

**STATEMENT OF
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U.S. DEPARTMENT OF THE INTERIOR
ON
S. 2672, "COMMUNITY-BASED FOREST AND PUBLIC LANDS RESTORATION ACT"
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
JULY 25, 2002**

Mr. Chairman and Members of the Committee, I am Jim Hughes, Deputy Director of the Bureau of Land Management (BLM) at the U.S. Department of the Interior (Department). I thank you for the opportunity to provide the Department's views on S. 2672, "Community-Based Forest and Public Lands Restoration Act."

Let me begin by stating that the Department supports efforts to provide additional tools to help restore forests and rangelands, and we appreciate your efforts in this regard. However, while we support a collaborative approach to forest and rangeland restoration efforts, we have serious concerns with the possibly unintended impacts of this legislation, should it become law. We would like to work with the Committee to address these concerns.

Collaborative Approach to Management

Clearly, the resource management decisions we make can greatly impact local communities and the people who live in them. Often these impacts are especially felt by the communities adjacent to our federal lands. As a result, it is critical that we work in partnership with the people who live on the private lands that border our National Parks, National Wildlife Refuges, and other federal lands, and work on or have access to resources on those lands. In this context, the Department is very supportive of a collaborative approach to forest and range rehabilitation, and we appreciate your interest in promoting these projects through S. 2672.

Secretary Norton has advanced the concept of a new era of conservation — a "new environmentalism" — that will help build a healthier environment, dynamic economies, and sustainable communities. At the center of the Department's plan to implement this new environmentalism is Secretary Norton's "Four C's" — Communication, Consultation, and Cooperation, all in the service of Conservation. The "Four C's" emphasizes that enduring conservation springs from partnerships involving the people who live on, work on, and love the land.

The Department's land managing bureaus, specifically BLM, the U.S. Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs, are implementing this collaborative approach in their on-the-ground resource management decisions. We believe that the basic concepts embodied in this legislation have the potential to be an additional tool to further help us reach our resource management goals while supporting local economies and strengthening partnerships with communities throughout the West. Indeed, small businesses are the backbone of many rural economies. The Department feels strongly that improved communication and coordination is the key toward cooperative restoration of the lands under our jurisdiction.

In May 2002, Secretary Norton joined with Secretary Veneman of the U.S. Department of Agriculture and the Western Governors Association to endorse an historic 10-year comprehensive strategy to reduce the risk of wildfires. That strategy, and its Implementation Plan (Plan), seek to promote community assistance, reduce hazardous fuels, and maintain and restore fire-adapted ecosystems by establishing a collaborative, performance-based framework that calls on local agency managers to work with states, tribes, local governments and citizens to carry out the plan.

One important component of that agreement, supported by all of the signatories to the Implementation Plan, is active management. In this context, active forest and rangeland management includes thinning that produces commercial or pre-commercial grade products, biomass removal and utilization, prescribed fire and other fuels reduction tools to simultaneously meet long-term ecological, economic, and community objectives.

Thus, as we make our way through what has become one of the worst fire seasons in memory, we are pleased that the bipartisan call for active management in forests and on rangelands supports the direction that the Department is taking on these issues. As I noted above, although we support the concepts in and intentions behind S. 2672, we have concerns with the practical implementation of this legislation as it affects other forestry programs. What follows is a brief review of our concerns, followed by some suggested changes that we believe will better enhance our resource management capabilities, particularly with regard to wildland fire management.

Concerns With S. 2672

Our first concern with the bill are the requirements at Section 6(a) that, by the fifth year of the program, fifty percent of all contract dollars shall be awarded to the specific categories of entities listed in subparagraphs (A)-(E). First, given the nature of the problem, we believe this requirement is too prescriptive in that it mandates generally to whom the Department shall be awarding contracts. Second, we believe that the scope of the provision is too broad. By including, among other things, all timber salvage and sales contracts, the provision would affect existing Departmental forest management programs. The issue presented by this legislation is whether it provides an additional set of tools for forest and rangeland restoration, or whether it replaces existing programs.

In this regard, the Department's agreement with the Western Governors' Association, the National Association of Counties, the National Association of State Foresters, and the Intertribal Timber Council, which endorsed a collaborative approach to decision-making, specifically states that:

[t]he projects and activities carried out under this implementation plan are ***in addition to*** other federal, state, and tribal forest and rangeland management activities. (Emphasis added.)

We believe it is unintended for the authority in this legislation to supplant existing timber and salvage sale authority of the Bureau of Land Management's Public Domain and Oregon & California Land Grants Forest Management programs. We will work with the Committee to correct this oversight as this bill proceeds through the legislative process. If it is the intent for this program to replace or supplant existing authorities, we will need to carefully research the impact the legislation will have on income derived by Tribes, receipts provided to states and counties, and the abilities of already existing private sector companies in the diminished public lands logging industry to continue to participate in forestry management programs.

For example, we are concerned that meeting the numeric targets in subsection (a)(2) may actually result in a concomitant reduction in existing timber salvage and sales operations conducted by the BLM. As noted above, we do not believe that this practical consequence was intended. Given the need to thin what the Ten-year Implementation Plan calls unnaturally dense, diseased, or dying forests, we must maintain the flexibility to efficiently implement all programs.

