Prepared Statement of

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Main Points:

- Conserving forest ecosystems and solving the wildfire crisis requires tackling the Forest Service's 80-million-acre forest restoration backlog.
- The environmental review process is a major obstacle to increasing the pace and scale of forest restoration work.
- The Root and Stem Project Authorization Act (H.R. 674) would enhance forest restoration by allowing third parties to fund environmental reviews for restoration projects while still maintaining federal oversight and authority.

Introduction

Chairman Tiffany, Ranking Member Neguse, and members of the committee, thank you for the opportunity to participate in this important discussion on forest conservation and how the Root and Stem Project Authorization Act (H.R. 674) can bring in additional resources to improve the pace and scale of forest restoration work.

My name is Hannah Downey, and I am the policy director at the Property and Environment Research Center. PERC is the national leader in market solutions for conservation, with over 40 years of research and a network of respected scholars and practitioners. Through research, law and policy, and innovative applied conservation projects, PERC explores how aligning incentives for environmental stewardship produces sustainable outcomes for land, water, and wildlife. Enhancing forest health has been a primary focus of PERC's research and policy efforts, with recent major reports on obstacles to collaborative forest restoration and expanded use of prescribed fire.[1] Founded in 1980, PERC is nonprofit, nonpartisan, and proudly based in Bozeman, Montana.

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[1] *See* Holly Fretwell & Jonathan Wood, *Fix America's Forests: Reforms to Restore National Forests and Tackle the Wildfire Crisis*, PERC Public Lands Report (2021); Jonathan Wood & Morgan Varner, *Burn Back Better: How Western States Can Encourage Prescribed Fire on Private Lands*, PERC Policy Report (2023).

Beyond my professional work, my connection to today's topic is deeply personal. As a young girl, I'll never forget the fear of being forced to evacuate a family backpacking trip in Montana's Absaroka-Beartooth Wilderness as an out-of-control wildfire raced toward us. Since then, I married a wildland firefighter and have prayed for my husband and his fire crew as they battled blazes around the United States. I have seen members of my community lose their homes to a devastating wildfire several years ago. And as a resident of Bozeman, Montana—which, like many western cities, draws its water from national forest lands with high risk of catastrophic fire—I live with the sobering realization each summer that our community's water supply would likely be cut off in the event of a fire in the nearby watershed.

The reality is that large and destructive wildfires are becoming more common across the West. Although several factors contribute to this trend, the declining health of our nation's forests is a primary cause.[2] Our national forests face an 80-million-acre backlog in needed restoration—a backlog that leaves our forests with excess fuels, more vulnerable to insects and disease outbreaks, and less resilient to climate change and drought.[3] Yet the Forest Service has struggled to treat more than a few million of those acres per year.[4]

PERC supports the Biden administration's ambitious strategy to significantly increase its forest restoration work over the next decade, including the goal of treating an additional 20 million acres of national forest above the business-as-usual rate.[5] Meeting that critical target will require greater efficiency in the years-long process of developing, approving, and implementing forest restoration projects.[6] The Root and Stem Project Authorization Act (H.R. 674) from Representative Dan Newhouse is a common-sense, bipartisan proposal that would help to get more collaborative forest restoration projects through the environmental review process by allowing third parties to contribute resources to complete environmental reviews while still maintaining federal oversight and authority. The Senate passed companion language from Senator Steve Daines and the late Senator Diane Feinstein in the 117th Congress and advanced the proposal again out of the Senate Energy and Natural Resources Committee in the 118th Congress without opposition. With such broad support, and at a time of great need, the Root and Stem Project Authorization Act will bring additional private resources to help fix America's forests.

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[2] Among the four factors driving fire severity in the western United States, live fuel accounted for an estimated 53.1 percent of average relative influence, fire weather accounted for 22.9 percent, climate accounted for 13.7 percent, and topography accounted for 10.3 percent. *See* Sean A. Parks et al., *High-Severity Fire: Evaluating Its Key Drivers and Mapping Its Probability Across Western US Forests*, Environmental Research Letters (2018).

[3] *See* Forest Service, *Forest Products Modernization* (last visited Mar. 17, 2023). *See also Fix America's Forests*, *supra* n. 1 at 4–16.

