

MANAGEMENT CHALLENGES ON MONTANA'S NATIONAL FOR- ESTS

OVERSIGHT FIELD HEARING

BEFORE THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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FIRST SESSION

Wednesday, July 2, 2003 in Seeley Lake, Montana

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MANAGEMENT CHALLENGES ON MONTANA'S NATIONAL FORESTS

**Wednesday, July 2, 2003
U.S. House of Representatives
Committee on Resources
Seeley Lake, Montana**

The Committee met, pursuant to call, at 10 a.m., at Seeley Lake Elementary, 200 School Lane, Seeley Lake, Montana, Hon. Richard W. Pombo (Chairman of the Committee) presiding.

Members Present: Pombo, Rehberg, and Bordallo.

STATEMENT OF THE HON. RICHARD W. POMBO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

The CHAIRMAN. First, I'd like to thank Denny for hosting us here in Seeley Lake. Denny has proven himself to be integral member of not only the Resources Committee where he sits on the Forest and Forest Health Subcommittee, but also as a member of the Agriculture Committee where he is Vice Chairman of the Subcommittee on Department Operations, Oversight, Nutrition and Forestry. This displays Denny's understanding of forestry issues and his commitment to an issue so important to the State of Montana.

I'd also like to recognize Denny's hard work on the Endangered Species Act task force, an issue of great importance to me as well. Furthermore, he has always been willing to travel to field hearings, even as far as Alaska, and doesn't believe in making a determination about something until he has an opportunity to see it and learn from it.

In addition, I'd also like to welcome Madeleine Bordallo, the Delegate from Guam, for making the trek out to Montana. Madeleine, your attendance and concern with resources issues is certainly appreciated. I'd also state that Congresswoman Bordallo went with us when we went to the north slope of Alaska where, at that time, it was 40 degrees below zero, and I don't think she had ever seen anything quite like that, being from Guam.

Ms. BORDALLO. And I'm still thawing out.

The CHAIRMAN. And she's still thawing. But it was an extremely important trip in it was done at the time that we were passing the Energy Bill through the House, so I appreciate her willingness to learn and to participate in the field hearings.

Ensuring forest health is a top priority for me and the Resource Committee members that are here today. It is vitally important for

Members of Congress to get out of Washington, D.C. and visit the local areas that decisions in Washington impact. With Montana's varied and diverse landscape, it poses several management challenges. Memories of the horrors of catastrophic wildfire are fresh in the minds of Montanans. Montana's Bitterroot fire of 2000 burned 357,000 acres in Western Montana. The fire destroyed 70 homes, 95 vehicles and 170 other structures.

We have a responsibility to protect our citizens, our property and our environment and public lands. When severe fire threatens, as they do throughout the West every summer, we need to ensure that we have a plan that will act as an instrument of assistance, not an instrument adding fuel to an already raging fire.

Lastly, I'd like to note that this region, Region 1 of the Forest Service, received the most appeals on proposed projects than any other region in the nation. "Analysis Paralysis" is a huge problem plaguing Montana's national forests.

Again, I thank Mr. Rehberg for having us here and look forward to hearing from all of our witnesses here today.

[The prepared statement of Mr. Pombo follows:]

Statement of Hon. Richard Pombo, a Representative in Congress from the State of California

Good morning. First I'd like to thank Denny Rehberg for hosting us here in Seeley Lake. Denny has proved himself to be integral member of not only the Resources Committee, where he sits on the Forest and Forest Health Subcommittee, but also as a member of the Agriculture Committee where he is the Vice Chairman of the Subcommittee on Department Operations, Oversight, Nutrition and Forestry. This displays Denny's understanding of forestry issues and his commitment to an issue so important to the State of Montana.

I'd also like to recognize Denny's hard work on the ESA task force an issue of great importance to me as well. Furthermore, he has always been willing to travel to field hearings, even as far as Alaska, and doesn't believe in making a determination about something until he sees it.

In addition, I'd also like to thank Madeleine Bordallo, the Delegate from Guam, for making the trek out to Montana. Madeleine your attendance and concern with resource issues is certainly appreciated.

Ensuring forest health is a top priority for me and the Resources Committee members here today. It is vitally important for Members of Congress to get out of Washington, D.C. and visit the local areas that decisions in Washington impact. With Montana's varied and diverse landscape, it poses several management challenges. Memories of the horrors of catastrophic wildfire are fresh in the minds of Montanans. Montana's Bitterroot Fire of 2000 burned 357,000 acres in Western Montana. The fire destroyed 70 homes, 95 vehicles, and 170 other structures.

We have a responsibility to protect our citizens, our property and our environment and public lands. When severe fires threaten as they do throughout the West every summer we need to ensure that we have a plan that will act as an instrument of assistance, not an instrument adding fuel to an already raging fire.

Again, I thank Mr. Rehberg for having us here. I look forward to a good hearing and to working with him on this issue in the future.

Thank you.

The CHAIRMAN. I'd like at this time to recognize Ms. Bordallo, if she has any opening comments she'd like to make.

STATEMENT OF THE HON. MADELEINE Z. BORDALLO, A DELEGATE IN CONGRESS FROM THE TERRITORY OF GUAM

Ms. BORDALLO. Just very briefly, Mr. Chairman. First, I want to thank you very much for holding this field hearing. There's no better way to learn about the problems affecting the different states

in our country and territories. And I'd also like to thank my colleague from Montana, Congressman Rehberg.

I represent Guam in the U.S. Congress and am a proud member of the Resources Committee. Although a tropical island in the Pacific, we do have forests, believe it or not. We may not have the ponderosa pine, but we have the ifil tree, the ironwood and the banyan tree, amongst 100 other species. These trees have grown to be an important part of our culture and everyday life. They're used in many ways, particularly medicines. While we may not have as many intense and frequent fires, our forests in Guam are nonetheless threatened by nonnative animals that upset nature's equilibrium and by typhoons. I'm sure you've heard about our typhoons.

So, I come here today with an appreciation for forests and understand the need for sound management. And again, I want to commend the Chairman, and I do want to say to the audience out there that you have a beautiful state. What little I've seen—I went through the mill just a few minutes ago and it was a very interesting tour. So, thank you, again, Chairman, for inviting me here today.

The CHAIRMAN. Thank you, Congresswoman.

Mr. Rehberg, do you have an opening statement?

STATEMENT OF THE HON. DENNIS R. REHBERG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. REHBERG. I do. And thank you, Mr. Chairman. And again, let me begin by saying thank you to the community of Seeley Lake and especially the administration within the elementary school for allowing us into your fine facility. I don't think I've ever seen a bigger gym in an elementary school, and this is a facility you should be proud of.

You guys don't realize how difficult it was for the two of them to get here. I think you arrived at 2:30 in the morning, so they haven't seen much yet, but we hope to give them an opportunity to share some of our landscape with you so you can clearly see the Big Sky country. Yet, Mr. Pombo, he has been to Montana many times now over the course of the years with Congressman Hill. Madeleine has been here as well.

Ms. BORDALLO. Twice.

Mr. REHBERG. Twice now. And I just want you to know that while congressmen get in trouble sometimes for what are perceived to be junkets, I feel now compelled that I have to go down and look at Guam. So, just because she said it's a tropical island, it will be work. I'm going down there to look at her trees to thank her for having come to Montana.

Combating emerging health forest problems is something that has taken over much of the dialog in Washington, D.C. I worked on the Interior and Insular Affairs Committee Staff 20 years ago, and you never heard conversation about healthy forests. The problem was, it existed. It was being created at the time but, unfortunately, it wasn't a topic of discussion. Well, it is in Washington today. The Governor had a multi-state conference here a couple weeks ago that was attended by Governors from the northwest part of the United States. We've had continual hearings in Washington,

D.C., the Healthy Forest Initiative brought forward by the President. And I can't think of a better Chairman at a perfect time to be leading that effort. I have only been in Congress for 3 years, but what I realized early on is seniority matters in Washington, D.C. If you don't have seniority, you don't get a lot of stuff, you don't get a lot voice. I was a little nervous when Chairman Hanson decided to retire, not knowing who was going to be the next Chairman. But the leadership of the House jumped many levels of seniority to pick Richard Pombo because of his experience, his desire and his knowledge of the issues that have such an important part of our future in the State of Montana.

I often say that we're loving our forests to death, that we're killing it with kindness because we have a tendency to want to protect, but we protect so long that ultimately we end up with a dead or dying forest. And I think that's what we're seeing now. Forest fire is not the problem. Forest fire is a sign of the problem. It shows us, in glaring terms, the difficulty that we're going to have. We'll have the air pollution that exists, we'll have the lost jobs that exist if we don't get a handle on the health of our forests. We have to manage it better. And this hearing today will give us an opportunity to hear from all sides about the opportunities and our differing perspectives of how to manage a healthier forest.

And again, Mr. Chairman and Madam Bordallo, thank you for coming to Seeley Lake, Montana and giving us the opportunity to highlight and showcase some of the knowledge necessary to better manage our forests. Thank you.

The CHAIRMAN. Well, thank you very much.

I'd like to, at this time, invite our first panel. On Panel 1, we have Chief Dale Bosworth with the U.S. Forest Service, accompanied by Tim Love, Seeley Lake District Ranger, Lolo National Forest, and Deputy Regional Forester Kathy McAllister.

Before you guys get too comfortable, if I could have you stand. It's customary on the Resources Committee that we swear in all of our witnesses. Would you raise your right hand?

[Witnesses sworn in.]

The CHAIRMAN. Let the record show they all answered in the affirmative.

And I welcome you to our hearing today, although, Mr. Bosworth, we've had the opportunity in the past to work with you and to hear from you on a number of very important issues. I think you are one of our strongest supporters in terms of our effort to bring Congress back to the people and go out naturally, look at some of these forests for ourselves. So, I appreciate greatly you being here, the support that you've given the Committee in the past.

So, as far as the oral testimony in the hearing, it is limited to 5 minutes for the witnesses. Your entire prepared statement will be included in the record, but we will have plenty of time for questions and answers. So, Chief, if you're ready, you can begin.

STATEMENT OF DALE BOSWORTH, CHIEF, U.S. FOREST SERVICE

Mr. BOSWORTH. Thank you, Mr. Chairman, and thank you, members of the Committee. I really am happy to be here.

For me, this is a great opportunity for a couple of reasons. One, it's a great opportunity to be able to talk about some things that I believe are extremely important, but maybe more important is the great opportunity to be back in Montana. I've just got to tell you that I have a lot of years in my career in the State of Montana. I've spent about 37 years with the Forest Service, and about 24 of those are in the Northern Region, which is Montana and Northern Idaho. There are good people and there's good land here. And, so, I am very happy to be back and to see what—to try to help find some solutions to some of the very, very difficult problems we have.

Just to run through a few things about Montana and the national forests. There's ten national forests in the state, and there's about 17 million acres of some of the most rugged mountains that you'll find anywhere in the country, and also rolling hills and prairies. The national forests here in Montana cover the multitudes. I'm proud of the fact that we have 3.4 million acres of wilderness in the State of Montana and that the Forest Service manages, the national forest system. That's almost 10 percent of the total nationally.

There's some fantastic recreational opportunities here; fly fishing, there's backpacking, there's winter sports, there's motorized vehicle kinds of uses, there's cross-country skiing, all of the huge variety of kinds of recreation that you can find on the national forest. There's great fish and wildlife habitat here. There's clean water. And there's also opportunities for commodity production, for the Forest Service to play a role in the economic vitality of the rural communities. In fact, it's all these things, I think, the reason that I like Montana so much and the reason I plan on—

The CHAIRMAN. Just pull it a little closer.

Mr. BOSWORTH. Is that better?

The CHAIRMAN. Yeah.

Mr. BOSWORTH. OK. And I think it's, for me, that the reason I plan to be back in Montana when I'm done with my job is partly because of the national forests in this state and because of the beauty of the national forest and the relationship between the forest and the people.

It's also, I want to point out, that Lewis and Clark spent a fair amount of time in the State of Montana, and we're planning on celebrating that bicentennial. All the folks around here are, and it's a real exciting opportunity. And I think that this is probably some of the country that is most like it was when Lewis and Clark traveled through on both their trip to and from the West Coast. And there's an awful lot of the attention to the problems and the contentious issues in the Forest Service and on the national forests these days. But I think, also, it is worthwhile maybe to reflect a little bit on some of these tremendous positives that are associated with having national forests here in the state.

Our goal in the Forest Service is to have healthy forests so that we can enjoy these national forests, as well as the next generation and the generations after that. In some cases, that means restoration of the conditions so that the forests are going to be healthy. For example, because we've been so successful in suppressing fires and because of some of our past activities, we've had some, in our inability to do some of the thinning that we need, we've had some

huge wildfires here. The year 2000 was a terrible, a terrible season. I think ponderosa pine forests here in Montana are a good example of how we can buildup fuels that can result in catastrophic wildfires that are just unnatural.

The central focus, the thing that we need to keep thinking about, when we're thinking about managing national forests, is what we leave on the land and not be focusing so much and arguing so much about what we remove, because if we leave the right thing on the land, it will be healthy and it will provide the things that we need.

My concern is that a lot of people are talking about the wrong things. A lot of people are worrying about logging, about road building and some of those kinds of things when there's really some incredibly important threats that we should be talking about to the national forests across the country, and to the nation's forests across the country, but here in Montana as well. And I want to talk about those briefly.

The first one is the fire and fuels buildup in the dry parts of the national forests, the ponderosa pine type particularly, that results in catastrophic wildfires that we're seeing time and time again on the news. That's a first threat.

Then, another threat that I think is just as bad that we're not talking about and not paying attention to is invasive species. And for us here in Montana, that's primarily weeds, noxious weeds that come from other continents, but it also could be insects and diseases. And we've seen some huge effects with things like western white pine that has virtually disappeared from the forests here because of white pine blister rust.

Another one is unmanaged recreation. And people love their forests and they love them to death, as you said, Mr. Rehberg. And I think that the unmanaged recreation is a problem. You know, it was fine when we didn't have a whole lot of people that wanted to recreate on the national forests, but as many people that want to come to the forests, we have to do a better job of managing it. Highway vehicles is a good example where it's a good opportunity for people to go out on their national forests, a good way for them to enjoy it, but it has to be managed. It has to be on designated roads and trails so we can minimize the damage and still allow people to have a fantastic opportunity to have that form of recreation.

And then, the last area that I really view as a potential threat to the national forests has to do with habitat fragmentation through land conversion. And I'm thinking primarily of ranches and large forested landscapes that become subdivided, partly because—maybe because of some of the things that we're doing and the way we manage the national forests. And when they become subdivided into ranchettes and into smaller tracts and it puts more homes out in the wildland-urban interface, it creates more of an opportunity for invasive species and some of those kind of challenges that we have.

So, those are the four things I believe, after having 37 years of wandering around the forests, that I think are the things that we should be talking about, worrying about, figuring out how we're

going to deal with those so we can have these beautiful forests in the future.

We also have some issues with our process and the analysis paralysis, the process predicament and some of those problems we have. And we've been getting—we've had a lot of discussion hearings. I appreciate the support and the help of Congress and this Committee in trying to deal with those problems so that we can solve them in a way that will still allow us to do the right job on the land, but do it in a manner that doesn't use up all the taxpayers' dollars in planning and analysis, but rather being on the ground working with people to figure out how they want their forestry managed.

I also want to last commend the Committee for the support on stewardship contracting. I really believe that stewardship contracting in the long run will be one of the solutions that will help us find a way to manage the national forests in a way that will be acceptable by a lot of people and be able to be more efficient in terms of dollars. We've made a lot of progress. And here in The Northern Region, there's been far more pilot stewardship contracts than anyplace else in the country. I think there's about 21 or 23 here in Montana alone, and it's a demonstration for the rest of the country. So, I think through stewardship contracting we have an opportunity to make a big difference as well.

So, again, I appreciate the support of this Committee. I'm happy to answer any questions and look forward to the discussion.

[The prepared statement of Mr. Bosworth follows:]

**Statement of Dale Bosworth, Chief, Forest Service, United States
Department of Agriculture**

Thank you for the opportunity to discuss forest management challenges in Montana, as well as the rest of the country. Before I begin let me thank you, Mr. Chairman, for your support of the Forest Service and your focus on managing the nation's natural resources. I think the 192 million acres of national forests and grasslands in America are truly a national treasure. Nearly 17 million of those acres are right here in Montana. The national forests are some of the most outstanding places in this country. They serve as America's outdoor playground, and they contain a wealth of wildlife and other natural resources.

We are living in a time of great issues and great debate. Some people and organizations still argue that timber harvest levels represent the greatest threat to the national forests. However loudly voiced or strongly held these views may be, they are not a full picture of the reality of management of the national forests now or over the next 100 years. National Forest annual timber cut has gone from a high of around 12 billion board feet in 1988 to around 2 billion board feet today. Today, the primary purpose for timber removal in most places is to improve wildlife habitat, restore watershed and ecosystems, and reduce hazardous fuels.

I believe the key issues associated with America's forests and grasslands include hazardous fuels and the protection of communities from catastrophic wildfire, and invasive species and pathogens, fragmentation and unmanaged recreation.

The need for action to restore our Nation's public forests and rangelands to long-term health has never been greater. Catastrophic fires are just one consequence of the deteriorating forest and rangeland health that now affects more than 190 million acres of public land, an area twice the size of California. Last year alone, wildfires burned over 7.2 million acres of public and private lands, leading to the destruction of thousands of structures and the evacuation of tens of thousands of people from hundreds of communities. Although nationally wildland fire activity so far this year had been less than the average of the last few years, on June 17, 2003, the Aspen Fire blew out of the Pusch Ridge Wilderness in southern Arizona and overwhelmed the community of Summerhaven, Arizona destroying an estimated 325 homes, businesses and other structures. We are seeing critical situations in the southwest and these conditions are spreading northward. Although the National Interagency Coordination Center has stated that wildfires this year to date are far

below average, large portions of Arizona, California, Idaho, Oregon, Nevada, Utah, Washington, and Montana, as well as sections of Colorado and Wyoming, are predicted to have above average fire activity this summer.

The underlying issue is that so many of our forests have become overgrown and unhealthy. I don't want to oversimplify—many forests are healthy, and some forest types were always dense. But on the national forests alone, millions of acres adapted to frequent fire are at risk from wildland fires that could compromise human safety and ecosystem health.

Ponderosa pine is a prime example. Historically, most ponderosa pine forests were relatively open, with a few dozen trees per acre. Today, they might have hundreds or even thousands of trees per acre. In a drought, all those trees can fuel a catastrophic fire with the potential loss of homes, communities, municipal water sources and wildlife habitat. Think of it as an environmental debt, like a toxic dump. It will take decades of action to clean up, provided we as a society are willing to focus on this issue and commit the needed resources.

Americans must decide: We can remove some of the trees and lower the risk of catastrophic fire; or we can do nothing and watch them burn. I think the choice is obvious: In a good part of the West where forests are overgrown we must return forests to the way they were historically, then get fire back into the ecosystem when it's safe.

At the same time, we've got tens of millions of acres of healthy fire-adapted forest. We've got to keep them healthy. That means getting fire back into the ecosystem now in a prudent manner.

Another great issue is the spread of invasive species. Federal forests and rangelands across the country face unusually high threats from the spread of invasive species and insect attacks. Nationwide, invasive weeds cover about 133 million acres and are expanding at the rate of about 1.7 million acres a year. Insects and pathogens have historically existed in our forests and rangelands. However, the frequency, extent and timing of recent outbreaks are out of the ordinary. Changes in tree stand density, species composition and structure caused by fire exclusion, the lack of active management and drought are factors that have significantly affected outbreak patterns. The result is the death of millions of trees across many thousands of acres in California, Utah, Arkansas, Michigan, Minnesota, the Mid-Atlantic States and the South. Often when these areas burn with uncharacteristic intensity, they become very susceptible to invasive species, further prolonging poor forest and rangeland health.

