

**Statement of
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**Expanding Active Management on the National Forest System: An Imperative for
Rural Community Prosperity**

Good morning Chairman Thompson and Ranking Member Lujan-Grisham. I am Susan Swanson, Executive Director of the Allegheny Hardwood Utilization Group. AHUG represents forest products companies who depend upon the hardwood resources of the Allegheny Plateau in North West and North Central Pennsylvania. In the 14-county region where we work to promote better utilization of our incredible hardwood resource, the Allegheny National Forest is the largest single landowner, with over 513,000 acres in Elk, Forest, McKean and Warren Counties.

I'm also here today representing the Federal Forest Resource Coalition. FFRC Members including AHUG, along with partners in 32 States, speak for the more than 650 companies and more than 390,000 workers who rely, at least in part, on reliable supplies of timber from the National Forest System.

The Allegheny, like many national forests, is performing substantially below its potential to support the local economy and to meet the wildlife and recreation goals laid out in our relatively recent forest plan. For instance, the Forest Plan set modest goals for "early successional" or young forest habitat, calling for regeneration harvests on 1,700 to 2,500 acres annually. In the first six years of the Forest Plan implementation, the Forest has instead conducted an average of less than 500 acres of regeneration harvest. As a result, the Forest has less than half of the early successional habitat called for in the Forest Plan.

The rest of my testimony will focus on the root causes of these problems, and suggest steps Congress can take to correct them.

Management Dynamics on the Allegheny: We've found over time that the ANF begins work on forest management projects that would move towards the goals laid out in the Forest Plan. After extensive analysis, however, these projects are incredibly diminished and in fact no longer accomplish the goal they were intended to produce. Projects are revised to eliminate road construction and removal harvest, making it virtually impossible to accomplish the forest plan goals. In fact, we now have less early successional habitat than we had in 1983, when it was first identified as a forest plan goal.

Some of these problems can be attributed to a revolving door at the Forest Supervisor and other staff positions. We've experienced rapid and sustained turnover in forest staff over the last decade, and in our view staff don't commit to a particular direction because they fear a new supervisor will change the priorities unexpectedly. It seems this fluid leadership situation leads to missed opportunities, such as the recent Farm Bill insect and disease authority. This new authority is perfectly suited to the myriad insect and disease issues facing the ANF; the Hemlock Woolly Adelgid is beginning to appear, threatening these important streamside forests, while the Emerald Ash Borer is threatening our valuable ash resource. We've also struggled with gypsy moth and other pests over the years.

Yet, the ANF has not proposed a single new project under this authority, in spite of USDA's agreement to designate nearly the entire forest as a treatment area. Early on, the Forest staff seemed to believe that the Farm Bill insect and disease treatment areas provisions did not apply to them. FFRC and AHUG had to provide extensive background material to convince the Forest that they were eligible for these designations.

As we understand it, although over 45 million acres were designated as Insect & Disease Treatment Areas nationwide, the Forest Service has only begun work on some 5,700 acres under this new authority. At this pace, it will take over 7,800 years to manage all of the designated areas. This is unacceptably slow.

Add up these dynamics: a tendency to reduce the scope of proposed projects, instability in the Supervisor's office, and a tendency to find reasons not to do needed management, and we wind up with an aging forest that is starting to show signs of decline. Instead of regenerating commercially valuable species while providing needed early-successional habitat, the Forest focuses on thinning older stands. I am not a professional forester, but the foresters I talk to say this makes little sense. The ANF is not a fire-adapted forest, so thinning doesn't address a pressing need.

Moreover, we've found that residual trees in these thinned stands wind up producing damaged wood, with imperfections in the appearance grade lumber that our industry relies on. With many stands approaching the end of their growing life spans, it's not clear what the Forest expects to achieve with these thinnings. It is the equivalent of prescribing vigorous exercise to nursing home residents. Something is going to happen, but it probably won't be good!

Over the last five years, timber outputs from ANF have declined by some 11%, and less than 40% of the timber sale program is made up of the valuable sawtimber that drives our forest products economy.

Many other eastern National Forests are well behind on their early successional management goals, limiting opportunities for sportsmen, birdwatchers, and other forest users. Forests in West Virginia, Tennessee, and Louisiana are either substantially behind on creation of early successional habitat, or have not posted forest plan monitoring reports in several years.

Declining forest health, a forest management program that doesn't produce needed sawtimber or needed wildlife habitat. This is not a recipe for success going forward.

In addition, we now have a listed species, in the Northern Long-eared Bat (NLEB). Like other bat species, the NLEB is experiencing rapid population declines due to an introduced, non-native wildlife disease called White Nose Syndrome. This fungus disrupts bat hibernation and can cause up to 95% mortality during the winter months. The US Fish and Wildlife Service has said that the NLEB is a "forest generalist," that is, it doesn't depend on a specific age class or forest type. However, with the recent designation of the bat as a threatened species, we now do not know whether the Forest Service – or private landowners for that matter – will be able to manage our forests. This is in spite of the fact that the FWS acknowledges that WNS is the sole factor causing the species decline.

