



LEGISLATIVE & POLICY UPDATE

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This document, intended to inform the WFLC membership on key legislative and policy issues, is published on a quarterly basis and posted on www.wflcweb.com in the member section. For more information on the below items, please contact Caitlyn Peel.

1. FY 2008 Appropriations

Released in February, the President's FY 2008 budget request for the US Forest Service (USFS) was \$4.127 billion, nearly the same level of funding as 2006 and 2007 fiscal years. The budget proposal included \$202.5 million in State & Private Forestry appropriations, an 11% decrease from the estimated 2007 funding levels of \$228.6 million. Several programs for which the Administration had proposed decreased funding are Forest Stewardship, Forest Legacy and Urban & Community Forestry.

- **House**

House appropriators recently completed their mark-up of the \$27.6 billion FY08 Interior Appropriations legislation. This is a 4.5 percent increase over the 2007 discretionary funding levels for the EPA, the DOI, the Forest Service and several other cultural agencies. The Forest Service has \$2.6 billion for non-wildfire related programs which is a \$102 million increase. The Forest Service and Interior wildfire programs received \$2.78 billion and of that wildfire suppression for both the Forest Service and DOI is \$1.134 billion.

The report language, and proposed appropriation levels, are consistent with NASF's top FY08 appropriation priorities. These priorities are Forest Health – Cooperative Lands, State Fire Assistance, Forest Stewardship and Urban & Community Forestry. The report language from the Appropriations Committee includes a statement that the Administration request was severely lacking in a number of ways, including inadequate financial support for fundamental land management. The Committee recommends an increased level in forest health funding and notes that a continued focus on "strategic allocations" is needed including an emphasis on bark beetle and mountain pine beetle work in the west.

The Forest Stewardship program funding level was approved at \$5 million less than the FY07 enacted level. The Committee recommends a new strategic direction for this program and mentions that it is especially needed in the south. U&CF funding was increased by \$1 million and the Committee directs that the Forest Service should focus funding allocations on large urban areas and the strategic selection of projects. State Fire Assistance received much attention and discussion during this appropriations cycle. The SFA Coalition made a significant push to promote the need for SFA funding. The Committee approved funding levels equal to FY07 but noted the importance of the program in the report. The Committee stated that it is in the Federal interest to facilitate the effectiveness of State and local efforts in wildland fire planning, prevention and mitigation, as well as suppression. The Committee also directs the Forest Service to allocate at least 10 percent of the SFA funding to address suppression response in the WUI.

Floor action on the spending bill was held due to the recent debates on how to handle earmarks. In order to provide more clarity on earmarks, the bill was sent back to the committee for an additional package of earmarks totaling \$119 million. A break down on those earmarks has yet to

be released. The spending bill, with the earmarks package, is expected to be on the House floor on June 26.

Numerous amendments to the spending bill are possible during the floor debate including an amendment barring new road construction on the Tongass National Forest, an amendment blocking revision to ESA requirements, an amendment that codifies the Roadless Rule and others.

- **Senate**

The Senate Interior Appropriations Subcommittee marked-up the Senate's Interior package of \$27.2 billion on June 19 and the full Appropriations Committee marked-up the spending bill on June 21.

The Senate interior spending bill includes \$4.55 billion for the Forest Service which is \$423 million above the Administration's proposal and a significant increase over FY07 funding. Fire programs are funded at \$1.89 billion, including \$859 million for FS fire suppression and \$325 million for hazardous fuels reduction.

Unlike the House, the Senate included the earmarks in the spending bill approved by the full Committee on June 21. Several of the S&PF programs have earmarked amounts included in the funding levels approved by the Committee. The Senate Appropriations Committee also made funding decisions and released report language consistent with NASF's top FY08 appropriation priorities of Forest Health – Cooperative Lands, State Fire Assistance, Forest Stewardship and Urban & Community Forestry.

