

Wyden Draft Forest Proposal

Forest Restoration Bill

Sec. 1 – Short Title *Oregon Forest Restoration and Old Growth Protection Act*

Sec. 2 – Purposes

- Conserve and restore Pacific Northwest forests;
- Create an immediate, predictable, and sustainable timber flow to support locally-based restoration economies;
- Make Pacific Northwest Forests more resilient to the impacts of climate change and reduce releases of carbon that result from wildfires;
- Protect and restore old growth stands and trees in the Pacific Northwest, particularly recognizing fundamental differences in strategies for forests and trees on moist and dry forest sites;
- Expedite actions that achieve ecological objectives and provide economic and social benefits;
- Promote collaboration in communities to support natural resource economies;
- Plan for managing plantations in Matrix lands for sustained timber production;
- Streamline administrative processes for ecologically-based projects that result in improved forest conditions;
- Conserve aquatic systems and watersheds;
- Prioritize and strategically target restoration projects in stands with uncharacteristic fuel buildups to improve fire resiliency;
- Implement legislation which retains and builds upon the Northwest Forest Plan;
- Provide periodic independent review of agency programs in meeting the goals of the legislation;
- Recognize that the threat to forest health and rural economies has reached an emergency status;
- Ensure the Federal lands are good neighbors to private landowners.

Sec.3 – Definitions

MOIST FOREST SITES – Moist forest sites are characterized by the following plant association groups: Western Hemlock, Sitka Spruce, Pacific Silver Fir, Mountain Hemlock, Subalpine Fir, Shasta Red Fir, moist White Fir, moist Grand Fir, Tanoak, and Coast Redwood. These plant associations were historically characterized by infrequent high-severity, stand-replacement disturbance regimes although mixed-severity events also occurred, particularly in the case of the moist White Fir and Grand Fir plant associations. These forests are characterized by stand-replacement disturbance or tree reproduction regimes that occur at intervals of one to several centuries.

DRY FOREST SITES – Dry forest sites are characterized by the following Plant Association Groups: Ponderosa Pine, Oregon White Oak, Douglas-Fir, dry Grand Fir,

dry White Fir, Jeffrey Pine, and Incense-Cedar. These plant associations were historically subject to low- and mixed-severity disturbance regimes that commonly resulted in stands that were of low- to medium density, dominated by large pioneer trees, and consisted of fine-scale, low-contrast structural patchworks containing mixtures of young, mature, and old growth trees.

THINNING –On dry forests, the focus will be on restoration of characteristic structural conditions using silvicultural prescriptions which remove trees that provide ground and ladder fuels, reduce risks to older trees from wildfire and competition, and favor more fire and drought-tolerant species. This approach will result in the removal of many small trees, but may also call for removal of larger, young trees.

On moist forests, focus will be on restoration-based variable density thinning to create structural (including multiple canopy layers) and compositional diversity within stands and may involve removing dominant and co-dominant trees.

In both dry and moist sites, thinnings will be carried out so as to encourage development of characteristic spatial heterogeneity with retention of all old growth trees

BASAL AREA – The cross-sectional area of all stems in a stand measured at breast height and expressed per unit of land area.

OLD GROWTH - The term “old-growth” means the oldest seral stage in which a plant community is capable of existing on a site, given the frequency of natural disturbance events. Depending on the plant association, site conditions, and the frequency and intensity of disturbances, old-growth forest will have different structures, species compositions, age distributions, and functional capacities than younger forests. For purposes of this legislation, on Moist sites, old growth trees are defined as trees >120 years of age at breast height and an old-growth stand is defined as forest dominated by trees >120 years of age.

For dry site forests old growth can be characterized by old growth trees at the stand and landscape scale. For purposes of this legislation, on dry sites, old growth trees are defined as trees >150 years of age at breast height.

PACIFIC NORTHWEST REGION – For purposes of this legislation, the Pacific Northwest Region refers to the state of Oregon.

LOCALLY-BASED BUSINESS – Local businesses are those that are within a 200 mile radius of a National Forest or Bureau of Land Management (BLM) District.

