

Federal Forest Resource Coalition

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Testimony of the Federal Forest Resource Coalition

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U.S. House of Representatives

Washington, DC

Mr. Chairman, Ranking Member, my name is Chuck Roady, and I am the General Manager of F.H. Stoltze Land and Lumber in Columbia Falls, Montana. I sit on the board of directors of the Federal Forest Resource Coalition, a national non-profit trade association representing a diverse coalition of federal timber purchasers, conservation groups, and county governments. With over 650 member companies in 28 States, FFRC members employ over 390,000 people and contribute over \$19 Billion in payroll. I also sit on the board of directors of the Rocky Mountain Elk Foundation, a national group dedicated to ensuring the future of elk, other wildlife, their habitat, and our hunting heritage.

FFRC members purchase, harvest, transport, and process timber and biomass from the National Forest System and lands managed by the Bureau of Land Management. We live and work in communities near to or surrounded by Federal public lands. Our businesses rely upon healthy, productive forests, and a sustainable and growing supply of raw materials from these lands.

Our members continue to make investments in our facilities and our communities because we believe we can be a part of a more prosperous future, both for our communities and for our National Forests. However, significant forest health problems, particularly overstocking, insect mortality, and large scale, uncharacteristic wildfires threaten not just the timber our member mills rely upon but the health of watersheds, wildlife habitat, and the recreational values millions of Americans take for granted.

These negative trends in forest health, combined with continuing drought, have lead to a "new normal" for wildland fire, with an average of over 6.4 million acres burned in each of the last 5 years. As was demonstrated just over a week ago, the consequences of this new normal include the tragic loss of life, with 19 hotshots killed on the Yarnell Hill Fire in Arizona. The thoughts and prayers of all our members go out to the families of the fallen.

We have been dismayed to see the Administration propose reductions in the very programs needed to address these threats: the forest products, hazardous fuels reduction, and capital improvement and maintenance programs of the Forest Service. These program reductions, partially due to the sequester – but proposed again for 2014 – will lead to a worsening of the forest health and wildfire crisis on our Federal lands.

Extreme forest health problems plague the National Forest System: The Forest Service and Bureau of Land Management (BLM) manage over 193 million acres of forest lands. By some estimates, more than 82 million acres of Forest Service lands and hundreds of millions of acres of other Federal lands are at increased risk of catastrophic wildfire¹. Even in landscapes where fires are infrequent, fuel loads and mortality are well outside of historic norms.

These fuel problems lead to large scale forest mortality and increased occurrence of catastrophic wildfires. Last year, 9.3 million acres burned, including 2.6 million acres of Forest Service lands. These fires have cost the agency more than \$2.0 billion in suppression costs, including over \$400 million which was redirected from land management, research, and State and Private Forestry.

Figure 1 shows that these fires disproportionately impact the National Forest System. The Forest Service controls only about 17% of the land base, yet accounted for more than 26% of the Wildland fire acres last year.

The large fires in Idaho and Montana in 2012 forced the closures of popular campgrounds, destroyed dozens of recreational cabins, and forced cancellations of Fourth of July events at popular mountain resorts. Numerous National Forests in the Southwest and Central Rockies are closing trails, campgrounds, and other recreational facilities due to elevated fire danger again this year. Campers, hikers, hunters, and skiers all want to visit healthy, green, and growing forests.

The Role of Harvest in Forest Restoration:

After nearly three decades of drastically reduced harvest, the National Forest System is facing an ecological and managerial crisis. Overstocked stands, drought, climate change, insects, and fire threaten to reconfigure the landscape and damage watersheds throughout the west. The large fires that result from this overstocking also threaten management on the rest of the National Forest System. Resources – money and people – are redirected away from forest management throughout the System; last year, over \$400 million was redirected from forest management programs for this purpose. Non-fire prone forest, such as the Superior in Minnesota, the Ottawa in Michigan, and the Francis Marion in South Carolina, still lose the ability to manage when key staff are diverted to firefighting rather than managing the land.

