

# 2010 Appropriations Issue Paper

The challenges facing our nation are clear: protect, restore and care for our natural systems while building a stronger, more resilient economy for all Americans. The federal land management agencies must be a part of national solutions to these challenges. The Forest Service and the Bureau of Land Management (BLM) need clear, national mandates to accomplish landscape scale restoration and stewardship in a manner that stimulates economic benefits and job creation and retention, with an emphasis on public land economies. The American Recovery and Reinvestment Act (ARRA) offers the BLM and the Forest Service a first step toward getting work done while creating jobs. Now is the time to create long-term investments and structural changes that will help make the transition toward a new way of doing business focused on renewable-energy and landscape restoration activities. Integrated investment in our public and private lands will reduce wildfire suppression costs and contribute positively to ecosystem service values such as water quality and quantity and climate change mitigation. These investments can also foster green jobs that will strengthen the economies in rural towns across our nation.

## **BARRIERS TO HEALTHY LANDS AND RURAL COMMUNITIES**

Over the last eight years, chronic disinvestment in our nation's forest and rangelands, through reduction of the budgets of the Forest Service and BLM, has led to a restoration and maintenance backlog for both agencies totaling billions of dollars. The disinvestments in federal land management, coupled with a failure to acknowledge the connection between public land management and sustainable economic activity, particularly in counties where the percentage of federally owned land is high, have exacerbated efforts to create long-term, living wage businesses and jobs for rural public lands communities.

Current agency budget structures, allocation systems, performance measures, and contracting mechanisms all fail to recognize the interdependence between environmental, economic, and social conditions. Additionally, agency allocation processes lack transparent decision-making structures and concentrate too heavily on old target models tied to outputs, such as timber volume, instead of concentrating on restoration and stewardship goals. Consideration of the agencies' impact on local economies should be integrated into the criteria used to disperse appropriated funds to the field, encouraging them to contribute to the development of a local workforce and enterprises that support comprehensive restoration and stewardship.

## **KEY RECOMENDATIONS:**

1. Create and adequately fund a new budget line item for comprehensive restoration and maintenance.
2. Invest in the Forest Service Economic Action Program to provide business assistance to small, rural businesses.
3. Implement a solution to the increase in fire suppression costs.
4. Improve agency allocation and accountability systems.

## **RECOMMENDATIONS**

To overcome these challenges, we need a combination of renewed investment, structural changes to the agencies' budgets, and improvements in agency allocation and accountability systems. The recommendations contained herein will complement and support the investments made through the American Recovery and Reinvestment Act by institutionalizing the ability of the land management agencies to contribute to rural economies while stewarding public lands.

### **Investment**

#### **1. Restore funding for restoration and stewardship**

Restore funding to critical restoration and stewardship line items in the Forest Service budget such as Wildlife and Fisheries Management, Vegetation and Watershed Management, and Roads and Trails. These line items address current ecological crises on public lands. Addressing forest health issues through investment in restoration and maintenance will save the federal government money in the long-term by reducing wildland fire suppression and insect and disease emergency costs.

#### **2. Provide business assistance for small, rural businesses**

Rural communities, in many instances, have existing business infrastructure and a knowledgeable workforce that, with limited assistance, can be readied to engage in work supporting the land management agencies' missions. We need to invest in retaining and building the capacity of small, rural businesses to implement restoration and stewardship activities and utilize material that is removed during sustainable land management activities. The Forest Service Economic Action program provided this type of business assistance. However, two years ago funding for the Forest Service Economic Action Program was completely eliminated.

## **WHO WE ARE**

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, Montana, Arizona and Colorado.

Funding should be restored to the Forest Service Economic Action Program<sup>1</sup> to retain and create business capacity to perform restoration and stewardship work and pursue value-added opportunities, including support for wood to energy programs and other value added processing and manufacturing opportunities with the by-products of restoration work. This program should provide grants and technical assistance to existing and new small, rural, restoration, and maintenance oriented businesses to access capital and other business support services such as grant writing assistance and instruction, bonding access, and federal bidding procedural instruction. Agencies should also establish a loan fund that would provide direct low-interest loans and zero-interest short-term lines of credit to eligible businesses in forest and watershed restoration and maintenance related enterprises. Eligible businesses would be those owned and operated in a rural county and/or those that can show significant portions of their workers are permanent residents of a rural county.

### **3. Support biomass utilization**

Integrated, community-scaled biomass utilization strategies can offset the costs of forest restoration and hazardous fuel reduction activities while contributing to rural economies, energy independence, and carbon emission reductions. The Forest Service should actively support the development of business systems that maximize the highest and best use for the by-products of forest restoration and maintenance.

- 3a. Increase funding to the Woody Biomass Grant Program under the Forest Service, Hazardous Fuels line item.
- 3b. Fund the Community Wood Energy Program<sup>2</sup> to provide grants to state and local governments to develop community wood energy plans and to acquire or upgrade community wood energy systems.

### **4. Provide private landowner incentives**

Throughout rural America, privately owned forests and ranchlands are vital components of a working landscape, providing wildlife habitat, clean water, recreational opportunities, and carbon sequestration, along with other valuable ecosystem services. Funding for stewardship programs, technical assistance, and financial incentives for private landowners and communities has significantly declined in recent years. State and Private Forestry and Natural Resource Conservation Service programs provide critical technical and financial assistance to private landowners and communities.

- 4a. Invest in the Forest Stewardship Program, a program within the Forest Service, State and Private Forestry line item, which assists non-industrial private forestland owners to achieve long-term forest management.