[4] *See* Forest Service, *USDA Forest Service Celebrates Historic Investments in 2022* (Feb. 6, 2023) (reporting that the Service treated 3.2 million acres in 2022); *Fix America's Forests*, *supra* n. 1 at 4.

[5] *See* Forest Service, *Confronting the Wildfire Crisis: A Strategy for Protecting Communities and Improving Resilience in America's Forests* (2022).

[6] *See* Eric Edwards & Sara Sutherland, *Does Environmental Review Worsen the Wildfire Crisis?*, PERC Policy Brief (2022). *See also Confronting the Wildfire Crisis*, *supra* n. 9 at 30 (predicting that existing "shovel ready" projects could be completed in years 1 and 2 of the plan); Forest Service, *National Prescribed Fire Program Review* App. A 21 (2022) (identifying the need to "streamline required environmental analysis and consultations").

Getting to the Root of the Wildfire Crisis

According to the Forest Service, about 40 percent of the acres in the national forest system are in need of restoration.[7] When the Department of the Interior's 54-million-acre restoration backlog is added in,[8] the total area of federal land that needs urgent help is larger than the state of California. The wildfire crisis is the most visible symptom of this problem, but it is not the only one. Due to the backlog, many western forests are stocked full of overly dense, unhealthy, and dying stands that provide lower-quality habitat, are more vulnerable to insects and disease, and are less resilient to climate change and drought (*See appendix figure 1).*[9]

As with any complex phenomenon, no single factor fully explains declining forest health or the wildfire crisis. A changing climate has increased the risk of drought and extended the West's "wildfire season."[10] A massive jump in the number of people living near or recreating in forests has increased opportunities for human-caused ignitions.[11] But the largest factor, according to a study by Forest Service scientists, is excessive forest density and the buildup of fuels due to a lack of forest management and decades of fire suppression.[12]

Fire is nothing new to western forests, which were traditionally adapted to flames due to climate, terrain, and Indigenous tribes' use of controlled fire for millenia.[13] However, recent catastrophic wildfires are far more destructive than historical fire regimes. They are more likely to threaten old-growth trees, wipe out habitat for wildlife, and cause erosion that degrades watersheds and fish habitat.[14] Even mighty giant sequoias, one of the most fire-adapted tree species, are at risk. The National Park Service estimates that 10–20 percent of the world's remaining members of this species have been killed by wildfires since 2020.[15] Wildfire emissions are also a major climate concern. California's record wildfire year in 2020, for example, released twice the amount of carbon emissions than the state had cut between 2003 and 2019.[16]

In 2015, for the first time, the United States eclipsed 10 million acres burned by wildfires in a year—an unfathomable total just a few decades ago—with the vast majority of that acreage concentrated in the West. Since then, we have passed that milestone twice more.[17]

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[7] *See Fix America's Forests*, *supra* n. 1 at 4. The Forest Service manages 193 million acres of land, 80 million of which are in need of restoration, according to the agency.

[8] GAO, *Wildland Fire: Federal Agencies' Efforts to Reduce Wildland Fuels and Lower Risk to Communities and Ecosystems* (2019).

[9] *See Fix America's Forests* n. 1 at 8–13.

[10] *See Burn Back Better*, *supra* n. 1 at 4.

[11] *See id.*

[12] *See High-Severity Fire: Evaluating Its Key Drivers and Mapping Its Probability Across Western US Forests*, *supra* n. 2.

[13] *See Burn Back Better*, *supra* n. 1 at 4.

[14] *See Fix America's Forests*, *supra* n. 1 at 8–10.

[15] *See* Dr. Kristen Shive, et al., *2021 Fire Season Impacts to Giant Sequoias* (last visited Mar. 19, 2023).

[16] Michael Jerrett, Amir S. Jina, Miriam E. Marlier, *Up in smoke: California's greenhouse gas reductions could be wiped out by 2020 wildfires*, 300 Env'tl Pollution 119888 (2022).

[17] National Interagency Fire Center, "Total Wildland Fires and Acres (1983-2022)."

