

Prepared Statement for the Record

Mr. Kent Duysen
President
Sierra Forest Products

Testimony
Before the Committee on Resources
Subcommittee on Forests and Forest Health
United States House of Representatives

Regarding HR 5760
Promoting Critical Forest Management Projects and Retaining Industry Infrastructure in the
Southern Sierra

July 27, 2006

Good afternoon, Chairman Walden and Members of the Subcommittee. My name is Kent Duysen and I am the President of Sierra Forest Products, a small family-run forest products company located in Terra Bella, California (just outside Porterville, California). I appreciate the opportunity to testify today in support of HR 5760 and the critical forest health projects and industry infrastructure it seeks to preserve. As you know, Mr. Chairman, we face an unfolding crisis affecting both the health of our federal forests and the industry infrastructure so critical to our ability to treat those forests.

Sierra Forest Products has been in operation for 38 years and has long been a partner with the US Forest Service and local communities in caring for the health of the Sierra and Sequoia National Forests. Our family-run mill currently employs 130 full-time employees on-site, as well as over 100 part-time employees who are involved in timber harvesting and other supporting activities. We provide a 401(k) retirement plan and carry 100% of the monthly health care costs for our full-time employees. These are exactly the type of "family wage" jobs and benefits that we hear so much about today but are increasingly rare in rural America.

Sierra Forest Products is the last remaining piece of industry infrastructure in the Southern Sierra. After many years of cutbacks in harvest levels on federal lands and the closure of approximately 4 local mills, the nearest sawmill to us is now 200 miles to the north in Sonora, California. We are still alive, Mr. Chairman, but just barely. Our mill is currently running at less than 50% capacity and we historically ran two eight-hour shifts, but now are running just one due to a lack of logs. We recently were forced to lay off 40 workers, again due to a lack of raw materials.

In recent years, we have invested millions of dollars into the mill to increase efficiency in the face of strong global competition. These improvements included a \$3.5 million high-tech sorter/small log machine. Also co-located with the mill is a biomass co-generation plant that exports 7 megawatts of renewable energy to the electrical grid – enough to power 7,000 homes. The mill has sought to squeeze every ounce of value from the resource through the co-generation facility and the production of byproducts such as shavings and bark for landscaping to achieve 100% utilization of the forest resources. The co-generation facility also utilizes agricultural materials that would otherwise go to waste from nearby farms to generate electricity. We are exactly the kind of small-log infrastructure that is essential to the Forest Service's ability to conduct hazardous fuels treatments. Unfortunately, the lack of a consistent and predictable supply from federal forests threatens the future of our mill. We anticipate that short of a turn around in the federal supply of timber, we will be out of logs in the spring of 2007 and effectively out of business.

It wasn't always this way. Until the early 1990's, approximately 200 million board feet (mmbf) of timber was harvested annually from the Sierra and Sequoia National Forests. While I am not here to advocate for a return to those days, this fiscal year less than 10 mmbf will be harvested primarily due to litigation and appeals surrounding vegetation management and hazardous fuels reduction projects. The federal government, through the Forest Service, manages over 90% of the forestland in the Southern Sierra. Like many other areas of the country, a sawmill simply can not survive here without a predictable and consistent supply of timber from the federal forests. I have a letter from the California Forestry Association, the California Farm Bureau, and the American Forest Resource Council that outlines the situation well and urges a legislative solution, which I submit today for the record.

As I indicated, the existence of Sierra Forest Products is absolutely critical to the future management of the Sierra, Sequoia, and San Bernardino National Forests. Future hazardous fuel and vegetation management treatments will be made economically feasible by the proximity of the mill to the forests. The mill's small log capabilities and biomass co-generation

plant enable forest health treatment projects to “pay their way out of the woods”, rather than requiring massive infusions of federal money to thin forests with little commercial use for this material. Not only would the absence of a local mill threaten the health of the federal forests, but it would also threaten the viability and health of the private and tribal forestland that does exist in this area and increase the pressure to convert these lands to other less environmentally-friendly uses.

