

# COMMUNITY-BASED LAND MAN- AGEMENT AND CHARTER FORESTS

---

---

## OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FORESTS AND  
FOREST HEALTH

OF THE

COMMITTEE ON RESOURCES  
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

Thursday, April 25, 2002

**Serial No. 107-108**

Printed for the use of the Committee on Resources



Available via the World Wide Web: <http://www.access.gpo.gov/congress/house>

or

Committee address: <http://resourcescommittee.house.gov>

U.S. GOVERNMENT PRINTING OFFICE

78-923 PS

WASHINGTON : 2002

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

## COMMITTEE ON RESOURCES

JAMES V. HANSEN, Utah, *Chairman*  
NICK J. RAHALL II, West Virginia, *Ranking Democrat Member*

Don Young, Alaska, <i>Vice Chairman</i>	George Miller, California
W.J. "Billy" Tauzin, Louisiana	Edward J. Markey, Massachusetts
Jim Saxton, New Jersey	Dale E. Kildee, Michigan
Elton Gallegly, California	Peter A. DeFazio, Oregon
John J. Duncan, Jr., Tennessee	Eni F.H. Faleomavaega, American Samoa
Joel Hefley, Colorado	Neil Abercrombie, Hawaii
Wayne T. Gilchrest, Maryland	Solomon P. Ortiz, Texas
Ken Calvert, California	Frank Pallone, Jr., New Jersey
Scott McInnis, Colorado	Calvin M. Dooley, California
Richard W. Pombo, California	Robert A. Underwood, Guam
Barbara Cubin, Wyoming	Adam Smith, Washington
George Radanovich, California	Donna M. Christensen, Virgin Islands
Walter B. Jones, Jr., North Carolina	Ron Kind, Wisconsin
Mac Thornberry, Texas	Jay Inslee, Washington
Chris Cannon, Utah	Grace F. Napolitano, California
John E. Peterson, Pennsylvania	Tom Udall, New Mexico
Bob Schaffer, Colorado	Mark Udall, Colorado
Jim Gibbons, Nevada	Rush D. Holt, New Jersey
Mark E. Souder, Indiana	James P. McGovern, Massachusetts
Greg Walden, Oregon	Anibal Acevedo-Vila, Puerto Rico
Michael K. Simpson, Idaho	Hilda L. Solis, California
Thomas G. Tancredo, Colorado	Brad Carson, Oklahoma
J.D. Hayworth, Arizona	Betty McCollum, Minnesota
C.L. "Butch" Otter, Idaho	
Tom Osborne, Nebraska	
Jeff Flake, Arizona	
Dennis R. Rehberg, Montana	

Tim Stewart, *Chief of Staff*  
Lisa Pittman, *Chief Counsel/Deputy Chief of Staff*  
Steven T. Petersen, *Deputy Chief Counsel*  
Michael S. Twinchek, *Chief Clerk*  
James H. Zoia, *Democrat Staff Director*  
Jeffrey P. Petrich, *Democrat Chief Counsel*

---

## SUBCOMMITTEE ON FORESTS AND FOREST HEALTH

SCOTT McINNIS, Colorado, *Chairman*  
JAY INSLEE, Washington, *Ranking Democrat Member*

John J. Duncan, Jr., Tennessee	Dale E. Kildee, Michigan
John E. Peterson, Pennsylvania, <i>Vice Chairman</i>	Tom Udall, New Mexico
Mark E. Souder, Indiana	Mark Udall, Colorado
Michael K. Simpson, Idaho	Rush D. Holt, New Jersey
Thomas G. Tancredo, Colorado	Anibal Acevedo-Vila, Puerto Rico
J.D. Hayworth, Arizona	Betty McCollum, Minnesota
C.L. "Butch" Otter, Idaho	

# C O N T E N T S

---

	Page
Hearing held on April 25, 2002 .....	1
Statement of Members:	
Inslee, Hon. Jay, a Representative in Congress from the State of Washington .....	2
Rahall, Hon. Nick J. II, a Representative in Congress from the State of West Virginia, Prepared statement of .....	4
Simpson, Hon. Michael K., a Representative in Congress from the State of Idaho .....	1
Udall, Hon. Tom, a Representative in Congress from the State of New Mexico .....	3
Statement of Witnesses:	
Anderson, Michael, Senior Resource Analyst, The Wilderness Society .....	20
Prepared statement of .....	22
Garrett, Dr. L. David, Executive Director, National Forest County Partnership Restoration (CPR) Program, Representing CPR Managing Partners, County Commissioners and Forest Supervisors .....	25
Prepared statement of .....	27
O'Laughlin, Jay, Ph.D., Director, Idaho Forest, Wildlife and Range Policy Analysis Group, and Professor, Department of Forest Resources, University of Idaho, Representing the Society of American Foresters .....	11
Prepared statement of .....	12
O'Toole, Randal, Senior Economist, The Thoreau Institute .....	38
Prepared statement of .....	40
Williams, Hon. Pat, Former Congressman from the State of Montana, and Senior Fellow and Regional Policy Associate, O'Connor Center for the Rocky Mountain West, University of Montana .....	5
Prepared statement of .....	7



## **OVERSIGHT HEARING ON COMMUNITY-BASED LAND MANAGEMENT AND CHARTER FORESTS**

---

**Thursday, April 25, 2002  
U.S. House of Representatives  
Subcommittee on Forests and Forest Health  
Committee on Resources  
Washington, DC**

---

The Subcommittee met, pursuant to call, at 10:05 a.m., in room 1334, Longworth House Office Building, Hon. Mike Simpson presiding.

### **STATEMENT OF THE HON. MICHAEL K. SIMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO**

Mr. SIMPSON. [Presiding.] The Subcommittee on Forests and Forest Health will come to order.

The Subcommittee is meeting today to hear testimony on Community-Based Land Management and Charter Forests.

I ask unanimous consent that Representatives Thune and Rehberg have permission to sit on the dais and participate in the hearing. And without objection. So ordered.

Under the Committee Rule 4(g), the Chairman and the ranking member can make opening statements. If any members have statements, they can be included in the hearing record under unanimous consent. I ask unanimous consent that Mr. Udall and Mr. Thune also be allowed to make opening statements.

Today we have an assortment of ideas and opinions about community-based land management and charter forests that I am eager to hear about and discuss.

I would like to welcome to the dais the Honorable John Thune.

He is not here yet. Rain kind of slows us down in Washington a little bit.

[Laughter.]

He also asked to join the Subcommittee today.

And I welcome our witnesses, the Honorable Pat Williams, Mr. Jay O'Laughlin, Mr. Michael Anderson, and Dr. L. David Garrett.

He is here now, yes. Did you get caught in the traffic also?

Mr. GARRETT. A taxi.

Mr. SIMPSON. I understand that.

And Mr. Randal O'Toole, and Mr. Tom L. Thompson.

This morning's hearing will begin with opening statements from members of the Subcommittee.

Many Members of the House, including myself, have heard from constituents that management of our national forests is not meeting their expectations. I am of the opinion that there is always a better way to do things. I am happy that we have been able to work together on this issue in a bipartisan fashion and that the Forest Service has agreed to explore these ideas with us.

I believe that our national forests can better be protected, managed, and that environmental quality can be improved. The good men and women of this Nation demand it of us.

It is these same people that have attended community meetings, raised questions, voiced concerns, and devoted their time to the decisionmaking process. Unfortunately, too many of these people leave the process feeling unsatisfied, unheard, and defeated.

While the process is important to deliver information and input, it is the end result that we seek. All over this Nation, grassroots organizations meet with one goal in mind: to better our national forests.

With that in mind, a question lies before us today. We have an option to move forward with some type of charter forests legislation, and should we take it? And if so, how should it be crafted?

Ladies and gentlemen, with that question in mind, I would like to turn to my colleague, Mr. Inslee, for his opening statement.

**STATEMENT OF THE HON. JAY INSLEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON**

Mr. INSLEE. Thank you, Mr. Simpson.

I agree with Mr. Simpson that there is always a better way to do it, at least when the Republicans are in charge of Congress, but that is just an aside.

[Laughter.]

Mr. SIMPSON. That's right. I am glad you recognize that.

Mr. INSLEE. We welcome this hearing today to consider what is an undefined issue at the moment. I am interested in people's thoughts about what this really may mean with flesh on the bones.

As with all new ideas, I think we ought to approach it with an open mind. But I do think it is important for us to maybe do two things. One, I hope that we will be taking a look at where we have had sort of experimental charter forests, in a sense, that have taken hold already, and see how they are doing. And second, I do think it is important to state at the outset of this discussion that I do not think ultimately we can lose sight of the fact that these are national assets and that if we design something of this nature, that it has to recognize the national value to the country as a whole.

And I think that there is a reason for us to give scrutiny to these ideas, because it has been the history of this country that extractive industries have played perhaps a larger role in decisionmaking locally than they would if we made these decisions on a national basis. So I think we need to look at ways that that would not occur.

And with that, I want to thank Mr. Simpson and Mr. McInnis for holding these hearings.

Mr. SIMPSON. Thank you. Are there other opening statements?

Mr. UDALL OF NEW MEXICO. Mr. Chairman, I would like to give one.

Mr. SIMPSON. The gentleman from New Mexico.

**STATEMENT OF THE HON. TOM UDALL, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW MEXICO**

Mr. UDALL OF NEW MEXICO. Thank you very much, Mr. Simpson. And I know that you are very interested in moving forward with something like this, and I look forward to working with you and other members of the Committee that want to move forward in a bipartisan fashion.

Let me say, first, that I believe that community involvement is essential to land management in the West and other parts of the country. If established fairly, collaborative efforts will transform the way communities, environmentalists, other land users, and land managers work to address the complex issues of land and forests management.

These partnerships can bring individuals with different ideologies together to manage our lands and forests.

In the last Congress, Senator Jeff Bingaman introduced legislation to create collaborative forest restoration demonstration projects, which I strongly supported in the House and in this Subcommittee. These projects direct the Secretary of Agriculture to provide grants for projects addressing specified objectives, including wildfire threat reduction, ecosystem restoration, re-establishment of historic fire regimes, reforestation, and creation of local employment on Federal, tribal, state, county or municipal forest lands in New Mexico. The key aspect of this program is that it must be designed through a collaborative process involving the community and stakeholders.

Mr. Chairman, we have pilot projects already in progress to study. In 2000, the Congress authorized three new programs: the Valles Caldera National Preserve in my congressional district; the Collaborative Forests Restoration Program; and the Resource Advisory Committees, the RACs, which all strive to increase the role of local residents in forests management.

The Valles Caldera, for example, is being managed as a working ranch. The trustees are directed to protect and preserve the scientific, scenic, watershed, fish, and wildlife and recreational values, but they are also directed to provide for multiple uses on a sustainable basis of renewable resources within the preserve. By working together, these trustees are striving to share their knowledge, values, and leadership to foster collaborative stewardship of our public lands and forests.

So let me say that I am very supportive of this idea. But if the idea of pilots and new forms of management means that we are turning this over to industry or turning it over exclusively to the locals without Federal involvement, I am worried in that respect. If it means that this idea, that has not really been fleshed out by the administration in terms of charter forests, means that we are going set aside environmental laws, I am concerned in that respect. And I think another part of this that is of great concern is if you have innovative forests people at the supervisor level, many times, when they try to get innovative and try to get creative, they are moved aside. And I think that is also a very disturbing trend.

So with that, Mr. Simpson, I look forward to hearing the panel. We have some very distinguished individuals here, and I hope that we can learn from them on how to move forward on this collaborative management of Federal lands. Thank you.

Mr. SIMPSON. I thank the gentleman from New Mexico.

Are there other opening statements?

Mr. INSLEE. Mr. Chairman, can I put in the record Mr. Rahall's statement? Thank you.

Mr. SIMPSON. Yes, his statement, without objection, will be included in the record.

[The prepared statement of Mr. Rahall follows:]

**Statement of The Honorable Nick J. Rahall, a Representative in Congress  
from the State of West Virginia**

The Administration's Fiscal Year 2003 budget request for the Forest Service includes two paragraphs on charter forests. There have been articles and op-eds on charter forests but no one really knows what they are. The Administration said legislation would be forthcoming but did not bring a copy to today's hearing.

Charter forests appear to be an alternative management arrangement involving local residents in the day-to-day management of national forests. In my view, Charter forests are designer clothes for what the Sagebrush Rebellion, County Supremacy and Wise Use movements have been wearing for more than a century. Advocates of these movements would like to turn ownership of our national forests over to states, counties and even industry.

Charter forests look like another effort to give select interests control of the land in the name of eliminating bureaucracy, gridlock and lawsuits. It is unclear what exemptions from existing Federal laws would be required. The extent to which Congressional appropriations would fund charter forests also is unclear. For forest units capable of funding portions of their budget through net revenues, there would likely be an incentive to charge recreation fees and encourage such activities as timber harvest and oil and gas extraction to raise revenues.

Before we charter a new path, we need to understand the lessons we have learned from experimental management programs, such as the Valles Caldera National Preserve (Public Law 106-248) and the Resource Advisory Committees (Public Law 106-393) authorized in the county payments law last year. Ironically, the Administration opted in its budget request not to recommend funding for the Valles Caldera National Preserve at the same time it cited the Valles Caldera trust as a model for charter forests. In 1998 we authorized the Quincy Library Group pilot project (Public Law 103-354). There are those who believe Quincy has not worked but the Subcommittee refused to examine Quincy at this hearing.

For more than 100 years the Congress has rejected efforts to turn public land over to communities. The Congress has maintained that national forests belong to all Americans, not just those living nearby. Our policy has been wise and we should stay this course.

---

Mr. SIMPSON. All members' opening statements will be included in the record.

I would like now to introduce our witnesses. Today we have the Hon. Pat Williams, former Congressman from the State of Montana, currently a Senior Fellow and Regional Policy Associate for the Center for the Rocky Mountain West at the University of Montana; Dr. Jay O'Laughlin, Society of American Foresters; Mr. Michael Anderson, Senior Resource Analyst, The Wilderness Society; Dr. L. David Garrett, National Forests County Partnership Restoration Program; Mr. Randal O'Toole, Senior Economist, The Thoreau Institute; and Mr. Tom Thompson, Deputy Chief for the National Forest System, the U.S. Forest Service.

Mr. Thompson will not be giving testimony this morning. He is here to observe the testimony of the witnesses and to answer any questions.



Let me remind the witnesses that under our Committee rules, you must limit your oral statements to 5 minutes, but that your entire statement will appear in the record.

I will now recognize Mr. Williams for his statement. Mr. Williams?

**STATEMENT OF THE HON. PAT WILLIAMS, FORMER CONGRESSMAN, SENIOR FELLOW AND REGIONAL POLICY ASSOCIATE, O'CONNOR CENTER FOR THE ROCKY MOUNTAIN WEST, UNIVERSITY OF MONTANA**

Mr. WILLIAMS. Thank you, Mr. Chairman, and ranking member and my colleagues. It is a great pleasure to be invited back to this Committee, where I spent 18 years before leaving to go home to Montana 6 years ago, where I have resumed what I was doing before I left, and that is teaching.

I teach at the University of Montana. I wanted to go home and teach and comment. I do comment. I have a column in newspapers in a number of Western States, a newspaper column, and I do commentary on the radio and have a half-hour radio program.

The reason for mentioning this is, if one is going to comment, one first has to listen and consider. And so I am pleased to be with you today to tell you what I have heard.

The Rocky Mountain West is still a special place, the brow of America's last hill, a place in historic transition, with memories of yesterday and the promise of tomorrow. The Rocky Mountain West is indeed where the living is easy, but tensions are high, and nerve-endings are frayed.

I brought some headlines with me from the last 3 day's newspapers from states in the Rocky Mountain West, and I want to share them with you this morning. They are as fresh as the day before yesterday, yesterday, and this morning. Listen to these:

"Water Wars Keep Rio Grande Dry."

"Wyoming Ranchers Sue Coalbed Methane Developers."

"Wolf Pack Still Killing Stock."

And then the next day in that same paper, "Landowner Wants Wolves on His Place."

"Nevadans Fight Bush on Nuclear Waste."

"Montana Slaughters 21 Yellowstone National Park Bison."

"Albuquerque's Growth Depends on Colorado's Water Project."

"12-Year Montana Study Shows Roads, Logging Lower Number of Elk."

"Western Governors Meet on Collaboration, Exclude Conservationists."

"War Expected on Bush Proposal on National Monument Lands."

And finally, this headline: "Motorized Users Creating Chaos on the Public's Land."

Now, to hear those headlines, one would suspect that we Rocky Mountain westerners have lost all commonness, one to the other; that we no longer have shared values. But it is not true.

So I come here today a worried westerner, with a deep and visceral respect for the land, to ask you to let us help you to develop a framework for pilot projects to examine new approaches to public land collaboration, advisement, and management.

Many of us are prepared to assist you in developing a legislative proposal, which I would call "Region 7." As you know, there is no Region 7 in the Forest Service, so let's authorize one comprised of experimental, collaborative projects from localities and regions around the country.

Let's create a competitive process for encouraging and receiving applications for local and regional collaborative efforts.

These ideas and innovations must come from the locals up, and they must come from mature groups with proven records of collaborative success.

Proposals for Region 7 would be chosen by a national group selected by the Congress and the President. Time does not permit details, but I have included a few in my submissions.

There are many local opportunities. The Forest Service plan revisions are coming up. Some of those could likely be done through a collaborative process.

There is restoration work galore in the Rocky Mountains. Old, abandoned mines, that continue to pollute the land and will for centuries, need to be cleaned up, and only this Congress can move to do it. And you could do it in some of the areas through collaborative processes.

Both industry and conservationists agree some of the old roads can be taken out now. That is jobs on the land that would bring conservationists and workers together. You can do it through some collaborative processes.

There is an old growth forests dilemma in Oregon, which some members on both your full Committee as well as in the Senate have some ideas about. That could lend itself to collaborative processes.

This list could take all day, but let me close with this: My former colleagues, whatever you do, do not make things any worse. No legislative midnight slam-dunks. No end-run regulatory authorizing by the Forest Service. Be thoughtful, be cautious, and be inclusive. Don't give away the public's estate to small localities and regions. Don't risk the current system. Put in circuit-breakers. Keep the backstops up. And above all, don't fractionalize us, so that those of us who are euphemistically called locals are left to the strong winds of those local economic passions which local people can never resist.

If we westerners are to recapture our confident sense of shared values, then we need public dialog that is more than a podium for political posturing and furtherance of division.

We need help. And we think that a careful, cautious proposal done over time by this Subcommittee, full Committee, and then taken in the Senate, could get us this help.

And, Members, a lot of us in the Rocky Mountain West are appreciative of this hearing and the fact that you have begun the process, which I personally hope will lead to Region 7.

Thank you.

[The prepared statement of Mr. Williams follows:]

DATE: April 23, 2002

TO: Members of the Subcommittee on Forests and Forest Health

FROM: Pat Williams (former Congressman—Montana 1979–1997 and a member of this subcommittee)

Colleagues,

Thank you for inviting me to testify. Enclosed are:

1. an outline of my 5 minute presentation;
2. a legislative framework for testing new approaches entitled “Region Seven;”
3. reflections on the McInnis–Udall letter to Chief Bosworth;
4. general suggestion for the framework of the competitive process for selecting the experimental models of “Region Seven.”

