

Current Events in Federal Forest Management

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What I Will Cover

- **March 23, 2018 Omnibus Spending Bill**
- **2018 Farm Bill Highlights (both House & Senate Versions)**
- **2019 Interior Appropriations for the Forest Service, House & Senate Marks**
- **Master Stewardship Agreements**
- **2018 Region 5 Timber Target and 1st – 3rd Quarter Accomplishment**
- **U.S. Domestic Lumber Prices by Specie**
- **The Cap-And-Trade Funded FARMER PROGRAM**
- **Region 5 - Efficiencies & Technology Gains**

2018 Omnibus Spending Bill (passed in April) (see Attachment #1 and #2 on handout)

Wildfire Funding Fix

- 2018 and 2019 – wildfire suppression appropriation = \$1.394 Billion + \$500 million in reserve if the appropriation is exceeded
- Years 2020-2027 -- \$2.19 to \$2.95 Billion (incremental increase)

Forest Management Reforms

- New 3,000 acre categorical exclusion for fuels reduction
- Fuelbreaks and Fire Breaks – under Healthy Forest Restoration Act, allows for Action/No Action alternatives only, and no Objection process
- 20 Year Stewardship Contracting Authority for USFS and BLM
- Adds authority within Good Neighbor Authority (GNA) - Permits GNA projects to include reconstruction, repair, or restoration of National Forest System Roads

Payment in Lieu of Taxes - \$530 million (full funding; \$65 million increase over 2017) (see Attachment #3 on handout for Payment by County in California)

2018 Farm Bill

Highlights:

House Version (Section by Section Summary Attachment #4)

- **Five 6,000 acre Categorical Exclusions (CEs)** – improve forest health, fire salvage, grazing, early seral and critical response
- **Four other CE**s (infrastructure, developed recreation, special uses, and administrative sites)
- Reauthorizes the Collaborative Forest Landscape Restoration Act (CFLR)
- **No consultation** if “not likely to adversely affect”; consultation completed within 90 days if consultation required
- **Adds Tribes to Good Neighbor Authority**
- Allows use of appropriated federal hazardous fuels dollars (NFHF) to do “**cross boundary**” **fuels reduction** work on private land
- Directs rulemaking declaring unprocessed pine timber from the National Forest System lands in California where pine species is surplus to domestic needs be exempt from **export** prohibitions

Senate Version

- **Adds Counties to Good Neighbor Authority**

Conference Committee Soon – expect final Bill becomes law by Sept. 30th

Forest Service

2019 Appropriations (see Attachment #5) On Handout

| Budget Line Item | 2018 Enacted | 2019 House | 2019 Senate |
|-------------------|---------------|---------------|---------------|
| Forest Products | \$365,307,000 | \$380,000,000 | \$368,000,000 |
| Hazardous Fuels | \$387,352,000 | \$390,000,000 | \$435,000,000 |
| Vegetation Mgt | \$180,000,000 | \$180,000,000 | \$180,000,000 |
| Wildlife and Fish | \$136,430,000 | \$140,000,000 | \$137,000,000 |

Report language will direct Forest Service to have a 4 bbf target (3.4 bbf for 2018); which means Region 5 target will increase from 370 mmbf in 2018 to about 435 mmbf in 2019

Master Stewardship Agreements (MSAs)

- **Tuolumne County** signs on January 2018
- In second round of **cap-and-trade grant proposal** for \$14 million
- Goal is to produce additional **Integrated Resource Timber Contracts (IRTC)** that produce net revenue (which stays on the Stanislaus Natl. Forest) which provides the opportunity for reimbursement. Hence, it can be a self-sustaining program. The MSA holder can do all the work for the Forest Service and be **reimbursed from IRTC net receipts** except for NEPA. If NEPA is performed by the MSA holder, the Forest can reimburse with appropriated dollars or some other grant mechanism.
- I believe the County MSA can lead to a **30% increase in the mechanical thinning** program on the Stanislaus Natl. Forest.
- MSAs **can have their own Contracts** (do not have to follow timber sale or Stewardship contract clauses)
- The entity holding the MSA **can do all the work for the Forest Service**
- **Success in Tuolumne County could lead to a substantial number of additional rural counties entering into MSAs**

2018 Region 5 Timber Target 370 mmbf

- North Zone – 162 mmbf; Mendocino (6), Six Rivers (14.5), Klamath (40), Shasta-Trinity (36), Modoc (25), Lassen(50)**
- Central Sierras Zone – 125 mmbf; Plumas (51), Tahoe (28), Eldorado (37.5), LTBMU (6)**
- Southern Sierras Zone – 76 mmbf; Stanislaus(30), Sierra (35), Sequoia (11)**
- Southern California Zone – 8 mmbf – San Bernardino, Cleveland, Los Padres, Angeles**

First-Third Quarter Regionwide – sold 141 mmbf

Eldorado will sell 44 mmbf; Stanislaus about 35 mmbf; Tahoe 17 mmbf; Plumas 40 mmbf; LTBMU 0.3 mmbf

Important Because Meeting Vegetation Target is #1 Agency Priority

Domestic Lumber Market

Domestic Lumber Demand

| | Ponderosa Pine | Sugar Pine | White Fir | Douglas Fir |
|-----------|-----------------------|-------------------|------------------|--------------------|
| June 2016 | \$470/mbf | \$502/mbf | \$367/mbf | \$381/mbf |
| June 2017 | \$581/mbf | \$673/mbf | \$413/mbf | \$462/mbf |
| June 2018 | \$615/mbf | \$690/mbf | \$568/mbf | \$591/mbf |

Mbf – Thousand Board Feet

Some predict the continuing upward trend in domestic price and consumption will continue until year 2030.

Historically, Canada has exported to the U.S. 20% of U.S. lumber consumption; in the past year Canadian imports have dropped 20%

Cap & Trade Auction Revenue

Supporting the New FARMER PROGRAM

- The FARMER Program
- Provides \$180 million for replacement of off-road and on-road agriculture and forestry equipment
- 80:20 match (80% paid by the State)
- \$5.6 million allocated to a pool of the small foothill air districts
- Can trade in and old piece of equipment for a new piece of equipment with up to 25% higher horsepower
- Appears to be a multi-year program

Region 5 moving forward with Efficiencies and Technology Gains

- **Tablets in Feller/Bunchers**
- **Winch-Assist on steep slopes (25% of the productive forest land available for active management is on slopes greater than 35%)**
- **Designation by spacing, description or prescription in lieu of tree marking paint (up to \$25/mbf savings to the USFS)**

Eldorado
National Forest

Pilliken Thin
Project

Designation X
Spacing
(No tree
marking paint)



Winch – Assist

Used on up
to 80%
sideslope

The
equipment
will never
spin a
track



Winch Unit
that contains
the cable and
electronic
tensioning
mechanism

(sits on the
landing, a
road, or
above a road
or skid trail)

