



February 27, 2019

To: Joint Committee on Ways and Means Subcommittee on Natural Resources

Re: HB 5019- Oregon Department of Forestry budget

Co-Chair Taylor, Co-Chair Reardon and members of the subcommittee

For the record I am Nick Smith, representing American Forest Resource Council, a regional trade association representing the forest products industry in five western states. AFRC monitors 18.2 million acres of Oregon's federally-owned forestlands and promotes the management of these public forests to provide social, economic and conservation benefits.

I'm submitting this written testimony regarding the Federal Forest Restoration (FFR) Program within the Oregon Department of Forestry (ODF) 2019-21 budget. Specifically, I'll address Good Neighbor Authority (GNA), which is an important component of the FFR Program.

GNA allows the Forest Service to partner with ODF to perform forest, range, and watershed restoration work on federally-owned forests. Through GNA, ODF may enter into agreements to work as agents of the federal government to conduct necessary forest restoration work, including commercial timber sales where Oregon may manage the receipts on behalf of the Forest Service. Governor Brown signed Oregon's GNA agreement back in 2016, and the state's GNA program is just beginning to make progress in restoring the health and resiliency of our forests, while supporting working families in rural Oregon.

As you know, the Legislature has invested in the FFR Program over several biennia. Last year, the Legislature approved HB 4118, authorizing an additional \$500,000 in funding to promote the use of the GNA tool within the FFR Program to support forest restoration through carefully developed timber sales.

ODF has documented its GNA successes to date, including \$2 million in revenue from timber sales to support the agency and its restoration work. Like in other states with successful GNA programs, ODF is also piloting to contract out environmental analysis under the federal National Environmental Policy Act, and is proposing projects that are not currently on any National Forest's 5-year plan. These successes only scratch the surface of what's possible under GNA. However, without continued funding into the FFR Program, ODF may not be able to accomplish its intended goals under GNA.

I want to take a moment and highlight AFRC's support for ODF's core mission and programs. In light of current fiscal challenges, we urge the Legislature to prioritize state funding for fire

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protection and programs essential to state forests and working forests. There are legitimate reasons to ask why the Legislature should be investing state resources in federal forest management.

First, the federal government owns most of Oregon's forest lands. In 2018, over 80 percent of acres burned occurred on federal lands. GNA allows revenues generated by timber sales to be reinvested back into forest restoration work. Forest projects implemented through GNA can also help save money by reducing the size and intensity of wildfires, and even help Oregon reduce carbon emissions and enhance carbon sequestration.

Second, it has been AFRC's position that state investments on federal lands should create "additionality," or measurable outcomes above and beyond what Congress has funded, and what the Forest Service is able to accomplish by itself.

In fact, we believe eventually Oregon should have a financially self-sustaining GNA program that doesn't impact core ODF programs, by reinvesting funds back on the landscape and providing more wood fiber to support rural Oregon economies. Several GNA states, including Idaho, are on track to self-sufficiency. We believe Oregon is capable of accomplishing this goal as well.

In the meantime, AFRC supports continued funding for the FFR Program and implementation of GNA. These are investments worth making in forest health, wildfire mitigation and our rural communities.

Sincerely,  
Nick Smith