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Taxpayers for Common Sense Comments to U.S. Forest Service on Forest and Grassland Climate Resilience

Taxpayers for Common Sense (TCS) is a national, nonpartisan budget watchdog that believes in avoiding unnecessary long-term liabilities for taxpayers, in addition to cutting unnecessary subsidies and ending corporate welfare. We believe in responsible management of federal resources and making prioritized, targeted, and transparent investments that reduce risk, have a high return on investment and improve taxpayer outcomes.

In the face of increasing taxpayer costs from climate change, taxpayer dollars can be saved if federal spending is prioritized toward projects that promote long-term solutions and reduce risks for communities. This applies to programs ranging from flood insurance to crop insurance, in addition to forest and wildland management and wildfire spending.

In December 2000, TCS released <u>From the Ashes: Reducing the Harmful Effects and Rising Costs of</u> <u>Western Wildfires</u>. Many of the report recommendations still ring true: minimize costs, not fires; evaluate the success of fire prevention by measuring the number of high-risk communities protected, instead of acres treated; encourage state and local governments to set regulations that require homeowners in the wildland urban interface (WUI) to protect their own private property through common sense fire safety practices; increase transparency and accountability; and more. TCS' most recent report <u>Clearing the Smoke: A Closer Look at Federal Spending and Programs on Wildfire</u> builds on this work, examining current federal wildfire appropriations and other spending across the federal government alongside historical perspective, case studies, and policy considerations.

TCS appreciates the opportunity to comment on the Advanced Notice of Proposed Rulemaking ("ANPR"), 88 Fed Reg 24997 et seq., published April 21, 2023. The ANPR asks for comments on how the agency can adapt its policies to manage our national forests in the face of climate change. TCS urges the U.S. Forest Service (USFS) to change and adapt its forest management policies to emphasize protection of critical resources found on national forests and grasslands—for example, the conservation of mature and old growth (MOG) forests, which is the main emphasis of the President's Executive Order 14072 and the reason the agency is undertaking this rulemaking. Conserving and enhancing MOG forests also promotes other critical values of our national forest system—conserving biodiversity, protecting watersheds, and providing major carbon storage, especially in an age when wildfires are exacerbated by climate change.

As the Forest Service continues to work on the MOG inventory pursuant to E.O 14072, the agency should also consult communities and Tribes to obtain local and indigenous knowledge to consider small areas of

MOG trees in their localities to include in the inventory. A comprehensive inventory is needed to inform policy decisions on the best conservation and management practices.

Recently, the federal government has increased its financial commitment to wildfire management. The USFS received \$5.5 billion from the Infrastructure Investment and Jobs Act (IIJA) and another \$5 billion from the Inflation Reduction Act (IRA) for forest management, planning, and restoration activities. This additional funding, added to annual appropriations, is a significant investment in forest management and wildfire mitigation. Though some dollars have been allocated to specific programs, in many cases little detail has been provided on how funds will be spent.

In order to achieve efficient outcomes that are in the taxpayer interest, the Forest Service must ensure that its programs do not work at cross-purpose. Although the Forest Service has been focused on mitigating the increasing intensity of climate change-fueled wildfires, the agency has also been subsidizing the felling of old trees that sequester carbon and reduce emissions. The IIJA and IRA appropriated billions of dollars for the reduction of hazardous fuels – accumulated live and dead vegetation that present a threat of ignition – on National Forest System (NFS) lands. While USFS's stated goal for hazardous fuel reduction is to remove "excessive vegetation" to prevent wildfires in areas that would threaten communities or other valuable resources, there is not widespread agreement on what defines excessive vegetation, when removing excessive vegetation is necessary, nor the best methods for hazardous fuel reduction. A variety of vague projects and funding initiatives, such as mechanical thinning and programs like the Community Wood Energy Program and the Wood Innovation Grants Program might increase – instead of decrease – GHG emissions¹ without any GHG reduction criteria and undermine other fire risk reduction efforts. In general, timber subsidies that address the lack of commercial viability of forest and wood products intended to reduce "hazardous fuel" might create perverse incentives that undercut forest health objectives and can increase the risk of fire. Where timber and other forest products harvest can take place is often determined by road access, commercial viability, and other local conditions that may misalign with wildfire spatial patterns or even undermine overall forest health.

