Statement of Nils D. Christoffersen
Field Program Manager, Wallowa Resources
before the
House Committee on Agriculture
Sub-Committee on Department Operations, Oversight, Nutrition and Forestry
on the National Fire Plan Implementation

28 March 2001

Dear Mr. Chairman and Members of the Committee

Thanks for the invitation to speak today. I am Nils Christoffersen, Field Program Manager for Wallowa Resources – a community based non-profit organization serving Wallowa County in Northeast Oregon. Wallowa Resources emerged after a period of crisis and polarization in the mid 1990's when the last three mills in the County closed due to the decline in timber harvest on public lands. With support from the County Commissioners and a broad range of local interest groups, Wallowa Resources was created in 1997 to identify and promote a new relationship with the land. The community's vision calls for the generation and maintenance of family-wage jobs and business opportunities from natural resource stewardship. The vision is based on broad recognition of the need to adapt our community livelihoods to the opportunities and constraints offered by the ecosystem within which we live. Wallowa Resources Board of Directors consists entirely of County residents and Nez Perce Tribal members. On behalf of my community, I am very pleased to provide our local perspective on the National Fire Plan to this committee.

Wallowa County has a long history of Federal, State, Tribal and Local collaboration in land and resource stewardship. Wallowa County and the Nez Perce Tribe cooperated in the development of a Salmon Restoration Plan that targeted the needs of anadromous fish before Chinook and Steelhead were listed under the ESA in 1992-93. Currently, collaborative efforts led by the Grande Ronde Model Watershed Council, the Wallowa Soil and Water Conservation District, and Wallowa Resources are uniting public and private landowners in forest, range and riparian stewardship programs , as well as an innovative community-led landscape assessment and planning process.

This is real grass-roots collaboration, involving farmers, ranchers, loggers, mill-workers, artists, retailers, civil servants and many others. The collaboration is driven by both a remarkable vision of community stewardship, and by our local economic depression.

The USFS has a critical role to play in our pursuit of community stewardship. The northern half of the Wallowa Whitman National Forest accounts for 59% of Wallowa County's total land base. To achieve the ecological and social objectives envisioned in the National Fire Plan, and those underlying the USFS' central purpose, several critical constraints need to be addressed. After summarizing the current crisis and opportunity in Wallowa County, I will review general problems in the planning and budgeting processes guiding federal land management activities, and the specific problems these constraints pose to the National Fire Plan.

Wallowa County: Crisis

Wallowa County currently has the highest unemployment rate in the State of Oregon at 15%. Over the last eight years, Wallowa County's unemployment rate has averaged about 11%. The much talked about "longest economic expansion in US history" has not touched our corner of Oregon. While much of the US – in particular the metropolitan areas of the East and West Coast – benefited from increasing standards of living throughout the 1990's, the people of Wallowa County experienced a continuing decline in average wages, a reduction in jobs, increasing claims on public assistance, marital break-ups, depression, and mass emigration of working age families. School enrollment has dropped nearly 20% over the last 6 years. The percentage of Medicare / Medicaid patients at our local hospital has increased from 40% to 80% - reflecting a loss in private sector jobs with health insurance and a replacement of working age families by retirees and second home owners. Due to the Balanced Budget Act of 1997, Medicare and Medicaid no longer pay the real costs of medical treatment, and we are now in jeopardy of losing our hospital.

The listing of a variety of salmonoid fish species under the ESA in 1992-93 initiated a significant reduction in the program of work in the Wallowa Whitman National Forest. The timber harvest from public lands in the County dropped from an annual average of about 70 million board feet for the ten years prior to the listing of Chinook salmon, to an average of about 4 million board feet per year since 1993. This trend continues; as no timber sales have been offered in the last two years.

Other management constraints have contributed to this result including: uncertainties in management direction while the Interior Columbia Basin Ecosystem Management Project dragged on, the hesitant birth of the Blue Mountain Demonstration Area, policy decisions to not cut any tree within riparian buffers or any tree over 21 inches in diameter, the listing of lynx, etc. Of the 1.2 million acres of National Forest land in the County, less than 100,000 acres remains available for timber harvest. Most, if not all, of the existing constraints to timber harvest (and more generally to the commercial use of wood products) are dictated by politics and process - not science. This is of course normal in a democracy, but those of us in small, impoverished, rural communities feel marginalized by the urban, affluent majority.