- 4b. Invest in the Natural Resource Conservation Service programs that provide incentives to private landowners to practice sustainable land management and supply important public ecosystem service benefits, including the Farm and Ranch Land Protection Program, Environmental Quality Incentives Program, Wetland Reserve Program, and Wildlife Habitat Incentives Program.

### **5. Support fire protection and assistance**

Invest in the Forest Service, Community Fire Assistance and State Fire Assistance, and the BLM, Rural Fire Assistance programs to help communities prepare for and reduce risk from wildfires through the collaborative development and implementation of community wildfire protection plans and programs such as Firewise, that educate homeowners about making their property more resistant to fires, as well as provide training and equipment for local firefighters.

### **6. Invest in National Environmental Policy Act (NEPA) work**

The 2010 budget for the BLM and Forest Service should invest resources in conducting and finalizing NEPA surveys and analysis to ensure that the agencies maintain constant ability to implement restoration and stewardship projects. This is especially important in light of the emphasis on “shovel ready” projects funded through the ARRA; it is critical that the agencies do not deplete their supply of ready projects, leaving a dearth of work for the businesses that mobilize to support restoration and maintenance work in partnership with the agencies. At the same time, we can obtain a more efficient use of NEPA dollars by encouraging contracting with collaborative groups, local nonprofits and other entities that are able to 1) complete the work in a timely manner, 2) attain social agreement among key stakeholders, and 3) perform the work for less than or equal to what it would cost the Forest Service to perform the work internally.

## **Structural Budget Changes**

### **1. Implement a solution to the increase in fire suppression costs**

Create a separate (“partitioned”) flexible suppression spending account for uncharacteristically large fire events for both the Forest Service and the DOI. The partition should be based on large fires that escape initial attack – the true cost driver of suppression expenditures. Even with the partitioned account, the agencies’ normal suppression budgets must remain robust, reflecting current suppression needs for the remainder of fires that are not “large events” and funds must be reinvested back into those agency programs that have been reduced severely because of increasing fire suppression costs. Funding for the partitioned account must not come out of current depleted budgets. The partitioned account should be closely tied to appropriate sideboards, cost containment controls, line officer incentives and yearly Congressional reporting to ensure that agencies continue momentum to streamline costs and better manage fire. The Administrations’ FY10 proposed levels for suppression and a contingency fund for emergency expenses, along with the recently introduced FLAME Act<sup>3</sup> are important steps to solve this devastating budget problem.

1 Authorization for the Economic Action Program is provided through the National Forest-Dependent Rural Communities Economic Diversification Act of 1990, 1990 Farm Bill, Subtitle G, Rural Revitalization through Forestry.

2 This program is authorized in the Food, Conservation and Energy Act of 2008, Section 9013.

3 The Federal Land Assistance, Management and Enhancement (FLAME) Act (H.R. 1404 / S. 561.)

## **2. Establish a comprehensive restoration line item within the Forest Service budget**

The current Forest Service line-item structure is outdated and stovepipes activities that should be integrated to achieve landscape scale restoration and stewardship objectives. This leads to inefficiencies in administrative procedures and difficulty linking expenditures to outcomes. Consolidating funding for on-the-ground restoration and stewardship into one line item will provide a clear source of integrated funding focused on land management goals.

## **3. Authorize the National Forest System to administer grants**

The Forest Service, National Forest System (NFS) currently does not have the authority to provide grants. Instead, they must run their money through State and Private Forestry, which can be a time consuming and cumbersome internal process for the agency and the grantee. We recommend that the NFS be provided direct granting authority to help expedite and efficiently partner with non-profits and other non-federal entities, including tribes, who leverage non-federal money to match federal resources. This would reduce internal transaction costs and ensure that funds are expediently dispersed to communities and enterprises that are positioned to assist the agency in landscape scale restoration.

### **Budget Allocation and Accountability**

#### **1. Establish and provide public access to budget allocation criteria**

Current Forest Service budget allocation decisions are difficult to assess and monitor because there is a lack of public information about how these decisions are made. The Forest Service should establish consistent allocation criteria at the national and regional levels to guide funding decisions. These criteria should be available for public comment and review. The FS should also be responsible for measuring and reporting outcome oriented measures consistent with their allocation criteria to measure effectiveness.

#### **2. Restructure accountability systems**

Accountability systems should focus on integrated, long term outcomes based on the degree to which the agencies 1) improve and maintain healthy functioning watershed conditions; 2) contribute to local economies in a manner that upholds their mission; 3) work collaboratively with rural communities, interest groups, tribes and local and state government; and 4) monitor the ecological impacts and economic benefits of forest and rangeland restoration and maintenance over time and ensure that monitoring contributes to adaptive management approaches.

## **FOR MORE INFORMATION**

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Sierra Business Council  
Watershed Research and Training Center

### **Idaho**

Framing Our Community  
Lemhi County Economic Development Association, Inc.  
Salmon Valley Stewardship

### **Maryland**

Communities Committee

### **Montana**

Flathead Economic Policy Center  
Northwest Connections  
Swan Ecosystem Center  
Vander Meer's Wildland Conservation Services  
Watershed Consulting, LLC

### **New Mexico**

Forest Guild  
Gila WoodNet  
Restoration Technologies, LLC  
Santa Clara Woodworks  
SBS Wood Shavings

### **Oregon**

Applegate Partnership & Applegate River Watershed Council  
Bear Mountain Forest Products  
Central Oregon Intergovernmental Council  
Community Smallwood Solutions, LLC  
Ecosystem Workforce Program  
Grant County Court  
Hells Canyon Preservation Council  
Institute for Culture and Ecology  
Lake County Resources Initiative  
Lomakatsi Restoration Project  
National Association of Forest Service Retirees  
Oregon Department of Forestry  
Resource Innovations  
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American Forests