

**Memorandum of Understanding
On Policy Principles For**

**Woody Biomass Utilization for Restoration and Fuel Treatments
On Forests, Woodlands, and Rangelands**

**United States Department of Agriculture
And
United States Department of Energy
And
United States Department of the Interior**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is hereby entered into by and among the United States Department of Agriculture, the United States Department of Energy, and the United States Department of the Interior.

***Preamble:** The Secretaries support the utilization of woody biomass by-products from restoration and fuels treatment projects wherever ecologically and economically appropriate and in accordance with the law.*

A. PURPOSE:

The purpose of this MOU is to demonstrate a commitment to develop and apply consistent and complementary policies and procedures across three Federal departments to encourage utilization of woody biomass by-products that result from forest, woodland, and rangeland restoration and fuel treatments when ecologically, economically, and legally appropriate, and consistent with locally developed land management plans, by:

- Communicating to our employees and partners that the harvest and utilization of woody biomass by-products can be an effective restoration and hazardous fuel reduction tool that delivers economic and environmental benefits and efficiencies;
- Promoting consideration of woody biomass utilization from restoration and fuels treatment instead of burning or other on-site disposal methods; and
- Encouraging development of new mechanisms that increase the benefits and efficiencies of woody biomass utilization.

This MOU is intended to maximize the coordination and effectiveness of the Departments of the Interior (DOI), Agriculture (USDA), and Energy (DOE) in furthering the purposes set forth in this MOU.

B. STATEMENT OF MUTUAL INTERESTS:

Background: Today between 100 and 200 million acres of America's Federal lands are at risk of catastrophic wildfires in large part due to significant changes in forest and woodland structure that have occurred in the last century. Widespread wildfire suppression and past forest, woodland, and rangeland management activities have contributed to these changes. Innovative, large scale management is needed to restore at-risk ecosystems to healthy and resilient conditions.

In 2002, 7.2 million acres of Federal lands burned, nearly double the ten-year average. This followed the devastating 2000 wildfire season, during which over 8.4 million acres burned and which prompted development of the National Fire Plan. President Bush has focused attention on this issue in his Healthy Forests Initiative.

The President's Healthy Forests Initiative, the National Fire Plan and the joint Federal-State 10-year Comprehensive Strategy Implementation Plan all call for biomass and wood fiber utilization as an integral component of restoring our Nation's precious forests, woodlands, and rangelands. Biomass utilization can also meet a key objective of the National Energy Policy by contributing to diversification of the Nation's energy supply. Further, the August 20, 2002, *White House Report In Response to the National Energy Policy Recommendations to Increase Renewable Energy Production on Federal Lands* includes a Proposed Action (3.3) to "Establish a Biomass Initiative at the Department of the Interior." The Report was prepared by DOE and DOI but includes a number of actions by, and related to, USDA biomass utilization efforts. Coordination between DOI, USDA, and DOE is important to the success of these initiatives, as is working cooperatively with States, Tribes, private landowners, Non-Governmental Organizations, and other interested parties and potential partners.

In this MOU, *restoration* refers to those management actions that seek to restore forest, woodland, and/or rangeland health, including such things as thinning and other stocking control actions, species conversion, invasive species management, insect and disease management, and soil and water conservation actions. In this MOU, *fuels treatment* and *hazardous fuel reduction* are synonymous terms and refer to management actions that seek to reduce the rate of spread, intensity, resistance to control, and crowning potential of wildfires by reducing available fuel; examples include thinning, chipping, crushing, piling, burning, and actions that reduce or remove live and dead woody fuels. In this MOU, *woody biomass* is defined as the trees and woody plants, including limbs, tops, needles, leaves, and other woody parts, grown in a forest, woodland, or rangeland environment, that are the by-products of restoration and hazardous fuel reduction treatments. In this MOU, *woody biomass utilization* is defined as the harvest, sale, offer, trade, and/or utilization of woody biomass to produce the full range of wood products, including timber, engineered lumber, paper and pulp, furniture and value-added commodities, and bio-energy and/or bio-based products such as plastics, ethanol, and diesel.

