

**Statement of Joyce Dearstyne
Executive Director, Framing Our Community, Inc.**

**U. S. House of Representatives, Committee on Natural Resources
Subcommittee on National Parks, Forests and Public Lands**

**Oversight hearing on
*Locally Grown: Creating Rural Jobs with America's Public Lands***

July 15, 2010

Dear Chairman and Members of the Subcommittee:

I am Joyce Dearstyne, Executive Director of Framing Our Community, a grass-roots community-based organization with eleven years of experience in regional collaboration, working in federal partnerships and creating jobs in my community. I appreciate the opportunity to testify on the potential of building rural prosperity in partnership with federal land management agencies and to share our hands-on experiences and perspectives regarding community involvement in restoration of our National Forests and on private lands. Framing Our Community (FOC), a nonprofit organization founded in 1999, is located in one of the largest counties - in size - in the lower forty eight states; 83% of our forest and rangeland is owned and managed by the Federal government. My town, Elk City, is surrounded by 12,000 acres managed by the Bureau of Land Management and 2.2 million acres of Nez Perce National Forest. Our community is, understandably, closely connected to these public lands and relies upon these resources not only for clean water, air and recreation, but also for jobs and is essential to our economic stability.

Framing Our Community –who we are and what we do:

Eleven years ago, the residents of Elk City formed Framing Our Community (FOC) to identify the community's desired path away from being "suppliers" for a commodity-based economy to entrepreneurs creating products with a higher margin of profit and offering ecological services that diversify our economic base. Focusing on value-added product development and increasing access to wholesale and retail markets will eliminate the boom and bust cycles of the past.

Our vision is to sustain a "Healthy Forest and Healthy Community." Our mission is to provide integrated programs that create jobs, improve forest and watershed conditions and increase educational opportunities. We are dedicated to working collaboratively to find solutions and end conflict over the natural resources that affect the prosperity of our community and others who share our challenges.

Our strengths are in job creation in the woods and in the community, improving forest and water conditions, as well as wildfire fuel reduction. We have succeeded by training 160 displaced workers and employing 158 workers in forest restoration and related skills so they can find work on federal land management projects. We employ these workers as part of FOC's field crew or contract their services to collect water samples and monitor the streams and rivers; conduct plant, wildlife and archeological surveys; thin overcrowded forest stands to remove diseased and insect infested trees and reduce fuel loads; and revegetate degraded sites with native seed plants. We

have also partnered with landowners to perform work on private lands, further expanding the market for these services. We have reduced the risk for business start-ups through our business incubator program by providing manufacturing space, business development and management courses and marketing assistance. We have sought out technical assistance and partnerships to ensure our projects incorporate advanced engineering and can engage in the global market place. We have done all of this collaboratively working in tandem with land management agencies, regional nonprofits, environmentalists, recreationists and county government.

Over the past decade we have invested more than \$3,000,000 in ecosystem improvements, community infrastructure, and economic development in North Central Idaho. National Fire Plan, Economic Action program, state and private foundation funds have built business infrastructure at our Small Business Incubator/Business Park and capacity through consultants and agency expert staff who teach forest restoration and ecosystem management services. We foster the production and marketing of products that result from these activities, and provide business and natural resource education for community youth and adults. We have created a variety of jobs in our community, including hiring organizational staff, employing a field crew, sub-contracting to local contractors, and assisting with the creation of small businesses, who in turn hire local people. Our 2009 projects included forest stewardship, water quality monitoring, conducting ecological and archeological botany surveys and inventories, value-added wood production and sales by artisans through FOC's E-commerce website (www.framingourcommunity.org). In 2009, we created 84 seasonal and year-around jobs.

Five successful highlights from our projects and activities:

1. Natural Resource Education and FOC's Youth Corps

FOC's natural resource education program focuses on the health and vitality of the surrounding rivers and streams with water monitoring and testing, replanting along waterways which are spawning and rearing streams for salmon, steelhead, and bull trout. Displaced timber workers collect water samples for the Nez Perce National Forest under a five year agreement, while our youth engagement component focuses on college and high school students learning how to collect native seeds and cuttings, returning them to watersheds the following year. These plants are propagated by local nurseries and replanted to reduce sediment, pathogens and stream temperatures, improving aquatic and terrestrial habitat. Funding sources are scant, but our 2010 youth Corps has a workforce of ten. Corps members also assist disabled and older community members create defensible space around their homes. They educate landowners by distributing FOC's 2009 national award winning video "Are We Safe from Fire? Protecting Idaho's Communities." This video shows land and home owners how to protect families and property from wildfires.

