



## WESTERN GOVERNORS' ASSOCIATION

Christine O. Gregoire  
Governor of Washington  
Chair

Gary R. Herbert  
Governor of Utah  
Vice Chairman

Pam O. Inmann  
Executive Director

Headquarters:  
1600 Broadway  
Suite 1700  
Denver, CO 80202  
  
303-623-9378  
Fax 303-534-7309

Washington, D.C. Office:  
400 N. Capitol Street, N.W.  
Suite 388  
Washington, D.C. 20001

202-624-5402  
Fax 202-624-7707

[www.westgov.org](http://www.westgov.org)

November 16, 2011

The Honorable Jack Reed  
Chairman  
Appropriations Subcommittee on  
Interior, Environment, and Related  
Agencies  
131 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Lisa Murkowski  
Ranking Member  
Appropriations Subcommittee on  
Interior, Environment, and Related  
Agencies  
125 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Reed and Murkowski,

As governors of Western states whose economies, communities, and environment are directly affected by the management of federal forests, we write to encourage the inclusion of \$40 million for the Collaborative Forest Landscape Restoration Program within the Forest Service's FY 2012 appropriation, as previously authorized by Congress and as requested by the President.

The Collaborative Forest Landscape Restoration Program (CFLRP) is a bipartisan effort enacted by Congress to foster collaborative, science-based restoration in National Forests across the country. It is unique in that it simultaneously promotes job stability in rural communities, improves forest and watershed health, ensures a reliable wood supply, and reduces wildfire suppression costs. Management work generated under the CFLRP provides essential advancement of the economic, social, and forest health objectives shared by Western states and all Americans concerned about the country's National Forests and rural communities.

Funding for the CFLRP at this \$40 million statutorily authorized level is a critical part of advancing Western Governors' Association Policy Resolutions 11-01 ("Large Scale Forest Restoration") and 09-11 ("The Restoration Economy"), both in terms of addressing the underlying problems and identified solutions in these resolutions. This support also builds upon the Western Governors' recent letter on forest health, sent to Senators Bingaman and Murkowski and Congressmen Hastings and Markey on November 03 of this year.

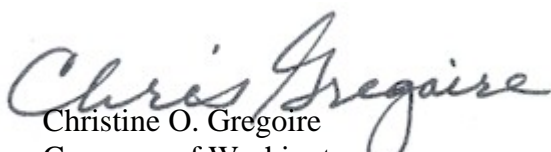
Western Governors have specifically supported the CFLRP through previous policy resolutions and have authorized WGA to seek funding from existing sources to assist with implementation (*see* Resolution 11-01 B.7 and C.8). In addition, we have recognized that adequate appropriations for federal management agency restoration budgets, such as the Forest Service's, are directly tied to achievement of economic health in Western states (*see* Resolution 09-11.B.3 and B.4).


The Honorable Jack Reed  
The Honorable Lisa Murkowski  
November 16, 2011  
Page 2

Appropriating \$40 million for the CFLRP in FY 2012 would ensure full funding of existing projects while also advancing needed work in additional federal forest communities threatened by declining forest health, catastrophic wildfire -- such as this summer's experience in Arizona -- and the loss of social as well as economic infrastructure. Without funding at this level, Western states will be denied the tremendous economic, social, and environmental benefits catalyzed by this Program.

It is for these reasons that we urge you to provide \$40 million for the Collaborative Forest Landscape Restoration Program in the Forest Service's FY 2012 appropriation. We look forward to working with you on this important matter. Please have your staff contact Ann Walker, Program Director for Forest Health at the Western Governors' Association, if you have any questions.

Sincerely,

  
Christine O. Gregoire  
Governor of Washington  
Chair, WGA

  
Gary R. Herbert  
Governor of Utah  
Vice Chair, WGA

cc:

The Honorable Jeff Bingaman, Chairman, Senate Energy and Natural Resources Committee  
The Honorable Doc Hastings, Chairman, House Natural Resources Committee  
The Honorable Edward J. Markey, Ranking Member, House Natural Resources Committee  
The Honorable Michael K. Simpson, Chairman, House Appropriations, Interior, Environment,  
and Related Agencies Subcommittee  
The Honorable James P. Moran, Ranking Member, House Appropriations, Interior,  
Environment, and Related Agencies Subcommittee

