



Sustainable Northwest

**Statement of Maia Enzer,  
Sustainable Northwest**

**to the**

**United States Senate Energy and Natural Resources  
Subcommittee on Forests and Public Lands Management**

**on**

**Senate Bill 2672, Community-based Forest and Public Lands  
Restoration Act in July 2002.**

Dear Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to provide comments on S. 2672 the Community-based Forest and Public Lands Restoration Act. This bill provides an opportunity to help rural communities play a meaningful role in the restoration of our public lands while simultaneously providing the tools to build viable, conservation-based economies in rural communities. We support the principles and concepts presented in the bill and are pleased to offer our perspective on the issues.

I am Maia Enzer, Program Director at Sustainable Northwest for the Healthy Forests, Healthy Communities Partnership. Sustainable Northwest (SNW) is a Portland, Oregon-based nonprofit organization founded in 1994 and dedicated to forging a new economy in the Pacific Northwest – one that reinvests in the people, the communities, and the landscapes of the region. The mission of the organization is:

*To build partnerships that promote environmentally sound economic development in communities of the Pacific Northwest.*

The Healthy Forests, Healthy Communities Partnership (HFHC) is a regional collaborative dedicated to building capacity in rural communities to perform forest restoration and ecosystem management services, and to

manufacture and market the wood by-products of such activities. We have members in northern California, Oregon, Washington, and Idaho. Our partners are small and micro-businesses, community and regional non-profits, land management agencies, environmental groups, and others committed to promoting restoration in an environmentally and socially responsible manner. Towards that end, they have signed a Vision & Values statement, which guides our comments in this testimony (see attached Vision & Values statement).

As a Partnership, we face many challenges, including: an inconsistent program of work around restoration; contracting mechanisms that are difficult for smaller businesses to access; and limited investment in rural entrepreneurs interested in value-added manufacturing. Senate bill 2672 appropriately addresses these challenges, providing opportunities to overcome them.

### **Creating an interdependence between healthy forests and healthy communities**

The Community-based Forest and Public Lands Restoration Act provides an integrated approach to the restoration of our public lands by providing mechanisms to restore and maintain healthy forests and healthy communities. It does this by creating a comprehensive program of forest restoration work. The core values of community-based forestry, echoed by many organizations and individuals across the Northwest, are incorporated into this bill. Senate bill 2672 provides direction to create collaborative processes that enable interested participants to have a meaningful role in the care of our public lands. It provides mechanisms to restore our national forests in a manner that cares for the land and the worker, and recognizes the critical contributions of the private sector in these efforts. Further, this bill recognizes the need for and provides the means to do monitoring, which the linchpin to successful restoration, from both an environmental and social perspective. And at its heart, the bill calls for using the public dollar to reinvest in the land that has provided so much, while also investing in rebuilding the capacity of rural communities to do restoration work and to create a viable economy based on this work.

As we have seen in countless rural communities throughout the West, there is an inextricable link between the way we care for our lands and rural community well-being. This bill makes a positive contribution to improving both land and community.

## **Removing barriers to implementation**

### *Restoring Ecological Integrity*

Every summer destructive wildfires remind us that our public lands are not healthy enough to allow natural processes, such as fire, to play their appropriate role on the landscape. This summer is no different. Decades of fire suppression has led to problems with fuel loads, insects and disease, noxious weeds, and other threats to ecosystem health.

### *Overcoming institutional barriers in the Forest Service*

The Forest Service faces a number of institutional challenges that forces them to cobble together a program of restoration work. First, their budget and structure do not support the design and implementation of such a program. They are forced to use old budget structures to support restoration. Second, they must apply contracting and procurement rules that simply do not fit the objectives of restoration, nor support the new type of high-skill restoration worker. Third, monitoring, a crucial step for understanding impacts and being able to manage adaptively, is often left out of the work. Fourth, the Forest Service lacks the institutional structure to support a collaborative approach to working with the public.

The barriers facing the Forest Service are not easily remedied, and we recognize that they cannot all be removed instantaneously or simultaneously. However, we strongly believe that Senate bill 2672 places the correct emphasis on the fixing problem by focusing its purpose on creating, “a coordinated, consistent, community-based program to restore and maintain the *ecological integrity* of degraded National Forest System and public land watersheds.” The right combination of steps taken through this bill will go far in helping to facilitate implementation of sound restoration projects through collaborative processes.

