

March 30, 2015

Walden Secures Reauthorization of County Payments

On March 26, the House of Representatives voted to reauthorize the Secure Rural Schools (SRS) payment program for an additional two years as part of a broader legislative package to reform how doctors are paid under Medicare (also known as the “Doc Fix”). Representative Greg Walden (R-OR), a member of the House Leadership, is widely credited with securing the two-year, over \$600 million reauthorization. The cost of reauthorization was not offset as the legislation waived PAYGO budget rules. Overall, the “doc fix” bill is estimated to add about \$140 billion to the deficit during the initial ten-year official scoring window. The Senate is expected to pass the legislation when it returns from the spring recess in mid-April.

It was believed that Republicans intended to include a handful of incremental reforms to federal forest management policies in an SRS extension, but they were ultimately left out. A quote from Representative Peter DeFazio (D-OR) in a recent Associated Press article seemed to offer an explanation: “Leadership on my side of the aisle said, ‘We can debate forest policy later. This could bring the whole thing down. Don’t put it in.’” DeFazio said. “Ultimately, Republicans agreed.”

The reauthorization will provide belated 2014 SRS payments as well as payments for 2015, which are typically made in January of the following year. The reauthorization continues to implement the recent 5% annual payment reduction, so the 2014 payment will be 5% less than 2013’s payment and 2015 will be reduced by an additional 5%. SRS was last reauthorized in 2013 as part of legislation championed by Senator Ron Wyden (D-OR) to liquidate the nation’s helium reserve. It is no coincidence that Oregon is by far the largest recipient of SRS subsidies, receiving nearly one-quarter of the total program payments through the Forest Service and BLM.

County governments in rural, forested areas across the country, many of which faced drastic budget shortfalls, will certainly breathe a sigh of relief. Ultimately, the payments represent a mere Band-Aid for just one symptom of the lack of active management on our federal forests, which is the shortage of revenue to fund local governments and schools in our timbered communities. Unfortunately, Congress has failed to enact meaningful management reforms to improve the health of the federal forests through active management and create jobs in the woods to remedy the lack of private sector employment that continues to impact many rural, forestry communities.

Representative Walden pledged to continue pushing reform legislation, “I remain fully committed to working on forestry legislation that puts people back to work in the woods, reduces the threat of wildfire, and produces the revenue to allow for self-sustaining counties and the people in them. I just hope this time, with a new majority in the Senate, we’ll be able to move forward.”

Senator Wyden, on the other hand, offered his own view of the House's reauthorization and the path forward for forestry reforms, "It is good news the House leadership has decided to stop playing politics with the safety net for Oregon counties. Their decision is a concrete recognition that linking the safety net to unsustainable and unacceptable logging practices can never become law."

Payments to counties were for many decades linked to receipts from the sale of federal timber and other resource uses including fees from grazing and mining leases. Significant revenue could once again be generated by modest increases in the volumes of federal timber sold and the values received. Obama Administration officials, including Undersecretary of Agriculture Robert Bonnie and Forest Service Chief Tom Tidwell, as well as Senator Wyden have claimed that it would take selling 16 billion board feet of federal timber to fully fund the SRS program. However, looking at the receipts generated by state-run timber sale programs, the volume needed would be far less if the Forest Service put economical timber sales on the market. / *Tom Partin*

Duane Vaagen Testifies Before Senate Committee

On March 24, AFRC Chairman and Vaagen Bros. Lumber President Duane Vaagen testified before the Senate Energy and Natural Resources Committee during a hearing entitled "*Improving Forest Health & Socioeconomic Opportunities on the Nation's Forest System.*" The Committee's Chairman is Senator Lisa Murkowski (R-AK) and Senator Maria Cantwell (D-WA) serves as the Ranking Member.