**Western Governors' Association  
Policy Resolution 11-01**

***Large Scale Forest Restoration***

**A. BACKGROUND**

1. Millions of acres of dead trees and a tripling of insect and disease mortality along with scorched watersheds, and stagnant, overgrown forests are but a few of the symptoms of the widespread forest health problem in the Western United States, especially on federal lands. Foresters are seeing dramatic increases in tree densities, understory brush and “ladder fuels” that carry fire into the tree crowns and spread rapidly. The forest health problem is widespread and increasing, affecting wildlife habitat, water quality and long-term soil productivity, while placing human life and property in harm’s way.
2. Although much has been accomplished related to fire suppression and response with the implementation of the National Fire Plan and the passage of the Federal Land Assistance, Management and Enhancement Act (FLAME Act), the need to address forest restoration is equally critical. This is especially so given current small-scale treatment sizes, slow rates of restoration treatments, and typical planning and implementation processes.
3. Although some forest restoration work is ongoing, planning and implementation should occur at a scale commensurate with the scale at which dominant disturbances (i.e., unnaturally severe fire) are occurring. At these scales, restoration can and should provide predictable supplies of forest products, including small diameter timber and woody biomass. These predictable supplies are necessary to build or maintain the infrastructure and industry needed to implement forest restoration treatments in a cost-effective manner. Restoration at these scales should also facilitate cross-ownership planning and implementation, which would provide needed balance among local, state and federal cooperators in management decisions.
4. Approaches like Stewardship end-result contracting and multi-year contracts are important tools for landscape-scale restoration, but they have not yet been operationalized at scales large enough to meet many larger-scale restoration goals.
  - a. Stewardship end-result contracting is a flexible tool that can be valuable in implementing multi-year and large-scale treatments on federal lands to compliment other important work being completed across management boundaries. Two federal agencies, the Forest Service and the Bureau of Land Management, were given broad authority in 2003 to use stewardship contracts and agreements. Since then, a number of field-level projects have demonstrated the potential of stewardship contracting to facilitate the effective and efficient accomplishment of a broad range of activities within large-scale treatment projects.
  - b. Multi-year contracts are an important tool for large-scale restoration but are not typically used because of the Federal Acquisition Regulation (FAR) requirement for a

contingent liability or “cancellation ceiling” reserve. Requiring the full cancellation liability amount to be set aside can be prohibitively expensive and creates a disincentive for federal agencies to enter into multi-year stewardship contracts. The Government Accountability Office studied this issue and noted in November 2008 that the Forest Service needs to find new strategies to fund the cancellation ceiling. Administrative and legislative options should be explored to alleviate or fund the burden of cancellation liability requirements for multi-year stewardship contracts while ensuring contract obligations are met.

5. At the Governors’ request the WGA Forest Health Advisory Committee conducted a Large Scale Forest Fuels Projects and Collaborative Groups Improvement Study and a restoration workshop. The WGA FHAC report identifies numerous obstacles, such as the lack of meaningful, ongoing collaboration that serves to accelerate the restoration process in a socially, ecologically and economically viable fashion. The report also identifies that larger scale restoration efforts are hindered by issues related to the implementation of the National Environmental Policy Act and the lack of clear direction and agency assumptions about NEPA that collaboration must be narrow and limited once project planning enters a formal NEPA process.
6. The FHAC strongly believes that investment in larger scale forest restoration efforts, keyed by collaboration among interested parties and an effective NEPA process are vitally important to the environmental, social, and economic fabric of the Western states. Pursuing restoration of the nation’s forests will generate tremendous environmental and social benefits, create much needed jobs and revenue for rural economies, and significantly reduce the long-term cost of wildfire, including impacts to watersheds, ecosystems, infrastructure and the local economy. Specifically, these costs include property loss, post-fire impacts such as flooding and erosion, air and water quality damage, increased healthcare costs, and lost revenues due to infrastructure shutdown.

## **B. GOVERNORS’ POLICY STATEMENT**

1. Large-scale restoration efforts would benefit by improved federal agency guidance and consistency of collaborative stakeholder involvement throughout the implementation of the National Environment Policy Act.
2. The Departments of Interior and Agriculture, in consultation with the WGA, should develop collaboration plans for large-scale forest restoration projects that include federal lands, to ensure open, inclusive, transparent, accessible and meaningful stakeholder involvement, and maximum flexibility for innovation and budget stability. Land managers implementing larger-scale restoration initiatives should develop rolling five-year action plans based on appropriate assessments and priorities, such as those set in Statewide Forest Resource Assessments and Strategies, and include work of timber, vegetation, and wildlife management programs. Priorities should be collaboratively developed with the affiliated stakeholder groups and regulatory agencies.

