

Susan Carter: Good morning, I'm Susan Carter, and I'll be your moderator for today's media briefing. The subject matter today is a major announcement on forest health. And, the speakers that we have in the studio this morning are agriculture secretary Tom Vilsack and he's joined by Colorado governor, Bill Ritter.

Callers, if you want to ask questions of the panel, just press star 1 on your touch tone pad, and indicate that you want to do so. From there, we now go to agriculture secretary Tom Vilsack.

Tom Vilsack: Susan, thank you very much. As I have traveled across the country, I've had an opportunity to spend a some time in a number of western states, specifically in Colorado. There, as a result of governor Ritter's work and a number of other western governors, I became very acutely aware of the bark beetle infestation, which is devastating a lot of forests in the western United States.

This has been an issue that congressional leaders in those states and Colorado and South Dakota, and Wyoming in particular have educated us on. And, they have challenged the forest service and United States Department of Agriculture to help provide resources for additional help. So, today, I'm pleased to announce the USDA forest service will commit \$40 million in additional funding to address the forest service Rocky Mountain regions public safety concerns and forest health needs associated with millions of acres of dead and dying trees from bark beetle infestations in the west.

As we know, the bark beetle is in epidemic stages across western states with millions of acres impacted and effected. Those areas have been especially severe and especially profound in the Rocky Mountain region

of the forest service where over 2.5 million acres have already been affected.

The epidemic has severe impact on the forest health and has resulted in a dramatic increase in the danger of trees falling on roads, trails, and recreation areas. We are also deeply concerned about the increased fire hazard caused by dead and dying trees.

Earlier this year, I laid out of a vision for the forest service, in which I cited severe forest health problems. The action we take today is an important component of our plan to move forward with the needed restoration efforts, to make forests more resilient to climate change, to protect our water resources, and to protect and preserve forests for future generations.

These resources will also help to create jobs at a time when every state is anxious to get people back to work, doing the work that Americans want done. The work will include reducing hazardous fuel items, road and trail maintenance, where falling trees are a problem, there will also be additional assistance to state and local governments, as they deal with this problem as well.

The additional funds will come from a variety of sources. \$23.6 million of the \$40 million fund will come from additional funds, through a national funding allocation process conducted by the forest service, \$10 million will be redirected from region 2 within existing allocations, \$5 million will come from the -- redirecting recovery and reinvestment funds appropriated for wild land and fire management and from savings from where projects came in under budget, and \$2 million will be allocated from a national carryover of prior year appropriations.

We want to be flexible, as we move forward with this, we want to work in concert with state and local governments. While the forest service attempted to provide additional funds for types of work needed, in some cases, we may need to adjust our allocations. As needs for different types of funding are identified, the forest service will attempt to adjust funding to reprogram funds.

I've instructed Chief Tidwell of the forest service to work closely with other agencies in the federal government, with congress and with state and local governments, to assure that an increased funding is directed to the bark beetle impacted areas as quickly as possible.

So, this is about forest health. It's about making good on our promise to restore our forest, it's also about creating jobs at a time when that is very important. And, someone who has been an advocate, along with Governor [Rouse] in South Dakota, and Governor Freudenthal from Wyoming, for additional assistance, and who has been very forceful the need for this additional assistance is Governor Ritter. A good friend from the state of Colorado, and so I'm going to give Governor Ritter a chance to make a few comments, and then we'll be glad to answer a few questions.

Governor?

Governor Ritter:

Thank you Secretary Vilsack. Thank you for inviting me here today for this significant demonstration of federal support for the health of our national and regional forests. As you know, I sent you a letter last month, stressing the need for additional funding for the Rocky Mountain states. And, I know you just referenced that you also heard from Governors Freudenthal and Rouse, and from several members of congress, including our senators, Senator Bennett, and Senator Udall.