And yet a great deal of research, including research conducted by the Forest Service, indicates that active management which produces valuable timber can help reduce fire threats while meeting a wide variety of restoration goals. Active forest management and timber harvest have been shown to have multiple long-term benefits, including reducing fuel loading, reducing potential for crown fires, increasing structural stage diversity, increasing age class diversity,

¹ <http://www.fs.fed.us/publications/policy-analysis/fire-and-fuels-position-paper.pdf>

reducing stand density and thus susceptibility to mountain pine beetles and other bark beetles, and improving wildlife habitat. Wildlife habitat can either be directly improved or indirectly improved by reducing the potential for catastrophic fires

Forest Service Researchers Ken Skog and James Barbour, for instance, found that thinning which produces sawtimber can treat more than twice as many acres as treatments which rely solely on non-commercial thinning. The thinning projects that produce timber, the researchers found, could treat 17.2 million acres, whereas non-commercial thinning could only treat 6.7 million acres. This study eliminated roadless areas and stands on steep slopes from consideration, and evaluated treatments on whether they reduce stand susceptibility to insect attack, fire, and windthrow².

One of the most productive National Forests in the country, the Ouachita National Forest in Arkansas, is actively restoring significant wildlife habitat through the use of commercial timber sales, Stewardship contracts, and active support from conservation groups such as the National Wild Turkey Federation (an FFRC affiliate member) and the Nature Conservancy. While producing commercially valuable shortleaf pine timber, this forest is also creating habitat for the Red Cockaded woodpecker, prairie warbler, yellow breasted chat, and common yellowthroat. The Forest noted that red cockaded woodpeckers had increased by almost 300% due to the improved habitat. Researcher Larry Hedrick noted that “The ability to sell valuable wood products is at the very heart of restoration efforts All commercial thinning or regeneration cutting is accomplished through the use of timber sales that are advertised and sold to the highest bidder. Further...portions of the proceeds from these timber sales are retained to pay for most of the follow-up midstory reduction and prescribed burning needed to restore the stands.”³

It should be noted that in many respects, the Short Leaf Pine forests in Arkansas are similar ecologically to the Ponderosa pine forests that are facing huge fire threats in the west. As fire adapted pine types, these forests need active management to maintain natural disturbance regimes, and they can be effectively managed in ways that help support the local economy.

In the case of northern goshawks, present forest conditions in the southwestern United States may be adversely affecting goshawk populations. Management of goshawk habitat focuses on creating and sustaining a patchy forest of highly interspersed structural stages ranging from regeneration to old forest throughout a goshawk territory. Managing the forest, through timber harvest and other treatments, to thin the understory, create small openings, and provide different tree sizes across the landscape will help produce and maintain desired forest conditions for goshawks and their prey⁴.

² *Evaluation of Silvicultural Treatments and Biomass Use for Reducing Fire Hazard in Western States*, Kenneth E. Skog and R. James Barbour, et. al, Forest Service Research Paper FLP-RP-634, 2006

³ *Shortleaf Pine-Bluestem Restoration in the Ouachita National Forest*, Larry D. Hedrick et. al. Transaction of the Sixty-Second North American Wildlife and Natural Resources Conference, Washington, DC, 14–18 March, pp. 509–515

⁴ *Implementing Northern Goshawk Management in Southwestern Forests: A Template for Restoring Fire-Adapted Forest Ecosystems*, James A. Youtz, Russell T. Graham, Richard T. Reynolds, and Jerry Simon; Proceedings of the 2007 National Silviculture Workshop.

The Senate Energy & Natural Resources Committee recently heard from Diane Vosick from the Ecological Restoration Institute at Northern Arizona University, who noted that research indicates that hazardous fuels treatments are effective at reducing large fire costs, protecting property, and preserving watersheds. She also noted that there is a substantial opportunity cost to delaying thinning projects, meaning that delays don't just wind up deferring costs, they increase them⁵.

Certainly not all acres of the National Forest System are suited to be managed for timber. FFRC members value wildland as much as the rest of the public, and frequently our members don't just earn their living in these remote places, but they depend on them for recreation, hunting, and family time as well. But ample research indicates that active management can produce a multitude of benefits, well beyond timber harvest.

In the current budget environment, it makes sense to look at this research and see how the value of the trees and other forest products can help pay for the management that science says need to take place.

The Forest Service continues to treat too few acres, using too much prescribed fire, foregoing treatments that are more cost effective and produce more jobs: With a few notable exceptions, the Forest Service continues to propose projects that are not significant enough to meaningfully reduce wildfire danger on a landscape level. Of the 82 million acres at significant risk, the Forest Service has only implemented mechanical treatments on 6.8 million acres since 2001, or less than 10% of the acres at risk. Further, by the Forest Service's own accounting, only 25% of projects produce any usable wood fiber.⁶

The statistics from 2011 are illustrative in this regard (Figure 2). In 2012, the Forest Service told this committee that they "restored" some 3.7 million acres of National Forests. However, once you break down this claim by type of treatment, it become obvious that the agency is relying on both wildfires and prescribed fires to claim these large numbers. Some acres received more than one treatment, so the numbers don't total up.

