approximately 90,000 acres of new Wilderness areas and Wild & Scenic River designations. All of the lands would remain in federal ownership.

The bill does not specify either annual revenue or harvest requirements, but the trust mandate requires the board to produce annual maximum sustained revenues to O&C counties in perpetuity by managing timber on the O&C Trust lands on a sustained yield basis subject to certain management requirements. This trust mandate is expected to provide a predictable supply of timber for local economies.

During a press conference the same day, DeFazio and Schrader said they are working with the House Natural Resources Committee to move the proposal forward; that they are open to suggestions for revision from interest groups; and that once the bill is in a form they are satisfied with, they will seek to have it added as an amendment to HR 4019.

FFRC Board Meeting

The FFRC Board of Directors met on February 14. Discussions included developing recommendations for the FY13 Forest Service budget, creating a policy statement for stewardship contracting reauthorization, discussing the final Forest Service Planning Rule and an update on the status of the Forest Roads Clean Water Act litigation. The Board met the following day with Harris Sherman, Agriculture Undersecretary of Natural Resources; Leslie Weldon, Deputy Chief of the Forest Service; and Cal Joyner, Director of Timber Management for the Forest Service. Topics included ramping up harvests on national forests to 3 billion board feet as directed by Congress in the FY 12 Appropriations bill (see <u>AFRC Newsletter January 18, 2012</u>), doing more work with equal or less money, reducing the non-sawlog component of timber accomplishments, and preserving existing infrastructure.

AFRC would like to thank many of our western Congressional delegation members for their hard work on issues that help direct management on our federal forests and the impacts those strategies have on rural communities and our forest products industry. We strongly believe the only long-term solution for keeping our counties solvent and our forests healthy is better management of our federal forests. /Tom Partin

Forest Planning Rule

On January 26, the Forest Service released a Programmatic Environmental Impact Statement (PEIS) containing as the Preferred Alternative a new <u>Forest Planning Rule</u>. The Rule is expected to be adopted on or shortly after March 5.

AFRC submitted detailed comments on the February 14, 2011 <u>Draft Rule</u> (see <u>AFRC Newsletter, May 12, 2011</u>), expressing its members' concerns about the policy direction the rule takes, the cost in taxpayer dollars of compliance by the agency and the impact on traditional multiple uses, such as recreation, timber and grazing. AFRC strongly urged the Forest Service to substantially revise the Draft Rule and to thoroughly test its implementability as was done for the 2002 Rule.

The final Rule fails to remedy the concerns expressed in AFRC's detailed comments and, in some cases, strays further from the agency's statutory mandate under the National Forest Management Act (NFMA) and the Multiple-Use Sustained Yield Act. Among our concerns are:

- The Rule ignores the appropriate role and balance of various multiple-uses, placing "ecological integrity" ahead of social and economic realities.
- The requirement to "use best available scientific information" rather than agency expertise and *available*, *relevant science* will make decision making less responsive, more time consuming and vulnerable to litigation.
- Requirements to maintain a diversity of plant and animal communities are not placed within the context of multiple use objectives, as required by the NFMA.
- The final Rule introduces specific widths for riparian buffers and calls for the Chief to establish national water quality Best Management Practices (BMPs), ignoring the differences among the nation's national forests.
- The Rule is unduly cumbersome and focuses too much on process and procedure, including a new national level review.
- The new "public engagement" requirement distances the decision-making process from the local elected bodies and the citizenry.

The Forest Service has <u>announced</u> that it will begin implementing the new Planning Rule on eight National Forests, including the Nez-Perce, Chugach, Sierra, Sequoia, and Cibola. AFRC hopes the agency will complete those plan revisions prior to beginning any other work under the new Rule. In that way, needed changes in the Rule would be identified and problems remedied before it is applied across the National Forest System. /Ann Forest Burns

Salazar Visits Medford

On February 21, Secretary of Interior Ken Salazar was in Medford to tour the BLM's <u>Pilot Joe project</u> and hold a Town Hall meeting. He was accompanied by several high ranking Obama Administration officials, including Fish and Wildlife Service Director Dan Ashe, BLM Deputy Director Neil Korze, and Deputy Undersecretary of Agriculture Butch Blazer.