---

OUTLINE OF TESTIMONY OF  
FORMER CONGRESSMAN PAT WILLIAMS  
TO THE SUBCOMMITTEE ON FORESTS AND FOREST HEALTH  
COMMITTEE ON RESOURCES

APRIL 25, 2002

- A. The lay of the political and policy landscape in the Northern Rockies—easy living by people with fraying nerve endings.
- B. Congress and the Federal public land agencies—help or hindrance?
  1. A system, not broken but in need of repair.
  2. Avoid, at all costs, making things worse.
- C. Region Seven
  1. Retain ultimate authority with those who are the stewards of these public lands—the Forest Service.
  2. Utilize whatever authority necessary to create local/regional experimental projects in collaborative governance.
  3. Select proposals through a competitive process.
  4. Accept current environmental laws as controlling.
  5. Adopt or change regulations which would be unduly burdensome to the models.

---

REGION SEVEN

A LEGISLATIVE FRAMEWORK FOR TESTING NEW APPROACHES TO PUBLIC LAND  
STEWARDSHIP

CENTER FOR THE ROCKY MOUNTAIN WEST

APRIL 25, 2002

*Background*

The need to examine new approaches to public land management is steadily gaining broader recognition. Representative Scott McInnis in an oversight hearing before the Subcommittee on Forests and Forest Health this past December, referred to “a decision-making apparatus that is on the verge of collapsing under its own weight.” He echoed what former Secretary of the Interior Cecil Andrus had recently described as “the tangled web of overlapping and often contradictory laws and regulations under which our Federal public lands are managed.” In testimony before Congressman McInnis’s subcommittee, Forest Service Chief Dale Bosworth referred to this phenomenon as “analysis paralysis.” Increasingly, such concerns are leading to proposals for carefully chosen experiments in new approaches to managing public lands. Here are just a few recent proposals for such experimental approaches:

- The U.S. Institute for Environmental Conflict Resolution, in response to a request from Senators Baucus, Crapo, Reid, and Thomas, has proposed pilot projects designed to test improvements in the implementation of NEPA through collaborative processes addressing Federal lands and natural resource management.
- An October 2001 workshop on collaboration sponsored by the Claiborne Ortenberg Foundation and the Bolle Center for People and Forests proposed

- legislation to encourage alternative approaches to achieving the requirements of existing environmental laws, using collaborative strategies and pilot projects.
- In 1998, the Center for the Rocky Mountain West, along with the Bolle Center for People and Forests and the Northern Lights Institute, convened a symposium at the University of Montana's Lubrecht Forest to discuss problems in the management of national forests. The group suggested the creation of a "Region 7" within the Forest Service's a non-geographic region that would allow a few national forests to serve as pilots to test ideas for collaborative governance structures and others mechanisms to provide regulatory flexibility.
  - The Forest Options Group has proposed the implementation of pilot projects to test new approaches to both the governing and budgetary structures of national forests.
  - The Idaho Federal Lands Task Force recently recommended the development of pilot projects to test new approaches to Federal land management. The proposed projects would seek to maintain and enhance environmental quality while creating opportunities for more effective public participation in resource management decisions.
  - The Valles Caldera Preservation Act, signed in July of 2000, designated 89,000 acres in northern New Mexico as the Valles Caldera National Preserve, for which a unique public land management approach was developed. A diverse, nine-member Board of Trustees will manage the preserve.
  - Recently, the Bush administration announced a "Charter Forest" proposal as a response to the ongoing paralysis and gridlock on the National Forests. This proposal creates an opportunity for serious discussion about the problems of the current system and one possible way of dealing with these problems. The new plan calls for certain national forests or portions of them to be run on an experimental basis by such alternative governing structures as local trusts rather than the current management structure.

#### *Need for Legislation*

While purely administrative initiatives can create some opportunity to test new approaches, there are severe limitations to how much of the problem agencies can address on their own. Bipartisan congressional support for experimentation would give the agencies clear authority and encouragement to test promising new approaches. The Valles Caldera legislation shows that Congress is willing to create new forms of governance over newly acquired Federal land. There are strong reasons to authorize agencies to test equally innovative approaches on existing Federal land.

#### *Legislative Framework*

All of the proposals listed above contain elements that might contribute to a sound, legislatively authorized framework of experimentation. The challenge now is to combine the most promising features of these different approaches into a single framework.

In a letter to Forest Service Chief Dale Bosworth, Representatives Scott McInnis and Tom Udall suggested the possibility of Congress authorizing what they called an "open competition or request for proposals for pilots—from local groups or communities working with nearby national forests or ranger districts." They suggested that "a carefully selected and well balanced advisory committee" might play a significant role "in selecting pilots and evaluating their success. Selection criteria might include the capacity of the pilot to produce meaningful lessons and useful information, as well as the breadth, balance and credibility of the group making the proposal." They suggested guidelines for the program, including pilots projects "created from the bottom up, not the top down," that a "variety of approaches be tested," and that a "credible mechanism" of evaluation be adopted so the project will be useful for "future policy development."

This approach is consistent with the suggestion outlined above for the creation of a new "Region Seven" within the Forest Service. Because of past regional consolidation, there has not been a Region 7 in the National Forest System for several years. A newly created Region 7 could be based on experimentation rather than geography. The Lubrecht Conversions described it as a "virtual region" that would contain pilot project and experimental forests chosen from across the system in a nationwide competition.

In order to learn as much as possible as quickly as possible, it is important to test a broad range of new approaches. The following list is not meant to prescribe the models that might be tested, but simply to suggest the possible range and variety of such models, which might include:

- Trust Model—The public land in question would be managed by a board of trustees, pursuant to a binding trust instrument;
- Budgetary Incentives—After some initial period of Federal budgetary support, the experimental area would be expected to generate most or all of its own funds;
- Collaborative Governance Model—A collaborative group would be empowered to write and oversee implementation of a management plan for a national forest or BLM district;
- Collaborative Planning Model—A collaborative body would write the management plan, while existing public land managers would be charged with implementing it.

To encourage the development and careful testing of alternative approaches to public land management, the enabling legislation for Region Seven should:

- Establish a national competition for selecting promising projects;
- Establish an advisory committee to guide project selection and monitoring;
- Emphasize the experimental, adaptive nature of projects;
- Authorize and encourage projects across a range of administrative and geographic scales;
- Authorize the appropriate Secretary to waive specific rules or regulations which in view of the objectives of the proposed experiment would be inappropriate or unduly burdensome;
- Require monitoring of both process and outcome against established baselines;
- Require a cumulative record of project activities and outcomes; and
- Ensure broad dissemination of lessons learned.

The value of such an experimental approach is that it does not attempt to change the entire public lands system but it does recognize problems and invites and tests innovative solutions in a few carefully chosen settings.

---

#### MCINNIS–UDALL LETTER TO CHIEF BOSWELL

One method of generating new pilot projects, presented in a letter from Representatives Tom Udall and Scott McInnis to Forest Service Chief Dale Bosworth in November of 2001, would be a Congressionally authorized open competition for proposals. Congress could also authorize the Chief to take a more active roll and solicit projects from local groups already working with national forests or ranger districts. An advisory board representing a broad spectrum of stakeholders would assist the Chief in selecting projects and evaluating their progress. Selections could be based on a project's ability to offer insight into alternative methods of management as well as how broad-based and balanced the stakeholder interests are in the group submitting the proposal.

This method would encourage several important criteria for pilot projects:

- they should be generated at a local level, not dictated by upper management;
- they should offer the opportunity to experiment with a wide variety of management approaches; and
- there must be a reliable method of evaluating the success or failure of each project and how lessons learned from the project can be applied to policy development.

---

#### FRAMEWORK FOR THE COMPETITIVE PROCESS FOR SELECTING THE EXPERIMENTAL MODELS OF "REGION SEVEN"

##### *Elements of the Competitive Framework*

- 1) Options to Develop Pilot Projects
  - a) Proposals are submitted through an open, competitive process.
  - b) Proposals must be developed by inclusive groups that represent all stakeholders, including public officials and agencies.
  - c) The groups or participants should have proven collaborative experience, that is, "organizational-collaborative maturity."
- 2) Options to Select Pilot Projects
  - a) The National Oversight Committee on Pilot Projects (which may include members of Congress, the Administration, and organizations with an interest in Federal lands management; the operating principle is to model an inclusive, informed, deliberative—that is, collaborative—process).
  - b) A national advisory council on pilot projects that reviews proposals and makes recommendations to the National Oversight Committee on Pilot Projects for final selection.

- c) The Secretaries of Agriculture and Interior, in consultation with western Governors (and legislatures).
- 3) Options on Who Participates
  - a) Representation must be inclusive—that is, participants must reflect the full range of interests and viewpoints on a given project.
  - b) The group must represent local, state, regional, and national interests.
  - c) A certain percentage of participants must live in and represent the local area (existing examples include Valles Caldera and the Presidio).
- 4) Options on Who Selects or Appoints Participants
  - a) Participants are determined from the ground up, consistent with 3(a). The final composition of any group is ratified by the full group.
  - b) Participants are determined from the ground up, consistent with 3(a). The final composition of any group is ratified by the national advisory council on pilot projects.
  - c) The Governor and Secretaries of Agriculture and Interior jointly appoint representatives according to some formula to ensure balanced representation (existing examples include BLM and U.S. Forest Service Resource Advisory Councils).
- 5) Options on the Authority of the Participants
  - a) Govern—that is, to make and enforce decisions.
  - b) Qualified Governance 1—that is, to make broad decisions about the desired ends or outcomes of a pilot project, and then allow Federal land managers and others to develop and implement the appropriate means or strategies to achieve those ends.
  - c) Qualified Governance 2—that is, to make and enforce decisions; the agencies responsible for implementing the decisions may appeal to the “oversight committee” and explain why a particular decision cannot or should not be implemented.
  - d) Advisory—that is, the participants advise the responsible agencies on outcomes (ends) and strategies (means), but the agency officials have final decision-making authority.
- 6) The Scope and Purpose of Pilot Projects
  - a) The overall scope and purpose of pilot projects is to (these may become criteria for selecting pilot projects):
    - i) Promote sustainable communities.
    - ii) Promote sustainable landscapes.
    - iii) Utilize inclusive, informed, deliberative processes for decision-making.
    - iv) Provide fair, effective, and efficient means to resolve disputes or appeals to decisions that are made under pilot projects.
  - b) The scope and purpose of pilot projects should be determined by the people and organizations submitting proposals.
  - c) Proposals should include a clearly articulated “causal theory,” that is, a clear hypothesis and linkage between what they are trying to achieve (the ends or outcomes) and how they propose to achieve their desired results (the means or strategies or activities).
- 7) Options on Sideboards Within Which Pilot Projects Must Operate
  - a) Pilot projects must comply with all existing laws and policies.
  - b) Pilot projects must comply with all existing laws, but are exempt from administrative rules, regulations, and policies.
  - c) Same as (b), but participants may request an exemption from an existing law, and permission may be granted by the National Oversight Committee on Pilot Projects.
- 8) Options on Who Can Appeal Decisions Made by Pilot Projects
  - a) Anyone.
  - b) Only people who have formally participated in the decision-making process.
- 9) Options on How to Resolve Appeals
  - a) Use a mandatory dispute resolution system that moves from low-cost dispute resolution procedures to high-cost procedures:
    - i) Negotiation among appellants and pilot project participants.
    - ii) Mediation among appellants and pilot project participants.
    - iii) Binding or non-binding arbitration.
    - iv) Judicial resolution in a court-of-law.
  - b) Eliminate administrative appeals and, presumably, go straight to court.
  - c) Appeal to the National Oversight Committee on Pilot Projects.
  - d) Appeal to either the Secretary of Agriculture or the Secretary of the Interior.
- 10) Options to Monitor and Evaluate Pilot Projects

- a) Annual reports submitted to the National Oversight Committee on Pilot Projects, based on the "causal theory" of the pilot project.
- b) Annual or biennial meeting of pilot project participants to exchange ideas, document lessons learned, and identify what works, what doesn't, and why.
- c) Evaluation of pilot projects by the General Accounting Office after 3-5 years.
- d) Evaluation of pilot projects by independent observers after 3-5 years.

Mr. SIMPSON. Thank you, Mr. Williams. I appreciate your testimony.

I now recognize Mr. O'Laughlin.

**STATEMENT OF DR. JAY O'LAUGHLIN, DIRECTOR, IDAHO FOREST, WILDLIFE AND RANGE POLICY ANALYSIS GROUP, PROFESSOR, DEPARTMENT OF FOREST RESOURCES, UNIVERSITY OF IDAHO, AND SOCIETY OF AMERICAN FORESTERS**

Mr. O'LAUGHLIN. Thank you, Mr. Chairman and members of the Committee. Thanks for the opportunity to be here today.

People are frustrated about national forest management and many are asking for reform. The Society of American Foresters strongly supports a continued dialog on the subject of this hearing.

Depending on their design, charter forests could break gridlock, move decisions closer to resources, manage resources sustainably, and restore trust in the Forest Service.

The Chief of the Forest Service has described the agency as suffering from analysis paralysis. Others say it is bound by gridlock. However one characterizes the problem, decisions are far removed from the local units of the Forest Service, thus stifling innovation and initiative at the field level, where it is most needed. Perhaps charter forests can bring creative solutions back into the woods.

People expect resources to be managed sustainably, but we cannot agree on what to sustain. Perhaps charter forests can help by including segments of the public in a different way at the national as well as local levels.

The concept of charter forests will continue to evolve. But at this point, the Society of American Foresters feels a proposal should include a set of essential elements. I leave out the details and just mention those elements: location, initiation, public involvement, environmental laws, long-range plans, appeals, funding, outcome assessment, and reevaluation. All of these need careful consideration.

The following discussion is based on my experiences in Idaho, working on pilot projects. These efforts are neither endorsed nor opposed by the Society of American Foresters.

An attempt to establish pilot projects on Federal lands in Idaho started in 1996 with a Federal Lands Task Force. This still-evolving effort is fully supported by the State Government.

I was a member of that task force. Six of the nine national forests supervisors in Idaho attended one or another of the meetings held around the State. At different times, three supervisors unexpectedly took me aside and stated off the record that they wanted to try to a pilot project on their forest.

A working group in December 2000 identified five potential pilot projects in a report to the State Land Board titled, "Breaking the

Gridlock.” I have included in my testimony the Web site for that report.

I have also provided four diagrams, illustrating how the current system could be modified with either a collaborative local advisory council or a trust model or a collaborative trust model with a local advisory council.

The trust land management model offers features that promote sustainability to a degree that no other model does.

These are all possible models for charter forests, but there are others as well. The SAF believes a range of possibilities will result in the best of tests about a more comprehensive reform.

The five pilot projects identified in the Idaho report use a ecosystem-based approach to maintain and enhance environmental quality, to attain other land management goals and objectives, and to create opportunities for more effective public participation in resource management decisions through revised decisionmaking frameworks. All projects feature long-range plans, environmental impact analyses, and public involvement.

Descriptions of the Bush administration charter forests concept have the local trust entity as the key. Establishing a local trust entity with oversight functions for a charter forest could be approached two ways. First is a collaborative trust model proposed in the Idaho effort that would provide a structure capable of accommodating the desired functional objectives stated in the budget proposal. The second approach could be modeled after the two existing trusts for Federal land, the Presidio of the National Park Service and Valles Caldera.

In closing, the words of former BLM director and Resources for the Future president, Dr. Marion Clawson, seem appropriate. He said, and I quote, “I reject any idea that we today are less imaginative and resourceful than the men and women who pressed for the establishment of the national forests, the national parks, and the grazing districts. We, too, can innovate. Let us try.”

Thank you.

[The prepared statement of Mr. O’Laughlin follows:]

**Statement of Jay O’Laughlin, Ph.D., Director, Idaho Forest, Wildlife and Range Policy Analysis Group, and Professor, Department of Forest Resources, University of Idaho, representing the Society of American Foresters**

Mr. Chairman, and members of the Committee, my name is Jay O’Laughlin. I am a member of the Society of American Foresters (SAF) Committee on Forest Policy, and a Professor at the University of Idaho, where I am full-time Director of the Idaho Forest, Wildlife and Range Policy Analysis Group. The SAF is the national scientific and educational organization representing the forestry profession in the United States. Founded in 1900 by Gifford Pinchot, it is the largest professional society for foresters in the world. Throughout its more than 100-year history, SAF has advanced the science, education, technology, and practice of forestry. SAF is committed to maintaining the connection between environmental stewardship and the professional practitioner in the field.

Thank you for the opportunity to be here. The letter of invitation said, “The purpose of the hearing is to hear testimony on the concept of charter forests, and ... hearing about the projects you have been party to.”

The Forest Service has been described as an organization struggling with decision “gridlock,” or “analysis paralysis.” Many public lands scholars have called for national forest reform. Some would change the statutes, others would change implementing regulations. Still others feel the current system may be too brittle, and call



for experiments with alternative governance models (e.g., Kemmis, *This Sovereign Land*, 2001).

The issues are controversial and there is no consensus as to how the current situation could be improved. One thing is clear: people are frustrated about national forest management, regardless of their positions on various issues, and many are asking for reform. The SAF recognizes that reform should not happen overnight and any change in the management system will require the involvement of a variety of interested and effected citizens. The point is not to institute reform today, but to begin to test what we have learned, and what we believe will lead to improvements in the difficult biophysical and social problems facing national forest managers.

Congress has already chartered two experiments. One is limited authority for Stewardship Contracting, a program to facilitate innovative contracting mechanisms and community involvement. The other is authorization for the Quincy Library Group's project on three national forests in northern California. These experiments have common themes. The original proposals come from citizens frustrated with the lack of action on national forests, they involve citizens from a variety of philosophical perspectives in their implementation, they tinker at the margins of environmental laws, and they include a process for monitoring and assessing the efforts. We hope these general themes will be part of legislation that authorizes Charter Forests, and strongly support a continued dialogue on the subject.

#### *The Potential of Charter Forests*

Depending on their design, Charter Forests could break gridlock, move decisions closer to resources, manage resources sustainably, and restore public trust in the Forest Service.

The Chief of the Forest Service has described the agency as suffering from "analysis paralysis"; others say it is bound by gridlock. However one characterizes the problem, decisions are far removed from the local units of the Forest Service, thus stifling innovation and initiative at the field level, where it is most needed. Perhaps Charter Forests can bring creative solutions back into the woods. In 1976, Senator Hubert H. Humphrey's goal, and the idea behind the National Forest Management Act, was to get forest management out of the courts. That hasn't happened.

People expect resources to be managed sustainably, but we can't agree on what to sustain. Perhaps Charter Forests can help by including segments of the public in a different way, at the national as well as local levels. The SAF has defined sustainability in the forestry context as "enhancing human well-being by using, developing, and protecting resources at a rate and in a manner that enables people to meet their current needs while also providing future generations with the means to meet their needs as well; it requires simultaneously meeting environmental, economic, and community aspirations." This definition may not work for everyone, but it is a starting point for meaningful dialogue. SAF members would like the opportunity to share the science, concepts, and experience we bring as professionals to a group of citizens interested in working on a Charter Forest, to help define the possible range of desired future conditions and identify the ways to get from here to there.