The Committee provided a slight increase in U&CF in order to restore base program operations, fund fixed costs and provide funds for two urban tree planting programs in Chicago and Indianapolis. SFA funding was also increased slightly and includes \$5 million to address spruce bark beetle infestation in Alaska. Forest Stewardship funding level is slightly higher than FY06 and includes \$950,000 funding for the Chesapeake Bay forestry program. The Committee report repeatedly mentioned "restoring base program operations" and "funding fixed costs" of the Forest Service programs. More detail on the report language will be available after a full review has been completed.

Senator Craig (R-ID) withdrew an amendment that would have extended the County Payments Act during the Senate Appropriations Committee meeting. His amendment would have extended the County Payments Act for four years with \$2.4 billion in funding. There is the possibility that a County Payments extension amendment may be offered on the Senate floor.

The FY08 interior spending bill is expected to be discussed on the Senate floor the week of July 9. It is expected that several amendments will be proposed, but at this time there are no specifics available.

Please see the last page of this document for breakdown of the FY08 appropriations numbers from the House and Senate Appropriations Committees.

2. Extra Wildfire Suppression Funding: Emergency Supplemental

The emergency Iraq supplemental bill signed by the President in May 2007 included \$465 million for wildfire (\$370 million for the USFS and \$95 million for DOI). These funds are provided in a separate,

flexible spending account and will only be available if the agencies use all available fire suppression funds and if cost savings efforts are undertaken. This one-year extension will help get us through this wildfire season, but does not fix the larger suppression budgeting problem (see item #9 on page 6) The supplemental also includes a one-year extension of the Secure Rural Schools program funded at \$425 million.

3. 2007 Farm Bill

The 2002 Farm Bill is set to expire at the end of September 2007 and Congress hopes to pass the 2007 Farm Bill before the expiration of the current legislation and to gain credit during the following election year.

- **House**

The House Agriculture Committee has been moving forward and hopes to have their version of the 2007 Farm Bill on the floor before the August recess. The House Agriculture Committee has postponed their mark-up of the Farm Bill until the week of July 9. The bill is expected to be debated on the floor the week of July 23. The postponement was due to the continued earmark debate holding up this year's appropriations bills. All information on the House Agriculture Committee's Farm Bill proposal is available at

<http://agriculture.house.gov/inside/2007FarmBill.html>. A matrix detailing the pieces of each title and the current status of the proposals is included at the end of this document.

- **Details of the House Conservation Subcommittee Mark-up Complete**

The Conservation Title includes forestry edits that will better position family forest landowners and managers in both CSP and EQIP. State Foresters have always had the opportunity to sit on the State Technical Committee at the discretion of the Secretary. The Subcommittee mark requires that State Foresters take part in their State's Technical Committee. Also, the Conservation Title includes a program that promotes market-based approaches to conservation. Forests are included in this program as an integral part to quantifying environmental benefits. In the Energy Title, woody biomass is well represented. The Forest Bioenergy Research Program focuses on wood-to-energy technology and encourages forest to energy technologies.

- **Details of the House Forestry Subcommittee Mark-up**

The Forestry Title contains many of the NASF proposals including statewide assessment language and a disaster provision for forestland.

(<http://www.stateforesters.org/positions/2007.FarmBill.htm>). The Title amends the Coop Forestry Assistance Act of 1978 to focus on three national priorities, 1) conserving and managing forest landscapes for multiple uses, 2) protecting and restoring forests from threats and 3) enhancing the public benefits from private forests. This revision requires reporting on how funding was used to promote these priorities. In support of the Forest Service S&PF redesign, language requiring a statewide assessment of forest resource conditions, updated as determined by the Secretary, and a statewide forest resource strategy that must be updated on a yearly basis. See http://www.wflcweb.org/infomaterials/issue_briefs.php for the latest S&PF Redesign Approach Briefing Paper.

- **Senate**

The Senate has not yet released any draft language for the 2007 Farm Bill. Committee staff is still working to draft their language. NASF and the CWSF have been working with Senate Agriculture Committee staff to discuss the need for forestry within the Farm Bill.

The Senate was unable to secure floor time for the Farm Bill discussion in July, so the Farm Bill has been pushed back until after the August recess. The subcommittee mark-ups will occur in the beginning of September.