The stated reason for the Town Hall was for the Secretary to announce (1) an additional five timber sales on BLM lands following the "ecological forestry" principles espoused by Drs. Franklin and Johnson and used in the pilots; (2) a new Resource Management Planning process based on the Franklin-Johnson principles (which he said would result in both logging and sustainable forestry) and (3) a new way forward that avoids litigation.

AFRC issued a press release February 21 pointing out the flaws in the Pilot Joe approach.

Secretary Salazar repeatedly said how pleased he had been to see actual loggers working on the Pilot Joe because that proves the project is succeeding in providing jobs as well as ecological benefits to the forest. During a question and answer period after short speeches by Salazar, Franklin, Korze and Ashe, it should have become clear to the Secretary and his team that the pilots are not a popular idea, either with the timber industry, mining interests, water users, environmental organizations or local elected officials. Asked when Interior was going to stop ignoring the 1937 O&C Act which requires the lands to be managed for sustainable timber production to "contribut[e] to the economic stability of local

communities and industries," the Secretary said he *hopes* the new plans will enable them to move beyond litigation.

Particularly curious is the Secretary's apparent assumption that, absent the Pilot Joe timber sale, which produced only enough wood to run a mill for about a week, the loggers he saw would be out of work. If the Obama Administration hopes to convince the citizens of Southwest Oregon that it is interested in whether they have jobs, it will have to do better than a pilot project that treats 245 acres out of a 50,000 acre watershed and produces only about 60 percent of the volume envisioned by the Northwest Forest Plan, itself an 80% reduction in historic harvest levels. /Ann Forest Burns

2004 Sierra Framework Decision

In an <u>opinion</u> issued February 13, the Ninth Circuit Court of Appeals split 2-1, holding that the environmental impact statement (EIS) for the 2004 Sierra Nevada Framework was inadequate because it did not describe how the changes in resource management standards would affect fish species. *Pacific Rivers Council v. United States Forest Service*. The California Forestry Association, Quincy Library Group, and Plumas County were among the intervenors.

Judge William Fletcher, writing for the majority, upheld the EIS analysis for amphibians but ruled the EIS failed to assess the environmental effects on over 30 individual fish species. Judge Fletcher held that because the 2001 EIS contained an extensive analysis for individual fish species, it had to be repeated for the 2004 EIS which involved "extensive changes to the 2001 Framework and even more extensive changes to the underlying Sierra Nevada Forest Plan." These changes included allowing more logging and burning near streams, construction of 90 additional miles of road, and using a 30-inch diameter limit rather than a 24-inch limit in certain forest types.

The Forest Service argued that the programmatic nature of the 2004 EIS permitted the agency to defer detailed environmental analysis of the effects on specific fish species until the time when the analysis is prepared for an identifiable project. But Judge Fletcher held that if it is "reasonably possible" to analyze an environmental consequence in an EIS for a resource management plan, then the agency must perform that analysis and it cannot be deferred until the location and details of a project implementing the plan is determined.

Judge Milan Smith dissented because the majority's opinion "amounts to an inappropriate and substantial shift in our NEPA jurisprudence." He argued that "under NEPA regulations on tiering and Ninth Circuit precedent, a programmatic EIS requires less detailed analysis than a site-specific EIS. Therefore, agencies are allowed to defer in-depth analysis until site-specific projects have been identified. Furthermore, agencies are given wide latitude in the tiering methodology they choose to implement, so long as the programmatic EIS allows for informed decision-making. As a result, courts owe a high level of deference to the methodological choices of the agency."

This ruling coming eight years after the 2004 Framework decision shows the difficulty with regional level programmatic planning. As one <u>blogger</u> noted about the ruling, "At the end of the day, these big gulp planning efforts are doomed to failure because they will be challenged by the green-conflict industry where the taxpayer gets hit three times. The first whack is when the taxpayer has to fund these massive planning efforts. Second, is when they have to pay the court costs associated with defending the plan. And last, but not least, is they have to pick up the enviro's legal bills."

What happens next is not clear. The Forest Service could include an analysis of the effect on the fish species in a supplemental EIS, could seek *en banc* or Supreme Court review, could argue in the district court that no injunctive relief of timber sales is warranted, or could negotiate with plaintiffs regarding a remedy. /Scott Horngren

DNR Timber Program Report

Below is DNR's FY12 timber sale program through January.

