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UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE  
SUBCOMMITTEE ON  
NATIONAL PARKS, FORESTS, AND PUBLIC LANDS  
COMMITTEE ON NATURAL RESOURCES  
UNITED STATES HOUSE OF REPRESENTATIVES  
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CONCERNING**

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

Mr. Chairman and members of the Subcommittee, thank you for inviting us today to discuss rural job creation and the importance of collaboration among individuals, interest groups, and communities and the United States Department of Agriculture (USDA), Rural Development and Forest Service agencies.

Today we will discuss the value of partnerships and community collaboration in job creation, and provide examples of successful collaborative economic diversification efforts of the Forest Service and USDA Rural Development throughout the United States. We believe that collaboration can leverage the unique capabilities of each agency; can accelerate our efforts to assist rural communities in creating prosperity and jobs; can develop shared land stewardship through citizen engagement; and can be an effective tool to bridge differences among interest groups and to consider the needs of the public.

Our USDA strategy includes working collaboratively across interests and jurisdictions to support locally driven regional economic development strategies, to increase economic opportunity, and improve the quality of life in rural communities. We have held listening sessions around the country to develop ideas to stimulate the economy. These collaborative efforts help create jobs and economic prosperity in renewable energy production, recreation and tourism, regional economic planning, infrastructure development, and natural resource management.

**RECENT EFFORTS**

Our agencies accomplish much of our work through collaboration with a diversity of partners, leveraging millions of appropriated dollars annually that creates and maintains rural jobs.

Our most recent data for fiscal year 2009, the Forest Service entered into 8,931 grants and agreements with partners, under which it contributed \$1.02 billion, and leveraged \$461.8

million, for a total value of partnered efforts of \$1.48 billion. The Forest Service distributed American Reinvestment and Recovery Act of 2009 (ARRA) contracts and grants in FY2009 totaling \$1.12 billion. In that same year, including substantial additional investment made possible by the ARRA and leveraged funds, Rural Development provided over \$31 billion in loans, grants, and loan guarantees for rural housing, community facilities, infrastructure, and business development.

## **SOME EXAMPLES**

**The Southeast Alaska Transition Framework** - Last summer, we visited southeast Alaska, visiting native communities and attending listening sessions with local officials and residents. While there, we co-hosted two economic diversity workshops to better understand how USDA can support a diversified economy and range of opportunities for Southeast Alaskan. At the close of these workshops, USDA regional staff committed to hold similar workshops in every community in Southeast Alaska; those sessions have brought about new ideas and possibilities for leveraging the agencies of the USDA and have become a blueprint for Rural Development and the Forest Service to work in local communities all across the nation. The following initiative was the result of this trip.

The Forest Service and Rural Development in Southeast Alaska have formed a team to help local communities transition to a broader economic base, based on a suite of goods and services that can provide diversified jobs and community stability, where timber historically provided the backbone.

The transition is based on shifting management emphasis towards multi-year stewardship contracts and young growth management. This strategy is supported by both the timber industry and environmental groups as a way to maintain the health and diversity of the forest, and meet market demand. The USDA team will coordinate with State and local governments, tribal entities, local stakeholders, non-profit and for-profit organizations to diversify economic opportunity and create and maintain jobs on a broader suite of goods and services. The first of several long-term stewardship contracts will be implemented by the Forest Service in 2011 which will give the existing forest products industry the needed supply to maintain current jobs while Rural Development works to retool and transition to the new framework. Next steps include development of a Strategic Plan, infusion of Rural Development program funding, and targeting business and infrastructure needs to help stimulate growth of new businesses and job creation.

**The Appalachian Regional Development Initiative** - Rural Development is collaborating with the Forest Service, the Appalachian Regional Commission, and a host of additional federal agencies on the Appalachian Regional Development Initiative, which seeks to provide federal support for regional economic development efforts across Appalachia, including those focused on sustainable natural resource development, recreation and tourism, and green job creation. Over the past six months, an Interagency Working Group hosted five listening sessions across the Appalachian region to gather feedback from local stakeholders on the

challenges and opportunities to diversifying and strengthening their regional economies. The Working Group gathered additional public comments through an online outreach page, and a team of government economists crafted a holistic assessment of the region's economic assets and challenges to development in the region. In the coming months, we will announce a new federal strategy for supporting development efforts in Appalachia, focusing on supporting comprehensive, community-driven planning with sustainable natural resource development.

**Stewardship Contracting** - The Forest Service through stewardship contracting has the ability to enter into 10-year contracts, enhancing industry's ability to create and maintain jobs. The private sector now has the kind of certainty needed to work closely with financial institutions to secure the types of loans and financing to build the infrastructure needed, both human and brick and mortar, to economically sustain communities while simultaneously restoring our forests.