- **Related Legislation (Farm Bill Marker Bills)**

- **S. 36 – BioFuels Legislation** Senator Thune (R-SD) and Senator Nelson (D-NE) have proposed legislation as a marker bill for inclusion in the Energy Title of the 2007 Farm Bill. This legislation creates an incentives program for biomass, including woody biomass. This legislation also reauthorizes the Sun Grant Initiative through 2012. The Sun Grant Initiative addresses energy needs and works to revitalize rural communities through land-grant university research, education and extension programs on renewable energy and biobased, non-food industries. There are other forestry implications contained in this legislation and NASF has provided comment.

- **S. 1131 – Collins Bill**

For now the second Farm Bill in a row, Senator Collins (R-ME) has introduced the Suburban and Community Forestry and Open Space Program Act of 2007. It amends the Coop Forestry Assistance Act by establishing a community forestry and open space conservation cost-share program. Deemed “Legacy Lite,” the goal of this legislation is to protect forestland in suburban areas through the purchase of conservation easements. This program would only be available to preserve private forest land, contain suburban sprawl and support value-added forest product industries in states where less than 25% of the land is owned by the United States. The suburban forests part of this bill establishes an easement program in which easements can be held by a state, local government or a non-profit organization. This legislation would also allow non-profits approved by the State Forester to acquire conservation easements to carry out Forest Legacy projects. This legislation is being discussed for inclusion in the Senate proposed Farm Bill. NASF is not supportive of its inclusion.

- **Dorgan Bill – Tribal-Forest Service Cooperative Relations Act of 2007**

Senator Dorgan (R-ND) has introduced legislation that authorizes reburial of human remains and cultural items on National Forest Systems lands, prevents the unauthorized disclosure of those sites and amends the Forest Legacy program to include Tribes as separate applicants as the States operate. This legislation is being discussed for inclusion in the Senate proposed Farm Bill with reservations expressed by NASF.

- **Other Related Items**

- **Pacific Island Eligibility**

Currently three CWSF island members, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands, are not eligible to participate in two S&PF programs, the Forest Stewardship Program and the Cooperative Fire Programs, which are authorized under the Cooperative Forestry Assistance Act (CFAA). When the Pacific Islands joined the United States following WWII, they did so as “trust territories” of the Pacific. In the subsequent years, many administrative and name changes took place, and these same islands now relate to the U.S. via Compacts of Free Association, 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.

There is interest in including language in the 2007 Farm Bill to solve the island eligibility issue. An administrative fix for the lack of forestry assistance has been determined to be insufficient in fixing the problem. Discussions with congressional staff are on-going.

○ **Stakeholder Efforts**

A diverse group came together to promote forestry interests in the farm bill and formed the “Forests in the Farm Bill” Coalition. The Forests in the Farm Bill Coalition brochure is available at http://www.wflccenter.org/ts_dynamic/edu_outreach/35_file.pdf .

The Farm Bill Coalition has evolved into a core group of members who have signed on to proposed language for the 2007 Farm Bill. This Coalition has been discussing the Coalition language on the Hill and working as a group to promote forests in the Farm Bill. As the Farm Bill moves forward, members of the Coalition are promoting specific pieces of legislation on behalf of their organizations but are also promoting the need for forestry within the reauthorized Farm Bill.

4. HR 2337 – Energy Policy Reform and Revitalization Act of 2007

The House Natural Resources Committee sent HR 2337 to the floor after three subcommittee mark-up sessions. This bill repeals or amends several sections of the Energy Policy Act of 2005. It also includes a biomass pilot program that replaces the existing EPACT woody biomass program. It seeks 10 forested federal land pilot project sites offering technical assistance and grants to support woody biomass development. This bill is expected to be included on the floor in the climate change package that Speaker Pelosi (D-CA) is compiling based on climate change and energy bills from several committees.

5. H.R. 2526 and S. 1478 – National Forest Roadless Area Conservation Act

Representative Inslee (D-WA) and Senator Cantwell (D-WA) introduced companion bills that codify the 2001 Roadless Area Conservation Rule that was adopted during the Clinton administration. There are 140 cosponsors in the House and 18 in the Senate. There has been discussion that this legislation might be offered as an amendment to the House appropriations bill when being debated on the floor.

