



August 25, 2023

The Honorable Randy Moore
Chief
U.S. Forest Service
1400 Independence Ave., SW
Washington, D.C. 20250

Dear Chief Moore,

We are writing regarding the situation at the Montrose Forest Products (MFP) mill, with appreciation for your ongoing partnership to address the operational challenges facing MFP. High fuel costs, low lumber prices, and reduced salvage timber volume from the Grand Mesa Uncompahgre and Gunnison (GMUG) National Forests have led MFP to incur significant losses that threaten its future viability. MFP is a key economic driver for local communities on Colorado's Western slope and employs approximately 100 employees in a rural area. MFP is the only mill of its size in Colorado and plays a vital role in reducing forest management project costs on the Western Slope and across the region. Specifically, it allows commercially viable timber generated through mitigation and habitat projects to reach markets. The state of Colorado and the U.S. Forest Service (USFS) have prioritized mill capacity knowing that accessible milling is critical to lowering the costs of wildfire mitigation projects, which are heavily funded by state, local, and federal dollars.

Since November 2022, MFP has incurred losses exceeding \$4 million—partially due to fuel and market prices—which surpasses its expected losses and is now financially unsustainable. Decreased timber harvest from salvage projects on the GMUG are a key variable in these losses. The mill is seeking additional sources of Engelmann spruce, lodgepole pine (ESLP), and fir to sustain operations. Additionally, MFP made major investments to process ponderosa pine and help the USFS treat acres vulnerable to an insect epidemic, but rising costs have transformed the endeavor into a net loss.

In light of the critical role MFP plays on the GMUG forest and in Western Colorado communities, we request your assistance in working with MFP and the State of Colorado, through the Colorado State Forest Service and Department of Natural Resources, on timely and creative solutions. These may include:

- Evaluating cost-effective strategies to enable access to ESLP and fir sawtimber where appropriate, including new technologies that are well suited for logging in the GMUG forests' steep terrain—while avoiding negative environmental effects from new road construction and soil compaction.
- Relying on Good Neighbor Authority, Stewardship Contracting, Wyden Authority, and other relevant shared stewardship tools and partnerships to identify potential sawtimber

areas on both federal and non-federal lands. Where appropriate, USFS should seek opportunities to leverage the funding provided in the Bipartisan Infrastructure Law and the Inflation Reduction Act.

- Ensuring the GMUG Forest Plan Revision process fully considers the value MFP brings to local economies and forest stewardship operations while continuing to prioritize forest sustainability and watershed health.
- Leveraging one or more of the “keystone” investments the USFS has made recently with Non-Governmental Organization partners, including the potential development of a new timber transit program to grow MFP’s ability to treat ponderosa pine on the SJNF in a more economically sustainable manner. Such a program could contemplate timber coming into MFP from other states that may have surplus timber supply.

By working with the state of Colorado to address these immediate needs, we hope we can chart a path that helps maintain milling infrastructure, preserve water quality and quantity, and combat the escalating wildfire crisis that poses a grave threat to Colorado's forests and communities.

Thank you for your consideration. We look forward to working together.

Sincerely,



Governor Jared Polis



U.S. Senator Michael F. Bennet



U.S. Senator John Hickenlooper