



**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 6<sup>th</sup>. 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 has been holding hearings in its committees and subcommittees to learn more about agency budget needs. House Interior Appropriations committee mark-up occurred on May 4<sup>th</sup>, but Senate Interior Appropriations action will likely last into the summer months.

*CWSF FY07 Appropriations Priorities:*

	<u>FY05 Enacted</u>	<u>FY06 Enacted</u>	<u>President’s FY07</u>	<u>Difference FY06-FY07</u>	<u>Percent Change</u>
State Fire Assistance	73.1	79.8	56.1	-23.7	-30%
Forest Health: Cooperative	57.5	57.6	39.2	-18.4	-32%
Urban & Community Forestry	32	28.8	26.8	-2.0	-7%
Forest Stewardship	32.3	34.6	33.9	-0.7	-2%
Volunteer Fire Assistance	13.8	13.9	13.7	-0.2	-1%

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

**2. Secure Rural Schools and Community Self Determination Act**

With the release of the President’s FY07 budget came an unusual proposal for funding the reauthorization of the Secure Rural Schools Act (aka County Payments). The Forest Service 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 funding proposal has thus far been fairly negative across the country, and Governor Kempthorne (ID), the President’s nominee for Secretary of the Interior, this week publicly stated his opposition to it. Legislators have begun to develop their own solutions to the problem. Sens. Baucus (D-MT) and Wyden (D-OR) introduced a bill (HR 2845) to fund the program by closing a tax loophole for government contractors. Most recently, Sen. Gordon Smith (R-OR) introduced an amendment to the FY06 supplemental appropriations bill, intended to fund war efforts, that would appropriate \$532 million for the program. He later withdrew the amendment. The deadline for reauthorization of the program is September 30<sup>th</sup>.

**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.

In recent months, action in the Senate has stalled. Early progress included Senators Mike Crapo (R-ID) and Blanche Lincoln (R-AR) introducing S. 2110, the Collaboration for the Recovery of Endangered Species Act (CRESA) that would provide tax breaks for private landowners to incentivize conservation measures. Since then, the Keystone Working Group (Keystone Center for Science and Public Policy in Colorado), commissioned by the Senate Subcommittee of jurisdiction (Sens. Chaffee and Clinton) to study ESA reform options, 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) vows to move forward with an ESA rewrite similar to Pombo’s efforts in the House.

#### **4. 2007 Farm Bill**

With the 2002 Farm Bill set to expire at the end of 2007, the USDA is now actively formulating its position. 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. Summaries of forum comments have been organized by topic area and are available at: [www.usda.gov/wps/portal/usdafarmbill?navtype=SU&navid=FARM\\_BILL\\_FORUMS](http://www.usda.gov/wps/portal/usdafarmbill?navtype=SU&navid=FARM_BILL_FORUMS) More formal Congressional field hearings were held by both House and Senate Committees throughout the winter and spring of this year. There are still two significant unknowns: ongoing World Trade Organization negotiations will drive agriculture subsidy levels, and the 2008 elections could lead to committee re-organization and new leadership. Recently, bipartisan legislation was introduced in the Senate that would extend the current Farm Bill until WTO negotiations are complete. The European Union responded to this proposal by noting that such extensions of farm subsidies would have “serious fallout” for the international community. The WFLC issued a Farm Bill issue brief outlining the current Farm Bill context. It is available at: [www.wflcweb.org/infomaterials/issue\\_briefs.php](http://www.wflcweb.org/infomaterials/issue_briefs.php)

#### **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 (H.R. 4200) was marked up in the Resources and Agriculture committees in the spring of this year. The House Transportation and Infrastructure Committee shares jurisdiction of the bill, but many expect that body to discharge the bill without markup. The bill 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.

The Congressional Budget Office’s analysis of HR 4200 found that the expedited procedures in the bill could result in an additional \$122 million in salvage logging receipts by 2008. Recent controversy over the relative value of salvage logging was intensified by an article in the journal *Science*, and debate continues to be wide-ranging. The bill next heads to the House floor, where it is expected to pass. Action in the Senate is uncertain.