The decline in public timber supply since 1992 contributed to the loss in over 340 wood and lumber product jobs with an average salary of over $27,000 and private health insurance. The county's average salary is less than $21,000. The only significant replacement of jobs has been in the service sector, which has added 130 jobs over the same period at an average salary of less than $15,000 without medical benefits. Today even these service jobs are threatened by the continued economic stagnation.

Under current policies, the commercial use of wood products is currently possible from about 8% of our public land area. This restricts local economic opportunities, and, more importantly, it limits our ability to pursue ecological restoration. Federal and other public funding is required to cover all of the costs of restoration and management on 92% of the public lands in Wallowa County. Is this sustainable? Does this accurately reflect the nation's intentions for National Forest management? We believe the answer to both questions is no. Therefore, we urge the Federal Legislator to commit the time needed to forge a new strategic consensus on the management of our National Forests, and respond to the significant wildfire risk in the Western States.

Wallowa County: Opportunity

Local entrepreneurs have been progressive in their response to the shift from resource extraction to resource stewardship. Considerable investments have been made by our small private sawmill to retool to process smaller diameter logs and increase its value-added processing capacity[1]. By July 2001, this mill will have the capacity to process logs down to a 3 inch top diameter. No other mill in Eastern Oregon has this capacity. Over the past two years the average diameter of all pieces processed in the mill has been 7.2 inches. This mill is uniquely positioned as a tool to support fire, insect and disease risk reduction in our forested landscapes, as well as support the promotion of healthy mature stands by under story thinning.

Local processing capacity generates the ability of the private sector to offset the costs of restoration efforts on public land. In the transition phase from resource extraction to resource restoration on public lands, private businesses need clearer signals on the future opportunities that might arise from public land management activities. Where investments are made which clearly respond to and support the restoration needs of the land, it is judicious to merge ecological treatment goals with local economic benefit goals.

Our forest contractors have retrained themselves to take on service and stewardship contracts instead of logging contracts, and they've invested in new machinery - machines that are light on the land (less than 10 pounds per square inch), and can perform a wide variety of restoration tasks including slash treatment, wetland and riparian restoration, etc. Other ex-loggers have geared up with draft and pack horses to handle forest restoration activities in sensitive sites, noxious weed management on steep slopes, and riparian fencing in remote areas.

In an effort to make use of our workforce and help catalyze the move to restoration, Wallowa Resources has secured private funding and invested it in habitat restoration on public and private land. This past field season Wallowa Resources invested over $100,000 of non-federal funding in the restoration of Aspen stands, critical wetlands, and riparian areas in the Wallowa-Whitman National Forest, and in assisting the USFS with field assessments (e.g. lynx and soil surveys) required by NEPA.

However, local investments in restoration are at risk from a wide variety of planning and implementation problems affecting federal agencies. These problems are discussed below. Many of the risks to forest stewardship work and value-added processing of restoration by-products also affect tourism and cattle grazing in our County. Income from both tourism and grazing on public land has declined along with timber receipts over the last 6 years – due in part to new limitations on the number of people in our wilderness areas and cattle in the national forest. We don't all disagree with the ecological basis for these limits; we raise this point merely to illustrate that there are no easy alternatives to our socio-economic challenges.

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[1] **Disclosure:** On March 19,2001, Wallowa Resources invested in the last operating mill in our County. The investment agreement provides us with a small equity position (<10%), and a 50% share of the management. This arrangement ensures that our charitable purpose (watershed, forest and community health) will be met by the investment. Any resulting revenues to Wallowa Resources will be re-invested in restoration. The decision to invest came about abruptly. Two years of work with the mill on small diameter log processing, waste product recycling and secondary manufacturing were at risk due to market conditions. Efforts to find "angel" investors failed due to broad spread concerns about log supply and lumber prices. With time running out on the workers' unemployment benefits in a depressed local economy, and with an eye toward the restoration role possible for this mill, we stepped to the plate. Nothing else we could do would generate 40+ family-wage earning jobs and contribute to forest stewardship.

