

**STATEMENT OF  
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U.S. DEPARTMENT OF AGRICULTURE**

**BEFORE THE**

**UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON NATURAL RESOURCES  
SUBCOMMITTEES  
WATER AND POWER AND NATIONAL PARKS, FORESTS AND PUBLIC LANDS**

**MAY 14, 2012**

**CONCERNING**

**“LOGS IN THE ROAD: ELIMINATING FEDERAL RED TAPE AND EXCESSIVE  
LITIGATION TO CREATE HEALTHY FORESTS, JOBS AND ABUNDANT WATER  
AND POWER SUPPLIES”**

Mr. Chairman, Congressman McClintock, Mr. Chairman, Congressman Bishop, and Members, thank you for the opportunity to come before these subcommittees. I would also like to specifically thank Colorado Congressman Tipton and Colorado Congressman Coffman for requesting this field hearing. I am the Regional Forester for the Rocky Mountain Region, consisting of Colorado, Wyoming, South Dakota, Nebraska and Kansas. Thank you for inviting us here today.

**Nationally**

Today, people understand that forests provide a broad range of values and benefits, including biodiversity, recreation, clean air and water, forest products, erosion control and soil renewal, and more. We have national forests in 42 states and Puerto Rico that comprise a land area of nearly 193 million acres. Our mission is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands for present and future generations. The Forest Service does this through working with numerous federal, state, tribal, and local partners, citizens, and industry.

The Forest Service also recognizes the need for a strong forest industry to help accomplish forest restoration work. A vibrant industry can provide both the manpower and the know-how to undertake mechanical treatments and other restoration activities. Forest industry also lowers the cost of restoration to the taxpayer by recovering value from forest products. The Forest Service is committed to increasing the number of acres being mechanically treated by 20% over the next

three years. This increase would allow the Forest Service to increase the number of acres and watersheds restored across the system, while supporting jobs and increasing annual forest product sales to 3 billion board feet of timber. A critical part of this effort is building public support for forest restoration and management activities.

In January 2012 the Chief announced the Accelerated Restoration Initiative to increase the pace and scale of restoration and improve both the ecological health of our forests and the economic health of forest-dependent communities. An additional benefit of this restoration work is job creation. For example, through implementation of the Collaborative Forest Landscape Restoration Program (including the use of stewardship contracts), the proponents of projects on national forest lands anticipate creating or maintaining 1,550 jobs. The benefits of maintaining a robust forest industry flows not only to local communities but also to our public lands because the agency relies on local forest contractors and mills to provide the work force to undertake a variety of restoration activities. In addition, a study has shown that for every 1 million dollars spent on activities like stream restoration or road decommissioning 12 to 28 jobs are generated.

Two CFLR projects are here in Colorado. The Uncompahgre Plateau Collaborative Forest Restoration Project was estimated to have provided 63 direct jobs and 124 total jobs in FY 2011. In FY 2012, it is anticipated to leverage funds in the amount of \$430,300 to complete more resource management. As a result of implementing this project, 2,218 acres were restored, 893 acres were reforested, 1,828 acres of forest vegetation were improved, 2,871 acres of wildland-urban interface hazardous fuels acres were treated, 3,065 acres of non-wildland-urban interface hazardous fuels acres were treated, and 6.57 million board feet (MMBF) were sold.

In addition, restoring the health and resilience of our forests generates important amenity values. Healthy, resilient forests and grasslands are magnets for outdoor recreation, with more than 170 million visits per year to the National Forest System. These visits lead to jobs and economic opportunity.

In order to accomplish the hundreds of thousands of acres of natural resource projects we do across the country each year, we continuously strive to increase efficiency in our National Environmental Policy Act (NEPA) process. The Agency has initiated a NEPA learning networks project to learn from and share the lessons of successful implementation of streamlined NEPA analyses. The goal of this effort is to ensure that the Agency's NEPA compliance is as efficient, cost-effective, and up-to-date as possible. Specifically we are looking at expanding the use of focused environmental assessments (EAs) and iterative environmental impact statements (EISs), expanding categories of actions that may be excluded from documentation in an environmental assessment or an environmental impact statement, and applying an adaptive management framework to NEPA. Our landscape-scale NEPA projects will also increase efficiencies by analyzing across broad swaths of land, avoiding repetitive NEPA analysis.

## **Beetle Epidemic**

As the members of the Subcommittees are well aware, the West is experiencing a beetle epidemic, and this infestation is changing the way our forests will look in the future. Susceptible

tree and stand conditions combined with recent droughts and rising temperatures have contributed to significant forest mortality. Bark beetles have killed over 40 million acres of forests in the western United States since 2000.

The beetles causing most of this mortality are native insects, including mountain pine beetle, western balsam bark beetle, fir engraver, spruce beetle, and Douglas-fir beetle. The mountain pine beetle outbreak in the central Rocky Mountains is larger than any previously recorded outbreak in the Region, affecting over 6.6 million acres in Colorado and Wyoming. Damage was most widespread and dramatic in dense, aging, homogeneous lodgepole pine forests that dominate many mountainous areas of Colorado, Wyoming, Montana, Idaho, and Utah. Some of these outbreaks are occurring at higher elevations than in the past. Most notably, high-elevation whitebark pines have been killed on sites previously thought to be too cold for serious beetle outbreaks. These changes in beetle activity are related to warmer winter temperatures that have led to quicker development and higher survival rates for over-wintering insects. In Colorado, we are experiencing an epidemic of high beetle populations and susceptible hosts because:

- Warming results in higher beetle numbers and survival.
- A lack of two weeks at minus 40 degree C in winter means more beetles survive the winter.
- Warming allows for beetles to move up the hill and attack higher elevation lodgepole pine and other species of pines like whitebark.
- Warming and drought cause trees to be less resilient.