Sales offered	77
Sales sold	71
Sales no-bid	6

Volume offered	290.2 mmbf
Volume sold	271.4
Volume no-bid	18.8
% Volume sold	94%

Sold sale value	889.3	million
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Price/MBF \$329 Overbid ratio 20% Average bidders per sale 2.61

DNR expects to sell approximately 652 mmbf in FY12, of which approximately 578 mmbf will come from the westside and 74 mmbf from the eastside. DNR has made up their volume arrearage from the decade's early years and harvest should be at the sustained yield through the rest of the harvest decade which ends in FY14. /Jacob Groves

CFLRP Projects

On February 2, Secretary of Agriculture Tom Vilsack announced the selection of 10 new Collaborative Forest Landscape Restoration Program projects. The 10 projects chosen for funding in 2010 will also receive continued funding. These 20 projects will be the funded out of the \$40 million allocated by Congress when it passed the Interior Appropriation bill last December (see AFRC Newsletter January 18, 2012). In addition, three other "high priority" restoration projects will receive \$4.6 million in funding.

Newly funded projects in the West and their CFLRP funding levels are:

- Amador-Calaveras Consensus Group Cornerstone Project, Eldorado and Stanislaus National Forests - \$730,000
- Burney-Hat Creek Basins Project, Lassen National Forest \$605,000
- Kootenai Valley Resource Initiative, Kootenai National Forest \$324,000
- Lakeview Stewardship Project, Fremont-Winema National Forest \$3,500,000
- Southern Blues Restoration Coalition, Malheur National Forest- \$2,500,000
- Weiser-Little Salmon Headwater Project, Payette National Forest \$2,450,000 /Ann Forest Burns

Colville Forest Vision 2020

The Colville National Forest has been awarded \$968,000, under the title Northeast Washington Forest Vision 2020, for restoration projects. The proposal was submitted under CFLRP and although it was not one of the 10 CFLRP grant recipients for 2012, money was awarded under "other restoration projects." Two other forests were also selected under this additional funds category for forest restoration, one in Arkansas, and one in Mississippi.

The <u>Northeast Washington Forestry Coalition</u> has been the major collaborative for the Colville's proposals since its inception under Title IV of Omnibus Public Lands Management Act of 2009.

While this is not part of the CFLRP funding, it is understood that the same criteria and constraints will be used as for CFLRP projects. These include no new system roads, funds may not be used for planning, and the projects are required to occur in the CFLRP geographic area. In addition to 500,000 acres of Forest Service land, 415,000 acres of state, private, BLM, National Park Service, and Colville Confederated Tribal land are included under an "all lands" concept for restoration and prevention of uncharacteristic outbreaks of insects and disease with subsequent significant wildfire damage. /Maurice Williamson

Blue Mountains Forests Plan Revisions

A light may be at the end of the tunnel for the long-awaited <u>Blue Mountains Forests Plan (BMFP) revisions</u>. The forest plans covers the Malheur, Umatilla and Wallowa-Whitman National Forests in eastern Oregon. According to members of the Planning Team, the Draft Environmental Impact Statement (DEIS) will be out for public comment sometime between mid-April and the first of May. After the DEIS is released there will be a 90-day comment period and the Forest Service will host numerous public meetings around the three forest area.

The BMFP revisions are currently in the Washington Office after receiving over 800 comments at the regional level. The plan contains six alternatives, A through F, with A being the "No Action" alternative. Two of the alternatives are budget driven and the remaining four are resource driven. The Forest Service has been struggling with creating an alternative that "maintains old structure and species" while adequately "maintaining the remaining forest products infrastructure." The Regional Forester will be selecting the Preferred Alternative in the near future. /Irene Jerome

Agencies Settle Riparian Buffer Width Suit

Litigation against the Forest Service, BLM and National Marine Fisheries Service over the width of riparian buffers on federal timber sales in Western Oregon was settled on February 10.