A Local Perspective on the National Fire Plan

The National Fire Plan is long overdue. Numerous scientific assessments of the ecological conditions in Eastern Oregon have commented on the declining health of our forests, and the increasing risks from fire, insect and disease. These assessments have been confirmed by the rapid escalation in wildfire damage. Of the 462,035 acres burnt in Wallowa County between 1955-2000, 89% (or 411,200 acres) have burnt since 1986 *(See Attachment A).* A total of $85 million in federal funds have been spent on fire suppression in our County over the last 15 years, with expenditures exceeding $8 million dollars per year in 1986, 1989, 1994, 1996, and 2000.

Cost of Fire Suppression (in $ millions) in the Wallowa Fire Zone (1986-2000)

Year	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00
$ Spent	12.7	0.4	4.5	19.4	1.7	1.8	0.7	0.01	22.7	0.7	8.3	0.1	0.1	0.1	11.1

During the period of local economic decline (1992-2000) discussed above, over 227,000 acres of public land in our County have been lost to wildfires and $44 million dollars have been spent on wildfire suppression. The 2000 Fire Season was significant in Wallowa County: 102,000 acres burnt and $11 million spent in suppression. US Forest Service and University ecologists have been warning (without results) the federal government and the general public of the increasing risk of wildfire in our County since the late 1970's.

The Federal Government must address its land stewardship responsibilities seriously. As a nation, we should be able to admit past errors - timber extraction did exceed ecologically sustainable limits even up into the 1980's, as did grazing in many areas, and fire suppression has only increased fuel loads and generated increasingly catastrophic fires. We must learn from these errors. We are an indelible and inseparable part of our nation's ecosystem. With care, commitment and adaptation we can chart a course towards more sustainable livelihoods - learning from both errors and successes. We will never chart such a course by disengaging from our natural landscapes.

Locally, the community is dismayed by the lack of investment in "preventive care" for the Public Lands, a strategy that would benefit the National Forest and the local community. From our perspective, the last ten years of increasing environmental regulation, reduced public land stewardship, acute economic decline in the face of national prosperity, and recurrent devastating wildfires, suggest dysfunction in our system of governance. I think I speak on behalf of many rural communities in the Interior West when I say that we feel politically ignored. There appears to be a lack of concerted effort to understand the challenges we face, and to construct a legislative and policy environment that stimulates viable solutions. We are excited about the opportunity this hearing provides to express our opinion, and hope we can continue to work constructively with this committee on these issues.

The National Fire Plan is a step in the right direction but it needs refinement and focused follow-up if the intended outcomes are to be achieved. Specifically, we offer the following recommendations:

- ***Ecological vs. Human Interface Priorities:*** The focus on larger populated communities in the "wildlands interface" criteria of the National Fire Plan should be balanced with a broader effort to address the declining health of public lands across the country – including those in rural and poor communities. The ecological dynamics that

have generated the risks of catastrophic wildfires across the public lands of the western States are not correlated with population densities.

The inclusion of smaller, impoverished communities situated in landscapes characterized by high wildfire risk – such as Wallowa County – is consistent with the ecological restoration priority in the new USFS Planning Rule, and will generate significant socio-economic returns.

- ***Legislative and Planning Constraints:*** The current planning process guided by the National Environmental Policy Act (NEPA), National Forest Management Act (NFMA) and environmental regulations addressing water, air, and endangered species issues is complex, often confused, and always time consuming. Recent legal interpretations of the legislative web dictate an avoidance of any short-term risk without regard to the threats from lack of action or the potential long-term benefits of a particular restoration treatment. These constraints will affect results under the National Fire Plan. Little of the vast acreage warranting fuel reduction treatment in Wallowa County has made it through the various analytical and decision-making steps required by law. These steps currently take 24 months or more to complete. So the bulk of the work that will be accomplished this field season under the National Fire Plan is work that was initially proposed in 1999 or earlier. None of these projects were designed to meet the full intent of the National Fire Plan – which seeks to generate local jobs and accomplish priority rehabilitation and fuel reduction activities.