3. Federal agencies should ensure that Forest, Resource and Fire Management Plans coordinate with and incorporate the plans and policies of state and local governments, and consider the plans of regional collaborative groups which include state and local governments, with respect to larger-scale restoration efforts and community wildfire protection.
4. Adaptive management programs are one of the key tools for assessing the effectiveness of many land management programs around the West. The Departments of Agriculture and Interior, states and others would benefit from a six-month review of adaptive management programs implemented within the past 10 years that attempt to assess and improve the effectiveness of large-scale forest or ecosystem health restoration efforts.
5. The Administration, in association with states, should review options to address the difficulties caused by cancellation ceilings associated with stewardship contracts for large-scale treatments, including the potential costs and issues related to the permanent reauthorization of stewardship contracts.
6. Federal agencies should investigate the needs of individual mills and restoration contractors and develop an efficient outreach system to address those needs. Efforts should be made to modify existing grant programs and create new programs that will support the critical wood processing infrastructure that is necessary for forest health restoration treatments to be economically viable.
7. Governors generally support the base concepts within the proposed Collaborative Forest Landscape Restoration Program and encourage the federal agencies to establish a Community Capacity and Collaborative Support Grant Program to ensure that rural communities are engaged in large-scale forest restoration and contributing to forest health solutions where they live.
8. Governors support federal agencies making significant investments in large-scale restoration treatments by realigning their existing resources to achieve maximum impact on forest health.

**C. GOVERNORS' MANAGEMENT DIRECTIVE**

1. The Governors direct WGA, in collaboration with the Departments of Agriculture and Interior, to form a Collaborative Forest NEPA Working Group to examine existing law, regulation, judicial opinion, and recommendations related to NEPA which are found in the Council of Environmental Quality Collaboration in NEPA: A Handbook for Practitioners, and other laws such as the Federal Advisory Committee Act (FACA) to maximize the ability to create collaborative problem solving groups focused on large-scale forest restoration efforts, and to successfully navigate the requirements for NEPA review of those efforts. The Governors ask WGA to work toward formal recognition of the best practices determined during this review, and to have this recognition widely distributed within the Departments.

2. The WGA in collaboration with the Secretary of Agriculture and Interior working with other federal, state and non-governmental organization partners, should convene a task force to identify best practices for large-scale restoration and provide assistance to collaborative groups in assessment and planning efforts.
3. The Governors support WGA, in consultation with federal agencies, private sector partners, land managers, research and policy experts establishing a learning network in order to address emerging challenges and find synergies and efficiencies among large – scale forest restoration efforts by regularly convening collaborators from among restoration initiatives around the West.
4. The Governors direct WGA staff to work with federal and state agencies, tribes and private sector partners to convene a workshop for sharing of lessons learned about stewardship contracting authorities and implementation opportunities across state and regional boundaries and among collaborative groups, partners, contractors and federal and state agencies. This information should be used to support changes in administrative policy, or any statutory language changes, and incorporated into planning for reauthorization of the Stewardship Contracting Authority.
5. The Governors direct WGA to survey the member States with respect to the concerns and solutions related to creation of a bonding authority or utilization of existing authorities and bonding entities in order to enable contractors to obtain affordable and appropriate bonding for timber and stewardship contracts.
6. The Governors direct the WGA to work in coordination with the Departments of Agriculture and Interior to jointly commission a six month review of adaptive management programs and formulate proposed guidelines for the implementation of an adaptive management approach for large-scale restoration efforts in the Western states.
7. The Governors direct the WGA to work with the states to determine the economic necessities for wood product mills and other wood –use industries to be economically viable, and to transmit this information to federal agencies.
8. The Governors authorize WGA to seek funding from the federal Administration from existing sources to assist it with the implementation of this resolution.
9. WGA shall post this resolution to its web site to be referred to and transmitted as necessary.
10. WGA shall continue to monitor this issue and to report to the Governors as necessary.