This is not a factor affecting just the ANF; the bat's range covers 32 States, as far west as South Dakota and Wyoming, and as far South as Alabama. It seems counter productive for U.S. Fish and Wildlife Service to spend any time and effort policing forest management instead of focusing on finding a cure for White Nose Syndrome.

Local Problems Demand National Action: The health of our nation's forests continues to decline and federal forests are most at risk due to overstocking, disease, drought, insect infestations and catastrophic wildfires resulting from a lack of sound management. In fact, the Forest Service classifies 60-80 million acres of National Forest land as being overstocked and at particular risk.

In much of the National Forest System, litigation-driven declines in timber outputs have forced mills to drop shifts, laying off hard working lumber mill employees even while lumber markets have largely recovered from the 2009 – 2011 recession. Declining timber outputs have translated into reduced forest health, increased rural poverty and unemployment, and increased dependency on guaranteed payments under the Secure Rural Schools program.

The Allegheny National Forest saw significant litigation over our Forest Plan and various timber projects in the mid-2000's. Since the Forest Plan was adopted in 2007, we've still seen significant litigation, but most of it has been focused on oil and gas development. The forest still operates under the analysis paralysis that decades of litigation and court-imposed NEPA requirements has created. Litigation – both locally and against the larger national forest units in the West – saps resources needed to plan the projects needed to maintain healthy, diverse forests.

The reality is that activist litigators only directly challenge timber sales in a few portions of the National Forest System. Unfortunately, because of their aggressive tactics in areas like Montana, Oregon, Alaska, and parts of California, the agency has been forced to adapt to court-imposed analytic standards which drain resources, staff, and time from other forests which do not suffer frequent challenges. Even after eventually prevailing, as the ANF did with our Forest Plan, we find an agency conditioned by litigation to be extremely cautious, to the point of foregoing opportunities to manage.

All current efforts to use collaboration as the “solution” leave this court-imposed framework in place, and those who vehemently oppose all forest management can tie up and delay timber sales without having to participate in collaborative processes. They suffer no consequences, while those who work in good faith see their time and energy squandered. This does not encourage wider adoption of collaborative models of management.

As you know, the health of our rural communities also continues to decline. While unemployment has declined in recent years, our National Forest Counties in Pennsylvania are among the poorest in the State. Over 24% of Forest County residents live in poverty, the second highest percent in the State, with McKean County close behind at 19%. Nearly 40% of children in Forest County live in poverty. The four National Forest Counties in Pennsylvania average almost 17% poverty rates, substantially higher than the State average of 13.7%.

It is not a coincidence that many of the counties with the highest unemployment and poverty rates in the country also happen to be those surrounded by federal forests. Many of these rural communities have lost their forest management heritage; the skills necessary to work in the woods and help protect the communities themselves. I believe it will require decisive action by Congress if we want to restore the health of our rural communities and our federal forests.

Legislative Recommendations: AHUG and FFRC both appreciate the myriad new tools this committee has provided to the Forest Service to expedite needed forest management. The 2014 Farm Bill provided numerous new authorities to speed up management and increase certainty of timber supply from the National Forest System. Yet as I have mentioned, the pace of implementation has been too slow to provide much optimism.

I noted that the agency has only proposed 5,700 acres of work under the Insect & Disease Treatment Areas authority. Progress with other provisions has likewise been too slow. In January, the agency issued guidance on the designation by description authority that unnecessarily restricted its use, rendering the provision nearly moot. Thus far, the agency has yet to ink a new “Good Neighbor” agreement, although the authority to work with the States was expanded to all 50 States in early 2014.

As Congress considers legislation to restore sustainable management to our federal forests, I would like to provide the following suggestions. These suggestions are based on the following assumptions: 1) securing significant increases in appropriations to fund current forest management approaches is unlikely under current and future budget realities; 2) Congress has a responsibility to the rural communities surrounded by our federal forests; and 3) we must significantly increase the pace of forest management if we are serious about getting ahead of the forest health crisis.

Principles of Reform:

- A trust approach, focusing on the 23% of National Forest acres identified as suited for timber production in current forest plans, can provide stable funding on a trust-trustee basis, while restoring and strengthening the overall multiple use framework on Federal forests.
- Clarify that timber production is the primary objective on this relatively small portion of the National Forest System, not one use among many.
- Streamline NEPA analysis, ESA consultation, and judicial review for projects conducted on lands designated for timber production and/or for projects proposed by or designed in consultation with local collaboratives;
- Provide binding, baseball-style arbitration as the sole dispute resolution mechanism for projects proposed by or designed in consultation with local collaboratives.
- Payments to forest counties should be linked to these fundamental reforms to streamline the process of proposing, analyzing, executing, and resolving conflicts over forest management projects on Federal forest lands.
- Transition counties to revenues produced by viable economic activity on Federal forests, including substantial, sustainable increases in timber outputs.
- All forestry revenues generated on Federal forests, including a portion of revenues from Stewardship contracts, should be used to develop additional sustainable forest management projects as well as to provide revenue sharing to counties (including 25% of stewardship contract retained receipts).

If the Forest Service is unable to deliver these relatively modest economic returns to local communities and improvements to forest health then states or counties should be given the authority to plan and implement forest management projects.

I appreciate the opportunity to appear before the Committee today. I would be happy to answer any questions you may have.