PLANTATIONS – A stand composed primarily of trees established by planting or artificial seeding; a plantation may have tree or understory components that have resulted from natural regeneration

ACTIVE MANAGEMENT - Active management, for purposes of this legislation, is attaining desired forest restoration objectives and future conditions using such techniques as thinning, prescribed burning and wildland fire use.

LANDSCAPE SCALE - The term landscape scale is used to describe large geographic areas, often defined by watershed boundaries, and consisting of a combination of related vegetation types (in this case, tree species). The area may exhibit similar patterns in one or more of the following: 1) potential natural vegetation; 2) surface features; 3) soil; 4) water flow and distribution; 5) natural disturbances associated with flooding, wind, or fire, and; 6) use and release of nutrients. These similarities enable land managers to develop and implement forest management plans over large areas of land, normally measured in terms of watershed (approximately 25,000 acres) to subbasin (approximately 1,000,000 acres) level.

REGENERATION METHOD – A cutting procedure by which a new age class of tree is created; the major methods utilized in ecological forestry are variable retention harvesting (where even-age cohorts are desired and harvest areas are several acres or more in size) and selection harvesting (where uneven-age stands are desired) either in small groups or as single trees. For purposes of this legislation, regeneration methods do not allow clearcutting.

ECOLOGICAL FORESTRY - Forest practices that are based on principles of natural stand development, including the role of natural disturbances in the initiation, development, and maintenance of forest ecosystems, and operating on temporal scales consistent with recovery of desired structures and processes. These elements include: (1) retention of structural elements of a forest at the time of a regeneration harvest; (2) manipulations of established stands to direct their development to desired structural and compositional conditions, such as by variable density thinning and by prescribed burning; and (3) determining return intervals for activities based on recovery periods for key structures and processes. Ecological forestry also will typically incorporate spatial considerations, including heterogeneity, from the scale of individual structures (e.g., logs) within stands and up to the landscape scale. Ecological forestry programs are typically planned, implemented and evaluated at the landscape scale, incorporating knowledge developed from the study of pattern and ecological function in natural landscapes. This includes consideration of landscape components of exceptional significance, such as aquatic features and early-successional and other communities within forest landscapes.

SPATIAL HETEROGENEITY – Spatial heterogeneity refers to a non-uniform distribution of forest structural elements, such as trees, snags, and canopy density. Such heterogeneity is characteristic of older forest stands and landscapes in both moist and dry forest regions. The practitioner of ecological forestry will typically look to the heterogeneity inherent in stands and landscapes as a beginning point or guide in incorporating heterogeneity in treatments. Uniform silvicultural treatments at either the stand or landscape scale, which seek to create homogeneous conditions, will be uncommon.

ECOLOGICALLY SUSTAINABLE STANDS AND LANDSCAPES - Stands and landscapes that maintain characteristic biodiversity and ecological processes and are less

prone to intense disturbances, such as wildfire, insect epidemics, and severe storms, and are better able to resist them when they do occur.

LATE-SUCCESSIONAL CHARACTERISTICS – Structural, compositional, and functional features of forests that are commonly a part of the old-growth forests that are characteristic of different plant associations. An example would be large, old growth trees.

LATE-SUCCESSIONAL RESERVES (LSRs) – 7.4 million acres withdrawn from management for timber production that are designed to restore a functional, interactive, late-successional and old-growth forest network over time.

MATRIX – Matrix: 4.0 million acres of Federal lands in the Northwest Forest Plan outside of reserves and withdrawn areas, where activities that are part of a current national forest or BLM approved plan, including commercial timber production, are allowed to continue subject with only minor modifications under the NW Forest Plan.

ADAPTIVE MANAGEMENT AREAS -- 1.5 million acres designated in the Northwest Forest Plan for development and testing of innovative technical and social approaches to achieve desired ecological, economic, and other social objectives; learning is a principle product of their adaptive management activities.