  Regulatory agency representatives should be located closer to the districts for which they are responsible and encouraged to participate in all phases of project design and development. This will stimulate innovation, creativity, and collaboration. Legislative and policy review should accommodate short-term risks where long-term benefits can be achieved. These steps are critical to the pursuit of adaptive management. The current system of review from afar, and blind aversion to short-term risk, generates frustration and hampers restoration efforts.

- ***Inefficiencies in Federal budgeting:*** The USFS budget process is complex, confusing, and incessantly delayed. The delays and the lack of strategic, long-term commitments, stifle local work planning. To the best of my knowledge, our local USFS district still does not know what its budget is for the coming field season. If they do know, confirmation has only been received recently. The inadequacies of this system defeat efforts to generate a local "restoration workforce". Our highest qualified workers cannot afford to wait for the USFS to issue contract notices in May or June, and therefore find work elsewhere in the region. Even worse, local entrepreneurs investing in modern harvesting and processing machinery designed for restoration activities are victimized by unpredictable shifts in program funding.

  Clear, long-term funding commitments for land and resource management should be established. Restoration and economic objectives associated with funding should be spelled out broadly with authorities devolved for (i) the definition of local priorities consistent with national values, and (ii) the definition and implementation of appropriate restoration activities. Collaborative reviews of local work programs and accomplishments should be conducted periodically to assess consistency with national values, and revise as necessary the guidelines accompanying the delegated authorities.

- ***Inappropriate Performance Targets:*** The collaboration with community organizations and micro-businesses called for in the National Fire Plan is hampered by the over-arching emphasis on "acres treated" as a performance indicator. Collaboration takes time to generate trust, relevant skills, and strong working relationships. When performance is measured in annual acres treated, collaborative efforts are perceived as costly. Furthermore, the singular target of acres treated discourages extra effort to provide for opportunities to test new technologies, and develop new value-added processing systems.

  Accountability benchmarks must integrate ecological and socio-economic performance targets. Congressional review should be structured to reward accomplishments that demonstrate effective collaboration, generate local economic benefits, and achieve ecological objectives. While this incentive structure will increase the costs of ecological restoration over the short-term, it should reduce the long-term costs as partnerships strengthen and local resources (financial, technical, and technological) are committed to collaborative stewardship of our public lands.

- ***Federal Authorities Exceed Capacities:*** The lack of bipartisan consensus on environment and resource management issues has generated increasing disparity between federal authorities and federal capacity. Environmental regulations have increased while funding to federal management and regulatory agencies has decreased. Insufficient capacity in the federal agencies results in long delays in project decision-making and implementation, or worse – a complete avoidance of decision-making and a never-ending process of planning and consultation.

  Congress should not cut funding to the management and regulatory agencies before laws are revised. Otherwise, rural communities, other resource users, and the resources themselves get hurt. The effective and efficient execution of current authorities in response to the National Fire Plan, and public land stewardship in general, requires immediate additional funding for the USFS, USFWS, NMFS, and EPA.

- ***Mechanical Treatment vs. Prescribed Burning:*** The funding allocation bias to prescribed burning as opposed to mechanical treatment and other forms of fuel reduction is inconsistent with field conditions and with local economic benefit objectives. The ecological impacts of past logging and fire suppression, combined with the management constraints discussed above, have resulted in a landscape in our County where stands characterized by the stem initiation and stem exclusion stages currently exceed their historical range of variability by about 50%. In a majority of these young stands, shade tolerant species (especially White / Grand fir) generating higher fuel loads are crowding out the species generally associated with our area (Ponderosa pine, Douglas fir, and Western larch). Wallowa-Whitman National Forest vegetative data lists 80,000 acres of backlog thinning. The majority of these acres exceed historical ground fuel loads by eight to ten times or more. Prescribed burning is the cheapest treatment option, but it also carries considerable risks in high fuel load stands. No one wants to see a repeat of the Los Alamos disaster. Prescribed burning in our area falls under an "Indefinite Delivery Indefinite Quantity" contract with a large contractor based in Western Oregon. This, and a range of licensing and insurance requirements, precludes any significant local employment benefit from prescribed burning.