Public trust in the Forest Service has eroded. We know anecdotally that many people trust local managers, but bristle when discussing any level of the agency higher than the Forest Supervisor's office. To earn trust back at the national level, the place to start is at the local level, with effective monitoring of conditions by local and national interests. Experiments with alternative models could begin to restore trust little by little, and build the basis for system-wide reform. We hope this is the vision for Charter Forests.

#### *Essential Elements of Charter Forests*

The SAF recognizes that the concept of Charter Forests will evolve over the weeks and months ahead, as Congress holds hearings and possibly develops legislative proposals to implement some of these ideas. We will continue to learn and the SAF's concept and understanding of Charter Forests will continue to evolve. However, at this point a proposal on Charter Forests should focus on a set of essential elements, as follows:

- Location. A limited number of Charter Forests from different regions across the National Forest System would be desirable.
- Initiation. There should be a NEPA notice and comment period for each Charter Forest.
- Public involvement. Charter Forest pilot projects should be collaborative in nature and involve citizens from a variety of philosophical perspectives in their implementation.

- Environmental laws. Existing environmental laws should apply to all Charter Forests. However, there should be provisions for streamlining implementation process requirements of statutes, rules, and regulations as long as the fundamental objectives of the statute are met.
- Long-range plans. The management of Charter Forests must be based on long-range plans.
- Appeals. The Forest Service administrative appeals process needs creative streamlining. Citizens are accustomed to administrative review before seeking judicial review, but there are improvements to the process that could be tried, such as limiting who can appeal, and specifying time periods for review.
- Funding. A sustained source of funding is essential for effective long-term resource management. The sources of funding for Charter Forests should be separate from the rest of the National Forest System budget.
- Outcome assessment and reevaluation. Charter Forest projects should include a process for monitoring and assessing the efforts, and a national monitoring plan to assess the effectiveness and accountability of all projects.

#### *Idaho Pilot Projects*

Introduction. The following discussion is based on my experiences in Idaho working on alternative models and pilot projects for national forest management. These efforts are neither endorsed nor opposed by the SAF. The testimony is based on three reports: History and Analysis of Federally Administered Lands in Idaho (Policy Analysis Group Report 16, University of Idaho, 1998); New Approaches for Managing Federally Administered Lands in Idaho (Task Force Report, Idaho Department of Lands, 1998); and Breaking the Gridlock: Federal Land Pilot Projects in Idaho (Working Group Report, Idaho Department of Lands, 2000 [online]: <[www2.state.id.us/lands/LandBoard/fltf.htm](http://www2.state.id.us/lands/LandBoard/fltf.htm)>.)

Overview. An attempt to establish pilot projects on Federal lands in Idaho started in 1996 with a Federal Lands Task Force. This still-evolving effort is fully supported by the state government. In 1998 the Task Force recommended pilot project tests based on three different models—cooperative, collaborative, and trust land management. I was a member of that Task Force. Six of the 9 national forest supervisors in Idaho attended one or another of the meetings held around the state. At different times three supervisors unexpectedly took me aside and stated off the record they wanted to try a pilot project on their forest. In 1999 a Working Group was charged with implementing the Task Force recommendations and in December 2000 identified five potential pilot projects in a report to the State Land Board titled Breaking the Gridlock.

Context. A congressional bill in 1995 would have allowed states to take over BLM public lands. Although it did not pass, the bill stimulated interest. However, this approach has some drawbacks. According to a report by the Idaho state controller, if the state had to follow the same rules Federal land managers do, this would not be a good deal for Idaho.

The Idaho effort began in 1996 when the legislature mandated that the State Board of Land Commissioners (Land Board) forge a closer cooperative relationship between the state and the U.S. Forest Service. This is important because 39% of the state of Idaho is National Forest System land; by comparison, Oregon is a distant second at 25%. Also important is that Idaho, Oregon, and Maine are the top three states dependent on the forest products industry for labor income.

The 19-member Task Force was appointed and charged by the State Land Board to examine Federal land management issues and analyze alternative management methods. Two state legislators provided bipartisan leadership. I was appointed because my full-time job is directing a university-based natural resources policy analysis program created and funded by the legislature. In 1996 it was widely known we had begun work on a History and Analysis of Federally Administered Lands in Idaho, in which we analyzed ten alternative management approaches. Six of them would change the rules under which the Forest Service operates. One of them is trust land management.

Attached are four diagrams from our University of Idaho policy analysis report on Federal lands illustrating how the current system (Figure 1) could be modified with either a collaborative local advisory council (Figure 2), or a trust model (Figure 3), or a collaborative trust model with a local advisory council (Figure 4).

“Trust” has a dual meaning. A “local trust entity” may be able to restore public trust in the ability of Forest Service managers to provide the range of goods, services, and values people expect from our national forests. Managers can’t do it alone. They need local support and national-level support from the range of interest groups active on national forest issues as well as from higher government authorities. This

will not be easy. Gridlock feeds on “adversarial legalism” and breeds distrust among citizens (Kagan, *Journal of Policy Analysis and Management*, 1991).

People disagree about what national forests should provide, as they always have. However, the current situation (Figure 1) does not provide a forum for these issues to be resolved. A formally authorized local advisory council, working hand in hand with the national forest manager, could provide meaningful public involvement in Forest Service decisions (Figure 2).

The trust land management model (Figures 3 and 4) offers features that promote sustainability to a degree that no other model does—prudence, clarity, accountability, enforceability, and perpetuity (Souder & Fairfax, *State Trust Lands*, 1996). These are possible models for Charter Forests, but there are others. The SAF believes a range of possibilities will result in the best set of tests about more comprehensive reform.

#### *Idaho Federal Lands Task Force Process and Accomplishments*

The Task Force held 19 meetings around the state and heard stories about Federal land management from almost 200 people. The 1998 Task Force report identified part of the problem as a broken decision-making process:

“In the past three decades the delivery of goods and services, as well as intangible and intrinsic values from Federal lands, has not met the changing expectations of the public in general, or Idaho citizens in particular. The demand placed on resources on these lands has increased. Competing uses cannot be easily accommodated and conflicts have escalated. Current processes and laws used for the management of Federal lands fail to satisfactorily resolve the inevitable competition for resources from these lands, and set the stage for continued conflict. No single group or interest seems to be satisfied with the present situation. Increasingly, many Americans turn to the courts as the forum for resolving disputes concerning Federal land management. The evidence of current dissatisfaction with Federal land management is the subject of disagreement among interests, but includes:

- Increasingly restricted recreational access,
- Reduced roadless acreage,
- Declining wildlife populations, particularly threatened and endangered species,
- Deteriorated water quality,
- Reduced forest management including timber harvest,
- Reduced availability of livestock forage, and
- A cumbersome and lengthy decision-making process that often results in gridlock.”

“Although there is disagreement regarding the priorities, the current situation has affected Idaho through the destabilization of communities, loss of jobs, loss of economic return, and a decline in environmental quality.”

The Task Force findings concluded that the current processes of Federal land management have resulted in uncertain decision making, destabilization of resource dependent communities, and deterioration in environmental quality on Federal lands. In short, the system is broken. Significant changes to these processes are necessary.

The Task Force recommended that the Land Board pursue a pilot project testing one or more of the action alternatives for Federal land management, which are the cooperative, collaborative, and trust models. In the Working Group’s *Breaking the Gridlock* report, five pilot projects were identified. Consistent with the Task Force recommendations, none of the projects involve state management, state control or state ownership of Federal land. In total, the five proposed pilot projects encompass 10.8 million acres of Federal land, of which 10.1 million acres are National Forest System lands.

Currently 20,476 acres (or 0.2%) of national forest lands in the proposed pilot project areas are subject to active forest ecosystem management each year. Based on ecological objectives identified by national forest managers, the pilot projects propose to double resource management activities. Compared to actual operating expenses in 1999, additional revenues from pilot project timber sales would improve cash flow by \$30 million per year, from a net expense of \$51.4 million to a net expense of \$21.9 million.

The five pilot projects identified in the *Breaking the Gridlock* report use an ecosystem-based approach to maintain and enhance environmental quality, to attain other land management goals and objectives, and to create opportunities for more effective public participation in resource management decisions through revised decision-making frameworks. All projects feature long-range plans, environmental impact analyses, and public involvement.

The five proposed pilot projects are as follows:

- 1) Central Idaho Ecosystem Trust (5.8 million acres). This project includes all of the Boise National Forest and parts of the Payette, Sawtooth and Salmon-Challis Forests. Using a "trust law" management framework, the goal of this project is to restore vegetation to desired ecological conditions while meeting social needs.
- 2) Clearwater Basin Stewardship Collaboration (2.7 million acres). This project covers parts of the Clearwater and Nez Perce Forests and has as its goal using a "collaborative group" of stakeholders to accomplish the restoration of elk habitat and other indicator species consistent with social objectives and historical conditions.
- 3) Priest Lake Basin Cooperative (265,000 acres). This project includes all of the Priest Lake District of the Panhandle National Forest and has as its goal, under a Memorandum of Agreement involving the Forest Service and the Idaho Departments of Lands and Parks and Recreation, to restore and enhance ecological conditions and to improve resource management for wildlife, recreation and balanced economic uses.
- 4) St. Joe Ecosystem Stewardship Project (726,000 acres). This project involves the St. Joe District of the Panhandle National Forest and proposes to use the stewardship contract approach to restore and enhance ecological conditions. The projects would be similar to those authorized by Congress in 1999.
- 5) Twin Falls/Cassia Resource Enhancement Trust. Forest Service lands in the Sawtooth National Forest and Bureau of Land Management lands in the Burley and Twin Falls management areas would be involved in a "trust management" approach aimed at sustainable economic activity and enhanced ecological conditions.

All proposed projects would change the rules under which Federal land managers operate. The Task Force identified seven functional objectives. Each project approaches them differently, as detailed in the Breaking the Gridlock report:

- Involve the public,
- Streamline and localize decision-making,
- Protect water quality,
- Base management on formalized plans,
- Protect species
- Stabilize agency budgets, and
- Stabilize communities.

For example, the planning period would be reduced from 15 years to 5 years, with one-year implementation plans that identify specific projects. The five-year plan requires an EIS, to be completed within 12 months; the one-year plan requires an EA, to be completed within six months. Endangered species consultation is required only on the one-year plan. There would be two levels of formal appeals prior to judicial review. The right to appeal decisions would be contingent upon constructive involvement in the public comment process.

Some of these pilot projects are at a more advanced stage than others. The State of Idaho will continue to pursue the pilot project idea whether or not a Charter Forest is established there.

#### *Trusts and Charter Forests*

Descriptions of the Bush Administration's Charter Forest concept appear in three different Fiscal Year 2003 Federal budget documents. In the White House's Office of Management and Budget proposal, the "local trust entity" is key:

"To overcome inertia and an excessive decision-making structure, USDA will develop legislation in 2003 to establish 'charter forests.' This proposal would establish certain forests or portions of forests as separate entities, outside the Forest Service structure, that report to a **local trust entity** for oversight. Like charter or magnet schools, this proposed structure would avoid the central bureaucracy and thereby reduce organizational inefficiencies, while emphasizing local involvement, and focusing upon specific programmatic goals, such as forest ecological restoration or hazardous fuels reductions" (p.67, emphasis added).

The detailed OMB budget appendix for the USDA Forest Service repeats the two opening sentences above regarding the oversight function of a local trust entity, and then describes a pilot project structure with functional objectives for Charter Forests:

"The structure would eliminate inefficiencies and focus upon specific strengths. Pilot forests would establish and address land management objectives; comply with all Federal and State environmental laws; include a diverse and balanced group of stakeholders, as well as appropriate Federal,

tribal, state, county, and municipal government representatives in the design, implementation, and monitoring of the project; incorporate current scientific forest restoration information; and include a multiparty assessment to identify both the existing ecological condition of the proposed project area and the desired future condition" (p.181).

The Forest Service's justification for its budget request introduced the idea of streamlining the decision-making process. Although the Forest Service does not specifically mention the local trust entity as such, the agency identifies its Valles Caldera Trust in New Mexico as a model:

"In an attempt to streamline the decision-making process, legislation will be proposed to establish "charter forests," certain forests or parts of forests administered outside the normal Forest Service structure. The goal is to eliminate inefficiencies and focus upon specific strengths. Pilot forests would: establish and address land management objectives; comply with all Federal and State environmental laws; include a diverse and balanced group of stakeholders, as well as appropriate Federal, State, Tribal, county, and municipal government representatives in the design, implementation, and monitoring of the project; incorporate current scientific forest restoration information; and include a multiparty assessment to identify both the existing ecological condition of the proposed project area and the desired future condition. A similar arrangement currently exists in the Valles Caldera Trust management of the Baca Ranch in New Mexico."

"The legislation will require expedited endangered species consultation, enhanced use of grants and agreements, and enhanced authority to use National Forest System funds on and adjacent to national forests in cooperation with State, Tribal, and local governments. This concept may combine several national forests under a unified annual budget" (p.1-10).

*Trust Model Applications—The "Local Trust Entity"*

Establishing a local trust entity with oversight functions for a Charter Forest could be approached two ways. One is through adaptation of the state trust land model, the other would be modeled after the Federal Government entities set up to manage the Baca Ranch (Valles Caldera) and the Presidio of San Francisco as "trusts."

First, the collaborative trust model (Figure 4) in the Idaho effort would provide a structure capable of accommodating the desired functional objectives of a Charter Forest. This adaptation of the state trust land management concept is derived from trust law, whereby "A trust is a fiduciary relationship in which the trustee holds and manages property for the benefit of a specific beneficiary. The major obligation of the trustee is to act with "undivided loyalty" to the beneficiary" (Souder & Fairfax, State Trust Lands, 1996). Trust land management is our nation's oldest and most durable land management model. It is used on more than 15 million acres of private lands, and 45 million acres of state lands outside Alaska. Many of the Idaho Federal Lands Task Force and Working Group members recognize that the trust land management model is perhaps the most desirable alternative model.

Public involvement is a potential weakness of the trust land management model. It may be desirable to augment the trust model (Figure 3) with a "local advisory council" to assist the manager with public involvement, offer "fix-it" advice, and perhaps co-manage the NEPA process (Figure 4). The relationship of this council to the resource manager is crucial. On the one hand, problems would arise if and when the manager ignores the council's advice. On the other hand, problems would arise if the manager's authority is subordinate to the council. In either case, the dissension could be appealed to the board of trustees for a final decision. The five years of experiences of BLM Resource Advisory Councils, and the newly established Forest Service Resource Advisory Councils may offer some guidance on how the council could be structured to avoid such problems.

The trust model is flexible, and accounts could be established to direct management resources to protect biological diversity, as desired by the fish and wildlife beneficiary, and cultural values, as desired by the park and recreation beneficiary (Figures 3 and 4).

The second approach could be modeled after the two existing "trusts" for Federal lands—Presidio and Valles Caldera. Both these entities were created as wholly-owned government corporations, established by law as executive agencies of the U.S. government. Unlike the application of trust law in the state land trust model, specific beneficiaries were not designated. However, the fiduciary concerns of a trust are evident, as goals for both entities include financial self-sufficiency within 15 years. The Presidio Trust was established in 1996. It is governed by a 7-member board of directors that oversees administration of the Presidio of San Francisco, a

1,480 acre unit of the Golden Gate Recreation Area of the National Park Service. The Valles Caldera Trust, established in 2000, is governed by a 9-member board of trustees that manages and administers the Valles Caldera National Preserve—an 89,000 acre working ranch formerly known as the Baca Ranch” as a unit of the National Forest System.

*Concerns about Charter Forests*

One concern about Charter Forests is how they might advantageously use an experimental or adaptive approach to land management. Adequate monitoring and re-evaluation need some consideration. Initially I had the same concerns about Charter Forests that I had about the Idaho Federal Lands Task Force. In 1997 my reservations were satisfied when the Task Force adopted three principles: 1) the ownership of Federal lands will not be transferred to the states; 2) a variety of uses will continue on lands currently managed for multiple use; and 3) the public will be involved in the decision-making process. These principles are evident in the description of functional objectives for Charter Forests provided in the Federal budget documents quoted above.

Another concern is that these Charter Forests could, by many, be considered a “silver bullet” to “fix” the Forest Service. While Charter Forests certainly may provide lessons and a basis for comprehensive reform they will not be applied everywhere on the national forests and may still get caught up in unforeseen delays. One need look no further than the Quincy Library Group to see an example of congressionally sanctioned management that has yet to be implemented on the ground. Charter Forests will require that all interests in Washington, DC, as well as at the local level, have a voice in describing how these might work. Hopefully this will lead to scrutiny and probing questions rather than litigation and roadblocks.

*Conclusion*

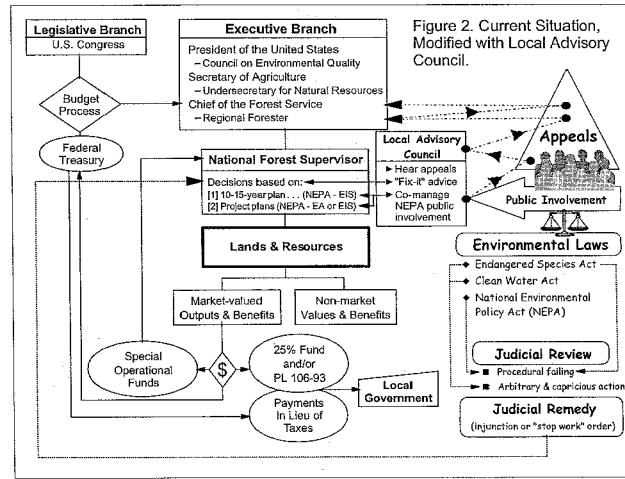
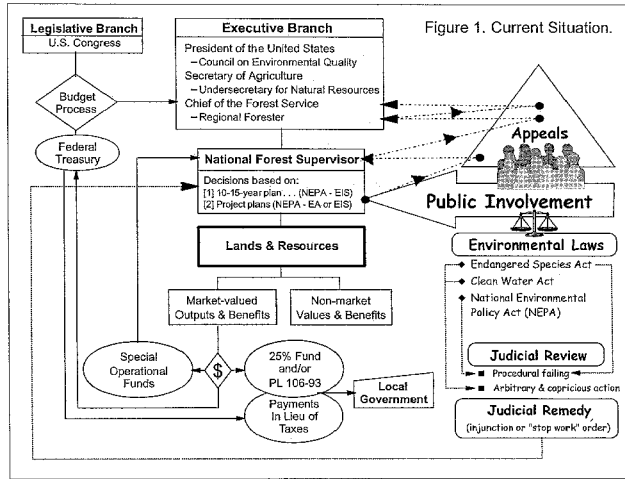
The letter of invitation stated, “testimony will help [the committee] better understand the challenges and successes of on-the-ground forest management as well as **innovative approaches** to community-based land management” (emphasis added).

