

**August 18, 2015**

## **Congress Moves on Fire Borrowing**

Significant progress has been made in recent months to pass legislation that would end the practice of “fire borrowing” where the Forest Service taps funding from non-fire programs when the agency exhausts its appropriated suppression funding. The Resilient Federal Forests Act of 2015 (H.R. 2647), which passed the House on July 9, includes a provision that would allow the Forest Service and BLM to tap FEMA disaster funding within 30 days of exhausting their suppression funding based on the 10-year average. The Senate Appropriations Committee also provided a solution to fire borrowing in its FY16 Interior and Environment Appropriations bill.

While a solution to fire borrowing appears increasingly likely, the Forest Service is putting a renewed focus on the impact of rising suppression costs on its budget and operations. On August 4, the Forest Service released a [report](#) indicating that for the first time in their existence, more than half (52%) of their 2015 annual budget will be dedicated to wildland fire management (preparedness, suppression, FLAME ACT funding, fuels reduction, and related programs). By comparison in 1995, wildland fire made up only 16 percent of their annual appropriated budget. The report also outlined that if this spending trend remains unchecked, by 2025 wildland fire spending could exceed 67% of their budget.

Unfortunately, the increased cost of fighting fires has limited the available funding for many non-fire programs. For example, the fire suppression budget grew by \$115 million between FY14 and FY15 to match an increase in the ten-year average cost of fighting fires, while non-fire programs were reduced by close to that amount due to flat budgets.

According to the report, the increased fire spending is putting a big dent in the Forest Service’s ability to treat the lands and reduce fire risk. National Forest System management funding has been reduced by over \$475 million since 1995 (a 32% reduction in real dollars). That reduction equates to a loss of 7,000 people dedicated to land management or 39% from 1998 to 2015. While the National Forest Timber Management account has fared better than most, other programs have seen huge decreases. For example, the Roads budget has seen a 46% reduction and funding for Vegetation & Watershed Management has been reduced by 24%.

The Administration continues to advocate for the Wildfire Disaster Funding Act of 2015 (WDFDA) (S. 235/H.R. 167), bipartisan legislation led by Senators Mike Crapo (R-ID) and Ron Wyden (D-OR) and Representatives Mike Simpson (R-ID) and Kurt Schrader (D-OR). WDFDA would allow the Forest Service and BLM to access FEMA disaster spending once 70% of the cost of the 10-year suppression average was exhausted, essentially taking 30% of the 10-year average “off-budget” for emergency spending.

Theoretically, treating 30% of suppression costs as an off-budget expense could result in about \$300 million being available for other agency programs, including forest management. However, this assumes that the Appropriations and Budget Committees won't direct the money elsewhere in the Interior and Environment Appropriations bill; to other programs in the federal government; or reduce the overall budget allocation by that same amount. In this era of austerity in domestic discretionary spending this seems doubtful. Ultimately, Congress needs to appropriate more funding to the Forest Service and BLM to offset increased suppression budgets.

On August 6, following release of the Forest Service report, Budget Committee Chairman Mike Enzi (R-WY) and Lisa Murkowski (R-AK), Chair of the Energy and Natural Resources Committee and Interior Appropriations Subcommittee, and nine other western Senators pledged to help advance some form of fire funding reform legislation. It is unclear what form it will take and whether it will include policy and legal reforms to increase timber management projects that will begin addressing the root cause of increased wildfire suppression spending, overstocked and unhealthy forests.

Irrespective of whether a portion of wildfire suppression spending is on-budget or off-budget, there is a growing recognition that status quo management of our federal forests isn't working. In addition to H.R. 2647, Senators John McCain (R-AZ), Jeff Flake (R-AZ), and John Barrasso (R-WY) have introduced legislation (S. 508) tying a wildfire funding solution to federal forest management reforms. Senator Barrasso has also introduced stand-alone federal forest reform legislation, the National Forest Ecosystem Improvement Act of 2015 (S. 1691).