  Mechanical treatment (with machines and/or by hand) of fuel loads is an ecological necessity in many high fire risk stands, and will generate significant local economic

benefits – both in terms of labor and the potential to add-value to any woody materials removed from the land. Where commercial use of low value species and small logs develops, restoration costs will be reduced.

Summary Comments on the National Fire Plan

The numerous planning and budgetary problems affecting public land management preclude the short-term response envisioned in the National Fire Plan. In Wallowa County, there is no NEPA ready work that captures the mix of ecological and socio-economic objectives desired by Congress and the previous Administration when it formulated this Plan. Given the significant time required (averaging 24 months or more) to get projects through the legislated planning and review process for activity on public lands, it is unlikely that any National Forest will undertake work specifically targeting the integrated National Fire Plan goals with this years funding. Performance targets emphasizing acres of treatment per year are jeopardizing local community benefits and undermining local investment in small log harvesting, processing and manufacturing. As a result, the incentives influencing the USFS program of work undermine local opportunities to reduce the costs of restoration to the federal government and the tax-paying public.

Clear policy guidelines and appropriate funding should be packaged to promote USFS collaboration with local organizations, as well as the utilization of local workforces. The effective utilization of local resources as appropriate under existing law should generally be prioritized over increased federal agency staffing – with the exception of the current imbalance in staffing required to streamline NEPA's planning requirements.

Local planning processes should be guided by long-term national objectives (matched by longer-term funding commitments), and defined in a site-specific manner relevant to each landscape or watershed. Planning processes should be structured to generate targeted (and typically small scale) restoration objectives for each field season, and implementation should happen fluidly and consistently from year to year. Practical and scientifically valid assessment programs should be required for all restoration work, and findings should be fed back into annual planning cycles. Collaborative or multi-party assessments should become standard operating procedure.

To the extent justified by local ecological and socio-economic conditions, priorities under the National Fire Plan should focus on the mechanical treatment of fuel loads and ladders. Private sector investments in the processing and secondary manufacturing of the small diameter logs that will result from mechanical fuel reduction efforts should be facilitated. This will require additional investments in NEPA preparation and ESA consultation to accommodate product removal and commercial use. Research programs in the USFS (especially the Forest Product's Lab), within universities, and by local partners, should currently be targeted (and funded appropriately) at small diameter log utilization and marketing. As forest conditions and public values change, research programs should be adjusted to support new restoration activities.

Thank you for the opportunity to share these views and perspectives on the National Fire Plan today. All of us in Wallowa County are eager to continue working with Congress and the Federal Agencies to improve public land management through the country. While this concludes my formal comment on the National Fire Plan, the following issues relevant to community forestry in Wallowa County are provided for your further consideration.

General Comments on Public Land Management

1) Procurement / Grants and Agreements: Clear policy support and direction is required to stimulate full use of the existing authorities in Stewardship Contracting and other innovative contracting arrangements. Optimum solutions are often found when contracting and procurement officers participate in the initial project design discussions, but such participation is not standard. It should be.

   Stewardship Contracting is still "outside of the box" for many within the USFS. Stewardship Contracting offers the ability for local forest contractors, with a vested interest in the health of the forest and significant local knowledge, to transition into family wage-earning jobs in restoration rather than logging.

2) Wyden Amendment: The Wyden Amendment is a critical piece of our legislation that is stimulating broader public and private collaboration on watershed restoration. Knowledge of the opportunities and benefits of this amendment is still developing. It should be continued for at least five more years, and then reviewed.

3) Economic Action Program: The Economic Action Program of the Forest Service is under funded and politically marginalized within the Department of Agriculture. It needs increased funding, with far fewer earmarks. The staff of this program must have effective representation at all levels of planning and decision-making. This is critical to the stimulation of collaborative efforts, and to the merger of ecological and environmentally appropriate economic benefits.

