

REFORESTATION TRUST FUND ACT OF 1991

HEARING
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL TRADE
OF THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED SECOND CONGRESS
FIRST SESSION

ON

S. 535

JULY 30, 1991



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CONTENTS

OPENING STATEMENTS

| | Page |
|---|------|
| Baucus, Hon. Max, a U.S. Senator from Montana, chairman of the subcommittee | 1 |
| Packwood, Hon. Bob, a U.S. Senator from Oregon..... | 2 |

COMMITTEE PRESS RELEASE

| | |
|--|---|
| Subcommittee to Consider Reforestation Initiative; Bill Provides Funds for Bureau of Land Management Activities..... | 1 |
|--|---|

ADMINISTRATION WITNESS

| | |
|--|---|
| Jamison, Cy, Director, Bureau of Land Management, Washington, DC, accompanied by Dean Bibles, Regional Director, Bureau of Land Management, Portland, OR | 7 |
|--|---|

CONGRESSIONAL WITNESS

| | |
|---|---|
| Smith, Hon. Bob, a U.S. Representative from Oregon..... | 4 |
|---|---|

PUBLIC WITNESSES

| | |
|--|----|
| Desmond, Martin Jack, executive director, Northwest Reforestation Contractors Association, Eugene, OR..... | 11 |
| McGuire, John, former director, American Forestry Association, Washington, DC..... | 12 |
| Reeff, Mark, resource director, International Association of Fish and Wildlife Agencies, Washington, DC..... | 13 |

ALPHABETICAL LISTING AND APPENDIX MATERIAL SUBMITTED

| | |
|---|----|
| Baucus, Hon. Max: Opening statement..... | 1 |
| Desmond, Martin Jack: Testimony | 11 |
| Prepared statement | 17 |
| Hatfield, Hon. Mark O.: Prepared statement | 24 |
| Jamison, Cy: Testimony | 7 |
| Prepared statement | 24 |
| McGuire, John: Testimony | 12 |
| Prepared statement | 25 |
| Packwood, Hon. Bob: Opening statement..... | 2 |
| Reeff, Mark: Testimony | 13 |
| Prepared statement | 27 |
| Smith, Hon. Bob: Testimony | 4 |
| Prepared statement | 28 |

REFORESTATION TRUST FUND ACT OF 1991

TUESDAY, JULY 30, 1991

U.S. SENATE,
SUBCOMMITTEE ON INTERNATIONAL TRADE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 2:47 p.m., in room SD-215, Dirksen Senate Office Building, Hon. Max Baucus (chairman of the subcommittee) presiding.

Also present: Senator Packwood.

[The press release announcing the hearing follows:]

[Press Release No. H-83, July 26, 1991]

SUBCOMMITTEE TO CONSIDER REFORESTATION INITIATIVE; BILL PROVIDES FUNDS FOR BUREAU OF LAND MANAGEMENT ACTIVITIES

WASHINGTON, DC—Senator Max Baucus, Chairman of the Senate Finance Subcommittee on International Trade, Friday announced a hearing next week on Senator Bob Packwood's bill to provide funding for reforestation activities of the Bureau of Land Management.

The hearing will be at 2:45 p.m. this Tuesday, July 30, 1991 in Room SD-215 of the Dirksen Senate Office Building.

"Senator Packwood's Reforestation Trust Fund bill is an effort to get the reforestation of our Nation's public lands back on track," said Baucus (D., Montana).

Packwood (R., Oregon) said, "The Bureau of Land Management has reforestation backlogs on its lands all over the Northwest, including lands in my own State of Oregon. This bill raises the amount of money that the Reforestation Trust Fund, created in 1980 for the Forest Service, can contain by law, and allows the BLM access to the fund for planting trees and then managing their growth. Planting trees today significantly enhances the environment and ensures a more reliable timber supply."

OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA, CHAIRMAN OF THE SUBCOMMITTEE

Senator BAUCUS. The hearing will come to order.

I have called this hearing today to examine S. 535, the Reforestation Trust Fund Act of 1991. I first compliment Senator Packwood for his excellent work on this legislation. It is a measure that I think needs to be enacted. I praise him again for his work in moving us in this direction.

In addition to my duties on the Finance Committee, I also Chair the Environmental Protection Subcommittee on the Committee on Environment and Public Works, where we take up a lot of environmental issues, many of which are much more contentious than the one here today.

So, I am very gratified to work with Senator Packwood to help build a hearing record for an issue that has environmental, as well as economic consequences.

I expect the testimony we will take today will make one point clear: reforestation enjoys very broad support from the forest industry, from conservation groups, and from Federal regulatory agencies.

The Reforestation Trust Fund Act will provide a needed spur to vital efforts to reforest public lands. In my own state of Montana, the reforestation back log on BLM land stands at over 5,000 acres. Additionally, some 1,500 acres are in need of stand improvement.

Other states with BLM lands are in a similar situation, including California, Colorado, Idaho, New Mexico, Oregon, of course, and Wyoming.

Unfortunately, the Reforestation Trust Fund currently provides no money to the BLM. The legislation we are considering today corrects this oversight by allocating \$15 million to BLM reforestation efforts.

The new funds for BLM do not come at the expense of the Department of Agriculture's reforestation program; rather, that program will continue to be funded at current levels.

In my review of S. 535, I initially was concerned that the bill focused only on BLM lands in Oregon. Recognizing the importance of reforestation for all BLM lands, I have worked with Senator Packwood to make the bill more broadly applicable. It is my understanding that S. 535 will be modified to make portions of the new monies for the Reforestation Trust Fund applicable to all BLM states.

In its modified form, I am happy to offer my support to Senator Packwood's Reforestation Trust Fund Act. It is a good bill. It is good for government land management efforts; it is good for industry; and good for the environment. I look forward to today's testimony.

Senator PACKWOOD. Before I make my opening statement, Mr. Chairman, I might say that your understanding is correct. I guess we tend to think in Oregon that all of the land that is relevant is in Oregon, and we, on occasion, forget that there is other important land situated elsewhere.

The Chairman did call to my attention the fact that he would have land that, if this bill's effects were extended beyond Oregon, it would be affected. So I am delighted to make these changes and pave the way for Montana and other States to have the benefit of the Trust Fund.

OPENING STATEMENT OF HON. BOB PACKWOOD, A U.S. SENATOR FROM OREGON

Senator PACKWOOD. My State, Mr. Chairman, is in the midst of a timber supply crisis, and ensuring that reforestation and forest management activities continue and are adequately funded is possibly the most important contribution we can make to solving the crisis and providing for the long-term health of our forests.

On February 28th of this year, I introduced the Reforestation Trust Fund Act of 1991 which will enable the Bureau of Land Management to aggressively resolve a 2- to 3-year reforestation backlog.

The Reforestation Trust Fund was initially created by legislation which I introduced in 1980, and it has enabled the Forest Service to resolve a serious reforestation backlog on the public lands that it administers.

In 1980, the Bureau of Land Management was not originally included in the fund because it did not have a serious reforestation backlog. But now the BLM has fallen far behind in reforestation and forest development, and a serious backlog exists over many of the BLM lands.

I know there has been some discussion recently about the actual extent of BLM's reforestation needs. For example, it has been suggested that the tree planting backlog—and I emphasize—the tree planting backlog—in Oregon may not be as extensive as some had thought a year ago. But, of course, there are many different phases to reforestation, and planting is only one of them.

My bill addresses all of these, and I would be interested to hear from our BLM witnesses on the agency's current reforestation needs.

My bill will enable the BLM to raise seedlings, plant trees, and manage their growth on all BLM lands. It will enable the BLM to enter into agreements with private landowners for access over their lands and for better conservation practices.

My bill would raise the cap on the Reforestation Trust Fund from the present \$30 million to \$45 million per year. The Forest Service would continue to receive the \$30 million they now get; the BLM would receive \$15 million. This additional \$15 million will enable the BLM to pay for reforestation activities, such as those shown in the photographs to my left. May I ask the staff to go through them.

[Showing of photograph.]

Senator PACKWOOD. The first one you see shows a seedling nursery where seedlings are grown, literally, by the hundreds of thousands, or, in big areas, millions.

[Showing of photograph.]

Senator PACKWOOD. Secondly, we show a planter actually planting trees. She has a hoe-dad in her hand. It is back-breaking work, but it can be done relatively fast. I tried it for an hour. I envy the people who have no trouble doing it for 6 hours.

[Showing of photograph.]

Senator PACKWOOD. The third photo shows an area that has not yet been reforested in the foreground; it has been cut.

[Showing of photograph.]

Senator PACKWOOD. And then number four gives you an idea of what reforestation looks like after a few years. In the foreground, you can see trees that have grown up and will continue to grow more. And this is a classic example of what we can do in the western States with proper money and with proper reforestation planning.

These reforestation activities are crucial throughout BLM's extensive lands. In western Oregon alone, the Bureau of Land Management manages 2.4 million acres. Seventy percent of that land is

managed for a high-level and sustained-yield output of wood products.

The BLM Forestry Program contributes to the economic stability of local communities, and BLM forests also provide for wildlife habitat, recreation, hunting, fishing. There is no question, Mr. Chairman, that it makes good budget sense to provide additional funds for BLM reforestation.

The BLM Forestry Program is highly cost-effective. For example, according to a government report, for every dollar the government spends on the BLM Forestry Program in western Oregon, four dollars are returned to the Federal Treasury and 18 counties in western Oregon.

According to the same government report, the Federal Government and 18 counties in western Oregon will lose money as long as the present reforestation backlog exists.

Timber growth worth \$90 million in future revenues was lost during the fiscal years 1986 through 1989, and every succeeding year the government and the counties will continue to lose timber growth worth \$21 million in future revenues. It is therefore essential to ensure that the BLM has sufficient resources to accomplish critical reforestation and forest development tasks when the need exists. Clearly, the need exists right now. The people of Oregon and of the West, where BLM has lands, and the western economy, needs reliable reforestation funding. My bill is one important step toward that end.