Sec. 4 . Management Directives

Policy: To direct the agencies towards landscape-level scale of project planning and analysis; to identify areas where treatments, such as thinning, prescribed fire, or wildland fire use are needed and appropriate to restore characteristic forest structure and reduce fuel loadings; to concentrate active management on the Federal lands that are most in need of restoration because they are outside their natural range of structure and composition, are at risk of unnatural fire and insect outbreaks, and/or pose an immediate risk to communities; to restore ecological function, historic conditions, and diversity to ecologically distorted landscapes; to enhance the ability of communities to guide Federal land management actions on the adjacent landscape, where management could improve both the diverse structure and the fire resiliency of surrounding forests; to promote the ongoing sustainable production of wood fiber from Federal forests; to provide terrestrial and aquatic habitat for endangered species and other at risk species and habitats; to guide Federal land management actions within regional plans, such as the Northwest Forest Plan; to ensure aquatic protections; to protect old growth trees and old growth forest on dry and moist sites; and to assure that wood fiber resulting from ecologically-based restoration treatments is managed to benefit local economies.

a) Landscape Scale Project Planning. Directs the Secretaries to develop landscape-scale planning for forest restoration projects with landscapes defined by logical geographical boundaries.

b) Prioritization. Using the best available science and data, the Forest Service and Bureau of Land Management are to prioritize projects on dry and moist forest sites based on the accomplishment of the following goals. Principal considerations in determining the priorities include areas where the projects will:

1) On dry forest sites, minimize and reduce the risk of unnaturally severe fires and insect outbreaks – in particular where critical components and values are at risk; these at-risk components and values can include communities in the Wildland Urban Interface or valuable forest structures, such as old growth trees, that are in danger from potential fire risk.

2) On moist forest sites, accelerate development of complex forest structure in young forests that have been simplified through past management, including opportunities to create spatial heterogeneity, e.g. creating skips and gaps, using mechanical treatments to create wildlife habitat, while retaining biological legacies (large standing, down, live and dead trees).

3) On dry forest sites, restore historic structure and composition and improve fire resiliency.

4) Help implement Community Wildfire Protection plans developed by at-risk communities.

c) General Protections

1) Cutting of old growth trees in the area covered by the bill is prohibited. On moist forests, cutting of any trees currently older than 120 years is prohibited in the area covered by the bill. In the Late Successional Reserves in moist forests, cutting of any trees older than 120 years currently, as well as in the future, is prohibited. Cutting of stands dominated by old growth trees is also prohibited on Moist Forest sites within the area covered by the bill. On dry forests, cutting of any trees older than 150 years in the area covered by the bill is prohibited.

2) Exception to the ban on cutting old-growth is created for infrequent, necessary, unavoidable cutting for administrative or scientific purposes. In these circumstances the Forest Service and Bureau of Land Management are to certify necessity for restoration reasons and may require additional public input. Any trees cut under these authorities can not be sold commercially.

3) For purposes of this legislation and the specific authorities it creates, none of the restoration program, including road building, will be performed inside the boundaries of inventoried roadless areas.

4) Aquatic protections – Incorporate aquatic conservation strategies to provide watershed protections. Aquatic conservation strategies maintain and restore the ecological integrity of aquatic ecosystems across the landscape. An aquatic conservation strategy should have five components:

1. Riparian conservation zones: Lands along permanently-flowing streams, ponds, lakes, wetlands, seeps, springs, intermittent streams, and unstable sites that influence the ecological functioning of these areas. Management activities in

these zones should be designed to maintain, restore or enhance aquatic and riparian ecosystems and dependent resources.

2. Key watersheds: a network of watersheds selected to serve as strongholds for important aquatic resources or having the potential to do so. Management should emphasize retention and restoration of these resources.
3. Watershed analysis: a process for characterizing geomorphic and ecologic processes operating in specific watersheds. Watershed analysis provides a basis for development of watershed-scale restoration strategies, determining desired conditions, and adjusting the boundaries of riparian management zones.
4. Watershed restoration: an integrated approach to recovery of watershed functions and related physical, biological and chemical processes where they have been degraded.
5. Monitoring: a strategic assessment of ecological trends and of the implementation and effectiveness of management activities.

d) Appropriate Silvicultural Activities

Appropriate Silvicultural Activities for the specific forest types will comply with the following directives:

1) On Moist Forests:

The goals of silvicultural activities in moist forests are to:

- (1) Retain old growth stands and also retain old growth trees encountered as individuals or small groups within younger forests;*
- (2) Restore large contiguous blocks of forest with late-successional characteristics in the Late Successional Reserves; and*
- (3) Manage young forests in Matrix and Adaptive Management Areas for ecological and economic objectives, including regeneration harvests based on principles of ecological forestry.*

Within **Late Successional Reserves**, as required by the Northwest Forest Plan, silvicultural activities must be designed to accelerate development of late-successional structural attributes. Highest priority should generally be given to plantations and young stands established following logging.

Within **Matrix and Adaptive Management Areas**, forest stands dominated by trees currently under 120 years of age at breast height, can be considered for silvicultural activities, including thinning. Activities are intended to continue on the trees currently under 120 years of age at breast height after they reach that age class. Activities should provide both ecological and economic benefits and can culminate in a regeneration harvest based on ecological forestry principles.

Appropriate silvicultural activities are expected to include spatially variable stand thinning regimes that enhance stand structural and compositional diversity as well as individual tree development. Any old growth trees that are encountered are to be retained and protected. For thinning projects, minimum basal area retention -- *averaged at the*

stand level -- should equal or exceed 35% of the initial stand basal area. Target levels for such variables as basal area and older tree populations should be done by individual plant associations.

2) On Dry Forests:

The goals of silvicultural activities in dry forests are to:

- (1) Retain existing old growth trees, initially restore ecologically sustainable stands and landscapes to incorporate characteristic stand structures and older tree populations, and provide significant wood harvest during the restoration process;*
- (2) Maintain these sustainable conditions in perpetuity through active management, such as with prescribed fire and mechanical activities, which can include sustained wood harvest;*
- (3) Incorporate ecologically appropriate spatial complexity, including appropriate levels of both open and denser forest patches at both the stand and the landscape level;*
- (4) Continue management activities on an ongoing basis to maintain a fire resilient state.*

As noted below, silvicultural activities should give high priority to: (1) reducing risk to trees >150 years old from wildfire and competition, such as by removing fuels and competing vegetation; and (2) restoring and then maintaining historic old growth tree population levels.

General objectives of silvicultural activities on dry forest sites should be to:

- (1) Reduce basal areas in overstocked stands;
- (2) Increase the mean diameter of stands;
- (3) Shift composition toward more fire- and drought-tolerant species, such as ponderosa pine, sugar pine, and western larch;
- (4) Restore historical levels of within-stand spatial heterogeneity;
- (5) Protect and reduce risk to existing old growth trees;
- (6) Provide for restoration and maintenance of historic old growth population levels by management of younger stand components.

Outside of the Wildland-Urban Interface, target levels for such variables as basal area and older tree populations should be done by individual plant associations, based upon historic conditions. However, in no case should the average basal area of a stand be reduced below 35% of the initial basal area during an initial treatment.

Projects in the dry forest areas need to be planned and implemented at the landscape level to be effective and to insure that appropriate spatial complexity is incorporated at larger spatial scales. This may include some larger patches of dense forest, such as may be required for species such as the Northern spotted owl and its prey species. Spatial heterogeneity is an essential element in restoring and sustaining dry forests and landscapes. Restoration activities need to build upon and enhance existing residual

spatial heterogeneity. Extensive areas of uniform treatment will generally be inappropriate. Treatment and silvicultural activities will need to be ongoing.

3) Evaluative Criteria

For purposes of this bill, quantitative Federal Agency targets (of Probable Sale Quantity (PSQ), Allowable Sale Quantity (ASQ), or acres treated) are to be replaced with the qualitative criteria of improved forest health, fire resilience of the area treated and treatment of the priorities identified above. [Directs the Forest Service and the Bureau of Land Management to prioritize projects in areas that most urgently need treatment, rather than relying on the current incentive system that rewards the “most acres” treated, although they may simply be the cheapest or easiest.]