The third great issue is fragmentation through land conversion. Between 1982 and 1997 nearly 22 million acres of open land were converted to developed land; about 4,000 acres a day. How does that affect national forests and grasslands? Historically, the national forests were buffered by miles of rural landscape. Today, people want to live near or adjacent to public lands, creating the wildland/urban interface or WUI. Demands for services are growing, people want to use their forests more, and so are the challenges of property boundary management and fire protection.

But maybe the biggest threat is to wildlife. Overall, we're losing forest interior habitat as large privately owned working forests are sold and developed. America is losing valuable corridors needed to connect parts of the national forests with other large undisturbed tracts of land. Animals like marten, bear, or cougar need large, relatively undisturbed forests to survive.

We're also losing open areas of range which animals like elk need to survive. Most people don't realize that the Forest Service manages so much rangeland about 40 percent of national forest land is range. Elk depend on bottomland for winter range and move to the uplands in the spring. Without both types of habitat they won't survive. When golf courses and condominiums replace rangeland we lose the ecological integrity of the land as a whole.

Our population will continue to grow, but we can direct our efforts on how to buffer the national forests by protecting open land by keeping ranches and working forests in operation. Congress has given the Forest Service some good programs that can help landowner keep their lands forested. The Forest Legacy Program is a tool to protect environmentally important forests from conversion to non-forest uses. The program is incentive based, entirely voluntary and provides for easement acquisitions on a willing buyer—willing seller basis only. Montana has been a shining example of Forest Legacy accomplishment. Since entering the program in 2000, the State has completed 3 projects protecting almost 98,000 acres. We also have forage reserves that ranchers can use to give their allotments a rest. Through programs like these, we can work together across the landscape to keep the land whole, in the best tradition of conservation.

The fourth great issue is unmanaged outdoor recreation. Last year, the national forests had 214 million visitors, which is just phenomenal. And it's only going to keep on growing we expect it to more than double by the end of the century.

I think that's great. We want the American people to use their national forests and grasslands. It gives them a stake in the land. It gives them a sense of place. It helps them understand why we in the Forest Service are so passionate about the land why we think it's so worth protecting.

The issue is this: Back when we had light recreational use, we didn't need to manage it; but now that it's heavier, we do. At one time, we didn't manage the use of off-highway vehicles, either. OHVs are a great way to experience the outdoors, and only a tiny fraction of the users leave lasting traces by going cross-country. But the number of people who own OHVs has just exploded in recent years. In 2000, it reached almost 36 million. Even a tiny percentage of impact from all those millions of users is still a lot of impact. Each year, we get hundreds of miles of what we euphemistically refer to as "unplanned roads and trails."

For example, the Lewis and Clark National Forest here in Montana has more than a thousand unplanned roads and trails reaching for almost 650 miles. That's pretty typical for a lot of national forests, and it's only going to get worse. We're seeing more and more erosion, water degradation, and habitat destruction. We're seeing more conflicts between users. We're seeing more damage to cultural sites and more violation of sites sacred to American Indians. And those are just some of the impacts. We're going to have to manage that by restricting OHV use to designated roads, trails, and areas.

As Federal, State and local land managers have attempted to address these threats and restore forest and rangeland health, their efforts have been severely hampered by unnecessary and costly procedural delays. Excessive analysis, ineffective public involvement, and management inefficiencies trap land managers in costly procedural delays, where, in some cases, a single project can take years to move forward. In the meantime, communities, wildlife habitat and forests and rangelands suffer. Fires and insect infestations that begin on public lands can spread to private lands as well, causing significant property damage and threats to public health and safety.

Recognizing the impending crisis, especially the threats of catastrophic wildfire to communities and ecosystems, President Bush proposed the Healthy Forests Initiative (HFI) in August 2002. The President directed Federal agencies to develop several administrative and legislative tools to restore deteriorated Federal lands to healthy conditions and assist in executing core components of the National Fire Plan. Since the President's announcement last August, Federal agencies have taken several regulatory steps to implement components of the HFI.

We have established new categorical exclusions, as provided under the National Environmental Policy Act, for certain hazardous fuels reduction projects and for post-fire rehabilitation projects. These new CEs shorten the time between identification of hazardous fuels treatment and restoration projects and their actual accomplishment on the ground.

CEQ Chairman Connaughton issued guidance addressing the preparation of environmental assessments for fuels treatment projects. The guidance addresses the purpose and content of an EA, specifically, that EAs should be focused and concise. These guidelines are now being applied on five national forest projects.

We made rule changes to our appeals regulations designed to encourage early and meaningful public participation in project planning, while continuing to provide the public an opportunity to seek review or appeal project decisions. This allows more expedited application of hazardous fuels reduction projects.

I want to thank you, Mr. Chairman, and the committee for your support of the recently passed Consolidated Appropriations Resolution, 2003 (PL 108-7) which contains stewardship contracting authority that gives agency land managers a critical tool to implement projects necessary to achieve land management goals. This provision allows the Forest Service to enter into long-term stewardship contracts with the private sector, non-profit organizations, local communities, and other entities. Guidance for long-term implementation is now out for public review.

I want to point out that one of the great successes in demonstrating the effectiveness of Stewardship Contracting has taken place right here around the Seeley Lake community. The Clearwater Stewardship Pilot reduced hazardous fuels and improved grizzly bear habitat on 600 acres through commercial thinning. Revenues were used to improve recreation facilities and eliminate the threat of campground wastes to Seeley Lake.

I also want to thank you, Mr. Chairman, for your leadership in passing H.R. 1904 in the House of Representatives. This important legislation would provide additional

tools to help land managers protect forests and communities from fire, insects and disease, as well as some of the other threats I have mentioned.

Mr. Chairman, the Forest Service is committed to working with Congress, State, local and tribal officials and the public to advance common-sense solutions to protect communities and people, and to restore forest and rangeland health.

Once again thank you for the opportunity to be here today. I will be glad to answer any questions you may have.

The CHAIRMAN. Well, thank you very much. I'd like to start with, Chief, one of the issues that you brought up in terms of the management of our national forests and the subdividing or breaking up of those areas.

What could this Committee do, what could Congress do to help you in managing those tracts of lands so that we stop that from happening because, obviously, we've got the same problem in California, maybe to a larger degree, but it is the same problem. What kind of things can we do to help you in that respect?

Mr. BOSWORTH. Well, first, I should commend Congress for already having helped us in some ways along these lines. For example, we've got programs that would allow us some economic incentives for keeping some of these blocks of land undeveloped in things like the Farmland Protection Program and the Grassland Reserve Program. Also, the Administration has been proposing a fairly large increase in funding for the Forest Legacy Program, which is another program that was authorized by the Agriculture Committee in the 1990 Farm Bill that would allow, on a willing buyer-willing seller basis, would allow—through the states, it allows the purchase of conservation easements that will still allow these lands to continue being managed for grazing or for timbering, but will remain—that will have to remain in those large open tracts. So, to stop the subdivision, the subdividing, but it will be incentive to continue being able to be an actively managed forest. So, some of those programs, I think, are the things that the Congress could continue to help us with, with those kinds of creative programs that will allow those large lands to stay intact.

The CHAIRMAN. Let me ask you about what is more of a local issue here, and that's recently Greenpeace released a report calling the Bitterroot National Forest one of the Nation's most endangered forests. I also noted that the forest supervisor on the Bitterroot took issue with Greenpeace's political spin on that.

Where do you come down on that? Do you have any comment on that?

Mr. BOSWORTH. Yeah, it's nonsense. It's just utter nonsense. What Greenpeace is trying to characterize there is—they're back to the same old tired arguments of 15 or 20 years ago. What they're trying to say is that if there's any timber harvesting taking place, that's a great threat to the national forest. I didn't see in there where they're talking about fragmentation of large ownerships. I didn't see them talking about recreation, unmanaged recreation. I didn't see them worrying about noxious weeds. We have some of the biggest noxious weed problems on the forests around the country. Those weren't the things that they were even recognizing as the threats. So, when they came up with their ten most threatened forests, they're talking about the wrong things, and they're just completely missing the point.

The CHAIRMAN. I'd like to get a little bit more into that because that's one of the problems that we have and have had over the last several years with the Healthy Forest Bill was that we had moved forward. You know, we had the old debates of 20 years ago about whether or not to do timber sales and all of the old fights, and we've kind of moved beyond that. And now we're talking about managing forests and trying to develop a more healthy natural forest because, you know, whether people like it or not, man has an impact on our forests one way or the other. And the effort that Congress has made, and thankfully with the support of the President, has been to try to move to a more healthy management of our forests. And a lot of times when we get into these debates and some of these groups come out with the old arguments and talking about things that aren't even on the table right now, I don't think anybody is proposing that we get back into the number of timber sales and the amount of board feet that we had in the mid '80's or early '80's. Nobody is even talking about that anymore, but they want to keep going back to that old argument.

Mr. BOSWORTH. Well, that's my concern and that's the way I felt like that when I looked at that report; and I didn't read it thoroughly. But when I looked at that report, it appeared to me that it was going back to some of those old arguments. And we do, as I said in my testimony, I believe we do have some serious threats to the national forests. I think over our 100-year history that the national forests has been managed very well by my predecessors in the Forest Service.

On the other hand, like anything, there's been some—there are some unintended consequences, some of the things that people didn't realize during the time. I think some of the type of timber harvest that we did in the '60's and '70's and '80's, I think in many cases we removed most of the big trees and left the smaller trees. And when you look at the ponderosa pine type again, I think it's a good example of that if we had to do it over again, in the future we're going to be looking at leaving the larger trees and removing some of the medium sizes and smaller trees in order to leave on the land the right number, type and species so that fire can play it's more normal role. So, there's some of those kinds of things that we need to be looking at in the future and learning from our past mistakes. But, you know, I think if we continue to try to argue the things that aren't even taking place anymore, we're not going to find solutions to the important challenges that we have facing us in the future.

The CHAIRMAN. Finally, in my experience, we seem to have much more luck in moving forward and getting beyond the rhetoric when we deal with local people and deal with—if you're talking about the forest here, dealing with the conservationists who live here and the timber workers who live here and coming up with a plan as to how we move forward and doing it more on a local basis.

In your experience, do you think that that is a worthwhile direction to go?

Mr. BOSWORTH. Well, I'm a strong supporter of collaboration at the community level. And I recognize and I believe strongly, and these being national forests, that all the people in the United States have a stake in. But my belief is that at the local level we

can find solutions to some of these national issues. Now, it doesn't mean that people in New York City don't have a right and responsibility to care about what happens to their national forests everywhere. The place that we're going to find the solutions is at the local level to these national issues. It's different when you go out on the ground together and you look at a piece of land together and you're seeing the same thing, everybody is seeing the same thing at the same time, because then you can start trying to find some of those solutions. And it's difficult to do when you're miles and miles and miles away.

So, the question is, how do people who have a stake in and don't live here, how do they exercise that stake. And I think one way is through national policy. And that sort of sets the sideboards in the direction for the management of the national forests that then local people can find solutions within those broad guidelines.

The CHAIRMAN. Thank you. Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman. I'm going to take off a little bit on what the Chairman is talking about, working with the communities.

Mr. Bosworth, Guam is about 33 percent owned by the Department of Defense. We have two very large military bases on the island. And I understand the Federal Government owns about 29 percent of the land area of the State of Montana.

Could you give me some example—Mr. Chairman spoke on it just briefly—how is your agency, as a large landlord, working to be user friendly to the Montana communities? Do you have any examples to share?

Mr. BOSWORTH. Yeah, I could recite several examples, and I'm going to ask Tim Love, the local ranger here, to be thinking about this while I'm talking, Tim, and have him use an example of a project, stewardship projects right here.

But the basis for what we do is always based upon public participation and trying to get people engaged upfront as much as we can so that we can have people working together on how their national forests ought to be managed. We do that with varied degrees of success. Some places we're better at it than we are in other places. But we are going to continue, that's going to continue to be the anchor point for how we manage the national forests. And, in fact, I want to get better at it. I want all of us in the Forest Service to get better at how we work with people. And that's why I believe that the way that we work with people, you know, we want to spend less time doing, you know, behind computer screens and windowless rooms doing analysis when we should be out on the ground with people trying to work in a collaborative way to find the solutions. I'd like—if I may, could I—

Ms. BORDALLO. Yes.

Mr. BOSWORTH. I like to have Tim, as a local example, talk about a stewardship project and how they're engaging the public in a collaborative way.

Ms. BORDALLO. Yes.

Mr. LOVE. Thank you. It all starts with good leadership from the Administration and from Congress and from the Forest Service, where these ideas and authorities originate and, so that we have more flexibility to work locally and trying new things. And that's

one of the things we've done with the Clearwater Stewardship Project, which is just north of this community.

Ms. BORDALLO. Could you explain that stewardship project? What is it?

Mr. LOVE. It's new authorization that Congress granted to the Forest Service, a new way of doing business, frankly revolutionary in how we do business in terms of contracting work; timber sale, high bid, service contract, low bidder. A stewardship contract is awarded to the best bid. It gives us the ability to make an evaluation and to consider local considerations in awarding work that can be accomplished.

Ms. BORDALLO. And that project is ongoing?

Mr. LOVE. It is. Actually, it's nearly complete.

Ms. BORDALLO. Is there anything else that you could speak of, any other projects?

Mr. LOVE. You know, hazard fuel reduction activity in this community has worked effectively with older authorities, but it's worked effectively. And, you know, again, it's related to leadership, it's related to community, to a good environment and to the employees and to Pyramid Mountain Lumber Company, who is here and a very responsible part of this community in helping us get our work done.

Ms. BORDALLO. Well, I think this is an important aspect, you know. And certainly, you should, you know, engage in this at a much more active level, in my opinion, because we do a lot of that interacting in our communities on Guam with the military and it's worked out successfully for many, many years. So, I just wondered if there was something that from your side that you've developed to work directly with the communities and enhance your public image. But that's the only project you have going right now? Is that what you're telling me?

Mr. LOVE. Well, no, there are several others. And the State and private side of the Forest Service is also actively involved in this community working with our rural fire department, reducing hazard fuels on private or State lands, providing grants for planning purposes or enhancing our resource facilities in the community aside from the national forest. And that's huge in this community.

Ms. BORDALLO. Mr. Chairman, I have one other question. This has to do with the appeals.

In how many instances are hazardous fuels reduction projects of the Forest Service challenged in court? And can you give us some sense of the scope of the problem, and in how many instances has failure to move forward with a project because it was tied up in litigation resulted in the outbreak of a fire?

Mr. BOSWORTH. Across the Forest Service —what I'd like to do is, I'd like to answer the specific numbers for the record, to make sure I get those correct, if I might, in writing later.

If you look at this area, this region, this part of Montana and Northern Idaho, we get more appeals than just about anywhere else. It's probably somewhere in the vicinity of 50 percent of the projects that are appealable in terms of fuels treatment end up getting appealed. I would never say that there's a—I can't ever point to a situation where fire got away because of some appeal. That's not the point to me.

Ms. BORDALLO. It's never been the case?

Mr. BOSWORTH. Well, there might be but, I mean, you know, there's all sorts of reasons why fires get away and why projects aren't done in as much of a timely manner. And I don't think it helps much to try to point the finger, say, at environmental groups because they're appealing projects or at, you know, at industry because they did something. We have some problems, and we have to come together to try to solve them. The problem with the appeal situation is that every project is affected by appeals. And what I mean by that is that our people spend a huge amount of the dollars and time making sure that if they get an appeal—doing analysis and paperwork to make sure that if they get an appeal, that they can sustain the decision, or if they get litigated they can win in court, trying to reach that higher and higher and higher bar to be able to do that.

I was told just a couple weeks ago that here in the Lolo Forest, the local national forest here, that they spend 52 percent of their dollars, fuels dollars, on planning. You know, that is absolutely atrocious. And it's not their fault, it's our fault for them having to have that set of challenges that they have to deal with. We ought to be spending 15, maybe, or 20 percent of our dollars doing planning, not 52 percent. That's crazy. But they do that because if they're going to get appealed, they need to make sure that they've got all iBAR of analysis there that every—you know, you can't make a mistake. If there's one little mistake, you'll lose.

I can show you examples of projects where when we bring the appeal record in, there's like ten large boxes of files that you have to go through under the appeal to check everything out. If there's a mistake in one of those ten boxes, we lose and go back to the drawing board again. You know, that's just not a way, that's not an effective way to operate, in my view. So, that's why I say that all projects are affected by appeals one way or another.

Ms. BORDALLO. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Rehberg.

Mr. REHBERG. Thank you, Mr. Chairman.

And in my business, the cattle business, as Richard knows, we have a saying, Sell them or smell them. I think the second half of your comment probably would be time is of the essence in the forest because when you have a diseased tree, if not treated, becomes a diseased forest. And, so, it's beyond the problem of just the analysis paralysis, it's what it causes and that is the death and destruction, ultimately, of the resource; isn't that true?

Mr. BOSWORTH. Yeah, that's exactly right. In many cases there are projects that are time sensitive. I mean, I can give you an example of one in Utah where we couldn't get out to deal with crickets, things like the Mormon crickets in Utah, where we wanted to do some spraying to stop the population. We couldn't do it on the national forest. By the time they got off the national forest, they were built up to such a huge number that they took off, and they destroyed a lot of private land. Our process slowed us down to where we weren't able to be effective. We were not good neighbors because we weren't able to get out and do the job. There's dozen of examples here in Montana—

Mr. REHBERG. But they respect fence lines, right? They don't go off onto private property?

Mr. BOSWORTH. And that's the problem. The insects don't—they don't respect the private property lines, the fires don't, the diseases don't. And some of these cases after we've got—we have some disease operation, we need to move quickly; in our insect outbreaks. In some cases, just from a fire and fuels standpoint after a fire, you know, we get—

Mr. REHBERG. Well, let me refresh your memory of a conversation you and I had in the chambers back in Washington about the Bitterroot sale and the stoppage after the salvage. And my point to you was, why didn't you, if you thought you were correct, appeal the Molloy decision further up. If you remember your statement to me was, we still think we're right, we'd win it in court, but time is of the essence. Isn't that essentially what you said? You ended up settling a case that you didn't really want to.

Mr. BOSWORTH. Yeah, that's right. You know, if you think about salvage, for example, which is pretty controversial in a lot of cases, after a fire or after insects and diseases go through, you only have a certain amount of time in order to get any economic value out of it at all. And, so, if you don't remove it when it's got economic value, then you end up removing it later but you pay somebody to remove it. Or you don't remove it at all and then you end up with some adverse consequences that we believe would take place 10 or 15 or 20 years from now that we would like to prevent.

So, for example, if we want to replant, reforest an area after a burn, but if you haven't removed some of the dead trees and you do some reforestation, you know, what we're doing is we're paying a lot of money to plant trees knowing that they're probably never going to grow up to be, you know, full grown because we're going to have another fire come through that's going to burn them up again. And that's a cycle that we need to stop.

Mr. REHBERG. If I could refer to an article on the front page of the Missoulian today talking about another court decision stopping a sale. You're not a lawyer and I'm not a lawyer and maybe that makes us a little smarter in this whole issue because we don't need to get hung up on the illegalities of the legalities.

But do you think it's in the best interest of the health of the forest to come up with a numerical formula for whether it's 5 percent or 10 percent or 15 percent or even 100 percent of old growth? I mean, based up on your resource background, is that how we ought to be managing our forest, based upon percentages? Or is there a better way of sound science? I'm asking you as the manager of that. You know, we can argue about the court case and whether he ruled right or not, but is that the way we really want to manage our resources?