Vaagen Bros. Lumber operates sawmills in Colville and Usk, Washington and has heavily invested in collaboration through the Northeast Washington Forestry Coalition. While collaboration has been extremely effective in eliminating appeals and litigation on the Colville National Forest, treatment and harvest levels over the past 15 years have remained well below the needs of the forest, the communities, and the desires of the Coalition. Vaagen Bros. Lumber and other local sawmills have suffered a shortage of raw materials that has become all-too-common within our broken federal forest management system.

Vaagen spoke about how forest health continues to decline in eastern Washington, including insect and disease outbreaks and fuels buildups which helped trigger the Carlton Complex wildfire that burned over 250,000 acres last year in northcentral Washington. Vaagen stressed that not only are the forests and industry suffering, our rural communities that once counted on forestry related jobs are hurting, and unemployment is 2.5 times higher in these communities than in the Seattle area.

Vaagen then outlined the need for more management on our National Forest lands nationwide by pointing out that the Forest Service has identified 60-80 million acres as being overstocked and at particular risk from lack of sound management. At the same time the Forest Service is only mechanically treating 250,000 acres per year through commercial timber sales. Obviously at these small levels of management, more and larger wildfires are on the horizon for the Forest Service.

In closing, Vaagen outlined several principles of reform that he believes is needed to bring the forests, the industry and communities in balance:

- A trust approach, focusing on the 23% of National Forest acres identified as suitable for timber production in current forest plans, can provide stable funding on a trust-trustee basis, while restoring and strengthening the overall multiple use framework on federal forests.

- Clarify to the courts that timber production is the primary objective on this relatively small portion of the National Forest System, not one use among many.
- Streamline NEPA analysis, ESA consultation, and judicial review for projects conducted on lands designated for timber production and/or for projects proposed by or designed in consultation with local collaboratives.
- Provide binding, baseball-style arbitration as the sole dispute resolution mechanism for projects proposed by or designed in consultation with local collaboratives.
- Payments to forest counties should be linked to these fundamental reforms to streamline the process of proposing, analyzing, executing, and resolving conflicts over forest management projects on federal forest lands.
- Rapidly transition counties to revenues produced by viable economic activity on federal forests, including substantial, sustainable increases in timber outputs.
- All revenues generated on federal forests, including a portion of revenues from Stewardship contracts, should be used to develop additional sustainable forest management projects as well as provide revenue sharing to counties.

Senator Murkowski criticized the Forest Service by stating: “The Forest Service and Department of Agriculture has failed to actively manage federal forest lands in Alaska and across the West. The Forest Service’s reluctance to issue timber sales has harmed local communities that depend on jobs in the industry and revenue from timber harvests to pay for schools and emergency services.”

“The federal government’s failure to manage our nation’s federal forests has resulted in a crisis of epic proportions for local communities, not only are wildfires, insects, and the spread of disease resulting from the federal government’s inaction, but annual timber cut has dropped by more than 80 percent, resulting in the loss of tens of thousands of timber jobs, closed schools, and local government budget shortfalls.”

Senator Murkowski’s opening statement, witness list, and written testimony can be found on the Senate Energy and Natural Resources Committee [website](#). /Tom Partin

AFRC’s Tom Partin Testifies on Appropriations

On March 18, AFRC President Tom Partin testified before the House Interior Appropriations Subcommittee, regarding FY16 appropriations for the Forest Service and BLM. The Committee is chaired by Representative Ken Calvert (R-CA) and Representative Betty McCollum (D-MN) serves as the Ranking Member. In addition to his role with AFRC, Tom also testified in his capacity as Vice Chair of the Federal Forest Resource Coalition (FFRC), which represents the industry that relies on federal timber nationwide.

Partin emphasized the need for the FY16 budget to get more dollars to programs that would enable more acres to be treated, forest health to be improved, and to find a solution for the wildfire funding dilemma. Partin focused on the need to:

- More heavily fund the National Forest Timber Management, Capital Improvements and Maintenance and Hazardous Fuels Reduction accounts.
- Supply the agencies with consistent and adequate budgets to get the work done.
- Eliminate fire borrowing.