In closing, the words of former BLM director and Resources for the Future president Dr. Marion Clawson seem appropriate. He said, “I reject any idea that we today are less imaginative and resourceful than men and women who pressed for the establishment of the national forests, national parks, and grazing districts. We too can innovate; let us try.”

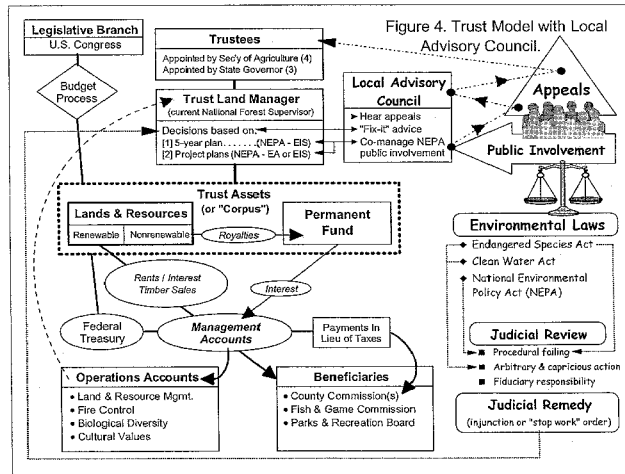
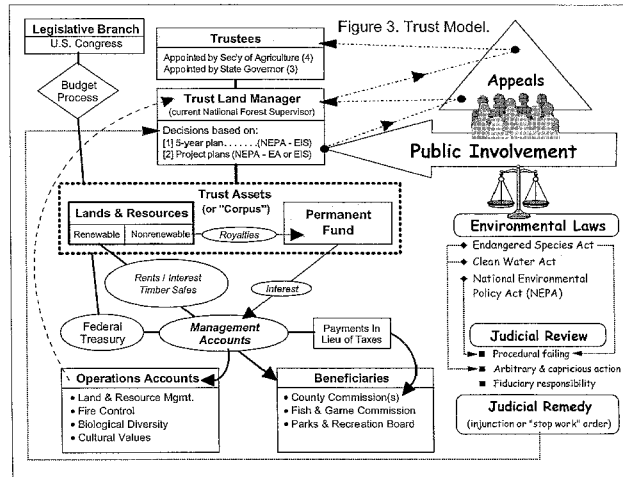
---

[Attachments to Mr. Williams’ statement follow:]

Testimony to U.S. House of Representatives  
April 25, 2002



Testimony to U.S. House of Representatives  
April 25, 2002



Jay O'Laughlin

Policy Analysis Group

University of Idaho

Mr. SIMPSON. Thank you for your testimony, Mr. O'Laughlin. Mr. Anderson, we will hear from you now.

**STATEMENT OF MICHAEL ANDERSON, SENIOR RESOURCE ANALYST, THE WILDERNESS SOCIETY**

Mr. ANDERSON. Thank you, Mr. Chairman.

The Wilderness Society, like many other environmental organizations, is very skeptical of the Bush administration's proposal to establish charter forests. From all indications to us so far, charter forests would primarily aim to promote logging and other revenue-generating uses of the national forests, while weakening or eliminating environmental safeguards and public participation.



A case in point is the Central Idaho Ecosystem Trust, one of the five pilot projects proposed by the Idaho Federal Lands Task Force. The goal of the trust would be “to provide revenue, net of operating expenses, for the beneficiaries each year, generated in a manner that recognizes public values and is sustainable over the long term.”

This kind of goal might sound fine to a private timberland corporation shareholder, but certainly not to the vast majority of Americans, whose paramount goals for the national forests are to provide high-quality water, wildlife habitat, high-quality recreation, and wilderness.

Regarding environmental laws and public participation, the Idaho task force proposal provides some alarming insights into how the administration might “streamline” decisionmaking and eliminate analysis paralysis in the national forests.

In the central Idaho trust, the Forest Service would only have to prepare a single environmental assessment on a management plan once a year for all projects planned in the coming year. No further environmental review and public involvement would be required for projects, except for endangered species consultations and for projects not listed in the plan. Citizens could appeal the annual plans but not the timber sales or other management projects.

At a minimum, these aspects of the Idaho plan would violate the National Environmental Policy Act and the Appeals Reform Act.

An even more radical charter forest proposal is the Northwest Colorado Working Landscape Trust in Moffat County. The Colorado proposal goes so far as to prohibit Congress from designating new wilderness areas in the county and to release all existing wilderness study areas to management by the trust. It would also bar dissatisfied citizens from using the court system to challenge trust management actions.

Mr. Chairman, turning national forests into charter forests to be managed by local boards for local interests is a fundamentally flawed idea that will never fly with the environmental community or the American public.

This is not to say that there is no constructive role for collaboration or community-based partnerships in Federal land management.

Last year The Wilderness Society and the National Audubon Society published a guide to collaboration for environmental advocates. I would like to submit this to the hearing record.

Mr. SIMPSON. Without objection.

[The guide referred to has been retained in the Committee’s official files:]

Mr. ANDERSON. I was a contributing editor to the guide.

Environmentalists’ experience with collaborative groups has been mixed, as are our views toward collaboration. Everybody agrees, though, that under no circumstances should collaboration be used to undercut existing law and environmental safeguards or to exclude legitimate interests.

I have personally been involved in a promising collaborative effort in Lakeview, Oregon, for the past 3 years. Our collaborative group has worked closely and cooperatively with the Forest Service

on restoring parts of the Fremont National Forest within the framework of existing Federal laws and management plans.

I believe it would be a serious mistake for Congress or the administration to attempt to formalize community-based partnerships or collaborative efforts. Collaborative groups can function effectively and creatively as informal advisers to the Federal land managers, complementing rather than replacing public participation laws and processes.

However, I do think there are several ways Congress and the administration can and should encourage the positive work of broad-based, inclusive collaborative groups.

First, do not promote legislation on charter forests or collaborative processes, even on an experimental or pilot basis. Any effort to turn over control of Federal lands to local interests would be extremely divisive and polarizing. Such legislation or administrative initiative would inevitably lead to environmental boycotts of collaborative efforts and further gridlock of Federal land management.

Second, additional funds should be appropriated for watershed restoration and monitoring projects. Restoration and monitoring of Federal lands traditionally have been hampered by severe shortage of funding. However, these are the very activities that hold the greatest promise for gaining broad-based collaborative support.

Third, funding is also needed to help collaborative groups operate effectively and to train local workers in restoration-oriented job skills.

Finally, funding should be provided to help with sharing of information amongst the collaborative organizations.

In conclusion, The Wilderness Society strongly recommends that Congress and the administration steer clear of the charter forest concept. Instead, policymakers should focus on ways to help collaborative groups and Federal land managers succeed in putting people to work restoring the ecological integrity of public lands, for the benefit of all Americans.

Thank you.

[The prepared statement of Mr. Anderson follows:]

**Statement of Michael Anderson, Senior Resource Analyst,  
The Wilderness Society**

The Wilderness Society appreciates this opportunity to testify on charter forests and collaborative projects. The Wilderness Society is a national environmental organization with 200,000 members and eight regional offices. Founded in 1935, The Wilderness Society works to protect America's wilderness and develop a nationwide network of wildlands through public education, scientific analysis, and advocacy. I have worked for The Society as a research analyst since 1985, primarily on national forest policy and planning issues.

*Charter Forests*

Like many other environmental organizations, The Wilderness Society is very skeptical of the Bush administration's recent proposal in the Forest Service budget to establish charter forests. The administration has told us little about what charter forests are supposed to be—only that they will be controlled by “local trust entities” instead of the Forest Service, and that decision-making somehow will be “streamlined” to overcome bureaucratic inertia. However, charter forest proposals have surfaced in a few places, providing some clues about where the administration is headed. From all indications, charter forests would aim to weaken or eliminate environmental safeguards and public participation, while promoting logging and other commodity uses of the national forests.

A case in point is a proposal by the Idaho Federal Lands Task Force to create five pilot projects that would give local and state officials control over nearly half of Idaho's national forests. One of those pilots, the Central Idaho Ecosystem Trust, would cover 5.8 million acres, including all or parts of the Boise, Payette, Sawtooth, and Salmon-Challis National Forests. The goal of the trust would be "to provide revenue, net of operating expenses, for the beneficiaries each year, generated in a manner that recognizes public values and is sustainable over the long term." This kind of goal might sound fine to a private timberland corporation shareholder, but certainly not to the vast majority of Americans, whose paramount goals for the national forests are to provide high-quality water, wildlife habitat, non-motorized recreation, and wilderness.

Idaho's charter forest proposal illustrates how fundamentally inconsistent the charter forest concept is with the laws governing the national forests. For example, the Multiple Use-Sustained Yield Act requires the Forest Service to manage the national forests to "best meet the needs of the American people" -- not to provide revenue for local trust beneficiaries. 16 U.S.C. §531(a). Similarly, the Forest and Rangeland Renewable Resources Planning Act defines the national forests as Federal lands "united into a nationally significant system dedicated to the long-term benefit for present and future generations." 16 U.S.C. §1609(a). Establishing charter forests, on the other hand, would break apart the National Forest System, assigning responsibility for determining the goals, purposes, and management activities on the land to local interests.

The Idaho Task Force proposal provides some alarming insight into how the administration would "streamline" decision-making and eliminate "analysis paralysis" in a charter forest. In the Central Idaho Ecosystem Trust, the Forest Service would only have to prepare a single environmental assessment on a management plan once a year for all projects planned in the coming year. No further environmental review and public involvement would be required for projects, except for interagency consultation on endangered species and for projects not listed in the annual plan. Citizens could appeal the annual plans, but not the timber sales or other management projects. This means there would be essentially no evaluation of site-specific environmental impacts or formal opportunity to comment on or appeal most logging and other management activities in the national forests of central Idaho, where some of the most erosion-prone lands in the nation are located. At a minimum, these aspects of the Idaho plan would violate the National Environmental Policy Act and the Appeals Reform Act.

A key environmental concern about the state's proposal is that Idaho's national forests provide critical spawning habitat for salmon and steelhead that migrate through the Snake and Columbia Rivers to the Pacific Ocean. Those anadromous fish are vitally important to commercial and sport fishermen, the tourism industry, Indian tribes, and the general public in Oregon, Washington, and elsewhere, far beyond the Idaho border. Yet, the State of Idaho and local interests would presume to balance the salmon habitat protection interests of all Americans with the logging, grazing, and mining interests of local residents.

The Idaho Trust's revenue-generating goal provides an incentive to liquidate natural assets (like big trees enhancing fish and wildlife habitat) to provide short term, one-time cash gains at the ecosystems' expense. Furthermore, while local residents would essentially take control of national forests in the Central Idaho Ecosystem Trust, the U.S. Treasury would still be expected to foot the bill for fire-fighting costs and other "landowner obligations." So much for the notion that charter forests would be a beneficial experiment in free-market decision-making.

An even more radical charter forest proposal has surfaced in Moffat County, Colorado. The Northwest Colorado Working Landscape Trust would be run by a seven-person board, all selected by the local county commissioners and the governor. The Trust would govern all Federal lands in the county, including national parks.

The Colorado proposal is blatantly anti-wilderness and unconstitutional. It goes so far as to state, "Congress shall not designate any new wilderness areas in Moffat County, and release all existing Wilderness Study Areas to management through the Trust." It would also bar dissatisfied citizens from using the court system to challenge Trust management actions.

In addition to our objections to these specific proposals, The Wilderness Society also strongly disagrees with the underlying premise and political agenda espoused by some leading proponents of charter forests. For example, in his recent book *This Sovereign Land*, Dan Kemmis from the University of Montana argues for charter forest-style "pilot projects" as the first step toward wholesale devolution of Federal public land management to local interests. Under such a scheme, national forests would become more like state and county forests, often run by local boards domi-

nated by commercial interests and hostile to the environmental values of most Americans.

The national forests are a cherished part of America's natural landscape and social fabric. Currently, the Forest Service must abide by various Federal laws, policies, and plans to protect fish habitat and other environmental values in all the national forests of Idaho, Colorado, and 42 other states. Since these are Federal public lands, the agency must consider the interests and concerns of all Americans, including future generations, in determining appropriate management. However, under a charter forest or trust arrangement, local interests and concerns would take priority, and non-local viewpoints inevitably would take a back seat. Turning national forests into charter forests to be managed by local boards for local interests is a fundamentally flawed idea that will never fly with the American people.

#### *Collaborative Projects*

During the past decade, Federal land and resource management has increasingly been shaped by community-based partnerships and other collaborative groups. Recognizing the growing significance of and controversy about these groups, The Wilderness Society last year joined with the National Audubon Society and the University of Virginia's Institute for Environmental Negotiation in publishing a guide to collaboration for environmental advocates. I was a contributing editor of the guide.

In reviewing environmentalists' experience with collaborative groups for this guide, we found that environmentalists' views toward collaboration are highly variable. Some people consider collaborative groups and processes to be inherently undemocratic, unaccountable, and contrary to the public interest. Others see collaboration as a way to build new alliances and accomplish environmental objectives that could not be accomplished otherwise. Nearly everyone agrees, though, that under no circumstances should collaboration be used to undercut existing law and environmental safeguards or exclude legitimate interests.

We also found that even the best collaborative processes tend to be very time-consuming, as participants search for common ground and consensus. Some environmentalists question the value of devoting their energy and scarce resources to what may appear to them to be an unstructured and unending quagmire. In any event, collaboration is probably not the key to speeding up decisions, cutting red tape, or increasing efficiency in Federal land management. Existing public participation and planning processes—while often frustrating—at least are somewhat reliable and well understood.

Mr. Chairman, in your invitation letter you asked me to describe the community-based projects in which I am involved. I have been a member of a promising collaborative effort in Lakeview, Oregon for the past three years. The Lakeview working group consists of representatives from the timber industry, schools, county government, and others in the local community, as well as regional and national environmental organizations. The impetus for the collaborative effort was the Forest Service's review of the Lakeview Federal Sustained Yield Unit (now called the Lakeview Federal Stewardship Unit) and the local community's desire to modernize and reauthorize the Unit. Our collaborative group works closely and cooperatively with the Forest Service on restoring parts of the Fremont National Forest, within the framework of existing Federal laws and management plans. I am not testifying today on behalf of the Lakeview working group, and my views do not necessarily reflect those of other members of the group.

In general, I believe it would be a serious mistake for Congress or the administration to attempt to formalize community-based partnerships or collaborative efforts. Collaborative groups can function effectively and creatively as informal advisors to the Federal land managers, complementing—rather than replacing—public participation laws and processes. Collaborative groups need to be able to develop their own rules and procedures, based on their unique make-up. However, I think there are several ways Congress and the administration can and should encourage the positive work of broad-based, inclusive collaborative groups.

#### *Recommendations*

First, do not promote legislation on charter forests or collaborative processes—even on an experimental or pilot basis. Any effort to turn over control of Federal lands to local interests would be extremely divisive and polarizing. Such legislation or administrative initiative would inevitably lead to environmental boycotts of collaborative efforts and further gridlock of Federal land management. The National Forest Management Act already provides adequate legal authority for the Forest Service to establish advisory committees, which may be appropriate in some situations.

Second, additional funds should be appropriated for watershed restoration and monitoring projects. Restoration and monitoring of Federal lands traditionally have been hampered by severe shortage of funding. However, these activities hold the greatest promise for gaining broad-based collaborative support and energy. In Lakeview, we found that the Forest Service had planned many restoration projects but could not implement them due to lack of funds. Some money has become available for restoration and monitoring this year through the Federal county payments Title II program adopted by Congress in 2000, but more funds are needed to achieve on-the-ground results.

Third, funding is also needed to help collaborative groups operate effectively and to train local workers in restoration-oriented job skills. The Lakeview collaboration has been facilitated by Sustainable Northwest, a non-profit organization headquartered in Portland, Oregon that provides resources and services to rural community-based partnerships. Lakeview community leaders recently formed a non-profit, called the Lake County Resources Initiative, to help local workers take advantage of opportunities in ecosystem restoration and community economic development. A competitive Federal grant program targeted at entities like these would certainly boost local collaborative efforts.

Fourth, since collaborative stewardship is a relatively new and decentralized phenomenon, participants would benefit from better access to information about the efforts and experiences of other groups. Information-sharing can be accomplished through conferences, publications, and hearings (like this one). Funding for this purpose could be made through appropriations to Federal land agencies or grants to non-profits.

#### *Conclusion*

The Wilderness Society strongly recommends that Congress and the administration steer clear of the charter forest concept. Instead, policy-makers should focus on ways to help collaborative groups and Federal land managers succeed in putting people to work restoring the ecological integrity of public lands, for the benefit of all Americans.

---

Mr. SIMPSON. Thank you, Mr. Anderson. I appreciate your testimony.

Dr. Garrett?

#### **STATEMENT OF DR. L. DAVID GARRETT, EXECUTIVE DIRECTOR, NATIONAL FOREST COUNTY PARTNERSHIP RESTORATION PROGRAM, REPRESENTING CPR MANAGING PARTNERS, COUNTY COMMISSIONERS AND FOREST SUPERVISORS**

Mr. GARRETT. Thank you, Mr. Chairman, members of the Subcommittee.

The partners and stakeholders of the County Partnership Restoration Program appreciate this opportunity to appear before and speak to what we feel is a progressive example of community-based land management under your proposed charter forests program.

I am here today to represent the CPR managing partners. They are county commissioners and forest supervisors, who in turn represent the diverse local community stakeholder interests supporting our program.

The pilot forest concept we will speak to today is a county government/national forest partnership, established to address critically needed forest restoration programs on three pilot national forests: the Apache-Sitgreaves in Arizona, the Lincoln in New Mexico, and the Grand Mesa, Uncompahgre and Gunnison in Colorado. The approach has broad program requirements, ranging from community stakeholder meetings and collaboration to extensive restoration.

Communities and counties we represent are adjacent to the three pilot forests. These pilot forests are involved with over 100 small cities, towns and villages. But the counties that we reside in are dominated by Federal lands; over 60 percent of the land base is Forest Service and other Federal lands. As such, all of our communities are directly impacted by management on these lands.

This critically needed approach by the Committee is giving hope to small western communities, like the communities we represent. We feel that they feel they will now be valued. Your efforts will permit needed debate on how to best plan, structure, and program on community-based approaches can go forward.

We wanted to support local community interests to reduce threats of wildfire and declining forest health. County governments have initiated the program and involved broad-based communities in the ongoing effort.

The CPR Program, as we call it, grew out of extensive community-led forest research, demonstration, and planning programs. We have now developed those into some restoration efforts. These efforts have revealed that aggressive restoration will be needed across all of the forest areas that we represent.

It became apparent to all three extended communities that their future and the futures of their communities and citizens revolve around the health and vitality of these forests. This requires development of many cooperative agreements and extensive collaboration cooperation with all sorts of community groups.

A simple county-Federal partnership structure was needed in the program and developed, wherein specific responsibilities are assigned to differing entities. Seventeen county governments and three national forests are managing the partnership approach. Participating partners are Federal, state, tribal and community governments, who have formal authorities to take actions regarding health and welfare of their citizens and the resources on public lands. Participating community groups and individuals are the critical stakeholders, who we represent, who have explicit interest in the public lands and related goals that all of us seek.