Combined effect of massive bark beetle epidemics, perennial risk of catastrophic wild fires, and a struggling forest industry have left forests in Colorado and other western states really at great risk; risk to our economy, risk to our communities, risk to our water supplies, risk to our property and risk to human life. Even in a tough economy like this, we can't afford to ignore these challenges or these threats.

I've been working closely with stakeholders at every level, lead by my own forest health advisory council, to increase these resources and reduce these risks. Local governments, the state legislature, and our congressional delegation have all been really significant partners in this fight. So have the thousands of individual Coloradans who have fired up saws, hired their own contractors.

But, state and local action alone will not address the critical needs in Colorado or in the other Rocky Mountain states. With the majority of forested land in federal ownership, we just need a strong partner in Washington DC, and I think that today, Mr. Secretary, you've shown what a strong partner you are.

On behalf of my fellow governors, Governor Freudenthal, Governor Rouse, and all of region 2, I thank you for securing this vital funding. Thanks for listening. Thanks for leading. We can -- we look forward to continuing our partnership with you, sir. Thanks.

Susan Carter:

As we wait for people to call in, I want to ask you a question. You talked about the risks. With fire, people, there are more obvious risks that come to mind. But, when you talk about the beetle infestation, what are some of those risks that are not as obvious to the eco system, to our health, to the health of the forest?

Governor Ritter: Well, it really does actually damage the whole eco system. I think the added risk of fire may be the most significant, because, that actually is not just about fire, it's about what happens with erosion that comes from fire, and then what happens to the water sheds, and quite frankly, on the front range, where we have such a significant part of the population, the water shed that -- you know, first is where the water comes from, is in peril.

And so, our reaction we would have to undertake in order to respond to the danger to the water shed, or to clean water supplies, is pretty significant itself. So, there's just a whole range of issues that flow from the prospect of a catastrophic wildfire. And, you're right, an eco system. I mean, many parts of the area that we're talking about have some of the largest mule, deer, and elk populations in the country. And, in addition to other habitat that is utilized by forest animals, it's just a risk.

It's -- for us, a great resource. And, actually, part of our economy depends heavily on our tourist economy. There are just many parts to this issue, that if we don't react and try to react in a responsible fashion, we could see some devastating effects.

Susan Carter: Callers, if you want to participate, press star 1 on your touch tone pad, and it looks like we do have callers. We will go to Judith Koler with the associated press in Denver, Judith.

Judith Koler: Okay, I apologize, I was having some technical issues. What is the total funding, and how will it be distributed?

Tom Vilsack: Judith, the total amount of funding we are announcing today is an additional \$40 million of resources that will be directed to the needs

associated with the millions of acres of dead and dying trees from the bark beetle infestation. The funds come from a variety of sources. 23.6 million is coming from a national funding allocation process the forest service just completed.

We're going to reallocate within the region 2 basic allocation of \$10 million directed towards the bark beetle infestation, \$5 million is coming from the recovery and reinvestment act resources that were designed for wild land fire management, a number of projects that we had under this particular part of the recovery and reinvestment act came in under budget, so that allows us to do more work.

And, finally, there was a carryover from prior year appropriations of about \$2 million. The combined total is \$40 million. It will be utilized in a variety of different ways. There's going to be a great deal of flexibility. We obviously want to work with our state and local partners, but we intend to use this to focus on hazardous fuel reduction, on road and trail maintenance and on providing assistance to state and local governments so that they, in turn, can do the work that they need to do, to protect their interests.

Susan Carter: Next on the line is Ben Goad, with the Press Enterprise.

Ben Goad: Yes, thanks very much. Mr. Secretary, do you have a breakdown, a state-by-state breakdown on how the money is going to be allocated and can you say whether any of the money will go to Southern California's forest?

Tom Vilsack: We -- I don't have a breakdown, today, on the specific allocation of these resources. I do know that there will be obviously a heavy emphasis, where the bark beetle infestation is probably the most severe, in Colorado, South Dakota, and Wyoming. That's why I've instructed Chief

Tidwell and others to work closely with the administration, with congress, and our state and local partners to figure out precisely how the allocations are going to take place.

