



# FEDERAL FOREST RESOURCE COALITION

## FFRC Weekly Report for Friday, August 3, 2018

**Third Quarter Timber Outputs Continue Upward Trend:** Earlier this week, the Forest Service published the cut and sold reports for the third quarter of Fiscal Year 2018. You can find both a national summary and regional reports [at this link](#). Overall, the agency sold just more than 1.579 Billion Board Feet (MBF) by the end of the third quarter of this fiscal year. This is up more than 21 percent from the amount sold in the same time period last Fiscal Year (+275 MBF). The Forest Service remains on track to record a substantial improvement in timber outputs, on the way to a 3.4 Billion Board Feet (BBF) target for the fiscal year, which would be the highest sale level since 1994.

856 MBF (54 percent) was sawtimber, 323 MBF (20 percent) was pulpwood, while 160 MBF (10 percent) was firewood. Firewood, biomass, and “other convertible” materials made up 26 percent of the program. Sawtimber as a proportion of the program is about the same compared to this time last year, although sawtimber volume sold is up 20 percent.

FS Region	FY 18 3 <sup>rd</sup> Qtr. (MBF)	FY 17 3 <sup>rd</sup> Qtr. (MBF)	% Change
<b>Region 1</b>	133.129	175.421	- 24.11%
<b>Region 2</b>	184.356	131.686	+ 40%
<b>Region 3</b>	78.747	81.787	- 3.72%
<b>Region 4</b>	37.786	32.878	+ 14.93%
<b>Region 5</b>	140.623	98.662	+ 42.53%
<b>Region 6</b>	241.620	201.199	+ 20.09%
<b>Region 8</b>	389.596	244.153	+ 59.57%
<b>Region 9</b>	364.521	338.620	+ 7.65%
<b>Region 10</b>	8.753	0.288	+ 2939.24%
<b>Total:</b>	<b>1.579 BBF</b>	<b>1.304 BBF</b>	<b>+ 21.09%</b>

The third quarter continues to show an increase over the previous fiscal year, with about two thirds (62 percent) of the increase came from Regions 8 (Southeast) and 9 (Northeast), which between them have only about 24 percent of the National Forest System acreage. Two regions (Region 1, Montana and North Idaho; and Region 3, Arizona and New Mexico)

are down slightly. Overall, outputs are up by about the same amount in the third quarter of this year as they were at the end of the second quarter.

This continued increase in the pace of timber outputs is good news, however, with just 7 weeks left in the fiscal year, the Forest Service still has 53 percent of its timber target yet to sell. This creates problems for both the Forest Service and for timber purchasers, as the agency scrambles to prepare sales and purchasers try to find the time to cruise, appraise, and bid them. Particularly with about 28 percent of the volume being sold through Stewardship Contracts, it is sometimes difficult to repackage timber sales and fix problems with little time remaining in the Fiscal Year.

It's also worth noting that the **3.4 BBF target for the current fiscal year is just more than 56 percent of the harvest levels permitted in current forest plans**, based on an updated reading of the plan Allowable Sales Quantities and Probable Timber Sale Quantities.

The uptick in Forest Service outputs comes even as lumber prices have taken a sudden and dramatic turn for the worse:



This is a rapid drop over 2 Quarters, raising potential issues in the closing days of the current fiscal year.

Source: CNBC

Whether \$440/mbf is a temporary resting place, or the market floor, only time will tell, and obviously pulp and other products are priced differently than lumber. In addition to the apparent market slide, Forest Service personnel are stretched thin as fire deployments move people from their usual duty stations.

As evidenced by recent fires in California, Montana, and elsewhere, there is still a serious need to manage the National Forests. Whether it's reducing fuel loads in the fire prone

West or creating wildlife habitat in National Forests in the East, FFRC members can help the Forest Service get the work done. Timber harvests are a significant tool for accomplishing forest plan objectives.

The Omnibus bill for 2018 provided the Forest Service with some new tools to expedite management and pay fire suppression costs without disrupting forest management. We're hoping the Farm Bill can take the next step in streamlining things at the Forest Service.

**Senate Committee Advances Jim Hubbard to the Senate Floor:** On Tuesday, July 31<sup>st</sup> the Senate Committee on Agriculture, Nutrition, and Forestry voted unanimously to advance the nomination of James E. Hubbard to be Under Secretary of Agriculture for Natural Resources and Environment. Hubbard was approved on a voice vote and no objections. In a statement, Chairman Pat Roberts (R-KS) and Ranking Member Debbie Stabenow (D-MI) said they are continuing "to work together on a bipartisan basis to advance qualified nominees."

"Mr. Berkovitz and Mr. Hubbard are both experienced leaders fit to serve in these critically important roles." Hubbard will now move to the full U.S. Senate for confirmation. With the Senate out on recess next week, it is not yet known when Hubbard will be sworn in.

**Senate Advances Farm Bill to Conference and Names Conferees:** Also on Tuesday, the Senate voted to go to conference with the House on the 2018 Farm Bill. The following day the Senate announced the following conferees:

Sen. Pat Roberts (R-KS)  
Sen. Mitch McConnell (R-KY)  
Sen. John Boozman (R-AR)  
Sen. John Hoeven (R-ND)  
Sen. Joni Ernst (R-IA)  
Sen. Debbie Stabenow (D-MI)  
Sen. Patrick Leahy (D-VT)  
Sen. Heidi Heitkamp (D-ND)  
Sen. Sherrod Brown (D-OH)

With about 2.9 million acres of NFS lands, Sen. John Boozman (R-AR) has the most National Forest acres in his state, followed closely by Committee Ranking Member Sen. Debbie Stabenow (D-MI), with 2.8 million acres. While the National Grasslands are well represented, the other Senate conferees states are not well endowed with National Forests.