Sec. 5 – Restoration Projects

Policy: To establish a science-informed, locally-driven collaborative process to propose large landscape scale projects which restore historic forest ecosystems across a significant landscape using appropriate thinning, prescribed burning and wildland fire use, with particular attention to the protection of old growth and aquatic ecosystems; to increase up-front collaboration and public participation early in the project design in order to reduce the probability of appeals and litigation; to establish criteria for projects that are presumed to have positive environmental benefits and thus limit the need for extensive NEPA analysis.

a) Require each Forest/District to plan at a minimum one pilot project within the first two years of enactment.

b) Administrative Streamlining and Authorities for Restoration Projects

The Secretaries are granted the discretion to utilize categorical exclusions, for the specifically identified restoration projects, to comply with National Environmental Policy Act (NEPA) requirements:

These expedited procedures only apply to the specifically provided-for projects in this section. In moist forests, the presumption is that projects will provide positive environmental benefits. In dry forests, the presumption is that projects will address the “emergency” state of fire suppressed forests. Projects must comply with all other environmental laws.

c) Covered Restoration Projects

The following thinning and restoration projects are the categories of projects eligible for the expedited authorities in Section 5. Nothing in these provisions shall be used to develop a post-fire harvesting project.

1) Thinning projects on previously managed stands (plantations) in moist forest sites in the Douglas fir-western hemlock plant association group in Matrix, Late Successional Reserves or Adaptive Management Areas established by the Northwest Forest Plan; qualifying projects meet these criteria:

- (a) Appropriate silvicultural activities are expected to include spatially variable stand thinning regimes that enhance stand structural and compositional diversity as well as individual tree development. Any old growth trees that are encountered are to be retained and protected.
 - (b) Manage young forests in Matrix and Adaptive Management Areas for ecological and economic objectives, including regeneration harvests based on principles of ecological forestry.
 - (c) Retain old growth trees encountered as individuals or small groups within younger stands.
 - (d) Minimum basal area retention -- *averaged at the stand level* -- should equal or exceed 35% of the initial stand basal area. Target levels for such variables as basal area and older tree populations should be done by individual plant associations.
 - (e) Build no new system roads unless they are to be realigned as a justifiable restoration or correction to the placement of old system roads.
 - (f) Apply the standards in the relevant aquatic conservation strategy.
- 2) Thinning, including removal of ladder fuels, in order to restore resiliency and historic ecosystem conditions in dry forest sites; qualifying projects that meet these criteria shall:
- a) Shift composition toward more fire- and drought-tolerant species, such as ponderosa pine, sugar pine, and western larch;
 - b) Restore historical levels of within-stand spatial heterogeneity;
 - c) Protect existing old growth (greater than 150 years) and seek to retain mature trees;
 - d) Provide for restoration and maintenance of historic old growth population levels by management of younger stand components.
 - e) Reduce basal areas in overstocked stands; Minimum basal area retention -- *averaged at the stand level* -- should equal or exceed 35% of the initial stand basal area. Target levels for such variables as basal area and older tree populations should be done by individual plant associations.
 - f) Increase the mean diameter of stands;
 - g) Build no new system roads unless they are to be realigned as a justifiable restoration or correction to the placement of old system roads.
 - h) Apply the standards in the relevant aquatic conservation strategy.
- (3) Prescribed fire of no more than 5,000 acres in each watershed.
- (4) Creation of instream habitat structures, riparian plantings or other stream restoration projects to benefit endangered fish species, and which do not exceed 20 miles of stream.
- (5) Replacement of culverts that impede fish passage, or that cannot withstand a 100-year flood event.
- (6) Removal, maintenance and repair of up to 20 miles of road within a watershed that results in a net beneficial impact on watershed and aquatic health.

d) Collaboration-Requirements

For the above listed restoration projects at under 5(c)1 and 5(c)2 above, these additional criteria are to be utilized to determine the project size:

In order to implement a restoration project, the National Forest or BLM District are to establish a collaborative group that exists for the purpose of advising on the development of a thinning restoration project.