Mr. BOSWORTH. Well, I think that there is a certain amount of value to having—there's a value, first, to having a certain amount of old growth on a national forest. What happens to it—and that's where, you know, we have old growth dependent species we want to maintain, we should maintain those. Where we get all wrapped around the action, though, is we say, well, it's got to be 10 percent or it's got to be 9.2 percent. We only think we have 9.1 percent,

we can't really prove that. And, you know, we get—and pretty soon we lose the purpose, the focus on the purpose.

And I don't know a lot about the situation on the Kootenai, but it's my understanding that some of the work that was going to be done through these timber sales there was to try to protect old growth, some of the old growth stands, you know, so that there would be some tree removal that would allow them to be, again, more sustainable if fire burns through there. It's just sort of ironic that we would not be able to take the action because we want to save the old growth, when part of the action the purpose was to try to protect old growth. And again, I think we forget about what it is, the objectives, and what the land needs and how we can treat the land, and we get all focused in on all the specifics of whether the process was right or wrong.

Mr. REHBERG. One final question, and that is, you know, I'm not a magician, but I understand the concept of sleight of hand where you're seeing something over here while you're doing something over here. And I've noticed a trend in the media lately and in the testimony of those that oppose the healthy forest. They seem to be dwelling on—and it happened, if you remember, Mr. Chairman, in amendments by the Udall cousins, to try and refocus healthy forests to the urban interface.

How does that fall into your theory of the holistic approach of—now, I know you talked about fragmentation, but you also talked about weeds and you also talked about disease. And do you feel or do you sense there's this sleight of hand going on, that they're trying to go to the most emotional area and that is to protect homes that are built in the forest and redivert the dollars to the urban interface as opposed to what—you know, and I'll tell you my prejudice is one of I would rather take care of the forest, the healthy forest. And if you do that, then you lessen the problem that is going to exist, and the homeowners will take care of themselves as well, given knowledge and information and training on how to protect themselves in their area. Do you sense the same thing or—

Mr. BOSWORTH. Well, I think there's a lot of arguments, debate, to try to prove a point and whether or not they're realistic. You know, I do believe that there is a certain amount of sleight of hand that goes on all around some of these issues.

To me, the important thing regarding the fuels problem in communities is that we do need to do treatment around some of these communities and work with the communities to—and probably as a high priority to be working around those communities on the national forests and, you know, with the private land together. What I'd worry about is I worry if we do treatments too far away from the community and then we want to get fire back into the ecosystem, but if we haven't treated the land between there and town, you know, it's like having a sea of gasoline when we're striking a match, and I don't want us to do that.

So, the way I'd rather do it is work our way out from the community and do the treatments that we need and get these conditions back in a situation where fire can play a more natural role. And it's never going to be a real natural role around communities, but at least if you have fire burning, you can—you know, we can learn

a little bit better to live with some of those fires and be able to suppress them when we need to.

I'd also like to point out that there's an awful lot of value out there that are way away from the community that are at risk because of catastrophic wildfire potential. And just one example would be the giant sequoias. We had a fire called the McNally fire last year that threatened the sequoias groves. Those are national treasures. Well, one of the problems is you have these sequoia groves and you have white fir that's growing up into the branches of some of these sequoias. And sequoias can resist fires until they get into the crown. Well, we may need to do some thinning underneath those trees if we want to protect them. They're not anywhere near a community but they're worth protecting and they're worth making that investment. Same thing with municipal watershed. It's the same thing with habitat for other threatened/endangered species. You know, there's a number of things that we need to be doing work in order to get the condition on the land away from the communities that will help that be healthy.

Mr. REHBERG. Just a final comment for Mr. Love. Thank you for what you do up here.

Congresswoman Bordallo, one of the things that we kind of determine success or failure of our Federal resource managers that live in the community is whether there's controversy or not. And I hear nothing but good things about you and the things you do up here. And it sounds like you've got a good community relationship, and for that, thank you. And he gets extra credits points, Chief Bosworth.

Mr. BOSWORTH. Good, that's a good thing.

Mr. REHBERG. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. And I am glad that you asked that question about the urban interface because we've kind of gotten pushed back into talking about an arbitrary limit, you know, the quarter mile or a half mile from the urban interface is the only thing that can be treated. And we have fought in Congress very hard to allow the Forest Service the flexibility to do what the regional foresters and the local forest managers feel is the best thing for that forest. That in order to protect a town like this, it may make sense to go a mile on one side of town and a quarter mile on the other. I mean, you guys know that, I don't. And for us to come up with some arbitrary number that limits you to a quarter mile around the town, I think is destroying the ability of the Healthy Forest Bill to work. So, I do appreciate that you brought that up because that has been an ongoing battle.

But I want to thank you for your testimony, for answering the questions. If there are any additional questions that the Panel has for you, they will be submitted in writing to you. The hearing record will be held open in order for you to answer any of those questions. But I want to thank you for your testimony and thank you for being here today.

Mr. BOSWORTH. And thank you for the opportunity, and we appreciate the help that this Committee has given us.

The CHAIRMAN. Thank you.

I'd like to call up our second panel. On Panel 2, we have the Honorable Doug Mood, Speaker of the House, State of Montana;

and the Honorable Sherm Anderson, Senator, State of Montana, representing Sun Mountain Logging.

[Witnesses sworn in.]

The CHAIRMAN. Let the record show that they both answered in the affirmative.

Well, thank you very much for being here and participating in our hearing.

Mr. Speaker, we are going to begin with you. I'd just remind you that if you could maintain your oral testimony to 5 minutes, your entire written testimony will be made part of the record. So, Mr. Speaker.

**STATEMENT OF HON. DOUG MOOD, SPEAKER OF THE HOUSE,
STATE OF MONTANA**

Mr. MOOD. Chairman Pombo, I'll do my best.

Chairman Pombo, Congressman Rehberg and Congresswoman Bordallo, I certainly appreciate the opportunity to come here and present some testimony here this morning.

My name is Doug Mood and I have lived here in Seeley Lake since 1967. My family, up until 2 years ago, had been involved as co-owners of Pyramid Mountain Lumber here in Seeley Lake since 1948. Two years ago, my brother and I sold our interest in Pyramid to a third party. I'm also the State Representative from District 58, which is the district, of course, that we are currently in. And that district includes the eastern half of Missoula County, north half of Powell County, and Granite County in its entirety. I am in my fourth term as a state representative and I also currently serve as the Speaker of Montana's House of Representatives.

In the district that I represent, 65 percent of the land is owned by the Federal Government. That large a percentage of land ownership is very common, as you know, in a great deal of the western portion of the United States. It seems to me that for the most part of the twentieth century, there was an implicit understanding between the Federal Government and the local communities in the West that the Federal Government, as the major landowner in an area, would also be a major contributor to the local economy. Here in Seeley Lake, for instance, the local ranger district, up until a few years ago, provided virtually 100 percent of the raw materials that were needed to keep the local sawmill in operation. That was true throughout the West. Ranchers routinely depended on Federal grazing permit contracts as well. Without that kind of cooperation between the Federal Government and local private enterprise, it would have been virtually impossible for most people to establish themselves in the communities of the West. Indeed, I have come to the conclusion that any major landowner in an area has an absolute obligation to participate in and contribute to the local economy. Unfortunately in recent years, the proliferation of new legal restraints and the accompanying litigation have combined to change the economies and, indeed, to change the very culture of the West.

The Flathead National Forest, which is just to the north of us here in Seeley Lake, is an excellent example. As recently as the 1980's, the Flathead could be depended upon to offer between 100 and 120 million board feet of logs annually. That amount of timber

was well within their annual growth rate and that was reflected in their forest plan documents. In recent years, however, that number has been reported as around 7 million board feet. And that 7 million board feet now includes such things as firewood and post and pole material.

If the argument could be made that 125 million board feet was too much activity, certainly the argument can now be made that 7 million board feet is much too little. Recent forest fire problems in the Flathead and throughout the West are ample evidence that that is, in fact, the case. The grizzly bear, the lynx, the wolverine and sometimes the caribou have all been suggested as reasons why we should suspend activity on our local forests. I personally fail to comprehend, however, how those animals are better off living with the dangers of fire as opposed to the temporary intrusions of forestry.

I recently added up the annual housing start numbers from 1945 through the year 2000. In that 55-year timeframe, the people of this country built over 90 million new homes. Certainly, this has to have been the most successful effort in the history of the world to provide the citizens of a country with affordable and comfortable housing. I also added up the number of acres of the national forest land in Region 1 that had been contracted for timber harvesting. If you divide that number by the total number of acres in Region 1, what you find is that in a 55-year period timber harvesting has taken place on a total of 8 percent of the land in the Region 1.

In the rather bizarre attempt to portray loggers and foresters as uncaring, insensitive or perhaps even evil, we seem to have lost sight of two facts. Forestry is, in fact, the art of environmental management. Foresters are, in fact, trained to create healthy forests. Second, while we were in the process of creating healthy forests, we are also providing the citizens of this country with the materials that they need to provide themselves with affordable housing.

It seems to me that asking Region 1 forests to contribute a percentage of the volume, 8 percent of the volume as their contribution to help build 90 million homes over a 55-year period is well within reason. Yet, for far too long now the suggestion that no amount of activity is acceptable has prevailed in the debate. The result of that has been an unnecessary disruption in the lives of rural America, the increase in foreign imports of lumber and the deterioration of the health of our own national forests. I cannot see why any of those three should be either acceptable or necessary.

I believe there is also an absolute obligation on the part of the Federal Government to manage their lands in such a way that the safety of the local communities is provided for. There are demonstration projects in this very valley which provide ample proof, in my mind, that modern forestry and the forestry that has developed within the last 20 years can, in fact, do what it does and do it in a way that is healthy for the forest, safe for the local community and, in fact, aesthetically pleasing as the final result as well.

I want to thank the Committee for coming to Seeley Lake. Welcome to my district. I'm fully aware of the fact that this is not a simple issue, nor is it easily resolved. But I know from my own ex-

perience that the resolution is vitally important to the local communities.

[The prepared statement of Mr. Mood follows:]

Statement of Hon. Doug Mood, Speaker, Montana House of Representatives

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In the district that I represent, sixty-five percent of the land is owned by the Federal Government. That large a percentage of land ownership is very common in a great deal of the western portion of the U.S. It seems to me that for most of the twentieth century, there was an implicit understanding between the Federal Government and local communities in the West, that the Federal Government, as the major land owner in the area, would also be a major contributor to the local economy. Here in Seeley Lake, for instance, the local ranger district provided virtually one hundred percent of the raw materials that were needed to keep the local sawmill operating. That was true throughout the west. Ranchers routinely depended on federal grazing contracts as well. Without that kind of cooperation between the federal Government and local private enterprise, it would have been impossible for most people to establish themselves in those communities. Indeed, I have come to the conclusion that any major landowner in an area has an absolute obligation to participate in and contribute to the local economy. Unfortunately in recent years, the proliferation of new legal restraints and the accompanying litigation have combined to change the economies and the very culture of the West.

The Flathead National Forest, which is just to the north of us here in Seeley Lake is an excellent example. As recently as the 1980's, the Flathead could be depended upon to offer between 100 million to 120 million board feet of logs annually. That amount of timber was well within their annual growth rate and that was reflected in their forest plan documents. In recent years that number has been reported as around 7 million bd. ft. That 7 million bd. ft., by the way now includes firewood and post and pole material.

If the argument could be made that 125 million bd. ft. was too much activity, certainly the argument can now be made that 7 million bd. ft. is too little. Recent forest fire problems on the Flathead and throughout the West are ample evidence that that is the case. The grizzly bear, the lynx and the wolverine have all been suggested as reasons why we should suspend activity in our local forests. I personally fail to comprehend, however, how those animals are better off living with the dangers of fire as opposed to the temporary intrusions of forestry.

I recently added up the annual housing start numbers from 1945 through 2000. In that 55 year time frame the people of this country built over 90 million new homes. Certainly this has to have been the most successful effort (in the history of the world) to provide the citizens of a country with comfortable and affordable housing. I also added up the number of acres of National Forest land in Region 1 that had been contracted for timber harvesting in that same time frame. If you divide the total number of acres of Region 1 forest, land where timber harvesting has taken place between 1945 and 2000 by the total amount of Forest Service land in region one, you get .08, or 8%.

In the rather bizarre attempt to portray loggers and foresters as uncaring, insensitive and perhaps even evil, we seem to have lost sight of two facts. Forestry is the art of environment management. Foresters are in fact trained to create healthy forests. And secondly while we are in the process of creating healthy forests, we are also providing the citizens of this country with the materials that they need to provide themselves with affordable homes.

It seems to me that asking the Region 1 forests to contribute 8% of their volume as their contribution to help build 90 million homes over a 55 year period, is well within reason. Yet for far too long now, the suggestion that no amount of activity is acceptable has prevailed in this debate. The result of that has been an unnecessary disruption of the lives of rural America, the increase in foreign imports of lumber and the deterioration in the health of our own national forests. I can not see why any of those three should be either acceptable or necessary.

I thank the committee for its work. I am fully aware of the fact that this is not a simple issue that is going to be resolved easily. But I know from my own experienced that resolution is vitally important.

The CHAIRMAN. Thank you.
Senator Anderson.

STATEMENT OF HON. SHERM ANDERSON, SENATOR, STATE OF MONTANA

Mr. ANDERSON. Yes. Mr. Chairman, members of the Committee, my name is Sherm Anderson. I'm currently serving as a State Senator here in Montana. In my other life, I own and operate Sun Mountain Logging in Deer Lodge, Montana, a family owned business.

We are engaged in the professional timber harvesting services that we perform for many people, sawmills, paper mills, pole yards, private landowners, state and Federal lands. What we do on the ground has a multitude of benefits that are oftentimes overlooked. We enhance the wildlife habitat, we develop home sites, we deal with clearing for recreation, such as ski areas and others. Reduction for wildfire and suppression of wildfires are also part of our business. Commercial forest management is also a major part of our business which currently, unfortunately, oftentimes is the utilization of salvage material from natural occurrences such as wildfire, wind-throws, winter-kill and insects and disease.

In the past 10 to 15 years, our business has changed considerably. Operations on the national forest land previously occupied about 80 to 90 percent of our business, and 10 to 20 percent was done on State and private lands. Currently, this situation has just reversed itself. 80 to 90 percent of our business is now done on State and primarily private lands, and 10 to 20 percent on Federal lands.

With only one-third of Montana's forests being private ownership, the consequences of this shift are monumental, ranging from economic instability for rural communities to unhealthy and mismanaged Federal forests. Is this shift too heavily burdened on private land? A primary concept of forest stewardship suggests that we should be removing less timber from more acres, not removing more timber from fewer acres.

This change has not taken place because of a decreasing need to manage our national forests. It has come about because of National Forest policy changes that have handcuffed the very forest and land managers that we, the citizens of this country, hire as stewards of our national forests.

We asked them to professionally manage the vast resources we have and, yet, we handicap them with restrictive laws and policies. If we wanted politicians and judges to micromanage our forests, why did we hire professional land managers in the first place? We simply need to return the management of Federal forests back to professional forest stewards. The judiciaries are currently and now the ultimate managers of our Federal forests in this country.

On the other hand, positive changes that have come about in the past 10 to 15 years in the improvement of technology that enables us to do a much better job, the ability to walk lighter on the land.

Satellite imagery and computers have enhanced our knowledge of how our forests actually function. Today, we can be more effectively utilizing the products we all demand and consume from our forests.

My purpose in becoming involved in politics is probably not much differently than yours. I am compelled to try to make a difference here in Montana, to help shape the laws and rules and policies, especially those pertaining to our national resources—natural resources. Our forests are in terrible condition. I see that every day in our work. The need for the products that are growing in our forests continues to increase, yet some folks are more content to import wood products to satisfy our needs while letting our forests die and burn, costing the tax payers millions upon millions of dollars in fire suppression, with the unintended consequences of dirty air, dirty water, loss of wildlife habitat, loss of homes and, yes, even loss of life.

There is something seriously wrong with this picture. We need to do something about changing it. I believe the President's Healthy Forest Restoration Act is a step in the right direction.

Programs like forest stewardship contracts that we've heard already this morning are working well. However, they need to be applied to a much larger landscape.

Categorical exclusions are another tool that may help our resource managers to protect the public interest and to get something beneficial done on the ground.

There are some of the many things—these are some of the many things that can and should be done and need to be done now. Montana and other states are vastly losing the infrastructure that is needed to manage our forests. Colorado, New Mexico and Arizona virtually have no manufacturing infrastructure remaining.

Our own state has suffered severely with the fires of 2000 and 2001. And our infrastructure continues to deteriorate. In the past 10 years alone, Montana has lost nearly 20 primary manufacturing facilities.

There is no exact science and very few guarantees when it comes to forest management, except that if we continue to do nothing we can be certain the results will be more fires and more devastation.

I hope you will join those of us who are striving to make a difference to restore the health of our forests.

Thank you for coming. I appreciate this opportunity to testify. And above all, we thank you for the hard work that you do on our behalf.

[The prepared statement of Mr. Anderson follows:]

Statement of Hon. Sherm Anderson, State Senator, Montana

My Name is Sherm Anderson. I am currently serving as a State Senator for the great state of Montana. In my "other life," I own and operate Sun Mountain Logging LLC in Deer Lodge, Montana, a family-owned business that employs approximately 40 people. My father preceded me in the timber business and my two sons are continuing the tradition.

We are in the business of supplying professional timber harvesting services to sawmills, paper mills, pole yards, private landowners and state and federal governments.

As professional timber harvesters, what we do on the ground has a multitude of benefits, some of which are: creating enhanced wildlife habitat; creation of home sites; clearing for recreation, such as ski areas; creating productive land for grazing and mining; control of insects or disease; the suppression and risk reduction for wildfire; and commercial forest management, including the utilization of salvage

material from natural occurrences such as wildfire, wind-throw, winter-kill or insect and disease epidemics.

In the last 10 to 15 years our business has changed considerably. Operations on national forest land previously occupied about 80 to 90% of our business, while only 10 to 20% was on State and private lands. The current situation is just the reverse: 80 to 90% of our work is on State and private ground and 10 to 20% is on National Forests.

Understanding that only one-third of Montana's forests are privately owned, the consequences of this shift are monumental, ranging from economic instability for rural communities to unhealthy and mismanaged federal forests. One consequence is the fact that the footprint of commercial timber harvesting is too heavily burdening private lands. A primary concept of forest stewardship suggests that we should be removing less timber from more acreage, not removing more timber from fewer acres.

This change has not taken place because of a lack of opportunity on our national forests or because of a decreasing need to manage our national forests. It has come about because of National Forest policy changes that have handcuffed the very forest and land managers that we, the citizens of this country hired as stewards of our national forests.

We asked them to professionally manage the vast resources our National Forests contain,...and then we handicapped them with restrictive laws and policies. If we, the citizens of Montana and the United States, wanted politicians and judges to micro-manage our forests, why did we hire professional land managers in the first place? We simply need to return the management of federal forests back to professional forest stewards. Well-intended congressional laws have been transformed into perverse forest policies—and, as a result, the judiciary is now the ultimate manager of federal forests in this country.

On the other hand, positive change that has come about in the past 10 to 15 years is the improvement in technology that enables us to do a much better job, such as the ability to walk lighter on the land. Space-age satellite imagery and computers have enhanced our knowledge of how forests function beyond any comprehension we had just a couple of decades back. Today, we can more effectively utilize the products we all demand—and consume—from our forests.

My purpose in becoming involved in politics is probably not much different from yours. I am compelled to try to make a difference in Montana—to do what I can to help shape laws, rules and policies, especially those pertaining to our natural resources. Our forests are in a terrible condition due to lack of attention. I see it every day. The need for the product growing in our forests continues to increase yet some folks are more content to import wood products to satisfy our needs while letting our own forests die and burn, costing the tax payers millions upon millions of dollars in fire suppression, with the unintended consequence of dirty air, dirty water, loss of wildlife habitat, loss of homes and loss of life.

