

Timber Program Performance Within Current Resources Levels

The Forest Service sold 2.8 billion board feet (BBF) of timber¹ in fiscal year (FY) 2021. Over the past five years, the agency has sold an average of 3.08 BBF annually, higher than any period in the previous few decades. The agency emphasized accelerating restoration activities by increasing efficiencies in planning, sale preparation, timber sale appraisal, and flexibility of timber and stewardship contracts. The agency also analyzed use of active management budget line items to maximize timber volume sold and acres of hazardous fuels treated. National Forests have significantly increased the use of appropriate technologies for timber sale preparation and administration as part of their effort to expand operations.

The Forest Service continues to sell timber volume through the usual channels of conventional timber sales, stewardship contracting and agreements, and the use of the Good Neighbor Authority (GNA) partnerships. The agency is substantially increasing the use of the new stewardship and GNA authorities provided in the FY 2018 Omnibus Appropriation's bill and 2018 Farm Bill. These new authorities are helping us increase vegetation treatments on National Forest System lands. In FY 2021, the agency increased timber volume offered for sale through the GNA from 6% to 9% of overall timber volume offered for sale. Across the agency GNA authorized restoration work was accomplished through 341 different agreements spanning 38 states, which includes all State, County, and Tribal agreement types.

To continue the expansion of the timber program, the agency has increased training on the use of new authorities; and policies to facilitate removal of lower value or noncommercial biomass. We also continue to increase efficiencies the development and implementation of updated directives, giving the workforce the ability to use current technologies and practices. The Forest Service continues the wood innovation grant funding, and we are also funding innovative ideas, such as the development and use of cross-laminated timber technology to construct tall buildings from mass timber, which can be derived from small trees.

In FY 2021, Forest Service awarded approximately \$8.9 million of Wood Innovations grants to diverse recipients in 23 states and Puerto Rico for a total of 44 projects with \$16.9 million dollars of matching contributions and \$2.1 million worth of Community Wood grants for shovel ready projects in six states with \$6.6 million dollars of matching contributions.

Frequently, grantee proposals use material removed to reduce hazardous fuels and to improve forest conditions, which also contributes to increased timber sale outputs. We are also coordinating with the Bureau of Indian Affairs to develop self-determination contracts with Tribes and entering into Tribal and Alaska Native Biomass Demonstration Projects. These projects will promote biomass energy production including biofuel, heat, and electricity generation, with the Forest Service providing the Tribes with the supply of woody biomass.

Resources Necessary to Increase the Annual Timber Performance

Recent increases in timber volume output have outpaced the agency's ability to prepare enough project areas and has exhausted most of the agency's available NEPA-approved projects. With planned additional increases planned for the upcoming years, we are increasing our effort in preparatory work to achieve and sustain this higher timber volume sold output. Preparing additional projects for sale to meet increasing timber sale targets in the future requires additional time and

prioritization of available staff resources. As Forest Service employees diligently work to develop, implement, and administer more timber sales to attain an increased target, a reallocation of agency support staff for administrative, human resources, finance, information technology, and related functions must also be prioritized to support this effort.

Geographic Regions Most Likely to Contribute to Increased Output

In the near term, we anticipate the Pacific Northwest, Eastern, and Southern Regions should have the greatest increase in total timber volume sold. Other Regions will strive to increase their output, but barriers such as wildfire mitigation, litigation and staffing challenges will limit their growth. We continue to actively pursue updating land management plans across all the agency but are looking to promote areas where there has been limited harvesting opportunities. This will take time, but we are striving towards this goal. Part of the land management planning process includes developing direction in plans on the value of forest management and streamlining the process for timber sales to be clear on expected timber sale quantities.

Barriers to achieving and sustaining higher timber outputs

1. Forest Service appropriation levels and staffing have had the biggest impact on our topline. In FY 2021 (as in FY 2020), the increase in pay and benefits (e.g., increases contributions to Federal Employee Retirement System (FERS) and a cost of living pay increase to employees) eclipsed increases in appropriations to the Roads, Forest Products, and Vegetation and Watershed Management budget line items. Also, staffing challenges in FY 2021 hampered our ability to recruit new employees.
2. Civil litigation. The Northern Region (Region 1) is experiencing litigation that is delaying timber-producing projects, and in some instances have shut down timber harvesting operations and offerings of new sales. Region 1 continues to have a high rate of litigation over a variety of issues. Region 1 timber sales are litigated more often than any other Region within the Forest Service and this leads to increased costs and time delays as effort is diverted to address the litigation. Enacting a Cottonwood fix and other legislative fixes to address the challenges created by litigation on timber sales will help increase timber volume sold.
3. In the Alaska Region (Region 10) the Secretary of Agriculture announced the Southeast Alaska Sustainability Strategy and all large old-growth timber sale planning efforts in the region were shifted to focus management resources on forest restoration, recreation, and sustainable young-growth management. Small and micro-old growth sales are still being offered to local timber sale purchasers as the region finalizes an outyear forest management planning and implementation strategy that aligns with the Secretary's announcement.
4. The recent increases in our timber volume sold output have reduced the number of available planned timber sale projects that are available in the pipeline of timber sale projects. It takes several years of integrated work to plan, prepare, and ultimately advertise and award a timber sale contract. While working to accelerate the timber volume sold, the agency has used some of the timber volume normally prepared ahead of the upcoming fiscal year, referred to as "shelf volume." This dynamic results in less available "shelf volume" prepared for sale in FY 2021, potentially impacting timber volume sold in out years.
5. Another issue Forest Service-wide is deferred maintenance needs for the road system. Roads that are not up to standard directly impacts the technical feasibility of a timber sale or adds additional costs that may impact the viability of the timber sale.

Goals and Objectives to Increase Timber Outputs Within Current Resource Levels

1. There is an opportunity for additional new authorities or clarification on expediting environmental analysis for active forest management projects, including fuel reduction and timber sales, especially in the wildland-urban interface setting. By increasing efficiency in environmental analysis, we can add some capacity to rebuild “shelf volume”.
2. Some areas of the country have limited to no forest product markets and mill capacity to utilize additional timber volume. International markets were further impacted recently due to tariffs, reducing the amount of wood being shipped from the U.S. to other nations. In FY 2021, we offered 3.08 BBF for sale and 2.83 BBF were sold. We will continue to develop markets for all types of forest products, with an emphasis on the lower valued wood. This will strengthen overall forest product markets within country.
3. The agency is developing methods to respond more rapidly to timber market trends. This is important in markets dominated by low valued wood, which corresponds to the markets where the agency didn’t receive any bids on timber sales offered in FY 2021. We are moving toward offering timber volume for sale at a rate comparable to the current market trends.
4. Within the agency and the forest products industry, a forest management skills gap has grown over time as the Forest Service focus has shifted from forest management to wildfire response and hazardous fuels treatment. The Forest Service is actively working to identify new ways to hire professional and technical employees to fill the ever-increasing vacant positions. We continue to work with local job force development programs, minority hiring programs, and local communities to find the human resources necessary.

Conclusion

The Forest Service continues to work diligently to increase the level of timber volume sold by prioritizing staff and other resources, striving for efficiency gains, and updating our NEPA compliance guidance and other practices. Ultimately, economic conditions will continue to influence the timber target output more than any factor the Forest Service can control. In the short-term, we are encouraged by the unexpected increase in demand for lumber during the recent period of quarantine and social distancing due to the coronavirus pandemic, and we are looking to respond by refocusing available resources on our timber performance target.

ⁱ The BBF sold total excludes personal use firewood.