



LEGISLATIVE & POLICY BRIEFING

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1. The President's FY 2007 Budget

The President's FY2007 budget proposal was released on Monday, February 6th. The Forest Service's budget totals \$4.9 billion, a slight decrease from this year. Most of the agency's programs are funded at or slightly below current levels, with Forest Legacy, the Healthy Forest Initiative, and the Northwest Forest Plan programs seeing substantial increases. The Agriculture budget includes increases in many conservation programs, although those amounts are still 18% lower than authorized in the 2002 Farm Bill. Congress will now hold hearings in its committees and subcommittees to learn more about agency budget needs.

CWSF FY07 Appropriations Priorities:

	<u>FY06 Enacted</u>	<u>President's FY07</u>	<u>Difference FY06-FY07</u>	<u>Percent Change</u>
State Fire Assistance	79.8	56.1	-23.7	-30%
Forest Health: Cooperative	57.6	39.2	-18.4	-32%
Urban & Community Forestry	28.8	26.8	-2.0	-7%
Forest Stewardship	34.6	33.9	-0.7	-2%
Volunteer Fire Assistance	13.9	13.7	-0.2	-1%

Figure 1: Appropriations Summary. (Dollars in millions).

2. Secure Rural Schools and Community Self Determination Act

In February 2005, identical bills to reauthorize the SRSA were introduced in the House and Senate. Both bills call for straight-forward reauthorization. Last spring, a series of three hearings were held on the re-authorization, and the administration expressed its support for the measure.

With the release of the President's FY07 budget came an unusual proposal for funding reauthorization. The Forest Service has proposed selling 200,000 acres of "excess, isolated tracts of land" to offset the \$800 million cost of re-authorizing the Secure Rural Schools and Community Self-Determination Act. Those funds would extend the Program for an additional 5 years with steadily decreasing financial assistance provided to localities over that period. By 2012, the SRSA would be completely phased out, and communities will be assumed to have completed the transition from timber dependency. Public reaction to the proposal has thus far been fairly negative across the country. A complete list of forest tracts proposed for conveyance was published in The Federal Register on February 28, 2006. Comments on the proposal are solicited until March 30th.

3. Endangered Species Act

On September 29, 2005 the House of Representatives passed H.R. 3824: Threatened and Endangered Species Recovery Act (TESRA), sponsored by Rep. Richard Pombo (R-CA). This bill substantially modifies approaches established in the 1973 Endangered Species Act. Provisions of TESRA include: the replacement of the critical habitat designation process with a recovery planning process; Voluntary Species Conservation Agreements with compensation for landowners; and the elimination of the Endangered Species Committee Process (a.k.a. the "God Squad"), instead requiring public notice and comment for all new and revised recovery plans. The Secretary would be required to establish and maintain a publicly accessible website that will serve as a clearinghouse for all endangered and threatened species lists and plans.

Action in the Senate began when Senators Mike Crapo (R-ID) and Blanche Lincoln (R-AR) introduced S. 2110, the Collaboration for the Recovery of Endangered Species Act (CRESA). This bill, introduced only weeks after TESRA was passed in the House, offers a different approach to re-authorization of the controversial bill. CRESA emphasizes landowner and state participation in species recovery, including tax incentives and banking provisions to encourage voluntary engagement.

The Committee of jurisdiction (Senate Environment and Public Works) in the Senate also commissioned a study with the Keystone Center for Science and Public Policy in Colorado. The Keystone Working Group, comprised of diverse stakeholders, submitted a letter to the committee with their preliminary results. They agreed that changes to the law are desirable. In particular, they recommended making recovery plans more central to the management of listed species, and suggested improvements to incentive and consultation programs for landowners. However, the group declared that it was unable to reach a consensus on the important questions regarding critical habitat. Without guidance on this issue, most lawmakers agree that moving forward with ESA reform will be difficult. Still, Senate Environment and Public Works Chairman Inhofe (R-OK) has already announced his intention to move forward with an ESA rewrite. The full Keystone report is slated for release by the end of February. The letter can be found at: <http://resourcescommittee.house.gov/issues/more/esa/Keystoneletter.pdf>.

4. 2007 Farm Bill

With the 2002 Farm Bill set to expire at the end of 2007, the USDA is now in the process of gathering input for the new Bill. Six questions were published in the Federal Register in June, 2005 and public comments were accepted until the end of the calendar year. A series of public forums were held around the country throughout the summer and fall of 2005, including several in the West that were well-attended by CWSF members and staff. More formal Congressional field hearings have been scheduled throughout the winter and spring of this year, while administration staff is still busy processing comments from last years' public forums. Many in Washington have expressed doubt that the Farm Bill will be ready on time, and some are projecting a delay of at least a year while the many contentions provisions are re-worked. World Trade Organization meetings in 2007 will provide context for agriculture subsidy protocols, and that may be additional justification for delay. Congressman Mac Thornberry (R-TX) has introduced a bill (H.R. 4775) that would extend authorization of the 2002 Farm Bill until after the World Trade Organization negotiations are completed. Similar legislation (H.R. 4332) was introduced last November by Congressman Collin Peterson.

5. Emergency Rehabilitation

In the fall of 2005, Rep. Greg Walden (R-OR) introduced a bill designed to expedite logging and reforestation following catastrophic disturbances on forested lands. The Forest Emergency Recovery and Research Act (FERRA) relies on many of the same authorities as the Healthy Forest Restoration Act (2003), and extends them to post-disturbance forestry. Under the Act, planning for salvage logging would proceed in less than 5 months, including an assessment of the damage and a 90-day public comment period. The Act also seeks to establish "pre-approved management practices" through research conducted on site. Funding for the work will come from expanded use of existing sources, such as Knutson-Vandenberg and FEMA. Initial hearings on the bill were held in November, 2005 and Administration support for the legislation appeared to be high.

Since then, national controversy over the value of salvage logging has been inflamed by an article in the journal *Science*. The article, authored by a graduate student at Oregon State University, argued that salvage logging following the Biscuit Fire in 2002 caused damage to fragile soils, killed new seedlings, and delayed reforestation. Scientific debate after the publication of this piece culminated in a Congressional field hearing held in Oregon on February 24th, where scientists testified on the merits of salvage logging following a disturbance.

6. National Environmental Policy Act

Interest in NEPA reform by the House Resources Committee prompted the creation of a Task Force in April, 2005. The group was chaired by Cathy McMorris (R-WA) and the ranking member was Tom Udall (D-NM); the rest of the task force was comprised of 11 Republican and 8 Democratic members of the Committee. Public hearings were held across the country, culminating in two November hearings in Washington, DC. At each hearing, federal, state, tribal, local, academic and non-profit entities were invited to testify. Ultimately, the Task Force heard testimony from 66 witnesses. Hearings were occasionally contentious. In the final hearing on November 17, 2005, Jim Connaughton, the Chairman of the Council on Environmental Quality (CEQ), testified that the new Environmental Management Systems approach to planning could prove a useful mechanism for implementing NEPA. Connaughton also noted that the Administration stands behind the broad philosophy of the statute and that problems with the statute come only from the implementing regulations.

The Task Force released its findings and preliminary recommendations in December, 2005 and sought public comment. They received over 240 original comments and thousands of mass e-mails. Two recommendations have received the most attention: the proposal to redefine “major federal action”, and the suggestion to establish mandatory timelines for the completion of NEPA documents. Stakeholders including farm groups, environmental organizations, and industry associations offered differing opinions on the proposals. Resource Committee staffers are still reviewing the comments and have not indicated when a final analysis will be released. It is unlikely that Congress will act on the NEPA reform legislation in the immediate future.