There is something seriously wrong with this picture. We need to do something about changing it. I believe the President's Healthy Forest Restoration Act is a step in the right direction and I appreciate your passionate support for this Act.

Programs like Forest Stewardship Contracting are working well; however, they need to be applied to a larger landscape if they are to ever meet the ideals of forest stewardship.

Categorical Exclusions are another tool that may help our resource managers protect the public's interests and to get something beneficial done on the ground.

These are some of the many things that can and should be done now! Montana and other states are losing the infrastructure that is needed to manage our forests. The truth and the consequences of that fact is evident in Colorado, New Mexico and Arizona. There is virtually no manufacturing infrastructure remaining in those states to do any needed forest management. The past two seasons of catastrophic fires have proven to be devastating to these states.

Our own state has suffered severely with the fires of 2000 and 2001, and our infrastructure continues to deteriorate, hampering our ability to reduce the fuels-loading in our forests. In the past ten years alone Montana has lost nearly 20 primary manufacturing facilities.

There is no exact science and very few guarantees when it comes to forest management except that if we continue to do nothing we can be certain the result will be more fires and more devastation.

I hope you will join those of us who are striving to make a difference, to restore the health of our forests.

Thank you for coming to visit our great state and for your concern. I appreciate this opportunity to testify and above all, thank you for the hard work you do on our behalf.

The CHAIRMAN. Thank you very much.

Let's start with you, Mr. Anderson. You talked about the new technology and the new management practices and different ways of looking at things today. And obviously, you've been in this business for awhile. It's a generational family owned business.

Do you believe that the new management techniques and the new technology that's available to you and your sons today would lead to a different way of implementing the Healthy Forest Initiative than what we would have done 30 years ago?

Mr. ANDERSON. Yes, Mr. Chairman, I think Chief Bosworth touched on that briefly this morning. When folks tend to continue to reflect back on practices of 20 years ago, I don't think anyone can look at our forests today in the way we manage them, the way we harvest them, and say that we haven't made giant strides, and especially in this state. You know, in the early 1980's, we took it upon our ourselves as an industry to develop best management practices for forest practices because we could see where—the direction that we were headed. And thus far, we've been able to do that voluntarily in this state, and I think have set a precedent for many states in the nation. In fact, I know we have. In working in my connections with the American Loggers Council over the entire nation, they oftentimes use the model that we developed here. And in the technology of the machinery that's come forward that enables us to be a much softer footprint on the ground and to remove trees in a directional fashion that do the least amount of harm to the residual stands. I think the strides that have been made are astronomical. And there's no question about that we can do a much better job today than we even could 10 years ago, let alone 30 years back.

The CHAIRMAN. Mr. Mood, we had an opportunity to go through the mill this morning. And unfortunately, it looked a lot like the mills that I've got back home in that everything that was running through there was salvage timber. And that's, as you know, not a very reliable source of timber to keep a mill running.

But I've had the opportunity over the last several years to fly over Montana in a small plane, to fly over most of the West in a small plane, and one of the striking things about it is, is that it's all covered with forests. And there are trees just about everywhere you fly in this part of the world.

About 2 years ago, I was in New Zealand and had the opportunity to look at their livestock industry. And as part of their growing livestock industry, they were clear-cutting forests and planting grazing—planting grass to go in there. But the interesting part about it was is that they were loading those trees onto to ships and those ships were coming to the United States, and they were coming to California to run through one of our sawmills that is surrounded by national forests.

How could it possibly be economical to ship trees from New Zealand, a raw product from New Zealand, to run in a sawmill in California that is surrounded by national forests?

Mr. MOOD. Well, that's a fascinating question. And I guess the answer is that if you can get the raw material for nothing, you can ship it quite a long ways. Or virtually, I think you can ship it quite

a long ways, particularly on over-the-sea transportation, and still make it economically feasible.

It's fascinating to me. You know, this country has wood products coming to it from four different directions. Canada, of course, is the major contributor. And I've forgotten, I've been away from those numbers for a long time, but I believe they're probably in the 35, 40 percent range of the wood products we use are coming from Canada. But interestingly enough, New Zealand, there is a lot of lumber coming to this country from New Zealand, a lot of from South America. And one of the most fascinating ones is the Russians are shipping timber from Russia to the Scandinavian countries where it's made into dimension lumber and it ends up on the East Coast of the United States.

One of the problems that we have in this country is the way that we have competitive bidding for timber and are attempting to compete with Canadians, for instance, who have dedicated timber at a fixed price, which has nothing to do with the market. And, you know, we have to compete with a much higher timber base cost to begin with, than what the Canadians do. And that's why the Canadian imports always have a market, because they can sell it for quite a bit less and still come out. And I am familiar with the New Zealand timber that's coming into the West Coast. And again, they are—I suppose if you can ship it and buy it at a price and get it cheaper than you can in this country, the economics work.

It seems to me rather odd that we're sitting on some of the most productive temperate forests in the world here in the Western United States and we were not able to tap into that resource, or haven't been for a number of years now, in order to fill our own markets, but—

The CHAIRMAN. Did you find it ironic that, you know, we're watching our forests burn and we have sawmills that are shutting down all over the country, all over the Western United States and our forests are burning down and we're importing logs from New Zealand? To me, there's something wrong with this picture.

Mr. MOOD. Well, I do find it ironic. And again, you know, the legal structure we have in this country as far as forest management and the hoops that the Forest Service has to jump through in order to put timber on the market, I think it led to a situation where, you know, there's a demand. And if you cause a void in the supplying of that demand, something will flow into that void to fill it. And we're seeing that happen in this country with imports from all four directions.

The CHAIRMAN. But finally, I just want to ask you. I mean, we've talked about the forests and timber harvests and the sawmill, but the other end of that is the value added, the folks who actually take a piece of lumber and turn it into a product, whether it's window casings or moldings or what have you. What's happening with that end of the business? Are we seeing an increase in imports of those kind of products?

Mr. MOOD. Well, absolutely. There's a product that comes in from New Zealand called radiata pine, which is filling, again, the void that's been created by the inability of the manufacturers in this country to get into the ponderosa pine forests and to make the win-

dow moldings and that type of thing which comes from that raw material.

Yeah, it is ironic that, you know, again, we have a demand in this country for a product. And I mentioned the number of homes that have been built in this country in the last 55 years for a very specific reason. You know, we are not out there in the forest and we're not producing lumber because we hate trees. We're doing it because there's a market for the product that we made.

And I would argue that, again, the 90 million homes that have been built since the end of the Second World War is the reason that there is a need for wood products in this country. It's not anything perverse and it's not anything evil, it's just the fact of human life. You know, that 90 million homes represent probably the most comprehensive effort in the history of the world for a people of a country to house itself in a way that those people can afford to live in the house. And it would be nice if somehow or another we could figure out a way for that to continue.

The CHAIRMAN. And I thank you. I thank both of you.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

I have a couple of questions, first to Senator Anderson. How do you personally feel about Montana taking advantage of the Federal stewardship contracting? Can you enlighten me on the way that this pilot program has been implemented in this state. And what changes would you recommend Congress make concerning this program or any other initiatives that you feel are important, including the categorical exclusions which you mentioned in your testimony? Do you have any suggestions to make in that area?

Mr. ANDERSON. Yes. I think the Forest Stewardship Program is a pilot program, and I believe that it is proving itself to be very valuable. Of course, at this point, this juncture in time, anything would be of value. But the Forest Stewardship Program does need to expand, as I said in my testimony. It needs to expand to cover larger tracts of land. They can do the same thing that they're doing with the small programs, the pilot programs. And I just don't want to see it become of a restrictive nature to where it is just these tiny little programs that work well but don't accomplish the amount of tasks that we have before us to try to reduce fuel loads and protect communities and supply our industries.

Ms. BORDALLO. Uh-huh.

Mr. ANDERSON. And the categorical exclusion, I think, definitely has a lot of merit, because I think when there is a catastrophe and we are faced with a large burn or a blowdown or any of these others, I think it should be against the law not to utilize that material to the best of its potential. We have—as Doug has said, the demand is certainly out there. And we're going, as a people, we still, our American dream is to own that home. And we're demanding that we get the material, and we'll get it from wherever we can get it, whether it's this country or outside of this country. And for us to not utilize that material when it's already been burned is just beyond comprehension.

Ms. BORDALLO. So, you feel, then, the program should be expanded?

Mr. ANDERSON. I do.

Ms. BORDALLO. Thanks. Have you had ever made any recommendation through your state legislature, to the Congress, in a way of a resolution or any type of requests like that, as to your suggestions?

Mr. ANDERSON. Not specifically dealing with categorical exclusions. We did have a couple of resolutions this session, I believe, of course, urging Congress to look further into the needs we have with our forests and our forest issues.

Ms. BORDALLO. There's one other question, too, I'd like to ask you, Senator Anderson. You've noted in your testimony that your logging business, your personal business once conducted about 80 percent of its business with the national forest system land. And, however, you also noted that now little of your business is actually on forest system land. How long can 20 percent of Montana's forest land base support 80 percent of Montana's timber harvest?

Mr. ANDERSON. Well, that's the problem we're getting into. And I noted in my testimony that our private lands are private timber lands. I think they're probably unquestionably being hit pretty hard, simply because our national forests have basically become off limits. And I was being very generous when I said 80 percent because at one time we probably did 95 percent of our work on national forests, and they virtually have become off limits. And that's just shifted the burden onto the private lands. And how long can that last? I guess I wouldn't venture a guess as to how long. But I think we're seeing that come to fruition by the number of mills and manufacturing plants in the state that are being forced to close.

Ms. BORDALLO. Forced to close, uh-huh. So, you see that happening in the very near future, then? Or some action has to be taken?

Mr. ANDERSON. Most definitely.

Ms. BORDALLO. Mr. Speaker, as a speaker of the Montana House and representing this very beautiful rural community, is it difficult to explain the challenges facing timber-dependent communities to your urban colleagues, say, in Billings and Great Falls? Are they aware of the situation?

Mr. MOOD. I think that the forest health issue, the plight of the sawmills in Montana—and, by the way, I think we're down to eight. I was a little stunned to hear that, but I know at one time there must have been 45 sawmills in Montana and there are eight producers of any size at all being left in the state.

But, anyway, the other people in the state are well aware of the plight of forestry and the sawmill workers in the state.

Ms. BORDALLO. Are they sympathetic with the problems facing this community?

Mr. MOOD. Well, you know, it's a cross-section of the State of Montana or a cross-section of our society, just like it is intended to be in the House of Representatives. And I think that most people are becoming—are aware of what's happening on our national forests. There's a difference between those who think it's the right thing to have happen and those, like myself, who think that what's happened in the last 20 years is the wrong thing.

And again, as Senator Anderson indicated, the national forest—and I'm not privy to these numbers anymore, having sold our inter-

est in the mill 2 years ago—but I do know that in Pyramid, we probably did 90 percent of the harvesting within a 50-mile radius of the sawmill 25 years ago. And I know that just in recent years, the mill has had to go out as much as 300 miles in order to get the raw material that it needs to fill the demand or keep the sawmill in production. And that the impact of that is also spread out from a 50-mile radius to a 300-mile radius, and there's other ramifications of that.

The local school, for instance—and I'm not sure of these numbers—but I think they've lost about 40 students in the last 5 years. Well, it's a direct result of the fact that the economic impact of the major employer, the local employer is being spread out over a 300-mile radius as opposed to a 50-mile radius.

Ms. BORDALLO. So, in your opinion, your colleagues are sympathetic to the plight?

Mr. MOOD. Yeah. The colleagues that I have in the House of Representatives are well aware of what's happening in the forest products industry. There are some who think it's the right thing to have happen, and there are others who say—who agree with me that it's the wrong thing to be happening.

Ms. BORDALLO. Thank you, very much. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Rehberg.

Mr. REHBERG. Thank you, Mr. Chairman.

Being a former colleague of yours in the State Legislature, we both, or all know that budgets never go down at the State level, they either stay the same or creep up.

I guess the follow-up question would be, do your colleagues recognize the fact that when timber production is not paying its share of the former budget that was built upon timber harvesting, that somebody else is going to have to make up the difference?

Mr. MOOD. I would say that a certain percentage of them are aware of that. I'm not going to get these numbers exactly right, but it's a good indication. At one time, the natural resource industries in the State of Montana paid, I believe, 42 percent of the taxes, the property taxes that came into the state. That number is down now in the 7 or 8 percent range. Well, somebody is making up that difference. You know, if property taxes are going up, there's a reason for it because a major value to the State, both tax value and economic value, is being deteriorated because of a lack of activity in the forests.

Mr. REHBERG. Speaker Mood, could I ask you the question, can eight sawmills—if the light suddenly turns on in Washington and our policymakers recognize the fact that we need a healthy forest program that's going to necessitate additional thinning and harvesting throughout the West, but in Montana can eight mills handle the amount of timber necessary to adequately manage our forests for the Healthy Forest Initiative?

Mr. MOOD. I would expect the answer to that question is no. And there are states, and I was reading about Arizona that has no sawmills left. In Montana, I'm not sure who would be willing to invest more money to build a sawmill in Montana, but I doubt there's, you know, more than about three or four people in the whole world that think that's a good idea.

Mr. REHBERG. That was going to be my follow-up question. Knowing that you sold out within the last 2 years, would you, as a fairly sharp businessman, take the chance of investing your dollars to build a plant?

Mr. MOOD. I would not.

Mr. REHBERG. You would not.

Mr. Anderson, at what point does it become less than economic for you to transport logs to eight mills? I mean, is it getting to that point where it's so much more difficult because you're having to go farther and farther away? Is there a number, or is it just happening?

Mr. ANDERSON. Well, as Speaker Mood eluded to, it's just a supply and demand situation. And the further out you get, then naturally the cheaper you have to obtain that product; otherwise, it definitely does become not economically feasible.

We're, you know, in the same situation or scenario he spoke of. We probably used to stay within a 50-, 60-mile radius of our mill that we were delivering to. And now, it's not uncommon to get out 100, 150 and at times 300 miles. Last year, for instance, one of our salvations for the mill there in Deer Lodge was unfortunately the burn up on the Blackfoot Reservation, and they chose to go in there and utilize that material. And that was a big boost for the sawmill there in Deer Lodge, and it was 300 miles one way. But we were able to utilize that product, they were able to recap the value of it, and it was a win-win for all of us.

Mr. REHBERG. Speaker Mood, one final question. And that is, oftentimes, you hear the opponents talk about below cost sales. And I guess my question to you is, being the mill owner, what percentage, if you remember, was paperwork costs added on top of reviews and the various regulations at the Federal level? Were they below cost sales because you wanted to maximize your profits and you just have to be a smarter bidder? Or were they below cost sales because the costs of the Federal Government's regulatory environment was added in and it became less than profitable for the Federal Government to want to harvest?

Mr. MOOD. There's enough competition for timber that timber is never bought cheap in this day and age. They're below cost because the preparatory paperwork is expensive and that goes into the cost of the sale. And it's ironic to me that the very people who are causing the expense of paperwork to the Forest Service, then argue that they shouldn't be putting it up because it's below costs. So, I mean, it's kind of—you know, they're causing it on one hand and then arguing that it's the reason why they shouldn't be putting timber up. But it's a terrible irony and, frankly, you have to laugh or you want to cry.

Mr. REHBERG. Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you. I want to thank both of you gentlemen for your testimony. It was extremely interesting to hear your perspective on it, both as elected officials here in Montana as well as your experience in the real world. So, thank you very much for your testimony.

Mr. MOOD. I want to thank you for coming to Seeley Lake.

The CHAIRMAN. Well, thank you.

I'm going to invite up our third panel, but before you come up here, the Committee is going to take about a 5-minute break. I'm going to give our lady an opportunity to rest for a second here. But if you could start making your way up to the front, we're going to take a break for about 5 minutes.

[Whereupon, the hearing was in recess at 11:28 p.m., and subsequently reconvened at 11:35 a.m.]

The CHAIRMAN. Now that I've got you sitting down, if I could have you stand up.

[Witnesses sworn in.]

The CHAIRMAN. Thank you. Let the record show that all answered in the affirmative.

Our third panel is Steve Kelly, Bob Harrington, Ann Dahl, Kim Liles and Gordy Sanders. And we're going to start with Mr. Kelly.

STATEMENT OF STEVE KELLY, MEMBER OF BOARD OF DIRECTORS, ALLIANCE FOR THE ROCKIES

Mr. KELLY. Thank you, Chairman Pombo and Representative Rehberg and Representative Bordallo. And I'd really like to thank the staff. You know, we had to make quite a few calls to get this all together, and they really did a great job. And I'd like to welcome you all to Montana. You came at the very best part of the year, so I hope you enjoy yourselves if you get some time off.

My name is Steve Kelly, I'm here representing today the Alliance for the Wild Rockies. We are a network of small groups and small businesses and individual members, and our focus is bioregional. We're basically operating in the five-state Northern Rockies Regions. So, my comments today will address specifically the title or the topic of Montana's problems, but I would hope that we could consider that those challenges and problems and solutions could be looked at over the Northern Rockies Region. It's all mountainous. We're pretty good at growing some things and not other things. California grows great artichokes, and we grow world-class trout fishing, grizzly bears, elk, caribou, things that people around the world just don't have anymore. And it's one of the things I'd like to try to focus on during my few minutes is that we take a broader, more holistic look at the forests.

We have heard a tremendous amount of discussion and opinion about the trees. And there are some highly respected scientists that have, since I can't remember when, have tried to refocus our attention to this holistic view of the forest, the forest being things from microrisual fungi to huckleberries to the grizzlies and to the trout. And, so, really beyond the trees. The trees are obviously what we think of and look at and it's the metaphor, but it is not an adequate proxy for forests. So, I think the more we focus on trees and what are we going to do with the trees, we sort of lose site of this big picture. And again, the bigger picture of the forest as a bio-region, something that extends beyond state boundaries. This isn't just a Montana problem, this isn't just a Seeley Lake problem or a Swan Valley problem, but it does extend to these broader ecosystems.

I think that we need to also look at the history. The greatest challenges facing our forests today are those same great debates that began before there was a Forest Service, with National Forest

Reserves being formed in 1891. So, in a lot of ways, this debate is over how best to approach management really goes back to the great debates between Gifford Pinchot and John Muir who really started this whole idea of should we protect the forests for the future, should we view it and manage it as a farm or a commodity production landscape. And again, I think the testimony earlier today we have seen that there's obviously disagreement about this fundamental argument that perpetuated itself through the Organic Act, through the Multiple Use Sustained Yield Act of 1960.

And today, we are still governed by the laws of Congress that created the National Forest Management Act. And that act and the statutory requirements, again require us to look at the forest beyond the trees, look at the wildlife, look at all the values. And, so, when we take a small view and a short-term view, we lose site of where the money is spent, we lose sight of the impact of our priority to log the forest, to produce the commodity, and this, in turn, I think, creates a lot of the controversy. A lot of the appeals are generated out of this basic fundamental difference about how we all view the forest.

I have attached a couple of GAO reports I hope you'll take note of, just to really highlight some of the long-standing performance accountability problems. The Forest Service still does not have a financial accounting system that any of us can understand, and I think we need to get that. That's something Congress can do for us, make the Forest Service accountable for where it spends its money in a way that we can all understand.

