



LEGISLATIVE & POLICY BRIEFING

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1. FY 2007 Appropriations

The House and Senate completed their versions of the Interior appropriations bill before the August recess session ended, although the Senate bill has been marked up from the committee and must still be passed on the floor. The bills still need to go through conference before final numbers will be released, and some are predicting an Omnibus bill will ultimately prevail. As indicated in the chart below, State Fire Assistance, Urban & Community Forestry, and Forest Stewardship all appear to be on track to be funded at or near existing levels. The Senate proposed deep cuts to the Cooperative Forest Health program; instead of meeting the higher levels as proposed by the House, it chose to echo the President’s request.

Of note is the way Volunteer and Rural Fire Assistance numbers were tallied in each legislative body. The House zeroed out the DOI RFA program, but compensated for that reduction by increasing the USFS VFA program; the Senate restored RFA and reduced VFA closer to its FY06 levels. The total amount for the two programs together was nearly constant in both houses, but \$5 million below last years’ total. Many CWSF members are concerned about the split between the two programs, primarily due to the differences between program cost-share and allocation protocols.

CWSF FY07 Appropriations Priorities:

	<u>FY05 Enacted</u>	<u>FY06 Enacted</u>	<u>Proposed FY07 NASF</u>	<u>President’s FY07</u>	<u>House FY07</u>	<u>Senate FY07</u>
State Fire Assistance	73.1	79.8	90.0	56.1	76.0	73.0
Forest Health: Cooperative	57.5	57.6	58.0	39.2	57.6	39.2
Urban & Community Forestry	32.0	28.8	36.0	26.8	29.5	27.6
Forest Stewardship	32.3	34.6	37.0	33.9	37.0	33.9
Volunteer Fire Assistance	13.8	13.9	14.0	13.7	18.8	14.0

Figure 1: Appropriations Summary. (Dollars in millions)

2. Secure Rural Schools and Community Self Determination Act

The Secure Rural Schools Act (aka County Payments) is up for reauthorization this fiscal year, and debate has centered around the way to fund an extension of the program. In February, 2006, President Bush proposed selling 200,000 acres of “excess, isolated tracts of federal 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. This proposal was widely unpopular, and legislators have developed a steady stream of creative alternatives.

Recently, the House of Representatives approved the Deep Ocean Energy Resources Act of 2006 (H.R. 4761). Representatives Walden (R-OR) and DeFazio (D-OR) drafted an amendment that directs \$250

million from Outer Continental Shelf oil drilling to fund the Secure Rural Schools program. The amendment allocates \$50 million to the program per year for the next five years. This bill is still under consideration in the Senate, and the funding amendment may not survive negotiations there. Meanwhile, Senator Ron Wyden (D-OR), blocked nominations in the Senate for the heads of the Office of Surface Mining and the US Geological Survey in protest of inaction on the reauthorization of the Secure Rural Schools program. In response, the administration has pledged its support for one year of the program at current funding levels provided offsets are found, and Sen. Wyden has withdrawn his hold. Enthusiasm for the compromise is shadowed by the fact that a funding source has still not been identified, and Administration support is not the same as appropriated dollars.

3. 2007 Farm Bill

With the 2002 Farm Bill set to expire at the end of September 2007, the USDA and Congress are now actively formulating their positions. Congressional field hearings were held by both House and Senate Committees throughout the winter and spring of this year, and are scheduled to continue through the August recess. The USDA has also released a set of analysis papers, including one on conservation that addresses forestry issues. To see a schedule of upcoming hearings, view the analysis papers, and learn the latest news on the Farm Bill, see: <http://www.usda.gov/farmbill>. Until recently, many were awaiting the outcome of the World Trade Organization negotiations to set parameters on agriculture trade subsidies for the country. Unfortunately, those negotiations broke down last month and the participating nations returned home without a completed set of new trade rules. Speculation is that the stalemate at the WTO will likely result in a reauthorization of the Farm Bill without any substantial new re-programming of commodity to conservation payments as hoped. NASF, SAF and others are now pushing ahead to develop their specific Farm Bill positions.