## **We need New Tools for New Times**

### *Supporting restoration and collaboration through contracting and procurement.*

Now I would like to address some of the specific attributes of the bill, starting with contracting reforms.

The communities with which Sustainable Northwest works have experienced many problems with the current contracting system, which makes it difficult for small, local contractors to access forest restoration work. For example, on the Fremont National Forest between 1994 and 1999 local firms captured 33 percent of all service contracts; however, of these, 83 (of 88) were valued at less than \$25,000 and only one was over \$100,000<sup>1</sup>. In Trinity County, California local firms only capture approximately seven percent of the work. In Wallowa County, Oregon during the 2000 field season, local firms captured about 20 percent of the service work, but the total value of these contracts was only \$210,000 (and of this total, one contract was worth \$150,000, leaving \$60,000 worth of work in the remaining contracts). Clearly, it is not simply the number of contracts that matters, but also their value. These counties, and many others surrounded by public lands, are coping with high unemployment and increasing poverty. Meanwhile, the bulk of the valuable contracts go to large companies in urban areas, sometimes hundreds of miles away. Despite this seeming inequity, we recognize that this is not an ‘either or’ situation: we need businesses of all sizes to take on the important and vast scope of restoration work, but we also need to make room for small and micro-enterprises to access the full range of restoration work.

There has been considerable dialogue around contracting mechanisms used by the Forest Service, and we are encouraged by the continued experimentation with the National Stewardship Pilot Program. Many of the issues involved in contracting must continue to be tested through that venue. However, we know that the current system was created in a different social, ecological, political and economic context and has unintentionally created barriers for small and micro-businesses to be able to compete for work on public lands. The changes presented in Senate bill 2672 (Section 6) are a positive step in the right direction. While we have some suggested changes (see attached section by section comments) we applaud your efforts to create a better climate for competition by providing mechanisms that will help small and micro-businesses to build their capacity to compete for this new kind of work. By focusing on best value contracting, you have placed the emphasis on getting the highest quality of work for the best price, justly spending the public’s dollar.

We are also pleased with the focus on collaboration in the bill. In the last decade, communities throughout the West have learned the central role of

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<sup>1</sup> Kauffman, Marcus. 2001. An Analysis of Forest Service and BLM Contracting and Contractor Capacity in Lake County, Oregon. Sustainable Northwest. Copies available on request.

non-profit organizations in helping communities adapt to change, and have experienced the value of working in partnerships with local businesses to support their economic viability. This is especially true in relation to work on public lands. Many of the success stories about collaboration with the Forest Service have come through relationships initially built through State and Private Forestry branches of the Forest Service. In order to empower National Forest System employees to work with nonprofit entities, it is necessary that they have the authority to enter into cooperative agreements, an authority which they currently lack. We commend you for including this provision in the Community-based Forest and Public Lands Restoration Act (Sec.4 (b)).

### **Building new forest-based economies**

One of the visionary attributes of this bill is the linkage made between forest restoration and value-added manufacturing. S. 2672 focuses resources on developing a rural-based value-added sector that can capitalize on the unique wood, skills, and heritage of this region. This is a positive step forward in the level of investment which, to date, has been limited. We need investment to catalyze our business sector.

Sustainable Northwest's Healthy Forests, Healthy Communities Partnership works with small and micro-wood products businesses throughout the Pacific Northwest who use the wood by-product from restoration projects. They work with small diameter wood (suppressed Douglas Fir) and underutilized or lesser-known species (i.e. Madrone, Tan Oak, and Juniper), to make a range of products including: flooring, paneling and molding; posts and poles; custom and roundwood furniture; and gifts and accessories. As rural businesses in the Pacific Northwest have been gearing up to utilize the by-products of restoration projects, they have become acutely aware of the challenges small businesses face in the global economy. Among these challenges are:

- Lack of capitalization to build inventory and expand production capacity
- Isolation from transportation corridors and major marketplaces
- An unreliable supply of raw materials for processing
- Unavailability of a trained workforce
- Need to build business skills necessary to take a business "to the next level"

- Few opportunities to exchange ideas, innovations, and resources with peers

While we have begun to address these challenges, a key lesson learned is the importance of public-private partnerships and business-to-business relationships. Our most effective Partnership growth has occurred where groups of businesses have come together to address a common challenge.