The lead partners, managing partners, are seeking the advice and assistance of expert organizations, such as the U.S. Institute for Environmental Conflict Resolution, to help us design the most appropriate approaches. County and Federal agencies have wide-ranging authorities that permit joint cooperation on budgets and programs. Additional agreements are needed, but, in major part, the county governments and the Federal collaborators and cooperators find this a ready, available program approach. Additional base funding is necessary because of the extensive restoration needs on these forests.

The partners and stakeholders have endorsed a restoration program approach that will not require changes in the existing law; neither will it require changes in the current forest plans. We would like to explore ways of expediting NEPA and ESA requirements, but we wish to meet the full intent of these laws.

The pilot forest presents an excellent arena to test and streamline administrative procedure. Definition of mission, goals, structure, and restoration program approaches are outlined in the documents we provided to you.

The CPR communities have been very active for the over 5 years in developing the information base on which they launched this program. We have over 200 involved stakeholders in our efforts. We have the support of the State Legislatures, the Governors, and congressional delegations in the states we operate in. The U.S. Fish and Wildlife Service is a strong supporter of our program approach.

Our example of a pilot forest and its structure is primarily based on the specific desires of our communities and our stakeholders. We feel the Committee and Secretary should examine and hopefully implement several models.

We do feel that several criteria are important to pursue: strong leadership in all program areas from local community, extensive community collaboration, commitment from local governments and the Federal Government to pursue this in the long term, and a commitment to use science in both the monitoring and the adaptive management approach.

We are convinced that empowering local communities to have a greater role in public land management will produce wide-ranging benefit to natural resources and to our citizens. In the case of our program, we believe it will be very effective in restoring the badly needed and seriously degraded lands of these forests.

We have no reservations about evaluating differing charter or pilot forest concepts, and we urge the Committee to pursue those evaluations. The effort is permitting renewed debate on how best to incorporate local communities in the debate. Concepts that are not effective or acceptable will be revised or rejected by stakeholders. However, effective models, and we feel ours is an effective model, will prove to be very beneficial to our citizens and to our natural resources.

We thank you for your time.

[The prepared statement of Mr. Garrett follows:]

**Statement of Dr. L.D. Garrett, Executive Director, National Forest County Partnership Restoration Program**

Mr. Chairman and Honorable members of the U.S. House of Representatives subcommittee on Forests and Forest Health. The partners and stakeholders of the County Partnership Restoration Program (CPR Program) appreciate this opportunity to share information on what we feel is a progressive example of "Community-Based Land Management" under your proposed "Charter Forest Program."

I am Lawrence Garrett, Executive Secretary for the National Forest County Partnership Restoration Program. I am here today to represent the CPR Managing Partners, County Commissioners and Forest Supervisors, who in turn represent the diverse local community stakeholder interests supporting our program.

The Pilot Forest Concept we will speak to today is a County Government/National Forest Partnership, established to address critically needed forest watershed restoration management on three Pilot National Forests in Arizona, Colorado and New Mexico. The approach has broad program requirements, ranging from community collaboration and planning to implementation of extensive restoration projects.

The communities and counties we represent are adjacent to the three pilot forests. Included are citizens and groups from seventeen counties and over 100 small cities, towns and villages. Our counties are dominated by Federal land, occupying over 65% of the land base. Much is USDA Forest Service land, totaling over seven million acres on the three forests. As such, all of our communities are directly impacted by management direction on these forests.

We want to thank Chairman McInnis, Representative Udall and this Committee for pursuing examples of Community-Based Land Management under the Charter Forest Concept. This critically needed approach by the Committee is giving hope to small western communities, that you value their contributions. Your efforts will per-

mit needed debate on how to best plan, structure and program community based forest restoration and management programs in cooperation with Federal agencies.

Why did our CPR effort begin: We wanted to support local community interests to reduce threats of wildfire and declining forest watershed health, and maintain their traditional access to public lands. County governments have initiated this Program, because they have the primary government responsibility for issues of health, welfare and safety of their citizens and their property. And, in much of the rural west, these issues and Federal public land management are inseparable.

How did the CPR effort begin: The CPR Program grew out of extensive community led forest restoration research, demonstration and planning programs, which have been developed cooperatively with the Forest Service and broad based agency and community groups. These efforts have revealed that aggressive restoration is a desired management alternative.

It became apparent to all three extended communities, that their future would be significantly improved if they became pro-active and aggressively pursued restoration across the three forests. This requires development of formal cooperative programs with the local Forests, extensive collaboration of stakeholders, and complex planning for the needed restoration.

What Structure is developed for the CPR Program: A simple county/federal agency partnership structure is proposed, wherein specific responsibilities are assigned to differing entities. Seventeen county governments and three National Forests are managing partners for the program, and have the responsibility for general program management and funding. Participating partners are Federal, state, tribal and community governments who have formal authorities and responsibilities for the forests, watersheds, communities, people etc. Participating community groups and individuals are the critical stakeholders who have explicit interest in the public lands, and related goals of protection, management and use.

The lead partners are seeking the advise and assistance of expert organizations, such as the U.S. Institute for Environmental Conflict Resolution to help design a sound structure and program to achieve partnership objectives.

County and Federal agencies have wide ranging authorities that permit joint cooperation on budgets and programs. Additional agreements are necessary for the collaboration, science, economic development, information and education and other programs required to implement the extensive forest watershed restoration efforts. Additional base funding for the participating forests and counties is necessary to reach proposed goals.

The partners and stakeholders have endorsed a restoration program approach that will not require changes in existing law, and that can be initiated under current Forest Plans. We would like to explore ways of expediting NEPA and ESA requirements, while fully meeting the intent of these laws. The Pilot Forest presents an excellent arena to test and streamline administrative procedure. Definition of mission, goals, structure, and restoration programs are contained in our formal CPR documents. The Pilot Forest Concept would allow local governments to act as conveners, while leaving the decisions to the responsible line officers of the three National Forests

What are our accomplishments to date: The CPR communities have been very active for the past 2-5 years supporting many collaborative programs on forest restoration science, restoration workshops, and watershed restoration demonstration programs. For the past year the communities have been developing an extensive collaborative process to design the CPR Program for the three Pilot Forests and 17 county area. The three Forest CPR Program has involved over 200 local stakeholders in the approach. State legislatures, governors, congressional delegations, and critical Federal, state, tribal and local government agencies have endorsed the program. The U.S. Fish and Wildlife Service is a critical cooperator in our program. The CPR community groups are aggressively pursuing extensive cooperation and funding for needed collaboration, science, economic development, information and education and site restoration programs.

How do we define a Charter/Pilot Forest: Our example of a Pilot Forest and its structure is primarily based on the specific desires of our stakeholders and restoration needs of our forests. We feel the Committee and Secretary should examine and hopefully implement several models.

We do feel several criteria are important to make the "Pilot" or "Community Based" Forest Concept successful as follows:

1. Strong leadership in all program areas from local community groups and governments.
2. Extensive community collaboration on all program elements.
3. Commitment from local and Federal Governments to short and long term program accomplishment.



4. A commitment to use science and monitoring to guide an adaptive management process.

What do we believe a Charter/Pilot Forest can accomplish: We are convinced that empowering local communities to have a greater role in public land management will produce wide ranging benefit to natural resources on our public lands and human resources in our local communities. In the case of our CPR Program and with effective funding, we believe we can restore the most at risk acres of the three Pilot Forests over the next ten years.

Do you have reservations about Charter/Pilot Forests: We have no reservations about evaluating differing Charter/Pilot Forest Concepts. The effort is permitting renewed debate on how best to incorporate local communities in public land management direction. We feel this debate is important to the future of public land resources. Concepts that are not effective or acceptable will be revised or rejected by stakeholders. However, effective models will prove to be very beneficial to society.

---

OVERVIEW OF THE NATIONAL FOREST COUNTY PARTNERSHIP RESTORATION (CPR)  
PROGRAM

The National Forest County Partnership Restoration Program is an innovative proposal to restore landscapes and watersheds to more desirable and sustainable conditions on three Pilot Forests; the Apache–Sitgreaves National Forests in Arizona, the Grand Mesa, Uncompahgre and Gunnison National Forests in Colorado and the Lincoln National Forest in New Mexico.

The proposal promotes the co-lead partnership of the above three National Forests and seventeen counties in an effort to represent a diversity of landscapes, communities and issues, and to allow for a more thorough evaluation of the approach. Pilot designation will provide the flexibility in funding and authorities needed to support collaborative processes, integrate best available science, and expedite implementation of projects required to address the complexity of issues faced by forests and communities. The current planning and public involvement approaches are not addressing the complex and dynamic interrelationships between public lands and communities. Therefore, this project advocates a multidimensional, systematic approach.

The National Forest County Partnership Restoration Program has been developed in response to the growing interest of local governments to be more meaningfully involved in defining future landscape conditions and appropriate actions to achieve desired outcomes. This proposal will address ecosystem decline, threats from wildfire and other factors contributing to ecological, social and economic impacts within the three Forests and surrounding areas.

A community based collaborative process will be utilized to engage interested stakeholders including local, county and tribal representatives, and interest groups, as well as the Forest Service. This process will facilitate dialogue about the complex interrelationships between public land management and community sustainability. Critical linkages between natural resources and community values will be identified.

Historic, current and possible future landscape conditions will be described in a setting that promotes mutual learning and understanding. The collaborative effort will identify a range of desirable, feasible and viable management options. Scientific assessments will describe ecological, social and economic components of the landscapes. Outcomes of the collaborative process will be integrated with the scientific assessments to formulate proposed actions that will be analyzed in full compliance with NEPA and other laws.

The proposal responds to growing concerns of Congress, land managers, scientists, local communities and other stakeholders about the ecological decline on National Forests and the corresponding effects on local communities. The project's overarching objective is to improve the ecological, social and economic conditions in watersheds, landscapes and communities through an effective process that produces results on the ground.

---

NATIONAL FOREST COUNTY PARTNERSHIP RESTORATION PROGRAM

THE ISSUE

Since mid-century, forest specialists have noted the increasing departure of resources on western forest watersheds from normal ranges of variation. The dimensions of this extensive threat to western forest ecosystems is chronicled in the 1999 GAO Report, RC ED-99-65, A Cohesive Strategy to Address Catastrophic Wildfire, Threats and the Ten-Year Comprehensive Strategy.

Science and management assessments have documented the extent and nature of impacts of resource departures on both biological and social systems. They have proposed methodologies for restoring forest watersheds, ecosystems and communities to healthy ranges of stability, productivity and diversity. Science and management demonstration programs for evaluating restoration methods have also been accomplished successfully in many locations.

To date, the above programs have usually occurred on relatively small acreages of a single management unit of a single agency, preventing development of scientific, management and policy principles relative to large, multiple ownership forest landscapes. Many of these efforts have involved the cooperation of Federal, state and local agencies and interest groups, but they have not adequately tested the full dimension of local leadership and stewardship requirements, or succeeded in presenting opportunities needed for new Federal/local partnerships.

The U.S. Congress called for progressive new Federal agency/local government forest restoration partnership programs, defined in the Fiscal Year 2001 Interior and Related Agencies Appropriations Act (P.L. 106-291) as follows:

“The managers are very concerned that the agencies need to work closely with the affected states, including Governors, county officials and other citizens. Successful implementation of this program will require close collaboration among citizens and governments at all levels. The managers direct the Secretaries to engage governments in a collaborative structure to cooperatively develop a coordinated National ten-year comprehensive strategy with the States as full partners in the planning, decision-making, and implementation of the plan. Key decisions should be made at local levels.”

The Western Governors’ Association, with strong county leadership, has provided continued national input on these and other western forest health issues. In August 2001, its membership submitted a ten-year comprehensive plan to the President: “A Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment.”

Many members of Congress, including Senators Jon Kyl of Arizona and Pete Domenici of New Mexico, have supported increased science and management funding to aid in fire suppression and restoration programs, including the National Fire Plan. Also, Congressmen Scott McInnis of Colorado and Tom Udall of New Mexico have requested the U.S. Forest Service develop innovative Federal agency/local community partnerships, to insure effective and efficient resolve to issues such as forest restoration.

County leadership on western public lands health and safety issues has become more prominent, especially in the last five years. In several states, counties have been working closely with interested publics and the Forest Service to develop a new collaborative partnership model to respond to the above congressional requests.

This model “The National Forest County Partnership Restoration Program” proposes that a strong co-lead partnership of western counties and public land management agencies would afford several advantages in addressing the issue of forest restoration.

- Whereas Federal, state and tribal land management agencies have responsibility for natural resource protection and management, counties are mandated to assure that the protection, health, safety, and welfare of its citizens and their properties are met at the local level.
- County governments and programs are directed by elected officials, and are committed to serve all interests equally.
- County governments operate at a localized project scale, which is most compatible with public land project administration on ranger districts, resource areas, etc.
- Counties have extensive program responsibilities and authorities that permit them to be an effective contributing partner to most needs of Federal agencies.
- County governments, like their Federal agency counterparts, are established to serve the needs of U.S. Citizens in perpetuity.
- Where counties have taken a leadership role as active partners with Federal agencies, they have found their leadership very supportive in the following areas.
  - \* Bringing together diverse parties from agencies and local communities to define issues, opportunities and concerns regarding public land management direction.
  - \* Mediating disputes over alternative management directions and/or options advanced by interested publics.
  - \* Supporting funding needs of public agencies on critical natural resource issues.

- \* Blending important local economic and social needs and capabilities into the natural resource management direction.
- \* Providing local community partner services to public agency programs.

#### NATIONAL FOREST COUNTY PARTNERSHIP RESTORATION PROGRAMS FOR THE APACHE-SITGREAVES, GMUG, AND LINCOLN NATIONAL FORESTS

As noted, county governments and associated National Forests in Arizona, Colorado and New Mexico have for several years pursued progressive demonstration programs for forest restoration and fire risk reduction. These programs have included collaboration of Federal, state and local agencies, local communities, Tribal Nations, universities, other interested groups and individuals.

Examples of collaborative programs in Arizona and New Mexico are the Apache-Sitgreaves NF Blue Ridge Restoration Program and the Lincoln NF Pilot Forest Restoration Program. Working with their respective forests, community leaders have pioneered unique programs on forest restoration.

Progressive new restoration program approaches are also being developed for the Uncompahgre Plateau area of the Grand Mesa, Uncompahgre and Gunnison (GMUG) National Forests in Colorado. Established from local community leadership, a Public Lands Partnership (PLP) is utilizing collaborative processes to advance improvements in forest restoration over multiple public land ownerships.

Local community leaders and forest managers in the above three National Forest areas wish to embark on collaborative programs to meet the challenges of forest restoration of large multiple ownership public lands, across multiple counties. These efforts, when joined, create a powerful partnership strategy. This strategy can foster development of new approaches to forest restoration management as well as land management planning, and effectively transfer these advances to other land areas in the west.

Each of the above programs has several unique qualities that are critical to moving them to a multi-county National Forest landscape.

- Each National Forest and adjacent public lands are plagued with ongoing fire and insect and disease impacts. Current science evaluations reveal that over 60% of pine and mixed conifer stands on the Lincoln and Apache-Sitgreaves National Forests are in moderate to high risk conditions, and wildfire threats are at high risk levels across the forests. A 2002 overview assessment of Colorado forest conditions reveal extensive degradation. Studies of forest conditions on the GMUG National Forests are currently underway.
- Each National Forest area has county officials and community leaders committed to implement and sustain support for large area restoration programs. This collaboration involves tribal, Federal, state, county and local government leaders; industry, agriculture, university and environmental interests; and a diversity of private interests.
- Local leaders and forest staff have experience with diverse entities working together to both plan and implement urban-interface and wildland forest restoration demonstration programs.

Each of the above collaborative programs has also addressed specific needs for a forest level effort, as follows:

- \* Scientific assessments of forest reference conditions and requirements for restoration, i.e., restoration alternatives, environmental assessments, socio-economic impacts, treatment prescriptions, etc., and, adaptive management approaches using science to accelerate application of new knowledge.
- \* Design of landscape level restoration programs to insure improvements in watershed health and ecosystem sustainability.
- \* Development of forest based industry programs to accommodate small diameter low quality trees, and associated restoration materials.

County governments, U.S. Forest Service managers, community leaders, universities and interested publics involved with the above Forest, are committed to establishing the proposed National Forest County Partnership Restoration (CPR) Program, specifically designed to advance forest restoration needs in the southwest and intermountain west regions.

The partnership is proposed to be led by the following counties and forests: In Arizona Apache, Gila, Graham, Greenlee, and Navajo Counties and the Apache-Sitgreaves National Forests; in Colorado; Delta, Gunnison, Hinsdale, Mesa, Montrose, Ouray, Saguache, and San Miguel Counties and the GMUG National Forests; and in New Mexico; Chaves, Eddy, Lincoln, and Otero Counties and the Lincoln National Forest.

GUIDING PROTOCOL FOR PROPOSED NATIONAL FOREST CPR PROGRAMS  
FOR WESTERN PUBLIC LANDS

The attached Addendum A provides program overviews of the three individual Forests that form the core of this National Forest County Partnership Restoration Program. Collaboration will expand to other Federal, state and tribal land areas as the program advances.

The collaborators see significant benefit in strong interaction of the three forest area groups. Close interaction on all programs can advance community planning, technical and scientific forest management techniques, restoration practices, data management and analysis, emergency readiness, technology transfer, budget support, etc.

The involved county leadership, participants and three forest management teams feel the following protocols are important for program success.

- Two sets of co-lead partners are recognized as managing partners. They include representatives from 17 county governments and three National Forests. These managing partners have the responsibility to develop, manage and maintain the National Forest CPR Program, including funding requirements.
- Involvement of many other partners is necessary, most specifically Federal, tribal and state agencies with natural resource management and regulatory authorities and responsibilities. They are critical "participating partners" in developing and implementing the diverse and complex restoration projects.
- The partners must plan effective collaborative programs so that community leaders and all interested groups can assist in both developing and recommending alternative approaches.
- The three National Forest/multi-county program is directed by a designated county/forest management team to assure program support and appropriate administration. Three representatives from county government (one from each state) and three representatives from the Pilot National Forests (one from each forest) will comprise the team. The team will appoint an Executive Secretary for program coordination.
- County governments will provide leadership to develop new collaborative approaches which assure broad participation of interested parties, and establish focus groups and other approaches for identification of local issues, opportunities and concerns. They will also provide support to mitigate conflicts, streamline needed local government compliance review and cooperation, develop industry infrastructure, develop science and monitoring methods, and sustain financial and other support to forest restoration programs, local governance and community management needs.
- The National Forests will execute their mission and remain responsible for management actions on Federal land. Adoption of the collaborative learning process (Daniels and Walker), or similar mechanisms will build understanding of commitment to and improvement of ecosystems by benefitting from a systems management approach on National Forests.
- The process and programs will follow all natural resource and other laws governing access, equal rights, custom and culture, environmental protection, safety, health and welfare, etc. This includes embracing public land policies of multiple use forest management and sustainable management. Ecosystem restoration will be implemented to improve biophysical and socioeconomic systems in balance, and outcome opportunities are to be directed to all resources and resource users.
- Forest restoration programs will be used, as appropriate, to enhance all ongoing forest programs, such as transportation, recreation, T&E species protection, water, wood fiber products, grazing, etc. Program focus includes reestablishing the diversity, productivity and stability of watershed ecosystems and rural socioeconomic systems. Forest restoration will blend into ongoing programs and not distort or divert these programs.
- Aggressive site and landscape forest restoration will be implemented using state-of-the-art science and best management practices i.e., within site capability, forest plan direction, desired conditions, natural range of resource variability, etc. Establishment of reference conditions is a prerequisite to the restoration process. Adaptive management is used to accelerate the application of new knowledge.
- Monitoring of biophysical and socioeconomic processes and multiresource status will use cost effective methods.
- Improving and developing sustainable natural resource based economic infrastructure is a critical goal, including wood product, recreation, ranching, agri-

culture, and other related industries. Social and economic approaches should support existing custom and culture.

