

NATIONAL ASSOCIATION OF

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STATE FORESTERS

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232 U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, D.C. 20510

June 30, 2020

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

The National Association of State Foresters (NASF) is composed of the directors of forestry agencies in the states, U.S. territories, and District of Columbia. Our members manage and protect state and private forests, which encompass nearly two-thirds of the nation's forests, as well as partner with federal agencies through authorities like Good Neighbor Authority in managing and protecting the nation's federal forests. The COVID-19 Pandemic has had a devastating effect on the nation's economy, negatively impacting many state forestry agency budgets.

Not only is the forestry sector critical to rural economies, it is essential to the nation's economic recovery. State forestry agencies are critical links in the forestry sector supply chain. State forestry agencies also provide critical support and expertise to our nation's emergency response capacity for wildfire and other natural disasters. This includes playing crucial roles in current state responses to the COVID-19 Pandemic. We urge Congress to take this into consideration when assessing options for economic recovery.

The most difficult challenge facing state forestry agencies in the immediate future will be maintaining staffing levels and continuing base program implementation due to budget cuts. Providing additional funding with maximum flexibility and extended spending authority, including waiving or reducing state match requirements, will provide states a path forward in navigating these difficult economic conditions. Accordingly, here are our recommendations for an economic stimulus package to ensure state forestry agencies continue to support the forestry sector, the environment, local jobs, and economic recovery.

Proposals for Meeting Immediate State Forestry Needs

Provide \$500 Million with Maximum Flexibility for State and Private Forestry

- Provide supplemental appropriations for State and Private Forestry (S&PF) appropriations or provide block grants to states with dedicated funding for state forestry agencies with three to five years in

spending authority. Award funding either directly to the state agency or to designated third-party partners (non-governmental organizations, local governments, etc.) approved by the state forester.

- Provide maximum flexibility for S&PF spending authority or block grant funding in order to:
 - Allow states to retain employees, determine staffing levels for S&PF programs, and hire technical assistance foresters to build capacity to jump start rural economies through forestry activities.
 - Focus S&PF dollars where they will provide the most support to the forestry sector, local economies and jobs, and overall economic recovery.
 - Waive or reduce state match requirements for three to five years to allow federal program implementation to continue even under state budget shortfalls.
- For two fiscal years (FY21 and FY22), temporarily reallocate Landscape Scale Restoration (LSR) funds to the four S&PF base programs from which LSR funding was originally sourced with language that ensures those funds go to the states based on each program's respective allocation formula.¹
- Provide funding for state purchase of equipment that supports forestry and wildland fire activities—e.g. dozers, aviation assets, small equipment needs, etc.—while waiving federal ownership up to a certain level.

Funding to further priorities identified within state Forest Action Plans would be an effective way to utilize existing plans to make an impact on the ground. Financing this work would not only address needs on the landscape, but provide economic support to rural communities across the country by spurring projects for forest health and habitat restoration, hazardous fuels reduction and community wildfire preparedness, reforestation, rural and community tree planting, capacity building for local and volunteer fire departments, and increasing delivery of technical assistance to private forest land owners.

Wildland Fire Aviation Resources

Provide emergency supplemental State Fire Assistance (SFA) funding to support increased firefighting costs in securing Exclusive Use (EU) and Call When Needed (CWN) contracts with available Large Air Tankers (LATs), Very Large Air Tankers (VLATs), Single Engine Air Tankers (SEATs), and Type 3 Helicopters. To address potential reduced firefighter personnel and mobilization capacity due to COVID-19, we are recommending that all of the nation's aerial firefighting resources are contracted with federal and state agencies to provide additional initial attack capacity during this wildfire season.

Personal Protective Equipment for State Agency Wildland Firefighters

Provide emergency supplemental funding for the SFA and Volunteer Fire Assistance (VFA) programs at a level 20% above the current appropriation (\$16.4 million for SFA and \$3.6 million for VFA) to purchase personal protective equipment (PPE) for state and local volunteer wildland firefighters. COVID-19 has increased the need for PPE for state agency and local volunteer firefighters, a need which state agencies and local departments have not budgeted for. This additional COVID-19 related PPE is essential to keeping firefighters and the public safe when state and local personnel respond to wildfires.

Proposals for Investment to Drive Economic Recovery

¹ The concept for LSR was developed over a decade ago by state foresters to pool a portion (15%) of their allocation from four base programs (Forest Stewardship, Urban and Community Forestry, Forest Health-Cooperative Lands, and State Fire Assistance) to develop a competitive grant program for innovative projects enhancing the base programs. LSR was eventually codified in the 2018 Farm Bill. With the current COVID-19 state-budget realities threatening base program capacity, developing and implementing new projects and running this grant program will be more difficult to deliver effectively.