The story is especially telling on the San Bernardino National Forest. Sierra Forest Products in Terra Bella is approximately 220 highway miles from the forest. The next closest mill (Sonora) is 200 miles beyond Terra Bella. Due to rising fuel and transportation costs, the commercial value of logs would be less than the trucking costs to deliver logs from the San Bernardino to Sonora. This fact was evident following the recent fires and beetle epidemic on the San Bernardino National Forest when a majority of salvaged logs were utilized by Sierra Forest Products. This needed forest health work on the San Bernardino NF actually required us to postpone operating on some of the local projects that are now stalled and the subject of litigation.

Vegetation Management Projects Within the Sequoia National Monument

HR 5760 would allow partially operated fuels reduction projects endorsed and grandfathered under President Clinton’s Proclamation designating the Sequoia National Monument designation Proclamation to move forward to completion. The Presidential Proclamation emphasized that the establishment of the Sequoia Monument was “subject to valid existing rights” and that “timber sales under contract as of the date of the Proclamation and timber sales with decision notices signed after January 1, 1999 but prior to December 31, 1999 may be completed consistent with the terms of the decision notice and contract.” With your permission, I have a copy of the Proclamation for the hearing record. Three such fuels reduction projects remain uncompleted on the Monument today encompassing 2,413 acres – just 0.7% percent of the 327,000 acre Monument .

Unfortunately, recent court action brought by litigants under NEPA has blocked the implementation of these projects located on both the Sequoia Nat ional Monument as well as on the Sequ oia National Forest , due to concerns surrounding the Pacific Fisher. Combined, these sales represent approximately 12 mmbf of timber and include much needed hazardous fuels reduction components. This judicial action has been merged with the case challenging the management plan for the monument and is quickly expanding into litigation challenging the “Sierra Framework,” a plan for managing all the forests on the Sierra. Although the completion of the three projects within the monument was explicitly endorsed under the Sequoia Monument Proclamation, there is little likelihood of movement in the near future.

The “Ice” fuels reduction project has thinning units near the Alta Sierra subdivision whose homeowners worked with the State, Forest Service, and local fire protection district to develop a community wildfire protection plan. “Ice” project units are also located near a local park, Sugarloaf home and cabin tracts. Another sale, the “Saddle” fuels reduction project, has units bordering Tule Indian Reservation lands. I have letters supporting these thinning sales from some of these very groups, including the Sugarloaf Homeowner’s Associat ion and the Kern River Valley Fire Safe Council. I ask that these letters be entered into the hearing record today.

Mr. Chairman, these truly are light-touch thinning projects that are critical to both forest health as well as the safety of local communities. No sequoia trees are being harvested and the projects were designed to improve forest conditions for sequoia growth and regeneration. Some the trees harvested are removed via helicopter to reduce soil impacts and a huge proportion of the large diameter trees remain following treatment. In fact, a Forest Service analysis of one project, the “Ice” sale, found that small logs from 6”-12” inches in diameter make up 82% of the logs to be removed. The projects specifically bar the removal of trees over 30” inches in diameter.

I have provided pictures today of several of the units that have received treatment, as well as pictures of forests that remain overstocked and unsafe due to this inaction. As you can see, what’s left following treatment is a forest that better mirrors the pre-settlement condition of the area. Following treatment, the Forest Service is able to conduct prescribed fires to control fuel growth. Without treatment, the ladder fuels and overstocking makes prescribed burning impossible. Some of the pictures also show private homes that neighbor the thinning units.

As I mentioned, the projects were enjoined due to NEPA concerns relating to possible impacts to the Pacific Fisher, a U.S. Fish and Wildlife Service (USFWS) candidate species. This is in spite of a USFWS review of one project, the “Saddle” sale, which found that the project was “not likely to result in adverse impacts to the fisher.” The USFWS review went on to say that the “proposed project will lessen the risk of catastrophic wildfire which could injure or kill, or destroy their habitat.” The Service’s conclusion as based in part on the fact that less than 10% of the fisher habitat will be treated, the treated acres will remain suitable habitat for fishers, and there will be no loss of connectivity with fisher habitat outside the area. In a follow-up letter on the issue, the USFWS disagreed with the Court’s interpretation of project impacts to the fisher and stated “we do not believe any fishers will be subject to take, as defined in the Act, by the Saddle Fuels project.” I ask that the USFWS review and subsequent letter be entered into the record today.