Senate Majority Leader McConnell said he hopes to see a farm bill conference report ready by the week after Labor Day. He said the Senate and House leaders are "committed to staying in touch, although they are taking a six-week break," referring to the House's traditional August recess that began last week.

Last week, Agriculture Committee Chairmen Sen. Pat Roberts (R-KS), and Rep. Michael Conaway (R-TX) and Ranking Members Sen. Debbie Stabenow (D-MI), and Rep. Collin Peterson (D-MN). gathered to begin talks for the 2018 Farm Bill conference.

The leaders released a statement afterwards, saying, “We look forward to working together to get a Farm Bill finished quickly as possible, and we’re committed to finding solutions to resolve the differences. We must keep working to provide American farmers and families with the certainty and predictability they need and deserve.”

Key differences between the two chambers revolve around the food stamps program, with the House insisting on implementing work requirements for able bodied adults. The House bill passed with no support from Democrats, while the Senate bill, which makes no similar changes, passed with a wide bipartisan majority.

FFRC is pushing conferees to adopt additional Categorical Exclusions to expedite forest management, to provide collaborative groups protection from frivolous litigation, and to address the remaining problems created by the Cottonwood decision. In addition, FFRC is supporting a fix to ensure the Good Neighbor program can continue to function effectively, as well as House passed provisions directing the Forest Service to revise the disastrous Tongass National Forest Plan.

The current Farm Bill expires on September 30<sup>th</sup>, which would cause farm programs to revert to the original 1928 legislation. However, it is possible a continuing resolution will be passed in order to extend the life of the current Farm Bill.

**Alaska, Feds Agree to Rewrite Roadless Protections on the Tongass:** The United States Department of Agriculture (USDA), which oversees the Forest Service, announced this week that they will be working with Alaska to revise the Roadless Area Conservation Rule for the National Forests in Alaska. The Roadless Rule limits road construction in certain areas of national forests. The Department and the State this week signed a memorandum of understanding to begin the process of revising the application of the rule in Alaska. Sen, Lisa Murkowski (R-AK), who chairs the Energy & Natural Resources Committee, has advocated for full exemption. The Trump Administration has stated that it is a goal to open up greater sections of public land to energy and industry.

In Alaska, 93 percent of the National Forest System lands are designated roadless, or wilderness areas where roads cannot be built. Revisiting restrictions on management of roadless areas would not impact the 26 percent of national forest land in Alaska that are designated wilderness areas. Agriculture Secretary Sonny Perdue said that it is his hope to have a new rule signed for the state within 18 months, and a notice of intent to prepare an EIS for the rulemaking scheduled later this summer. “We will continue to work with the People of Alaska, the state government, industry, tribes and Alaska native corporations to maintain the health and vibrancy of our National Forests. The National forests in Alaska should be working forests for all industries,” said Perdue.

After a draft rule is written, environmental impact statements and a period of public comment will begin. Environmentalists have said that opening up the area to roads and industry could be harmful to Alaska's salmon industry and erode protection of old-growth forests. But according to Senator Murkowski, the Roadless Rule "has never made sense in Alaska," and Rep. Don Young (R-AK) agrees that the rule does not consider Alaska's "unique history and geography."

**FFRC Updates NFS Plan Timber Goals: 41 Million Suited Acres Can Produce Over 6 Billion Board Feet a Year Under Current Forest Plans:** Over the past three months, FFRC has worked to update a database showing Forest Service suited acres, allowable sale quantity (ASQ)/projected timber sale quantity (PTSQ) and the long term sustained yield (LTSY), for each National Forest, Region, and State, based on current Forest Plans for each forest.

In aggregate, there are over 41 million acres in current forest plans "suited for timber production" (the "suited base"), which is about 21 percent of the total national forest lands. The aggregate annual ASQ/PTSQ for the entire National Forest System is 6.09 BBF. This year the Forest Service is on track to make a 3.4 BBF target, so this data helps to show that if this is done, they will be sitting right at 56 percent of an aggregate ASQ/PTSQ.

In the process of this project, FFRC discovered inconsistencies in how Forest Plans differentiated PTSQ from the Projected Wood Sale Quantity (PWSQ) in new Forest Plans—whether or not PTSQ is a subset of PWSQ, or if it is something completely different—as well as inconsistencies as to how a forest, or region converted their ASQ/PTSQ from cubic feet to board feet (or vice versa). While the Forest Service agrees that an aggregate level, using a 2:1 CCF to BF ratio is appropriate, not all of the national forests follow this standard. FFRC has shared the updated data with the Forest Service, and highlighted these inconsistencies to them. After the Forest Service updates current year assigned targets, FFRC will be able to highlight accomplishments as both a percentage of ASQ/PTSQ and a percentage of the timber target.

The updated ASQ/PTSQ table is attached to the Weekly Report.

**FFRC Bids Adieu to Summer Intern:** After three months of data heavy research, FFRC says farewell to Hannah Chapman, our 2018 Demmer Scholar Intern from Michigan State University. Hannah was a workhorse of an intern – with fewer hearings and glamorous lobbying events going on, she soldiered through difficult research into forest plans and assisted with numerous other projects around the office. She expects to finish her Bachelors Degree this fall. We wish her all the best.

**Upcoming Events:** The House and Senate are both out on recess next week. While the Senate plans on returning to work the following week, the House will be out for the remainder of August. Unless the Senate does something dramatic (like confirming Jim Hubbard) or there is a truly significant development at the Forest Service, this will be the last FFRC Weekly Report until September 7<sup>th</sup>.



**FEDERAL FOREST**  
RESOURCE COALITION

*Bill Imbergamo*  
*Executive Director*  
*202-518-6380 office*  
*703-629-6877 mobile*  
*"Like" Us on Facebook!*