The private forests that state forestry agencies assist in managing are a tremendous economic engine for the U.S. Nationwide, privately-owned forestland supports 2.4 million jobs, \$98.7 billion in payroll, and \$281 billion in timber sales and manufacturing shipments annually. In addition, privately-owned forestland contributes \$81.3 billion, or 4.6% of the total manufacturing GDP. The 475 million forested acres privately owned (by both corporate and non-corporate owners) filter more than a quarter of the nation's drinking water, provide habitat to 60% of all at-risk species in the U.S., and produce more than 90% of the nation's wood and paper products. Fifty-two percent of America's timber output comes directly from family forest lands.

The U.S. Department of Homeland Security has identified the forest products industry as an essential critical infrastructure workforce in the nation's response to the coronavirus pandemic. The forestry sector is an integrated supply chain that includes forestry and wildland fire professionals, family and large corporate forest landowners, loggers, truckers, primary mills (lumber, paper, small family and large corporate), and secondary manufacturing. Without support to the forest products supply chain, we lose the ability to retain markets that support the environmental and economic benefits of forests. We must sustain the essential service providers of the timber harvesting and hauling industry and the forest products manufacturers who are critical to timber dependent rural economies across the country.

Stimulate Rural Economies by Supporting Forest Products Supply Chain

- NASF supports the American Loggers Council's proposal to provide a loan program in the amount of no less than \$2.5 billion dollars for contractors who harvested/delivered wood to mills across the country in 2019.
- NASF supports the Hardwood Federation's proposals to extend a sustainable building tax credit to building and construction projects, including U.S. wood products used in these projects, and to increase government purchases of U.S. wood products, including structural and finished products, for federal building and transportation projects.
- NASF recommends providing a cash payment to primary forest product industry manufacturers at 25 cents per ton of wood purchased at their mill to incentivize job creation and economic recovery, as well as support markets for active forest management.
- NASF recommends increasing financial support for the USDA Foreign Agriculture Service's Market Access Program or Trade Missions Program to help forestry businesses, especially hardwood products producers, negatively impacted by both Chinese tariffs and COVID-19 to diversify their customer bases.

Good Neighbor Agreement (GNA) Temporary Hires

Provide additional funding for states to hire temporary employees to conduct GNA work that benefits federal lands. This funding supports improved federal forest health by increasing the pace and scale of critical forest treatments, supports cross-boundary projects and coordination, and provides job opportunities for rural communities. These hires would not supplant vacant Forest Service positions.

Shore Up Rural Transportation Systems

Rural communities—as well as America's forest products and the outdoor recreation tourism industries—depend on local roads and bridges. The nation's counties build and manage 45% of all roads and 40% of all bridges, but struggle to maintain them. The Forest Service has 380,000 miles of roads and an \$8.4 billion maintenance and reconstruction backlog. These unmaintained rural roads funnel sedimentation to waterways, degrading water quality and aquatic/riparian habitats. Greater investment in rural road and

bridge maintenance is needed on all lands and should be prioritized where access to America's forests is at stake.

Support the Afforestation and Reforestation Supply Chain

Direct federal funding to state forestry agency operated tree nurseries and seed orchards to enhance capacity and operations of these facilities to support reforestation efforts. Investing in these operations will ramp up production of trees and seedlings, ensuring a future supply to meet reforestation objectives. Additionally, a federal guarantee for a multi-year commitment to purchase tree seedlings from state and private tree seedling nurseries will spur production, support tree improvement systems and local jobs, encourage the use of new equipment and technology, drive collaborative tree planting projects in smaller communities, and help meet the U.S. Chapter's goals for the global Trillion Trees Initiative.

Proposals for Additional Legislation to be Included in COVID-19 Stimulus

Support for the Forest Recovery Act

The Forest Recovery Act (H.R. 1444 / S. 1687) will help America's forest landowners recover from forest losses due to natural disasters. The Forest Recovery Act is not a subsidy or transfer of funds program. It simply allows landowners to deduct the fair market value of timber destroyed by natural disasters in accordance to the tax code. Amending the tax code to give landowners immediate relief and remain economically viable will have environmental and economic benefits for all Americans.

Support for the Recovering America's Wildlife Act

The Recovering America's Wildlife Act (H.R. 3742) will put Americans back to work expanding our recreational infrastructure, restoring our natural resources, and investing in on-the-ground projects in every state, territory, and tribal lands. This legislation represents a smart, future-focused investment that will immediately create jobs, help restart the outdoor economy, and support key economic sectors such as agriculture, forestry, and ranching.

Support Reauthorization of Secure Rural Schools and Self Determination Act (SRS)

When authorized, SRS provides critical funding to approximately 700 counties and supports over 4,000 schools located in rural communities that border national forests across the country. Reauthorizing SRS will ensure that students receive essential education services and rural communities have the resources they need to conduct road maintenance and infrastructure projects, conservation projects, search and rescue missions, and fire prevention programs. Rural communities and their economies are the backbone of the forestry supply chain. Their viability is critical to economic recovery.

We appreciate your leadership in response to the COVID-19 pandemic and consideration of our recommendations as you explore opportunities for economic recovery.

Sincerely,



Greg Josten
NASF President
South Dakota State Forester

Executive Director
Jay Farrell

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