



November 25, 2008

The Honorable Barack Obama
 President-elect of the United States
 Presidential Transition Headquarters
 Washington DC 20270

Dear Mr. President-elect:

The National Association of State Foresters (NASF) congratulates you on your successful campaign for our country's highest office. We are encouraged by your campaign's commitment to energy and the environment and especially pleased to see the Obama-Biden Wildfire Prevention Plan. We look forward to working with you on the natural resource issues integral to our nation's health and well-being.

NASF is a non-profit organization comprised of the directors of all of the nation's state and territorial forest management agencies. Our members have a public trust responsibility for managing and protecting two-thirds of the nation's forestland, which is held in private or non-federal public ownership.

America's forests are a strategic national resource facing an array of threats to their enormous potential as a renewable natural resource. NASF requests your leadership and pledges our assistance in confronting these threats and taking actions that will ensure the ability of the nation's forests to sustain and enrich the well-being of our citizens, communities and the national interest.

We are ready with working solutions that can help the Obama-Biden administration address climate change, renewable energy, environmental restoration, economic development, and job creation. We recommend specific priority actions, described in the attached *Four Actions to Support Sustainable Forests* paper, which provide a foundation for a clear, solutions-oriented agenda for your administration:

- 1) **Framework for Sustainable Forests** – establish a national framework to enhance cooperation and communication between federal, state, tribal, and local governments and private landowners to retain and restore our working forests;
- 2) **Targeted Federal Funding** – target federal funding to support effective state and private forestry programs that help keep two-thirds of the nation's forests forested and healthy;
- 3) **Fire Suppression Funding Fix** – implement a rational budget approach to ensure agencies have the funds needed to deal with emergency wildland fires without sacrificing other important federal forestry programs; and
- 4) **Forest Energy and Climate Initiatives** – implement national initiatives that recognize forests' role in producing sustainable energy and mitigating climate change.

The National Association of State Foresters stands ready to participate with you in providing the forestry leadership needed for our country. We believe these four priority action areas are a key first step to solving emerging environmental, energy, and climate challenges. State forestry agencies are in a unique position to help guide the development of these policies and programs and assist in their delivery at the local level. Please do not hesitate to call upon us.

Sincerely,

Leah W. MacSwords
 President, National Association of State Foresters
 Enclosure (1)

FOUR ACTIONS TO SUPPORT SUSTAINABLE FORESTS

2009 PRESIDENTIAL TRANSITION WHITE PAPER National Association of State Foresters

BACKGROUND: THE NATION'S FORESTS

The United States has the fourth largest forest estate of any nation, with eight percent of the world's forests. This represents approximately 750 million acres of forestland — about one-third of the nation's total land area. Unlike other countries, 57 percent of U.S. forestland is owned by private interests; 43 percent is “public” land under the control of federal, state and local agencies. Almost two-thirds of private forestlands are located in the East, and over 60 percent of public forestlands are in the West. There are more than 10 million family forest owners, mostly concentrated in the Southern and Eastern regions of the country.

We are currently experiencing unsustainable losses of forestlands and the benefits they provide to all Americans. Issues and trends of concern include:

- **Rapid loss of forestlands to development** – One million acres of private forestland are converted to development every year.¹ That means by 2030, an estimated additional 22 million acres of productive forestland will be converted to other uses. This permanent change in use of green space and renewable resources has major implications for the goods and services that trees and forests provide. Once these critical forest areas disappear forever, so do opportunities to address emerging societal needs such as climate change and renewable energy. Keeping productive and working “forests in forests” is critical to our nation's economic stability.
- **Insect and disease outbreaks** – In 2006, almost eight percent of the nation's forests, approximately 58 million acres, were at significant risk from insect and disease mortality.² This risk continues to increase with invasive species such as the emerald ash borer spreading and threatening our rural and urban forests throughout the country. Invasive plants are found on 133 million acres (an area as big as California and New York combined). Tree mortality due to insects such as southern and mountain pine beetles continues to rise in many areas, often due to long-term drought, overstocked conditions and/or generally aging forests. Such losses bring with them devastating impacts on timber value, forest productivity, jobs and local economies, vulnerability to catastrophic wildfires, and loss of ecosystems that are often irreplaceable.
- **Impacts of large-scale wildfires** – In the past decade, the number, size and severity of wildland fires in the United States has been increasing. This trend is expected to continue, as today's forests contain previously unrecorded levels of fuel, and highly flammable