6. H.R. 2421 – Clean Water Restoration Act of 2007

Representatives Oberstar (D-MN) and 163 bipartisan co-sponsors introduced the Clean Water Restoration Act of 2007. This Act amends Clean Water Act authority to expand the definition of waters of the United States. The Act also removes the term “navigable waters” from the Clean Water Act. Many land use interests are watching the bill closely, and generally do not support the legislation. There is also concern that the current exemption for forestry activities may get modified, thus bringing forestry under CWA permitting. This legislation has been referred to the House Committee on Transportation and Infrastructure and is not moving fast through Congress. NASF will look more in depth at the bill at the upcoming Forest Resource Mgmt. Committee meeting in August.

7. H.R. 6 – Creating Long-Term Energy Alternatives for the Nation (CLEAN Energy) Act of 2007

H.R. 6 was approved by the Senate on June 21 expanding the use of renewable fuels by 2022, including providing 21 billion gallons using “advanced biofuels” such as cellulosic ethanol. A tax package (see number eight) was expected to be added to H.R. 6 during floor debate, but did not receive enough votes for cloture.

The version of H.R. 6 originally passed by the House was significantly different from the H.R. 6 passed by the Senate. There will not be a conference between the House and Senate on this bill; instead the House will take up comprehensive legislation in response to the Senate version of this bill

8. Senate Energy Tax Package

The Senate Finance Committee approved a \$32.1 billion energy tax package earlier this week. This bill included incentives for alternative energy sources, tax credits for carbon sequestration and an extension of the County Payments Act and five-years of funding for the Payments in Lieu of Taxes program.

Along with County Payments, the Senate Energy Tax Package also included a timber tax amendment that will allow for a 60% deduction for qualified capital gains for one year. Language changing the tax rules for Real Estate Investment Trusts (REITs) and TIMOs is also included in this legislation.

This package was defeated during debate on H.R. 6 when offered as an amendment. There is a similar bill in the House (H.R. 2776) but it does not include the extension of PILT funding or the County Payments program.

9. Fire Suppression Budgeting Solution

NASF has released an issue paper titled “Federal Wildland Fire Suppression Costs: Budget Reform.” This document details the challenges of the Forest Service budget and the ever increasing cost of suppression. NASF offers a proposed solution, including cost containment, incentives for line officers and partitioning the most expensive wildland fires from the overall Forest Service budget. The briefing papers are available at http://www.wflcenter.org/news_pdf/235_pdf.pdf. Discussions with congressional delegates and staff are on-going.

10. WFLC Joint Hill Visits Tracking Document

A joint hill visit tracking document has been posted on the members-only section of the WFLC website (http://www.wflcenter.org/members/files/219_file.doc). This document will allow WFLC members to find information on who is making hill visits and what issues are resonating with the Congressional delegates and their staff. This document will be updated as information becomes available, so please send information on your hill visits to Caitlyn at cpeel@colostate.edu.



