



February 9, 2018

Re: AFRC's Support for House Bill (HB) 4118

Dear Chair Brian Clem and Members of the Committee:

On behalf of the American Forest Resource Council (AFRC), this written testimony is to express support for House Bill (HB) 4118, legislation directing the Governor of the State of Oregon to prioritize the use of Good Neighbor Authority (GNA) to increase the pace, scale, and quality of forest management activities on federally-owned forest lands.

AFRC is a regional trade association whose purpose is to advocate for sustained yield timber harvests on public timberlands throughout the West to enhance forest health and resistance to fire, insects, and disease. We do this by promoting active management to attain productive public forests, protect adjoining private forests, and assure community stability. We work to improve federal and state laws, regulations, policies and decisions regarding access to and management of public forest lands and protection of all forest lands.

Under the 2014 Farm Bill, GNA allows the State to act as an agent of the Forest Service and the Bureau of Land Management (BLM) to carry out "authorized forest, rangeland, and watershed restoration services" on National Forest System lands or BLM lands. GNA provides a unique opportunity for state and federal partnership that allows the Oregon Department of Forestry (ODF) and Oregon Department of Fish and Wildlife (ODFW) to participate in a wide range of roles, including pre-sale assistance (timber sale unit layout and marking), timber sale administration, timber contract administration, and treatment implementation, to name a few. This important tool is critical in increasing the pace, scale, and quality of management on our federal lands.

Members of the committee are well-aware of the severe fire season Oregon just experienced. In 2017, over 2,000 fires burned more than 700,000 acres at a cost of \$454 million. This cost does not include the immeasurable loss of lives, property, lost tourism and recreation business and smoke-related impacts to vulnerable Oregonians and our health care system.

Although the State cannot completely prevent forest fires, we can reduce the risks and costs of unnaturally severe wildfires through preventative, science-based active forest management. Catastrophic wildfires are a serious economic, environmental, public health and safety problem on our federally-owned lands, which make up 60 percent of Oregon's forested land base. Much of these forests are at high risk of catastrophic wildfire due to years of past fire suppression efforts, combined with the lack of timber harvesting, resulting in overgrown stands with shade-tolerant tree species that are less resilient to wildfire.

In addition, there is a huge backlog of work on our federal forests the needs to be accomplished by the federal agencies to restore forests back to their desired, historic conditions. In a recent 2015 study, 2.5 million acres in eastern and southwest Oregon require some form of active treatment. The Forest Service often lacks the personnel, budget, or both to address the growing backlog of Federal acres at risk of fire, disease, insect infestation, or drought.

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Fortunately, the State of Oregon and the Oregon Legislature understand the importance of active management and restoration and the risks of catastrophic wildfires. In 2013, even before the creation of GNA, the Oregon Legislature took an innovative step to fund the Federal Forest Restoration Program (FFRP). The program has three components: collaborative capacity grant program, technical assistance and science support (TASS), and state-federal implementation partnership (SFIP) which includes GNA. Over several biennia the Oregon Legislature invested millions in Lottery Funds and General Funds in the FFRP but GNA is only a small component of those funds.

AFRC supports the goals of the FFRP, and our staff contributes to the program through participation in the Federal Forest Working Group (FFWG). In addition, many of our member companies have contributed substantial time and energy to forest collaboration. Although elements of the FFRP are highly beneficial to increasing the pace and scale of forest management activities on federal lands, we strongly encourage the State of Oregon to *prioritize* GNA as a tool to implement forest projects beyond what the Forest Service has been congressionally funded to accomplish. We also support greater accountability, transparency and clear metrics of state investments in federal forest management to better inform the state taxpayers of the State's efforts to increase active management on our federal forests. There is no question that HB 4118 helps achieve these goals.

Through the development of GNA projects, the State can generate program income from projects that have a commercial harvest component. Program income allows for the State to recoup its costs in administrating the sale and to fund additional restoration activities and future GNA timber sale projects. We applaud the language of HB 4118 that gives priority to projects that are "self-sustaining." GNA investments for projects across the state should be focused on the goal of developing a financially self-sustaining program and to provide additional, sustainable wood products to Oregon markets. The State of Oregon should look to the successes of the Idaho GNA model, which has quickly capitalized on one-time private and state investments to grow its state management capacity, increase outputs from Forest Service lands, and generate excess revenues for the state government without negatively impacting the mission or work of the Idaho Department of Lands.

Oregon is well-positioned to establish a financially self-sustaining GNA program to accelerate the pace and scale of federal forest management to 1) improve forest health and resiliency; 2) increase outputs of commercially-viable forest products; 3) create private sector jobs; and 4) expand wildlife and recreational benefits. Incentivizing the use of GNA on federal lands is a win-win for many diverse stakeholders.

We appreciate HB 4118's clarity on the term "additive" activities on federal lands. We strongly believe limited state dollars should be invested in federal projects that create "additionality" – or increase timber harvest volumes that exceed federally-funded targets and metrics, as opposed to investments that replace and divert congressional funding for outputs on federal lands. Put simply, state investments should not be used to fill federal funding "gaps" or replace federal funding responsibilities. The metrics should track the direct effects of state investments, not just the amount of Forest Service work that has some state involvement.

HB 4118 will enable Oregon to use GNA to its full potential, which will improve management of federal forests in the state, create more family-wage jobs, reduce the risks of catastrophic wildfire and promote the manufacturing of environmentally-friendly and carbon-sequestering wood products. It will also assure accountability for state investments in federal forest management, and place Oregon's GNA program on a path to fiscal self-sufficiency. AFRC urges the committee to approve this legislation.

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