Need for this MOU: USDA is responsible for the management of 192 million acres of National Forest System lands and for assisting in the management of 430 million acres of State and private forest lands. DOI is responsible for the management of 507 million acres of surface lands, of which approximately 120 million acres are forest and woodlands. DOE provides significant technical expertise in biomass energy and linkages to the renewable energy industry.

In addition, public assistance and grants programs administered by these three departments have positive benefits in capacity-building for woody biomass utilization in local communities, industries, and on private lands. Energy is a key market for low-value woody biomass, and DOE and USDA fund, support, and/or conduct a major share of the research concerning biomass energy alternatives.

Within the Federal family, these three departments profoundly affect whether and how woody biomass utilization is employed as a tool for forest, woodland, and rangeland restoration and fuels treatment. The development and implementation of consistent and complementary policies and procedures can help maximize Federal efficiency and effectiveness of woody biomass utilization.

Woody biomass utilization can help reduce or offset the cost and increase the quality of the restoration or hazardous fuel reduction treatments. Woody biomass utilization can also have additional value in that it may result in more diverse forest ecosystems, characterized by native flora and fauna, healthy watersheds, better air quality, improved scenic qualities, more fire-resilient landscapes, and reduced wildfire threats to communities, and may provide an alternative waste management strategy.

C. POLICY PRINCIPLES

DOI, DOE and USDA will use their statutory authorities to support the Principles listed below, as appropriate:

1) Include local communities, interested parties, and the general public in the formulation and consideration of woody biomass utilization strategies.

Examples:

- Communications that further the understanding that the implementation of the President's Healthy Forests Initiative and National Fire Plan go beyond Federal boundaries and affect local communities.
- Collaborative partnerships and public involvement programs and projects that provide value and enhance the economics, successes, and opportunities of utilizing woody biomass.
- Efforts to share knowledge and technology with community leaders, business owners, and private forest landowners.

2) Promote public understanding of the quantity and quality of woody biomass that may be made available from Federal lands and neighboring Tribal, State, and private forests, woodlands, and rangelands nationwide.

Examples:

- Inventory and analyze known geographic, transportation, and land use designation parameters.
- Evaluate woody biomass utilization capability in communities near restoration and hazardous fuel reduction areas on Federal lands.
- Verify fire condition classes of Federal forests and woodlands.
- Inventory and classify woody material by condition classes.
- Assist non-Federal partners with assessments of biomass quantity and availability on non-Federal lands.

3) Promote public understanding that woody biomass utilization may be an effective tool for restoration and fuels treatment projects.

Examples:

- Encourage science-based analysis at the appropriate land use planning level for decisions whether to make woody biomass available for utilization.
- Emphasize local efforts directed at woody biomass availability and utilization.
- Encourage market analysis or forest products appraisal to determine whether woody biomass utilization should have preference over disposal through chipping, crushing, burning, and/or other on-site disposal methods.
- Explore landscape-level analysis and fine-scale resolution of forests, woodlands, and rangelands to support management, restoration, and hazardous fuel reduction treatments.
- Encourage strategies for economic development in local and rural communities for value-added wood products and woody biomass utilization.

4) Develop and apply the best scientific knowledge pertaining to woody biomass utilization and forest management practices for reducing hazardous fuels and improving forest health.

Examples:

- Continue to expand knowledge of bio-based products and bio-energy from wood fiber using the Biomass Research and Development Act of 2000, the Farm Security and Rural Investment Act of 2002, and other applicable authorities.
- Strengthen research and development capacity for woody biomass products and energy research, and sustainable forest harvesting and processing systems for small diameter material.
- Assist States and private non-industrial landowners in using short-rotation cropping systems and developing low-value product markets.
- Map woody biomass utilization capacity.

5) Encourage the sustainable development and stabilization of woody biomass utilization markets.

Examples:

- Promote renewable energy marketing strategies to stimulate investments in woody biomass utilization.
- Support efforts to allow retail electric power customers an option to pay an appropriate premium to purchase electricity generated from woody biomass resulting from restoration or hazardous fuels treatments.
- Encourage the production and marketing of electric energy generated from woody biomass resulting from restoration or hazardous fuels treatment.
- Inform the public of available Federal financial assistance to encourage the utilization of woody biomass from restoration and hazardous fuels treatments.
- Explore biomass transportation cost subsidies from the forest to point of use, where doing so saves or avoids higher costs of treatments or fire-fighting in the future.
- Promote new utilization technologies and technology transfer, research, and development of bio-ethanol and other bio-based products.