And I wonder if I might ask you, Mr. Chairman, at this stage, to have a statement of Senator Hatfield's placed in the record.

Senator BAUCUS. Without objection, be received.

[The prepared statement of Senator Hatfield appears in the appendix.]

Senator PACKWOOD. I thank the Chair.

Senator BAUCUS. Thank you very much, Senator.

Our first witness is Hon. Bob Smith, the United States Representative from the State of Oregon. Congressman, we are very honored to have you here. I understand you have introduced the counterpart to S. 535 in the House. Please proceed?

STATEMENT OF HON. BOB SMITH, A U.S. REPRESENTATIVE FROM OREGON

Congressman SMITH. I thank the Chairman, Senator Packwood. I ask that my statement be entered in the record, and I will just summarize it, if you do not mind.

Senator BAUCUS. Very well.

[The prepared statement of Congressman Smith appears in the appendix.]

Congressman SMITH. Thank you very much for that introduction. Indeed, I have introduced companion legislation to this in the House, and I am pleased and proud that you all have taken this up today, because it is most timely and most important to not only the Pacific Northwest, but the whole timbering area in the West.

As you have already noted, this legislation increases the cap to about \$15 million. And as far as I can tell, I think that is sufficient

to take care of the current needs—at least as we see them—of the BLM Reforestation Program.

For instance, in the Medford District, the Forest Development Program is an area of about 9,850 acres in need of planting; 4,900 acres of site preparation; 4,000 acres of pre-commercial thinning, and about 1,200 acres of fertilization. As I understand it, Senator Packwood's bill would include all of those activities as part of the identification of reforestation.

It appears that this amendment will satisfy the needs of the Bureau of Land Management by the end of 1993, as we estimate it.

And I want to point out that it is not just for reforestation that we are asking for this amendment. Obviously, wildlife habitat will be improved, recreation will be improved, and that means jobs; that means opportunity in the West and all through the forested areas.

According to the Association of Oregon and California Counties, some 15,000 people depend upon this area directly or indirectly of the western Oregon BLM harvest. This will continue to provide for economic stability, which we desperately need, as the Senator from Oregon well knows, as well as the Senator from Montana.

With the unknown results of timber harvest in the West, this is most important. And to the taxpayers, I want to re-emphasize the point that Senator Packwood made that it is very difficult for us to get this across. But the facts are, that for every dollar invested here, there are four dollars returned to the Treasury. Now, I cannot think of any other agency of government that can do that, except for the I.R.S., and that is taken at a protest. So, I think it is most important as well to the taxpayers.

I represent an area in Eastern Oregon that has about 220,000 acres of BLM commercial timber land, and I, too, Senator Baucus, am pleased with Senator Packwood's amendment, because it expands reforestation beyond western Oregon timber lands to not only eastern Oregon, but to the States like Montana and others, which will help us. And there is a back log in those areas, as well.

The forest health issue is a big question in the west, and just for one moment, I want to share an experience that I have recently had. I flew over some four forests in Oregon, primarily in the Eastern part of the State.

And in those four forests, it is conservatively estimated that there are three billion board feet of standing dead timber. And those forests include the Deschutes, the Ochekoe, the Willau-Whitman, and the Umatilla. Those forests had been devastated by the Spruce bud worm and the pine beetle, and there is a question of can we go get that salvage. Obviously, here is a win-win situation, it seems to me. Even the most sincere preservationist, I think, would not argue if you have standing dead timber and that for forest health purposes it is endangering the green standing next to it, that you ought to go harvest it. And here, at a time we are starving for wood in the Northwest—and granted, most of this is on Forest Service land, but some is on BLM land.

And the BLM, by the way, has done a very outstanding job in taking care of their salvage operations, which, again, is important for this bill. Because as they salvage that timber, it is important to re-seed it, re-plant it, and reforest it immediately before the brush

grows back and the chance of success for reforestation is diminished.

But I wanted to raise the question of salvage, Mr. Chairman, because this is going to come before the Senate and the House, and should, as well as our land managers, especially the Forest Service.

Because to relieve the wood problems, to answer the forest health problems and before we burn it again like they did in your State, Senator—half of the park—it seems only reasonable to reasonable people that you take it out while it still has some value. And that is a 12-24 month window, by the way, that we have to take it out.

So, again, back to this bill, especially. I thank you for your interest, and I thank you for your support. I will be happy to work with you in the House any way I can to pass this important legislation.

Senator BAUCUS. Thank you very much, Congressman. I agree with you. I mean, it is amazing to me that not only the administration but the Congress does not follow-up in realizing that the value is much greater than the cost. That is, for every dollar put in, we get significantly more dollars back.

And obviously, in part, it is because it is the failure to recognize that fact and follow-up on it. Our failure to follow-up is due, in part, to the short-term annual thinking that, frankly, our country indulges in. I mean, if you look at the budgets and the budgets say, my gosh, you know, it costs something this year, so we are not going to pay the dollars, even though the investment is worth much more than the actual annual cost. But it is clear to me in the Pacific Northwest our economies will be in much better shape, there will be very great additional environmental benefits if this country were to significantly address the reforestation needs, not only of BLM, but the National Forest Service lands, and other public lands. I think a lot of the private operators are doing a fairly good job, but the back log in public lands is distressing.

I thank you for helping address that situation today.

Senator PACKWOOD. As a matter of fact, Mr. Chairman, we have actual proof of the value of the Reforestation Trust Fund. The Forest Service has had the use of the Trust Fund for 10 years, and it has worked. The backlog has been caught up. You voted for that bill when it passed. And we can point to that. We do not have to have speculative proof, we have got actual proof that it works.

Congressman SMITH. No question about that, and you have proven that. So, the proof is in the pudding, and we have eaten the pudding.

Senator BAUCUS. Thank you very much.

Congressman SMITH. Thank you.

Senator BAUCUS. All right. Now, the panel consisting of Mr. Cy Jamison, Director of BLM, and Mr. Dean Bibbes, Regional Director for BLM out of Portland. Mr. Jamison, please begin?

STATEMENT OF CY JAMISON, DIRECTOR, BUREAU OF LAND MANAGEMENT, WASHINGTON, DC, ACCOMPANIED BY DEAN BIBLES, REGIONAL DIRECTOR, BUREAU OF LAND MANAGEMENT, PORTLAND, OR

Mr. JAMISON. Thank you, Mr. Chairman. It is good to appear before my home State Senator and such a distinguished member from Oregon. I assume, Mr. Chairman, that my full statement will be made part of the record. I will summarize to save time.

Senator BAUCUS. No objections.

[The prepared statement of Mr. Jamison appears in the appendix.]

Mr. JAMISON. Mr. Chairman, I appreciate the opportunity to be here today to discuss S. 535. The bill would authorize the Secretary of the Interior to expend funds from the Reforestation Trust Fund for the reforestation of lands in the State of Oregon. A summary is attached to my statement.

The administration supports the enactment of the bill if the pay-as-you-go (PAYGO) impacts under the Budget Enforcement Act of 1990 can be offset. Although the BLM will receive additional funds, the overall PAYGO impact would be a negative \$15 million per fiscal year.

We believe that receiving a predictable allocation of \$15 million every year above what Congress appropriates would have a positive effect on our long-term program and on the Federal Treasury.

The Department of the Interior Inspector General reported in 1990 that, for every dollar the Government spends on the BLM Forestry Program in western Oregon, four dollars is returned to the United States Treasury and the 18 counties in western Oregon.

Enactment of S. 535 would help us accomplish identified reforestation and forest development activities in western Oregon in a timely manner. It would enable us to eliminate by the end of fiscal year 1993 the backlog of forest development activities in western Oregon.

Enactment of this legislation would have other benefits. It would allow us to reforest harvested lands at the biologically optimum time. It would promote economic efficiency through prompt reforestation before harvested sites are invaded by brush and hardwood species. In addition, it would allow us to benefit from the elements of biological diversity or forest health on adjacent private land. For example, there are key riparian strips and headwall areas on private lands linked to important segments on public lands.

Finally, the language in S. 535 limits BLM expenditure of Reforestation Trust Fund monies to western Oregon. Our backlog of reforestation and forest development needs is not confined to that region.

If the use of the funds was not restricted to western Oregon, similar work could be performed to help reduce the BLM reforestation backlog of 13,000 acres in eastern Oregon, and other public land States, like our home State, Mr. Chairman, of Montana.

That concludes my prepared statement. Mr. Bibles and I would both be happy to answer questions.

Senator BAUCUS. Mr. Bibles, do you have a statement?

Mr. BIBLES. No, sir; I do not.

Senator BAUCUS. All right. Senator Packwood.

Senator PACKWOOD. Mr. Jamison, what is the current status of reforestation and forest backlog in western Oregon? Either you or Dean can answer.

Mr. JAMISON. On actually planting, we are current. We have a backlog in maintenance of about 30,000 acres. We have a backlog in pre-commercial thinning of about 45,000 acres, and of fertilization, approximately 117,000 acres.

Senator PACKWOOD. And your budget allowance for that for fiscal year 1992 is what?

Mr. JAMISON. I am going to turn that over to Mr. Bibles.

Senator PACKWOOD. All right.

Mr. BIBLES. The fiscal year 1991 or 1992, sir?

Senator PACKWOOD. 1992.

Mr. BIBLES. 1992. I believe in the President's budget it was a figure of around \$32 million.

Senator PACKWOOD. And what do you estimate it would take per year to take care of the remainder of the reforestation needs?

Mr. BIBLES. The figure that was in the IG's report, which is very close to the figures we had, was around \$48 to \$49 million—through 1993.