#### **6. Bark Beetle Legislation**

The bark beetle epidemic in the Rocky Mountain West has inspired two competing bills. In March, Representatives Udall (D-CO) and Salazar (D-CO) introduced the Rocky Mountain Forest Insect Response Enhancement and Support Act (FIRES) in the House (HR 4875); Sen. Ken Salazar (D-CO) soon followed by introducing the same bill in the Senate (S 2484). The bill applies to nine western states in the Rocky Mountain Region. To combat bark beetles, the bill makes a variety of changes to fuels

reduction project prioritization, grant funding allocation, and tax policy. The Senator has also attached an amendment to the Emergency Supplemental bill currently making its way through Congress; the amendment would provide \$30 million for critical hazard mitigation and insect and disease work in western forests on both federal and non-federal lands.

Sen. Allard (R-CO) introduced the Headwaters Protection and Restoration Act (S. 2604) in April, 2006. The bill is limited to Colorado, which the Senator justifies by pointing out that the Colorado Rockies serve as the headwaters for 19 western states' watersheds. It authorizes \$227 million for grants, loans, and agency funding to address the bark beetle epidemic. Other provisions in the bill seek to revitalize the timber industry in the state, and support private landowners' forest management efforts.

### **7. Pacific Island Eligibility**

When the Pacific Islands first joined the United States following WWII, they did so as "trust territories". In the subsequent years, many administrative and name changes took place, and most of the islands are now considered Freely Associated States. The Cooperative Forestry Assistance Act (CFAA), however, does not recognize the Islands as "States" and therefore many of the financial assistance programs in the Act are not made available to the Pacific Islands. Efforts to amend the CFAA have been ongoing and arduous. At this time, there are indications that Sen. Crapo (R-ID) may introduce a Pacific Islands Eligibility bill this session; if he does, many expect the Agriculture Committee to pass the bill by Unanimous Consent, which means the bill will avoid a time-consuming vote process. Action in the House is also likely to be swift.

### **8. Healthy Forests Reserve Program**

The Healthy Forests Reserve Program was signed into law as part of Title V of the Healthy Forests Restoration Act (2003). A voluntary program to assist private landowners' efforts to conserve threatened and endangered species habitat, improve biodiversity, or increase carbon sequestration, the HFRP was authorized from 2004-2008. The program offers three enrollment options for landowners, each with different cost-share and easement structures. Administered by the Natural Resource Conservation Service, the program was initially funded in the FY06 Agriculture Appropriations bill at \$2.5 million. Noteworthy as the only non-Title I portion of HFRA to be funded, the program was unexpectedly cut from the FY07 House Agriculture appropriations bill. Many now expect the Senate committee to restore program funding. For more information: [www.nrcs.usda.gov/programs/HFRP/ProgInfo/HFRPProgramInfo.html](http://www.nrcs.usda.gov/programs/HFRP/ProgInfo/HFRPProgramInfo.html)

### **9. EPA: Air Quality & Exceptional Events**

The Environmental Protection Agency is currently reviewing proposed rule changes to their National Ambient Air Quality Standards. As a part of the review, they are developing new standards for natural and "exceptional" events such as wildfire. Both prescribed fire and wildland fire use produce smoke that is often in violation of state air quality standards; classifying these incidents as natural or exceptional events would allow states more flexibility in applying air permitting and fire management practices. The agency has held two public field hearings, one in North Carolina and one in Colorado, and comments are being solicited on the proposed rule until May 25, 2006. NASF will be submitting comments, and several CWSF members have engaged the process by writing state-level comments and/or contacting their local air quality boards for input. For more information, see [www.epa.gov/ttn/oarpg/t1pfpr.html](http://www.epa.gov/ttn/oarpg/t1pfpr.html). The WFLC also released an Issue Brief on the matter: [www.wflcweb.org/infomaterials/issue\\_briefs.php](http://www.wflcweb.org/infomaterials/issue_briefs.php)