Over 1 million acres were "treated" with prescribed fire; over 400,000 of these acres were "treated" by wildfires burning within prescription. This is 10% of the total, and 37% of the prescribed burn acres.

The Forest Service only harvested usable wood fiber from 195,000 acres that were commercially thinned. This means that on 3.5 million of the acres restored, the Forest Service was generating no revenue whatsoever, and on 90% of the acres restored, there was no thinning of any kind.

In other words, when Congress provides substantial funds to pay for restoration work and encourages the agency to provide jobs and usable wood fiber, it is important for Congress to know how little of the National Forest System gets treated every year. If we accept the 82

⁵ *The Efficacy of Hazardous Fuel Treatments*: Ecological Research Institute, May 2013.

⁶ <http://www.forestsandrangelands.gov/resources/reports/documents/healthyforests/2009/FY2009HFAccomplishments.pdf>

million acre figure in the Administration's "accelerated" restoration strategy, they are on pace to complete a thinning of these acres in a mere 241 years, in the unlikely event that these forests do not succumb to insects, disease, and/or wildfire before then.

Prioritize Management to Save Jobs, Preserve Forest Products Infrastructure, and Avoid Future Fire Costs: We need to invest more resources up front to keep our forests green and healthy rather than wait until they are dead and dying, or on fire. Policies which prioritize reducing hazardous fuels loads and actively managing National Forest timberlands must be combined with budgets which invest in these activities if there is any hope of restoring our Forests in the foreseeable future.

The current model basically pits management against fire suppression annually, and when significant fires threaten communities, property, and watersheds, suppression wins that battle ever time. As noted above, the Forest Service moved more than \$400 million last year from management and other accounts, primarily from accounts such as K-V and Salvage sales, to pay for suppression costs. Figure 3 demonstrates that even before these transfers, fire suppression has grown to crowd out forest management as a portion of the Forest Service budget:

Substantial increases in National Forest Timber Management, Hazardous Fuels Reduction, and other line items which can support large, landscape scale projects that reduce fuel loads, produce merchantable wood, can help avoid future fire suppression costs and reduce unemployment, thereby lowering Federal social program costs, such as welfare, unemployment, and food stamps. Moving from the current harvest level of 2.4 billion board feet to 3 billion board feet could produce some 14,400 direct jobs, with thousands of additional indirect jobs.

Unfortunately, the sequester and the Administration's 2014 budget proposal both go in the wrong direction, proposing a smaller timber sale program and a reduced amount of hazardous fuels reduction treatments. The budget proposes to do this while increasing the amount spent on land acquisition, even while acknowledging an increase in capital improvement and maintenance backlogs from \$5.3 billion in 2012 to \$6 billion in 2014. This is precisely the wrong direction for an agency facing a wildfire and land management crisis.

Reduce Overhead and Project Preparation Costs to Ensure that Funding Leads to Meaningful Management: In addition to redirecting the budget towards management and fuels reduction, the Forest Service must reduce overhead and project preparation costs in the land management programs, particular forest products, hazardous fuels reduction, and salvage sale funds. Current overhead rates are over 50%, and in some regions, 70% of appropriated dollars go into NEPA compliance, not project design and implementation. The agency admits they spend more than \$350 million annually conducting analysis required by NEPA and other laws.

There are some steps the Forest Service can take to reduce these costs on their own, such as doing larger scale NEPA analysis (the Black Hills Mountain Pine Beetle Response Project is an example of this approach), ensuring that land management projects actually meet the purpose and need statement in the NEPA, and making greater use of alternative sale administration techniques such as designation by description. We work with the Forest Service closely to

identify opportunities such as these and hope we will see continued progress on these items. We also believe the agency should make greater use of existing authorities such as those available in the Healthy Forest Restoration Act.

However, as we have noted elsewhere, we believe what is ultimately needed is legislative reform which provides clarity on the land management goals on Forest Service lands. Currently, elaborate forest planning efforts lead to land use designations, including the designation of suitable for timber production. Yet after these plans are completed, the Forest Service finds it must conduct even more exhaustive analysis, even on lands with this designation and even when conducting modest land management projects.