Senator PACKWOOD. Can you give me now some idea, either one of you, as to the number of acres of land in need of forest redevelopment in western Oregon?

Mr. BIBLES. The total acreage in need of—

Senator PACKWOOD. I think Mr. Jamison said it in his statement, but I want to make sure.

Mr. BIBLES. Yes. We have that in three—

Senator PACKWOOD. The reason I am asking is so many people think reforestation and think planting, and they think that is the end of reforestation but that is simply not the case.

Mr. BIBLES. That is correct. After we have completed reforestation, we have maintenance, pre-commercial thinning, and then fertilization in order to make the full benefits of the forest system. And that figure, as Mr. Jamison had stated, was just under 30,000 on stand maintenance, just under 45,000 acres on pre-commercial thinning, and 117,400 acres on fertilization.

Senator PACKWOOD. Now, tell me if you can, how did this backlog develop during the last decade? When we looked at this in 1980 and did the Forest Service Reforestation Fund there was not much of a BLM backlog.

Mr. BIBLES. I think the major thing that happened in BLM was that with the timber buy-back provisions that occurred in the early 1980s, I think, from an accountant's viewpoint, it just really did not seem to make much sense in expending money to grow timber faster—

Senator PACKWOOD. When we could not sell the timber we had.

Mr. BIBLES [continuing]. And biologically it was not the right decision, but financially at the time, it apparently seemed to make sense. So, the backlog started growing primarily tied to the huge sums that were tied to the timber buy-back provisions of the early 1980s.

Senator PACKWOOD. Now, can you give me some idea of the other benefits from a properly funded Forest Development Program in addition to increased forest growth?

Mr. BIBLES. Well, that is very easy, Senator. We get good watershed values, good stream values, which themselves lead to other good values for riparian and wildlife issues.

Plus, it is good for the economy. It is a stabilizing influence out there for everybody who works in tree planting, and I have run a hoedad, too, for a couple of weeks in the summer, and I was glad the fire season started so I did not have to continue that. But it leads all the way through. It is kind of a chain reaction, but the bottom line is you have to put that tree back in the ground if it is harvested, and you have to protect it so it gets a fair start.

Senator PACKWOOD. You do not look like you have been using a hoedad recently.

Mr. JAMISON. No, I have not missed too many meals, either. So, I have been doing both.

Senator PACKWOOD. That is all the questions I have, Mr. Chairman. Thank you.

Senator BAUCUS. Thank you, Senator Packwood.

Mr. Jamison, how will the BLM use the additional \$15 million? That is, you have outlined various categories of backlog and need, how will the \$15 million probably be allocated?

Mr. JAMISON. Hopefully you gentlemen will see fit to allow us to split off some of the money to other States, and we will assume that if it was around \$1 million, it would really help us in States like Montana, where we are behind. We have about a 13,000 acre backlog in what we call the public domain forestry program. A third of that is in our home State of Montana, Senator. So, we would almost double the budget by adding an additional \$1 million for the public land side of the State. So, it has some immediate impacts, which are all positive from our view.

Senator BAUCUS. I am talking about the additional funds.

Mr. JAMISON. That is what I was speaking of, sir.

Senator BAUCUS. That would all go to where?

Mr. JAMISON. We would assume that one of the numbers that have been floating around is to identify at least \$1 million for the public land States.

Senator BAUCUS. That is correct. Right. But I am talking about the other \$14 million.

Mr. JAMISON. That would go to western Oregon, and I guess I would leave that to Mr. Bibles to tell you what is going to be done.

Senator BAUCUS. To what degree is that going to be pre-commercial thinning and fertilization?

Mr. BIBLES. Yes, sir. Our intent would be coupled with the appropriations level that by the time we implement our new plans, we would have gotten rid of this acreage of backlog that I just mentioned. We are now current on reforestation and site preparation. We still have site preparation and reforestation to do each year as we have fires occur, and as we are harvesting. But we would be able to go ahead and use this in the pre-commercial thinning, stand maintenance, and fertilization. We have gotten quite a ways behind on those three categories, so that we would have those to

where we would not have a backlog by the time we implement our new plans, hopefully, in 1993 and 1994.

Senator BAUCUS. So, you think by 1993 and 1994 with this program, you will be caught up?

Mr. JAMISON. Yes.

Mr. BIBLES. That is correct.

Senator BAUCUS. All right. Thank you.

Mr. JAMISON. And then it should be on a pipeline basis from that point on.

Senator BAUCUS. Thank you.

Senator PACKWOOD. Can I ask Mr. Bibles just a couple of more questions?

Senator BAUCUS. Yes.

Senator PACKWOOD. Mr. Bibles, I understand the Forest Genetics Program is funded by BLM's Forest Development Program. What benefits do you forecast from this program?

Mr. BIBLES. There are quite a number of benefits. We are, of course, doing quite a bit of work in our genetics labs with what we call "superior stock," gathering seed, doing grafting and cloning from some of the superior trees that are disease-resistant that occur naturally, but have some disease resistance.

One of the new things that we are doing right now is also working on the Pacific Yew. We do expect to have grown in one of our labs by this time next year some new Pacific Yew seedlings, certain of which, as you are probably aware, produce higher percentages of taxol, the cancer-fighting drug.

And so, we are trying to propagate those that produce the highest quantity as a part of this. That is only a minor part, but we are working on several species that are more disease-resistant than some of the others that are out there.

Senator PACKWOOD. The Yew issue has presented one of the most interesting balancing of equities that I think I have run across since I have been here.

After the present backlog is eliminated, and if we get the money, we assume we can eliminate it in 3 years. How do you envision then the future of the program?

Mr. JAMISON. It will be on time and within budget.

Senator PACKWOOD. What benefits do you think will result from your ability to negotiate voluntary conservation easements?

Mr. BIBLES. Well, as the Director said in his statement—with our land pattern in western Oregon generally being a checkerboard—every other section is generally owned by someone else. We have many opportunities to work with that private landowner in a voluntary way in working on riparian zones.

For example, for the anadromous fish, about half of the mileage that they go is on private land, and half on BLM administered lands. And so, as we develop those programs, we need to be able to work out something with those private landowners to help achieve that public benefit, as it crosses their lands. And this would give us an opportunity, primarily in the watershed arena.

Senator PACKWOOD. Thank you. Thank you, Mr. Chairman.

Senator BAUCUS. Thank you, gentlemen, very much, for spending the time with us this afternoon. We look forward to working with you.

Mr. JAMISON. Thank you very much, Senator.

Mr. BIBLES. Thank you.

Senator BAUCUS. The next panel consists of Mr. Martin Desmond, the executive director of Northwest Reforestation Contractors Association from Eugene, OR; Mr. John McGuire, former executive vice president with the American Forestry Association in Washington, DC; and Mr. Mark Reeff, resource director of the International Association of Fish and Wildlife Agencies, also in Washington, DC.

Senator BAUCUS. All right. First on my list is Mr. Desmond.

**STATEMENT OF MARTIN JACK DESMOND, EXECUTIVE DIRECTOR,
NORTHWEST REFORESTATION CONTRACTORS ASSOCIATION,
EUGENE, OR**

Mr. DESMOND. Senator Baucus and Senator Packwood, my name is Martin Jack Desmond, the Director for the Northwest Reforestation Contractors Association. It is an association of 70 member companies in the Pacific Northwest, including Oregon, Montana, and four other Pacific Northwest States.

We are pleased to be able to come here to testify in support of this proposed legislation. However, I am going to add a number of "however's" that I think the Senators need to look at.

Last year, after the Office of Inspector General came out with its report that the BLM had a significant reforestation backlog, we asked the BLM to provide us with a list of the amount of work that they were proposing for contracting for fiscal year 1991, since manual reforestation work on BLM lands is generally contracted out.

We received that list from the BLM, and in reviewing it, it appeared to me that there was no way that the BLM would be able to eliminate its three-year reforestation backlog as it had claimed to Congress 8 months previous to that. We began to ask a number of questions, and Senator Packwood's office was very helpful in eliciting responses from the BLM.

Eventually, the BLM acknowledged a new survey that had substantially different results. Those results were discussed by Mr. Jamison and Mr. Bibles.

There are a couple of points that we would like to make. The first is I have been looking very closely at the amount of funds that the BLM has appropriated and has spent on reforestation and forest development.

In fiscal year 1990, the BLM over-spent its personnel budget for forest development by \$600,000. Meanwhile, they under-spent their reforestation and forest contracting by \$4.2 million.

Looking at the budget figures for fiscal year 1991, which I obtained from the BLM, current as of June 1991—the BLM has spent 74 percent of its administration funds, but only 49 percent of its contracting funds. I would estimate at the current rate, that they are probably only going to spend roughly two-thirds—that is, about \$17-18 million dollars—of the \$25 million that Congress, or at least the BLM has set aside for direct contracting.

Senator Packwood, there is very high unemployment in the rural areas of Oregon and Washington, and a number of other areas in

the Pacific Northwest. We have been asking the BLM for some time to provide more contracting work. The BLM has identified a need for pre-commercial thinning, but it is unclear to me whether, in fact, the BLM is accelerating its pre-commercial thinning program.

However, that \$8 to \$9 million of additional contract funds that I suspect the BLM will not spend this fiscal year could provide \$4 to \$5 million of additional payroll to the citizens, primarily of the State of Oregon.

I am glad to see that there is language in this bill that prioritizes how the BLM is to spend the money. The money is first to go to reforestation and forest development, then money is to be spent for acquisition of conservation easements, and then finally, to BLM administrative expenses.

In summary, it is important that these lands be properly managed. It is sort of ironic that this issue is perhaps even somewhat tied into the old growth issue. That is, if the BLM gets full yield off these commercial forest lands, it actually lessens the need to cut some of the old growth stands that are currently existing.

Our association does support this legislation. We urge that Congress make sure that the BLM is properly spending these funds.