¹ Forests on the Edge: Housing Development on America's Private Forests, U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station, 2005

² Alvarez, M. The State of America's Forests, Society of American Foresters, 2007

invasive plant species now pervade many rangelands. The geographic scope of the fire-fuels problem is enormous; it is estimated that more than 397 million acres are identified as high priority for forest health and fuels reduction treatment. Currently, 90 million acres are at risk for wildfire that would result in loss of life, property and natural resources, and entail massive firefighting costs and threats to water supply. Fire suppression costs for the U.S. Forest Service and the Department of the Interior have exceeded \$1 billion every year since 2000. In two of those years, costs exceeded \$2 billion. Currently, control of wildland fires is one of the few responses to federal disaster that is funded primarily through annual appropriations in an agency's operating accounts. In 2007, the Forest Service spent 45% of its budget on wildland fire suppression compared to 13% in 1991. This has severely impacted not only the agency's operations and programs but state and local governments and economies as well.

- **Loss of forest industry and working forestlands** - Shifting markets, disincentives related to current federal and state tax policy, and other factors continue to drive forest investment toward other parts of the globe, reducing productive capacity in the United States. The forest industry has also divested itself of over 30 million acres of timberland in the past ten years. Most of these lands have been sold to investment entities, with relatively short-term earnings time horizons. Amendments to the Internal Revenue Code in the 1970s have spurred these massive changes, leaving only a handful of fully integrated, publicly held forest products firms still in business. For the nation's forests this has meant a critical loss of the market infrastructure that supports sound forest management. More than 330 paper and wood mills have closed since 1997 and more than 158,000 industry jobs have been lost, damaging the social fabric of rural communities with the loss of tax dollars for schools, roads and other services. Without accessible markets, landowners cannot afford to maintain their "working" forests and are forced to sell as real estate market values dwarf the net present value of forestland.

NEEDED FEDERAL RESPONSE

Federal involvement in the U.S. forest sector is extensive and multi-dimensional. Yet our national response to disturbing current trends and losses to both forests and key support programs is inadequate, especially as we prepare to deal with our biggest challenges – the role of our nation's forests in the face of climate change and rising energy costs. NASF firmly believes that the nation's forests must be a part of the solution to these challenges.

Federal leadership can: 1) keep our forestlands forested; and 2) promote sustainable management of our nation's forested landscapes across multiple ownerships while contributing to America's energy self-sufficiency and improving our economy. State forestry agencies are uniquely positioned and qualified to help target federal appropriations, legislation, and policies to where they will provide the greatest on-the-ground benefits.

FOUR REQUESTED ACTIONS FOR THE ADMINISTRATION

I. Framework for Sustainable Forests

Current federal policy affecting private and publicly owned forests in the U.S. is fractured into numerous statutes and authorities with disparate and often overlapping jurisdictions. A national framework is needed to clarify the role of forests as a strategic national resource and promote sustainable forests as a strategic national priority. Such a framework will help keep forests forested and working forests working. It should re-affirm and promote concepts such as private property rights and professional resource management. This will ensure that forests are part of the solution to the nation's climate change, economic, and renewable energy challenges.

The need for a coherent national framework for sustainable forests has never been greater. Federal, state and local agency capabilities to facilitate planning and management of the nation's forests have been adversely impacted by many factors. Complex challenges have led to declining management of many federal lands, resulting in degradation of watersheds, devastating fires and forest health threats, and a loss of jobs and economic support in forest-dependent communities. Ineffective tax policies, insufficient incentive programs, and other challenges make it increasingly costly and difficult for private landowners to keep forestland and pass it down to their children. State forestry agencies, with responsibilities related to both public and private forests, share a sense of urgency in solving forest sustainability challenges across all ownerships.

The time is now for the White House to take a leadership role in establishing a sustainability framework across public and private ownerships. This framework should ensure that federal agency activities concerning sustainable forest management are coordinated, complementary, cost-effective, and respectful of private property rights. A Presidential Commission on Sustainable Forests with broad-based representation from public and private forestry interests could serve as a coordinating organization to develop components of the framework. NASF is a ready partner to engage in a process that leads to a comprehensive and integrated forest-policy framework for sustainable forests within our nation that reflects contemporary forest ownership, science, uses and values.

