UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

March 4, 2023

Ref: 8ORA-N

Ronald Hecker, District Ranger
Ashland Ranger District
Custer Gallatin National Forest
P.O. Box 168
Ashland, Montana 59003

Dear District Ranger Hecker:

The U.S. Environmental Protection Agency Region 8 reviewed the U.S. Department of Agriculture Forest Service (USFS) January 2023 Environmental Assessment (EA), Draft Decision Notice (DN) and Finding of No Significant Impact (FONSI) for the South Otter Landscape Restoration and Resiliency Project (South Otter) in the Ashland Ranger District of the Custer Gallatin National Forest (Forest). The EA evaluates the effects associated with the project area of approximately 318,800 acres (292,000 acres of National Forest System lands with the remaining acreage on privately owned lands). The entire project area is within the Ashland Geographic Area as defined by the 2022 Custer Gallatin National Land Management Plan (LMP). The Forest Service identified four treatment types that include non-commercial thinning, commercial thinning, prescribed burning, and reforestation. Approximately 168 miles of temporary roads are proposed along with 18 miles of previously closed routes that would be reconstructed to facilitate vegetation treatments. We offer the enclosed comments consistent with our authority under Section 102(2)(C) of the National Environmental Policy Act (NEPA). Please note that this letter is not intended as a written objection under the Forest Service's objection process, rather it is intended to inform the proposed decision and anticipated finalized EA and FONSI.

The Forest summarized public comments and provided responses for this project. The summary is intended to efficiently identify and categorize comments by themes. Due to the nature of grouping comments by themes, there are a few topics where we seek further clarification or where additional context may be valuable. In addition, our remaining primary concern is the condition-based or landscape-based nature of the project. The EA's effects analysis intended to support a FONSI does not take into consideration more defined project details such as the precise location of logging and treatments areas, and the specific types and general timing of treatment activities to be conducted in those areas. The impacts associated with the proposed action will vary based on site-specific conditions including: vegetation community composition, soil-types, slopes, proximity to residences, proximity to aquatic resources, proximity to Class I airsheds, road construction needs, road maintenance status, volume and type of material burned, equipment used, volume of truck traffic, sensitive species habitat, etc., and those site-specific conditions are varied across the South Otter landscape.

We recognize and agree with the Forest Service's concern that existing conditions can change over time, which is further complicated by a dynamic climate, particularly when potentially looking ahead over the decades of project implementation. As previously stated, we support the Forest Service's

proposed public outreach and coordination, including tribal consultation, for future project activities that are outlined in the Implementation Plan (Appendix C), although we note that this would be conducted outside of the NEPA process. To respond to a rapidly changing climate and environment, ensure site-specific planning and analysis of the effects of proposed activities, and provide meaningful public participation during the NEPA process, we continue to recommend the Forest develop the analysis for this project within a programmatic NEPA document and commit to tiered, site-specific NEPA analyses. The tiered analyses would occur once the Forest determines the proposed project activities, specific location, and defined timing of implementation. This approach allows for responding to ever-changing environmental conditions and would also provide opportunities for public involvement to better understand on the ground environmental conditions and formally comment on the impacts and benefits of individual treatment projects, as well as design criteria and best management practices, within the NEPA process. Given that the site-specific project-level information and analysis are postponed, and the potential for water quality, air quality and ecological impacts, it is unclear how the EA and FONSI will ensure significant impacts will be avoided for this project over the life of the project implementation period.

In addition to this overarching concern, clarifying information on water quality, air quality and the climate change analysis would be useful as you finalize the EA. We have some remaining questions related to water quality modeling and the effects analysis. Regarding air quality, the recommendations for your consideration provided in the enclosure focus on characterizing existing conditions and communicating the degree to which air quality would be expected to be affected on a short-term basis as well as annually over the duration of the project.

We appreciate the opportunity to provide recommendations for this NEPA planning document and enclosed are our detailed comments for your consideration. These comments are intended to facilitate the decision-making process and we thank you for considering our input. If we may provide further explanation of our comments, please contact me at (303) 312-6155 or mccoy.melissa@epa.gov, or Melanie Wasco of my staff at (303) 312-6540 or wasco.melanie@epa.gov.

Sincerely,

MELISSA MCCOY

Digitally signed by MELISSA MCCOY
Date: 2023.03.04 19:53:14 -07'00'

Melissa W. McCoy, Ph.D., J.D.
Manager, NEPA Branch
Office of the Regional Administrator

Enclosure

Enclosure – EPA Comments on the Custer Gallatin National Forest South Otter EA/FONSI