4) Strike Team: The Strike Team sent out to Northeast Oregon in October 2000 to review the progress and constraints of the Blue Mountain Demonstration Area was considered locally to be a huge success. It resulted in greater awareness of and support for collaborative efforts, established accountability benchmarks for the USFS Regional Offices and Supervisor's Office, and encouraged broader public participation. This type of effort, with the full backing of the Administration, should be repeated everywhere collaborative efforts are occurring – and as a top priority in those areas experiencing policy barriers to progress. This approach generated results whereas the award of a National Reinvention Lab Charter two years ago generated nothing but confusion.

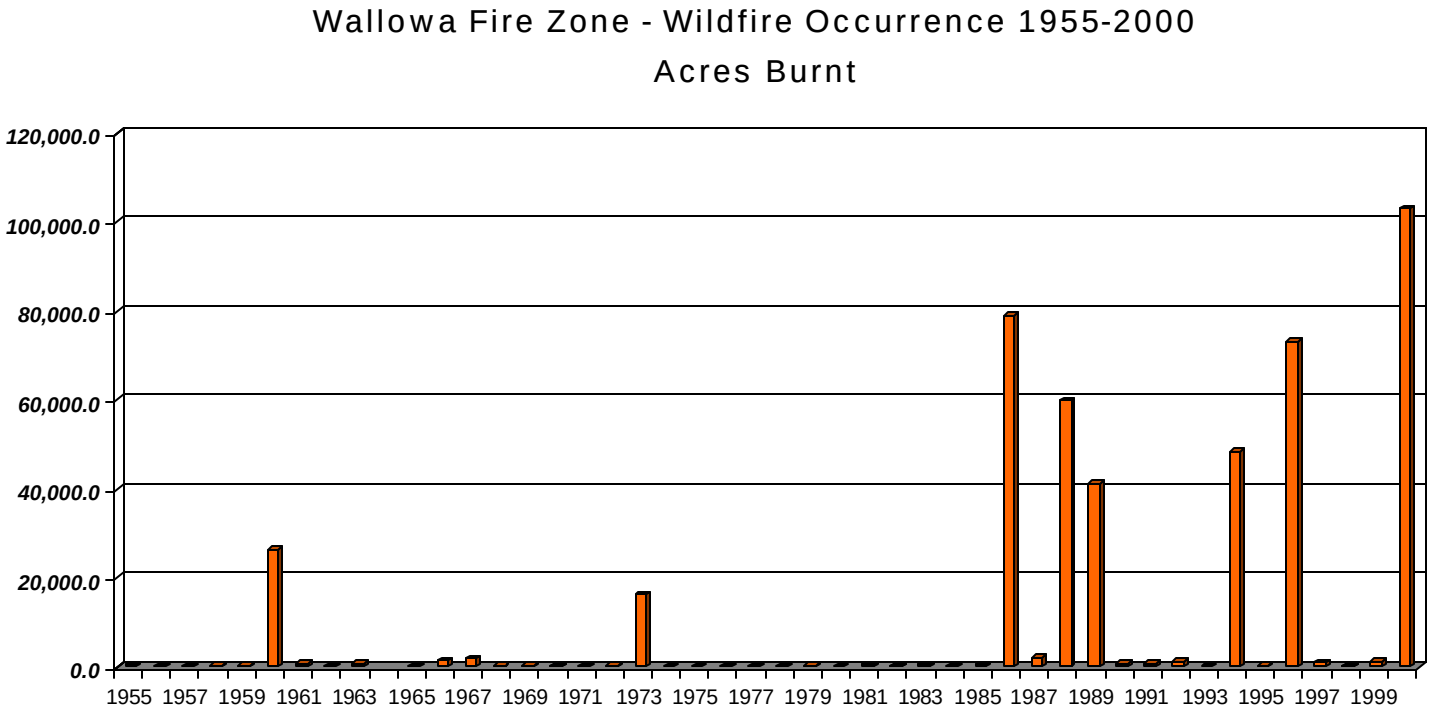
5) Blue Mountain Demonstration Area: Demonstration Areas are mixed blessings. They generate a lot of promise and expectation, but also become the target of political opponents. The Blue Mountain Demonstration Area that covers much of our County has taken time to establish its planning systems, priority criteria, and mode of operation, but it is now positioned to generate results and maintains broad support from the community. If the new Administration values the original intent and objectives of these Demonstration Areas (which our community does), we strongly encourage continuation of this initiative for 3-5 more years. Anything short of this time-frame will provide insufficient experience to distill lessons learned, and models for replication elsewhere.