Section 3 of the bill also changes the Small Business Administration definitions for "small business" that the Department has traditionally employed. This may have the additional unintended consequence of excluding legitimate small businesses from participation in the work described in the legislation, while further curtailing our flexibility.

An additional concern focuses on the monitoring requirement in Section 4(c)(1) of the legislation. The Administration supports monitoring as a tool to increase accountability. But the language provided in this bill is too vague to be effective. To be specific, this bill requires a multi-party monitoring, evaluation, and

accountability process that "shall include any interested individual or organization." We have previous experience in forestry management programs that have an "interested observer" component. An interested individual and organization can be virtually anyone, whether they live in the immediate area or in New York City. This requirement would add an additional broad layer of review that may unnecessarily slow important restoration efforts and increase the cost, complexities, and time to complete any review. Timeliness in forest management decisions can be critical. We would like to work with the Committee to ensure an effective provision.

Finally, much of the work proposed for the Value-Added Centers created under Section 5 of the legislation is currently carried out through other means. For example, Cooperative Education Study Units at various universities provide education and research; the Jobs-in-the-Woods program specifically provides workforce training; and the Small Business Administration provides marketing and business support. If existing programs are not achieving the desired objectives, we should work to modify those programs rather than establish competing and, perhaps, duplicative new programs.

While we believe our concerns are significant, particularly those with regard to Section 6, we also see an opportunity in the general concepts advanced by S. 2672 to provide clear authority to land management agencies for stewardship contracting with local communities and businesses. We believe that such authority would be an extraordinarily good fit with the objectives of the National Fire Plan.

Necessary Tools

As I noted above, this has been a record year for severe wildfires. Our latest figures indicate that 102 million acres managed by the Department in the lower 48 states are at a high risk of catastrophic fire. Federal, state, local, and Tribal officials agree that the past century's traditional approaches to land management and treatment of wildland fire have resulted in unnaturally dense, diseased, or dying forests which have contributed to the increased severity of wildland fires. In response, a March 2002 study by the Western Forest Fire Research Center concluded that treated stands experience lower fire severity than untreated stands that burn under similar conditions.

Against this backdrop, stewardship contracting authority is an additional tool that would allow agencies to engage non-federal partners in ecosystem restoration by awarding multi-year, performance-based contracts, and to offer forest products in exchange for the restoration services. The exchange of goods and services which may be authorized in stewardship contracts is an innovative way to provide additional resources for habitat restoration on additional acres of land, thus making it possible to conduct habitat restoration work that may otherwise never be completed. Restoration of fire-adapted landscapes would occur as communities, agencies, states, tribes, and others collaborated to fashion a holistic management program to maintain healthy ecosystems. Community assistance would be promoted through increased, long-term economic opportunities resulting not only from the contracted treatments, but also from the use of biomass generated through the contractor's work.

The Forest Service has had stewardship contracting authority on a pilot basis since 1999, and has many success stories to tell. Extending this authority on a permanent basis to the Department of the Interior's land management bureaus and to the Forest Service would improve both Departments' ability to coordinate with local communities in restoration efforts, while at the same time supporting rural economies.

In a final note, we believe long-term commitment is an important part of the stewardship concept. Small, independent companies may be unwilling to enter into a contract that, at a maximum, lasts three years, because the financial risk may be too high. Therefore, we believe an important part of any stewardship contracting authority necessarily includes enough flexibility to allow agencies to enter into extended-year contracts. We believe that such working partnerships will work to increase economic stability in many rural communities.

Even with the enactment of stewardship contracting and community-based forest restoration programs, as proposed in S. 2672, underlying statutory, regulatory, and administrative issues need to be addressed for forestry management programs to be successful. For example, in Fiscal Years 2001 and 2002, nearly half of the Forest Service's mechanical thinning projects designed to improve forest conditions were appealed. All such projects for northern Idaho and Montana were appealed. At the Department, 30% of our timber sales are appealed. On average, it takes nine months to process those appeals, and it can take as much as three to four years.

The Department is looking at these process issues. The Forest Service is looking at its processes, as well, after concluding a nine-month review of its regulatory and administrative framework. Forest Service officials have estimated that "planning and assessment consume 40% of total direct work at the national forest level. That would represent an expenditure of more than \$250 million per year." The benefits of these reviews and subsequent improvements can be applied to both stewardship contracts and community-based reform bills.

We note as well that Congress itself has made the decision, in the conference document on H.R. 4775, the supplemental appropriations bill, that legislative action is needed to expedite agency action to restore healthy forests. H.R. 4775 includes language authorizing the Secretary of Agriculture to take actions, including timber activities, to address the risk of wildfire and insect infestation in portions of the Black Hills National Forest. Significantly, the provision recognizes the "extraordinary circumstances" of the situation and, in response, would exempt authorized activities from all environmental laws and judicial review. While we do not believe that such broad exemptions from environmental laws are an appropriate solution, we do believe that this dramatic action by the Congress is indicative of the problems we face in completing important stewardship projects in a timely manner. We are willing to work with Members of Congress to ensure that our bureaus have the tools to carry out management activities where they are needed.

Conclusion

In conclusion, while the Department has concerns with the practical impacts of implementing this legislation, should it become law, we agree with the general goal to provide additional tools that can help restore forest and range health. In that regard, we stand ready to work with the Committee toward a mutually agreeable solution.

Mr. Chairman, this concludes my testimony and I am pleased to answer any questions you or the Members of the Committee may have.