The other thing is we need to find out if we're going to produce commodities—and I'm suggesting that we're going to continue to approach this for a long time to come—we need to know what the yield is. And, so, if we're going to be an agricultural producer, can we please find out what the yield is. There are uneconomical parts of the world, this happens to be one of them. It is a short growing season. We just got out of the period where a frost-free growing season just started for us. It's going to end Labor Day. So, competing with the rest of the world that has longer growing seasons, as an agricultural person in agriculture, you know, that's important.

And I'll reserve my time for questions. I want to thank you all for giving me the opportunity. I have one criticism. If we can have public participation before the bill passes next time, it would be much more meaningful. Thank you.

[The prepared statement of Mr. Kelly follows:]

Statement of Steve Kelly, Member, Board of Directors Alliance for the Wild Rockies, Inc.

Chairman Pombo, Representative Rehberg, and members of the Committee, my name is Steve Kelly for the record. Thank you for the opportunity to submit written testimony on behalf of the Alliance for the Wild Rockies. The Alliance is a bio-regional grassroots network based in Missoula, Montana comprised of hundreds of small businesses and conservation organizations and thousands of individual members working together to maximize support for environmental protection and restoration of the Northern Rockies bioregion. Our area of concern includes the mountainous regions of Montana, Idaho, Wyoming, and Eastern Oregon and Washington. Our collective mission is to secure the ecological integrity of the bioregion through citizen empowerment and the application of conservation biology, sustainable economic models, and environmental law.

These world-class forested landscapes are unique because they contain some of the largest intact forests in the earth's temperate zones. These forest ecosystems are still home to all the native plant and animal species that were here at the time of the Lewis and Clark Expedition 200 years ago. Free-roaming populations of grizzly bears, gray wolves, bison, woodland caribou, wolverine, mountain goats, anadromous salmon, bull trout and cutthroat trout are found here in "America's Serengeti." Recreational opportunities abound in popular destinations like Glacier and Yellowstone National Parks and on the national forest system lands that provide critical biological linkages between these protected national treasures. Our public forests also provide us with clean water, wildlife, spectacular scenery, and unmatched opportunities for hunting, fishing hiking and recreation. These public values represent the foundation of our quality of life. It is this generation's challenge, and our obligation I believe, to protect and restore our natural heritage for future generations.

We must never lose sight of why national forest system lands were created in the first place, and why working Americans from all 50 states have willingly invested their hard-earned tax dollars in public forests for over a century. These are America's public forests.

The greatest challenges facing our National Forests can be traced back to the Creative Act, which established the system of National Forest Reserves in 1891. The disagreement over how to interpret the Act is memorialized in the philosophy and teachings of two historical conservation greats, John Muir and Gifford Pinchot. Muir sided with Secretary of the Interior John Noble's interpretation of the Act as primarily preservationist in nature, while Pinchot sided with the Forestry Division Chief, Bernard Fernow, who held that the government should prioritize timber management and productivity in the German tradition of forestry, which viewed the forest as a farm, producing commodities for human consumption.

In 1897 Congress passed the "Organic Act," enacting strict laws governing timber harvest on the Forest Preserves. With the blessing of President Theodore Roosevelt and Congress in 1905, Pinchot seized control of Forest Preserves, shifting jurisdiction out of Interior into Agriculture where they became known as National Forests. In his first two years as Chief, Pinchot passionately pursued his utilitarian/development agenda, which increased timber sales by 1000 percent. This great controversy is about values, and is fundamental to our understanding of today's disagreement between those primarily concerned for the integrity and beauty of the biotic community, and those who rationalize the exploitation of nature for human consumption.

In 1976, Congress passed the National Forest Management Act (NFMA), the first legislation to enforce substantive statutory restrictions on the Forest Service. The Act was a response by Congress to restore public faith and trust in Forest Service management, a crisis in confidence caused by an insensitivity to the public's growing concern over the expenditure of public funds and the environmental destruction caused by the excessive clear-cutting and road-building of our public forests. The debate rages on.

The Bush Administration's attitude and philosophy toward public forests represents a radical departure from the intent of NFMA to restore the "rule of reason" as envisioned by the Committee of Scientists. Apparently determined to deregulate and privatize our national forests, the White House appointed a former timber lobbyist assistant undersecretary of agriculture in charge of managing national forests. Today, any reasonable hope of striking a better balance between subsidized extractive uses and respect for public values like water, wildlife and solitude seems remote at best.

Congress has been all too willing to support the Administration's agenda, abandoning the long-standing practice of avoiding timber harvest where production costs exceed public benefits and where logging causes irreparable harm to fish and wildlife habitat, endangered species, clean water and healthy watersheds.

According to two General Accounting Office (GAO) reports (GAO-03-538, GAO-03-503, attached) issued in March, 2003, "the Forest Service has made little real progress in resolving its long-standing performance accountability problems and, based on the status of its current efforts, remains years away from implementing a credible performance accountability system." In the meantime, all ten Montana national forests continue to lose money on their timber programs.

Since the famous Yellowstone Fires of 1988, Western states have experienced big fire years in 1994, 1996, 2000 and in 2002. As the current drought persists, this string of impressive natural events will continue, with or without applying prescribed fire, thinning and other costly mechanical treatment methods.

Big skies, big trucks, extreme weather conditions, and fire are all part of everyday life in the West. When conditions are right, fires will burn uncontrollably, even in logged areas, or subdivisions, with good road access. Despite our unflagging efforts to control nature, wildfire, like floods, tornadoes, and earthquakes, occur randomly.

Even severe fire seasons do not constitute an emergency, but rather a normal fire sequence in a fire-prone ecosystem. Get used to it, wildfire B even the so-called “catastrophic” variety B is a natural, inevitable process.

In reaction to nature’s recurring disregard for human efforts to suppress fire, fire-fighting costs are on the rise. In 2002, the U.S. Forest Service alone spent a record \$1.2 billion, a big jump up from the \$256 million spent by all federal agencies in 1997. As Congress throws more money at the problem it helped create, there has been a corresponding rise in expectations of the constituency. But the intensity of the political controversy encircling government officials who must decide how best to manage our public lands appears to be doing more harm than good. Government is once again making promises it cannot possibly keep.

To make matters worse, some politicians and special-interest groups have exploited public fear of wildfires to rush fire-related forest legislation through the U.S. House of Representatives to leverage expanded logging on public lands.

For example, the “Healthy Forests Restoration Act of 2003,” under the guise of protecting rural communities from fire, deregulates logging in roadless areas and threatened and endangered species habitat, and gives the Secretary “sole discretion” to log old growth areas. The bill also permits the Forest Service to conduct logging without considering any alternatives, and creates legal exemptions for an unlimited number of projects (up to 1,000 acres each) for lands that agencies claim are at risk of insect infestation.

The bill eliminates the statutory right of citizens to appeal Forest Service logging projects, and directs federal courts to rule with the Forest Service and BLM, regardless of which laws are violated, whenever agencies claim their actions will restore fire-adapted ecosystems. For all those hoping that Congress and President Bush will deliver a panacea, prepare for disappointment. In reality, more logging will not lessen the impact of wildfire or make them more controllable.

Alterations to the home and vegetation within 200 feet can effectively reduce home losses. We must focus our attention on preventative actions within this zone of 200 feet, commonly referred to as the wild land/urban interface. People who choose to reside in the wild land/urban interface must take responsibility for reducing the chance their house or cabin will burn down. It is equally important to accept the fact that when burning conditions are right, no home is totally safe.

Using science as our guide, the only logging that makes sense is very selective, and located within the wild land/urban interface. There is little scientific evidence to show that thinning will prevent fires in drought years. Many scientists caution that improper thinning could damage ecosystems and actually make forests more vulnerable to fire. Cumulatively, our public forests have not recovered from prior abuses, which have dried out entire ecosystems.

The decision to spend billions of tax dollars annually to log, thin and burn public wild lands should be based on solid science, not on pork-barrel politics. At an estimated average cost of more than \$1,600 per acre B a cost that far exceeds the commercial value of most forests in the Northern Rockies B President Bush’s plan to expedite Forest Service thinning projects has already squandered more than \$400 million in the last two years.

Roads and logging have increased the likelihood of wildfire by 2 times and the likelihood of human-caused fire by 4 times when compared to unroaded areas. Right here in the Swan Valley there are 20% more road miles than stream miles (1,729 roads/1,437 streams), a major cause of sediment pollution. Thinning at a landscape level is an experiment with one surefire outcome: greater dependence on federal assistance and bigger federal agency budgets B that’s money over and above the \$7 billion Montana received in federal aid last year.

The last thing we need is more widespread logging on public lands, bigger logging subsidies and a bigger federal bureaucracy. Instead, we need to expand our knowledge of forest function and wildfire, and fight against self-serving politicians and lobbyists who hype the fear of wildfire as a means to achieve political ends and obtain quick cash.

We need a better forest plan, one that prioritizes on-the-ground actions in the wildland/urban interface, spending increasingly scarce tax dollars wisely. By moving proactively, homeowners can improve the odds of home survival. Restoring forests and watersheds will require removing roads, not the trees. Once this is accomplished, we can use science and education in a similar fashion to find the common ground necessary to successfully tackle more complex public forest problems in the future.

In the backcountry, congressional protection of national forest system lands is the most cost-effective method of insuring that future generations have special public places to fish and hunt. And the wisest thing we could do to spur economic prosperity is to protect our forests, restore water quality and respect our quality of life.

Thank you for this opportunity to testify.

[An attachment to Mr. Kelly's statement, "Highlights of GAO-03-503," has been retained in the Committee's official files. The report is available at www.gao.gov/cgi-bin/getrpt?GAO-03-503.]

The CHAIRMAN. Well, thank you. And just to respond to your comment, I believe this is probably about the 30th, at least the 30th hearing that we've had on that bill, the vast majority of those were before the bill passed, so—

Mr. Harrington.

STATEMENT OF BOB HARRINGTON, FORESTER, STATE OF MONTANA

Mr. HARRINGTON. Good morning, Chairman Pombo, Congressman Rehberg and Congresswoman Bordallo.

Thank you for coming out here. I appreciate the opportunity to speak with you this morning. I'm Bob Harrington, I'm the Montana State Forester and I'm also Forestry Division Administrator for the Montana Department of Natural Resources and Conservation.

Our department manages about, a little over five million acres of State trust land in the State of Montana. Of that, about 700,000 acres of that is forested. We produce about 42 million board feet of logs for sale every year with the intent of generating revenue for the trust beneficiaries, primarily K-12 schools and the university system. As Forestry Division Administrator, I am also responsible for the fire protection on five million acres of State and private land in Western Montana, as well as, by extension through our partnerships with the counties, the remaining 45 million acres of State and private land throughout Montana. We also work fairly closely with the timber industry to monitor forest practices and several other things.

I'd like to get right into some of what I believe are the critical points that are being debated right now and should be considered as you go forward with considering approval of legislation to address the forest health issue.

First of all, I believe that thinning a few trees around forested subdivision communities will not guarantee the survival of our communities at risk. When combined with drought conditions, the current amount of fuel on our national forests contributes to fire intensities that can overwhelm firefighters than even the most extensive community fuel reduction projects.

Restricting forest management projects to a buffer area around homes will not address the broader forest health problem on national forest lands and the threats from insects, disease and fire to forested watersheds and productive timber lands. The pending revision of forest plans on Montana's ten national forests could cost up to \$100 million. Streamlining this process would make valuable staff and financial resources available to implement more forest health projects on the ground.

I believe a viable wood products and logging industry is important to the State of Montana and a critical component of implementing forest health improvement projects. As the states of Colorado, Arizona and New Mexico have learned, the ability to imple-

ment projects is severely limited, if not eliminated altogether, if the infrastructure is not in place. We cannot complete the needed fuel treatments with noncommercial thinning alone. Commercial forest products can and should be harvested from our national forests and can help offset the high cost of forest health restoration work that is needed.

Although most agree that forest fuels adjacent to our communities should be treated, the distance from structures that fuel treatment should occur is still debated. Some believe the Forest Service should continue identifying and treating high-risk areas away from our cities and towns, while others believe all commercial logging on Federal forests should end, and they file appeals and lawsuits toward that end.

Consequently, science-based forest management proposals on national forests that have been developed in collaboration with resource specialists, affected stakeholders and the general public continue to be delayed and derailed. The internal appeals process and court challenges have been used to handcuff agency professionals and to prevent good projects from moving forward.

Nowhere is this more evident than in the Bitterroot Valley south of Missoula, where approximately 350,000 acres burned in the summer of 2000. During those fires, more than 15,000 acres of the Sula State Forest burned. To date, our department has salvaged over 27 million board feet of dead timber on over 6,000 acres, generated \$6 million for trust beneficiaries and forest improvement, and completed numerous fire rehabilitation projects on burned trust lands. The majority of this harvest occurred within 6 months of the fire, allowing us to capture maximum value from purchasers.

The Bitterroot National Forest has had much more difficulty, thus far salvaging only approximately 20 million board feet of the estimated 1 billion board feet of Federal timber that burned in the summer of 2000. Delay in implementing harvest has seriously reduced the value received to about 10 percent of the value that our department received for our timber. The success of the DNRC salvage operation on trust lands certainly represents a tremendous effort by our staff and the State Board of Land Commissioners. However, I do not believe that the problems implementing salvage projects on adjacent national forest land represent a lack of commitment or competence on the part of national forest staff. Rather, it represents the difference in administrative frameworks each agency operates within and how cumbersome it is to implement projects on the national forest.

Clearly, Congress should enact legislation that expedites the implementation of collaboratively planned projects, not only adjacent to communities at risk but wherever forest health problems and priorities exist. I applaud the passage of the Healthy Forest Protection Act by the House of Representatives and encourage the Senate to pass a bill with similar intent. The 10-year comprehensive strategy that's been endorsed by the Western Governors Association and numerous other partners provides a good framework for negotiating the final version of the legislation.

I am confident that efforts such as this field hearing will help us move forward in restoring the health of our forests, protection of our watersheds, and to maintain the economic health of Montana's

rural communities. I encourage you to continue your work toward passage of legislation that reinvigorates the mission and productivity of the U.S. Forest Service. Thank you.

[The prepared statement of Mr. Harrington follows:]

Statement of Bob Harrington, Montana State Forester, Missoula, Montana

Good morning Mr. Chairman and members of the committee. My name is Bob Harrington, Montana State Forester and Forestry Division Administrator of the Montana Department of Natural Resources and Conservation. I appreciate the opportunity to speak with you on this subject, and am pleased you have chosen Seeley Lake for this field hearing.

Americans have had the great luxury to debate at length over management strategies to improve the health of our national forests. Opinions on how that should be accomplished are as diverse as the citizens of this country. One opinion is that accelerated timber harvesting alone would address the forest health problems on federal lands. Others advocate a policy that would prohibit proactive forest management and allow fire, insects, and disease to manage the forests instead. Somewhere in between these extremes, the embattled managers of Montana's national forests are trying to implement policy, and get things done on the ground.

There are many critical points you should consider as you explore legislative solutions for the forest health problem. I would like to focus on a few of them:

- Thinning a few trees around forested subdivisions and communities will not guarantee the survival of our communities at risk. When combined with drought conditions, the current amount of fuel on our national forests contributes to fire intensities that can overwhelm firefighters and the even the most extensive community fuel reduction projects.
- Restricting forest management projects to a buffer area around homes will not address the broader forest health problem on national forest lands, and the threats from insects, disease, and fire to forested watersheds and productive timberlands.
- Timber harvest on national forests will not prevent fires, but will decrease the intensity of fires when they do occur—allowing safer and more efficient fire suppression tactics. It will also not eliminate insect and disease outbreaks, but it will lessen the impact when they occur.
- Historic forest stand types and their relationship to fire were as diverse as the plants and animals found in them: some forest types experienced low-intensity fires every 10–20 years, others burned only once every 100–200 years, with many separate regimes in between. Forest management projects designed to reduce fuels, improve forest health, and mimic natural processes need to be designed accordingly.
- The appeals process for project implementation leads to project planning costs 2–3 times as much as usual, and consumes valuable staff time that could better be spent on project implementation. The US Forest Service is the only federal agency with the NEPA appeals process codified in statute. Legislation is needed to give the agency more flexibility in managing the appeals process, similar to the BLM and other federal agencies.
- Public involvement in project planning is critical— but such involvement must be collaborative by all parties, and conducted in good faith. Recent changes to the categorical exclusion (CE) rules will help streamline the appeals process that has been abused for too long. Congress should support changes such as these, and facilitate additional CE protection for all forest management projects developed in a collaborative manner with stakeholders and the general public.
- The pending revision of forest plans on Montana's nine national forests could cost up to \$100 million. Streamlining this process would make valuable staff and financial resources available to implement more forest health projects on the ground.
- A viable wood products and logging industry is important to the state of Montana, and a critical component of implementing forest health improvement projects. As the states of Colorado, Arizona, and New Mexico have experienced, the ability to implement projects is severely limited - if not eliminated altogether - if the infrastructure is not in place. We cannot complete the needed fuel treatments with non-commercial thinning alone. Commercial forest products can and should be harvested from our national forests, and can help offset the high costs of the forest health restoration work that is needed.

Although most agree that forest fuels adjacent to our communities should be treated, the distance from structures that fuel treatment should occur is still de-

bated. Some believe the Forest Service should continue identifying and treating high-risk areas away from our cities and towns, while others believe all commercial logging on federal forests should end - and file appeals and lawsuits toward that end.

Consequently, science based forest management proposals on national forests that have been developed in collaboration with resource specialists, affected stakeholders, and the general public continue to be delayed and derailed. The internal appeals process and court challenges have been used to handcuff agency professionals, and to prevent good projects from moving forward.

Nowhere is this more evident than in the Bitterroot Valley south of Missoula, where approximately 350,000 acres burned in the summer of 2000. During those fires, more than 15,000 acres of the Sula State Forest burned. To date, DNRC had salvaged over 27 million board feet of dead timber on over 6,000 acres, generated \$6 million for trust beneficiaries and forest improvement, and completed numerous fire rehabilitation projects on burned trust lands. The majority of this harvest occurred within six months of the fire, allowing us to capture maximum value from purchasers.

Prior to the fires of 2000, the Sula State Forest had been managed for timber production, including several recently completed sales. In general, certain harvested areas on state and adjacent private land reduced fire behavior, and prevented additional mortality to standing trees. For various reasons, this pattern was not universal - some harvested areas burned intensely, and other unharvested areas burned with mixed severity. I have attached a summary of fire behavior on the Sula Forest by Dr. Peter Kolb, MSU Extension Forestry Specialist for further consideration by the committee.

Timber salvage areas on the Sula Forest experienced significantly less erosion and debris flows than on adjacent lands where salvage logging had not occurred. Although variable weather patterns may have contributed to this result, we believe the logging activity and woody debris left behind prevented significant soil movement within the watershed.

The Bitterroot National Forest has had much more difficulty, thus far salvaging only approximately 20 million board feet of the estimated one billion board feet of federal timber that burned in 2000. Delay in implementing harvest has seriously reduced the value received to about 10% of the value received by DNRC for its timber. The success of the DNRC salvage operation on trust lands represents a tremendous effort by our staff and the State Board of Land Commissioners. However, I do not believe the problems implementing salvage projects on adjacent national forest land represent a lack of commitment or competence of Forest Service staff. Rather, it represents the difference in administrative frameworks each agency operates within, and how cumbersome it is to implement projects on the national forests.

DNRC was fortunate to have the general support of Bitterroot residents, the State Land Board, and experienced no lawsuits over our salvage timber sales. In contrast, even after an open and collaborative planning process for its salvage sales, Bitterroot Forest staff has been burdened by appeals, lawsuits, negotiated settlements, and continued scrutiny from entities opposed to all logging on federal lands.