6) Small Business Set-Aside: With the decline in the Timber Sale program on public lands, the Small Business Set-Aside program needs to be revised. It is currently built on 6-month intervals, but our forest regularly goes 6 months or more without offering any commercial contracts. If the Set-Aside program is not adjusted to the current frequency of log supply availability on public lands, it does not serve its purpose.

7) International Trade: The proponents of free trade as the purveyor of increased public value from private investment need to reconsider. Price competition on the international market is greatly affected by national and local regulations and enforcement. The USA has some of the most prohibitive and costly environmental regulations in the world. While acknowledging the need for some regulations, it is obvious that our regulatory environment puts our local producers at a disadvantage in the face of international competition. The environmental benefit of our regulations is undermined if we allow cheaper goods produced in a less appropriate manner to flood our markets and eliminate our producers. Furthermore, the ability of the federal government and private landowners to act as real stewards of the land will diminish if no private sector exists to off-set the costs of restoration and conservation. We strongly encourage the maintenance of import quotas and/or tariffs on wood and lumber products. We support the proposed sliding scale for tariffs correlated with the market price for lumber.

Once again, thank you.

Statement of Nils D. Christoffersen
Field Program Manager, Wallowa Resources
ATTACHMENT A



462,035 acres burnt since 1955; 411,200 acres (89%) have burnt since 1986.

$88 million spent in suppression since 1970; $85 million (96%) has been spent since 1986

Statement of Nils D. Christoffersen, Wallowa Resources
Information from Nongovernmental Witnesses

Name: Nils D. Christoffersen

Home Address: 82124 Black Marble Lane, Enterprise, OR. 97828

Home Phone Number: (541) 426-4827

Business Address: Wallowa Resources, P.O. Box 274, 114 NW First Street, Enterprise, OR 97828

Business Phone Number: (541) 426-8053

Nils D. Christoffersen currently serves as Program Manager for Wallowa Resources, a community-based non-profit organization located in Wallowa County in northeast Oregon. Its purpose is to provide leadership and coordination in the county for the promotion of forest, watershed, and community health. Nils' work experience includes six years in Eastern and Southern Africa on forestry and wildlife management issues, with an emphasis on community-based natural resource management. He has served as Executive Director for the U.S. Office of Africa Resources Trust; Regional Program Coordinator for the IUCN Regional Office in Southern Africa (Zimbabwe); Training Officer in the Planning Unit of the Wildlife Division in Tanzania; and Field Supervisor responsible for inventory in the Forestry Department in Botswana. Nils has also worked in support of the European Commission on matters related to CITES (Convention on International Trade in Endangered Species) and natural resource management, and has completed short-term fieldwork in Australia, the UK, Norway, and Israel. He has a B.A. in Economics from Williams College (Honors in Environmental Economics), and an M.Sc. in Forestry from the Oxford Forestry Institute of Oxford University, UK.

Federal Grants Received by Wallowa Resources since October 1, 1999

1) **Bureau of Land Management** **$46,535.44**
Vale District Office
Vale, Oregon
For Lower Grande Ronde Noxious Weed Program

2) **United States Forest Service** **$19,850.00**
Wallowa Valley Ranger District
Enterprise, Oregon
For Aspen and Playa Restoration, and Log Yard Residual Study

3) **USFS Rural Community Assistance** **$19,480.00**
Region 6, Regional Office
Portland, Oregon
For Forest Contractor Assessment and Value-Added Processing / Marketing Study

4) **United States Forest Service** **$2,500.00**
Walla Walla Ranger District
Walla Walla, Washington
For Lower Grande Ronde Noxious Weed Program