And due to growing populations near forests, modern fires threaten communities and property in ways not seen before.[18] Nearly 100,000 structures have burned in wildfires since 2005, with two-thirds of that destruction occurring since 2017.[19] California's Camp Fire in 2018, for example, was the deadliest and most destructive in that state's history, killing 85 people and destroying most of the town of Paradise in less than 24 hours.[20] In my home of Bozeman, our whole city's water source would be depleted in just three days if our neighboring forests went up in flames. Yet, despite this risk, the collaboratively designed Bozeman Municipal Watershed Project was tangled in red tape and litigation for 15 years before restoration activities could begin.

Forest restoration efforts, including mechanical thinning and prescribed fire, are urgently needed to reduce wildfire damage and promote forest resilience. The effectiveness of these tools was demonstrated in 2021 during Oregon's Bootleg Fire, which ultimately burned more than 400,000 acres (*see appendix figure 2)*.[21] Firefighters reported that where both treatments had been applied, fire intensity was reduced, the crowns of trees were left intact, and the blaze became a more manageable ground fire. Reports also indicated that an area where scheduled prescribed burns had been delayed suffered more damage than areas where treatments had been completed.[22]

The Forest Service has simply not been able to keep up with forest restoration needs. In 2023, the agency completed more hazardous fuels work than any prior year in its history, treating more than 4.3 million acres.[23] The Forest Service is doing the right thing in working to increase treatments, but with tens of millions of additional acres of forests in need of restoration, we need to dramatically increase the pace and scale of this work. The Forest Service's method of tracking and reporting these acres has historically overstated the agency's progress at addressing the restoration backlog, which makes it even more challenging to evaluate how to allocate resources and the effectiveness of treatments.[24]

Overcoming Red Tape

While the good news is we know how to reduce wildfire risk through forest restoration activities, the bad news is it is exceptionally difficult to get that work done on the ground and at the scale needed. Before any chainsaws or drip torches can touch a federal forest, a restoration project must navigate complex bureaucratic procedures, including review under the National Environmental Policy Act (NEPA). Depending on the extent of anticipated impacts, NEPA may require the Forest Service to analyze a project through, in order of increasing

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[18] *See Burn Back Better*, *supra* n. 1 at 4.

[19] Headwaters Economics, *Wildfires Destroy Thousands of Structures Each Year* (2022).

[20] National Institute of Standards & Technology, *New Timeline of Deadliest California Wildfire Could Guide Lifesaving Research and Action* (Feb. 8, 2021).

[21] *See Burn Back Better*, *supra* n. 1 at 5.

[22] *See* Sara Sutherland & Eric Edwards, *How Environmental Red Tape Inflames Wildfire Risk*, PERC Reports (2022).

[23] U.S. Forest Service, USDA Forest Service celebrates historic investments in 2023, (January 23, 2024).

[24] *See* Accurately Counting Risk Elimination Solutions (ACRES) Act, H.R. 1567. *See also* Adiel Kaplan & Monica Hersher, "The Forest Service is Overstating its Wildfire Prevention Progress to Congress Despite Decades of Warnings Not To," NBC News (August 9, 2022); GAO, *Wildland Fire Management: Additional Actions Required to Better Identify and Prioritize Lands Needing Fuels Reduction* (2003).

complexity and expense, a categorical exclusion, environmental assessment, or environmental impact statement. The agency may also need to develop a range of alternatives to the project and analyze their impacts as well.

While well-intentioned, extensive NEPA reviews can significantly increase project costs and inject substantial delays. In PERC's recent policy report *Does Environmental Review Worsen the Wildfire Crisis?*, researchers compiled and analyzed a novel NEPA dataset and found that the average time to conduct an environmental impact statement is over 2.5 years.[25] Even a categorical exclusion, which is designed to exempt a project from stringent environmental review, takes an average of nine months to complete.[26]

NEPA delays contribute substantially to an overall approval and implementation process that holds up projects for many years. According to PERC researchers, once the Forest Service initiates the environmental review process, it takes an average of 3.6 years to actually begin a mechanical treatment on the ground and 4.7 years to begin a prescribed burn—and those numbers increase to 5.3 years and 7.2 years, respectively, if an environmental impact statement is required (*see appendix figure 3)*.[27] Given the time it takes to conduct environmental reviews and implement fuel treatments, it is unlikely that the Forest Service will be able to achieve its goal of treating an additional 20 million acres over the next 10 years.