[The prepared statement of Mr. Desmond appears in the appendix.]

Thank you, Senators Baucus and Packwood.

Senator BAUCUS. Thank you very much, Martin.

Next, John McGuire, who I neglected to say was the former Chief of the National Forest Service not too many years ago. John, I want to thank you for being here, taking the time to come give us your views. I know there are not many here that are more knowledgeable than you about reforestation, and we are happy to have you here. Please go ahead?

STATEMENT OF JOHN MCGUIRE, FORMER DIRECTOR, AMERICAN FORESTRY ASSOCIATION, WASHINGTON, DC

Mr. MCGUIRE. Thank you, Mr. Chairman, Senator Packwood. I used to be Chief of the Forest Service way back in the 1970's. Today, I am representing the American Forestry Association, and, with your permission, I can summarize my testimony.

The American Forestry Association also believes that increasing the annual spending cap on the Reforestation Trust Fund from \$30 million to \$45 million, as proposed in S. 535, and allocating additional authority to the BLM, is an appropriate means to help that agency address its current backlogs in western Oregon.

We are particularly happy to hear of Senator Packwood's intent to remove the limitation to western Oregon and allow the monies to also be spent in other States. We do recognize that these western Oregon lands are among the most productive in the nation, however, for growing timber, and we understand the need to address the current backlog, so these lands can provide, as you have pointed out, increased economic benefits to Federal and local governments, and to the communities.

However, there are many lands throughout the BLM that have been damaged by natural causes—such as fire, wind, insects, and disease—which do require attention.

Last May, the American Forestry Association signed a cooperative agreement with BLM through which the Association will arrange for private sector financing for reforestation projects on BLM lands.

Under the agreement, the Association will select project sites recommended by BLM where new forests would enhance and restore the public lands.

These sites will not be commercial timber lands where BLM is mandated to reforest all harvested land, but BLM lands that would not otherwise be reforested by public funds.

The Association will finance these projects through its Global ReLeaf Heritage Forests Program, with funds donated by individuals, foundations, and businesses.

There have been a number of these projects so far, but as you might realize, this program cannot come near meeting the total needs for this kind of reforestation. So, we are happy to see that it is possible under the amended bill to extend the funding to other lands in the BLM system.

The proposed legislation also authorizes the use of the trust funds for acquisitions of easements from private land ownerships intermingled with BLM lands. We think the easements are an innovative and flexible tool that the Federal Government can use to acquire limited rights on private property, and we support this expanded use of conservation easements through a program such as the Forest Legacy Program, authorized in the 1990 Farm Bill.

One final point, Mr. Chairman. As we interpret the legislation, providing these additional funds to BLM will not infringe upon the amounts that the Forest Service will receive from the trust fund.

We feel it important that the legislation not diminish the financial resources of one agency in favor of another. That sounds like a rather biased statement, but I will conclude on that note.

Senator BAUCUS. Mr. Reef.

STATEMENT OF MARK REEFF, RESOURCE DIRECTOR, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES, WASHINGTON, DC

Mr. REEFF. Thank you, Mr. Chairman. I am here representing the International Association of Fish and Wildlife Agencies, which represents all 50 State Fish and Wildlife Agencies, including Montana and Oregon. I am here also representing Mr. Max Peterson, another former Chief of the Forest Service, who is my Executive Director.

The International Association is very supportive of S. 535 as partners in the management of fish and wildlife resources on these lands. Reforestation is an absolute necessity, we feel, for proper stewardship of forest ecosystems, of which, of course, fish and wildlife resources are part.

We see that it allows for watershed protection, stabilizes soils, returns nutrients, and consequently enhances water quality in the

watershed, all important components of fisheries management and wildlife management.

Further, it also provides for a number of opportunities for sportsmen, all of which is very high-value recreation on these lands.

The Association is also very pleased with the S. 535 provision for providing BLM to enter into cooperative agreements with private landowners. In the Association's opinion, this may be, perhaps, the most important aspect of this proposed legislation.

As you well know, Senators, the land ownership pattern in BLM lands is intermingled and checkerboarded, and that is often very frustrating for wildlife managers.

We believe that S. 535's voluntary easements could begin to allow State and Federal wildlife managers to have better access to manage these lands, and to have agreements to get work done on these very important wildlife and fisheries management areas.

As we have seen from experience with our partners, the Forest Service and the Bureau of Land Management, public/private partnerships are the future, we believe, to ensuring the integrity of wildlife and fisheries management on public lands. This needs to be done, of course, and we would advocate, in close concert with State Fish and Wildlife Agencies.

The Association is also supportive of expanding these funds to apply to lands outside of Oregon. We recognize the needs in States such as Montana and some of the other western States.

In conclusion, we really believe this is an important piece of legislation, and we are ready to work with you to see it through.

Thank you, Senator.

[The prepared statement of Mr. Reeff appears in the appendix.]

Senator BAUCUS. Thank you very much, Mr. Reeff. Mr. Desmond, you made an interesting point that the last fiscal year, the BLM exceeded its personnel budget by \$600,000, is that correct?

Mr. DESMOND. Yes. This is according to their own figures.

Senator BAUCUS. And it has under-funded the reforestation by \$4.2 million?

Mr. DESMOND. Well, actually, I have the figures back here. They did not spend \$4.2 million that they had allocated for fiscal year 1990 for direct contracting services.

Senator BAUCUS. All right. And currently, the administration expenditures are 74 percent?

Mr. DESMOND. Yes. This is as of June 30th of this year. They are at 74 percent. Meanwhile, for direct contracting, they are only at 49 percent.

Senator BAUCUS. How does that compare proportionately, say, with the Forest Service?

Mr. DESMOND. I have no idea, myself. I could not compare that.

Senator BAUCUS. Mr. McGuire, could you address that?

Mr. MCGUIRE. I do not think I could do that, Mr. Chairman. I do not recall. But obviously by comparison—

Senator BAUCUS. I am sorry.

Mr. MCGUIRE. There is not a means of comparison.

Senator BAUCUS. Yes. I understand that. I wondered, though, is the Forest Service somewhat behind on the same proportionate basis. To what degree would this bill, in your judgment, address that disparity, Mr. Desmond?

Mr. DESMOND. Well, actually, I think it has a section in there that specifically addresses that. It tells the BLM that this is the priority in which you are to spend your money, and I think it is real critical to have that section in there.

Senator BAUCUS. Mr. McGuire, do you think as a consequence of this bill that the BLM's reforestation dollars will be allocated fairly to BLM lands?

Mr. MCGUIRE. Yes, sir; I do. If you judge by the experience of the Forest Service, it has worked very well there. I do not see why it should not work equally well with BLM.

Senator BAUCUS. And as the bill is written, and as you expect it to be administered, do you think that the allocation will be roughly equitable?

Mr. MCGUIRE. I think so.

Senator BAUCUS. Evenly distributed?

Mr. MCGUIRE. I think so. The Forest Service backlog, for example, is pretty much a thing of the past. The area now that is up for reforestation is sort of in the recycling stage. It consists of area that have been cut over, or burned, or damaged in some way each year. Thus area is added annually, and reforestation reduces it on the other side, so there is no backlog.

Senator BAUCUS. Thank you very much. Senator Packwood.

Senator PACKWOOD. Mr. McGuire, just one question. Although you had left the Forest Service just as the Reforestation Trust Fund was coming in, based upon your knowledge of the comments of the people who were there, it has worked as we hoped it would work in 1980?

Mr. MCGUIRE. Yes, sir; it certainly has. That is the report I get from all of the people I have talked to in the Forest Service.

Senator PACKWOOD. It is the same report I get that, by and large, it has made the difference in funding the Forest Service reforestation efforts, and we hope to do the same for the BLM without taking any from the Forest Service.

Mr. MCGUIRE. Exactly.

Senator PACKWOOD. All right. Thank you very much, gentlemen.

Senator BAUCUS. Thank you very much for your testimony. The hearing is adjourned.

[Whereupon, the hearing was concluded at 3:30 p.m.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF MARTIN JACK DESMOND

The Northwest Reforestation Contractors Association is an association of 70 reforestation companies in the Pacific Northwest including Oregon, Montana, Washington, Idaho, and California. The primary purpose of the association is to "level out the playing field" so that all reforestation contractors have an opportunity to compete fairly on Federal, State, and private contracts. Our association expresses its appreciation for an opportunity to provide testimony on legislation to authorize the Secretary of Interior to expend funds from the Reforestation Trust Fund.

LACK OF ADEQUATE BLM FUNDING

Our association has been concerned about lack of adequate appropriations for reforestation and forest development for both the Forest Service and Bureau of Land Management. While Congress and the presidential administration have been willing to provide funds for the planting of trees, there has been a lack of adequate funds for other critical aspects of reforestation including precommercial thinning, site preparation, stand maintenance, and fertilization.

Chart 1 shows a display of the BLM forest development budget for O&C and other western Oregon forestlands for the last 8 years:

| Fiscal Year | Appropriated (million) | Spent (million) |
|-------------|---------------------------|-----------------|
| 1984..... | \$17.1 | \$15.1 |
| 1985..... | 21.1 | 21.8 |
| 1986..... | 19.3 | 18.9 |
| 1987..... | 19.9 | 19.4 |
| 1988..... | 22.3 | 21.7 |
| 1989..... | 23.0 | 22.8 |
| 1990..... | 41.0 | 37.1 |
| 1991..... | 45.3 | |

REFORESTATION BACKLOG

In September 1990, the Office of Inspector General (OIG) completed a report that found the BLM "had not performed the planned levels of plantation maintenance, precommercial thinning, fertilization, and timber stand conversions . . ." The OIG estimated that \$90 million in future revenues were lost during fiscal years 1986 to 1989. The report also projected that the Federal treasury and 18 counties would lose an estimated \$21 million in timber growth annually as long as the present backlog existed.

