



United States
Department of
Agriculture

Forest
Service

Pacific
Northwest
Region

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Honorable Ron Wyden
Member, United States Senate
223 Dirksen Senator Office Building
Washington, D.C. 20510

Dear Senator Wyden,

I am committed to insuring the vitality of local communities and the forest products' infrastructure necessary to perform restoration work on our National Forests. The meeting on Friday, August 24th, was truly one where there was agreement to maintain jobs and an important mill in John Day, as well as to capitalize on the gains the community has made through the Blue Mountains Forest Partners Collaborative and the Harney County Restoration Collaborative.

Collaborative Forest Landscape Restoration Project

I am pleased to confirm the allocation of \$2.5 million of Collaborative Forest Landscape Restoration funds for the Malheur National Forest. As we discussed, those funds are matched by \$2.5 million of existing Forest Service appropriations and partner funds. We expect the funding to continue for 10 years. The award is a well-deserved acknowledgement of the success of the Blue Mountain Partners Collaborative through their work with the Malheur National Forest. Benefits will clearly be measured by both improved environmental conditions on the Malheur Forest and the economies of eastern Oregon.

All of the Collaborative Forest Restoration Program funds reach the Malheur Forest and are to be used for implementation work. Along with the matching funds and other appropriations, the Collaborative Forest Restoration Program funds permit the Malheur Forest to increase its restoration work from approximately 12,000 acres annually, with an associated 29 million board feet of timber, to approximately 20,000 acres annually. We estimate that the additional treatments will produce about 40 million board feet of timber annually.

Mill and Community Needs

Bruce Daucsavage of the Malheur Lumber Company stated that the mill needs 33 million board feet of timber annually that is greater than eight inches diameter inside bark to remain in



business. Of that, 75% of the volume would desirably be greater than 12 inches inside bark diameter and 25% of the volume would be less than 12 inches diameter.

The presence of the wood products industry enables the urgent work of forest restoration to proceed at reasonable cost, as you and others have recognized. I believe we all also recognize that the effect of keeping a mill in the community goes beyond the work they do, as they support schools, hospitals, and other businesses in rural communities.

Accelerating the Program of Work on the Malheur National Forest

We intend to move swiftly to increase our restoration work, which will increase timber supply in eastern Oregon. In this last month of the fiscal year, the Malheur Forest intends to offer 11 million board feet of already-prepared timber sales. In the first quarter of the new fiscal year the Forest will offer 8 million board feet of timber for sale, and 3 million board feet in the second quarter. The Malheur Lumber Company will have the opportunity to bid on the volume being offered.

For all of fiscal year 2013, the Malheur Forest will offer 50 to 60 million board feet by utilizing all projects with completed NEPA. This will produce various size materials, which are enough to keep a mill, such as Malheur Lumber Company, running year round. This is based on the current sale offering of standard Forest Service sawlog specifications, which equates to approximately 75% of volume in 8-11" inside-bark diameter and 25% greater than 12" inside-bark diameter.

In fiscal year 2014, with projected NEPA decisions initiated in fiscal year 2013, the Forest will be able to provide 50-65 million board feet of timber. To achieve that program of work and maintain an increasing restoration program beyond fiscal year 2014, we are counting on:

- Continued support and involvement from collaborative partners in the planning process.
- Utilization of the Franklin/Johnson, Van Pelt guidelines at a rate to accomplish restoration goals.
- Continued appropriations to fund both the Collaborative Forest Landscape Restoration project and its matching funds.
- Reauthorization of Stewardship authority.

I recognize the importance of improving our efficiency within the Forest Service. Toward that end, experts in our Regional Office will immediately start working with the Malheur Forest to use the newer NEPA efficiency tools that are being developed nationally. The intent will be to increase the pace of restoration and accomplish more on-the-ground work for the monies that we have and that we project we will have.

Increasing the Program of Work on the Malheur National Forest Beyond

Despite these efforts, even more work on the Malheur Forest is desirable. To understand those more ambitious needs, knowledgeable people outside as well as inside the Forest Service have identified a program of work that would sustain both the pace of restoration and improve the

timber supply situation affecting Malheur Lumber Company and other timber purchasers. They estimate that a total restoration goal of 30,000 acres of annually, yielding 75 million board feet of timber annually, would be necessary and doable on the Malheur Forest. I am strongly committed to working with you and others to aggressively explore all possibilities to achieve the additional staffing and funding that would be necessary to accomplish this goal, as I do not have the appropriated funds available to achieve such an increase in program.

I am encouraged by the willingness of partners to imaginatively identify funds that would make additional work possible. Grant and Harney counties have recommended Resource Advisory Committee Title II funds exceeding \$600,000 be used for planning, implementation, and crew work for the coming fiscal year. The state of Oregon, through the Governor's Office, has also expressed an interest in resolving funding barriers. Finally, I sincerely appreciate how the delegation has been looking for solutions we can all embrace, including the possibility of working with Grant County to invest their funds in management on the Malheur Forest.

I do not think it prudent to wait until we have secured a funding source for restoring the additional acres, which would produce the additional timber. The Malheur Forest will move ahead to initiate a new 10-year stewardship contract as a means to increase acres treated and timber volume, and increase its planning for fiscal year 2015, as I outlined above. I recognize such a decision exposes us all to unpleasant possibilities should additional funding not be forthcoming, but I consider the risks to be worthy of the restoration benefits to be secured, and the associated benefits accruing to the affected communities and their economies.

We estimate that for fiscal year 2015 and beyond the Malheur Forest would need an additional (over and above the expected Collaborative Forest Restoration Act and matching funds) \$3.785 million annually to sustain a 10-year restoration program of 30,000 acres and approximately 75 million board feet of timber. To deliver this work, the Malheur Forest will have to immediately begin the necessary NEPA work to have projects ready for implementation in fiscal year 2015 and help with the program of work for fiscal year 2014.

The \$3.785 million is broken down as follows:

- Two additional Interdisciplinary teams (IDTs) for planning = \$2.8 MM
- Increased sale and administration preparation = \$325,000
- Funding for an additional 12,000 acres of annual fuels treatment = \$360,000
- Additional Infrastructure (office space, fleet, equipment, etc.) = \$300,000

A Conundrum of Legal Authority to Invest in National Forest Restoration

Grant County has proposed that the Forest Service invest reserve County Road Fund dollars to finance planning and implementation of restoration treatments on the Malheur Forest. The County would be willing to provide such funds so long as there is a mechanism to: 1) repay the principal of their investment, and 2) provide a reasonable rate of return on the principal. I cannot discover any legal authority that could be used to repay the principal and provide a rate of return on the County's funds. A remedy to this situation would likely require a legislative solution.

Summary

I am committed to increasing the amount of restoration work on the Malheur Forest. The Collaborative Forest Restoration funding makes part of that increase feasible. Together, I feel we can find the means to reach our goals for an even greater increase in restoration work on the Forest. The restoration need is confirmed by the commitment and wisdom of the collaboratives working on the Forest; their continued support and engagement will be essential to success. A clear benefit to the communities and economy of eastern Oregon will be an increased, sustainable supply of timber.

I look forward to continuing the work of maintaining healthy communities and forests. If you have any questions, please contact me at 503-808-2200.

Sincerely,



KENT P. CONNAUGHTON
Regional Forester

Cc: Senator Merkley, Congressman Walden, Brett Brownscombe (Oregon's Governor's Office), Richard Whitman (Oregon's Governor's Office), Harney County, Grant County, Teresa Raff, Tracy Beck, Ric Rine, Alan Matecko, Kathy Anderson