### *Fire Borrowing May Hit \$200 Million*

On August 4, Secretary of Agriculture Tom Vilsack sent a letter to Representative Tom McClintock (R-CA), Chairman of the House Natural Resources Subcommittee on Federal Lands and other key members of Congress, to alert them to the fact that budget forecasts indicate that fire borrowing will soon be triggered within the Forest Service. As part of the FLAME Act of 2009, the Secretary of Agriculture is required to submit an estimate of the anticipated wildfire suppression costs by the first of July, however, the report was delayed because of the unavailability of needed data.

The forecast predicts, with 90% confidence, that fire suppression costs will be between \$869 million and \$1.529 billion with a median forecast of \$1.199 billion for FY15. This median forecast of \$1.199 billion is \$200 million over the appropriated suppression costs and FLAME funds available, and could once again trigger fire borrowing. With hot and dry weather continuing in Washington, Oregon, and California, and major fires currently burning, fire borrowing again seems like a certainty.

Hopefully Congress will coalesce behind a solution that meaningfully increases timber management activities, ends the practice of fire borrowing, and ensures that Forest Service and BLM management accounts don't pay the price of continued increases to the 10-year average wildfire budget. /Tom Partin

### **Comment Period on BLM Draft RMP's Ends**

In March 2012, the BLM announced the [beginning of the process](#) to revise the Resource Management Plans for the lands they manage in western Oregon. In June 2013, they released the [Purpose and Need Statement](#) that would be used to guide the development of alternatives. At that time and on numerous occasions since then, AFRC, the Association of O&C Counties, and many others pointed out that the Purpose and Need Statement was fatally flawed and needed to be withdrawn and rewritten. The major

flaw of the Purpose and Need Statement is that it prematurely made major land allocation decisions without public comment that severely limited the range of alternatives and would lead to violations of the [O&C Act](#) and the National Environmental Policy Act (NEPA). The BLM did not heed these warnings and in April released a [Draft EIS](#) that analyzes five alternatives and two sub-alternatives that fail to represent the true range of alternatives available to them and thus violates the O&C Act which dictates the management of most of the land represented in the plan revision.

Noncompliance with the O&C Act and NEPA is multifaceted with the most glaring being the establishment of massive reserve networks that comprise between 68% to 86% of the 2.5 million acres within the planning area and the proposed reductions in management intensities found within most of the alternatives. There are also numerous areas where the DEIS fails to meet the NEPA requirements with the most apparent being the decisions made prior to the release of a draft EIS that all alternatives must include “large, contiguous blocks of late-successional forest” and outside of these large blocks protect “older, more structurally-complex multi-layered conifer forests.” These decisions were made without any environmental analysis, public review or formal adoption process, and severely limited the range of alternatives found within the DEIS.

AFRC believes that the range of alternatives and the alternatives themselves embodied in the Draft RMP’s fail to comply with the O&C Act and NEPA. As a result of these fatal flaws, the only legal recourse for the BLM is for the DEIS to be withdrawn; additional alternatives be analyzed that comply with the O&C Act and represent the true range of alternatives; and an updated Draft RMP/EIS be released for public comment. The [comment period on the Draft EIS](#) closes August 21. The Final EIS with the Proposed RMP is expected to be released in mid to late 2016. /Ross Mickey

## **Wildfires Ravage Western Communities**

In recent days, heavy fuel loadings, hot temperatures, lightning storms and strong winds helped to create the perfect storm that led to hundreds of thousands of acres of timber and brush lands being destroyed by fire as well as over 100 homes in the interior west. Significant large fire activity around the country continues with 10 states reporting wildfires, while residents in many western states have been evacuated from their homes. As if conditions aren’t currently bad enough, hotter and drier weather with a chance of dry lightning is predicted for much of the west later this week.

In Washington, fires near Lake Chelan have burned 100,000 acres and as many as 75 homes and businesses. The largest fire, the Chelan Complex, has burned over 56,000 acres, threatening homes and structures around Lake Chelan, including the isolated community of Stehekin. The Canyon Creek Complex near John Day, Oregon made a run on the afternoon of August 14, destroying at least 26 homes and has burned over 40,000 acres. Other communities are reporting losses as well, including in California where brush and timber fires are burning the entire length of the state.