2. The Elk City Business Incubator

We needed to build the infrastructure to train workers and contractors with the skills and knowledge that will make them competitive for work on public lands and we recognized the new role that we as a community-based organization had in facilitating the development of a newly focused private sector. In public lands communities, the private sector is reticent to invest in equipment needed to harvest and process material not traditionally used in the wood products sector due to an inconsistent program of work on federal lands. Community organizations, like

ours, have stepped up to share the risk, enter into public-private partnerships to prove out new technologies and share the responsibility of working with a Federal agency. The Business Incubator was developed through a community-driven process and resulted in the establishment of an integrated wood utilization facility. We have focused on adding as much value to the raw material as possible to ensure we can capture the highest market value and in turn offer a better package to the Forest Service, enabling them to restore more acres within the confines of their budget. We have also created an integrated woody biomass utilization facility where value-added manufacturing is co-located with a small-scale energy facility. For example, using wood to create thermal energy – either in heat only or combined heat and power/biofuels applications – has more market value per unit energy than using it to generate electricity only. Creating this higher biomass value allows federal agencies and contractors to harvest and transport the material cost effectively and can reduce treatment costs per acre.

Additionally our business incubator provides the infrastructure for the startup and growth of businesses that manufacture quality products from small diameter and dead trees and other natural resources from the forest. Tenant businesses utilize small diameter and standing dead timber in the manufacture of quality products, creating significant economic benefits through job creation. Providing infrastructure for the manufacturing of value-added products and full utilization of woody biomass is critical to removing high fuel loads from our forests at an affordable rate. We are able to provide the infrastructure, offer low cost tenant fees, assist entrepreneurs with connections to brokers and markets, accessing micro-loan programs, assistance to attend trade shows, the ability to conduct e-commerce and print professional grade marketing portfolios. This past Spring we began offering entrepreneurs an 18 session business start-up course. The course is providing training and education to start a business, conduct market research, handle daily operations and human resources, access funding sources and understand finance options, and create a business and marketing plan. Our first class will graduate in November 2010; our second session starting this winter is already half full.

These endeavors improve the quality of life through economic development and the creation of year-around employment. Federal funding for this infrastructure has come from several programs within the USDA Forest Service including the National Fire Plan, Economic Action Programs, Woody Biomass Utilization, and State and Private Forestry Cooperative Partnership Program. A grant from USDA Rural Development enabled us to acquire a dry kiln to support the needs of our business tenants, preparing their products for interstate and international markets. But the bulk of the funds come from private foundation grants. The very successful Economic Action Program has not been funded in the past few years and no replacement program has emerged. Requests for manufacturing space from five new and growing businesses require a tripling of incubator space to accommodate production needs. This growth would increase local employment by approximately 15 percent. Since the closing of our timber mill in 2005, the incubator has helped our community reverse its out-migration and has seen the start of a restoration-based and value-added products economy, but without the continuation of a federal program similar to the Economic Action Program, success stories like this are likely to be rare.

3. Training in natural resource stewardship

FOC's "Jobs in the Woods" program creates educational opportunities and full-time jobs in the fields of hazardous fuels reduction and forest and watershed restoration. Natural resource professionals, unemployed timber workers and college and high school students learn how to apply treatments that restore health to our national forest and create defensible space on private lands. Where possible, this is accomplished with the use of low impact equipment that creates the least amount of soil and vegetative disturbance and at a low cost per acre treated. FOC has used turn of the century skills, like dry stone masonry, to repair wilderness trails and improve wildlife and anadromous fish habitat.

4. Agreements and Stewardship contracts with the BLM and FS.

FOC and the Bureau of Land Management and Forest Service have entered into several stewardship contracts to reduce the risk of wildland fire to life, property and natural resources in Elk City and the surrounding area. By removing insect and disease affected trees and addressing existing challenges through the creation or saving of jobs we are jumpstarting the economy. The 54 acre Sweeney Hill project created four logging, eight restoration, four trucking and ten youth corps jobs.