- Engaging existing and new forest based industry in the collaborative process is to be given special emphasis in this program. In all practical cases, some portion of restoration costs are to be mitigated by private utilization of marketable products.
- The three forest area County Partnership Restoration Program will develop and manage an information, education and technology transfer program to assure exchange of all developed information to public land managers in the greater southwest (i.e., Texas, Oklahoma, Colorado, Utah, Nevada, Arizona and New Mexico). A goal of this program is to develop a successful model that can be transferred to other forest and county partnerships.

**SCHEDULE AND RESOURCE REQUIREMENTS**

The overall purpose of the Program is to implement, at an operational landscape scale, forest management activities that accomplish effective restoration of at risk watersheds on the three National Forests. Further, the program is designed to accomplish its objectives while transferring portions of annual program costs from the public sector to the private sector through product development. Currently insufficient markets exist for developed restoration materials. The program is designed to develop appropriate industry and markets, so that by year 6 a large portion of restoration costs are borne through the sale of developed restoration materials.

*Schedule*

The program schedule has three critical phases for each forest as presented in the following tableau.

ACTIVITIES TIMELINE

	YEARS 1-3	YEARS 4-6	YEARS 6-10
PHASE I	Complete restoration plan and collaboration. Start science based treatments and monitoring. Start product and industry development.		
PHASE II		Revise restoration treatments using science and management analysis. Establish needed industry components. Establish technology transfer.	
PHASE III			Refine proposed restoration models. Refine administrative study /monitoring model. Transfer models to other forest areas.

It is critical that the program partners, and community leaders and interested publics, develop in phase I effective restoration plans that can restore all at risk watersheds over the 10 years of the program. Science and landscape assessments on the Lincoln and Apache-Sitgreaves National Forests indicate 15,000 to 30,000 acres will have to be restored each year to address forest areas of greatest risk. Studies are still in progress on the GMUG National Forests to help identify needed restoration.

The effort must be guided by best science and management practices established in phase I, as well as ongoing administrative studies and monitoring. Market and industry development is necessary in phase I to permit utilization of restoration materials from the program. This effort will shift some portions of the restoration costs from the taxpayer to consumers of wood based products.

*Budget Requirement*

Activities in the three program phases also guide budget requirements. In phase I annual supplemental budget requirements per forest are expected to be \$1 million

in year 1, \$3.5 to 5 million per forest in years 2–5, with declining budget needs in years 6–10.

To start the program in Fiscal Year 2002, \$1 million per forest is requested by the partner Forests and Counties. These funds will be used by the Forests and Counties to design restoration plans, initiate the collaboration process, and conduct NEPA analysis and implement field treatments. Each Forest will have differing needs and expenditures.

Table 1 presents projected annual budget allocations across general program categories for years 2–5. Actual proposed annual budget allocations for each Forest/County Pilot Program will be developed in each forest restoration plan. The total three forest CPR program supplemental budget is expected to average \$12–\$15 million per year in years 2–5.

**TABLE 1: EXPECTED BUDGET ALLOCATIONS ACROSS CATAGORIES FOR THE THREE NATIONAL FOREST CPR PROGRAM**

Budget Categories	% Allocation of Annual Budgets
Administration and Planning (Forests and Counties)	5%
Collaboration and Outreach (Counties and Forests)	15%
Science and Monitoring (Counties and Forests)	10%
Restoration Treatments (Forests and Counties)	50%
Information and Education, Technology Transfer (Forests and Counties)	10%
Develop Restoration Industry Components (Counties and Forests)	10%
TOTAL	100%

#### ADDENDUM A

##### PILOT FOREST DESCRIPTIONS

##### LINCOLN NATIONAL FOREST

##### APACHE–SITGREAVES NATIONAL FORESTS

##### GRAND MESA, UNCOMPAHGRE AND GUNNISON NATIONAL FORESTS

##### COUNTY PARTNERSHIP RESTORATION:

##### LINCOLN NATIONAL FOREST, NM

###### *Pilot Restoration Forest Area:*

Lincoln National Forest, BLM, Mescalero Apache and private lands; southeast New Mexico area. Forest vegetation; mixed conifer, pine, pinyon-juniper, desert shrub.

###### *County Partners:*

Chaves, Eddy, Lincoln, Otero, and Counties.

###### *Administration:*

1.1 million acres; three districts.

###### *Primary Uses:*

Water, ranching, recreation, energy, wood products, snow skiing.

###### *Forest Issues:*

- Over 60% of forest watersheds degraded.
- 1994/2000 fires caused severe impacts to natural resources and social infrastructure.
- On and offsite water in significant decline. Seeps, springs, instream flows degraded.
- Understory flora and fauna diversity at low level

*Proposed Programs:*

Collaborators propose 10 year two phase program. Phase I includes restoration of 150,000 acre Rio Penesco Demonstration Watershed, Sacramento District, as well as other selected high risk areas on both public and private lands (2002/04). Phase II includes extensive restoration of Forest Service and other public and private lands on and adjacent to the Sacramento, Ruidoso and Guadalupe Districts (2005–2013). Area priorities to be established based on fire threats to health and safety of population, community threats and watershed resource threat. Both phases will incorporate aggressive technology transfer programs.

*Leadership & Collaboration*

- Counties and a broad base of local community representatives have developed support restoration programs in science, information and education, planning, industry development etc.
- Counties and community leaders have developed collaborative restoration programs with Federal agencies, i.e., USFS, NRCS, BOR, USF&WS, BLM; NM agencies for forestry, water, minerals & energy, and wildlife; local communities; local and regional interest groups; and the general public.
- Counties have provided leadership and support in developing the Lincoln Pilot Forest Restoration Program.
- Long term commitments are extended by the counties to provide leadership to the three forest County Partnership Restoration Program and the Lincoln Pilot Forest Restoration Program.

*Accomplishments:*

- County leadership has helped organize the broad based collaborative group, Lincoln Forest Restoration Partnership.
- Collaborative groups have developed over one million dollars in funding for research, information and education, forest restoration, social impact assessments and forest industry development.
- Critical science needs including forest reference conditions, restoration prescriptions, social impact assessments, etc. have been funded by community leaders and conducted in cooperation with the USFS.
- County leaders and cooperators have worked with counterparts in AZ and CO in development of the National Forest County Partnership Program.

*Schedule:*

Proposed Phase I and II restoration programs are as follows:

Phase I: Restoration of the 150,000 acre Rio Penesco Watershed and related at risk public and private lands.

- Assessments/Planning/NEPA—2002–2003
- Treatments—2002–2005
- Monitoring & Adaptive Mgt.—2003–2005
- Technology Transfer—2003–2005

Phase II: Restoration of at risk public and private lands associated with three districts of Lincoln National Forest.

- Assessments/Planning/NEPA—2003–2013
- Treatments—2004–2013
- Monitoring—2004–2013
- Technology Transfer—2004–2013

*Requirements:*

Three areas of program need are as follows:

- Variance on established program objectives to accommodate new restoration program.
- Administrative variance in areas of budget expenditures, NEPA process, cooperative programs, etc.
- Annual budget increases of \$3.5–5.0 million to accomplish restoration and technology transfer programs.
- \$1 million in Fiscal Year 2002 is needed to start the program.

COUNTY PARTNERSHIP RESTORATION:

APACHE–SITGREAVES NATIONAL FORESTS, AZ

*Pilot Restoration Forest Area:*

Apache–Sitgreaves National Forests and other adjacent land ownership in eastern Arizona and western New Mexico. Forest vegetation; pine, spruce/fir, mixed conifer, pinyon-juniper, desert shrub.

*Administration:*

2.0 million acres; five districts;

*County Partners:*

Apache, Gila, Graham, Greenlee, and Navajo Counties.

*Primary Uses:*

Water, recreation, wood products, fish and wildlife, ranching, cultural resources.

*Forest Issues:*

- 60% of forest at high risk of loss to insect and disease and wildfire. Significant urban interface risk.
- High biophysical and social resource losses to wildfire.
- Significant wildlife impacts from overstory density and low understory plant productivity.
- Decline of on and off-site water resource.

*Local Leadership and Collaboration:*

- County partners, with the Eastern Arizona Counties Organization (ECO), the Natural Resource Working Group and other local community groups have provided strong leadership in developing collaborative restoration programs..
- NRWG and other community groups represent broad based groups that include; Federal, state, local and tribal government; industry, environmental, and agricultural interests; university, community, rural, and private groups.
- NRWG and other community groups have accomplished research, information and education, and management demonstration programs on restoration over the last five years.
- The County partners, with ECO, have committed to a long-term effort on the National Forest County Partnership Restoration Program.

*Accomplishments:*

- County partners and the Eastern Arizona Counties Organization (ECO) have provided leadership to develop collaborative groups to support forest restoration, including the Natural Resource Working Group (NRWG), and biomass working groups in various communities.
- The Natural Resource Working Group, a broad based natural resources action organization has operated restoration programs since 1997, under a cooperative agreement signed by 10 Federal and state natural resource agencies, and the county partners.
- The NRWG and ECO have developed over \$2.5 million in funds for restoration science, information and education, demonstration and management programs.

*Proposed Programs:*

The collaborators propose a ten year restoration program with three program thrusts operated concurrently. One involves urban interface restoration programs of 10,000 acres per year. The second thrust is a 20,000 acre per year wildland restoration program. A third thrust is a three forest collaborative information and education and technology transfer program.

*Schedule:*

Critical elements of the three program thrusts are active from 2002–2013 as follows:

- Assessments, Planning, NEPA—2002–2013
- Treatments—2002–2013
- Monitoring and Adaptive Management—2002–2013
- Technology Transfer—2002–2013

*Requirements:*

The proposed programs will have many requirements for success as follow:

- \$1 million in supplemental funds is needed in Fiscal Year 2002 to start the program.
- A restoration program funding allocation of \$3.5 to \$5.0 million per year to accommodate primarily on the ground restoration of 15,000-30,000 acres, information and education and technology transfer programs.
- Some variance on other annual program targets may be necessary
- Administrative variance in key areas of budgeting constraints, collaborative programming, NEPA processes, etc.



## COUNTY PARTNERSHIP RESTORATION: GMUG NATIONAL FORESTS, COLORADO

*Forest Area:*

Grand Mesa, Uncompahgre, Gunnison National Forests (GMUG) and adjoining areas, comprise 2.9 million acres, and five Ranger Districts, with extensive inter-agency cooperative programs. The Forests influence 11,000 square miles, 8 counties, and 57 communities with a population over 203,000.

*County Partners:*

Delta, Gunnison, Hinsdale, Mesa, Montrose, Ouray, San Miguel, and Saguache Counties.

*Vegetation:*

The Forests encompass a broad range of elevational gradients and ecological types from high cold desert shrub to alpine tundra. Most major Rocky Mountain vegetation types are represented in the geographic area, including extensive riparian zones.

*Primary Uses:*

The Forests provide year-round recreation, livestock grazing, timber production, wildlife and fisheries, and water and energy development.

*Forest Issues:*

- Increased tree densities and associated impacts to the understory vegetation results in declining forest health.
- Extraordinarily high fuel loads and wildfire risk.
- Severe woodland and shrub encroachment and noxious weed invasion.
- Decline in mule deer population.
- Increasing insect and disease and wildfire threats.
- Declining watershed conditions and water yields within five major basins.
- Negative social and economic effects on communities related to unpredictable flows in forest resources.
- There is a need for integrated landscape-level analysis and complementary management across mixed land ownership.

*Local Leadership and Collaboration:*

- The GMUG NFs have active partnerships with diverse stakeholder groups across the eight-county Forest area currently working on public land issues as they relate to local communities.
- Examples of these diverse collaborative working groups include: the San Miguel Watershed Coalition; the Uncompahgre Plateau Project in coordination with Public Lands Partnership; the Gunnison Stakeholders Group on travel management; and the North Fork Coal Working Group.
- Participants in the collaborative efforts include: related USDA (NRCS, USFS) and USDI (BLM) agencies; state agencies, including Colorado State Forest Service and Colorado Division of Wildlife; eight counties; local communities; and, special interest groups, such as environmental, industry, and agricultural groups, among others.
- These collaborative efforts have led to several inclusive partnerships such as the 1.6 million acre Uncompahgre Plateau Project which involves such diverse stakeholders as BLM, Forest Service, Colorado Division of Wildlife, and the Public Lands Partnership.
- The Forest has developed an innovative, community-based collaborative process, in five geographic areas of the Forest, where stakeholders will meet in Landscape Working Groups to identify a range of desirable, feasible and viable alternatives for the Forest Plan Revision process.
- Information from these place-based collaborative working groups will be integrated with Landscape Assessments to help guide future project development as well as programmatic direction for the Forest.

*Program Objectives:*

- Provide leadership to integrate collaborative restoration management approaches that address issues at watershed and landscape levels across multiple land ownerships.
- Expedite implementation of projects that incorporate new science and information, including landscape assessment findings, advanced technology and collaborative process outcomes.
- Improve the efficiency of the Forest Plan Revision process through the use of Landscape Working Groups and Landscape Assessments.

- Streamline NEPA documentation to allow for expedited implementation of restoration projects.
- Adapt management in response to cost effective monitoring results.
- Utilize priority recommendations from the landscape assessments to guide planning for broad scale treatments that permit transfer of technology, information, and processes to other Forest units.

*Schedule:*

The schedule for the phased programs over a 10-year period, 2002–2013, is as follows:

- Landscape assessments for the five discrete geographic areas on the Forest—2002–2004
- Community-based collaborative Landscape Working Groups to provide input for restoration projects and the Forest Plan Revision—2002–2004
- Forest Plan Revision—2002–2005
- Project/NEPA/community-based collaboration—2002–2013
- Project implementation—2002–2013
- Monitoring/information and education programs—2003–2013

*Requirements:*

This extensive effort requires supplementary funding and flexible authorities.

- At least \$1 million of carry-over funds are needed in Fiscal Year 2002 to initiate program.
- It is estimated that a supplemental \$3.5 to \$5.0 million will be required annually to accommodate the program.
- Flexibility in authorities for administration, processes, procedures and budgeting is necessary for program implementation.
- Integrate this program with economic development efforts that are examining opportunities to develop a more diverse wood products industry that includes: efficient small-diameter utilization; co-generation; and, advanced uses of wood fiber and wood residue.

---

Mr. DUNCAN. [Presiding.] Thank you very much, Mr. Garrett. Next, we will hear from Mr. O'Toole.

**STATEMENT OF RANDAL O'TOOLE, SENIOR ECONOMIST,  
THE THOREAU INSTITUTE**

Mr. O'TOOLE. Thank you, Mr. Chairman.

Mr. Chairman, 50 years ago, the Forest Service was widely considered to be an excellent organization. Not only did it make a profit, but Newsweek magazine observed that the Forest Service was so popular that Members of Congress would rather abuse their own mothers than say anything bad about the Forest Service. Newsweek magazine attributed the Forest Service's success to the fact that it was heavily decentralized.

So what has happened between then and now? Well, tracing back, looking at the history of the Forest Service, we can see that incentives built into the Forest Service budget encouraged forest managers to lose money on timber and other resources rather than make money. It encouraged forest managers to clearcut when other cutting methods would have done just as well and would not have been as politically unpopular. And these budgetary incentives encouraged the Forest Service to build expensive, high-standard roads that had high environmental impacts, rather than use inexpensive, low-impact roads.

These kinds of problems—clearcutting, expensive roads, and below-cost timber sales—led Congress to pass the Resources Planning Act and the National Forests Management Act to find a way to resolve these kinds of disputes.

Unfortunately, these laws merely created even more incentives for members of the public to polarize over national forest issues. Well, in 1997—with the help of Doug Crandall, who at the time was working with the American Forest and Paper Association, and Andy Stahl, who still is working with the Forest Service Employees for Environmental Ethics—I pulled together about two dozen environmentalists, industry leaders, Forest Service officials, and other forest experts, in a group that called itself the Forest Options Group.

This group agreed that the Forest Service today is broken, but we could not quite agree on how to fix it. There were a lot of proposals on the table. We had decided the best way to find out which way to fix the Forest Service was to experiment with some of these proposals.

Now, the group's 1999 report is called "The Second Century Report." I have copies that I can provide you, if you would like copies. There are copies also available online at [www.ti.org/2c.html](http://www.ti.org/2c.html).

Now, the group decided to experiment with some of these ideas, and we feel it is appropriate to experiment. Some people have suggested that we should not experiment with national forest resources, but in fact we have been experimenting for 100 years with these national forests, experimenting with scientific management, experimenting with land-use planning, experimenting with management by court order. And these experiments have all largely failed, in most people's opinions.

So what kinds of experiments did the Forest Options Group want to do? Well, we, first of all, agreed that we needed to get back to a decentralized system. But I want to distinguish between decentralization and local control. None of the people in the Forest Options Group advocated local control in the sense of turning forests over to local interests. Instead, we advocated decentralization in the sense that on-the-ground decisions must be made in response to on-the-ground conditions, not in response to whims that happen inside the Beltway, which might be thousands of miles from the national forests.

So decentralization was No. 1. But beyond that, we felt that we needed new methods of governance to overcome the polarization problems, and new methods of public involvement. And second, we needed new methods of budgeting that gave the forest managers different incentives. Instead of incentives to lose money and clearcut, they should have incentives to make money and to take a wide variety of resources into account.

So we talked about collaborative management, about which several other speakers have testified. But we also talked about two other fundamental ideas that should be experimented with.

First of all, self-funding, funding forests out of their own revenues, rather than out of appropriations. Self-funding would give forest managers a completely different set of incentives, including incentives to not sell timber when it loses money or other resources when they lose money, and to consider the values of other resources that are marketed—recreation, wildlife, even water can be marketed on some national forests.

A second idea that we considered was trusts. And I want to emphasize that we were talking about fiduciary trusts. A fiduciary

trust is a legal structure in the common law that is different than other people have talked about.

For example, the Valles Caldera Trust and Presidio Trust are not true fiduciary trusts. In order to have a fiduciary trust, you need to have a beneficiary and you need to have other certain legal requirements. Neither the Valles Caldera Trust nor the Presidio Trust have a beneficiary, so they are not true fiduciary trusts.