Kings River Demonstration and Research Project – Sierra National Forest:

HR 5760 would require the Forest Service to complete the environmental review of the Kings River Demonstration and Research Project (KRP) no later than October 31, 2006. The purpose of the KRP is to restore historical pre-1850 forest conditions across a large landscape using the uneven-aged silvicultural system regeneration in groups and with prescribed fire. Obviously, the pre-1850 forest was sustainable and resilient to catastrophic events. This is demonstrated by its survival for thousands of years shaped by natural forces and management of certain plant communities by Native Americans for cultural purposes. The 130,000 acre KRP area is representative of the forest conditions found throughout the Sierra Nevada and is an adaptive management project, the only one, established in the southern half of the Sierra Nevada.

The plan for the first two years of the project involves eight management units totaling approximately 10,000 acres. Over the next 25 years, the project envisions additional management units totaling approximately 70,000 acres. It should be noted that the total acreage envisioned for some form of management over a 25 year period represents less than 5% of the Sierra National Forest.

As part of the Forest Service adaptive management program for the Sierra Nevada, there are research questions that could provide answers and improve the current state of knowledge regarding the effects of vegetation management and fuels treatment activities on wildlife habitat, wildfire behavior and watershed condition. Specifically, the KRP will help determine how the California spotted owl and Pacific Fisher respond to changes in vegetation structure from the application of uneven-aged silvicultural systems and prescribed fire. A monitoring study is currently being developed for the Fisher and one is underway for air quality.

Mr. Chairman, there is an urgent need for fuels reduction activities in the Wildland Urban Interface within the Kings River Project area. A large portion of the KRP area includes national forest lands adjacent to private property. A majority of these private lands have existing dwellings or plans for improvements. The local Highway 168 Fire Safe Council has expressed a strong interest in protecting local communities from the effects of wildfire through mechanical fuels reduction projects.

Mechanical treatments and prescribed fire are needed to control and maintain the landscape in fire regime condition 1 (low risk from uncharacteristic wildfire effects), which will keep it within the historical range of variability for fire frequency and intensity. Short of legislation, current and anticipated litigation surrounding the fisher and the viability of "management indicator species" will likely delay implementation of the KRP project by one to three years or more. This delay not only puts the forest at risk of catastrophic wildfire and the associated habitat loss for the fisher, but the future of Sierra Forest Products also hangs in the balance of the Forest Service's ability to undertake this needed work.

Conclusion:

We have attempted to work with and through the Forest Service and environmental litigants to seek an administrative solution. Unfortunately, it is extremely unlikely that an administrative solution will provide short-term results and the volume needed to ensure the future of the mill and the safety of the forests and neighboring communities. As a result, we feel some form of a legislative solution is absolutely necessary. The 2002 McNally Fire that burned 160,000 acres on the Sequoia National Forest (10% of the forest) should serve as a constant reminder of the consequences of inaction. That fire came within several miles of Giant Sequoia groves. Since 1990, almost 25% of the Sequoia National Forest has experienced catastrophic wildfire.

Sierra Forest Products, the last remaining mill in the southern Sierra, is not only critical to local communities, farmers, and private forestland owners in our area, but it also has positive social and environmental benefits and makes forest health treatments possible on a wide-swath of California forests. Litigation and the resulting analysis paralysis have debilitated the Forest Service's ability to implement needed forest health treatments throughout California. In the meantime, remaining industry infrastructure critical to the Forest Service's mission to care for our forests is at risk of disappearing.

Mr. Chairman and Members of the Committee, I thank you for the opportunity to appear before you today and am prepared to take any questions you might have.