During the mid-1980's, the BLM had an inadequate budget to perform reforestation activities. The backlog can be traced directly back to the lack of adequate funds. Congress, in response to the identified backlog, boosted BLM's reforestation budget in fiscal years 1990 and 1991.

The Forest Service is not entirely dependent upon direct appropriations from Congress. The Forest Service can draw money from its K-V funds and its Reforestation Trust Fund, in addition to direct appropriations. The availability of other sources of

funding provides the Forest Service with sufficient funds to meet current reforestation and thinning needs, at least in the Pacific Northwest.

NEED FOR STABLE FUNDING

In order to provide the Bureau of Land Management with a more stable funding source to perform reforestation and forest development activities, our association supports Senator Bob Packwood's legislative proposal to allow the BLM to collect upwards of \$15 million from the Reforestation Trust Fund annually. We understand that the tariff fund on imported lumber may decline during the next few years and that the legislation also allows for the collection of funds from the Coos Bay Wagon Road funds. We also support this use of the funds.

However, in supporting this proposed legislation, we would also ask that Congress hold the BLM accountable for the allocation of these funds. Funds that are allocated for reforestation need to be spend on reforestation activities.

CHANGE IN BACKLOG NEEDS

Last winter, our association drafted a letter to the State director of the BLM in Oregon after we concluded that the Federal agency was not proposing enough acres for treatment to correct the 3 year forest development backlog. After a series of phones calls and letters involving the Oregon Congressional delegation, our association was informed by the BLM that a new survey had been conducted in September 1990 which found substantially different results.

TOTAL NEED FY 1991

(Acres)

| | Site prep | Reforest | Main | PCT | Fert. |
|-------------------|-----------|----------|---------|---------|---------|
| 1989 survey | 70,400 | 56,800 | 150,600 | 50,000 | 138,700 |
| 1990 survey | 24,000 | 36,100 | 79,200 | 64,900 | 168,400 |
| Change | -46,400 | -20,700 | -71,400 | +14,900 | +29,700 |

We recognize that acreage figures will change moderately from survey to survey, but there is too much of a swing between these two surveys. The second survey found that there was 46,400 fewer acres for site preparation, 20,700 fewer acres for reforestation, and 71,400 fewer acres for plantation maintenance. On the other hand, the survey found 14,900 more acres for thinning and 29,700 more acres for fertilization. One (or perhaps, both) surveys were incorrectly performed. Surveys need to be performed with a reasonable degree of accuracy, particularly since millions of dollars of appropriations are potentially involved.

APPROPRIATED AND SPENT DOLLARS

Our association then reviewed BLM appropriated and spent dollars for FY 1990 and FY 1991. Attachments A and B show the planned and actual dollars spent for the FY 90, dated October 16, 1990. The excess receipts program number is 6820 and is identified as attachment A. The regular program number is 6321 and is identified as attachment B. A summary of major budget items is:

FISCAL YEAR 1990 BUDGET

(Millions)

| | Budget | Spent | Balance | Percent of funds spent |
|-------------------|--------|--------|---------|------------------------|
| BLM labor | \$11.1 | \$11.7 | \$-.6 | 106 |
| Contracting | 22.6 | 18.4 | 4.2 | 82 |

The BLM labor category includes work that was performed by its employees. Examples provided in the handouts included surveys, nursery work, inspection, etc.

While BLM employees perform a certain amount of manual work such as prescribed burning, virtually all of the tree planting, thinning, stand maintenance, fertilization, and site preparation work is contracted.

As the FY 90 figures show, the BLM overspent its employee personnel budget by \$600,000, but underspent the direct contracting services budget by \$4.2 million. Attachments C and D show the planned dollars and the actual expenditures for FY 1991. The combined budget is \$45.5 million dollars for FY 1991. A summary of direct contracting services budget item, as of June 30, 1991 (1):

FISCAL YEAR 1990 BUDGET

(Millions)

| | Budget | Spent | Balance | Percent of funds spent |
|------------------|--------|-------|---------|------------------------|
| BLM labor..... | \$12.6 | \$9.1 | \$3.3 | 74 |
| Contracting..... | 25.6 | 13.1 | 12.5 | 49 |

I am concerned that the BLM will not spend all of the FY 91 money that have been appropriated by Congress to perform the necessary work. The agency spent only 82% of its contracting funds in FY 90. Attachments E and F show FY 90, as of February 28, 1990. Based upon the previous year, one could conclude that the agency will not perform all of the work that could be completed in FY 1991 to eliminate the backlog.

In particular, there is an increase in the amount of thinning work that needs to be performed—a total of 64,900 acres. The BLM had scheduled 20,116 acres of thinning for this fiscal year which would still leave 44,800 of untreated thinning needs. Several months ago, we requested that the BLM, since funds were available, offer more thinning contracts to provide more work for the hard-hit economic rural areas of Oregon. I am unsure if the BLM has offered more thinning contracts.

COMPLIANCE PROBLEMS

Although this issue is not directly germane to the proposed legislation, our association has been battling "noncompliant" reforestation contractors since its inception. In fact, the primary purpose of the association is to deal with contractors who fail to pay workers the Federal or State mandated minimum wages, who fail to carry workers compensation coverage to protect their workers, who fail to pay and report Federal and State payroll taxes, and who generally fail to comply with appropriate Federal and State laws.

We have noticed a typical pattern of the BLM continually awarding thinning and manual release contracts to "noncompliant contractors." For example, the BLM awarded a \$400,000 tree planting to one contractor in February 1991. This contractor used a debarred forest contractor, used an unlicensed contractor, and eventually worked crews on the contract even when he had lost his workers compensation coverage.

Our association has successfully sued five contractors who have performed BLM thinning and manual release contracts for failing to comply with Oregon forest/farm labor laws. In two to three weeks, we will be proceeding with litigation against another 4 to 5 contractors, all of whom have performed BLM contracts.

We request that the US Congress remind the BLM that the Federal statutes require that their contracting officers award only to "responsible bidders."

SUMMARY

Our association supports the proposed legislation to provide \$15 million from the Reforestation Trust Fund to be allocated to the BLM reforestation program. We do request that Congress closely monitor the program to make sure that the funds are being spent on reforestation-related projects.

REPORT DATE: 10-16-90
 AS OF DATE: 02-30-90

U.S. DEPT OF INTERIOR - BUREAU OF LAND MANAGEMENT

PAGE: 059
 PGM: PGL15P2
 RUN PAGE: 91,437

FUND STATUS REPORT BY SUBACTIVITY
 SUBACTIVITY RECAP

STATE: OR OREGON

% OF FISCAL YEAR ELAPSED 100.0

SUBACTIVITY: 6821 REFORESTATION & FOREST DEVELOPMENT (ER)

| OBJ CLASS | DESCRIPTION | ← PLANNED DOLLARS → | | UN LIQUIDATED OBLIGATIONS | CURRENT MONTH TOTAL OBLIG. | YEAR-TO-DATE TOTAL OBLIG. | % DOLLARS USED YTD | AVAILABLE BALANCE |
|-----------|-----------------------|---------------------|------------|---------------------------|----------------------------|---------------------------|--------------------|-------------------|
| | | YR-TO-DATE | TOTAL | | | | | |
| 1100 | SALARIES, BENEFITS | 2,547,300 | 2,547,300 | | | 2,479,580.45 | 97.2 | 71,719.55 |
| 2300 | RENT, COPI, UTIL | | | 16,796.54 | | 29,744.14 | | -29,744.14 |
| 2500 | SERVICES | 2,165,400 | 2,165,400 | 1,669,061.44 | | 7,802,985.50 | 85.2 | 1,355,919.50 |
| 3100 | EQUIPMENT | 188,200 | 188,200 | 61,726.34 | | 82,712.12 | 44.0 | 105,588.08 |
| 2100 | TANFL | | | 2,152.38 | | 16,672.33 | | |
| 2200 | TRANSPORTATION | | | 1,042.50 | | 71,755.00 | | |
| 2400 | PRINTING, REPROD | | | 3,093.75 | | 3,800.38 | | |
| 2600 | SUPPLIES, MAT. | | | 59,929.64 | | 719,411.98 | | |
| 9999 | GROUP TOTAL (GRN-ADD) | 1,919,100 | 1,919,100 | 44,218.24 | | 807,888.85 | 92.1 | 1,111,291.15 |
| | SUBACTIVITY TOTAL | 13,820,000 | 13,820,000 | 1,813,892.52 | | 11,205,838.06 | 81.1 | 2,614,161.94 |

| ***** WORK MONTH SUMMARY ***** | | | | | | | |
|--------------------------------|-----------------------------|----------|---------------------|-----------------|------------------|-------|-------|
| PLANNED WK MONTH YTD | ← EXPENDED WK MONTH → TOTAL | % WK MTH | WORK MONTH COST YTD | ACT AVG WK COST | PLND AVG WK COST | | |
| 221 | 221 | 1,012.3 | 76.7 | 106.8 | 2,475,580.45 | 2,429 | 2,670 |