NEPA Tiering and Public Involvement

The EA does not disclose the specific location, nature and timing of treatments, temporary roads, logging units, and other specific details yet to be determined. Instead, the Forest proposes to use a suite of design features and best management practices (BMPs) to minimize effects. Although we recognize that the EA provides information on existing conditions and that design features and BMPs are intended to be implemented, inspected, and maintained, we understand that there are details the USFS will not know until it conducts its assessment prior to treating a specific area. This timing issue impacts the EA's ability to accurately forecast potential environmental effects. Without more defined details of where logging and treatments are going to be, the specific types of treatments that will be conducted, where roads will be constructed, the general timing of the specific actions associated with the project, and whether BMP strategies will need to be adapted in the context of site-specific resources and conditions, it is difficult for the analysis to support conclusions on project effects and, therefore, the FONSI. Additionally, although the EA's implementation plan is intended to educate and engage the public on ongoing project activities post-decision, not including specific project details during NEPA planning inhibits meaningful public participation within the context of NEPA. The public does not have the opportunity to weigh in on the location of logging, treatments, roads, resources, or a detailed implementation plan during the formal public participation period when they can submit recommendations and receive responses or file an objection. Our recommendation to develop this EA as a programmatic document and carry out tiered NEPA analyses would ensure that planning is informed by evaluation and disclosure of site-specific impacts and public engagement regarding those impacts.

Water Quality

The EA discusses that surface water is quite rare and only seasonally present in most streams, with the vast majority of stream miles within the project area being ephemeral. The EA also asserts that local soils are highly susceptible to erosion and discusses how sediment delivery can occur in pulses during large runoff and debris flow events. Further, according to the USFS' Watershed Classification Interactive Map Viewer, watershed conditions are classified as functioning at risk within the project area. The EA concluded that the water quality assessment found that the primary pollutant expected to be produced by project activities is sediment, which would have no measurable effect on stream morphology, beneficial uses of surface water, aquatic organisms, or aquatic habitat. The Forest used the Water Erosion Prediction Project (WEPP) runoff and erosion model for sediment analysis. Depending on the project activity, sediment sources connected to streams and floodplains would be identified and additional sediment modeling may be employed if warranted at the project level. We recognize that the modeling conducted thus far may provide some indication of project-level impacts. We continue to recommend that details of the modeling runs, including model inputs and assumptions, be made available to the public, such as on the project website. Although the EA discusses some modeling assumptions such as approximating a single 100-foot-wide streamside buffer, it continues to be unclear whether the modeling accounted for the impaired function of these watershed conditions, and the EA does not discuss the causes of these impaired functions. Depending on the causes of these conditions, the cumulative effects of project activities could be of greater consequence in watersheds with impaired function. If modeling did not account for the impaired function of watershed conditions, it is not clear whether the results are representative of what could occur, and therefore we recommend this information be clarified in the EA and considered in

determining whether a FONSI is supported. It will be important to ensure this project will avoid causing or contributing to exceedance of water quality standards, which would be considered a "significant" impact under NEPA. We support conducting additional modeling if warranted when more project-specific information is known and recommend carrying out such modeling and evaluation of the effectiveness of BMPs through site-specific NEPA review.

Fen Wetlands

The Final EIS for the 2022 Custer Gallatin National Forest Land Management Plan states that fen wetlands exist in the Forest, although it is unclear whether fens exist within the South Otter project area *(See Volume 1, p. 141)*. We note that in the January 2023 EA's "Summary of Public Comments," the Forest states that the watershed/aquatics analysis does not identify fens in the South Otter project area (p. 37). This analysis does not discuss or evaluate whether fens are present in the project area. Without any detailed information, the public is compelled to make assumptions. We recommend the EA and related technical documents clarify whether there is potential for fens in the project area. Due to the possibility that fens could be found during future project activity implementation, we recommend including a commitment in the finalized EA to further support the FONSI that no direct or indirect impacts to fens will be allowed. This would include temporary impacts like road construction that may impinge upon or cross a wetland area or stream, or to access treatments within the riparian management zone, which is allowable under certain circumstances according to the EA. The EPA considers direct and indirect, including temporary, impacts to fens to be significant.

Air Quality

As previously stated, the EA does not include a project activity execution plan that identifies the timing and specific locations for the various types of prescribed treatment activities. Without a plan for implementation of the project that describes the location and intensity of activity, it is not possible to ascertain the magnitude of impacts that could occur to a given resource. The January 2023 *Summary of Public Comments* states, "the air quality analysis discloses that the no action alternative would produce more emissions, due to wildfire, than the proposed action activities." There are no emission estimates or other quantitative information to support this disclosure and a disclosure should be based on an analysis. The EA presents emission factors rather than estimated emissions. NEPA requires the analysis and disclosure of potentially significant environmental impacts that are relevant to a decision on a major federal action. Prescribed fire can lead to unhealthy air quality; therefore, air quality impacts are appropriate for analysis under NEPA.