Evaluating the costs associated with NEPA compliance is challenging largely because, similar to many other federal agencies, the Forest Service does not routinely track or report the associated costs and personnel time.[28] The Forest Service has, however, historically identified administrative process barriers as a major factor holding up forest restoration goals. As a 2002 Forest Service report on *The Process Predicament* described it, "Even noncontroversial projects often proceed at a snail's pace."[29] In 2022, the Forest Service likewise concluded that environmental review processes must be streamlined to give the agency more tools to use prescribed fire to protect forests and wildlife habitat.[30]

The Root and Stem Project Authorization Act

The Root and Stem Project Authorization Act (H.R. 674) is a bipartisan proposal to add more resources to advance forest restoration projects through the often-cumbersome environmental review process. For projects on Forest Service or Bureau of Land Management land that have been collaboratively developed and meet local and rural community needs, a sponsor can front the funding for an approved outside contractor to complete the

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[25] Eric Edwards and Sara Sutherland, *Does Environmental Review Worsen the Wildfire Crisis? How Environmental Analysis Delays Fuel Treatment Projects*, PERC Policy Brief (June 2022).
[26] *Ibid.*
[27] *Ibid.*
[28] Katie Hoover & Anne Riddle, *National Forest System Management: Overview and Issues for Congress*, Congressional Research Service (May 18, 2023).
[29] U.S. Forest Service, *The Process Predicament: How Statutory, Regulatory, and Administrative Factors Affect National Forest Management* (2002).
[30] U.S. Forest Service, *Nat'l Prescribed Fire Program Review* (2022).

NEPA analysis for the project and be repaid through any receipts generated by the project that would otherwise go to the federal treasury.

The "A to Z" Project

The Root and Stem Project Authorization Act builds on the "A to Z" pilot project in the Colville National Forest in Washington.[31] This innovative project was highlighted in PERC's 2021 *Fix America's Forests* report as a way to leverage the value of timber to reduce bureaucratic burdens.

Several years ago, the Northeast Washington Forest Coalition, a collaborative group of public and private partners, was looking to advance a forest project, but the Colville National Forest did not have the financial or staff resources to complete environmental reviews for the project. The coalition proposed allowing timber contractors who would perform the harvesting and restoration work to also bear the costs of doing the NEPA analysis. This "A to Z" project—so named because the winning bidder would be responsible for the entire process from initiating the project, to environmental review, to implementation—presented the opportunity to use the commercial value of harvested timber to advance the project and fund forest restoration.

A local sawmill, Vaagen Brothers Lumber, won the 10-year Forest Service stewardship contract in 2013 to test the privately funded, publicly managed NEPA process. It subcontracted with a third party to plan and perform the environmental analysis. To avoid any conflict of interest, the subcontractor's performance was overseen by agency personnel rather than Vaagen Brothers. The NEPA analysis was completed in 2016, and the Vaagen Brothers began commercial thinning operations on more than 4,500 acres of national forest lands that contain excess wildfire fuels.

With a mill that can process small-diameter trees and nearby processing facilities that can turn that timber into laminated building products, the contract provides Vaagen Brothers with a supply of merchantable wood products. In exchange, the terms of the stewardship contract also require that the private company rehabilitate streams, replace culverts, restore roads, and control noxious weeds, leaving the forest ecosystem more resilient to insects and disease, enhanced wildlife habitat, and a substantially reduced risk for severe wildfire.

How It Works

The Root and Stem Project Authorization Act establishes a formal process for a project sponsor to provide the Forest Service and Bureau of Land Management upfront funding to hire an approved contractor to conduct the NEPA analysis for a collaboratively designed restoration project. It also adds the requirement that receipts generated by the project can be used to repay the sponsor instead of being deposited into the general fund of the treasury. Building on the success of the "A to Z" project, this approach could substantially speed up needed activities while freeing up agency resources and personnel for other projects.