Diverse Representation – the collaborative group is intended to represent a range of participants from diverse backgrounds and must include, but is not limited to, representatives of:

1) Environmental organizations; 2) Industry representatives; 3) Labor organizations or non-timber forest product harvester groups; 4) County governments; and 5) representatives from the State of Oregon or their local designee. Appointment of the collaborative group shall be open to public participation.

Existing or previously formed Resource Advisory Committees (RACs) established under the Secure Rural Schools and Community Self-Determination Act can be utilized as the collaborative group if the RAC group wishes to serve in that capacity, but it must be opened to participation of other members of public that wish to participate in the group

This collaborative group has 12 months to work collaboratively to develop a restoration project approved by the collaborative group.

In order to establish that collaboration has been reached, the group will issue a collaborative certification to the agency, once:

- 1) a $\frac{3}{4}$ majority of the collaborative group agrees on the project; and
- 2) **at least one** representative of each the conservation community; industry; labor or non-timber forest product harvester groups; county government; and the State vote for the project.

IF a collaborative certification has been granted to a restoration project, the project can utilize the above authorities:

- On moist forests, for trees 120 years or younger and, on dry forests, for trees 150 years or younger, up to 25,000 acres maximum size for a thinning and restoration project, utilizing any combination of above listed activities to restore the 25,000 acres.

IF collaboration is not reached, the Agencies can move forward with projects utilizing the above authorities for:

- On moist forests, for trees 120 years or younger and on dry forests, for trees 150 years or younger, up to 10,000 acres.

It should be noted that these acreage limits are based on a gross size, meaning that the treated acres may be somewhat less than the gross area. Any of the appropriate

treatments are to be conducted on the gross area. This area should reflect, when possible, a logical geographic area.

e) Observer Program

The Secretaries are to establish an observer program for these projects to verify that no old growth trees above the limiting age have been cut and that no trees within the inventoried roadless areas were cut.

- The Inspectors General of the United State Department of Agriculture (USDA) and the Department of Interior (Interior), as relevant to the project land, will contract with observers to review the projects.
- Criteria for the observers are to be developed.
- Pay for the observers is to come from the money retained at the local level (that would have gone to Regional/National offices).

- Once the project is completed, observers are to review the project and certify that no more than a *de minimis* amount of old growth trees were cut. *De minimis* old growth is to be no more than 1 % of the amount of the old growth on the stand.
- Observer reports and certifications are to be available publicly for review and posted on the relevant Agency website as soon as completed.

Upon certification by the observers that the Agency successfully complied with the limitations on cutting old growth and avoiding inventoried roadless areas, then the Inspectors General of the USDA and Interior, as relevant to the project land and in consultation with agency scientists, will review the overall success of the project – taking into account the success in meeting the project criteria. The review by the Inspectors General is also to be posted on the website of the relevant Agency. If the Inspectors General of the USDA and Interior, as relevant to the project land, certify the project meets the criteria and received an observer certification, then the size of the next pilot project the National Forest or BLM District undertake can be increased by up to 50%. As an example: if a project is 5,000 ac and the observer verifies that no old growth was cut, the nest project can be increased to 7,500 ac. This serves as an incentive to the Agency to be able to use the same approach and increase the size for the next project. At no time, shall the size of the project conducted under these authorities exceed 50,000 acres.

- If the observer finds that more than 3% of the amount of old growth on the stand was cut, the National Forest or BLM District will lose the ability to utilize the authorities in this bill for 2 years.

f) Public Involvement and Appeals

In addition to the expedited NEPA review authorities in this section, restoration projects identified in this section are to use this expedited timeline for implementing the project:

- Encourage public participation in the project scoping process, ideally through collaborative processes and open opportunities for non-collaborators to make comments

in helping to define the project in the early stages before a specific project announcement is issued.

- The public has 30 days to provide input after the government issues a proposed project decision.

- The Agencies have 15 days after the end of the public review period to publish a final decision.

- No Administrative appeals are allowed. Instead, an objection process tied to whether the project meets the criteria for expedited review is to be established by the Forest Service and BLM. The public has 15 days to object ; if there is an objection, the objector has the option of pursuing expedited arbitration for 15 days to attempt to resolve the dispute. If both parties agree to an extension, it may be granted by the mediator or court. If no resolution is reached, then the objection can only be pursued further in court.