We've noted the Colt Summit Forest Restoration Project on the 2 million acre Lolo National Forest in Montana. This 2,000 acre thinning project, widely recognized as a collaborative effort called for in the community wildfire protection plan, nonetheless required over 1,400 pages of NEPA documentation, over a year of analysis, and was still enjoined by a Judge who sided with a minor environmental group. This group chose not to participate in the collaborative and only was able to win an injunction based on speculative impacts of future, hypothetical projects.

This was not an isolated incident. Region 1 in particular is facing an onslaught of litigation, with over 30,000 acres of hazardous fuels reduction projects either appealed or litigated. The Region has more volume under injunction than any other, while mills struggle to survive and meet customer demands. Meanwhile, overstocked forests experience significant mortality and large scale fires.

Principles of Reform: FFRC recommends that Congress enact legislation which clarifies the land management direction on the 23% of the National Forest System designated under current forest plans as suitable for timber production. Clarifying that timber management is the primary goal of these acres and reducing the required NEPA analysis, reducing appeals, and giving the Forest Service some deference in litigation is absolutely necessary to reducing the cost of management and improving forest health.

A trust mandate on these acres will provide clarity to the Forest Service's land management mission and free up substantial financial resources to conduct hazardous fuels reduction work, particularly in the Wildland urban interface, where costs are highest and the ability to harvest commercial timber is sometimes limited.

Not inconsequentially, moving to a trust model will enable the Forest Service to meet its obligations to rural communities which has currently been met with direct payments to Counties from the U.S. Treasury, a model whose time has come and gone.

A trust approach to land management has been successfully applied in many regions of the country. Most State lands in the West are under trust management. Minnesota has Permanent School Trusts and University Trust Lands as well. The Lincoln Institute of Land Policy notes that "Unlike other categories of public lands, the vast majority of state trust lands are held in a perpetual, intergenerational trust to support a variety of beneficiaries, including public schools..., universities, penitentiaries, and hospitals. To fulfill this mandate, these lands are actively managed for a diverse range of uses, including: timber, grazing, mining for oil and gas

and other minerals, agriculture, commercial and residential development, conservation, and recreational uses such as hunting and fishing.⁷ Several large State Trust lands forestry programs have been certified under one or more forest management certification program⁸.

- Streamline NEPA analysis, ESA consultation, and judicial review for projects conducted on lands designated for timber production.
- Set clear volume and acreage treatment targets to ensure accountability.
- Clarify to the courts that timber production is the primary objective on this small portion of the National Forest System, and not one use among many.
- Focuses on timber economics in the design, operation, and management of projects on lands designated for production.

Locking in Conservation, Sustainable Timber Production while Effectively Reducing

Hazardous Fuels: A trust approach on lands designated for timber production would focus on the small portion of the National Forest System which is supposed to be producing timber. Lands which have been set aside after countless hours of public involvement, Congressional review, and official designation as wilderness would remain off-limits to commercial harvest. Agency resources, currently wasted by over-analyzing even modest timber sales or hazardous fuels projects, would be freed up to offer economic timber sales, or to fund restoration work through Stewardship contracts.

On acres designated for timber production, concrete management requirements would help spur investment in wood using industries and land management capacity. Existing mills would receive some assurance that the National Forests they depend on will produce reliable supplies of timber into the future. Economic development, currently stymied by a declining forest products sector and extreme wildfires, would be encouraged.

