

Investing in our Public Lands

Directing stimulus funding to job retention

The Forest Service has been provided with \$250 million in stimulus funding to reduce fire hazard on federal forest lands. The Bureau of Land Management has been allocated \$125 million for management of lands and resources. So far, neither agency has directed those funds toward forest management activities which, in addition to reducing fire hazard and improving forest health, would provide timber essential to survival of local mills. These mills, many of which are family-owned private enterprises, are often the only year-round living-wage jobs in rural communities throughout the West. In addition to being forced to sometimes lay off workers, they often reduce hours of operation, putting both the manufacturing facilities and the families that depend on them on near-starvation diets. A dependable supply of raw materials of the right species and size is vital to keeping this milling infrastructure operational. If these businesses lose financing, they will be without a dependable raw material supply and they will likely close forever, never to return. With them will go the health of local communities, schools and public services. At a time when private timberland owners are unwilling to sell their timber, the availability of public timber is more important than ever. Using stimulus dollars predominantly for temporary brush clearing and trail building jobs, rather than active forest management through harvesting, which can return value to the government and maintain industry infrastructure, is the wrong way to spend stimulus dollars.

Fund Green Jobs on the Public's Forests.

The Forest Service and Bureau of Land Management have long been in need of additional funding to meet existing forest management needs, expand rural employment and retain existing industry infrastructure. In Oregon and Washington, Region 6 of the Forest Service has been unable to address a growing \$1.2 billion road maintenance backlog that threatens water quality, public access, and wildlife habitat. Beyond the \$650 million designated in the American Recovery and Reinvestment Act for Forest Service capital improvement and maintenance, the Administration should support substantial increases in funding for land management and simplify and expand the agencies' ability to exchange wood products from federal land for the vegetation management needed to keep the forests healthy and minimize catastrophic wildfires. Investments of \$1 billion in forest management, hazardous fuels, burned area reforestation and rehabilitation, and road repair and maintenance are needed to stimulate employment, improve forest health and help fight climate change.

Reduce Overhead Costs to Ensure that Funding Leads to Meaningful Management.

In addition to increased funding, the Forest Service must reduce overhead costs in its land management programs, particularly forest products and salvage sale funds. Current overhead rates are almost 40%. Promised savings from the creation of the National Finance Center have not materialized. Four specific approaches that would reduce costs are 1) increase use of Healthy Forest Restoration Act (HFRA) Title I authorities to reduce hazardous fuels on forested acres; 2) amend the Appeals Reform Act to exempt categorical exclusions from notice, comment

and appeal; 3) expand the use of the HFRA administrative review process; and 4) provide additional funding contingent upon reductions in Forest Service cost pools for indirect overhead costs.

Create an Emergency Fund to Pay for Wildfire Costs.

Since 1990, fire suppression costs have risen sharply, causing the fire portion of the Forest Service's total budget to increase from 13% to 45%. The Forest Service budget has been relatively flat, so this increase in fire budgets has resulted in sharp reductions in most non-fire programs. In almost every fiscal year since 2000, the agency has been forced to transfer funds from management accounts to cover firefighting costs. This process thwarts the will of Congress, makes a mockery of the agency's budget proposals, and leads to grave inefficiencies in program delivery. Every agency function, from research to state and private forestry to recreation, has been significantly disrupted.

The House of Representatives has taken an initial step to reverse the status quo. The Forest Land Assistance, Management and Enhancement (FLAME) Act - HR 3256 - was introduced with an interest to 1) insulate annual appropriations from effects of 10-year rolling average fire suppression costs and 2) protect non-fire programs from fire transfers when fire suppression costs exceed fire appropriations. While the FLAME Act falls short of completely addressing the problem, we urge the Congress to enact a comprehensive fix that fixes the underlying problem related to the 10-year average.

The Obama campaign recognized this issue and stated that an Obama Administration would "develop and enact reliable dedicated funding sources to fight the most catastrophic fires so that public lands may continue to be managed for public access, fish, wildlife, recreation, forestry and other multiple uses." We strongly support rapid action on this proposal.

Recommendations:

- 1) The Forest Service and Bureau of Land Management should be directed to utilize stimulus funding under the American Recovery and Reinvestment Act toward timber harvesting activities which will retain rural jobs as well as reduce fire hazards and improve forest health.
- 2) By October 1, 2009, Congress should provide additional funding to the Forest Service and Bureau of Land Management for land management activities and increase the agencies' ability to exchange wood products for local manufacture for land management services.
- 3) Reduce overhead costs in Forest Service land management programs, particularly forest products and salvage sale funds.
- 4) The Administration and Congress should work together to enact a comprehensive fix to the budgetary problems created by fire borrowing.

The American Forest Resource Association (AFRC), headquartered in Portland, Oregon, represents nearly 80 forest products businesses and forest landowners in twelve states, primarily in Washington, Oregon, California, Idaho and Montana. Its mission is to create a favorable operating environment for the forest products industry, ensure a reliable timber supply from public and private lands, and promote sustainable management of forests by improving federal laws, regulations, policies and decisions that determine or influence the management of all lands. For information, call 503-222-9505.

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