OLL PROJECTION THIS MONTH: 291,789.93

OLL PROJECTION MONTHS: 117.6

20

Attachment A: FY 90
 Excess Receipts #6821

REPORT DATE: 10-16-90
 AS OF DATE: 09-30-90

U.S. DEPT OF INTERIOR - BUREAU OF LAND MANAGEMENT

PAGE: 702
 PCN: PG115P2
 RUN PAGE: 41,288

FUND STATUS REPORT BY SUBACTIVITY

STATE: OR OREGON

LINE-ITEM SUMMARY BY SUBACTIVITY

% OF FISCAL YEAR ELAPSED 100.0

SUBACTIVITY: 632C

| OBJ CLASS | DESCRIPTION | ← PLANNED DOLLARS → | | UNLIQUIDATED OBLIGATIONS | CURRENT MONTH TOTAL OBLIG. | YEAR-TO-DATE TOTAL OBLIG. | % DOLLARS USED YTD | AVAILABLE BALANCE |
|--------------------------------|-----------------------------|------------------------|------------|--------------------------|----------------------------|---------------------------|--------------------|-------------------|
| | | YR-TO-DATE | TOTAL | | | | | |
| 1100 | SALARIES, BENEFITS | 8,583,900 | 8,583,900 | 419,975.19 | | 9,307,209.24 | 108.4 | -723,309.24 |
| 2300 | RENT, COMM, UTIL | 531,300 | 531,300 | -4,197.45 | | 443,747.78 | 83.5 | 87,552.22 |
| 2500 | SERVICES | 13,450,600 | 13,450,600 | -866,268.93 | | 10,649,777.67 | 79.2 | 2,800,822.33 |
| 3100 | EQUIPMENT | 917,300 | 917,300 | -5,665.71 | | 1,009,753.59 | 109.5 | -87,453.59 |
| 2100 | TRAVEL | | | 14,128.16 | | 25,278.17 | | |
| 2200 | TRANSPORTATION | | | 55,845.97 | | 568,826.75 | | |
| 2400 | PRINTING, REPROD | | | -4,481.32 | | 15,520.21 | | |
| 2600 | SUPPLIES, MAT. | | | 730,002.45 | | 3,058,228.95 | | |
| 3200 | LANDS, STRUCT | | | -13,902.02 | | 239,834.69 | | |
| 4200 | INS. CLAIMS | | | | | 3,228.86 | | |
| 9999 | GROUP TOTAL (NON-ADD) | 3,776,900 | 3,776,900 | 781,593.17* | | 4,510,473.44* | 119.4 | -733,573.44 |
| | SUBACTIVITY TOTAL | 27,260,000 | 27,260,000 | 324,736.27 | | 25,915,961.72 | 95.1 | 1,344,038.28 |
| ===== WORK MONTH SUMMARY ===== | | | | | | | | |
| | ← PLANNED MK MONTHS → | ← EXPENDED MK MONTHS → | | % MK MTH | WORK MONTH | PCT AUG | PLND AUG | |
| | YTD | TOTAL | TOTAL | USED YTD | COST YTD | MN COST | MN COST | |
| | 3.137 | 3,137 | 3,148.1 | 125.1 | 100.4 | 9,307,209.24 | 2,796 | 2,736 |
| | ROLL PROJECTION THIS MONTH: | 455,822.56 | | | | | | |
| | ROLL PROJECTION MONTHS: | 174.3 | | | | | | |

21

Attachment B: FY 90
 Forest Development
 + Reforestation

PK: PE115P2
 RUN DATE: 01/09/91
 AS OF DATE: 06/30/91

U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT
 FUND STATUS REPORT STATE
 SUBACTIVITY (PROGRAM)

RUN PAGES
 REPORT PAGES

Attachment C

STATE (DIVISION): OR OREGON PERCENT OF FISCAL YEAR ELAPSED

SUBACTIVITY (PROGRAM): 6320 REFORESTATION & FOREST DEVELOP

| ROC | COL | SPUMP | DOLLARS PLANNED | PR YR RECOVERY /ADJUSTMENT | TOTAL BUDGETARY RESOURCES | UNLIQUIDATED OBLIGATIONS | TOT DIR OBLIG YEAR-TO-DATE | % DOLLARS USED YTD | AVAIL BAL |
|-----|-----|-----------------------------|--------------------|----------------------------------|------------------------------|-----------------------------|-------------------------------|-----------------------|--------------|
| | | LABOR COSTS (EXC PCS) | | -49,559.62 | 12,172,140.36 | | 8,688,728.81 | 71.6 | 3,483.4 |
| | | PCS COSTS | | 72,255.24 | 72,255.24 | 160,397.35 | 209,877.28 | 290.5 | -137.6 |
| 11 | | LABOR COSTS | 12,221,700 | 22,695.62 | 12,244,395.62 | 160,397.35 | 8,898,606.09 | 72.7 | 3,345.7 |
| 23 | | RENT COMM. & UTIL | 467,400 | -17,384.74 | 390,015.26 | 75,923.85 | 485,125.47 | 103.9 | -15.1 |
| 25 | | CONTRACT SERVICES | 18,671,500 | 337,789.40 | 19,009,289.40 | 3,191,486.41 | 7,959,324.67 | 41.9 | 11,849.9 |
| 31 | | EQUIPMENT | 1,533,400 | 10,644.14 | 1,544,044.14 | 237,779.25 | 1,604,897.80 | 105.7 | -150.0 |
| 21 | | TRAVEL & TRANS. PERSONS | | 10,357.38 | 10,457.38 | 56,656.49 | 296,849.77 | 2838.7 | |
| 22 | | TRANSPORTATION THINGS | | -15,388.56 | -15,388.56 | 21,402.62 | 791,362.51 | | |
| 24 | | PRINTING & REPRODUCTION | | 393.79 | 393.79 | 6,200.50 | 11,426.38 | | 2901.6 |
| 26 | | SUPPLIES & MATERIALS | | 5,006.01 | 5,006.01 | 1,335,492.05 | 2,885,878.35 | | 7632.3 |
| 32 | | LAND & STRUCTURES | | 4,210.32 | 4,210.32 | 24,339.00 | 32,321.43 | | 767.7 |
| 42 | | INS. CLAIMS & INDEMNTS. | | | | | 9,200.25 | | |
| | | -- UNDEFINED | | | 5,356,000.00 | | | | |
| 99 | | OTHER COSTS (NON-ADJ) | 5,556,000 | 4,678.94 | 5,562,678.94 | 1,844,898.86 | 4,026,318.69 | 72.4 | 1,536.3 |
| | | TOTAL SUBACT (PROGRAM) 6320 | 38,392,000 | 356,423.36 | 36,750,423.36 | 5,109,685.92 | 22,983,472.12 | 59.3 | 15,764.9 |

| WORK MONTHS PLANNED | | <EXPENDED WORK MONTHS> TOTAL | | WORK MONTH SUMMARY <EXCEEDED WORK MONTHS> OVERTIME | | WORK MONTH SUMMARY % MK MTH USED YTD | | WORK MONTH COST YTD | ACTUAL AVG MK COST | PLANNED AVG MK COST |
|---------------------|--|---------------------------------|--|--|--|--|--|------------------------|-----------------------|------------------------|
| 4,294 | | 3,111.2 | | 169.2 | | 72.5 | | 8,688,728.81 | 2,793 | 2,846 |

PAYROLL PROJECTION THIS MONTH (\$) : 490,107.70
 PAYROLL PROJECTION WORK MONTHS : 182.0

Attachment D

PC#: P51592
 RPT DATE: 07/01/91
 AS OF DATE: 06/30/91

U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT

RUN PAGE: 7 of 8
 REPORT PAGE: 9

FUND STATUS REPORT STATE
 SUBACTIVITY (PROGRAM)

STATE (OUTSIDE): OR OREGON PERCENT OF FISCAL YEAR ELAPSED 75.0

SUBACTIVITY (PROGRAM): 6820 REFORESTATION & FOREST DEV(EM)

| BUC SRC GROUP | DOLLARS PLANNED | PR YR RECOVERY /ADJUSTMENT | TOTAL BUDGETARY RESOURCES | UNLIQUIDATED OBLIGATIONS | TOT DIB OBLIG YEAR-TO-DATE | % DOLLARS USED YTD | AVAILABL BALANCE |
|------------------------------------|------------------|----------------------------|---------------------------|--------------------------|----------------------------|--------------------|--------------------|
| LABOR COSTS (EAC PCS) | | -57,623.76 | 153,376.24 | | 179,394.08 | 117.8 | -26,017.8 |
| 11 LABOR COSTS | 210,800 | -57,623.76 | 153,376.24 | | 179,394.08 | 117.8 | -26,017.8 |
| 23 HEAT CUM. & UTIL | | -5,377.59 | -5,377.59 | | 1,140.18 | | -6,517.7 |
| 25 CONTRACT SERVICES | 6,650,700 | 110,243.56 | 6,960,343.56 | 610,289.51 | 5,232,299.54 | 75.2 | 1,728,044.0 |
| 31 EQUIPMENT | | 1,046.53 | 1,046.53 | | 874.41 | | 167.1 |
| 21 TRAVEL & TRANS. PERSONS | | 569.87 | 569.87 | 1,326.00 | 6,333.65 | 1111.4 | |
| 22 TRANSPORTATION TRINGS | | -3,287.56 | -3,287.56 | | 10,174.73 | | |
| 24 PRINTING & REPRODUCTION | | -112.37 | -112.37 | 1,800.00 | 2,171.39 | | |
| 26 SUPPLIES & MATERIALS | | -18,649.58 | -18,649.58 | 31.78 | 11,094.40 | | |
| UNDEFINED | | | 30,500.00 | | | | |
| 99 OTHER COSTS (NON-ADU) | 30,500 | -21,479.64 | 9,020.36 | 3,157.78 | 20,774.15 | 330.1 | -20,757.7 |
| TOTAL SUBACT (PROGRAM) 6820 | 7,091,000 | 27,409.10 | 7,118,409.10 | 613,447.29 | 5,443,491.36 | 76.5 | 1,674,917.0 |

| WORK MONTHS PLANNED | | <EXPEND'D WORK MONTHS> TOTAL | | OVERTIME | | WEEK MONTH SUMMARY | | WEEK MONTH | | WEEK MONTH | | ACTUAL AVG | | PLANNED AVG | |
|---------------------|-------|------------------------------|----------|----------|------------|--------------------|-------------|------------|---------|------------|---------|------------|---------|-------------|---------|
| PLANNED | TOTAL | TOTAL | OVERTIME | USED YTD | COST YTD | ACTUAL AVG | PLANNED AVG | ON COST | ON COST | ON COST | ON COST | ON COST | ON COST | ON COST | ON COST |
| 65 | 65 | 57.5 | 1.3 | 91.3 | 179,394.08 | 3.120 | 3.340 | | | | | | | | |

PAYROLL PROJECTION THIS MONTH (S): 7,499.85
 PAYROLL PROJECTION WORKMONTHS: 1 2.1

PREPARED STATEMENT OF SENATOR MARK O. HATFIELD

Mr. Chairman: As a co-sponsor of S. 535, I want to take a few moments to add my strong words of support for this legislation. I also want to commend my colleague from Oregon, Senator PACKWOOD for taking the initiative to build on the tradition of wise conservation of Oregon's forest lands.