FOC has entered into several "Partnership and Assistance Agreements," based on the Manpower Act, through which agency experts have trained and hired local workers to conduct boundary marking, timber cruising, thinning, pruning, hand piling and replanting of native species. Since 2003, FOC has provided the BLM with trained and qualified people for field data collection for the biological, botanical and cultural resources programs. These are primarily recent college graduates who are building their resumes and gaining work experience.

As an example, the South Fork Clearwater River Monitoring Project monitors water quality and aquatic habitat conditions along the mainstem of the South Fork Clearwater River. This monitoring plan addresses the sediment-related issues in the mainstem South Fork Clearwater River, regardless of the source of direction. Specific water column parameters sampled are suspended sediment, turbidity and bedload sediment, cobble embeddedness, particle size distribution, and pool depth. The fieldwork is conducted by two nonprofit organizations and lab work is conducted by the Elk City Water Laboratory; oversight and training has been done by federal and state agency personnel. Existing agreement authorities were used. This five-year project trained and employed 12 – 15 workers annually, monitoring of two additional rivers has created 9 months of employment.

5. Local and regional collaborative efforts

Collaboration is a great tool for resolving natural resource management conflict. It can break the gridlock, controversy, and litigation that adversely impact the health and vitality of our national forests and communities. It brings diverse stakeholders together (community, environmental, recreation, county and tribal governments) to solve a common problem or achieve a common objective. As a member of the Clearwater Basin Collaborative, I have witnessed the opening of lines of communication and growth of respect, identification of common ground and concern for the forests we all love. We have already seen the benefit of collaboration when an appeal was withdraw on a project reviewed and visited by CBC members. Conflict and litigation are down, moving treatments forward and using agency dollars for management rather than legal fees. The

Collaborative Forest Landscape Restoration Act is an excellent example of collaborative processes and funding of landscape scale projects designed by federal land management agencies and collaborative groups.

Challenges we still need to overcome:

Despite our successes, North Central Idaho continues to face significant economic challenges; unemployment remains at 12.8%, county budgets are declining, and our county poverty rates are 18.9% with community rates at 23%. In a landscape predominately owned and managed by the federal government, we will need increased and sustained investment to retain and create new infrastructure that fits the restoration and stewardship work needed on our public lands. We need technical assistance and support to catalyze entrepreneurs and create conditions that will offer our young people a reason to return to the community and be part of our future. Key challenges include:

- Reduced agency staff and budget capacity impacts small and micro businesses across Idaho. For example, the combination of reduced and inconsistent funding (delays in budget approval) and the shifting direction of federal agencies have made it very difficult for the private sector to prepare to serve the restoration economy.
- Lack of infrastructure for manufacturing that makes use of traditionally low-value species feasible and economically viable makes it hard for businesses to get started.
- Being located in a high poverty, remote location that is distant from transportation corridors makes accessing urban markets challenging.
- Having both inconsistent offerings of restoration work and unpredictable supplies of wood sources from the surrounding public lands (from restoration projects or traditional timber projects) creates an environment where it is difficult to update, reestablish or create new businesses.
- Having a relatively small population density, it is difficult to recruit and retain a skilled workforce when there is no consistent program of work on federal lands.
- Given the uncertainty in federal land management and the surrounding large federal ownership patterns it is very difficult to raise private capital to support retooling of existing businesses or entice new businesses to establish in communities like ours.
- Federal contracting is inconsistent in providing a level playing field for rural businesses to compete for restoration contracts. Large contracts are written in the name of efficiency, but limit the ability of small and micro-businesses to successfully compete. A greater emphasis on quality of the work, rather than lowest bid is needed. Best value contracting can help federal agencies ensure excellent value for the federal government and American taxpayers.

Recommendations:

I would like now to offer some recommendations on what can be done to overcome the challenges noted above, support the momentum of the successes we have had and promote opportunities through the U.S.D.A Forest Service and Rural Development, Department of Interior, and Congress to encourage job creation in the forest communities.

1. **Support the next generation of rural conservation leadership by supporting the President's Great American Outdoors initiative.** This could help to create the next

generation of Forest Service, Bureau of Land Management and National Park Service employees by engaging and training rural youth during summer employment.

