

**Testimony of
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**Before the
Senate Committee on Energy and Natural Resources
on S.2593,
The Forest Landscape Restoration Act of 2008**

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The Nature Conservancy is an international, nonprofit organization dedicated to the conservation of biological diversity. Our mission is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Our on-the-ground conservation work is carried out in all 50 states and in more than 30 foreign countries and is supported by approximately one million individual members. The Nature Conservancy has protected more than 117 million acres of land and 5,000 miles of river around the world. Our work also includes more than 100 marine conservation projects in 21 countries and 22 U.S. states.

Need for the Forest Landscape Restoration Act

Millions of acres of publicly-owned forests are in poor health, putting people and nature at risk. These forests protect our drinking water, help regulate our climate and shelter wildlife. But across the country, many of our national forests and other public lands are overgrown and choked with vegetation as a result of past land management practices and fire exclusion. Unnaturally dense forests are more vulnerable to severe wildfire and destructive pests such as bark beetles which threaten forests in many places throughout the nation. Climate change is an additional stress to unhealthy forests, with longer wildfire seasons and winters that are warm enough for pests such as bark beetles to keep reproducing.

Many forests in the South and Western states depend on a certain amount of fire to maintain their health. However, fire exclusion and other factors have altered this natural balance and caused a build-up of trees and other vegetation that today are fueling unnaturally severe fires. The scale of this problem is illustrated by a recent study that showed that fire and ecological conditions across 80% of the continental U.S. have been moderately or highly altered.¹ Seven of the worst ten fire seasons since the 1950's have occurred in just the last 11 years.²

Unnaturally severe fires put communities and livelihoods at risk and devastate forests. In 2002 the Rodeo-Chediski burned nearly half a million acres in Arizona and caused 30,000 people to be evacuated. Also that year, the Biscuit fire burned 499,570 acres in Oregon and the Hayman fire in Colorado burned 137,760 acres and 600 structures were lost. In 2007, the Georgia Bay complex burned 441,705 acres and 9 homes.

Fire suppression costs are sky-rocketing. The USDA Forest Service spent \$1.5 billion on fire suppression in 2006. In fiscal year 2008 the Forest Service is spending 46% of its budget on wildfire suppression and other fire-related activities,³ compared to 13% in 1991. These trends threatened to transform the U.S. Forest Service into the U.S Fire Service. Expensive fires means agencies cannot fund their other programs.

Forest treatments provide the opportunity to reduce severe fire risk, restore forest health and stimulate local economic activities. For forests that are unnaturally dense, removing the build up of small trees, based on ecological principles, helps reduce the excess vegetation that fuels unnaturally severe fire and creates the spaces that certain tree species need to grow and thrive. The woody biomass removed by thinning can be used by small wood processing industries to develop a wide range of products from solid wood items like flooring and furniture to products from waste material like electricity and wood stove pellets. Developing new markets for the by-products of thinning provides an economic boost to communities in rural areas that have suffered in recent years due to the decline of wood-processing industries.

Current treatments to thin trees and reduce fuels in publicly owned forests are not happening at a scale which will restore forest health. Over the past four years, federal land management agencies have treated on average three million acres annually, an amount that represents only two percent of the total lands that need to be treated to restore forest health. Most treatments have not been at a scale that will restore health to our public forestlands. Stewardship contracting is tool that was developed to advance forest restoration, yet after four years, the average area of land treated is only 750 acres for a 10-year stewardship contract. These small contracts are not sufficient to sustain the industries that process woody biomass. Only three restoration projects over 10,000 acres have been carried out using stewardship contracts. Under the current approach, few, if any, projects receive sufficient funding to stimulate economic development and create stable markets for the products of thinning treatments.

Strengths of the Forest Landscape Restoration Act

The legislation will establish a Forest Landscape Restoration Fund of up to \$40 million annually, available on a competitive basis, for up to 10 years of landscape-scale fuels treatments on National Forest and DOI agency lands. We believe that making funding available via a competitive process, to those projects that meet a set of national eligibility criteria, coupled with approval by the Secretaries of Agriculture and the Interior and advice from Science and Technical Advisory Groups, is an appropriate process and one that builds upon some of the most successful elements of the Collaborative Forest Restoration Program in New Mexico. We think it is especially important that eligible

landscapes demonstrate a high level of match between the federal investment in fuels treatment and private investment in infrastructure and capacity building.

The Nature Conservancy uses the phrase “enabling conditions” to describe how we choose among the many places we could invest. Our organization achieves success by working in places where biodiversity conservation matters, but we are also careful to pick places where all indications are that success can be achieved. We believe that the eligibility criteria in the Forest Landscape Restoration Act will serve as an effective screen for enabling conditions.

In particular, we support the criteria in the legislation requiring that eligible landscapes must have:

1. Science-based determination of forest health need
2. A collaborative process in place and the scale of landscape to be restored is 50,000 acres or more
3. Wood-processing and restoration infrastructure is in place or planned
4. Collaboratively developed ecological restoration plan is substantially completed
5. Capacity to complete NEPA analysis is demonstrated for some portions of the landscape
6. Potential for cost savings in treatments and fire suppression.
7. Evidence of significant non-federal investment in capacity building, infrastructure or treatments.