S. 535 amends Section 303 of P.L. 96-451 to establish for the Bureau of Land Management (BLM) a reforestation trust fund similar to that which has successfully funded Forest Service reforestation activities for so many years. In short, S. 535 will increase the authorized trust fund level from \$30 million to \$45 million; would authorize the use of the additional \$15 million for the BLM; and would provide for funds for that account through fees obtained because of the import of Canadian forest products.

During the past few years—primarily because of increasing pressure on the discretionary domestic spending side of the budget—securing appropriations for BLM reforestation activities has become more and more difficult. In recent years, this backlog has grown to nearly 57,000 acres, an unacceptable level. The cost has been high—over \$20 million during the past three years.

But given continuing pressure to reduce appropriations—we had to reduce spending in the Senate Interior Appropriations Bill for FY 1992 by nearly \$1.2 billion just last week—the likelihood of continuing these appropriations at that level is decreasing almost by the day. The need for stable reforestation funding is a must. Experience shows that the reforestation trust fund established for the Forest Service has worked quite well, and we must now move to meet the BLM's needs through similar legislation.

Some projections show that revenues available from import fees may decline due to the U.S.-Canada free trade agreement. As a supporter of that agreement in 1988, I am pleased to see that barriers to free trade are beginning to fall. But it is also clear that some barriers will remain, and there is no reason to put the result of those barriers—in this case, revenue from import tariffs—to good domestic use.

If tariff revenue does decrease due to the agreement, the fully authorized funding level in the trust fund may not be realized. To meet this contingency, S. 535 allows for the use of as much of the Federal share of O&C receipts as would be necessary to bring funding to its authorized level.

Mr. Chairman, notwithstanding the current controversy about management of Oregon's public forest lands, our State continues to be the top softwood producer in the Nation. Oregon alone contributes 13 percent of the Nation's annual softwood needs; BLM's share is responsible for about 30 percent of that amount.

But with the use of the resource comes the responsibility to take care of it. We hold it as an article of faith in Oregon that we replace what we harvest. For national forest and other public lands, Federal law is clear in this regard: both the National Forest Management Act and the Federal Land Policy and Management Act bar timber harvesting where the site harvested cannot be restocked within five years. And while we have tried to meet that responsibility, in the BLM's case, reforestation and other intensive forest management practices have suffered because of lack of stable funding.

Mr. Chairman, I would like to thank you for moving expeditiously to schedule a hearing on this legislation. And I would again like to commend Senator PACKWOOD for his leadership on this problem. S. 535 reemphasizes our commitment to the principle of wise stewardship, and I ask that the subcommittee act quickly to report it.

Thank you for allowing me this time.

PREPARED STATEMENT OF CY JAMISON

I appreciate the opportunity to appear here today to discuss S. 535, a bill to amend section 303 of Public Law 96-451 to authorize the Secretary of the Interior to expend funds from the Reforestation Trust Fund for the reforestation of certain lands in the State of Oregon. A summary of the bill is attached to this statement.

The Administration supports enactment of the bill if the pay-as-you-go (PAYGO) impacts under the Budget Enforcement Act of 1990 can be satisfactorily addressed. This will be discussed below. Although the BLM will receive additional funds, the overall PAYGO impact would be a negative \$15 million per fiscal year (FY).

The Bureau of Land Management (BLM) believes that receiving a predictable mandatory allocation of \$15 million every year above what Congress appropriates yearly on an discretionary basis would have a positive effect on our long-term program and on the Federal treasury. The Department of the Interior Inspector Gener-

al (IG) reported in 1990 that, for every dollar the Government spends on the BLM forestry program in western Oregon, \$4 is returned to the United States Treasury and 18 counties in western Oregon.

Enactment of S. 535 would help us accomplish identified reforestation and forest development activities in western Oregon in a timely manner. It would enable us to eliminate by the end of FY 1993 the backlog of forest development activities in western Oregon.

Enactment of S. 535 would also provide other benefits. It would allow us to do reforestation of harvested lands at the biologically optimum time. It would promote economic efficiency through prompt reforestation before harvested sites are invaded by brush and hardwood species. In addition, S. 535 would allow us the opportunity, through voluntary cooperative conservation easements, to capture for the public benefit elements of biological diversity or elements of forest health on adjacent private lands that play magnified roles in enhancing similar values on public lands. Examples of the latter benefit are key riparian strips or headwall areas mostly on public lands but with important segments on private lands. Although the language in S. 535 limits BLM expenditure of Reforestation Trust Fund money to western Oregon, our backlog of reforestation and forest development needs is not confined to that region. If use of the funds was not restricted to western Oregon, similar work could be performed to help reduce the BLM reforestation backlog of 13,000 acres in eastern Oregon and the other public land States. As indicated above, enactment of S. 535 would have a negative PAYGO impact of \$15 million per FY, for which an offset should be provided in the bill.

BILL SUMMARY—S. 535

Section 1 of S. 535 would amend section 303 of Public Law 96-451 (16 U.S.C. 1606a) to raise the maximum funding of the Reforestation Trust Fund (Fund) from \$30,000,000 to \$45,000,000 and allocate the amounts transferred to the fund to the appropriate Secretary. One-third of the amounts transferred to the Fund would be allocated and made available to the Secretary of the Interior and two-thirds to the Secretary of Agriculture. If necessary, proper adjustments would be made to ensure that the amounts transferred to the Fund in any fiscal year (FY) are allocated as follows; \$30,000,000 to the Secretary of Agriculture and the remaining balance to be allocated and made available to the Secretary of the Interior.

Pursuant to the amendments under section 1, if the remaining balance allocated and made available to the Secretary of the Interior in any FY is less than \$15 million, the Secretary of the treasury shall transfer to the Fund and make available to the Secretary of the Interior, from the Federal portion of the Bureau of Land Management (BLM) timber receipt payments from public domain lands and Coos Bay Wagon Road grant lands in western Oregon, an amount equal to the difference between such remaining balance and \$15,000,000.

The amendment would further provide that the Secretary of the Interior may obligate the funds available to him from the Fund to supplement BLM expenditures for—

(A) reforestation and forest development of BLM public lands in western Oregon, including projects to improve overall health and productivity of the forest ecosystem,

(B) negotiation and implementation of cooperative relationships, including voluntary cooperative conservation easements, when such relationships promote and enhance successful reforestation or forest development or contribute to the long-term productivity of the forest ecosystem; and,

(C) properly allocable administrative costs of the Federal Government for the activities described in subparagraphs (A) and (B).

The amendment would also provide that, until the unresolved reforestation and forest development needs that were initially identified by the BLM prior to January 1, 1991 are met, sums from the Fund allocated to the Secretary of the Interior may be expended only to meet those needs.

PREPARED STATEMENT OF JOHN R. MCGUIRE

Mr. Chairman. Members of the Subcommittee. I am John McGuire, formerly Chief of the Forest Service and a past Director of the American Forestry Association. I am pleased to appear before you today to share some of the views of the American Forestry Association on the proposed legislation authorizing the Bureau

of Land Management (BLM) to make expenditures from the Reforestation Trust Fund for reforestation and forest development activities.

The American Forestry Association is the Nation's oldest citizens conservation organization, representing a diverse range of people deeply interested in the protection and sustainable management of trees and forests in the U.S. and worldwide.

The Reforestation Trust Fund (RTF) established by Section 303 of Public Law 96-451 has proven to be an effective mechanism to supplement appropriated funds for reforestation and timber-stand improvement activities by the Forest Service. Since its creation in 1980, the RTF has helped the Forest Service eliminate a substantial backlog of reforestation needs on the National Forest System. This backlog was estimated to be more than 3 million acres in the mid-1970's.

We believe that increasing the annual spending cap on the RTF from \$30 million to \$45 million, as proposed in S. 535, and allocating the additional spending authority to the BLM is an appropriate means to help the agency address its current backlogs in western Oregon. These reforestation and forest-development backlogs, according to BLM data, include: 33,461 acres for planting; 171,000 acres for inventory; 22,785 acres for site preparation; 49,285 acres for maintenance; 20,116 acres for pre-commercial thinning, and 51,414 acres for fertilization.

The legislation requires RTF funding for BLM to focus first on eliminating these backlogs so that the lands in western Oregon can be brought back into a more productive condition. Once the backlogs have come under control, the legislation would permit supplemental funds from the RTF to be used for projects "to improve the overall health and productivity of the forest ecosystem." As we understand this, the funds could then be used for projects that would improve non-timber resource values, such as water quality and wildlife habitat, as well as commercial timber values. We believe that this represents an important distinction, and would encourage the use of RTF funds for both projects to restore or enhance basic resource values in the forest ecosystem and projects to increase the growth and vigor of the timber resource.

One concern we have with the bill is that it limits the use of funds from the RTF to BLM lands in western Oregon. We recognize these lands to be among the most productive in the Nation for growing timber and understand the need to address the current backlogs so that these lands can provide increased economic benefits to the Federal government, counties, and communities in that region. However, there are significant opportunities to improve forests on BLM lands in other States. These lands contain many forested areas that have been damaged by natural causes such as fire, wind, insects, and disease, or areas where past land use or management practices have left the land in poor condition.