6) Support Indian Tribes, as appropriate, in the development and establishment of woody biomass utilization within Tribal communities as a means of creating jobs, establishing infrastructure, and supporting new economic opportunities.

Examples:

- Encourage the use of guaranteed or insured loans under the Indian Financing Act, 25 USC §1451 et seq., to the extent permissible under existing law, including a possible set-aside for pilot projects that support development of woody biomass generation utilizing hazardous fuels and by-products of forest health treatments.
- Use the Buy Indian Act, 25 USC §47, to the extent permissible by law, in the purchase or procurement of woody biomass products resulting from Indian labor or industry.
- Provide technical and policy assistance to Tribal governments for the establishment of woody biomass programs.
- Assess extent of woody biomass fuels on Indian lands.

7) Explore opportunities to provide a reliable, sustainable supply of woody biomass.

Examples:

- Investigate the feasibility of long-term or renewable contracts for removal of woody biomass from Federal lands.
- Explore expanded use of contracting authorities and mechanisms for hazardous fuel reduction or restoration treatments on public lands.
- Expedite, as appropriate, environmental analysis and review for priority restoration and hazardous fuel reduction sites in Federal forests, woodlands, and rangelands.

8) Develop and apply meaningful measures of successful outcomes in woody biomass utilization.

Examples:

- Social, economic, and environmental sustainability measures.
- Measures of unit-cost reductions in hazardous fuel treatment and forest health treatment through offset by woody biomass utilization.
- Performance or workload measures to track targets and accomplishments in the offer and sale of woody biomass from Federal lands.

D. IT IS MUTUALLY UNDERSTOOD BY ALL PARTIES THAT:

1) **AUTHORITIES.** These Principles will be implemented under the relevant authorities of the three Departments that are parties to this MOU.

2) **TERMINATION.** Any of the three Departments may terminate its participation in and agreement to this MOU, in whole or in part, at any time.

3) **PARTICIPATION IN SIMILAR ACTIVITIES.** This MOU in no way restricts the three Departments from participating in similar activities with other public or private agencies, organizations, and individuals.

4) **PRINCIPAL CONTACTS.** The principal contacts for this agreement are:

John Sebelius	John Stewart	John Ferrell
USDA Forest Service	USDOJ	USDOE
Research and Development	Wildland Fire Coordination	Office of Energy Efficiency
P.O. Box 96090	Room 3060, Main Interior Bldg	and Renewable Energy
Washington, DC 20090	Washington, DC 20240	1000 Independence Ave, SW
		Washington, DC 20585-0121

5) **NON-FUND OBLIGATION DOCUMENT.** This MOU is neither a fiscal nor a funds obligation document. Nothing in this MOU authorizes or is intended to obligate the parties to expend, exchange, or reimburse funds, services, or supplies, or transfer or receive anything of value. If it is necessary to expend, exchange, or reimburse funds for any supplies or services, it will be accomplished under a separate contract or agreement approved by an authorized individual, and such expenditures are subject to the availability of appropriations.

6) **NO RIGHT OF ACTION.** This MOU is strictly for internal management purposes for the Federal Government. It is not legally enforceable and shall not be construed to create any legal obligation on the part of the signatory Secretaries or their respective Departments. This agreement shall not be construed to provide a private right or cause for action by any person or entity.

7) **MODIFICATION**. The Principles in this MOU are subject to relevant law, as it may be amended from time to time. Additionally, the parties may modify this MOU at any time by a written amendment executed by all parties.

8) **COMPLETION DATE**. This MOU is executed and made effective as of the last date shown below and shall expire ten years after such date.

THE PARTIES HERETO have executed this MOU.

 /s/ Gale A. Norton
Gale A. Norton
Secretary of the Interior

June 18, 2003
Date

 /s/ Spencer Abraham
Spencer Abraham
Secretary of Energy

June 17, 2003
Date

 /s/ Ann M. Veneman
Ann M. Veneman
Secretary of Agriculture

June 16, 2003
Date