Quantitatively estimating what the emissions potentially are for the Proposed Action (including consideration of, e.g., the amount of material to be combusted, method of combustion, types of emissions generating equipment, number of truck trips, etc.) is key to disclosing what the impacts may be and whether they have the potential to be significant. This step is also key to stakeholders understanding which alternative, including the No Action, would result in the largest environmental benefit and least impacts. Additionally, the Proposed Action is certain to result in impacts; fire and smoke will occur. Conversely, the No Action is speculative and therefore the impacts resulting from it are uncertain. Wildfire may occur or may never occur, and when it occurs the spatial and temporal aspects of that impact, including the intensity, are unknown, making it difficult to predict the magnitude of effects. The 2019 Carbon Assessment for the Custer Gallatin National Forest acknowledges that although wildfire has

been the most prevalent disturbance detected on the Forest since 1990, fire disturbances are variable in terms of intensity and are small (less than 2 percent of the total amount of carbon stored on the forest" (p. 23).

Therefore, we continue to recommend updating the NEPA document to include annual emissions over the life of the project to determine how to achieve the stated treatment goals while avoiding impacts to regional air quality. We also recommend that the information available in the project record that includes estimated emissions for CO_2, CO, CH_4, SO_2 and NO_x be included in the EA, or at a minimum, included on the project website so that it is more easily available to the public. In addition, we recommend that a more detailed plan that includes the timing and specific locations for implementing the prescribed treatments serve as the framework to estimate emissions and evaluate air quality impacts through NEPA. If these details are not included or known at this time, we recommend future site-specific NEPA documents include detailed implementation plans to better determine how much area can be treated with prescribed fire while likely avoiding significant impacts to sensitive receptors (e.g., nearby communities, recreators, asthmatics, and people with other respiratory and cardiovascular diseases) and regional air quality.

Climate Change

In the January 2023 EA's Summary of Public Comments, Theme 7 addressed carbon and climate related public comments. The Forest stated the climate change/carbon analysis complied with guidance at FSM 2020.3. We note this Forest Service Manual subchapter addresses the policy goals and objectives the Forest should consider in its land management decisions, but it is not related to NEPA and how impacts should be considered in a NEPA analysis. Further, CEQ Guidance at 81 Federal Register 151 and 86 Federal Register 32 has been replaced by the 2023 Interim Climate Guidance for NEPA which includes climate and carbon-related resources and direction for analyzing and discussing project-related direct, indirect, and cumulative climate-related impacts. Section IV(I), Special Considerations for Biological GHG Sources and Sinks states "In NEPA reviews, for actions involving potential changes to biological GHG sources and sinks, agencies should include a comparison of net GHG emissions and carbon stock changes that are anticipated to occur, with and without implementation of the proposed action and reasonable alternatives. The analysis should consider the estimated GHG emissions (from biogenic and fossil-fuel sources), carbon sequestration potential, and the net change in relevant carbon stocks in light of the proposed actions and timeframes under consideration and explain the basis for the analysis." We recommend the Forest utilize the 2023 CEQ Interim Climate Guidance for NEPA for its analysis of carbon stock changes and GHG emissions.

We reviewed the South Otter Carbon Cycling Analysis which states the analysis tiers to the detailed analysis in the 2019 Forest Carbon Assessment for the Custer Gallatin National Forest in Region 1 ("Custer Gallatin Carbon Assessment"). We were also able to review the Custer Gallatin Carbon Assessment as well as the 2019 Disturbance Report that is cited in and supports the Custer Gallatin Carbon Assessment. We continue to recommend a quantitative analysis of changes to carbon stocks and GHG emissions for this project to enable a better understanding of the effects of the proposed project, in combination with the cumulative effects of the many other ongoing and planned projects on national forests. While as stated by the South Otter Carbon Cycling Analysis (p. 2), project-related reductions in carbon stocks would be mitigated with time, short-term actions and changes in GHGs are critical for our ability to address the climate crisis and prevent the most catastrophic effects of climate change. Since the

Disturbance Report provided quantitative analysis of changes in forest carbon stocks due to past disturbances like timber harvest and fire, without further explanation it appears that estimates of changes in carbon stocks due to similar future activities are possible.

The EA's Carbon Cycling Analysis does not clearly explain how it tiers to the Custer Gallatin Carbon Assessment to come to its conclusion that the project would have a "negligible and inconsequential effect on carbon cycling." (p. 1 and p. 4). The basis for this conclusion is unclear as the Custer Gallatin Carbon Assessment does not quantify or directly provide information on effects to carbon storage from future project-level activities; therefore, if the Forest does not follow the Interim CEQ Guidance for this analysis, we recommend the NEPA document clarify how the Custer Gallatin Carbon Assessment informs on the expected amount of change to carbon stocks due to the South Otter project, especially in light of the quantitative analysis in the Disturbance Report, and discuss the limitations of the analysis in that regard. However, in making conclusions about the significance of changes in carbon stocks and emissions, we recommend that the USFS avoid comparisons between project-level and national or global stocks and emissions, as this approach is limited by the cumulative nature of GHG concentrations and the impacts of climate change. Because of these limitations, these comparisons inappropriately minimize the significance of project-level changes to carbon stocks and emissions and do not provide meaningful information for a project-level analysis.