- Aggressively treat the 65-82 million acres in need of forest health treatments by increasing the pace of scale of management on our National Forest System.
- Increase efficiency in the National Forest System.
- Reject the Administration's proposed \$5 million reduction to the O&C BLM lands budget and maintain support for the BLM's Public Domain timber sale program in other states.

Partin concluded his comments with a personal perspective of spending 45 years in the industry and seeing firsthand the impacts of the Forest Service and BLM reducing their harvests by over 80% during the past two decades and the devastation that has caused to our public forests, forest products industry, and rural communities.

With fire season quickly approaching and the west in drought conditions once again, the agencies will be under pressure to increase the acres being treated for fuels reduction and to keep large fires at a minimum. */Tom Partin*

Northwest Forest Plan Revision Project

Listening sessions to seek public input on revising the Northwest Forest Plan (NWFP) took place in Portland, Seattle and Redding on March 17, 18 and 25. (See, [AFRC newsletter February 25, 2015.](#))

Turnout for each session was in the 200-250 range. The Portland and Seattle crowds were dominated by those opposed to using federal lands for timber production. The Redding meeting saw a greater turnout by county officials and the forest products industry. AFRC staff were present at each session. Rick Svilich, AFRC Northern California Consultant, submitted extensive [written comments](#) at the Redding meeting.

During the Portland meeting, Rob Mangold, Pacific Northwest Research Station Director, announced work on a synthesis of the science related to the NWFP is expected to be completed in late 2016 or early 2017 and will be used to inform the revision process.

The Forest Service has received criticism for focusing the initial listening sessions in urban areas along the I-5 corridor and ignoring those in the rural communities most affected by the NWFP. On March 10, 11 members of Congress sent a [joint letter](#) to Region 6 Forester Jim Pena and Region 5 Forester Randy Moore pointing out that distance and timing of the meetings prevented many deeply affected citizens from participating. On March 18, Senator Maria Cantwell wrote USDA Undersecretary Robert Bonnie requesting additional sessions in Washington State, "Holding only one meeting in Seattle creates limited opportunity for the public to provide input on this important effort, and poses a real hardship on residents that live near the National Forests and whose livelihoods are tied to the Agency's decisions concerning these forests." Senator Patty Murray (D-WA) sent a similar letter to Regional Forester Pena on March 23.

Regional officials have told AFRC that local concerns will be adequately aired during the "assessment" phase of plan revision under the 2012 Forest Planning Rule. That rule is being [challenged in federal court](#) by 13 plaintiffs, including AFRC. (See, [AFRC newsletter August 28, 2012.](#))

Given the open-ended nature of the listening sessions and the extensive comments received, it is hard to predict how the Forest Service will proceed. A recently created [Region 6 website](#) promises periodic updates on the process. AFRC will continue to follow this issue closely. */Ann Forest Burns*

Challenge to DNR Salvage Sale

On March 24, AFRC and its members Hampton Resources and Vaagen Bros. Lumber were granted defendant intervenor status in an administrative appeal filed against the Washington Department of Natural Resources by the Kettle Range Conservancy Group, Conservation Northwest, and a local landowner challenging the salvage of 7 million board feet of timber on 1,240 acres of the Carlton Complex fire.

The [Carlton Complex fire](#) burned approximately 256,000 acres in Okanogan County in July and August, 2014. The timber sale is a Forest Improvement Treatment (FIT) sale. Hampton, Vaagen and Omak Wood Products have purchased log sorts. Proceeds from the sale will allow DNR to do road improvement and maintenance to prevent sedimentation of streams and to replant the harvested areas.

The appellants are seeking a stay pending a hearing. Since no early hearing dates are available, a stay would effectively decide the case because the standing timber will have little or no commercial value after July 31, the date all logs are required to be delivered to the purchasers.

Okanogan County also intervened to oppose the stay and Stevens County filed an amicus brief pointing out the importance of going forward with the harvest.