In October, 2011, BARK sued the federal agencies under the Endangered Species Act (ESA) in the U.S. District Court for Oregon challenging the riparian buffers on thinning timber sales on the Mt. Hood and Willamette National Forests, and the Eugene and Salem BLM Districts. (*BARK v. United States Forest Service*, No. 11-1232-HU.) BARK demanded that the agencies reinitiate ESA consultation for thinning sales covered by a programmatic biological assessment. They claimed that the thinning with 50 foot instead of 100 foot buffers along streams that are not listed fish habitat would "take" listed fish in violation of ESA because, they contend, the 50 foot riparian buffers and tree retention standards are inadequate to maintain stream temperature and prevent sedimentation.

The 50 foot buffers along streams that are not listed fish habitat were based on a programmatic consultation for all thinning sales. As individual timber sales were later prepared, National Marine Fisheries Service (NMFS) provided concurrence letters of "no adverse effect." However, a 2010 "white paper" by a NMFS biologist claimed the buffers are inadequate. An interagency team was formed to work out a solution to the disagreement among agency scientists. That team's report is long overdue.

Rather than fight the lawsuit, the agencies agreed to settle the case. Under the settlement, buffers will be increased from 50 feet to 100 feet for a distance 1,000 feet upstream of the end of listed fish habitat. The settlement involves only a minor number of sales and harvest units and provides that any replacement volume will be located outside of the wider riparian buffers. /Scott Horngren

Are Targets Taken Seriously?

Every year Congress funds the Forest Service to accomplish a targeted timber commodity output. That target is divided among the Regions, and then each Region assigns a target to each National Forest. The following highlights target accomplishments over the last 18 years for the four Northern California Klamath Province Forests (Klamath, Shasta Trinity, Mendocino, and Six Rivers). Since 1992, the Shasta Trinity has met or exceeded its assigned target only once. The Six Rivers has accomplished its target three of the last 18 years. The Mendocino has managed to meet its assigned target five times. The Klamath is the best performer, meeting or exceeding its assigned target six of the last 18 years. As a whole, the Province has only met the assigned target one time in the last 18 years. It is time to ask how seriously commodity targets are taken and if the taxpayers are getting a fair deal from the funding allocated for achieving timber targets. /Rick Svilich

New Board of Forestry Members

On February 13, the Oregon Senate approved <u>Governor Kitzhaber's nominees</u> to fill three vacancies on the <u>Board of Forestry</u>:

- Nils Christoffersen, Executive Director, Wallowa Resources, Enterprise
- Tom Insko, Inland Region Manager, Boise Cascade, Elgin; and
- Cindy Williams, Senior Fellow, Geos Institute, Ashland.

Christoffersen and Insko received the unanimous consent of the Senate. The vote on Williams was 19-11, with Republicans Jason Atkinson, Ashland; Frank Morse, Albany; and David Nelson, Pendleton, joining the Senate's Democrats to confirm.

The three replace Peter Hayes, Jennifer Phillippi and Cal Mukumoto, whose terms have expired. /Ann Forest Burns

Wood Solutions Fairs

Woodworks, an initiative of the Wood Products Council, is offering Wood Solutions Fairs in Portland on March 13, and Seattle on March 15. Each fair is a day-long educational event on the use of wood in non-residential and multi-family buildings. The fairs are designed for architects, engineers, building owners, code officials and others interested in the design possibilities of wood. Continuing education credits for licensed professionals are available free of charge. Registration information is available on the Woodworks website www.woodworks.org. /Ann Forest Burns

2012 Annual Meeting

This year's AFRC Annual Meeting is scheduled for April 10-12 at Skamania Lodge. The program will feature members of Congress who will give us their insight into the 112th Congress, the work they have been doing to ensure an adequate budget for the Forest Service and BLM, and pass landmark legislation to ensure forest management as part of the funding solution for our rural counties.

Dr. Peter Goldmark, Washington Public Lands Commissioner, will offer his perspective on where DNR is headed regarding timber management, marbled murrelet protection and the Olympic Peninsula issues.

Federal and state land managers will discuss the issues within their respective agencies: ramping up harvests with flat or declining budgets, forest health problems, and conflicting demands on the forested landscape.

The Public Forest Managers' Breakout Sessions allows attendees to meet with federal and state agency representatives to discuss relevant issues pertaining to local forest and industry matters.

For more <u>information or to register</u>, please visit our website <u>www.amforest.org</u>.