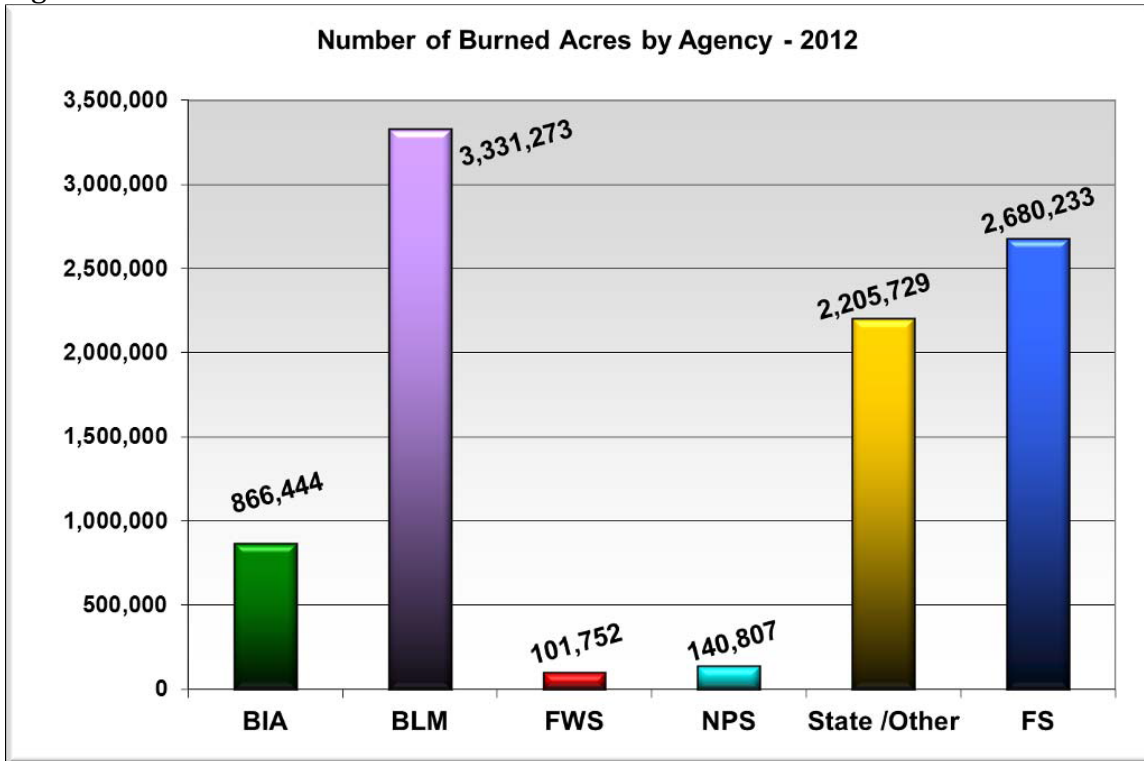
The American public would no longer be forced to bankroll a litigation driven analysis machine, and instead could spend the few dollars available to actually improve the condition of the National Forest System.

The current system is unsustainable, socially, economically, and ecologically. Piecemeal reforms hold little promise. The opportunity to change the management paradigm is here.

⁷ *Trust Lands in the American West: A Legal Overview and Policy Assessment*; Peter W. Culp, Diane B. Conradi, & Cynthia C. Tuell, 2005, Sonoran Institute.

⁸ See, for instance, WA DNR: http://www.dnr.wa.gov/Publications/frc_fsc-sfi_certification_factsheet.pdf, PA DCNR: <http://www.dcnr.state.pa.us/forestry/stateforestmanagement/Certification/index.htm>.

Figure 1:

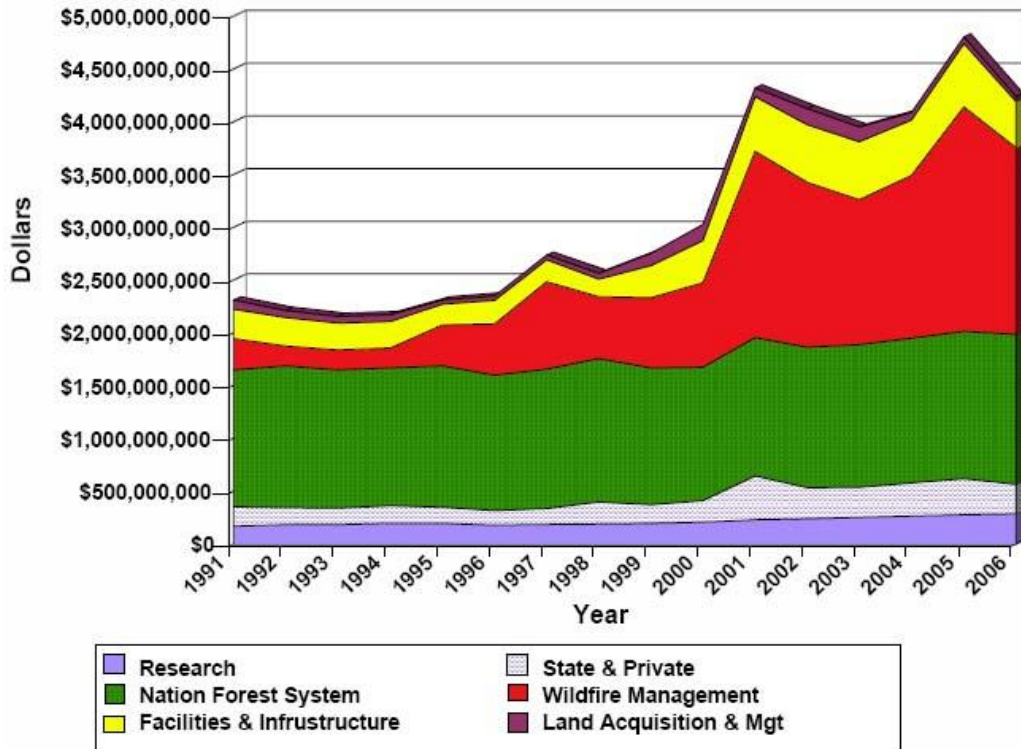


Source: National Interagency Fire Center

Figure 2:

<u>Acres Restored by:</u>	<u>Acres:</u>	<u>Percent of Total:</u>
Prescribed Fire:	1,081,318	29%
Lake, water & soil, noxious weed:	2,563,595	69%
Mechanically Treated:	1,136,405	30%
Pre-Commercial Thin:	145,928	3.90%
<u>Commercially Thinned:</u>	<u>195,477</u>	<u>5.20%</u>
Total:	3,700,000	

Figure 3:



COMMITTEE ON NATURAL RESOURCES
113th Congress Disclosure Form
As required by and provided for in House Rule XI, clause 2(g) and
the Rules of the Committee on Natural Resources

Subcommittee on Public Lands and Environmental Regulation oversight hearing on “*Wildfire and Forest Management*”
Thursday, July 11, 2013

For Individuals:

1. Name: ***Charles W. “Chuck” Roady***
2. Address: ***P.O. Box 1706 Columbia Falls, MT 59912***
3. Email Address: ***croady@stoltzelumber.com***
4. Phone Number: ***406-212-2214 cell & 406-892-7027 office***

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For Witnesses Representing Organizations:

1. Name: ***Charles W. “Chuck” Roady***
2. Name of Organization(s) You are Representing at the Hearing:
F.H Stoltze Land & Lumber Company
and
Federal Forest Resource Coalition
3. Business Address:
F.H. Stoltze: P. O. Box 1429 Columbia Falls, MT 59912
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For all Witnesses

Name/Organization: *Chuck Roady / F.H. Stoltze Land & Lumber Company/Federal Forest Resource Coalition*

Title/Date of Hearing: Subcommittee on Public Lands and Environmental Regulation oversight hearing on “*Wildfire and Forest Management*”
Thursday, July 11, 2013

a. Any training or educational certificates, diplomas or degrees or other educational experiences that are relevant to your qualifications to testify on or knowledge of the subject matter of the hearing.

B.S. Forest Resource Management 1975 - University of Idaho

b. Any professional licenses, certifications, or affiliations held that are relevant to your qualifications to testify on or knowledge of the subject matter of the hearing.

Board of Directors of Federal Forest Resource Coalition
Board of Directors Montana Wood Products Association
Board of Directors Rocky Mountain Elk Foundation
Board of Directors Western Wood Products Association

c. Any employment, occupation, ownership in a firm or business, or work-related experiences that relate to your qualifications to testify on or knowledge of the subject matter of the hearing.

Vice President & General Manager for F. H. Stoltze Land & Lumber Company

[37 years working in the forest products industry]

d. Any federal grants or contracts (including subgrants or subcontracts) from the Department of the Interior that you have received in the current year and previous four years, including the source and the amount of each grant or contract.

N/A

e. A list of all lawsuits or petitions filed by you against the federal government in the current year and the previous four years, giving the name of the lawsuit or petition, the subject matter of the lawsuit or petition, and the federal statutes under which the lawsuits or petitions were filed.

Federal Forest Resource Coalition et. al. v. Vilsack, August 13, 2012; National Forest Planning Regulations; National Forest Management Act, Multiple Use Sustained Yield Act, Administrative Procedures Act.

f. A list of all federal lawsuits filed against you by the federal government in the current year and the previous four years, giving the name of the lawsuit, the subject matter of the lawsuit, and the federal

statutes under which the lawsuits were filed.

N/A

g. Any other information you wish to convey that might aid the Members of the Committee to better understand the context of your testimony.