Whether it is the salvage of fire-killed timber on the Lolo National Forest, or fuel reduction projects such as the Clancy-Unionville project on the Helena National Forest, projects designed to improve the health of the forest and associated resources continue to be delayed or blocked altogether. While this gridlock continues, we continue to experience the following:

- Our national forests continue to be subjected to extensive losses from fire, insects, and disease;
- Timber-dependent workers and communities continue to lose jobs and economic sustainability;
- Local, state, and federal firefighters continue to be exposed to extreme fire behavior, threatening lives and costing billions of dollars.

We know that fire, insects, and disease are merely symptoms of a greater problem: the loss of the historical diversity in forest conditions that greeted Lewis and Clark as they passed through this region nearly 200 years ago. If our nation's forests are to adapt to the predicted increase in the atmosphere's temperature and associated weather extremes, we must continue to restore the mosaic of timber types once present on the landscape.

Clearly, Congress should enact legislation that expedites the implementation of collaboratively planned projects, not only adjacent to communities at risk, but wherever forest health problems and priorities exist. I applaud the passage of the Healthy Forest Protection Act by the House of Representatives, and encourage the Senate to pass a bill with similar intent. The Western Governors Association's

(WGA) 10-year comprehensive strategy establishes a good framework for negotiating the final version of the legislation.

I am confident that efforts such as this field hearing will help move us toward restoring the health of our forests, protection of our watersheds, and maintain the economic health of Montana's rural communities. I encourage you to continue to work toward passage of legislation that reinvigorates the mission and productivity of the U.S. Forest Service.

[An attachment to Mr. Harrington's statement follows:]

Forest Management and Wildfire Observations

Peter Kolb (PhD) MSU Extension Forestry Specialist, School of Forestry Assistant Professor of Forest Ecology

Sula State Forest

The Sula state forest burned as part of the wildfires that burned across the Bitterroot Valley during 2000. Multiple ignitions coupled with drought, hot weather and extremely low fuel moistures led to uncontrollable wildfires across much of Montana and Idaho. This period was also marked with periodic high winds, most noted on what was called "Black Sunday" when wind gust well over 40 miles per hour caused erratic and dangerous wildfire spread. News footage of the fire camp in Ross Hole being overrun by fire made the national evening broadcasts. The fire camp was located in the broad bottom of Ross hole with mowed meadowlands and croplands surrounding the camp for at least 1 mile in either direction, and lies in the middle of the Sula State Forest.

Fire behavior—post fire review

Per the request of the ranch manager of the Shiny Mountain Ranch, which is surrounded by the northern portion of the Sula State Forest, and with Chris Tootell, the then chief of DNRC Service Forestry, I visited the Sula forest in late August of 2000. I had been in contact with the Shiny Mountain Ranch the previous year regarding wildfire concerns in the surrounding forest. This prompted numerous additional site visits, tours, and subsequent research during the summer of 2001.

We found that the Sula State Forest burned in a mosaic of fire intensities and severities. We were very interested in fire behavior, particularly around "islands" of green trees that survived across the landscape next to high intensity burn areas. To help analyze fire behavior I interviewed Mark Lewing, who was in charge of the fire suppression activities on the Sula and had kept a diary of events. I also brought Mick Harrington (PhD), lead fire behavior specialist from the Fire Sciences Lab USDA Forest Service out to the Sula State forest to examine and discuss theories that we had developed with regard to fire behavior.

Findings

Mosaic patterns were affected by landscape features, fuel conditions, time of day, wind patterns, and past forest management. Wind direction and speed, as well as topographic features such as canyons that funneled heat, and steep slopes that exacerbated wind effects had an overriding and predictable impacts on fire intensities and severities. Steep slopes and narrow canyons almost always led to stand replacing run-away fire conditions. Under these circumstances, the only forested areas that did not burn intensely and severely were those that were surrounded by clearcuts, patch-cuts, and widely spaced uneven aged management units. On average, any clearcut that had regeneration younger than 30 years showed some resistance to carrying an active crown-fire, and in some cases stopped surface fires as well. Standard thinnings that left fairly dense forested stands with average between tree spacings of 15 feet or less appeared to be ineffective in modifying active crown fire behavior. Those areas of adjoining property where thinnings of 30 feet between trees were in place did have noticeable effects, causing active crown fires to drop to the ground.

The role of logging debris and coarse woody debris retention prior to fire

The Sula State Forest was of interest because in the year preceding the fires of 2000, the manager of the Shiny Mountain Ranch had called asking for help regarding woody debris disposal. Upon inquiry, it became evident that he was concerned about logging debris that had been placed back into forested conditions to satisfy Coarse Woody Debris retention policy. Approximately a decade ago a general forestry practice was adopted that advocated the retention of significant amounts of logging debris for the purposes of nutrient cycling and wildlife habitat. This practice, sound in theory, did not take into full account the risks to wildfire hazard. Most wildfire hazard calculations are conducted using a standard bad day format

(87 F, 17% relative humidity, and winds of 12 mph 20 ft above the soil surface) and fuel loading using the BEHAVE model. Under these circumstances the logging debris left probably was well within standards for slash hazard reduction guidelines. It is my contention that these calculations gave a false sense of security since the wildfires of 2000 were under significantly worse conditions (90+ F, 5% relative humidity, and winds over 30 mph). Based upon observations on the Sula State Forest, prompted by the Shiny Mountain Ranch, management areas that had a coarse woody debris retention management prescription tended to support lethal surface fires and were more prone to developing into crown fires. Coarse Woody Debris guidelines, therefore, need to be refined to take into account the probability of wildfires under extreme conditions.

Salvage logging

Salvage logging on the Sula State Forest occurred within months of the wildfire occurrence. The ability to quickly respond to wildfire-affected areas had multiple benefits. Wildfires leave an area with little vegetation and covered with highly erodible ash. Fire adapted plants can rapidly recolonize burned areas one to two years after an event and help stabilize soils. Logging prior to plant colonization does not disturb this vital process and may actually help by breaking up ash covered hydrophobic soils. Placement of logging debris on contours to create erosion barriers further reduces soil displacement. This practice is identical to the costly but proven post-fire rehabilitation treatment of "contour felling". Finally, the rapid extraction of fire-killed trees maximizes the economic value and utilization of this resource. The wood in fire killed as well as insect and disease-killed trees rapidly becomes unsuitable for most wood product purposes.

The landscape picture

Critical landscape review of the Bitterroot fires, Nine-mile, Maudlow-Toston, Cave Gulch, Fridley, Moose Creek, and Cow Creek have shown similar patterns. Forested landscapes, that had previously well planned and implemented management practices that resulted in mosaic-patches of different forest age classes and tree species had a lower probability of carrying a landscape encompassing active crown fire, even under severe fire conditions. Wildfires that developed into active crown fires appeared to gain momentum in areas that had uniform forest crown canopies and burn into large, contiguous stand replacing fires of the highest severity. These types of wildfires cannot be actively suppressed until the weather significantly changes or landscape level fuel treatments are encountered. Wildfires that developed into active crown fires in forests with diverse tree spacing and patches of tree age classes were more probable to burn in a mosaic of small patches of crown fires and non-lethal surface fires, with significantly less severe residual fire effects. According to fire suppression experts, the later scenario represents a higher successful suppression scenario, which is the goal of using management to reduce wildfire hazards.

The CHAIRMAN. Thank you. Ms. Dahl.

STATEMENT OF ANN DAHL, DIRECTOR, SWAN ECOSYSTEM CENTER

Ms. DAHL. Thank you. I'm grateful to be here and I'm grateful you came to see us because as Chief Bosworth said, or as has been said today—I can't remember who said it now—it's very important that you come out and take a look. In fact, it was you, Denny, who said it. I appreciate the working junkets. You need to know exactly what's going on.

I work for Swan Ecosystem Center in the Swan Valley, about 25 miles north of here. Swan Ecosystem Center is an inclusive, non-profit community group. We work in partnership with the Forest Service and many other partners on ecosystem management and education.

Today, I want to tell you how our community is participating effectively in public and private land management, briefly describe our hopes for the Swan Valley for us, emphasize that all communities and ecosystems are different and that forests are in need of

site specific management, and argue that both local experience-based knowledge and scientific data are needed in considering forest health planning.

The Swan Valley lies between the Mission Mountains and the Swan Range. And the valley ecosystem is a source of clean air and water. It's a popular recreation area for many Montanans. The Swan Valley has the most significant system of wetlands and riparian areas in the region. This densely forested valley is home to grizzly bears, bull trout, many rare plants and about 900 people who care deeply about the land. The valley is one of a few in the West where humans live successfully within a rich and intact ecosystem.

This thing is falling (indicating the mic.) .

The Swan Ecosystem Center has an office and visitor center in the U.S. Forest Service Condon Work Center. We sell maps and firewood permits, and we answer questions about trails and grizzly bears. We raise half the money for the backcountry rangers in the Mission Mountains and on the Swan Range. We have two demonstration forests on national forest land that help people understand the role of fire in the ecosystem and learn how to protect their homes from wildfire. We offer numerous educational programs with the Forest Service and other partners.

Community members have written a landscape assessment of the Upper Swan Valley that combines scientific data and experience-based knowledge from local people. Public land managers bring technology that communities want and long-time residents retain knowledge of how the ecosystem has functioned and changed over time. Both are needed to assess forest conditions and develop appropriate management strategies.

Our community-based landscape assessment is the foundation for a valley-wide conservation strategy that includes all ownerships. The valley is divided in a checkerboard pattern, with the Forest Service and Plum Creek Timberland managing most of the alternating squares. These checkerboard squares are visible from space. Recently harvested, Plum Creek lands are in young growth, while many of the Forest Service squares are now overcrowded and need management to reduce beetle infestations and unnatural fuel loading. With every other square mile recently logged, much of the national forest land is susceptible to wind throw, yet the Forest Service is unable to offer small timber sales to salvage excess blowdown before it loses economic value and exacerbates the insect and disease problem. Although such salvage sales would be small, they would be significant for local contractors and the Pyramid mill in Seeley Lake. If we're going to reduce fuels in the Swan Valley, it's essential to keep the local mills open to process the trees that are thinned.

Plum Creek Timberlands owns about 80,000 acres in the Swan Valley, about half of the land that can be managed for timber production in the valley. Plum Creek has begun selling its timberlands, some for Forest Service acquisition and some for private residences. We have convened a stakeholders group made up of the Forest Service, other Federal and state agencies, county governments, land trust organizations, environmental groups and com-

munity members and Plum Creek, to develop a coordinated strategy for protecting Plum Creek lands.

Working with the Trust for Public Land, about 5000 acres have been acquired for the Flathead National Forest since 1998 using Land and Water Conservation funds. About 1200 acres will be acquired in 2003. And the stakeholders group has identified and prioritized an additional 8000 acres for the Forest Service in 2004 and beyond. We're also seeking Forest Legacy funds and Habitat Conservation Plan funds to ensure that sufficient land remains in the timber base, key habitats are protected and lands are available for appropriate public access.

Swan Valley residents have donated 3000 acres of conservation easements on 22 privately owned parcels through the Montana Land Reliance, demonstrating a remarkable personal commitment to retaining the valley's rural and wild characteristics. The Nature Conservancy also holds some easements in the Swan Valley.

A Swan Valley community Committee is meeting monthly to protect Plum Creek lands and develop a conservation strategy for managing local forests. Historically, the economy in the Swan Valley has been timber dependent. Managed responsibly, these forests could continue to supply products for the local mill and provide jobs for loggers, log truck drivers, mill workers, restoration foresters and outfitters long into the future. But if we're going to maintain an intact ecosystem and a rural way of life, the Swan Valley cannot withstand much more residential development. Far-flung development is the greatest threat to ecosystem integrity and our rural culture. It undermines the viability of the timber industry and the cost of services stresses many—or stresses county government.

As part of the Swan Valley conservation strategy, we want to acquire Plum Creek land for a community forest to be managed for these core values that were identified by residents as most critical: Appropriate public access, a sustainable timber base and wildlife habitat. If properly organized, a community forest would help resolve the burden of checkerboard ownership mandated by Congress a century ago as part of the railroad land grant.

A Swan Valley community forest would test the potential for appropriate local land management while including a broad range of national interests. We are not asking for local control. We want meaningful local participation by people who have intimate knowledge of the place. A community forest would allow citizens to maintain the rural and wild characteristics of the valley and provide a sustainable local economy. Swan Valley forests could be managed according to the specific needs of the local ecosystem. Management would mesh the knowledge of long-time residents with scientific data. It would be responsive and specific to the people and the place. Thank you.

[The prepared statement of Ms. Dahl follows:]

Statement of Anne Dahl, Executive Director, Swan Ecosystem Center

Purpose

Welcome to our beautiful part of the world. I am Anne Dahl, and I work for Swan Ecosystem Center in the Swan Valley, about 25 miles north of here. Swan Ecosystem Center is an inclusive, nonprofit community group. We work in partnership with the Forest Service, and many other partners, on ecosystem management and education. I have four things I want to accomplish today. I want to:

1. Tell you how our community is participating effectively in public and private land management.
2. Briefly describe our hopes for Swan Valley forests.
3. Emphasize that all communities and ecosystems are different and that forests are in need of site-specific management.
4. Argue that both local experience-based knowledge and scientific data need to be considered in planning for forest health.

Swan Valley

The Swan Valley lies between the Mission Mountains Wilderness and the Bob Marshall Wilderness. The valley ecosystem is a source of clean air and water and a popular recreation area for many Montanans. The Swan Valley has the most significant system of wetlands and riparian areas in the region. This densely forested valley is home to grizzly bears, bull trout, many rare plants and about 900 people who care deeply about the land. The valley is one of a few in the West where humans live successfully within a rich and intact ecosystem.

Swan Ecosystem Center and Flathead National Forest Partnership

Through matching funds agreements with the Forest Service, Swan Ecosystem Center has an office and visitor center in the U.S. Forest Service Condon Work Center. We sell maps and firewood permits and we answer questions about trails and grizzly bears. We raise half the money for the backcountry rangers in the Mission Mountains Wilderness and the Swan Range, with its trails into the Bob Marshall Wilderness. We have two demonstration forests on national forest land that help people understand the role of fire in the ecosystem and learn how to protect their homes from wildfire. We offer numerous educational programs with the Forest Service and other partners.

Community members have written a landscape assessment of the Upper Swan Valley that combines scientific data and experience-based knowledge from local people. Public land managers bring technology and scientific information communities want. Longtime residents retain knowledge of how the ecosystem has functioned and changed over time. Both are needed to assess forest conditions and develop appropriate management strategies.

Legacy of Checkerboard Ownership

Our community-based landscape assessment is the foundation for a valley-wide conservation strategy that includes all ownerships. The valley is divided in a checkerboard pattern, with the Forest Service and Plum Creek Timberlands managing most of the alternate square-mile sections. The state of Montana manages a smaller portion of the valley checkerboard. These checkerboard squares are visible from space. Recently harvested, Plum Creek lands are in young growth, while many Forest Service squares are now overcrowded and need management to reduce beetle infestations and unnatural fuel loading. With every other square mile recently logged, much of the national forest land is susceptible to wind throw. Yet the Forest Service is unable to offer small timber sales to salvage excessive blow down before it loses economic value and exacerbates the insect and disease problem. Although such salvage sales would be small, they would be significant for local contractors and the Pyramid mill in Seeley Lake. If we're going to reduce fuels in the Swan Valley, it's essential to keep the local mills open to process trees that are thinned.

Divestment of Plum Creek Timberlands

Plum Creek Timberlands owns about 80,000 acres in the Swan Valley, about half of the land that can be managed for timber production. Plum Creek has begun selling its timberlands, some for Forest Service acquisition and some for private residences. We have convened a stakeholders group made up of the Forest Service, other federal and state agencies, county governments, land trust organizations, environmental groups, community members, and Plum Creek to develop a coordinated strategy for protecting Plum Creek lands.

Coordinated Conservation Strategy

Working with Trust for Public Land, about 5000 acres have been acquired for the Flathead National Forest since 1998 using Land and Water Conservation funds allocated by Congress. About 1200 acres will be acquired in 2003. And the stakeholders group has identified and prioritized an additional 8000 acres for Forest Service acquisition in 2004 and beyond. We are also seeking Forest Legacy and Habitat Conservation Plan funds to ensure that sufficient land remains in the timber base, key habitats are protected, and lands are available for appropriate public access.

Swan Valley residents have donated over 3000 acres of conservation easements on 22 privately owned parcels through the Montana Land Reliance, demonstrating

a remarkable personal commitment to retaining the valley's rural and wild characteristics. The Nature Conservancy also holds easements in the Swan Valley.

Swan Valley Community Forest

A Swan Valley community committee is meeting monthly to protect Plum Creek lands and develop a conservation strategy for managing local forests. Historically, the economy in the Swan Valley has been timber dependent. Managed responsibly, these forests could continue to supply products for the local mill and provide jobs for loggers, log truck drivers, mill workers, restoration foresters, and outfitters long into the future. But, if we are going to maintain an intact ecosystem and a rural way of life, the Swan Valley cannot withstand much more residential development. Far-flung development is the greatest threat to ecosystem integrity and our rural culture. It undermines the viability of the timber industry, and the cost of services stresses county governments.

As part of the Swan Valley conservation strategy we want to acquire Plum Creek land for a community forest to be managed for these core values identified by residents as most critical: appropriate public access, a sustainable timber base, and wildlife habitat. If properly organized, a community forest could help resolve the burden of checkerboard ownership mandated by Congress a century ago as part of the railroad land grant.

A Swan Valley community forest would test the potential for appropriate local land management, while including a broad range of national interests. We are not asking for local control. We want meaningful local participation by people who have intimate knowledge of the place. A community forest would allow citizens to maintain the rural and wild characteristics of the Swan Valley and provide a sustainable local economy. Swan Valley forests would be managed according to the specific needs of the local ecosystem. Management would mesh the knowledge of longtime residents with scientific data. It would be responsive, and specific, to the people and the place.

The CHAIRMAN. Thank you.
Mr. Liles.

**STATEMENT OF KIM LILES, SPECIAL PROJECTS DIRECTOR,
ROCKY MOUNTAIN REGION, PULP & PAPER RESOURCES
COUNCIL**

Mr. LILES. Chairman Pombo, Representative Rehberg, Representative Bordallo, thank you for allowing me to be here today.

For the record, my name is Kim Liles. I'm the Special Projects Director for the Rocky Mountain Region of the Pulp and Paperworkers Resource Council. I am also a shop steward for Hellgate Local 885 in Missoula, Montana. And I have been employed at Smurfit-Stone Container mill for 24 years as a paper maker. And I am very grateful for the opportunity you have given me to address this gathering of folks dedicated to the future of our national forests here in Montana and throughout this great nation. As a native Montanan employed in the forest products industry, I, like many Americans, am very concerned with the direction and management that our public lands has taken for the last decade or more. For too long, we have allowed politics rather than common sense and scientific data determine the way we have managed, or should I say mismanaged, our national forests.

I always thought of our public lands and national forests to be much like a garden, which require tending and care, along with thoughtful planning and sound practices. And just as a garden requires nurturing, so do our national forests. They have become ticking time bombs just waiting for a spark to ignite a firestorm. We are also witnessing some of the most devastating bug infestations we have seen in recent history, also adding to the fuel loading in our forests.

After having toured the Bitterroot burn area of 2000 with some colleagues of mine last summer, I came away even more disgusted and with a greater concern over where we are headed. Having seen the destruction of so much old growth timber, habitat devastation and landslides contributing to the degradation of streambeds and water quality, I wonder how anyone could claim this to be a prudent management policy. I do not understand why, when we have the ability, the technology and wherewithal, we don't get about the work of reclamation, replanting and utilize the destroyed timber to our benefit.