Once you have a true fiduciary trust, you have a completely different institutional structure and completely different legal standards that alter the incentives facing forest managers and also alter the incentives facing forest users, and hopefully it will help bring people together.

Now, Dr. Sally Fairfax was on the Forest Options Group, and she helped us put together the idea of trusts, and she has also worked with me on another idea that we have developed since the Forest Options Group, and this is a friends of the forest idea. It is a new avenue of public involvement. Instead of being involved by writing letters to your national forest in response to an environmental impact statement, you would get involved by joining the "Friends of the Grand Mesa Forest" or the "Friends of the Bitterroot National Forest" or whatever forest.

Members of the friends of the forest would have a say in how the forest was managed. They would get to vote for some of the members of the board of trustees of that national forest, first of all. Second, they would monitor the forests, and each year publish a monitoring report on how well the forest is doing. And third, if they felt that the charter forest for that particular forest plan was not working, they could vote to terminate the forest and tell Congress, "This is not working. Let's just pull the plug and go back to the old way."

So the friends of forest provides people with a new way of participating in forest management that we do not see today.

In conclusion, I would like to say that I am sympathetic to some of the objections raised by Mr. Anderson of The Wilderness Society. There are potential hazards. It is significant that Mr. Anderson did not criticize any of the proposals raised by the Forest Options Group, because we feel that our proposals have overcome these hazards. We have put enough safeguards in to protect the national forests even as we try new ways of governance and budgeting. And I think Congress should encourage these new methods.

Thank you very much.

[The prepared statement of Mr. O'Toole follows:]

**Statement of Randal O'Toole, Senior Economist, The Thoreau Institute**

For more than thirty years, national forest management has been a source of controversy and community strife. Environmentalists have focused on clearcutting, below-cost timber sales, overgrazing, and road construction as causes of problems with fish and wildlife, water quality, recreation, and aesthetics. Resource users have focused on commodity outputs, forest health, community stability, and fire control problems.

In 1997 I helped to bring together nearly two-dozen environmentalists, resource users, Forest Service officials, and forest experts to find a way to resolve these problems. The Forest Options Group, as the group called itself, agreed that national forest controversies stemmed from a variety of sources and noted that several solutions have been proposed to address these problems.

The only way to find the correct solution or combination of solutions, the group agreed, was to test the proposals on selected national forests. In its 1999 final report, the Forest Options Group proposed testing various reforms on selected pilot

forests on one or two forests each. The group's entire report can be read at <http://www.ti.org/2c.html>.

Since the Bush administration endorsed the idea of pilot charter forests last February, most people have used the term charter forests. My testimony will use pilot forests and charter forests interchangeably.

The Forest Options Group proposed five pilot proposals, but the group recognized that many variations are possible. The details of the five pilots are less important than the fundamental elements that went into those pilots.

Collaborative management is one of those fundamental elements, and two of the five Forest Options Group pilots proposed to test variations of collaborative governance. But the group also urged that two other important ideas be tested: self-funding and trusts.

Self-funding is based on research that I and other people did in the 1980s. My 1988 book, *Reforming the Forest Service*, shows that most if not all national forest controversies result from the incentives that face forest managers and users. Most of these incentives are derived from the Forest Service budgetary process.

For example, the Knutson-Vandenberg (K-V) Act is a well-intentioned law that allows national forest managers to keep an unlimited share of timber receipts to spend on reforestation and, after 1976, other sale area improvements. This law has the unfortunate effect of rewarding forest managers who lose money on timber sales. It also promotes clearcutting when other cutting methods may be as effective and, from an aesthetic viewpoint, far superior.

The law works this way. Sale preparation and road engineering costs are paid out of appropriations. In the 1980s these costs averaged about \$50 per thousand board feet. If the Forest Service sold a timber sale for, say, \$100 per thousand board feet, it would appear to earn a \$50 profit per thousand.

In fact, managers can keep as much of the receipts as they need for reforestation and other activities, while the Treasury gets whatever revenues are left over. Managers soon come to regard any revenues turned over to the Treasury as losses because they lose control of those funds. So they arrange timber sales to maximize their budgets and minimize returns to the Treasury. This means that the Treasury often gets far less than the \$50 per thousand it put up for the sale.

The fact that the Washington, regional, and supervisors offices all get a share of K-V funds for overhead gives every level of the Forest Service hierarchy an incentive to lose money. Since Congress expanded the use of K-V funds to include wildlife, recreation, and other resources, non-timber resource experts bought into the K-V process in order to get funds for their activities. This resulted in a loss of critical perspective over timber sale design.

For example, the K-V process favors clearcutting over other cutting methods because clearcutting imposes higher reforestation costs than shelterwood or selection cutting. A few forest types such as lodgepole pine do well with clearcutting. But most forest types, including Douglas-fir and ponderosa pine, would do just as well if not better with other cutting methods.

In 1950, most national forests were proud that they did not use clearcutting because of its aesthetic and environmental costs. But by 1970 the K-V fund had pushed most forests to adopt clearcutting as their major harvest method. The subsequent debate over clearcutting led Congress to pass RPA and NFMA.

The K-V fund also influenced the debate over roads and roadless areas. While wilderness users regarded roads as an irreversible destruction of the resources they valued most, the Forest Service hastened to build roads as fast as possible because it feared that it would lose the option to earn K-V funds in the roadless areas. In effect, the K-V fund produced a strong bias in favor of overcutting and against any resource that conflicted with timber.

The K-V fund is less important today because of lower timber sale levels, but the law is still on the books and this fund and other funds like it (salvage sale fund, brush disposal fund, road maintenance fund) still contribute more than \$200 million a year to national forest budgets. This gives environmentalists good reasons to distrust any Forest Service pronouncements about the need to cut trees for forest health or any other purposes.

Another perverse incentive comes from a law that has been repealed; yet it still influences national forest management. In 1908, Congress created the emergency fire suppression fund, which essentially gave the Forest Service a blank check for putting out wildfires. Wildfire expert Stephen Pyne writes that this fund "gave the Forest Service power, and this power subtly corrupted the Forest Service." The 1920s and 1930s saw a vigorous debate both inside and outside the Forest Service over the value of prescribed burning and of letting natural wildfires burn in remote areas. As described in Ashley Schiff's 1961 book, *Fire and Water*, the fire suppres-

sion fund so biased the Forest Service against prescribed fire that it distorted its research results to support its view.

Given unlimited funds, the Service set a goal of suppressing every fire by 10 am after the fire is detected. The agency often spent enormous resources and risked the lives of many firefighters to fight fires that, in retrospect, not only would have done little damage but would have maintained and improved forest health.

Meanwhile, the agency campaigned hard against prescribed burning on private lands, often calling the people who did such burning “vandals.” Today, we call them “ecosystem managers” or “forest health specialists.”

Congress repealed the emergency fire suppression fund in the 1980s, but it still reimburses the Forest Service after an expensive fire season. Although Forest Service officials today all agree that fires are a natural part of many forest ecosystems and that fire suppression has led to a decline in forest health, the agency still has an out-by-10 o'clock mentality which contributed to the deaths of four Washington state firefighters who were assigned to put out a fire last summer in an area where planners had said that fires should be allowed to burn.

Based on these and other observations, I concluded in *Reforming the Forest Service* that genuine reforms would happen only when budgetary incentives were changed. The best way to do this is to fund forests out of their own income rather than out of tax dollars. Funding out of fixed share of receipts would discourage below-cost activities and level the playing field between timber and other marketable resources such as recreation, fish and game, and even (depending on local water laws) water quality.

The trust idea is based on research done by Professor Sally Fairfax and her colleagues at the University of California at Berkeley in the 1980s and 1990s. Concerned that the debate over Federal land management focused on an overly narrow range of institutions, Dr. Fairfax studied state lands and found that they were often managed as fiduciary trusts. This structure is very different from the Federal land model and produces a very different set of outcomes.

Many institutions may be called trusts, but they are not true fiduciary trusts unless they include all of the following elements:

- A settlor, i.e., the creator of the trust;
- A trust instrument that expresses the intent or goal of the trust;
- A trust asset that is to be managed to meet the goal of the trust;
- A trust beneficiary; and
- A trustee or trustees.

The Valles Caldera Trust, for example, has no specified beneficiary, and thus the courts would probably not interpret it to be a fiduciary trust. On the other hand, something that has the above elements would probably be interpreted as a trust even if the word “trust” did not appear in its name.

When a trust is established it invokes an enormous range of rules, defined over centuries in British common law and more recently in American common law, codified with some state-by-state variations, and which are enforceable in the courts. Among these rules is the principle of undivided loyalty, that is, that the trustee cannot divert trust resources to anyone but the beneficiary.

The trustee is also held fully accountable for trust management and, in a sort of freedom-of-information act, must make trust records available to the beneficiary. Trust accountability is exactly the opposite of Federal land manager accountability. The Supreme Court gives deference to Federal land managers unless they clearly violate the law. But trust law assumes that trustees will be tempted to better themselves at the expense of beneficiaries and gives deference to beneficiaries who challenge trustee management, not to the trust managers.

This transfer of deference from the managers to the beneficiaries can actually lead to less controversy and litigation as long as trust goals are clearly stated. The trust goal may be to maximize profits, recover an endangered species, or restore an historic site. The clarity of this goal combined with trust accountability should greatly reduce controversy and litigation.

Trust law also requires the trustees of perpetual trusts (as national forests trusts would be) to always preserve the corpus of the trust. This turns out to be a stronger sustained yield requirement than the Federal Multiple-Use Sustained-Yield Act of 1960, which the courts say, “breathes with discretion at every pore.”

Once the trust is created, the settlor no longer has a say in trust management unless the trust instrument specifically provides a way for the settlor to terminate the trust. For national forests, this would depoliticize trust management. But it also means that Congress would need to include a way to terminate trusts if the trusts are deemed unsuccessful. I propose one such method below.

The Forest Options Group developed a pilot forest that creatively uses trust law to manage and protect both marketable resources, such as timber and recreation,

and non-marketable resources, such as many endangered species. The pilot or charter forest would be managed to produce maximum revenues for the beneficiary. To reinforce this goal, the forest would be funded out of its net receipts, thus giving managers an incentive to earn a profit.

The beneficiary would be a second entity, perhaps itself a trust, whose goal is to maximize non-market stewardship values. The non-market trust would use the revenues from the forest trust, plus any other revenues it could produce from, say, foundations and donations, to give forest trust managers an incentive to produce non-market resources.

The non-market trust could, for example, buy conservation easements on the forest or pay the forest to do certain forest health or ecosystem restoration projects. Separating the for-profit forest trust and the non-market trust ensures that trust managers have clear goals and do not face a conflict of interest when deciding how to manage the resources in their care.

Dr. Fairfax and I are also concerned that existing public involvement processes create incentives for polarization. The forest planning process gives interest groups incentives to be as extreme in their views as possible for both fundraising purposes (since any group that fails to be extreme is portrayed as selling out) and to push the apparent center in their direction.

Forest Service managers benefit from this polarization because it gives them maximum discretion to do what they want and still appear to be in the middle. The old saw that “if everyone is unhappy I must be doing something right” simply encourages managers to make everyone unhappy.

Collaborative groups aim to find a method of public involvement that brings people together rather than drives them apart. Other methods of public involvement can also be considered.

User fees provide an alternative form of public involvement. Instead of expressing your preference for a certain form of management by writing letters and filing appeals, you express your preferences by paying fees for the things you like. Anyone who has been to a supermarket lately can see how well this system works in providing an abundant diversity of goods and services.

But user fees may not be entirely satisfactory in national forest management, when many resources are not marketable. To supplement fees, Sally and I have proposed the creation of “friends of the forest” groups for at least some pilot forests. You can find the details of this proposal, which Dr. Fairfax and I developed since the Forest Options Group published its report, at <http://www.free-eco.org/rfp/pdf/SF-ROT-U.pdf>.

Under our friends proposal, a friends of the forest group would monitor the pilot forest. Anyone could join the friends group by paying a nominal annual fee, such as ten or twenty dollars a year, thus insuring that the people who most care about a forest, no matter where they live, would have a say in forest management.

The friends group would also have three important powers. First, it could elect some of the members of the pilot forest board of directors. Other members might be appointed by the secretary of agriculture or the governor of the state in which the forest is located, but having the friends group elect some members would give the directors a perspective that reflects the national, regional, and local interest in that forest.

Second, the friends group would monitor pilot forest performance and publish an annual report on that performance. This would give the forest trustees a special incentive to pay attention to the concerns of the friends group.

Third, if members of the friends group believed that the pilot was failing to do a good job of stewardship, a vote of the majority or supermajority of the group could recommend to Congress that the pilot be terminated. This would provide people with assurance that charter forests will not somehow get out of control.

This would also be an excellent way for Congress to allow termination of trusts. Until the friends group votes to terminate a trust, Congress would keep its hands off. But if the trust fails to live up to expectations, the friends group could make its vote and Congress could terminate the trust.

Friends groups could do additional things such as collect donations and use those funds to do worthwhile projects on the forest. But their most important jobs would be to elect board members, monitor the pilot, and be prepared to terminate the pilot if it fails.

The friends group might an alternative to a collaborative board of directors. Otherwise, however, collaborative management, self funding, and trusts are three different but not mutually exclusive ideas. All three could be tested alone or together in various permutations. We could test collaborative trusts, self-funding collaborative management, or self-funding collaborative trusts.

Some people have suggested that it is not appropriate to use a valuable public resource such as the national forests for such experimentation. But we have been experimenting with national forests ever since they were created.

It was a great experiment to give the national forests to scientific foresters in 1905. This experiment seemed to be succeeding in the 1950s but seemed to be failing (probably because of budgetary incentives) by the 1970s. Congress then turned the forests over to the land-use planners, a huge experiment that clearly failed in the 1980s.

In the 1990s the administration turned the forests over to wildlife biologists and other scientists, an experiment in progress that has not clearly failed but is not holding much promise. Outside forces are also experimenting with forest management by litigation and court order, an experiment that some would say is succeeding but most would not.

It is foolish to conduct such experiments, one at a time, on the entire 192-million acre National Forest System. What the Forest Options Group recommends is a systematic program of testing various proposed reforms on one or two forests at a time so that the results of these experiments can be compared and, if successful, applied to other forests. Instead of conducting one experiment each generation, we can conduct dozens of experiments in a decade.

To carry out these experiments, the Forest Options Group proposed several common features for all of the pilot forests.

- The forests would be exempt from following Forest Service manual and handbook provisions and memo direction, but would still be required to obey all laws and regulations (with possible exemptions from FACA and other purely administrative laws).
- All pilots would have open-bucket budgeting, meaning they would not have to deal with fifty to seventy-five different line items in their budgets.
- All would nominally report to an Office of Pilot Projects (or, as some have called it, "Region 7") rather than to their geographic regional offices.
- Most of the pilots would be allowed to charge a full range of user fees subject to valid existing rights.
- Self-funding pilots would get seed money equal to 175 percent of their recent annual budget and would be allowed to carry over unspent funds to future years. They would also enjoy a safety net equal to half of their recent budget.
- Pilot forest tests would last for a minimum of five years, and even more time may be needed to truly determine the success of many tests.

Although the Forest Options Group did not suggest it, I would suggest that the Forest Service create an expedited appeals process for the pilot forests. This would preserve the public's right to appeal forest decisions but give managers a rapid resolution to those appeals.

The group realized that these ground rules alone represent significant changes that could themselves form a charter forest. But making these changes alone would fail to address the problems of accountability and incentives that led to the controversies and the creation of the existing Forest Service hierarchy, a lengthy Forest Service Manual, and a line-item budget. The rest of the Forest Options Group pilot proposals are aimed at addressing these problems.

The Forest Options Group developed a detailed plan for selecting and implementing pilots that would encourage local forest managers and users to develop pilot proposals. The secretary of agriculture would select pilots in consultation with congressional delegations and state governors. Congress should encourage the secretary to select a full range of possible pilots.

The name charter forests obviously calls to mind charter schools, and since charter schools are controversial this may be unfortunate. But I briefly reviewed the literature behind charter schools and educational reform in general and found some interesting parallels between educational reform and forest reform.

School reformers agree that educational problems lie in overly centralized and regulated school systems, the lack of incentives for schools and teachers to do a good job, and funding problems. In *Fixing Urban Schools*, Paul Hill and Mary Beth Celio say that educational reform strategies must respond to each of these problems through deregulation/decentralization, new incentives, and new funding systems. This is almost precisely the findings of the Forest Options Group with respect to the national forests. Thus, the term charter forests accurately represents the goals of the Forest Options Group.

In conclusion, Congress should give the secretary the authority to test a broad range of pilots. The Forest Options Group recognized that the Forest Service could test some pilots without specific Congressional authority. But the crucial idea of a fiduciary trust would require specific Congressional authorization, and Congress should give that authorization to the secretary while insuring that the trust can be



terminated in some way if necessary. The group also felt that specific Congressional direction to test a broad range of charter forests might be needed to motivate the Forest Service to do so.

Beyond authorization, Congress should require that the Forest Service test a full range of alternative pilots, and not just ones likely to increase a national forest's budget. Self-funded pilots are likely to have smaller budgets than pilots that keep both appropriations and user fees, so anyone proposing a pilot will be tempted to ask for both user fees and continued appropriations from Congress.

We should accept for the possibility that there is no one-size-fits-all solution to national forest ills. Collaborative management may work on some forests but not others. Self funding may be appropriate for many forests, but some may not be able to generate enough revenues for basic resource stewardship. Trusts may be appropriate in many cases, but not in others.

National forests are complex systems, and if people say there are simple solutions to national forest problems, they are fooling themselves. To find out which tools work and where they work best, Congress should encourage the Forest Service to do as many experiments as possible.

Finally, I would urge you to think about the distinction between decentralization and local control. Charter forests have been widely portrayed in the press and by opponents as turning control of national forests over to local residents. I don't know of a single pilot or charter forest advocate who wants to do this.

Instead, supporters of collaborative management, self funding, and trusts all support decentralization. Decentralization does not mean local control. It means making decisions in response to local forest conditions as well as local, regional, and national values, and not in response to political whims that emerge from inside the beltway.

The June 2, 1952, issue of Newsweek magazine featured Smokey the Bear on its cover. Noting that national forest management actually produced a profit in 1951, Newsweek called the Forest Service "one of Uncle Sam's soundest and most businesslike investments" and added, "Most congressmen would as soon abuse their own mothers as be unkind to the Forest Service." The magazine credited the agency's success, profitability, and popularity to the fact that it was decentralized. The centralization of the agency in the 1970s has played a key role in its failure since that time.

On-the-ground national forest managers are greatly frustrated over their inability to get anything done. One district ranger told me that his entire permanent work force spends all its time fulfilling data requests from Washington, DC. Many of these managers are eager to try charter forest ideas, and I hope that Congress will give them that opportunity.

---

Mr. DUNCAN. Thank you very much, Mr. O'Toole.

Mr. OTTER. Mr. Chairman?

Mr. DUNCAN. Yes?

Mr. OTTER. Mr. Chairman, I would ask unanimous consent that the report referred to by the gentleman be put in the official record.