**STATE AND PRIVATE FORESTRY DEPUTY AREA
FY 2008**



June 22, 2007	FY 2006 Enacted	FY 2007 Enacted	FY 2008		
			President's Budget	Full Committee	
				House	Senate
PROGRAMS	...Dollars in thousands...				
WILDLAND FIRE MANAGEMENT (National Fire Plan)					
Preparedness	660,705	665,382	349,082	675,382	676,370
Wildland Fire Fighters	0	0	219,710	0	0
Wildland Fire Suppression Operations	690,186	741,477	911,032	859,021	859,021
Other Wildland Fire Operations					
Hazardous Fuel Reduction	280,119	301,258	291,533	310,258	325,000
Rehabilitation and Restoration	6,189	6,189	0	18,000	6,189
Research and Development	22,789	22,789	22,000	23,500	24,542
Joint Fire Sciences	7,882	7,882	8,000	8,000	8,000
Federal Lands, Forest Health Management	14,779	14,779	14,252	14,252	15,119
Cooperative Lands Forest Health Mangement	9,853	9,853	10,014	10,014	10,014
State Fire Assistance	45,816	46,221	35,004	46,221	50,227
Volunteer Fire Assistance	7,773	7,773	8,000	10,000	8,000
Subtotal, Other Wildland Fire Operations	395,200	416,744	388,803	440,245	447,091
Supplemental for Wildland Fire Suppression		370,000			
TOTAL, WILDLAND FIRE MANAGEMENT	1,746,091	2,193,603	1,868,627	1,974,648	1,982,482
STATE AND PRIVATE FORESTRY					
Forest Health Management					
Federal Lands	53,163	53,963	52,959	53,963	54,967
Cooperative Lands	46,904	47,104	38,130	47,104	47,248
Subtotal, Forest Health Management	100,067	101,067	91,089	101,067	102,215
Cooperative Fire Protection					
State Fire Assistance	32,895	32,895	33,122	33,122	33,122
Volunteer Fire Assistance	5,912	5,912	9,000	9,000	5,912
Subtotal, Cooperative Fire Protection	38,807	38,807	42,122	42,122	39,034
Cooperative Forestry					
Forest Stewardship Program	34,144	41,947	20,000	36,947	34,288
Forest Legacy Program	56,524	56,536	29,311	56,336	48,095
Urban and Community Forestry	28,413	30,130	17,436	31,130	30,846
Economic Action Programs - Special Projects	9,537	0	0	0	6,523
Wood Education Resource Center	[2,660]	[2,663]	[1,000]	0	[1,673]
Forest Resource Inventory & Analysis	4,588	4,588	0	5,000	4,588
Subtotal, Cooperative Forestry	133,206	133,201	66,747	129,413	124,340
Supplemental for Hurricanes	30,000	0	0	0	0
TOTAL, STATE AND PRIVATE FORESTRY	302,080	273,075	199,958	272,602	265,589
TOTAL, STATE AND PRIVATE FORESTRY DEPUTY AREA	2,048,171	2,466,678	2,068,585	2,247,250	2,248,071

FY 2006 and FY 2007 the Wood Education Resource Center funded within funds available for the State and Private Forestry Appropriation
 FY 2007 funds formerly appropriated to the Economic Action Program used to fund WERC and biomass projects
 FY 2008 WERC = \$2,673; \$1,000 from S&PF programs , \$1, 673 earmarked within EAP

NASF 2007 Farm Bill Matrix
Updated June 19, 2007

NASF Recommendation	Senate	House	Gap Analysis	Message
<p>CONSERVATION TITLE: Conservation Security Program (CSP) – Expand opportunities for forestland and forest management practices to qualify for CSP benefits with an acreage cap.</p>	<p>Preliminary indications are that the Senate version will roll CSP, EQIP, and the Wildlife Habitat Incentives Program (WHIP) into one streamlined program, titled the Conservation Stewardship Incentives Program. The Senate proposal would fund this comprehensive program at much higher than previous levels.</p>	<p>Forestland is included as private agricultural land eligible for CSP benefits.</p> <p>The House language puts the CSP program “on hold” for several years and includes graduated benefits based on when the acreage is enrolled in the program. Chairman Peterson has already stated that this proposal may be revisited.</p>	<p>Definition of “producer” must be expanded to include forestland managers.</p> <p>Forest Stewardship Plans should be required in order for forestlands to qualify for benefits.</p> <p>We are anticipating the Senate bill will pick up the House slack on CSP, since the program is one of Chairman Harkin’s favorites</p>	<p>Contact with members of Senate Ag Committees is critical. State Foresters must deliver the message that forestland should be included in CSP, by highlighting the benefits to private forest landowners of expanding the program. Just as important, Ag Committee members should also be encouraged to expand the definition of producer to include forestland managers.</p>
<p>CONSERVATION TITLE: Environmental Quality Incentives Program (EQIP) – Expand opportunities for forestland and forest management practices to qualify for EQIP benefits</p>	<p>(See above)</p>	<p>Forestland is now incorporated into the program through the addition of inclusive wording, similar to NASF recommendations.</p>	<p>Again, the definition of “producer” must be expanded, and the development and implementation of a state forester approved forestland management plan for activities to be eligible for EQIP benefits needs to be included in the language.</p>	<p>Contact with Senate Ag Committee members. State Foresters should be illustrating the importance and function of forest stewardship plans, and also highlighting the need to expand the definition of producer.</p>
<p>CONSERVATION TITLE: Establishment of State Technical Committees – State Foresters should be added to the makeup of the state technical committees.</p>		<p>NASF supports the House language, which mandates the participation of the State Forester</p>	<p>The composition of the technical committees must be expanded to include forestry as a “producer and other professional.”</p>	<p>State Foresters should be communicating with members of the Senate Committee to ensure that the House language on state technical committees is included in Senate version.</p>
<p>ENERGY TITLE: Expand the inclusion of woody biomass, and cellulose throughout the title, with a specific focus on incentives for developing new markets and technologies.</p>	<p>Senate staff are working to include woody biomass in current energy title programs. Language is currently being drafted. Senate is</p>	<p>The NASF supports the draft language in the House, with further inclusions of the terms “cellulose” and “woody material” where appropriate in Sections 1 and 5.</p>	<p>This issue is important to our membership. There are several bills in play that deal with energy programs and woody biomass. These bills need</p>	<p>Encourage Members to support (and expand) legislation to include incentives for the use and development of woody biomass and cellulose</p>