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[31] *See Fix America's Forests*, *supra* n. 1

The Forest Service and Bureau of Land Management can currently contract with non-federal parties for environmental analysis and accept outside funds to pay for that review, as demonstrated by the "A to Z" project.[32] The significant reform that the Root and Stem Project Authorization Act would make is to allow a project's timber revenues to reimburse the party who funds the environmental review. This improvement would create more opportunity and motivation for forest collaboratives, conservation organizations, timber companies, and other entities who would benefit from the restoration project to provide the initial funding.

Under this proposal, the Forest Service and the Bureau of Land Management would maintain an approved list of non-federal, third-party contractors in each state that the agency can hire to complete NEPA analyses and any consultations required under the Endangered Species Act. For forest restoration projects that have been collaboratively developed on federal lands, a project sponsor could propose a stewardship contract and provide the federal land management agency with the funding to hire one of the approved contractors to conduct the necessary project analysis. Once the project was approved, the federal land manager would have to solicit bids to carry out the project and use any available receipts generated by the project to repay the sponsor.

Though outside parties would be providing upfront funding and completing the environmental review documents, the federal land management agency would still retain authority over the environmental review and the project. Additionally, the relevant secretary would still be required to determine the sufficiency of any documents and authorize the project to proceed.

Improving Forest Restoration

At a time of great need for more forest restoration activities, the Root and Stem Project Authorization Act would bring more resources to the table to get important work done. Bringing in outside funding will not only benefit the collaborative projects reviewed under the Root and Stem authority but will also allow limited Forest Service and Bureau of Land Management resources to be spent on other priorities. Ultimately, more needed forest restoration projects—both ones that do and do not generate revenues—will make it through the environmental review process so that work can begin on the ground to reduce fuel-loading and protect our forest ecosystems from catastrophic wildfires.

This tool is a voluntary approach that can certainly help advance collaborative projects in areas of need. Beyond adding additional financial and human capacity to the environmental review process, this opportunity also recognizes and rewards collaboration on forest projects and maintains federal oversight. Congress should explicitly grant the Forest Service and the Bureau of Land Management the ability to have outside parties pay for contractors to conduct the environmental review analysis and documentation for forest projects so more restoration work can begin in the forests.

Conclusion

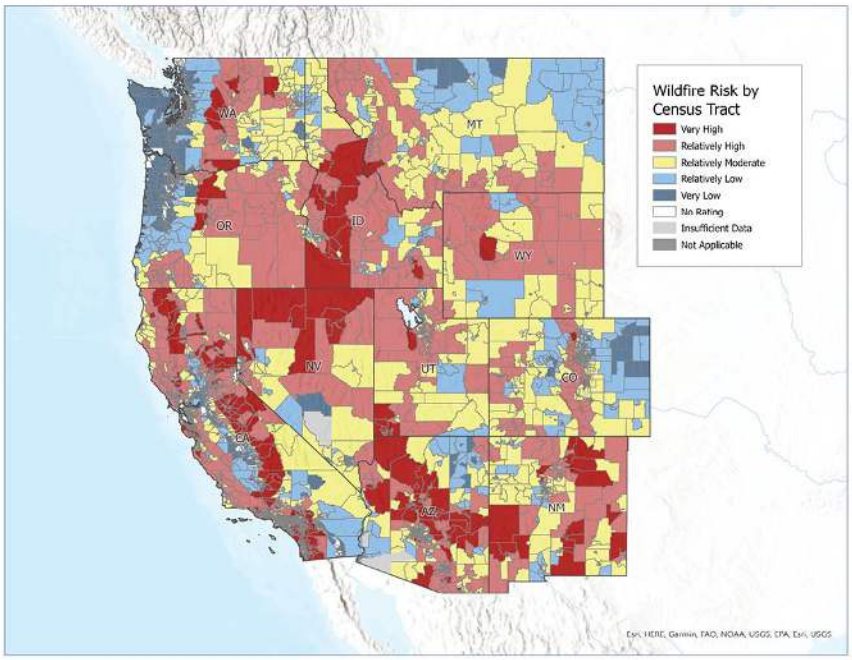
[32] 40 CFR § 1507.2.