Stewardship contracts help meet local and rural community needs through collaborative planning and implementation and contribute to the sustainability of rural communities by improving forest health and natural resource resiliency, providing opportunities for local income and employment, and fostering greater public involvement in project stages. In FY 2009, the Forest Service entered into 141 stewardship agreements and contracts on 88,304 acres, including vegetation treatments for product, health, and fuels reduction, wildlife habitat and watershed improvement, road improvement, and utilization of forest biomass for energy production. The President's FY11 budget supports the use of this tool to facilitate greater accomplishment in the forest and greater economic development in communities.

**Secure Rural Schools** - The Forest Service will have 118 Secure Rural Schools and Community Self-Determination Act Resource Advisory Committees (RACS) fully functional by the end of the year in 33 states. These groups collectively select projects that will benefit national forests and nearby communities. Oftentimes, these projects are contracted, and thus, help local communities economically. In selecting the projects, RAC committees collaboratively learn each other's views, interests and desires for national forest management and come to agreement on projects to recommend. The result has been an unequivocal success. Investment in such a collaborative process is a key ingredient to finding project success. As testament, not one project selected by RACS for funding has ever been appealed or litigated.

**National Forest Scenic Byways Program** - Two of the goals of the National Forest Scenic Byways Program are to support and enhance rural community economic development, and to increase public awareness and understanding of national forest activities and the importance of sustaining healthy, productive ecosystems. The National Forest Scenic Byways Program, with 137 national forest scenic byways, is a success because it unites rural communities, empowers collaboration among diverse partners, and offers travelers a way to "make the journey as important as the destination." We have found that tourism can be greatly increased as well. On the Kangamanus Scenic Byway in the White Mountain National Forest, approximately 6 to 7 million visitors enjoy scenic overlooks, hiking trails, and numerous historic sites. After Scenic Byway designation, local communities, citizens, and forest officials forge agreements on signage, tourism facilities, and roadside attractions and stops. Oftentimes, the new

relationships prove to be a catalyst for new marketing and funding opportunities available through the National Scenic Byways Program and State transportation agencies. The emphasis on promoting community tourism has been one of the most popular aspects of byway designation with rural communities.

**America's Great Outdoors Initiative** – President Obama announced in April of this year his America's Great Outdoor Initiative to help craft a conservation agenda for the 21<sup>st</sup> Century. Administration officials are traveling across the country this summer to hear ideas, issues, problems, and solutions directly from local communities. This agenda is grounded in finding the most successful initiatives from across the country to spur conservation of our public and private land resources while simultaneously promoting economic opportunities. In fulfilling America's Great Outdoor Initiative, Secretary Vilsack and the USDA are finding that outdoor recreation provides opportunities for Americans to participate in stewardship activities.

Recently, Secretary Vilsack highlighted how outdoor recreation on National Forests and Grasslands alone directly provides 225,000 jobs and contributes over 14.5 billion to the economy. The outdoor economy is particularly important to rural America.

**Integrated Resource Restoration (IRR)** - The President's fiscal year 2011 budget emphasizes a new line item called Integrated Resource Restoration. The new line item has tremendous potential to create and maintain jobs through projects that are developed in collaboration with partners and communities. Recent studies show that for every one million invested in forest restoration and timber work on public lands, nearly 20 jobs are created.<sup>1</sup> This is one of the highest returns on the dollar of any federal investment.

**Four-Forest Restoration Initiative, Arizona** - National forest managers in northern Arizona have been working for years to reduce the threat of high-intensity, potentially-destructive wildfires to neighboring communities through a variety of means. The 4-Forest Restoration Initiative (4FRI), involving the Apache-Sitgraves, Coconino, Kaibab, and Tonto National Forests, will provide economic opportunities to local communities through the utilization of small-diameter forest products, and is aimed at collaboratively designing a multi-decade restoration program. The project will use a variety of tools, including mechanical thinning and prescribed fire, to achieve landscape-scale forest restoration. Because of the landscape-scale of this restoration (approximately 2.4 million acres of ponderosa pine forest), the 4FRI is expected to lead to as many as 50,000 acres per year being treated over a 20-year period. This will reduce treatment costs and provide restoration-based work opportunities that will create long-term, quality jobs. This initiative will restore watershed health, improve wildlife habitat, conserve biodiversity, protect old-growth, restore forest structure and function, reduce the risk of uncharacteristic wildland fire, and reintroduce natural fire into the ecosystem.