NASF 2007 Farm Bill Matrix
Updated June 19, 2007

	not planning to create numerous new programs.		to be reviewed and tracked.	
<i>FORESTRY TITLE:</i> Statewide and Community Forest Assessment and Planning – An assessment and collaborative planning process to ID Critical Forest Resource Areas and develop strategic direction for targeting and implementing programs supported by the Cooperative Forestry Assistance Act		Provides direction to states to complete statewide assessments and plans. Fosters coordination between state entities.	The House language does not include an authorized funding level, which may make the assessment and planning process something of an unfunded mandate.	State Foresters should be in contact with the full House Agriculture to ensure that NASF recommendations are included and funding is mandated. State Foresters should be in contact with the Senate Agriculture Committee to recommend that NASF recommendations are included.
<i>FORESTRY TITLE:</i> Sustainable Market Program – An enhanced program to encourage the perpetuation, expansion and development of markets for forest resources products and services.		The House language does not include provisions for a Sustainable Market Program. There is a ecosystems market piece that includes forests included in the Conservation Title.		There has been some hesitation in both the House and Senate to create new programs. NASF is confident that the goals of the Sustainable Market Program can be accomplished through previously authorized legislation.
<i>FORESTRY TITLE:</i> Watershed Forestry Assistance Program –		The House language does not include funding for the currently authorized Watershed Forestry Assistance Program		State Foresters need to contact the Senate Agriculture Committee to discuss the need for funding the currently authorized grant program to promote best management practices and conservation of forestland within select watersheds.
<i>FORESTRY TITLE:</i> Forestland Disaster Recovery Assistance Program – provide rapid recovery and restoration of small as well as large private forestlands from losses due to large scale landscape level disasters.		House language incorporates NASF recommendations, including a requirement for a restoration plan prior to receiving benefits.	The provisions recommended by NASF, to provide similar assistance to communities that sustain forest losses is not included in the House Language.	State Foresters should be in contact with the full Agriculture committee in the House, to ensure that NASF recommendations are included. State Foresters should be in contact with the full Senate committee to ensure that NASF recommendations are included.

NASF 2007 Farm Bill Matrix
 Updated June 19, 2007

<p>RESEARCH TITLE: The Forest Service research program should not be merged into the agriculture research and food safety research programs. All energy research programs should include mention of woody biomass.</p>		<p>The Forest Service research program has remained separate.</p> <p>Woody biomass is included throughout the research title.</p>	<p>Any additional energy research programs should also include woody biomass</p>	<p>Woody biomass is a key renewable resource, that should play a prominent role in the future energy paradigm.</p>