F:\11resos\forests-11-01.doc

**Western Governors' Association**  
**Policy Resolution 09-11**

***The Restoration Economy***

**A. BACKGROUND**

1. Traditional industries such as agriculture, mining, oil and gas development, and timber production from both public and private lands fueled the economy and growth of the Western United States for much of the last 150 years. These industries continue to play an important role in the region's rapidly diversifying economy.
2. The high quality of life we enjoy in the West is leading to an influx of new businesses that include medical technology, biotechnology, and aerospace industries, as well as finance, real estate, insurance, tourism, recreation, and a significant service sector.
3. Large intact and functioning ecosystems, healthy fish and wildlife populations, and abundant public access to natural landscapes are a significant contributing factor to the West's economic and in-migration boom.
4. Realizing the importance of the environment to the economy as well as our responsibility to future generations, Western states have enacted many state-level policies to restore past damages from resource extraction industries. Montana has its own mini-Superfund to address industrial sites not covered under the Federal CERCLA program as well as River Restoration, Future Fisheries Improvement, and Bull Trout and Cutthroat Trout Restoration Acts specifically targeted to restore damages caused by traditional extractive industries. In 1998, Oregon citizens adopted a 15 year program that dedicates over \$1 billion from state lottery receipts to creating new parks, repairing old parks, restoring watersheds, recovering salmonids, and conserving and enhancing natural resources. Arizona has implemented its "Route 66 Initiative" to remove abandoned underground storage tanks and expedite the cleanup of contaminated UST sites along this historic transportation route, while helping revitalize local economies. South Dakota has implemented cooperative Hardwood and Aspen projects with the Forest Service in the Black Hills to promote vegetative diversity.
5. Most Western states and several tribes have developed abandoned mine land programs that seek to protect the public from the health, safety and environmental hazards posed by past mining practices. These reclaimed mining areas can become part of valued restored landscapes. For example, dozens of abandoned mines safeguarded by the State of New Mexico became the focus of the Cerrillos Hills Historic Park near Santa Fe, where people now safely hike among the old mine openings and learn about mining history.

6. The Restoration Economy of the West is emerging as an important component of the region's recent economic growth through activities that provide high-paying jobs throughout the restoration cycle. From initial studies, to engineering and design, to the construction jobs during the on-the-land phase, these restoration activities are providing a full spectrum of economic growth across the West.
7. Upon completion, the restored landscapes provide new opportunities for businesses, cleaner water for our municipalities, healthier and more diverse native fish, wildlife and plant communities, and a clean and healthy environment for future generations.
8. The Restoration Economy is also contributing to extensive research and development programs to implement new technologies that include best practices for both restoration efforts and on-going and future extractive industries.
9. The vast majority of restoration work on Western lands is reliant on effective partnerships between federal, state, and local governments and private industry. Declining federal participation and funding is of great concern to Western governors.
10. The concept of the Restoration Economy has long been supported by the Western Governors' Association through numerous resolutions seeking to address sustainable public land management, continued viability of federal restoration programs, and preservation of the Western quality of life.

**B. GOVERNORS' POLICY STATEMENT**

1. Western governors recognize the increasing economic and social importance of the emerging Restoration Economy to our states. Restoration of past environmental damages capitalizes on the expertise of certain industries to carry out environmental mitigation, provide quality jobs, support future economic development while maintaining and enhancing the high quality of life enjoyed by Westerners.
2. Western governors recognize that public contracting for restoration work proves the best value to the taxpayer through competitive bidding and contract accountability.
3. Western governors believe that public investment in restoration programs provide a significant return on investments that is realized through a larger tax base, the cultivation of new and increased economic activity, and quality of life amenities highly valued by the general public.
4. Western governors urge Congress and the Administration to provide for overall public and ecosystem health through federal policies that accelerate the restoration, remediation, and cleanup efforts for assets held in public trust or



located on public lands throughout the West. Critical to this commitment to present and future generations are: adequate appropriations to the restoration and improvement budgets of federal land, water, and wildlife management agencies; restoring funding solvency for programs such as Superfund and the continued funding and reauthorization of vital programs such as abandoned mine land restoration.

5. Western governors urge Congress and the Administration to provide matching funds for on-going state restoration programs such as Future Fisheries, Bull Trout/Cutthroat Trout Restoration, and Oregon's Park and Natural Resources Fund.
6. Western governors ask Congress and the Administration to recognize the importance of the Restoration Economy not only to the West but to the entire United States, through the establishment of a multiyear appropriation formula similar to the Highway Bill.
7. Western governors urge Congress and the Administration to recognize the importance of the Restoration Economy and direct federal agencies to develop key policy recommendations for consideration by the Administration and the Congress that include, but are not limited to: Provide for sustained growth in restorative economic activities; develop appropriate incentives for private sector restoration activities; enhance the federal restoration activities throughout federal agencies; and identify opportunities for federal, state, and local restoration partnerships.

**C. GOVERNORS' MANAGEMENT DIRECTIVE**

1. The WGA shall post this Resolution to its web site to be referred to and transmitted as necessary.
2. This Resolution will be specifically distributed to federal and state agency administrators and members of the Congressional committees and subcommittees having authority to promote the continued growth and success of the Restoration Economy.