A decision by the administrative appeals board on the stay is expected by April 20. */Ann Forest Burns*

Insect and Disease CE Signed

On February 23, the Shasta Trinity National Forest signed a Categorical Exclusion (CE) using the new authority found in the Farm Bill on a project located on the McCloud Ranger District, Pilgrim Plantation. The project proposes to thin and group select approximately 550 acres in a 55-year old plantation, which is currently being impacted by both insects and disease. The project proposes to group select approximately 100 acres that are currently being killed by insects and disease, and the remainder will be commercially thinned. Expected volume from the project is approximately 6 mmbf.

The project timeframe only took six months to complete from initiation to the signing of the CE. The district did an outstanding job of identifying the area needed for treatment once the authority was passed and signed. The district and forest are to be congratulated on their ability to quickly respond using new tools and authorities offered to them through such legislation. */Rick Svilich*

Goose EIS and Analysis Paralysis

In 2010, the McKenzie District on the Willamette National Forest completed their analysis of the Goose Project through an Environmental Assessment (EA). The project proposed to actively manage forest stands to improve stand conditions, diversity, density and structure. Upon publication of the EA, AFRC applauded the Forest Service for producing a thorough and concise document, adequate for a project that consisted almost entirely of forest thinning. Shortly thereafter the District Ranger issued a Record of Decision (ROD) to implement the analyzed treatments through several timber sales; three of the sales were prepared and sold. However, the ROD was legally challenged and a United States District Court in

Oregon ruled in March 2013 that “*while the Forest Service did adequately disclose environmental information, the potentially significant effect to the environment triggered NEPA requirements that the Forest Service prepare an EIS (Environmental Impact Statement).*” This month, after two years of additional work, the Forest Service completed the Draft EIS that the District Court deemed necessary.

The newly released EIS does not include any substantial alterations to the proposed on-the-ground treatments; what it does include is a substantial increase of ink & paper, and a subsequent increase in Forest Service personnel time. The 2010 EA was completed with 125 pages of analysis. The 2015 EIS was completed with 261 pages of analysis, which includes 173 pieces of referenced “scientific literature” reviewed and incorporated into the final document.

Some Forest Service and BLM personnel will point out that the preparation of an EIS rather than an EA would not typically constitute a major increase in paperwork or in overall analysis if the decision to do so is made early in the process. There is truth to this position given the length and scope of many recent Forest Service EA’s. For example, the Bybee EA on the Rogue River-Siskiyou National Forest totaled 727 pages of analysis including appendices.

Since the majority of the court rulings against the Forest Service are based on procedural rather than substantive issues, there is also truth to the notion that preparing a 727 page EIS instead of a 727 page EA will mitigate one of the major legal challenges the agencies face on a regular basis. However, the line between thorough analysis necessary to aid in well informed on-the-ground decisions and “analysis paralysis” should not be ignored. As described on the Council on Environmental Quality’s website in Section 1500.1: *Ultimately, of course, it is not better documents but better decisions that count. NEPA’s purpose is not to generate paperwork--even excellent paperwork--but to foster excellent action.*

I think it is safe to say that some Courts have strayed from this direction and perhaps should be given a reminder. /Andy Geissler

CEQ GHG Guidance Comments

On March 24, AFRC submitted [comments](#) to the Council on Environmental Quality on the [proposed guidance](#) to federal agencies concerning how to take greenhouse gas emissions and climate change into account when conducting National Environmental Policy Act (NEPA) reviews.

With specific reference to NEPA reviews of projects on federal forest land, AFRC pointed out the impossibility of predicting the effects of discrete forest management projects on atmospheric conditions using currently available evaluation methodologies. Land and resource management activities that pertain to the harvesting and growing of trees are fundamentally different from any other activity being covered under the proposed guidance.

As living organisms, forests can be either pulling CO₂ out of the atmosphere or releasing carbon through decay on a net basis, depending on the age of the trees and the productivity of the site. When trees are removed from a forest and remanufactured into another form of carbon storage, they are replaced with young, vigorously growing trees that, over time, remove far more CO₂ from the atmosphere than the trees that were removed. In order to accurately portray the effects of timber harvesting, a complete life cycle analysis of the wood produced, together with a comparison of the carbon impacts of alternate building materials would be necessary.