Fire conditions throughout the west are extreme and for the first time in two years the national fire preparedness level is 5 which means that Geographic Areas are experiencing major incidents that have the potential to exhaust all agency fire resources. Eighty percent of Type 1 and Type 2 Incident Management Teams and crews are committed, as well as the majority of other national firefighting resources. Currently, more than 25,000 people are supporting wildfires, including 41 Incident Management Teams and 2 Area Command Teams.

When Congress returns after the August recess, one of its first priorities should be to fund the firefighting agencies like the Forest Service and BLM so they don't have to borrow from other internal funds to fight these wildfires. In addition to fixing "fire borrowing," we need the Senate to follow the House's lead and take action on legislation to expedite forest management activities to get these dense forests treated and reduce the fuels that are the major contributor to the extreme conditions found in our forests and feed these catastrophic wildfires. /Tom Partin

## **Western Oregon Wildfire Update**

Fire activity in Western Oregon escalated in late July and into August. To date, seven large wildfires have affected over 40,000 acres of forestland, primarily in southern Oregon. Two of the most significant fires, in terms of size and location, are the Stouts Creek and National Creek Complex fires. The National Creek Complex has burnt over 5,000 acres of federal forestland since it ignited on August 1 following a lightning storm. The majority of the affected acres are on the northwest corner of Crater Lake National Park, with the remainder on adjacent sections of the Rogue River-Siskiyou National Forest. Level one evacuations are in place at the Diamond Lake Resort and nearby facilities, and the north entrance to Crater Lake Park is closed.

The Stouts Creek Fire was reported south of the community of Milo on July 30, and has since consumed over 24,000 acres of mixed ownership forestland. Approximately 18,000 of these acres are managed by the Roseburg BLM and Umpqua National Forest, with the remainder in private ownership. As of August 17 containment is 70% with the majority of the uncontained perimeter located on the fire's southeast flank on Umpqua National Forest land. The bulk of the affected federal land is managed under the guidance of the South Umpqua River/Galesville Late-Successional Reserve, with an emphasis on restoring and protecting late-seral habitat. An assessment of this reserve completed in 1999 made note of the vulnerability of this area to stand replacing fire activity: *Risk of large-scale habitat loss from a wildfire event occurring within this LSR is relatively high. Many stands are currently overstocked with conifers, hardwoods, and shrubs. Fuel ladders within these stands are well established.* A vegetation management project in this watershed was proposed by the Umpqua in 2014 with hazardous fuels reduction as a primary driver. At this point it is uncertain whether the Stouts Creek Fire has directly affected any of the stands targeted for treatment by the Forest Service. /Andy Geissler

## **New Year, Same Results**

Last year the Klamath National Forest burned over 200,000 acres of public land. This year the Six Rivers and Shasta Trinity National Forests are taking their turn with valuable public land being consumed by wildfire. Since July 31, approximately 141,000 acres have burned. The fires consist of 6 complexes, each with one or more incident management teams being brought in from around the nation to battle the blazes. Evacuations remain in effect on several of the complexes and 18 structures have been lost. Total cost to date is approximately \$90 million. Active management has been proven to be an effective tool in limiting acreage and adverse resource effects from wildfires. Just think how much responsible forest management could have been accomplished with the dollars spent on suppressing these fires.

What's next? Salvage or no salvage? Let's hope salvage is expedited next year and not tied up in a debate about how much burnt timber is needed for spotted owl habitat. /Rick Svilich

## Latest Fire Statistics

The 2015 fire year is currently on pace to have the most acres burnt in the last 10 years, and nearly 2 million acres more than the 10-year average. Although fire starts are lower, the average size of the wildfires are much larger partly due to extensive wildfires that burned this year in Alaska. Depending on what the second half of August and September bring for fire weather and conditions, 2015 could go down as a near record year for acres burned and money spent on wildfires. /Tom Partin