While TCS applauds USFS efforts to integrate both Indigenous Knowledge (IK) and western science into agency decision making process, USFS must also carefully consider situations in which no public participation or stakeholder meeting was included during the process, e.g., categorical exclusions (CEs). The most recent expansion of CEs was when Congress passed the Wildfire Suppression Funding and Forest Management Activities Act (Division O of the FY2018 consolidated appropriations bill, P.L. 115-141), which allowed for CEs for projects up to 3,000 acres—almost 5 square miles—for Wildfire Resilience Projects, or hazardous fuels removal projects. This applies to approximately 58 million acres of national forests, which means that projects on public lands can bypass the standard public comment and review process. Circumventing public participation through categorical exclusions may result in a bias toward certain types of management actions, such as timber production, that would not resolve growing wildfire and climate challenges that the federal land agencies face. CEs may also be prone to abuse. USFS recently approved the construction of a large, privately owned recreational facility – Holland Lake Lodge – in Montana under categorical exclusion. Despite public concerns about the impact on surrounding

¹ Alexander R. Barron, Maya Domeshek, Lucy E. Metz, Laura C. Draucker, Aaron L. Strong Domeshek, Carbon neutrality should not be the end goal: Lessons for institutional climate action from U.S. higher education. One Earth. https://doi.org/10.1016/j.oneear.2021.08.014

areas as critical habitat, USFS and POWDR, the facility owner, were able to proceed with the facility expansion plan.

As the Forest Service seeks comment on the type of conservation, management or adaptation practices that may be effective at fostering climate resilience on forests and grasslands at different geographic scales, it's important to acknowledge CEs allow forest management decisions to be made 3,000 acres at a time, which may fail to meet forest management needs at different geographic scales and may not contribute to wildfire risk reduction.

As the Forest Service seeks comment on the type of land management practices that would provide for social and economic sustainability, it's important to recognize that continuing forest dependent communities' reliance on unsteady revenue streams like timber sales is not economically sustainable and leaves these communities vulnerable.

For example, the Good Neighbor Authority (GNA) program, first created in 2001 and expanded several times—most recently in 2018, enables the Forest Service and the Bureau of Land Management to enter into agreements with states, counties, and tribes to allow these entities to conduct authorized restoration activities including hazardous fuel reduction, habitat improvement or restoration, treatment of diseased or insect infested trees, and National Forest System Road improvement to conduct reforestation. In 2018, the GNA was expanded to include counties and tribes in the program and also allowed states (not counties or tribes) to retain revenue from timber sales under the GNA. A Congressional Research Service (CRS) analysis of USFS data² found that timber sales ballooned from roughly 14 million board feet (MMBF) in fiscal year (FY) 2016 to more than 182 MMBF in FY2019, which has steadily increased to about 273 MMBF in FY2021. The full retention of timber sale revenues by states can be problematic as it diverts timber sale revenues that can be used for other resource management. Expanding the revenue retention to counties would create a reliance on an unsteady revenue stream, which has caused long-term funding challenges as some communities have experienced with county payment systems tied to timber sales.

It's important to recognize that forest management, restoration, conservation and climate resilience efforts must cross jurisdictional boundaries to be effective and holistic. Intergovernmental and interagency coordination and collaboration is needed to maximize effort and efficiency. Public transparency in funding decisions and federal investments should also be a priority. Communities on the ground have a lens on wildfire and its impacts and should be consulted for ideas and provided accessible information on how to access federal resources and funding.