Mr. DUNCAN. Without objection, that will be so ordered.

[The report referred to has been retained in the Committee's official files and is also available online at [www.ti.org/2c.html](http://www.ti.org/2c.html).]

Mr. DUNCAN. Thank you very much, Mr. O'Toole.

Mr. Thompson, it was previously announced that you would not testify. You have sat there politely listening to these other five gentlemen. Do you have any thoughts or comments that you would like to make before we proceed with the questions?

Mr. THOMPSON. Thank you, Mr. Chairman.

I would only say that I think, in listening to their testimony, the elements of importance have all been raised: collaboration, community, being responsive, trying to be innovative, looking at this proposal to have a dialog, and to try to determine collectively what is the best approach, and are there some things we can try to do differently than we have been able to figure out in other ways.

And we certainly look forward to participating in this, and contributing and helping to frame something that works and makes

good sense for the American public and the treasures that they have within their national forests system.

We look forward to this dialog. It is a very important point in time, I think.

Mr. DUNCAN. Well, very kind, inoffensive, middle-of-the-road statement.

[Laughter.]

Thank you.

We will go for first questions to Mr. Inslee.

Mr. INSLEE. Thank you.

First I want to say how much we miss the eloquence of former Congressman Williams on this Committee and in the House. We really do miss it.

But I want to alert the Committee members, there is some disturbing news when you judge his credibility. I learned yesterday that he is New York Yankees fan, and it is something that you should consider in considering his testimony.

[Laughter.]

I want to ask about the Lakeview project, and what I wanted to ask is how that would compare to what various proponents of these ideas would have for statutory changes and how that has progressed without statutory changes or rulemaking changes to that matter.

Mr. ANDERSON. The Lakeview collaboration has not been handicapped by existing laws, in my opinion. The Fremont National Forest fortunately has a policy that is quite comparable to the goals of our collaborative group, which is primarily hydrologic restoration in the Fremont National Forest. And so we have really had no problems in terms of needing to have responsibility taken away from the forest supervisor and vested within our organization.

The main problem that we have encountered is shifting from a timber production emphasis within the Fremont National Forest to a restoration emphasis. And that is a transition that the local community of Lakeview needs help with. The workers are unable to get the contracts, so they go outside of the community to more of the itinerant contractors in the region.

So they need to be able to obtain the skills. They need to learn how to deal with these different kinds of contracts, when you have restoration work.

The other problem is simply that the Forest Service needs the funding to do the restoration projects. They had a lot of restoration work on the Fremont that simply was sitting on the shelf because it was unfunded. Fortunately, in the last year, the county payments, resource advisory Committee funding, that Congress approved a couple of years ago, is starting to make more of those restoration projects possible.

But certainly, if we are going really to do the job on restoration, it is going to take more. And I think there is a great deal of opportunity for collaboration to work and for restoration to happen in this area, with additional encouragement from Congress, primarily in terms of funding.

But in terms of new legislation, I do not see it as a need. I am not familiar with the bill that you were talking about earlier that

is, I think, focused on New Mexico, but it sounds like it could have some opportunities for broad applications in places like Lakeview or perhaps nationwide.

Mr. INSLEE. Mr. O'Toole, I was listening to your comments about decentralization. And as I understand it, your kind of thrust is that there is a general precept that you would allow local Forest Service managers to have more control of their own budget and would give them additional flexibility, I would assume, in trying to generate revenues from other than resource extraction. And I assume you mean recreational charges, and maybe there are charges for clean water. There are all kinds of assets that we now provide to the American people from Forest Service lands for which we do not charge a thing, including the production of clean water or open space, assisting in clean air efforts, and heretofore, until we had the ill-advised, in my view, fee system, the ability to recreate.

Would this lead to, if we were going to go down that path, to increasing capture of that economic value, which means increasing charges to the American people for enjoying these national assets?

Mr. O'TOOLE. Well, the Forest Options Group actually proposed five different pilots, and two of the pilots emphasized changing incentives in the way you talk about. Two of them dealt with collaborative groups, and a fifth pilot actually dealt with recreation fees in a special and unique way.

But basically, for the self-funding forests, yes, we do envision that forests would be allowed to charge a wide range of fees. The reason for that is not because we want to charge the American people more money or double tax them. But we want to give forest managers a new set of incentives.

Looking at the history of the Forest Service, it is clear that the Forest Service has emphasized timber because timber is the only resource that the Forest Service has been allowed to charge fair market value for and keep the receipts. And if you only let it keep the receipts from one resource, it is going to emphasize that resource. If you let it charge for a variety of resources, and keep a share of the receipts, not all the receipts but some of the receipts from those resources, it will want to do multiple use. You cannot have multiple use without multiple incentives.

Now, we also proposed a number of other safeguards. We proposed that each of the charter forests would have to comply with all existing environmental laws and regulations and all other laws, with the possible exception of slight exemptions from FACA and special administrative laws, but that they would be exempt from dealing with the Forest Service manual, handbook, and memo provisions. We said they should have open-bucket budgeting, so they did not have to deal with 50 to 75 different line items, and they should be able to carry over funds from year to year, and so on and so forth.

Now, our main goal is to see that a full range of charter forest ideas are adopted. And we agree with Mr. Anderson; many of these ideas could be done without new legislation. The trust idea could not be done without new legislation. And we felt that, if Congress did authorize the Forest Service to do charter forests and direct them to do a full range of charter forests, we would be better off

than if we just relied on the Forest Service to do some forests within their limited authorization today.

Mr. DUNCAN. Thank you very much, Mr. O'Toole.

I will come back to Mr. Inslee in a few minutes, but now we need to go to Governor Otter for the questions he has.

Mr. OTTER. Thank you very much, Mr. Chairman.

Mr. O'Toole, I am really interested in that process that you went through when you said you had a couple of dozen stakeholders that all represented different elements of interest in the forest, and that included the environmental community, that included certainly the Forest Service themselves. Am I right?

Mr. O'TOOLE. Yes.

Mr. OTTER. And it also included the private sector?

Mr. O'TOOLE. Yes.

Mr. OTTER. And from that, you generated the report that I think we just put in the record? Is that right?

Mr. O'TOOLE. Yes.

Mr. OTTER. Have you read the Idaho Public Lands official report that they put out?

Mr. O'TOOLE. Yes.

Mr. OTTER. And does that compare at all with your results?

Mr. O'TOOLE. There are a lot of parallels. Some of their pilots are very close to some of our pilots. We did have one member in common, between the two groups. And both Dr. Fairfax and I did get a chance to talk to the Idaho group while they were doing their deliberations, so there was some cross-semination going on there as well.

If Congress does authorize charter forests, I would see the Idaho proposals as being some of the proposals that will be bubbling up from the ground as things that would be considered as potential charter forests.

Mr. OTTER. I see. I think there was an assessment in that report as well, or maybe it was an adjunct report, of what happens if we do nothing. Did you read that section of the report?

Mr. O'TOOLE. Yes, and I think that there are serious problems if we do nothing. As I said, we have been experimenting with national forest management for 100 years, and it is pretty clear that the experiments that we have been doing have failed. And we have serious ecological problems in national forests. We have forest health and ecosystem problems. Fire is a major problem that we have not yet figured out how to deal with.

Even though we all know that prescribed burning is necessary in some forests, the Forest Service still pretty much has an out by 10 o'clock mentality, meaning they suppress all fires instead of letting some burn.

So if you look at the full range of what the Forest Service is doing, I see problems everywhere, and I want to see some of these experiments done on the ground to find out just which way is going to help us find our way out of these problems.

Mr. OTTER. We have not made, although we have requested, from this Subcommittee, an assessment of the environmental damage of the 880,000 acres that were burned in Idaho 3 years ago. And the question was, if we had gone in and implemented some of these management plans, or a management plan similar to that,

would we have done a lot less environmental damage if we had gone in and thinned and actually gone through the process of thinning the forest out and indeed harvesting some of the forest to reduce the amount of basal load on the forest ground itself?

But I suspect—and do you think my suspicion is correct or not?—that the environmental damage done by that fire and the resulting erosion and resulting siltation in our spawning beds for the salmon, and the tributaries to the Clearwater, the Snake and the Salmon, are probably going to be a lot worse off if we had managed that 880,000 acres under one of these programs than if we just let it burn?

Mr. O'TOOLE. Well, I am sure there is some environmental damage, but I am especially concerned about the damage that is being done by continued fire suppression efforts. It would cost a lot of money to thin every single acre of the national forest system, but what we are doing now is spending enormous amounts of money—the typical thing is they spend \$5 million to stop a fire because it is threatening a shack that costs \$50,000. The Forest Service's goal is to prevent any damage to structures outside the forest, so they spend enormous amounts of money doing that, including doing backfires that end up extending the size of the fire to a much larger area.

So the environmental damage of those fires is a short-run problem. The long-run problem is that we are not doing anything to prevent it in the future. And I think there are ways of preventing it, including letting some of these fires burn, as well as doing the thinnings, building the defensible fire perimeters, and maybe taking some of the fire fighters off the line, instead of putting their lives at risk.

Mr. OTTER. Couldn't we preselect those areas where we felt that fire was probably the best management plan? In Idaho, it is nothing to get 1,400 lightning strikes in a single night. And if we had areas that a fire started, and we had predetermined through a management plan that "Let's just let that burn," but let's set up a defense where we do not want it to go, because I can tell you that 880,000 acres that burned in Idaho, especially in the overgrowth areas, where the basal measurement was well over 600 square feet per acre, that that has calcined the earth. And it has burned every possible growth producer right out of the soil, up to 16 to 18 inches deep.

And I can also tell you that I have been on Slate Creek, which is a tributary to the St. Joe, and that fire went through there in 1912, and there are reaches in the Slate Creek drainage that there is nothing that grows yet today as a result of that fire and because of the overload of fuel that was available. And it calcined the earth there in 1912, and that is 90 years ago, and there is still nothing growing in there.

So I think part of the management plan that we are talking about, and part of the Idaho report suggested as much, that perhaps there are areas that were best left alone and just let them burn. But there other areas where we need to suppress.

And my time is up. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you very much, Governor Otter.

Mr. Udall?

Mr. UDALL OF NEW MEXICO. Thank you, Mr. Chairman.

Mr. Williams, good to have you back here with us. We miss your bipartisan approach to things.

You have made a case in your statement for why we need a new law in this particular area. And I am wondering, you look at some of the history here, and you see forest supervisors who are out there, who are trying to be creative and pull people together and build consensus, and then because of a political situation, either Members or Congress or others, they are removed from their jobs and building that consensus. So one argument could be made that this is a management problem and that you do not have the proper management and that you do not need a new law.

Could you make the case for the Committee why you think there needs to be a new law to address the issues that are before us?

Mr. WILLIAMS. Congressman Udall, I think that in a number of instances, some described by members of this panel and other instances with which the members of this Committee are familiar, there are a number of experiments, a number of models, a number of unique projects, going on throughout the public's land in this country, most of them collaborative efforts and many of them quite successful, some not. The groups just are not mature enough as collaborators to pull them off.

It seems to me that those models now have been going on, to some degree or another, for a couple of decades. And I believe that the Congress could learn from those models, just as the Forest Service learns from those models, particularly those in which it involves itself.

So I am saying to the Congress: Let's formalize a process to take advantage of not only that learning curve, but to encourage and permit through a competitive process some blue-ribbon collaborative processes to gain the Congress's attention and, therefore, national recognition.

The other reason is why I read out those headlines. We need some congressional encouragement and recognition of our difficulties out there, our frazzled nerve-endings, political nerve-endings. We need some recognition of the great transition that is going on, particularly in the Northern Rockies.

The Northern Rockies, whether we like it or not, is in an inevitable transition from an extractive economy to an economy of conservation and restoration. It is an inevitable as that the sun will come up again tomorrow morning. And it has to do with world price and productivity and the end of the easy resource. And so we ought to take advantage of that fact by helping people get through the transition.

Now, if I may, Mr. Udall, use your time to just say a word about what Congressman Otter said, and I am sorry that he had to leave.

Our experience in Montana with regard to the fire is different than his, and I recognize that he has likely described his fire experience accurately. But ours is very different.

We are just over the ridge from him, where we had a massive fire in and around what is called the Bitterroot Range. That fire burned wildly and destructively through areas that had been thinned and had been logged and had been roaded. And those fires were worse than his.

And so it has more to do than just with this simplistic notion—and I do not say that derogatorily—with this simplistic notion that, “Oh, if you just thin it out and vacuum the forest, you are not going to have fire.” Fire is as inevitable as that economic transition going on in the Northern Rockies.

Mr. UDALL OF NEW MEXICO. Thank you. One of the parts of this that I think that you are saying and emphasizing is the idea that some of these management problems, we cannot get through them by letting Forest Service people just run the show. What you are saying is that if we had a bipartisan piece of legislation that told the Forest Service in a very direct way, “We want you to experiment. We want the so-called Region 7 to go out and look in a big way, in a competitive way, at doing this,” that we would somehow sow the seeds for that kind of creativity and innovation, whereas today, we do not have that.

Could you comment on that, what it is that we are lacking right now in this situation?

Mr. WILLIAMS. Well, I would disagree with some that the system is broken. I do not believe it is, either the congressional system or the forest system.

But you meet daily because you know that there is necessary of repair and amendment and change. The Forest Service is not a change-maker. Bureaucrats are not aligned to make change, to make new policy. That is your job. They are stuck with whatever you give them. And I disagree that their system is broken.

But it does seem to me that because they do not make change, and the Congress is a little bit gridlocked in trying to find out how to make change on the public’s land, we have created what might be seen as Gordian knots, where both industry people and environmentalists agree that there could be some solutions to local forest problems or local land use problems. But it is a Gordian legal knot.

I think that the Congress, without lowering environmental standards, through this Region 7 concept or whatever concept you finally derive, could find a way to cut through those Gordian knots.

Why should we have to open up NEPA to solve a single local problem? Why should we have to open up the Northwest Old Growth Forest Act just to figure out how to solve an old growth forest problem in a couple of counties in the Pacific Northwest?

We could use these pilot projects as ways to untie those knots without having to open up major acts. And it would seem to me that a master group that chose among competitive models could give priority to some of these areas that have these Gordian knots, and use experiments to get them untied.

Mr. UDALL OF NEW MEXICO. Thank you.

And thank you, Mr. Chairman.

Mr. DUNCAN. Thank you, Mr. Udall.

I understand Mr. Thune has a statement at this time.

Mr. THUNE. Thank you, Mr. Chairman. I appreciate you allowing me to be here today. I am not a member of this important Committee, but this is an issue which is of great importance to my constituents. In fact, my constituents continue to be frustrated by the current decisionmaking gridlock that exists in the Forest Service and especially as it pertains to the Black Hills National Forest.

Unfortunately, because of the gridlock, Forest Service employees have had their hands tied and have not been able to effectively manage forest health and fire prevention. And as a result of that, there are two areas in the Black Hills National Forest that are at very high risk of wildfires during the coming fire season, putting public safety and private property at risk.

In South Dakota, the Forest Service has been working for 7 years to complete a 10-year forest management plan for the Black Hills National Forest, and they are currently working on the phase 2 amendment of this plan and were supposed to finish the plan this year. When my constituents came to me frustrated after learning that phase 2 was not going to be finished until late 2004, I decided to find a solution. And I am working, trying to find funds to contract the work needed to complete the plan in a more timely way.

That is why I am very excited to see this concept introduced by this Committee. I think it is a common-sense idea that local officials and citizens can provide assistance and ideas to the management of the national forests. In my judgment, that is something that is long overdue.

Clearly, the people on the ground in the communities who use the forests for recreation or business know how to best utilize those forests. And in fact, Mr. Chairman, I wrote a letter to this Committee earlier this year, urging the Committee to move forward with legislation that would create a charter forest within the United States Forest Service and I want to lend any support I can to you in moving this proposal forward, and furthermore would say that I believe the Black Hills National Forest would be an excellent choice to be considered as one of the first charter forests.

I am a longtime believer in enhancing local control of public lands. Mr. Chairman, I encourage you and this Committee to create a locally driven trust to manage the Black Hills National Forest, consisting in part of Federal land and resource managers, local officials, and other private stakeholders. I believe that local involvement will create a decisionmaking process that is driven more by results and less by the process itself.

So as this moves forward, I just urge you to continue to develop this concept, put forward legislation, and, as I said earlier, the Black Hills National Forests, we are ready, willing, and anxious for a change, because the current system is not working. And this year we are at terrible risk of fire. Something just has to be done. This is more of a long-term solution. We also need a short-term solution this year.

But I appreciate the work the Committee is doing in trying to address many of the problems that we are facing. This is something that is of incredible importance to the people in South Dakota.

So thank you again, Mr. Chairman. I appreciate the panel today and their testimony as well.

Mr. DUNCAN. Thank you very much, Mr. Thune.

We do have three votes going on, on the floor. Let me just say a couple of things.

I have mentioned in here before that in my home area of east Tennessee, I was told that in 1978 we have 157 small coal companies, and now we have none. I have read the same thing about logging communities out West being devastated and small- and



medium-size logging companies being run out of business. It seems that when we overregulate in certain areas, first the small companies go under, then the medium-sized companies, and then we end up with only a few big giants controlling or dominating any industry.

I read an article praising the previous administration for locking up 213 trillion cubic feet of natural gas, and then we have just gone through a battle over ANWR. It seems that are groups that protest any time we want to dig for any coal or cut any trees or produce any natural gas or drill for any oil.

I remember when one of those last coal companies was closing down, I came back from lunch in Knoxville 1 day, and I saw 125 miners out in front of the Federal regulatory office there, demonstrating shortly before Christmas, saying, "Please let us work."

And I can tell you that my grandparents had 10 kids and an out-house and not much more. And they had almost no money. And they had a small 25-acre farm in the heart of Appalachia, in Scott County, Tennessee. And it seems to me that many of these, as I have called them, environmental extremists come from very wealthy families. And I am not sure that they understand how much they hurt the poor and the lower income and the working people in this country. And I realize that the environmental groups have done many good things. But I was told in this Committee 3 years ago or 2 years ago, that in the mid-1980's or early 1980's we passed a law in the Congress that the environmental groups wanted, saying we would not cut more than 80 percent of the new growth in the national forests. Now we are cutting less than one-seventh of then new growth.

We cannot shut down the whole country. We have to somehow protect the environment, but we also have to preserve jobs for working people in this country.

And we always hear, "Go to tourism." I don't believe we can turn the whole country into a tourist attraction.

I was in northern California one time, and I was shown machinery that could go in and cut down a tree without disturbing the other tress around it. And so it seems to me that we somehow have to have balance between people like me, who want to see jobs for these working people around the country, and people like The Wilderness Society and others that, it seems to me, do not want us to do anything. So we have to hit a middle ground someway.

And so hopefully, with the testimony we heard today and the collaborative approach that some of you have talked about, maybe we can reach that middle ground.

But we are not going to hold you back now for these three votes. We are going to go ahead and end this hearing.

And thank you very much for being here with us today. That will conclude this hearing.

[Whereupon, at 11:16 a.m., the Subcommittee was adjourned.]