2. **Fully support and use existing programs to reach their potential.** Federal agencies should work together to invest and provide grants, loans, and technical support to public land community training programs; increasing access to capital for low-impact or innovative equipment that can improve forest management; and building appropriately scaled manufacturing and energy facilities that can serve local markets and feed into regional, national, and even global markets, if appropriate. Existing programs such as the Forest Service Economic Action Program, the Healthy Forest Restoration Act, Titles II and III, and the Community Wood Energy Program (CWEP), should be fully funded and utilized.
3. **Level the playing field for rural businesses through improved federal contracting.** The agencies need to ensure that work offered on public lands is awarded on a best value basis, including criteria for local economic benefit. Awareness, clarity, simplification and training on the full suite of available existing contracting and new authorities should be provided to the field. For example, Partnership and Assistance Agreements are great tools for the agency to work with nonprofits, providing for cost effective services, training and local jobs.
4. **Support Investment in Conservation-based Businesses.** Successful conservation-based businesses will require investment— both on the land management and manufacturing sides — in new equipment, training and recruitment of new employees, and partnerships with communities and agencies. We also need to determine how the Small Business Administration targets forest-based businesses and whether they offer their services at the local level. The HUB Zone program seems to be one SBA program that is proving itself useful in helping local contractors win contracts.
5. **Invest in Research and Technology Development.** Creating a restoration economy necessitates that the public and private sectors develop new techniques and approaches to treat the land and handle restoration by-products. The Department of Energy needs to work with rural communities and help federal land management agencies with scalable energy solutions. For example, DOE’s National Renewable Energy Lab needs to develop small-scale pollution control devices for wood-fired systems. The USDA Forest Service’s Forest Products Lab in Madison, Wisconsin has been an excellent resource and has worked with rural communities and businesses. To ensure the success of the Forest Products Lab, it is essential that Congress provide adequate support and direction to enable its employees to work with more communities and small businesses to:
 - Test and develop value-added products
 - Create and understand light touch management techniques and equipment
 - Understand the impacts of restoration forestry.
6. **Foster and provide incentives for development of appropriately scaled energy facilities.** By investing in the building of small distributed power and synthetic fuel facilities we can encourage long-term sustainability, in which demand is less likely to exceed supply and will provide for long-term employment and stability. Specifically, Congress should:

- Improve and extend production tax credits for new generation based on a minimum efficiency threshold to encourage the best use of wood for energy
 - Account for thermal energy in renewable energy legislation such as qualifying the thermal energy output of a small combined heat and power (CHP) facility to fill a portion of any Renewable Electricity Standards.
7. **Continue and Increase Support for the Forest Landscape Restoration Act.** The Forest Landscape Restoration Act (FLRA) of 2009 facilitates collaborative restoration of priority forest landscapes using the best-available science. The FLRA is broadly supported by a wide array of interests that in the past rarely agreed on forest issues. The forming of collaborative processes like the Clearwater Basin Collaborative have opened lines of communication and identified common ground among industry, environmental and community organizations. Across the nation, community stakeholders are anxious to begin the important work that will restore forest landscapes, help to revive local economies, and reduce wildfire suppression costs and risks. FLRA will help reduce the risk of fire and costs associated with fire management and it will stimulate local economies through the creation of jobs. We hope that CFLRA projects will be fully appropriated in the future (\$40 million vs. \$10 million in 2010) and more widely applied.
8. **Reauthorize the Secure Rural Schools legislation:** Look at reauthorization of the Secure Rural Schools Act with an eye towards economic development in those communities in or adjacent to National Forests. Title III Resource Advisory Council dollars could be used to transition the economic base of natural resource dependent communities. Currently these funds are used solely on the national forests to augment Forest Service budgets for wildlife studies, NEPA and other Environmental Impact Studies.

Conclusions

Thank you for the opportunity to share our experiences in building sustainability through a restoration-based program that fosters the growth of value-added businesses. While many of the issues I have raised relate to appropriations, I believe it is important that the Resources Committee advocate for these important programs in addition to providing the Forest Service with direction and authority to conduct its business. The main messages we would like to leave with you are:

- The way in which we care for the land directly affects the well-being of rural communities.
- When our forests are healthy, our communities are stronger. For us, there is a direct correlation between degraded land and poverty in rural communities.
- We need to restructure the way we take care of the land to create a healthy interdependence.

This will take time and its success depends on communities, land management agencies, environmentalists, industry, and others working together to find solutions to building integrated programs and funding sources.