I asked, since when did it become un-American and wrong to make a profit on lumber. If we are to believe the environmental extreme community—and I have to cite extreme, because obviously there are awesome environmental organizations out there, but if we are to believe the environmental extreme community, nobody should make a dime on our public lands on anything. Only they, it would appear, should benefit, through litigation and legal action, while at the same time good hard-working people are put out of work as a result of their actions. I, as well as many of my co-workers, hold them responsible and accountable for many of the jobs—not all of them, many—we have lost in the timber industry here in Montana and the Western United States. They always talk about compromise, but as I have experienced and seen through the years, the only ones who must compromise are those of us who rely on our natural resources for a living and our survival. Many of these same folks who we are constantly battling with on these issues do not even reside in our area. They have no real liability in the matter. It is not their jobs that are at risk. Their only supposed liability that I can see is their claim of caring for the environment. And to that I would ask the question of these so-called environmentalists, if they are concerned about the health of our national forests and our environment, is the destruction of over seven and a half million acres of forest land, old growth timber and wild-life habitat, and the loss of 24 lives, as we saw happen in 2003, acceptable? Is this the way we should manage our forests? Is standing by and doing nothing the right thing to do?

It is also, you know, disturbing to me, as we recently saw in Libby, Montana, over 345 people right in the heart of timber country lose their jobs in their sawmill because of the unavailability of timber brought about by appeals and legal maneuvering and philandering by others who believe they know what is best for us and the environment. And these are not just jobs I am speaking of but a way of life. Our families, our schools and whole communities pay the price as well.

There is no doubt mistakes have been made in the past in managing our national forests, but we must leave the past behind us, as was said earlier, and look ahead. I am one of those who believe we can have both a healthy environment and vibrant economy and still utilize our most renewable national resource, which is timber. We must use common sense and be realistic in our expectations. And when we come to a consensus, we need to stick with our decisions and eliminate the last-minute appeals and legal challenges after we have agreed. This happens all the time and further erodes our ability to meet the challenges that we face today. Honesty, in-

tegrity and common sense must be a part of the process just as much as science and the public review process. Ultimately, the health of all our public lands lies in the balance. How we address this issue will most assuredly determine our ability to deal with other issues that we face in the future.

But we've already seen the devastating the results of allowing politics, emotional rhetoric and radical agendas to dominate the discussion. I can only hope we allow common sense and credible science to be our guide now. The tremendous level of frustration I have experienced in talking with some of our forest personnel here in Montana, our regional director Brad Powell, as well as Chief Bosworth and some of his folks in Washington, D.C., is disheartening. It is time we allowed our professional land managers to do their jobs. It is also time we did what is right for our forests, our economy and our community. All I would like to see is a balance in this issue to take us into the future, forgetting the mistakes of the past and moving on in diligence. We have no more time to waste. Our forests are dying and burning up before our very eyes. We all share the blame for what we are now witnessing. So, let's get on with the business of properly managing what we do have so we will have it there for the future. And I thank you.

[The prepared statement of Mr. Liles follows:]

Statement of Kim Liles, Special Projects Director, Rocky Mountain Region of the Pulp and Paperworkers' Resource Council

Mister Chairman, Representative Rehberg members of the committee. For the record my name is Kim Liles, I am the Special Projects Director for the Rocky Mountain Region of the Pulp and Paperworkers' Resource Council. I am also a shop steward for Hellgate Local 885 in Missoula, Mt and I have been employed at the Smurfit-Stone Container mill in Frenchtown as a paper maker for 24 years. I am very grateful for the opportunity you have given me to address this gathering of people dedicated to the future of our National Forests here in Montana and throughout this great nation. As a native Montanan employed in the forest products industry, I like many Americans am very concerned with the direction the management of our public lands has taken in the last decade or more. For too long we have allowed politics rather than common sense and scientific data determine the way we have managed or should I say mismanaged our National Forests.

I have always thought of our public lands and forests to be much like a garden, which require tending and care along with thoughtful planning and sound practices. Just as a garden requires nurturing so do our National Forests. They have become ticking time bombs just waiting for a spark to ignite a firestorm. We are also witnessing some of the most devastating bug infestations we have seen in recent history also adding to the fuel loading in our forests.

After having toured the Bitterroot burn area of 2000, I came away even more disgusted and with a greater concern over where we are headed. Having seen the destruction of so much old growth timber, habitat devastation and landslides contributing to the degradation of streambeds and water quality I wonder how anyone can claim this to be a prudent management policy. I do not understand why, when we have the ability, technology and where with all, we don't get about the work of reclamation, replanting and utilize the destroyed timber to our benefit.

Since when did it become un-American and wrong to make a profit on lumber? If we are to believe the environmental extreme community no one should make a dime on public lands on anything. Only they it would appear should be allowed to benefit through litigation and legal action while at the same time good hard working people are put out of work as a result of their actions. I as well as many of my co-workers hold them responsible and accountable for many of the jobs we have lost in the timber industry here in Montana and the Western United States. They always talk about compromise, but as I have experienced and seen through the years, the only ones who must compromise are those of us who rely on our natural resources for our living and survival. Many of these same folks who we are constantly fighting on these issues are not even from our area. They have no real liability in the matter. It is not their jobs that are at risk. Their only supposed liability that

I can see is their claim of caring for the environment. To that I would ask the question of these so-called environmentalists, if they are really concerned about the health of our National Forests and our environment, is the destruction of over 7.5 million acres of forest lands, old growth timber and wildlife habitat and the loss of 24 lives as we saw happen in 2003 acceptable? Is this the way to manage our forests? Is standing by and doing nothing the right thing to do?

It is most disturbing to me to see over 345 people in the heart of timber country like Libby Montana, lose their jobs and sawmill because of the unavailability of timber brought about by appeals, legal maneuvering and philandering by others who believe they know what is best for us and the environment. These are not just jobs I am speaking of but a way of life. Our families, our schools and whole communities pay the price as well.

There is no doubt mistakes have been made in the past in managing our National Forests, but we must leave the past behind us and look ahead. I am one of those who believe we can have both a healthy environment and vibrant economy and still utilize our most renewable natural resource, timber. We must use common sense and be realistic in our expectations. When we come to a consensus we need to stick with our decisions and eliminate the last minute appeals and legal challenges after we have agreed. This happens all the time and further erodes our ability to meet the challenges that we face today. Honesty, integrity and common sense must be a part of the process just as much as science and the public review process. Ultimately the health of all of our public lands lie in the balance. How we address this issue will most assuredly determine our ability to deal with other issues we will face in the future.

We have already seen the devastating results of allowing politics, emotional rhetoric and radical agendas to dominate the discussion. I can only hope we allow common sense and credible science be our guide now. The tremendous level of frustration I have experienced in talking to some of our Forest Service personnel here in Montana our Regional Director Brad Powell as well as Chief Bosworth and his folks in Washington is disheartening. It is time we allowed our professional land managers to do their jobs. It is also time we did what is right for our forests our economy and our communities. All I would like to see is a balance in this issue to take us into the future, forgetting the mistakes of the past and moving on in diligence. We have no more time to waste. Our forests are dying and burning up before our very eyes. We all share the blame for what we are now witnessing so lets get on with the business of properly managing what we have so it will be there for the future.

The CHAIRMAN. Thank you.
Mr. Sanders.

**STATEMENT OF GORDON SANDERS, RESOURCES MANAGER,
PYRAMID MOUNTAIN LUMBER, INC.**

Mr. SANDERS. Mr. Chairman, members of the Committee, my name is Gordon Sanders, Resource Manager for Pyramid Mountain Lumber here in Seeley Lake. Welcome to Seeley.

Pyramid is a small independent sawmill, locally owned and in continuous operation since 1949. As the oldest surviving owner-operated mill in Montana, we produce everything from 1 by 4's to 12 by 12's. All species and sizes of logs are utilized to produce finished lumber, sold primarily to nontraditional markets, adding value to unique products and staying away from commodity markets.

Pyramid has evolved over a long history. As reflected in our mission statement, we're a progressive, versatile organization providing long-term employment through the production of quality lumber products. This requires commitment to personnel development, ongoing marketing efforts, efficient utilization of all assets and good stewardship of natural resources. Pyramid is dedicated to helping landowners sustain their forests for present and future generations. We believe active forest management can create healthy forests and improve other resources.

Currently, Pyramid employs 131 full-time dedicated and highly trained Montanans in our plant and 33 contractors with their employees. Combined, Pyramid contributes \$147,000 per employee each year to Montana's economic base.

Small independent mills in rural communities provide the basis for economic stimulus and diversification as well as stability to the Rural West. Pyramid and Seeley Lake characterize the West and what makes Montana the last best place: timber-dependent communities with community-dependent timber.

In the early years, there were 19 mills within a 60-mile radius competing for timber. Now, there is one. Statewide, Montana has nine small independent sawmills, one of which is currently shut down, and four large forest products companies, all 50 to 100 miles apart. The industry continues to change, reacting to conflicting interests on Federal lands. More than 30 mills have closed in Montana since the mid '70's and the percentage of Federal timber likewise has fallen. Until the '90's, Pyramid processed 80 percent Federal timber, and last year it was 10 percent. Community-dependent timber. Any forest management or forest restoration requires healthy rural communities with a strong, trained and motivated workforce of skilled labor, contract loggers, log haulers, road contractors and suppliers.

As a non-fee land owning company, Pyramid's survival has been a direct result of long-term relationships, implementing landowner objectives and performance. We have been instrumental in actively supporting and participating in the changing timber industry, which has modernized over the last 15 years. Our culture has changed, and you heard that from Senator Anderson. The development and adoption of voluntary forestry best management practices established guidelines of partnership between landowners and forest professionals to ensure proper forest management and protection of soil and water resources.

Our professional loggers and foresters are carefully and thoughtfully harvesting trees on various ownerships and across landscapes, truly light on the land. Also, state-of-the-art mills, as you saw earlier today, with computerized machine centers are utilizing all that is possible out of every tree, getting more with less.

The new paradigm, which just means model, for developing solutions for management challenges of Montana's national forests will revolve around local collaboration, not consensus. It's simply working with others, transparency and openness. Rural communities and their family owned sawmills will have significant influence over Federal actions and active management of our community-dependent forest resources. Healthy forests need communities with skilled labor and equipment to manage them. They also need entrepreneurs and investors, bonding companies with renewed confidence in the government's ability to perform in order to provide suppliers, housing, clothing, places to shop, banks. And in places like Seeley Lake, we welcome the additions to the local economy which are convenience stores, speciality shops and golf course, cross-country ski and snowmobile trails, motels and restaurants.

Stewardship is the vehicle which opens the doors for cooperation, community involvement, transparency and rebuilding trust in our public land management agencies. Vision, combined with goods for

services provides for multiple benefits within rural communities. Stewardship contracting is not the only means, but it is a start.

In conclusion, increasing support for stewardship contracting, which focuses on end results, not process, and capitalizing on its natural progression toward a public private partnership will achieve active forest management, ecological integrity and social and economic justice for workers in rural communities. Above all, building trust between the public and the hostile triangle, the Forest Service, environmentalists and the timber industry, all leads to confidence in our professional land managers and at the same time increases certainty for the few remaining mill owners.

The supporters for such an approach are diverse and understand the interdependency between ecology, economy and community, and the common concern is forest health. It is this common ground that provides a basis for a new social contract between urban and rural America.

The Forest Service and BLM role is to welcome the opportunity to participate in the dialog, maintain transparency and stay focused on getting good work done, actively, not passively, yet light on the land, protecting the soil and air and water resources and wildlife habitat.

Rural stewardship is good for the communities and good for the land. It is the new beginning to care for the land and serve the people, and truly defines the greater good.

Thank you, and I appreciate the good work of the Committee.
[The prepared statement of Mr. Sanders follows:]

Statement of Gordon D. Sanders, Resource Manager, Pyramid Mountain Lumber, Inc.

Mr. Chairman, Members of the Committee:

For the record, my name is Gordon Sanders, Resource Manager for Pyramid Mountain Lumber, Inc. here in Seeley Lake, Montana.

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Small independent mills in rural communities provide the basis for economic stimulus and diversification and stability in the rural west. Pyramid and Seeley Lake characterize the West and what makes Montana the 'Last Best Place'. Timber dependent communities with community dependent timber.

In the early years there were nineteen mills within a sixty mile radius competing for timber. Now there is one. Statewide, Montana has 9 small independent sawmills (one of which is shutdown) and 4 large forest products companies, all 50 to 100 miles apart. The industry continues to change, reacting to conflicting interests on federal lands. More than 30 mills have closed in Montana since the mid 70's and the percentage of federal timber processed has likewise fallen. Until the 90's, Pyramid processed 70 to 80% federal timber and last year it was 10%. Community dependent timber. Any forest management or forest restoration requires healthy rural

communities with a strong, trained and motivated workforce of skilled labor, contract loggers, log haulers, road contractors, and suppliers.

As a non-fee land owning company, Pyramid's survival has been the direct result of long term relationships, implementing landowner objectives and performance. Working closely with private forest landowners has helped us realize the relationship between forest health and the timber industry. Pyramid Mountain Lumber has been instrumental in actively supporting and participating in the changing timber industry, which has been modernized over the last 15 years. A culture has changed. The development and adoption of voluntary forestry best management practices established guidelines of partnership between landowners and forest professionals to insure proper forest management and protection of soil and water resources.

Our professional loggers and foresters are carefully and thoughtfully harvesting trees on various ownerships and across landscapes (truly light-on-the-land). Also, state of the art mills, with computerized machine centers are utilizing all that is possible out of every tree (getting more with less).

The new paradigm for meeting the challenges for management on Montana's National forests will revolve around collaboration, transparency and openness. Rural communities and their family owned sawmills will have significant influence over federal actions and the active management of our community dependent forest resources. Healthy forests need communities with skilled labor and equipment to help manage them. They also need entrepreneurs and investors with renewed confidence in the government's ability to perform in order to provide suppliers, housing, clothing, places to shop, banks, etc. In places like Seeley Lake welcome additions to the local economy are convenience and specialty stores, a golf course, cross country ski and snowmobile trails, motels and restaurants.

Stewardship is the vehicle which opens the doors for cooperation, community involvement, transparency and rebuilding trust in our public land management agencies. Vision, combined with goods for services provides for multiple benefits within rural communities. Stewardship contracting is not the only means but, it is a start.

In conclusion, increasing support for stewardship contracting (which focuses on end results) and capitalizing on this natural progression toward a public/private partnership will achieve active forest management, ecological integrity and social and economic justice for workers and rural communities. Above all, building trust between the public and the hostile triangle - forest service/environmentalists/timber industry - leads to confidence in our professional land managers and at the same time increases certainty for the few remaining mill owners.

The supporters for such an approach are diverse and understand the interdependency between ecology, economy and community and the common concern is forest health. It is this common ground that provides the basis for a new social contract between urban and rural American.

The Forest Service and BLM role is to welcome the opportunity to participate in the dialogue, maintain transparency and stay focused on getting good work done, actively not passively, yet light-on-the-land. . .protecting soil, air and water resources, and wildlife habitat.

"Rural stewardship is good for communities and good for the land." It is the new beginning to "care for the land and serve the people" and truly defines the greater good.

The CHAIRMAN. Thank you, Mr. Sanders.

I'd like to, I guess, just ask more of a broad question and I'll start with Mr. Sanders.

Do you believe that as part of the policy of the Federal Government that we should protect endangered species habitat in our forest watershed? You know, in the enforcement of the Clean Water Act, that we should have a policy that protects clean water, protects endangered species habitat as part of our national forest plan?

Mr. SANDERS. Well, Mr. Chairman, in response, the original laws that were set up, the Endangered Species Act and the Clean Water Act, were designed for very good reasons. And what's happened over the course of time is through litigation, they have continually evolved into something entirely different that I don't believe the original drafters in Congress had any intention would lead to the

obstruction that we see in day-to-day management on national forest lands.

And I think it is—and I appreciate the good work of the House in moving legislation forward in supporting categorical exclusion as efforts to move—allow the Forest Service and those professionals to truly do their job on the landscape. And I think there probably will be additional needs that Congress is going to have to take hold of and make some changes in order to really accommodate the needs of the landscape.

The CHAIRMAN. Mr. Liles, to you I'd ask a very similar question. And, obviously, you have a long history in this area, or your family does. Do you see a need to protect our habitats, our forests for wildlife and endangered species?

Mr. LILES. Without a doubt. I mean, that's why I live here. I love this state, I love this area. There is a need. There is a need for our ability to protect wildlife. There's a need for our ability to protect our forests. But as Gordy said, the ESA has morphed into something that it was not intended to be, and it has tied the hands of our land managers. It has turned all land management and species management into a litigatory process. And it's upsetting to me to see that happen when we do have the intelligence, we do have the ability to do a better job. But, yeah, we do need to manage our resources. There's no doubt in my mind.

And I live here, I'm a native Montanan and I love it here. I, as a timber resource worker, most certainly don't want to see the destruction of our environment. It just bothers me when I know we can do a better job than what we've been doing, and then I see the destruction that occurs not only in the loss of timber, but the habitat that we lose in these wildfires. I mean, we don't talk enough about them. But when we have these crown fires and we have these high-intensity fires, the land becomes sterile for a period of time. We don't get in there, we don't do any kind of reclamation work. And that, certainly, is not prime wildlife habitat, nothing grows. So, I'm real concerned that we do a proper job of management.

The CHAIRMAN. Mr. Kelly, in reviewing your testimony and your oral testimony and your written testimony that you've put in it, a lot of what you said I agree with because I think it's time that we stopped, when we talk about management of our national forests and public lands, that we stop just looking at the trees. We've had decades of debate and arguments about trees, and the wildlife habitat has gotten lost in that debate, the impact on our watersheds has gotten lost in that debate. The impact on clean air in what forests, a healthy forest, is able to provide in terms of clean air gets lost in that whole debate.

But I think where I begin to disagree with you is I believe that that ecosystem does need to be managed and that you can't just completely withdraw from it, that there has to be—there has to be some kind of a management plan that's in place that does involve thinning, that does involve some timber harvesting, that does involve grazing. I don't think you can just pull out from that. And it appears that, from your testimony, that you don't see—you don't see that. In fact, at one point you say that alterations to the home and vegetation within 200 feet can effectively reduce home losses,

and we must focus our attention on prevention of action within this 200 feet and that that is the only area that you see us going in and doing anything. Is that an accurate representation of what's in your testimony?

Mr. KELLY. Chairman Pombo, that's an accurate representation of if we're going to focus and prioritize and use limited congressional dollars, which are tax dollars, to try to address the fire risk to structures, to the people most affected by fire, that's what I'm saying, is that this is where we should put our money, this is where the smart money should go, and protecting communities next in line. And I don't think anybody said it any better, conversely, our Senator, Conrad Burns says, we should log the back country. Well, I'm trying to make a distinction between logging the back country and focusing the money, which is limited, to protecting homes by helping people who own the homes. And a lot of that isn't going to come through the Forest Service. It's going to come in direct assistance to rural fire companies and to counties, and it isn't going to come through USDA. And that's just what I was trying to get at there.

The CHAIRMAN. Is your argument that we don't have enough money to do more than the 200 feet or—

Mr. KELLY. I think it's being misappropriated into areas of the forest that are going to make absolutely no difference for the homeowner. And my prioritization, when it comes to fire and fire protection, is centered around the home, which I think most people, if you ask them, that's what their biggest concern is, you know, is my house going to survive a wildfire.

The CHAIRMAN. No, there's no question if you ask somebody who lives there, that is their priority. But we're talking about on a bigger—on an ecosystem-wide approach that you brought up in your testimony. You know, I don't know how this happened, but the environmental community used to talk about protecting the entire forest and that our focus needed to be on the entire forest. As soon as we got into this healthy forest debate, all they want to talk about is that urban interface.