We wanted to send a strong message in light of the western governors who were mentioned by Governor Ritter himself, Governor Freudenthal and Governor Rouse communicating to me a specific need and a direct need for immediate help.

Susan Carter: Next on the line is Bill Thompson with Dow Jones. Bill?

Bill Thompson: Hi Mr. Secretary, can you address, if at all, how this infestation and what you're doing will have an impact on the lumber industry? It's not a topic I know much about, but I understand that the -- and I think they call it the flying bark beetle, I don't know if it's the same thing you're talking about --

Tom Vilsack: It is -- it is, Bill. Well, obviously there are a number of industries that are going to be impacted by this announcement. You know, as we look at hazardous fuel reduction, there are opportunities, and I think frankly, one of the best opportunities that's often under appreciated and under discussed is the whole energy opportunity that this presents.

The forest service working with the energy title, the farm bill, and communities looking forward to creating new bio mass opportunities to create new energy sources. And, I know the governor has been involved in that. Governor, you may want to comment as well.

Governor Ritter: Thank you Mr. Secretary. There are several ways that we're currently using, and then investigating other uses of bio mass. We have two different pellet factories in Colorado that are near the pine beetle forest,

and quite frankly they've been very successful at removing trees and turning those into pellets, and they can be used either for residential or commercial scale.

In addition to that, there are several different -- I think -- pellet projects around the country, using woody biomass to fuel, and some discussion about even mobile units, where you can take the unit, and I think even the department has its own ability to take a unit to a site, and you remove the transportation cost of pulling the wood out.

So, I don't actually have a sense about what it might specifically do to the lumber industry, but I will tell you, there are different small scale efforts, using pine beetle for timber -- or, for construction. It's quite a beautiful wood, in spite of how devastating it is on the forest. So, there is that.

But, I think the bigger -- I think the bigger hope for us would be to find and make uses of this woody biomass and turn it into either a specific fuel or a gasification project and create energy with it.

Susan Carter: Next on the line is Joe Hanel with the Durango Herald.

Joe Hanel: Governor, it's come to [unintelligible] there's a [unintelligible] out for Colorado that I think they're about to drain. Can you tell me how -- where we are on the petition and how it might -- how some of this funding can [be used] in roadless areas -- is there any interaction here?

Governor Ritter: Thank you, Joe. What we did was open our roadless petition process back up to a public process and that will then be resubmitted to the process that's back here in Washington DC. And, I think the secretary may want to comment on where they stand on it. I don't want to put anybody on the spot here. There's no decision that's been made, yet, other than the fact

that we said -- we resubmitted our process to a public process and invited further public comment.

As you know, we do have some carve outs that are specific to pine beetle forests that are currently roadless where there would be a need to log timber out of there.

Tom Vilsack: I'll just add, as the governor knows, and the speech that I gave in Seattle on the issue of forest, we are obviously strong advocates of a strong [roadless rule] protection. And, we have been working through the courts, and working with state governments, and encouraging a collaborative process to make sure that we protect as much of our roadless areas as we possibly can.

This is a commitment that the president made during the campaign, he remains true to that commitment, we appreciate Governor Ritter's willingness to reach out, to continue embrace a collaborative process and continue to get input and information from people who will be impacted and affected by this decision. And, we look forward to working with states like Colorado to make the right decision.

But, the bottom line for us is that we want to do as good a job as we possibly can to protect the roadless areas, because they are an important national treasure that needs to be protected.

Susan Carter: Next on the line is Ryan Lance, with the governor's office of Wyoming.

Ryan Lance: Hello, this is Ryan Lance.

Susan Carter: You're on.

Ryan Lance: Very good. The governor is unable to be on the call today, but certainly appreciates the efforts to start into this question of beetle management. There is some concern though, with the nature of the reallocations from the existing state budgets, and right now, we've learned of the potential closure of about 32 camp grounds to feed the budget for these beetle-impacted forests.