Solving the wildfire crisis requires more forest restoration work. Environmental reviews are a major hindrance to achieving that goal. The Root and Stem Project Authorization Act is a bipartisan and bicameral proposal that would help bring in additional funding and capacity to the environmental review process, freeing up other federal resources to conduct even more needed projects. Congress should act now to authorize this tool to help fix America's forests.

Appendix

Figure 1

Map of Wildfire Risk in Western States



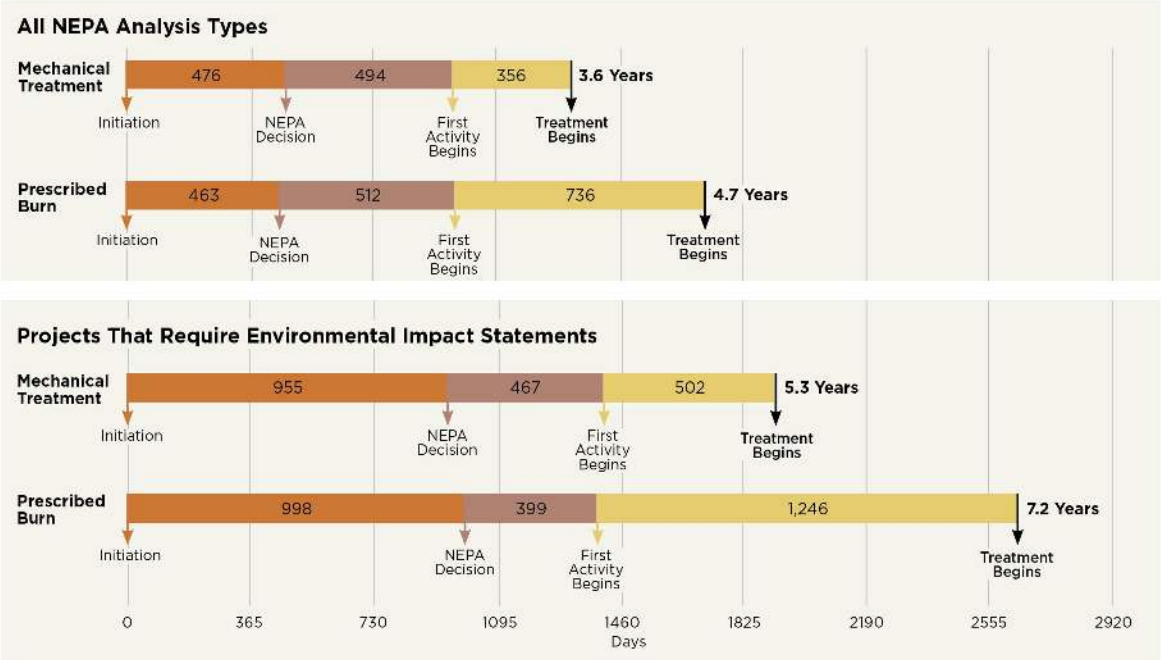
The Federal Emergency Management Agency wildfire risk index rates a community's relative risk for wildfire. The map above displays FEMA wildfire risk by census tract for the 11 western states.

Figure 2

As the Bootleg Fire ripped through the Fremont-Winema National Forest in southern Oregon in 2021, firefighters reported that in places where prescribed fires and forest thinning had been carried out, flames returned to the ground, where they moved slower, did less damage, and were easier to fight. © S. Rondeau/Klamath Tribes' Natural Resource Department

Figure 3

Average Time to Begin U.S. Forest Service Fuel Treatments



The timeline for a U.S. Forest Service fuel treatment project includes the following steps: initiation of the NEPA environmental review process, NEPA decision, first on-the-ground activity (often an inventory of fuels or similar preparation step) begins, and, finally, treatment begins. Once the Forest Service initiates the environmental review process, it takes an average of 3.6 years (1,325 days) to begin a mechanical treatment. Prescribed burns average 4.7 years (1,711 days) from initiation to beginning of treatment. For both types of treatment, projects that require rigorous review in the form of an environmental impact statement take significantly longer to begin on average: 5.3 years (1,924 days) in the case of mechanical treatments and 7.2 years (2,643 days) in the case of prescribed burns.