Some have asked where the funding for the Forest Landscape Restoration Fund will come from. The legislation appropriately targets \$40 million of the Hazardous Fuel Reduction line item to these high priority landscapes. We believe this is a good investment. Furthermore, the amount of increases in the Senate Interior Appropriation bills for this line item over the past few years is roughly equal to the amount authorized for the Fund.

We also believe that the Fund creates an incentive for land managers to develop strong projects that meet the eligibility criteria, even if only a few receive funding. This effect has been demonstrated in New Mexico, where after seven years the Collaborative Forest Restoration Program has stimulated many projects that meet the criteria even though only small number are funded each year.

Restoration Experience in Arkansas Shows Why FLRA Is Needed

The experience in Arkansas with declining forest health is similar to other states. The story is familiar: seventy years of fire suppression resulted in a denser forest. In the Ozarks, the increase was from an average of 52 trees per acre to 148 trees per acre, with many areas having 300-1,000 stems per acre. These forests became increasingly unhealthy as trees compete for nutrients and water. The effect was uncharacteristic wildfire and outbreaks of native insects and diseases that resulted in 300,000 acres of dead oak trees.

Responding to these indicators of unhealthy forests, The Nature Conservancy and a variety of agency partners and other stakeholders formed a team (the oak ecosystem restoration team) more than a decade ago to collaborate on a restoration project. The team agreed on the desired ecological condition they wanted to achieve and used that as a foundation for their work together. The team came up with a simple but elegant implementation plan that included monitoring. Resources were purposefully concentrated on a large 60,000 acre demonstration area in the Ouachita National Forest, rather than spread across the Bayou Ranger District's 280,000 acres.

The team implemented the restoration plan and achieved the desired ecological condition on much of the landscape. Since 2001, ninety percent of the demonstration area has had a mechanical or prescribed burn treatment. More than a third of the acres have received multiple treatments, such as more than one burn or a combination of mechanical thinning and burning.

The monitoring plan has been implemented, providing the team with data to show that the restoration treatments had the expected effects: increased plant diversity and forage production, lower intensity fires, fewer trees per acre, and a healthier forest. The monitoring program was seven percent of the total cost and worth the expense. The data, in combination with public outreach through pamphlets, presentations, field tours for policy makers and others, and information panels at demonstration sites, has helped convince the skeptics and build support for this large scale of restoration.

Since the early success of the original restoration, the project has grown to over 110,000 acres and now includes National Park, State Wildlife, and private lands. The restoration treatments are implemented jointly. The demonstration landscape was used as an example for six additional restoration projects. A total of 600,000 acres of treatment are in progress and showing similar results.

The team in Arkansas did face three major challenges in accomplishing this work. First, the agencies have a great deal of difficulty prioritizing projects and concentrating resources. Even though this landscape project was identified as a priority, the team struggled every year to keep the resources concentrated on the demonstration project. Second, the project was set back every year by "fire borrowing," when the Forest Service had to divert its project funding to cover the fire suppression costs. Each time these allocated funds are diverted, the work comes to a halt. The Nature Conservancy's crews try hard to keep the projects going anyway, adding resources and personnel to make sure the treatments continued. Finally, the cost of mechanical treatments is high, and there is no current or historical market in the Ozarks for small-diameter hardwood stems.

The experience in Arkansas reflects the fact that unhealthy forests and altered fire regimes are not just a western problem. The solutions found in Arkansas are widely applicable to fire-dependent ecosystems across the nation. The three challenges in Arkansas are also broadly reflective of barriers faced everywhere that landscape-scale ecological restoration is attempted. The Forest Landscape Restoration Act will address the key needs of such projects.

Summary

The Nature Conservancy is strongly supportive of the four anticipated outcomes of this legislation:

- 1) Create approximately 10 large-scale examples where targeted investments in ecological restoration and prioritized use of the Hazardous Fuel Reduction line item will help get ahead of the problem of escalating fire suppression costs on overgrown federal lands.
- 2) Stimulate markets for small diameter wood and biomass by creating conditions, in the selected landscapes, for stable levels of restoration. Once these markets are established, the anticipated outcome is reductions in the per-acre treatment costs.
- 3) Establish a positive incentive for federal land managers to develop and implement collaborative, large-scale restoration projects that are based on agreed-upon science, and provide woody by-products to forest industries. That positive incentive is access to consistent funding.
- 4) Finally, the legislation will create a direct linkage between federal investment in hazardous fuels reduction, private investment in wood processing infrastructure, and philanthropic investment in capacity building. This would leverage all three sources of funding to address the need of improving forest health.

Thank you for the opportunity to present this testimony. I would be pleased to answer any questions you may have.

CITATIONS

¹ Blankenship, K., A. Shlisky, W. Fulks, E. Contreras, D. Johnson, J. Patton, J. Smith and R. Swaty. 2007. An Ecological Assessment of Fire and Biodiversity Conservation Across the Lower 48 States of the U.S. Global Fire Initiative Technical Report 2007-1. The Nature Conservancy, Arlington, VA.

² www.nifc.gov

³ USDA Forest Service, Overview of FY 2008 President's Budget, Forest Service Budget Justification.