The Chief of the Forest Service has committed to spending \$101.4 million on bark beetle work throughout the western regions in FY 2012. The Rocky Mountain Region's share is \$33 million.

The Region has focused initial efforts on most heavily impacted areas around the White River, Routt and Arapaho Roosevelt National Forests. We are now prioritizing our forest health efforts across the entire region focusing on safety, resiliency and recovery.

Within the bark beetle area, the Region has worked with partners to address threats to the infrastructure, including powerlines, roads and communities. For example, the Forest Service developed the large-scale powerline EIS that covers the 3 national forests most heavily impacted by beetle mortality. The Region remains committed to working closely with the powerline companies where they are interested in more aggressively treating the transmission corridors.

### **Forest Management and Restoration Program including Stewardship Contracting**

Timber volume that the Forest Service anticipates offering in 2012 within the Region is comparable to previous years—approximately 193 million board feet (MMBF) in FY2012 compared to 189 MMBF in FY2011. The amount of timber sold in the last five years within Colorado averaged 98.5 MMBF annually.

Stewardship contracting has increased greatly in Region 2 over the last 12 years, and it is an integral part of the forest management program, particularly for the treatment of low-value dead

or dying vegetation caused by insect epidemics, or other low-value hazardous fuels. This tool helps the Forest Service to acquire additional restoration services. Stewardship contracting allows the Forest Service to offset the value of the services received with the value of forest products removed pursuant to a single contract or agreement.

In FY2011, Region 2 awarded 44 stewardship contracts for the treatment of 13,100 acres. Since the authority was originally enacted in 1999, the Region has awarded more than 196 stewardship contracts and task orders treating more than 70,500 acres.

Through stewardship contracts, Region 2 has been incorporating more biomass into sales to encourage utilization in pellets, bioenergy, biochar or other nontraditional products. For example, the Front Range Long-Term Stewardship Contract was awarded in 2009, and includes biomass utilization through pellets, decorative bark, horse bedding, and other forest products. We are entering into the fourth program year of the 10-year contract. This is a new way of doing business for the Forest Service, which will reduce treatment costs and facilitate the utilization of low-value products.

## **Mills and the Economy**

In its efforts to restore the health and resilience of our national forests, the Forest Service faces some obstacles—the lack of industrial capacity, the economic downturn, high transportation costs, and low product values. These are the main factors that contribute to high treatment costs, which limit the use of stewardship contracts and affect the economics of timber sales within the Region.

Delta and Montrose are home to the last two large sawmills in Colorado - Intermountain Resources and Delta Timber.

Market declines in the late 2000's and a regional focus on mountain pine beetle treatments have left the timber industry holding high priced contracts sold in the early to mid 2000's. Many of the remaining contracts were ineligible for relief measures afforded to the industry in the 2008 Farm Bill. Any loss of the timber industry negatively impacts the Forest Service's ability to battle the beetle epidemic and reduce fire risks associated with this epidemic.

Commercial harvest utilizing a viable timber industry is the most efficient means to economically treat stands and restore landscapes, while supporting local economies. The Colorado forest industry provides the ability to actively manage vegetation and fuels on National Forest System lands, including salvage of dead and dying timber, and proactive treatments to maintain forest health and resilience, with the bonus of treating more acres at a lower cost. Employing existing industry, expanding local businesses, and creating local jobs maintains and increases capacity for managing the many acres of treatment identified in landscape restoration plans and Community Wildfire Protection Plans through a sustained workforce and stewardship capacity in loggers, foresters, saw millers, and truck drivers. Unfortunately, these critical land management partners and tools have greatly diminished in other regions and states.

The Region has worked diligently over the past several years to provide timber industry relief where possible and to promote healthy forests through active management. We have had challenges of course, and I am well aware that the largest mill in the state is still in receivership. On August 2, 2011, Forest Service Chief Tidwell authorized the mutual cancellation of certain contracts awarded prior to July 1, 2008. The timber prices paid by purchasers prior to the forest products economic decline were higher than the market could bear in recent years. This authority allowed purchasers to mutually cancel sales that were no longer economically viable, and provide for continued operation of more economically viable timber sales. In total, nine purchasers benefitted from this authority regionally and seven benefitted within Colorado. The result is a more financially viable industry and maintenance of local jobs, to allow forest management to continue into the future when the market recovers. The Region is evaluating the reoffer potential and developing timelines to reoffer this volume as quickly as possible, where viable.

In summary, the Forest Service will continue to strive to adopt and improve our ability to meet our mission of sustaining the health, diversity and productivity of the Nation's forests and grasslands for present and future generations. Doing so will require working closely with our partners, including Congress and local governments.

It is my hope that the information that I have provided covers the interests of the Subcommittees with regard to the Forest Service. I thank you for your time and availability, and I look forward to answering your questions.

That concludes my prepared statement.