II. Targeted Federal Funding

The U.S. Forest Service's State & Private Forestry program has achieved some of the most successful forestland conservation in the nation's history. The partnership between the Forest Service, state forestry agencies, and private landowners leverages federal dollars to deliver cost-effective programs that provide financial and technical assistance, protection from wildfires, mitigation of invasive species, and numerous environmental benefits that belong to all Americans. Yet increasing pressures on our nation's urban trees, forestlands and island ecosystems underscore the need for targeted federal funding that cultivates innovative strategies for conserving our forest resources.

The new administration can address the fundamental needs of forest resources through enhanced investment in U.S. Forest Service State and Private Forestry program areas which are critical to

the agency's mission to sustain the health, diversity, and productivity of the nation's forests. NASF has developed specific recommendations for targeted funding levels to ensure state and private forests continue to play a role in the environmental and economic health of our nation. Our collective efforts will be most effective if available resources are focused on issues and landscapes of national importance and prioritized using state assessments and resource strategies. These assessments were included in the Cooperative Forestry Assistance Act as enacted in the 2008 Farm Bill, and will guide landscape level forest management with a focus on outcomes, increasing the level of public benefits that are produced from these lands.

III. Fire Suppression Funding Fix

The cost of fire suppression has risen in recent years and will continue to increase in the future. This past fiscal year alone, the Forest Service spent over \$1.5 billion – more than 50% of the agency's regular operating budget – for fire suppression costs due to the impact of funding emergency wildfires within a constrained budget. Every year, the President's budget proposal for Forest Service non-fire programs is significantly reduced in order to direct more funds towards emergency fire activities. All other forest management efforts, including those programs that help to reduce suppression costs in the long run, have been gutted to pay for the rising expense of these wildfires. The Forest Service is destined to become the “Fire” Service if an immediate change is not made.

NASF recommends the Obama-Biden administration support a three-part legislative solution: (1) set up a 'fund' for emergency wildfire suppression costs that is partitioned from the rest of the Forest Service budget, (2) provide monies to the 'fund' that will not count against the agency's constrained budget, and 3) reformulate the Forest Service budget to reinvest in the non-fire programs that have been decimated by the rising fire suppression costs. Congress recently considered legislation to address this situation, but the issue remains unresolved. NASF will be a strategic partner in working with Congress and local officials to develop and enact reliable, dedicated and sufficient funding sources for wildland fire suppression.

IV. Forest Energy and Climate Initiatives

One of the most daunting tasks for the new administration will be addressing the economic and environmental challenges of energy independence and global climate change. Forestlands in the U.S. can produce 368 million dry tons of biomass feedstock annually, yet the country currently derives only 3.1% of its energy from wood.³ Woody biomass as a fuel source has the potential to create thousands of new jobs and substantially increase the percentage of renewable sources needed to meet the nation's energy demands. Sustainably managed trees and forests can mitigate and adapt to climate change while providing other societal benefits such as clean air and water, wildlife habitat, recreation and thousands of forest products. Trees in urban areas provide enormous savings in commercial and residential energy costs and provide environmental air and water benefits beyond any other form of engineering. Bio-energy and carbon trading initiatives

³ Biomass as Feedstock for a Bioenergy and Bioproducts Industry: The Technical Feasibility of a Billion-Ton Annual Supply, U.S. Department of Energy, U.S. Department of Agriculture, April 2005

are also providing new markets that give landowners more options to retain and manage their forests while generating income and promoting economic development in forest-based communities.

NASF urges the new administration to prominently feature forests as it pursues solutions to our nation's climate and energy security needs. The ability of forests to produce sustainable energy (e.g. electricity, heat, and biofuels), mitigate climate change through carbon sequestration, and adapt to changes in climate conditions must be recognized and incorporated within current and future national initiatives. We must not miss this critical opportunity to look to trees and forests for solutions.

OUR PLEDGE

The National Association of State Foresters is committed to helping this administration provide the forestry leadership needed for our country. Our recommended actions reflect the most pressing challenges facing our nation's forests and should be incorporated into an integrated approach to ensure healthy and sustainable forests for us and for future generations.