4. Emergency Rehabilitation

The Forest Emergency Recovery and Research Act (H.R. 4200) was passed by the House of Representatives this spring. The bill, introduced by Rep. Greg Walden (R-OR), is designed to expedite logging and reforestation following catastrophic disturbances on forested lands. The Senate Committee on Energy and Natural Resources' Forestry Subcommittee held an oversight hearing on the bill in July, and Leah McSwords, the State Forester of Kentucky, testified on behalf of the National Association of State Foresters. Senator Smith (R-OR) has introduced a companion bill, and there appears to be strong support both from the Administration and within the Senate for moving it forward when the Senators return from recess. To see a complete list of witnesses and read transcripts from the hearing, see: http://energy.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=1574

5. Pacific Island Eligibility

Currently three island members of the CWSF are not eligible to participate in certain programs authorized under the Community Forestry Assistance Act (CFAA). 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 now have Compacts of Free Association with the U.S., providing a legal avenue for U.S. assistance to the islands. However, the CFAA still does not recognize the Islands as "Freely Associated States," resulting in their ineligibility for certain CFAA programs. Efforts to amend the CFAA have been ongoing and arduous. At this time, there are ongoing indications that Sen. Crapo (R-ID) may introduce a Pacific Islands Eligibility bill and 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, although at this point all eyes are still on the Senate to take the first steps.

6. Healthy Forests Reserve Program

The Healthy Forests Reserve Program was signed into law as 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 cut in the FY07 House Agriculture appropriations bill, but restored by the Senate. In May, the Department posted interim rules for the program in the Federal Register and solicited public comment. The CWSF's Forest Resource Management committee submitted comments, available at: http://www.wflcweb.org/infomaterials/letters_of_comment.php. For more information about the program: www.nrcs.usda.gov/programs/HFRP/ProgInfo/HFRPPProgramInfo.html

7. NEPA Task Force

Interest in NEPA reform by the House Resources Committee, chaired by Richard Pombo (R-CA), prompted the creation of a Task Force in April, 2005. Public and congressional hearings were held across the country, with federal, state, tribal, local, academic and non-profit entities invited to testify. Ultimately, the Task Force heard testimony from 66 witnesses and submitted its review of the law in December, 2005. Comments were gathered through the winter, and the Task Force released its final report on July 31, 2006. The 23 page report presents 20 recommended changes including 16 proposed amendments to the 36 year old law. Topics addressed include the need to address delays in the process, enhancing public participation, better involvement for state, local and Tribal stakeholders, addressing litigation issues, clarifying alternative analysis under NEPA, better Federal agency coordination, additional authority for the Council on Environmental Quality, more studies, and clarifying the meaning of "cumulative impacts." The report can be found here:

http://resourcescommittee.house.gov/nepataskforce/report/nepa_final_taskforce_report.pdf. Next steps include formal consideration of the group's findings by the House Resources Committee. WFLC released an issue brief on this topic in December, describing the findings in the preliminary report. To view the brief, see: http://www.wflccenter.org/news_pdf/152_pdf.pdf. The CWSF also submitted comments on the early report, available at: http://www.wflccenter.org/news_pdf/162_pdf.pdf.

8. HFRA Implementation: Oversight Hearings

Both the House and the Senate have recently held oversight hearings to explore progress in implementing the Healthy Forests Restoration Act. The House Resources Committee, Subcommittee on Forests and Forest Health conducted its hearing in June with only two invited witnesses: Mark Rey (USDA) and Lynn Scarlett (DOI). Both reported overall success in the implementation of HFRA, and described challenges that have limited the scope of those new authorities. To read their testimony, see:

<http://resourcescommittee.house.gov/archives/109/ffh/062906.htm>.

The Senate Energy & Natural Resources Committee, Subcommittee on Forests held a similar hearing at the end of July. Jay Jensen testified on behalf of the CWSF. His testimony focused on the development of Community Wildfire Protection Plans and emphasized the need to better tie federal project planning with CWPP recommendations. Senators, particularly from the west, were critical of USFS project selection, noting a perceived imbalance of acreage treatment in the south. The testimony is available at:

http://www.wflccenter.org/news_pdf/186_pdf.pdf.