We're quite concerned about that, and I was wondering if you could address that, in trying to make sure that the states that are impacted by beetles don't get to hit elsewhere in their budgets, in terms of recreational opportunities and otherwise.

Tom Vilsack: Well, I think it's, first of all, important to note that I think you might be working off some information that may be a little bit dated, in terms of precisely how this is all going to work. So, I think we need to be careful about conclusions about this. But, at the same time, I think that it is important that we recognize that if there is an issue - with reference to bark beetle infestation - that there needs to be focus within the region, as well as a national focus.

It is important for this partnership that we talked about earlier, that everybody contribute. We recognize this as a serious issue that needs to be addressed, and in a time when budgets are difficult and tight everywhere across the country, it's great that the forest service was able to allocate these resources. But, I think it is important to send the message that this is not going to be done without contribution from the region impacted and affected.

We think we've struck a good balance. It's for sure \$30 million of additional resources that would not otherwise be coming, and I think that it's only fair that we ask for some reallocation within the region.

Susan Carter: Up next, Brad Swinson, with the [Demitche Pioneer].

Brad Swinson: Thank you. I'm with the Demitche Pioneer, and of course we sit right next to the Chippewa National Forest, [Spear] National Forest in Northern Minnesota, and my question is, is there a danger of this beetle infestation spreading to the East, and if so, what is being done to contain the infestation and preventing it from getting here?

Tom Vilsack: Well, I don't think that there's an immediate danger right now, in terms of spreading to the East. But, having said that, I think that's one of the reasons why we are making this announcement. I was talking with Governor Rouse earlier today. He advises me that South Dakota has been working on a variety of strategies to try and stem this invasion and they believe that they've determined a couple of strategies that work pretty effectively. So, we're obviously -- as part of this process, going to learn more about what works and what doesn't work, and continue to contribute to try and stop it.

The reality is that part of this has to do with the climate. It doesn't get as cold as it used to, in some of these areas in the past. These beetles would be killed off with a deep freeze. Deep freezes aren't occurring. The result is that beetles survive during the winter. And then, because of the close proximity of these trees, they basically pop from one tree to another, do their damage, and then move to the next tree.

So, it's going to be important, as we look at how to allocate and utilize these resources that we also focus on, on strategies that will stop this spread as best we can.

Susan Carter: Judith Koler is back on the line with the Associated Press in Denver. You are the last one to ask a question. Judith.

Judith Koler: I just wanted to ask, because there's always conversation about what kind of impact the logging will have and concerns about the process, the environmental review process being streamlined, to facilitate this. Can you talk about that, if there are plans to streamline reviews of areas that might be logged?

Tom Vilsack: Susan, only within existing authorities. We obviously can't create new regulations or go outside the bounds of our existing authority. And -- I want to emphasize one of the points that Governor Ritter made earlier. And that is the impact that this current situation has on -- if it's not dealt with in a more aggressive way, the issue has to do with water, and the impact it has on the forest capacity to act as a reservoir and a conserver and preserver of our water resources.

As these trees die, the chances are very good that the water that falls, or the snow that melts, basically has not slowed down as it normally would, with healthy trees. The result is that you have increased opportunities for erosion, increased opportunities for flooding, and a loss of that precious resource. Anyone who lives in the western part of the United States knows that water is a very critical resource and one that has to be guarded, one that has to be preserved, one that has to be conserved as best we can.

And, so, my concern about this infestation is not just its impact on the economy of today, which is pretty severe - Colorado a good example, a state that relies a great deal on tourism, and recreation, outdoor recreation. All this makes it a little bit difficult for those tourists to have the kind of experience that they expect. So, that's -- that's an economic component, a job component. We're trying to reverse that, create new jobs in an area where jobs are needed. And, at the same time, basically beginning the process of restoring that forest, so ultimately it works as nature intended it to work, which is as a conserver and preserver of water resources.

Susan Carter:

Alright, that concludes this morning's media briefing. I'm Susan Carter and thank you for joining us.

End of recording.