Other objections can only get judicial review in court after the final project decision.

g) Funding Limitations for Restoration Projects

Funding projects that take advantage of the restoration authorities to do thinning and restoration projects will pay only 3% total overhead to Regional and Washington Agency offices so that money will be retained to on-the-ground projects.

Sec. 6 – Expedited Authorities for Agency Restoration Projects -- Administrative and Judicial Review

For thinning and restoration activities that follow the management directives under Section 4, in the area covered by this bill, and which are not part of a restoration project under Section 5, the administrative review process is expedited.

- Administrative appeals are limited to members of the public involved in the public comment or collaborative process.

- Timelines are collapsed to force the Agencies to take expedited action as follows:

- 30 days are granted to the public to file a pre-decisional protest after a draft Environmental Assessment of Environmental Impact Statement is released;

- The Agencies will review comments and issue a decision.

- 30 days are allowed for an administrative appeal after the agency issues a final decision.

- Judicial Review in courts is preserved.

Sec. 7 –Biomass

Policy: Facilitate the development of biomass utilization projects to defray the cost of forest restoration projects; enable a process of identifying regions for appropriate facilities; estimate the quantity of biomass material that can be contractually provided over a 20 year contract term.

- Long term contracting authority is to be utilized.

PROVISIONS: Upon a decision by the Agencies that the forest conditions and commercial interest indicate a demand for establishing a regional biomass project:

- Agencies are authorized to designate an area within which the removal of trees is necessary to reduce the risk of catastrophic fire and restore native forest conditions; and in which a sufficient volume of material is expected to be available to support a 20 year lifespan of a biomass plant.
- Agencies shall develop an estimate of volume that can be supplied on a contractual basis over the term of a 20 year contract.
- A contract of up to 20-years may be granted, with the possibility of adjustments made after 10-years based on supply conditions.

-The definition of *renewable biomass* in the Clean Air Act is to be amended to allow utilization of biomass from Federal lands.

Sec. 8 – Monitoring and Scientific Review

a) The Secretaries, with the advice and consent of the Senate Energy and Natural Resources Committee, will appoint a panel of independent scientists and forest experts to conduct a 5-year review of the implementation of this bill, on both moist and dry forests, to be presented to the Senate Energy and Natural Resources Committee and House Committee on Natural Resources.

b) The Review is to include:

1) an assessment of:

- qualitative improvements to forest health
- implementation of restoration projects
- landscape scale planning
- development of biomass utilization

2) a recommendation of whether some of the young managed forests within LSRs should be redesignated as Matrix lands to replace Matrix old growth that is no longer subject to logging; if it is determined that such redesignations need to occur, recommend a process to perform the redesignation and select the lands for redesignation;

3) whether greater flexibility in treating stands over 80 years of age in Late Successional Reserves can achieve substantial ecological benefits.

Sec. 9 –Local and Rural Employment Directives

Directs the Agencies to use stewardship contracts when possible for restoration work (a goods for services contract whereby the funds from the commercial value of the trees on an area is spent on the employment and restoration of the area).

Modifies existing stewardship contract authorities to state that counties may get a percentage of the money from stewardship contracts.

Revises contingent liability in stewardship contracts so that bonding requirements are at lower levels and funds can be released as the project meets certain benchmarks.

The agencies are granted the authority to write 20 yr contracts for stewardship contracts.

Federal criteria requiring the selection of the lowest bid contract are replaced with Best Value Contracting Criteria based on ecological and collaborative factors.

Directs the Agencies to give consideration to locally-based businesses

Small Log Diameter Incentives - Provides a 35% federal income tax credit toward the purchase of state-of-the-art low-environmental impact logging, yarding, hauling and milling equipment to encourage utilization of small-diameter trees for the production of timber and the restoration of forests.

Sec. 10 – Implementation Requirements and Authorization of Appropriations

- Authorizes \$50 m in yearly appropriations to implement projects.
- Provides for retention of funds from sales for planning and implementing projects; no effect on other receipts laws.