AFRC urged CEQ to remove land and resource management activities from the draft guidance. Otherwise, federal land management agencies will be lead to engage in arbitrary and capricious actions due to the impracticality and impossibility of accurate and consistent analysis of the impacts of land and resource management actions on GHG's and global warming.

AFRC commented in the same vein on an earlier draft of the comments in May, 2010. (See, [AFRC newsletter March 15, 2010](#).) We continue to hope that CEQ's final guidance will follow logic and not require GHG and climate change analysis for forest management projects. */Ann Forest Burns*

Divided Lands

The Bozeman, Montana based Property and Environment Research Center (PERC) has recently published and released [Divided Lands - State vs Federal Management in the West](#) and I am encouraging all of our readers to read it. The report examines the costs of managing specific resources on federal lands compared to how similar resources are managed in the states of Montana, Idaho, Arizona and New Mexico and concludes that states can do a much better job of resource management. For every resource that was examined from timber and grazing to mineral and recreation—states generated on average, more revenue per dollar spent than the federal government. Federal land agencies lose billions of dollars each year managing valuable resources on federal lands.

Some interesting findings include:

- From 2009-2013, the Forest Service generated 32 cents for every dollar spent on timber management and the BLM generated 38 cents for every dollar spent. The state of Montana on the other hand generated \$1.58 for every dollar spent and Idaho generated \$2.51 for every dollar spent on the timber program.
- The low financial returns on federal lands translate into relatively low amounts of revenue sharing with states and counties. In Montana, for instance, federal revenue sharing programs distributed an average of \$109.6 million to the state and counties each year from 2009 to 2013. The state trust land agency in Montana distributed more than \$107 million on average to trust beneficiaries during the same period—but the state did so on just one-fifth as many acres as the federal government owns in Montana. To put that into perspective, state trust lands in Montana generated \$20.99 per acre for trust beneficiaries, while federal revenue-sharing programs generated only \$4.07 per acre of federal land in Montana for the state and local communities. The story is much the same for Idaho, New Mexico, and Arizona.

In summary, the report outlines how state trust lands offer compelling evidence that our federal lands are in need of reform. Our federal lands are in poor health, prone to fire, and are not making the return on investment that our state trust lands are. Our federal land managers should take heed of this report!

/Tom Partin

Region 6 Forest Supervisors

On March 27, Region 6 Regional Forester Jim Pena announced new supervisors for the Willamette and Okanogan-Wenatchee National Forests.

Tracy Beck will report for duty as Supervisor of the Willamette National Forest on May 18. Tracy is currently the Assistant Director of Natural Resources in Region 6 and served as acting Forest Supervisor

of the Fremont-Winema National Forest in 2014. A forest management graduate of the University of Montana, he was District Ranger on the Chippewa National Forest before coming to Region 6 in 2009. AFRC looks forward to continuing to work with Tracy in his new role.

Michael Williams has been named Supervisor for the Okanogan–Wenatchee National Forest. He is the current Forest Supervisor on the Kaibab National Forest in Region 3, where he has been a leader in the Four Forest Restoration Initiative. Mike holds a BS in Forest Management from the University of Minnesota. AFRC looks forward to working with Mike.

Gifford Pinchot National Forest Supervisor Janine Clayton has announced that she will retire, effective May 30. We will miss Janine and wish her the best in her retirement.

We are sad to report that Mt. Hood National Forest Supervisor Lisa Northrop and her husband Ray Brown were involved in a [serious auto accident](#) on March 21 which left both hospitalized in serious condition. Cards and good wishes can be sent to Lisa, c/o Ann Renninger, Mt. Hood National Forest, 16400 Champion Way, Sandy, OR 97055. We wish Lisa and Ray a full and speedy recovery. /Tom Partin

New Faces on the Mendocino

Ann Carlson was recently selected as the new Forest Supervisor for the Mendocino National Forest. She is currently the Eagle Lake District Ranger on the Lassen National Forest.