For example, in January 2023, the U.S. Environmental Protection Agency (EPA) proposed amendments to national ambient air quality standard for fine particle pollution which would lower acceptable levels from 12 micrograms per cubic meter to between 9 and 10 micrograms per cubic meter. As noted in comments submitted to the agency, the lower standard may make it more difficult for the Forest Service and the Interior to expand the use of beneficial fire or prescribed burns which would reduce the chance of larger wildfires and its impact on ambient air quality. Both the Wildfire Crisis Strategy developed by the Forest Service and the mandate of the Wildland Fire Mitigation and Management Commission

² CRS, The Good Neighbor Authority on Federal Lands. The Good Neighbor Authority on Federal Lands. <u>https://crsreports.congress.gov/product/pdf/IF/IF11658</u>

emphasize fuels reduction strategies, including expanded applications of prescribed burns. And while the EPA's Exception Events Rule theoretically allows for beneficial fires, in practice, local implementation of the existing standard already limits the use of prescribed burns. Local air regulators prefer to avoid the lengthy paperwork required to receive a waiver under the exemptions rule and may instead issue burn bans or deny smoke management permit requests. Interagency wildfire strategies should pay equal attention to the local implementation of federal policy as to the obvious need for communication and coordination across the federal government. As it appears that this new rule could be at cross purposes with other forest management priorities, as well as new spending allocated for fuels reduction in both the IIJA and IRA, intergovernmental and interagency coordination and collaboration still needs to be improved.

As for activities in the wildland urban interface (WUI), the Forest Service and other federal agencies and high-risk communities in the WUI should coordinate and collaborate on efforts to invest in fire-proofing houses, building with fire-proof materials, and creating defensible zones around properties. Local communities can provide valuable input and on-the-ground knowledge while federal agencies provide funding and resources. Although the federal government has no jurisdiction over local planning and zoning rules, the Forest Service and other agencies could use federal funds to incentivize smart zoning and planning practices that discourage risky developments in the WUI. The Forest Service should also work with local communities on immediate post-fire recovery to mitigate cascading disasters like post-fire flooding, landslides, and reburns. However, federal post-fire assistance for longer term rebuilding and restoration could be conditioned on commitments to adopt appropriate and adequate zoning, building codes, and landscape management explicitly designed to reduce and pre-spond to future fire risks. The Forest Service could provide information and recommendations on best practices in the WUI for other federal agencies to consider and adopt for post-disaster assistance programs like low interest disaster loans provided by the Small Business Administration, which can be increased by up to 20 percent beyond damage costs to help mitigate future property damage.³

The Forest Service should set productive metrics that accurately track and reflect the progress of different forest and land management practices, like the number of high-risk communities protected instead of numbers of acres treated for hazardous fuel reduction projects. This information should be publicly released in a timely manner. A recent investigation by NBC News found USFS counted many of the same acres of land toward its risk reduction goals from two to six times, and even up to dozens of times in a few cases.⁴ This inflation of risk reduction progress may misinform risk mitigation and climate resilience efforts.

Post-fire recovery efforts should also be monitored and tracked, with information released to the public. Evaluating post-fire replanting and reforestation efforts is an important step in determining best practices and where future resources should be allocated.⁵ Post-fire restoration evaluation should focus

³ Small Business Administration, "Mitigation Assistance." https://www.sba.gov/funding-programs/disaster-assistance/ mitigation-assistance

⁴ Kaplan, Adiel, and Monica Hersher, "The Nation's Largest Fire Agency Sent Congress 'Misleading Data' on Its Risk Reduction Program for Years." NBCNews.com. NBCUniversal News Group, August 9, 2022. https://www.nbcnews.com/news/investigations/forest-service-overstating-wildfireprevention-progress-congress-decad-rcna41576.

⁵ Government Accountability Office, "GAO-03-430: Better Information Needed on Effectiveness of Emergency Stabilization and Rehabilitation Treatments." April 2003. https://www.gao.gov/assets/gao-03-430.pdf

on improved biodiversity, forest health and resilience, and decreased future fire risk instead of solely on the number of acres treated or numbers of trees replanted.

In addition to the comments above, in our report Clearing the Smoke, TCS made various pertinent recommendations and policy considerations that may be helpful for the Forest Service to consider as the rulemaking moves forward. Additional recommendations including recalibrating mitigation and suppression funding, and revaluating the Forest Service Budget, could be helpful in determining how to adapt current policies to protect, conserve, and manage national forests and grasslands for climate resilience.

Conclusion

TCS appreciates the opportunity to comment on this ANPR on best practices for the Forest Service to adopt when considering climate impacts and mitigation. We encourage the Forest Service to propose rule and procedure changes that conserve MOG forests, create climate resilience, protect communities and decrease long-term liabilities associated with wildfire risks.