For example, in Southern Oregon, several businesses are sharing resources, allowing them to be more competitive in the flooring and paneling market. By having loggers, sawyers, lumber dryers, millers and brokers all working together, this group has developed a successful mini-industry that is creating jobs by adding value to the small diameter Douglas Fir which dominates the forests of the region.

In Hayfork, California, a business incubator was developed to provide the resources that allow start-up entrepreneurs to build businesses based on the restoration of forests. By supplying the roof over their head, access to tools and business resources, and networks with peers, the incubator has created an environment of opportunity.

Our community partners in Okanogan County, Washington have been piloting restoration projects on National Forest lands and assessing community capacity to utilize the materials that will flow from these projects. By evaluating the existing business infrastructure they have been able to determine products that can be manufactured now and areas where additional investment, such as equipment and inventory, may be needed. The local non-profits have also awakened regional enterprises to the opportunities that exist for building businesses around the restoration work and the processing of its residual material.

Each of these projects demonstrates the promise and potential of Restoration and Value-added Centers. As models, they outline the various forms that Centers may take, based on the appropriate community context. Also, to meet our objectives of responsible forest restoration and community economic development, we need to foster and support many small enterprises - We need to do small scale on a large scale. Perhaps most importantly, ongoing efforts in the Pacific Northwest represent the necessity of a coordinated and well-supported approach to community-based forest restoration.

We commend your inclusion of Restoration and Value-added Centers in the bill, as we believe they are a key element to helping mitigate the challenges these businesses face. Too many communities have lost the infrastructure they need to support existing businesses, or create new enterprises. We need to foster a business environment that will encourage the establishment and growth of small, but highly effective restoration-related enterprises. We need to encourage vertical integration at the community-scale. These Centers have the potential to create real change in communities like Hayfork, California; Elk City, Idaho; Enterprise and Lakeview, Oregon; Swan Valley, Montana; Twisp, Washington; and countless other small communities. These Centers offer rural-based businesses a way to build a future tied to their heritage in natural resources, their commitment to their community, and their vision for a future based on environmentally-sound economic development.

### **General Comments of Concern**

Our support for the concepts and principles of this bill notwithstanding, we do have concern about some of its aspects. I would like to highlight them:

#### *1. Streamlining implementation and working within existing processes and selection of projects.*

We are concerned that there is not sufficient clarity in terms of how projects will be selected through this bill. It is important that this legislation help to facilitate implementation and not create unnecessary analysis or process. Currently other efforts are examining how to ensure that the existing planning and analysis processes can add-value to how projects are identified and implemented. We do not think it is necessary to create new process—or to use this bill as a way to solve those process issues. This bill must remain focused on facilitating implementation within as many of the current laws and processes as possible. However, there is insufficient guidance on how to use those existing mechanisms. (please see suggested changes in the attached section-by-section comments).

#### *2. Location of the Restoration and Value-added Centers*

These Centers need to be located in rural communities, not just accessible to them. The Centers will not be successful if they adopt the traditional approach to economic development of locating along primary transportation corridors in emerging urban centers or existing cities. S. 2672 shows genuine commitment to supporting rural communities and building viable economies through the restoration and maintenance of our public lands. It is

critical that these Centers be located in rural communities, close to the resources and the businesses they will serve. This will also ensure that the Centers are operating in the same environment as the businesses they serve.

### **3. Definitions**

We are encouraged by the bill's focus on small, rural communities and small and micro-enterprises. However, some terms in the bill need to be more clearly defined or they may be misunderstood and misused, thus diminishing the positive contribution this bill can make in implementing its stated objectives. For example:

*Definition of Local:* It is important to provide land management agencies with further guidance on what is meant by 'local' to ensure that those who live closest to the project site are able to access the work laid out in the provisions of the bill. (see attached section-by-section comments).

*Definition of Rural:* As currently written, the definition of rural is unclear. We need to look more carefully into this definition to recommend new language that will ensure that small rural communities are truly the beneficiaries of this legislation. The current language is not sufficient for the needs of the communities and businesses we work with.

### **Conclusion**

Thank you for the opportunity to comment on this important piece of legislation. Your bi-partisan work to create opportunities for communities and to restore our public lands is commendable. We support the concepts of this bill and hope our feedback will help ensure that the provisions in this legislation provide opportunities for implementation, rather than increased process and needless bureaucracy. Attached to this testimony are section-by-section suggestions for improvements to this bill. We look forward to working with you through this process.