Carlson has a Bachelor's degree in Aquatic Ecosystems Assessment and Management from Western Washington University and a Master's degree in Aquatic Ecology from Utah State University. She began her career as a fish biologist on the Tahoe National Forest in 1989. While there, Carlson built partnerships with local groups to provide aquatic restoration opportunities, environmental education and improved fishing. In 2003, Carlson served as Northern Regional Aquatic Ecologist in Missoula, Montana, a position she held until her selection as Eagle Lake District Ranger in 2011. She also completed temporary assignments as a District Ranger in South Dakota and as a Deputy Forest Supervisor on the Boise National Forest. She is scheduled to arrive on the forest April 6.

The forest has finally filled the Forest Vegetation Manager position after being vacant for almost two years. Anthony (Tony) Saba arrived March 15 to start his new duties. Tony comes from the Bighorn National Forest (Region 2) where he served as their Silviculturalist/Forester. Tony has an extensive vegetation management background and is a Certified Silviculturalist and Contracting Officer Representative.

The forest needs a quick start on a timber program that has virtually disappeared over the last couple of years. AFRC is looking forward to working with Ann and Tony. /Rick Svilich

Last Chance to Register for AFRC's Annual Meeting

This is your last chance to register for AFRC's Annual Meeting which is being held on April 7-9 at Skamania Lodge in Stevenson, Washington. This year's theme is "Creating Success."

We have an outstanding program that includes members of Congress; a speaker on the Northwest timber and lumber outlook; a panel of University professors who will discuss the ways their programs are

helping to shape the management of our forests; success stories on what is working on public timberlands around the Northwest; a great line-up of agency representatives for our breakout sessions, and our blue star legal panel outlining our big victories in 2014.

The meeting will begin on April 7 with our golf tournament followed by the opening reception. April 8 will feature a full slate of meetings, social hour, and dinner. The meeting will conclude on April 9 with a half day of meetings and Board of Directors meeting and luncheon. Registration and hotel information is available on our website www.amforest.org.

Tuesday, April 7

11:30 am **Golf Tournament**

6:30 pm **Welcoming Reception**

Wednesday, April 8

7:00 am **Continental Breakfast**

7:30 am **“Drawing up the Blueprint for Success”**
Heath Heikkila, AFRC
Bill Imbergamo, Federal Forest Resource Coalition

8:30 am **Hakan Ekstrom** – Wood Resources International

“Laying the Foundation For Success”
Thomas Maness, Oregon State University
Tom DeLuca, University of Washington
Randy Brooks, University of Idaho

“On the Ground Success”
Paul Harlan, The Collins Companies
Kim Pierson, US Forest Service
Abe Wheeler, Bureau of Land Management
Tom Shay, Washington Dept. of Natural Resources

12:30 pm **Luncheon** – Dr. Peter Goldmark, WA Commissioner of Public Lands

2:00 pm **Representative Cathy McMorris Rodgers**

3:00 pm **Public Forest Managers’ Breakouts**
Tom Shay & Darin Cramer, Washington DNR
Tom Martin, US Forest Service Region 1
Kim Pierson, US Forest Service Region 4
Diana Craig & Barnie Gyant, US Forest Service Region 5
ML Smith, US Forest Service Region 6
Jerry Perez, Bureau of Land Management

6:00 pm **Social Hour/Banquet**

Thursday, April 9

7:00 am

Continental Breakfast

7:30 am

U.S./Canadian Softwood Lumber Agreement

Steve Swanson, Swanson Group

Zoltan van Heyningen, US Lumber Coalition

8:30 am

Representative Derek Kilmer

“Assuring Success in the Courtroom”

Rob Molinelli, AFRC

Mark Rutzick, Mark C. Rutzick, Inc.

Elaine Spencer, Miller Nash Graham & Dunn

11:00 am

Board of Directors Meeting