Mr. KELLY. Well, I don't think that's what my testimony necessarily does reflect. It's just when I got into this area that I believe was the focus of our appropriations and the legislation that passed the House, that's the way I interpret that legislation is that we're trying to do something specifically about fire risk. And that was, in specific terms—

The CHAIRMAN. That is what the Healthy Forest Initiative was focused on, but—

Mr. KELLY. I mean, I'm hoping for a broader perspective than that, but I think that's what we got.

The CHAIRMAN. A much broader perspective than 200 feet around a house. I mean, a couple of months ago, we had a hearing in Arizona where in that particular fire, the fire was jumping a mile. And if you're only protecting 200 feet, if that's where you're going to concentrate on, I think you're not even doing what we're trying to do in the bill, you're just trying to limit how far into the forests we can go. And I think that—you know, if we're ever going to solve this, we all have to agree that we need to protect endan-

gered species habitat. We all have to agree that we need to protect wildlife.

Mr. KELLY. I agree with you there. There's no question.

The CHAIRMAN. We need to all agree on that. But we also all have to agree that we can't just step out of the forest and say it's OK now.

Mr. KELLY. I just don't want to overpromise. If we promise we're going to protect people's homes, I want to make sure that's the first thing we do. And if we don't run out of money doing that, then I think we should discuss communities. And then we should discuss beyond that. But it's a physical limitation and a limitation of budget. Again, we don't know where the money goes. The Forest Service still does not have an accounting system—that neither you nor I have a clue where the money goes because there is no system. So, until we get that, I don't have the assurance that is going to be efficiently managed by the Agency. A lot of people think this is an agency that is completely out of control. And it's just one of those things where you trust them, maybe, but a lot of people in Montana don't have that kind of trust and confidence in the Agency to do what it says it's going to do.

The CHAIRMAN. Well, I think there's a broad agreement that when you get into large bureaucracies that they do have a tendency to get out of control. And I don't think you're going to have a lot of debate over that.

Mr. KELLY. But help us deal with that.

The CHAIRMAN. What Congress is trying to do is gain more control over what the Forest Service does to have a more exact language in the bills that we pass to dictate.

I do have one final question for you and that's, in your testimony you talk about that we—that the Healthy Forest Restoration Act deregulated logging and roadless areas, threatened endangered species habitat, gave the Secretary sole discretion to log old growth trees. The bill also permits the Forest Service to conduct logging without considering any alternatives and creates legal exemptions for unlimited number of projects of up to 1000 acres each for lands that agencies claim are at risk of insect infestation. Did you read the bill?

Mr. KELLY. I haven't read the final passed version of the bill.

The CHAIRMAN. Because none of this is in the bill.

Mr. KELLY. Was that stricken from the bill? It was in the bill that was introduced under that—

The CHAIRMAN. There is a up to 1000 acres on insect infestation, but it is capped. I believe it was 250,000 acres nationwide.

Mr. KELLY. Well, that good news.

The CHAIRMAN. There's nothing in the bill that repeals the roadless areas, there's nothing in the bill that repeals the endangered species habitat, there's nothing in the bill that gives the Secretary the sole discretion to log old growth trees. None of that was in this bill.

Mr. KELLY. It was in the original draft that I read on the Internet. And if it's stricken, I appreciate the accommodation there.

The CHAIRMAN. I've never seen a draft—and I've been working on this bill for about 8 years, and I've never seen a draft that does any of those. If you do have that, I'd appreciate it if you would pro-

vide it for the Committee because I've never seen a draft, ever, that repealed the Endangered Species Act—.

Mr. KELLY. If you would agree to leave the record open—.

The CHAIRMAN. We will leave the record open for you to do that, because I have never seen a draft that does that. I would not support a bill that repeals the Endangered Species Act, that repeals all of the roadless areas, that gives the Secretary sole discretion to log old growth forests. I mean, I would never support that, Mr. Rehberg would never support that. And we were intimately involved with this bill—I have been for the last 8 years, and I know Denny has been for 3 years with doing this. That never happened.

Mr. KELLY. That's reassuring that it did not happen. It is—one of the questions and I think we still haven't addressed the question is the idea of suitability. If we're going to log in areas that were determined not suitable in the forest plans under the (6)(k) provision of NFMA, what are we going to do in all this vast parts of the forests that were never considered part of the suitable timber base. We are now going to be logging in these areas. And a lot of that concern goes to these issues of endangered species habitat protection.

The CHAIRMAN. But this bill is not about logging.

Mr. KELLY. Well, there's going to be logging, for sure.

The CHAIRMAN. There may be some thinning as part of this bill, but there's no—.

Mr. KELLY. But there will be increased logging. I'm absolutely sure of that as a result of this bill. That's a certainty. And that's a promise I think that the Congress made to the mill owners.

The CHAIRMAN. I've never promised that to anybody.

Mr. KELLY. But I think that's their understanding, that they like this bill because it's going to open up more timber.

The CHAIRMAN. Well, I'll let him answer that. But this is about trying to restore a more natural, more healthy forest. That's what this bill is about, to reduce the risk of catastrophic fire. If that's part of that, there is thinning in some areas, there is removal of underbrush in some areas. If there is an economic value to what is taken out of the forests, great. If there's not, we have to pay for the whole thing. And that's what the bill is about. It's not about opening up roadless areas to logging. No one has ever proposed that. The only place I've ever heard that is on environmentalists' web sites.

Mr. KELLY. Well, the Bush Administration certainly is hoping for that and—.

The CHAIRMAN. Well, if they are, they haven't talked to me about it.

Mr. KELLY. Well, the Roadless Rule has certainly been put in jeopardy from the previous administration. I mean, there's just no question about the trend here, which is toward more commodity extraction and less public participation at the early end. This categorical exclusion, for instance, is one of the exceptions from the process.

The CHAIRMAN. I'm going to recognize Ms. Bordallo because we could go on for a long time.

Ms. BORDALLO. Thank you, Mr. Chairman.

I would like to ask a question of Mr. Liles. You're a union member, and today you're representing unionized pulp and paperworks; is that correct?

Mr. LILES. Not only unionized, but we have a lot of our members that are nonunion as well throughout the United States.

Ms. BORDALLO. All right. Would you say, then, do both union and nonunion lumber mill and papermill workers advocate similar public policies for managing Montana's national forests?

Mr. LILES. I would say most definitely they do.

Ms. BORDALLO. 100 percent?

Mr. LILES. Yeah.

Ms. BORDALLO. Thank you. I have also a question for Mr. Kelly.

Do you believe the Federal courts should overlook Forest Service analysis when ruling on hazardous fuel reduction projects? And do you believe there is the opportunity for imbalance in judicial rulings on hazardous fuels reduction projects? And what do you recommend in terms of changes in law to address this imbalance?

Mr. KELLY. Congresswoman Bordallo, I'm not sure we have the kind of problem that we are discussing as far as a catastrophic problem or imbalance. There are a lot of scientists, forest ecologists who think that everything that's going on in the forest is actually well within the range of what's called the natural variability. Obviously, people are impacted when the fire hits their local community or their local forests. But when you look at, again, the big picture, these fires even in drought cycles are fairly routine. It is part of living here in the West. It's dry, it's hot. When the wind blows, there's a spark, you get out of the way.

So, as far as the relationship with the courts, my understanding of the role of the courts is to interpret the laws that are passed by Congress. And in doing so, I think the Forest Service gains a better understanding of what it should and shouldn't be doing. And if you look at the Forest Service's record and not just on this issue of fuels reduction, but just over a long period of time, the Forest Service's record is not very good in the courts. And recently, we have seen some criticism of the courts. I think that criticism should be directed back to the Agency itself for failing to follow the law. I mean, if the bureaucracy can't follow the law, again this is an area where I think Congress, an oversight by Congress can encourage the Forest Service somehow through incentives or just more regulation or some mechanism to get them to follow the law. Then, you know, we wouldn't be arguing over a lot of this stuff. So, I hate to—

Ms. BORDALLO. And it's time for the courts--.

Mr. KELLY. —be the scapegoat for something that really is a problem between Congress and the Agency and the public and the Agency. And that's why we have already passed laws. The NFMA in 1976 was passed because the Forest Service got completely out of control. They had lost complete public confidence. And the Congress, to its credit, brought the Forest Service back into a process where the public could participate meaningfully. It regained and restored some of that confidence. And I see now we are going through another cycle of this where the Forest Service is forging ahead with a brand new experiment that nobody really knows what the heck it is and it's going cost a ton of money.

Ms. BORDALLO. Well, I do agree.

Mr. KELLY. And, so, I think we should be more cautious and reserve our money and make them demonstrate that they can produce for us.

Ms. BORDALLO. Well, I do agree that this is very—you know, it takes so much time.

Mr. KELLY. Yeah.

Ms. BORDALLO. And this is the big problem.

Mr. KELLY. But the forest can't be fixed or even known in a short amount of time. It's just the way it is. And unfortunately, we can't know everything about the forest in a snap second.

Ms. BORDALLO. Thank you.

I have one last—well, actually, it's not a question, it's just a comment to Mr. Gordy Sanders. I want to thank you for that very enlightening tour through the mill this morning. Chairman Pombo and I were talking on our way over here to the hearing that it was very, very interesting. And you were very kind—.

Mr. SANDERS. Thank you.

Ms. BORDALLO. —to take us personally on that tour. And I want to say that we don't build on Guam with lumber, we build with concrete because of our super typhoons that we have on the island every now and then, but I don't want to scare anyone from coming to Guam because we don't have them that often.

Mr. SANDERS. We could sell you some lumber.

The CHAIRMAN. I'm coming.

Ms. BORDALLO. That's right. Mr. Pombo has promised to come, and Dennis has also promised. But I will remember your lumber mill the next time I buy my wood chips because now I saw how it's all done.

And I also want to comment, Gordy said to me, he said, I was the first one to ever tour the mill with open shoes. So, thank you very much, Mr. Sanders. We really appreciate that gesture.

Mr. SANDERS. You're welcome.

The CHAIRMAN. Mr. Rehberg.

Mr. REHBERG. Thank you, Mr. Chairman. I'm going to invite you to tour my feedlot.

I will begin by the way I would normally end. I know we're running out of time. And again, thank you, Mr. Chairman for this opportunity and thank you panel members for being here today.

I want to ask a question of the five of you, and I think Ms. Dahl answered the question but I just want to, you know, for the record get an answer from the five of you. And starting with you, Mr. Sanders, do you support the Clearwater Stewardship Project?

Mr. SANDERS. Congressman Rehberg, Mr. Chairman, yes, I do. The Clearwater Stewardship Project is an excellent example of how a public private partnership can work, and it is very open, very transparent, the monitoring Committee involved, as well as our participation as a purchaser, in working with the Forest Service in unknown territory. This type of goods-for services approach really had never been tried, particularly at the level. And it is a perfect example of how things could be done. And I think stewardship contracting, the bigger, the better; landscape level, long-term contracts will serve us all much more.

Mr. REHBERG. Thank you. I've got you down as a yes.

Mr. Liles?

Mr. LILES. Just to be brief, yes.

Mr. REHBERG. Ms. Dahl?

Ms. DAHL. Yes. But I would also like to add that there are—in all of the stewardship pilots around the country, every one is different and every one is a reflection of what's going on at that place. We need to make sure we continue to keep all of the stewardship contracting authorities available so that we can experiment and truly find out if they're good across the nation.

Mr. REHBERG. Thank you. Mr. Harrington?

Mr. HARRINGTON. Yes. And I'd like to tell you a story from a couple of weeks ago. As you recall, we had the Western Governors Association tour, and we were looking at the stewardship contracting, one of the sale units that Pyramid had done. And, of course, there was a broad diversity of people that were on that tour. And I happened to be walking back from that unit, walking along with some members of the environmental community, and I overheard a conversation where one of them asked, Well, what do you think of this? Well, this doesn't look so bad.

And I think it points out a couple of things. First of all, the success of stewardship contracting concept, and I certainly support expanding it. But also, the fact that if you get out on the ground and if you actually look at how the rubber meets the road with a lot of these things that industry folks have been talking about today, as well with—particularly with the stewardship contracting, you'll find it doesn't look bad. And I think that's the key. I would certainly encourage you to go out and take a look at it yourself.

Mr. REHBERG. Thank you. Mr. Kelly.

Mr. KELLY. I would certainly prefer to see those type of projects be implemented by the Forest Service. And for life of me, I can't figure out why they can't do this without everybody in the community helping them out. I think the jury is out on the—you know, if the monitoring is going to tell us whether this is a success or not, we have to wait until those—that data comes in and we can analyze it. Again, the process, I think, has some promise.

And finally, I'm kind concerned about the trend toward privatization of public resources, public assets. I think in the demonstration-size project, these are things that we can tinker with and not do a whole lot of damage. But if we get whole hog into this, as advocated by the other end of the panel, I think that we're going to find out, from the monitoring, hopefully, if we continue to do it and fund it properly, that if we do have problems it's going to be a big problem, so I hope we go cautiously.

Mr. REHBERG. Just out of fairness, though, you kind of said yes. Is that a qualified yes or a yes or a no or—

Mr. KELLY. Put me down as a no and show me.

Mr. REHBERG. OK. Mr. Harrington, if I could finish with some questions of you. You talked about some of the projects that you have done as a result of the fires and the salvage. Are there Federal properties bordering your property?

Mr. HARRINGTON. Certainly, throughout the state.

Mr. REHBERG. And they have not been done, if I understood your testimony correctly, they have not been salvaged at this point?

Mr. HARRINGTON. No, that's incorrect. They have proceeded with salvage operations on the Bitterroot. I think that what you're referring to is the Sula State Forest and then some of the salvage operations on the Bitterroot. And the numbers I got from the Bitterroot Forest a few days ago was they're approaching about 20 million board feet of salvage on their property.

Mr. REHBERG. Are there situations where you have property bordering Federal properties where they either through appeals or some other litigation, have stopped the forestation or the reforestation projects that are affecting your environment?

And what I'm getting at is I'm looking at a piece up here, "Nothing is a greater threat to clean water than catastrophic forest fire." and I'm aware of the clean water standards we have in this country. Do you think in any way, shape or form that the Federal Government is violating clean water standards by not completing some of the projects that have been litigated?

Mr. HARRINGTON. Well, it's an interesting concept. I think that the aftermath that we have seen from a lot of the catastrophic wildfires that have occurred, the Biscuit fire and the Hayman and the fires in the Bitterroot, we have seen tremendous sedimentation in streams, debris flows. And by every measure, the water quality resulting from those debris flows is impaired. Whether that act in itself, by not acting to conduct harvesting operations and reducing fire behavior when fires do come, whether that's in violation to the Clean Water Act, I'm going to leave to somebody else.

Mr. REHBERG. Well, I guess maybe the next question, then, isn't fair, but I had hoped that at least you'd carry it back to the Governor, and that is, if a lawsuit could be filed for potential clean water violation for a potential sale, why can't, in turn, the Governor file suit against the Federal Government for not taking care of a problem that they're creating for land that's owned by the people of the State of Montana, that's, through the education trust or the private landowners, being affected by an inaction by the Federal Government. I don't know if you can answer that question, but I wish you can carry that message back.

Mr. HARRINGTON. I think the concept has merit and, in fact, part of the Healthy Forest Restoration Act was trying to provide some direction to consider the impacts of nonaction as well as the impacts of an action. And I think that concept is certainly legitimate and I'll carry that back.

You know, in terms of any impacts of the management of Federal lands on State trust lands, one of the places is the Roadless Rule. We have some concerns that if the Forest Service is not able to either build or allow construction of roads in certain areas of the national forests, that some of the school trust lands that we need to manage would be isolated, we would not be able to access them.

The other thing is that with the buildup of insect and disease, or with the fires that we've seen, if those lands are not managed, and similar to the Moose fire from last summer, or the summer before, sorry, we've seen a lot of State trust lands in the Sula Forest in 2000 that have been burned, at least partially because of the fuel buildup on adjacent Federal lands.

Mr. REHBERG. Did you want to make a quick comment on the urban interface?

Mr. HARRINGTON. You know, on the strategy of thinning 200 feet around homes and communities to protect communities and not touching the areas away from it, I'm reminded of the strategy that a certain man named Saddam Hussein recently employed in the Gulf War, which was to take the Republican Guard and have them circle the city of Baghdad. And I think his strategy was that we will ring the city and they will protect us from the Coalition forces. Obviously, it didn't work.

And I think this strategy is very much the same type of strategy that he employed, it will not work. The 200 foot comes from some research, very good research that was done by a gentleman with the Fire Sciences Lab in Missoula, and I saw a presentation on that. And under very controlled circumstances, he demonstrated that, yeah, if you do thin around 200 feet around your homes that you can improve the ability of that house to survive wildfire. But again, we're dealing with natural systems here. And we're dealing with 40-miles-an-hour winds a lot of times, and we're dealing with humidities in the single digits and things like that. It just will not work.

And on behalf of all of the volunteer and paid firefighters across the country that have to try to defend those structures when these conflagrations are coming at them, I would implore you not to buy into this argument because it's just not good science.

Mr. REHBERG. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. I think with this panel we could probably go on all day. It was some very compelling testimony, very interesting. But I think that to a large degree this represents, this panel represents the debate or the fights that we've gone through back in Washington in trying to develop a balance between competing interests and ideologies and ideas is what we've attempted to do. And as I said earlier, the Healthy Forest Initiative we've been working on for years. And we finally, I think, this time came up with a bill that is balanced, it represents a lot of different interests, compromises were made in an attempt to move forward, but that's just one part of protecting the forest. You know, trying to reduce the risk of catastrophic fire is just one small part of having a healthy and natural forest and protecting endangered species habitat, protecting your clean water and your watersheds, all of that has to be considered in developing public policy in dealing with our public lands. The impact on the economy is obviously part of that. It does have to be a balance. And I think that if you look at the Healthy Forest Initiative that passed the House on a very large bipartisan vote, we would not have achieved that vote if we hadn't have made some of the compromises that we did in an effort to try to address concerns that people have. But hopefully, that bill will be signed into law in the near future and we can begin to take care of that part of our national public lands.

But we have a lot of work to do. There's no question about it. And there are laws that are currently on the books that we need to review. There are regulations that are being implemented that may need to be changed. And through the Administration, they may have to make some adjustments to those in order to better reflect what we know today is a better way of taking care of our for-

ests than what we knew 10 years or 30 years ago when a lot of these laws were developed.

So, I want to thank this panel for your testimony. I will say that the Committee welcomes any further testimony that anyone may have that can be submitted to the Committee. The hearing record will be held open. If there's think further questions that members of Committee have that they would like to submit to you in writing, we'll give you time to answer those in writing as well, but we would like to have that done so they can be part of the official hearing record.

For anyone in the audience that wishes to submit further testimony for the record, you can e-mail, mail or fax or it to the Resources Committee. And I'm told that there are handouts by the door that have the contact information. Rather than me read it off the paper here, there are handouts by the door that have the contact information on them. So, if anybody does wish to include further testimony for this hearing.

UNIDENTIFIED SPEAKER. What's the deadline on that?

The CHAIRMAN. Two weeks. We will hold it open for 2 weeks to give you an opportunity to submit testimony.

I want to conclude by thanking Congressman Rehberg for hosting us here. And, obviously, this is an extremely important topic here in Montana, but it's an extremely important topic across the country. It benefits the Committee dramatically to have the opportunity to get out and see some of these areas and actually talk to people that live and work here. Most of you would never have the opportunity to testify before a Congressional Committee other than us coming out here. So, we take as much from this as I hope that you do. So, thank you all very much. Thank you, Congressman Rehberg. And thank you Congresswoman Bordallo for being here as well.

This concludes today's public hearing. I want to thank all the people of Seeley Lake and Montana for hosting us.

[Whereupon, at 12:45 p.m., the Committee was adjourned.]