BLM manages 28 million acres of forestland in 11 western States. Nearly 6 million acres qualify as commercial forestland, or timberland, of which 2.3 million acres are in Oregon. Opportunities for improving BLM forestlands outside of Oregon may not have the same potential for economic return as those for lands in western Oregon, but they can provide a broad array of important benefits, such as preventing soil erosion and water pollution, recharging ground water for sustained stream flow, and improving wildlife habitat.

On May 17, 1991, the American Forestry Association signed a cooperative agreement with the BLM through which AFA will provide private-sector financing for reforestation projects on BLM lands. Under the agreement, AFA will select project sites recommended by BLM where new forests would enhance and restore the public lands. These sites will not be on commercial timberlands, where BLM is mandated to reforest all harvested lands, but on BLM lands that would not otherwise be reforested by public funds. AFA will finance these reforestation projects through its Global ReLeaf "Heritage Forests" program with funds donated by individuals, foundations, and businesses. Since its inception in 1990, AFA's Heritage Forests program has already funded 12 reforestation projects on public lands—local, State, and Federal—and planted more than 330,000 trees. Three of these projects have been on BLM lands in New Mexico, Wyoming, and Nevada.

Mr. Chairman, we are proud of the accomplishments of our Heritage Forest program, but the need for reforestation and forest improvement projects on BLM lands outside of the commercial timberland base reaches far beyond our means. We believe it would be wise to extend the use of the RTF to help meet some of these needs, as well as those on the productive lands in western Oregon.

The proposed legislation also authorizes the use of RTF funds for the acquisition of voluntary conservation easements from private landowners with property that is intermingled with BLM lands. Conservation easements are an innovative and flexible tool that the Federal government can use to acquire limited rights in private property from willing landowners and thus assure the protection of certain re-

sources and the use of conservation practices for the duration of the easement. We support the expanded use of conservation easements by the Federal government, through programs such as the Forest Legacy Program authorized in the 1990 Farm Bill. Given BLM's checkerboard land-ownership pattern in western Oregon, we believe that the ability to negotiate and purchase conservation easements could be very helpful to the agency in promoting more consistent and compatible management on all land ownerships.

One final point, Mr. Chairman. As we interpret the legislation, providing these additional funds to BLM will not infringe upon the amounts that the Forest Service will receive from the RTF. We feel it is important that the legislation not diminish the financial resources of one agency to increase those of another.

In conclusion, we believe that there are significant opportunities to use funds from the RTF for reforestation and forest-improvement projects on BLM lands that would provide important economic and environmental benefits to society. The proposed amount of \$15 million would provide a substantial annual supplement to BLM's appropriated funds, and could help the agency address its backlogs in western Oregon and undertake important projects on BLM forestlands in other States.

PREPARED STATEMENT OF MARK J. REEFF

The International Association of Fish and Wildlife Agencies, founded in 1902, is a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the States, provinces, and Federal governments of the U.S., Canada, and Mexico. All 50 States are members. The Association has been a key organization in promoting sound resource management and strengthening Federal, State, and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest. The Association is pleased to have this opportunity to comment on S. 535, dealing with the expenditures of Reforestation Trust Fund monies for reforestation of Bureau of Land Management (BLM) lands; which will benefit our Nation's fish and wildlife resources.

The Reforestation Trust Fund, established by 16 U.S.C. 1606, directs the Secretary of the Treasury to transfer an amount equal to tariffs received in the treasury after January 1, 1989 up to \$30 million. The Secretary of Agriculture is authorized to obligate such sums as are available in the trust fund for reforestation, forest development, and administrative costs for such activities.

S. 535 proposes to increase the amount to be transferred to the existing Reforestation Trust Fund to \$45 million and authorizes \$15 million to be made available to the Secretary of the Interior. The bill authorizes the Secretary of the Interior to obligate Trust Fund monies to supplement BLM expenditures for reforestation and forest development of public lands administered by BLM in western Oregon, including projects to improve the overall health and productivity of the forest ecosystems.

The Secretary would also supplement funds expended for seeking cooperative relationships, including the acquisition of voluntary cooperative conservation easements, when these promote or enhance successful reforestation, forest development or contribute to the long-term productivity of the forest ecosystem.

The bill requires that, until reforestation and forest development needs identified by BLM prior to January 1, 1991 are met, sums from the Trust Fund allocated to the Secretary of the Interior may be expended only to meet those needs.

The IAFWA supports S. 535 as the IAFWA has long recognized BLM's pressing reforestation needs on its lands which are currently not being met. The Association agrees that increasing the cap on the Reforestation Trust Fund to \$45 million and the application of the additional funds as described in S. 535 will work towards meeting those forest management objectives. We also note for the record our support of keeping intact the \$30 million annually allocated to the U.S. Forest Service for reforestation activities.

Reforestation is an absolute necessity for proper stewardship of forest ecosystems; particularly in terms of providing for appropriate multi-purpose uses including fish and wildlife habitat. Reforestation provides for accelerated re-growth for watershed protection, for fiber production, stabilizes soils, retains nutrients, and consequently enhances water quality in the watershed; all important components of quality fish and wildlife habitat. Further, it provides not only for fisheries and wildlife habitat during growth stages, but, under appropriate management, ensures quality wildlife habitat. Finally, it provides high value quality recreational experience for anglers,

hunters, birdwatchers, nature enthusiasts, and all who benefit from increased wildlife habitat.

We would like to take this opportunity to applaud S. 535's provision providing for BLM to enter into cooperative management agreement with private landowners to contribute to the long-term productivity of the forest ecosystem. In the Association's opinion, this may be perhaps the most important aspect of the legislation. As the Committee knows, the land ownership pattern on BLM lands in the west is often complex; resembling something of a checkerboard of mixed public and private ownership, often frustrating wildlife managers in their attempts to manage forest for wildlife and fisheries. S. 535's voluntary easements could begin to allow wildlife managers to work with fish and wildlife habitat on adjacent private lands. Such wildlife management would be far preferable to the current mixed management situation. Management of wildlife in this manner also has the potential for greatly expanded public access to lands for sportsmen. As we have seen from experience with agencies such as the Forest Service and BLM, public-private partnerships are the future to ensuring the integrity of wildlife and fisheries management on public lands. This needs to be done in close cooperation with State fish and wildlife agencies.

The IAFWA understands an amendment to S. 535 would provide for application of the expanded funds to BLM lands in States other than just Oregon. Recognizing the significant needs in the State of Oregon, we also hope to address other pressing needs for work on other BLM lands in the West. We hope the Congress will work towards establishing this where work is needed.

In conclusion, we believe the reforestation approaches outlined in S. 535 would give the BLM a level of dependable funding on which they can begin to provide appropriate management to these lands. Assured funding would promote reforestation, economic efficiency and, most importantly, better wildlife habitat. Thank you for the opportunity to provide testimony on S. 535. We would be happy to answer any questions you or a member of the Committee may have.

PREPARED STATEMENT OF REPRESENTATIVE BOB SMITH

Mr. Chairman, I want to take this opportunity to thank you and Senator Packwood for the opportunity today to testify in support of legislation to expand the Reforestation Trust Fund.

As the sponsor of companion legislation in the House of Representatives, I am proud to be associated with a proposal that will go a long way toward ensuring that sufficient supplies of commercial timber are available to meet our future needs.

This legislation raises the cap on the Reforestation Trust Fund from \$30 to \$45 million to reduce the backlog of Bureau of Land Management Reforestation efforts. An analysis of the BLM's reforestation and forest development needs in western Oregon illustrates the need for this legislation.

For instance, the Medford District BLM has forest development needs of 9,850 acres for planting, 4,970 acres for site preparation, 4,000 acres of precommercial thinning and 12,226 acres for fertilization. This bill will enable the BLM to satisfy all of these forest development needs by the end of FY 1993.

Aside from sustaining forest ecosystems that support wildlife habitat and recreation, this proposal also translates into jobs and economic opportunity. According to the Association of Oregon and California Counties, some 15,000 workers depend directly or indirectly upon Western Oregon BLM harvests for their livelihood. This proposal is needed to ensure that the BLM forestry program continues to contribute to the economic stability of communities.

It is important to remember that for every dollar the government spends on the BLM forestry program in western Oregon, four dollars are returned to the treasury and 18 counties in western Oregon. I challenge anyone to find another government program that yields that percentage of return.

In addition, I want to commend Senator Packwood for making modifications in the bill that will expand the scope of the legislation from just BLM timberlands in western Oregon to all BLM public domain lands. I represent an area in eastern Oregon that has over 220,000 acres of BLM commercial timber land and a reforestation backlog of 13,000 acres. The one million dollars allocated to BLM public domain lands will ensure that areas in Oregon and Montana, among others, are quickly reforested.

Furthermore, the forest health issue in eastern Oregon has added new importance to this legislation. Recently, I had the opportunity to fly over thousands of acres in the BLM's Prineville District devastated by the mountain pine beetle. These mas-

sive insect outbreaks are destroying future timber crops and setting the stage for devastating forest fires.

To their credit, the BLM has embarked on an aggressive salvage program in eastern Oregon to stop the spread of this disease. However, this accelerated harvest program requires that these lands be promptly reforested. The additional funding called for in this bill will enable the BLM to manage these areas for a sustained yield of wood products for generations to come.

Anyone who has worked with Senator Packwood and myself in attempting to find a solution to the spotted owl issue will attest that there are no easy answers to the Northwest timber crisis.

However, this bill is part of the solution. Investing additional resources in the BLM forestry program will benefit our forests, timber dependent communities in the west and the American taxpayer. I look forward to working with both Senator Baucus and Senator Packwood in moving this bill through the legislative process.

Thank you.