<b>Year-to-date statistics</b>		
2015 (1/1/15 - 8/17/15)	Fires: 40,509	Acres: 6,969,074
2014 (1/1/14 - 8/17/14)	Fires: 36,742	Acres: 2,587,164
2013 (1/1/13 - 8/17/13)	Fires: 31,121	Acres: 3,184,497
2012 (1/1/12 - 8/17/12)	Fires: 43,985	Acres: 6,545,810
2011 (1/1/11 - 8/17/11)	Fires: 48,893	Acres: 6,518,265
2010 (1/1/10 - 8/17/10)	Fires: 41,115	Acres: 2,195,041
2009 (1/1/09 - 8/17/09)	Fires: 62,517	Acres: 5,092,640
2008 (1/1/08 - 8/17/08)	Fires: 58,188	Acres: 4,077,829
2007 (1/1/07 - 8/17/07)	Fires: 61,539	Acres: 6,119,987
2006 (1/1/06 - 8/17/06)	Fires: 76,407	Acres: 6,384,604
2005 (1/1/05 - 8/17/05)	Fires: 42,584	Acres: 6,379,193
<b>Annual average prior 10 years</b>		
2005-2014	Fires: 49,400	Acres: 4,809,886

## Washington DNR Arrearage

Washington's Department of Natural Resources operates under a [sustainable harvest mandate](#), in which a decadal sustainable harvest volume is calculated, with one-tenth of the volume being harvested each year. The last calculation was completed in 2004 for the 2004-2014 decade. At the end of the decade, the Board of Natural Resources (BNR) is required to determine the "arrears," the amount calculated for the decade, but not sold.

In [March](#), Commissioner of Public Lands Peter Goldmark appointed a subcommittee to look into the arrearage issue and make recommendations to the Board. The subcommittee is composed of Board members Dr. Tom Deluca from the University of Washington and Clallam County Commissioner Jim McEntire. They have spent the last several months working with DNR staff to determine the arrearage number and potential paths forward.

The subcommittee determined that the arrearage for the 2004-2014 decade is 462 mmbf. DNR, as part of its trust mandate and under [RCW 79.10.330](#), must analyze the best method to provide the trust beneficiaries with the greatest return. To date, DNR staff have proposed several options of how best to accomplish this, which range from incorporating the arrearage volume into the inventory and modeling it out over a 100-year planning period, to offering all of the volume in a 2-year period.

At its August 18 special meeting, the Board was presented with three options: incorporating the volume in the inventory and then modeling it over 100 years; offering the full 462 mmbf over 5 years proportional to Sustainable Harvest Units in arrears; and offering the 462 mmbf over 10 years with an “ecological catch up” which has yet to be fully defined. We anticipate the Board will have significant discussions about these options and potential paths forward, including how the environmental analysis will be conducted.

Updates on the arrearage process and the Sustainable Harvest Calculation will appear in future newsletters. */Matt Comisky*

## **DNR Management Fee Increase**

On August 18, the BNR approved a management fee increase to 31% for the Resource Management Cost Account (RMCA), up from 29%. The RMCA account covers management costs associated with management of federal grant lands, mostly the Common School trust. The Forest Development Account (FDA) fee will remain at 25%. The Washington Legislature approved a budget provision in the 2015 state budget raising the statutory limit on management fees.

The primary reason behind DNR’s request is associated with payroll. Cost of living adjustments and pension/health care cost increases negotiated by the state has added approximately \$9 million to DNR’s biannual budget. The fees were last raised in 2013 to help pay for items such as enhancement of staffing for large planning efforts, young stand management, and LiDAR acquisition. At this time DNR does not expect to request an increase to the FDA fee. */Matt Comisky*

## **OFRI Hires Director of Forest Products**

Longtime Portland public relations and marketing professional Timm Locke has joined the Oregon Forest Resources Institute (OFRI) as the Director of Forest Products. Locke will head up OFRI’s new statewide Forest Products Promotion and Education Program, which aims to create and strengthen demand for traditional and innovative Pacific Northwest wood products among professionals who design, specify and construct commercial buildings.

Locke will promote Pacific Northwest wood products in partnership with state agencies, universities, trade associations and firms representing architects, engineers, developers and builders. His work will include touting the environmental advantages of building with wood and promoting innovative wood products such as cross-laminated timber.

Locke previously worked for the Western Wood Products Association and was a principal and public relations director at Knoll Group before starting his own public relations and marketing agency, Pipeline PR + Marketing, in 2002.

Funding for the position was received through the USDA's Wood Innovation Grant program, which is aimed at expanding and accelerating wood energy and wood product markets. In May, OFRI was among eight recipients in Oregon and Washington awarded a total of \$1.5 million in USDA grant funding. /Tom Partin