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<sup>1</sup> Max Nielsen-Pincus & Cassandra Mosely, *Economic and Employment Impacts of Forest and Watershed Restoration in Oregon*, in Institute for a Sustainable Environment, *Ecosystem Workforce Program, Working Paper Number 24*. (Spring, 2010 : University of Oregon Press).

**Northeast Washington Forestry Coalition** - The Northeast Washington Forestry Coalition (NEWFC) is a collaborative group formed in 2002. The “coalition” is composed of representatives from environmental groups, the timber industry, forestry consultants, academics, and a wide range of other interests. The coalition has worked collaboratively with Colville National Forest staff on project level planning that has resulted in 22 projects being implemented without appeal or litigation on the Colville National Forest. This is an important accomplishment that helps maintain jobs.

The NEWFC objectives include: demonstrating the full potential of restoration forestry to enhance forest health, public safety and community economic vitality; designing and implementing forest restoration and fuels reduction which demonstrate innovative approaches to forestry; and demonstrating how a diverse coalition of stakeholders can work together to successfully promote restoration forestry and community protection from wildfire.

The NEWFC has engaged the local community and the larger “natural resource” community by bringing groups together based on common interests of forest health. The keys to the success of this process have been in the early engagement of groups and in extensive site-specific field visits.

### **American Recovery and Reinvestment Act (ARRA)**

ARRA’s greatest impact is still ahead of us. The summer 2010 will be the most active season yet. The Forest Service was appropriated \$1.15 billion for wildland fire management and capital improvement and maintenance projects in FY2009. With nearly all the money obligated, Americans are being put back to work. For Wildland Fire Management, an estimated 5,900 direct jobs were created, and for Capital Improvement and Maintenance, estimated direct jobs equals 6,500. For Wildland Fire Management, 298 projects have been completed for \$500 million, and capital improvement and maintenance projects totaled \$650 million for 407 projects. Examples of the program benefits include the creation of jobs in economically distressed areas, fuels reduction work, and the completion of numerous facility improvement, maintenance and renovation projects.

**Woody Biomass Utilization Partnership (ARRA)** - The Forest Service has been instrumental in promoting wood utilization in southwest Idaho. Much of this work is being accomplished through the Woody Biomass Utilization Partnership (WBUP), a successful public-private partnership funded by the Idaho Department of Commerce; Adams, Boise, Gem and Valley Counties; the Forest Service and other federal grants, and private industry. The mission of the WBUP is to work with the private sector to promote woody biomass supply, to identify and develop markets, to develop mechanisms and acquire equipment to get supply to those markets and to promote product and organizational development that will aid in the development of woody biomass businesses and markets.

The Partnership successfully competed for ARRA grants totaling \$9.75 million to private businesses, including \$4 million to Emerald Forest Products to complete construction of a

sawmill and shavings plant that will create approximately 50 full time jobs. Of the grants, \$2.75 million went to the Garden Valley school system in Boise County for conversion of the school's heating system to a woody biomass fueled plant. \$2.5 million went to Evergreen Forest Products in Adams County for installation of a dry kiln at a local saw mill, resulting in the retention of at least 40 jobs in the County. Finally, \$500,000 went to Treasure Valley Forest Products in Elmore County to expand its pellet mill, adding 15 new jobs at the mill.

## **LESSONS LEARNED AND FUTURE NEEDS**

The diversity of collaborative efforts is growing. Clearly, one-size-fits- all approach is not always effective; communities and opportunities differ, and many of the strongest projects are conceived, principally financed, and led by partners in the private sector, the non-profit community, and local government. We have had great successes and believe that Regional efforts compound efficiency and energies. For example, in situations where interested individuals are engaged in the shared stewardship of their public lands, the Forest Service has a marked decline in both the incidence and costs associated with formal dispute, appeals, and lawsuits (as noted in the FY 2009 Environmental Conflict Resolution Report to OMB-CEQ, February 2010). Collaboration and partnerships take time, but often deliver long-term benefits and healthier communities.

USDA is working to improve both internal and external communications, enhance transparency and accountability, strengthen collaboration, and increase the ability of programs to reach flexibly across traditional Mission Area boundaries.

## **CONCLUSION**

Our future success depends on working together – as communities sharing mutual interests, and as partners. The reality of federal budget constraints will create efficiencies, and collaboration will become more important than ever to find, create and leverage partnerships and private sector investments. Our successful collaborative efforts demonstrate that job creation, employment maintenance, and direct and indirect economic benefits are gained through these partnership efforts. In addition, community stability and cohesiveness, and important resource and infrastructure enhancement can be accomplished through partnership. We should make every effort to continue to support and expand these collaborative partnership efforts.

Thank you for the opportunity to discuss these programs with the Subcommittee. We would be happy to answer any questions you may have.