

**STATE OF COLORADO FOREST CONDITION BRIEFING
BEFORE THE
COLORADO GENERAL ASSEMBLY SENATE AGRICULTURE, NATURAL
RESOURCES, AND ENERGY AND HOUSE AGRICULTURE, LIVESTOCK AND
NATURAL RESOURCES JOINT COMMITTEE,
February 20, 2013 – Colorado State Capitol – Denver, Colorado
U.S. FOREST SERVICE-U.S. DEPARTMENT OF AGRICULTURE
ROCKY MOUNTAIN REGION
DANIEL (DAN) JIRÓN, REGIONAL FORESTER
Colorado's National Forests: Accelerated Restoration, Forest and Grassland Resilience,
Building Markets and Capacity through Partnership and Innovation**

Chairwoman Schwartz (Gail Schwartz) and Chairman Fischer (Randy Fischer) and Members of the Committee:

Introduction

Thank you for inviting me. My name is Daniel Jirón, and I am the Regional Forester for the Rocky Mountain Region of the USDA Forest Service. I am a Colorado native and have served the agency for many years in different capacities. Early in my career, I also served as an aide to retired U.S. Senator Ben Nighthorse Campbell in his Washington, D.C. office.

In Colorado, the Rocky Mountain Region manages seven national forests and two National Grasslands. I am proud to have public land management responsibilities in Colorado and I look forward to working closely with you and the people of the State of Colorado.

I appreciate the opportunity to be at the table with my colleague Joe Duda, Interim State Forester, to share information with you regarding the condition of Colorado's forests, and our shared commitment to their restoration and resilience. We value our relationship with the Colorado State Forest Service, especially the close coordination on forest health issues.

I am also pleased to join the rest of the panel who are here today. Our collective presentation is indicative of the importance and value of partnerships to achieve a common vision of forest health.

Accelerated Restoration and Resilience

The mission of the Forest Service is aimed at ensuring clean and abundant water, providing for quality recreation, and creating healthy forests and grasslands with all the economic and community benefits that they bring. Today, I would like to highlight what the Region is doing with our many partners to fulfill this mission.

We are increasing the pace and scale of restoration in order to improve the health of Colorado's forests and to spur job growth. A Forest Service report: "*Increasing the Pace of Restoration and Job Creation on Our National Forests*" guides our work to reduce hazardous fuels, restore streams, plan timber sales, and conduct many other activities. Copies of this report have been provided to you today.

Insects and Disease

Much of this work is in response to recent and long-standing insect and disease issues, which Joe discussed earlier. The Healthy Forests Restoration Act is helping us speed up analysis and get work done on the ground removing hazard trees and accomplishing fuels treatment projects.

Spruce beetle is affecting a large portion of the forested lands in southern Colorado, with the hardest hit areas on the Rio Grande National Forest. We are using all available tools to address this expanding outbreak. Last summer a salvage logging operation was conducted to remove the dead overstory in a very popular campground. The funds from this timber sale are being used to rehabilitate the campground. Repairs to infrastructure, as well as the planting of new trees will allow this popular site to reopen this summer. We are also engaging the Rocky Mountain Research Station on how to most effectively manage our spruce-fir forests for long-term resilience.

Working Across Boundaries through Partnership

Accelerated restoration of our national forests requires an all lands approach and close coordination with state government, industry and community partners.

Through non-profit partners like Choose Outdoors that directly link wood products to existing markets – we are enhancing rural economic development and job creation. Our State and Private Forest Health funding to the State of Colorado supports technical and financial assistance to private landowners within the State.

The forest products industry plays a crucial role in maintaining healthy forests and we are committed to a vibrant industry in the state. We are engaging in regular dialogue with leaders in the forest products industry to understand their concerns and to respond collaboratively to emerging markets and issues. We most recently met in January and are planning follow-up discussions and field visits. One outcome of this dialog has been mutual cancellation of timber sales.

Forest Products Industry

Through the mutual cancellation of timber sale contracts, we spurred reinvestment in mills and equipment and created opportunities to bid on new, more economically viable sales. This is not just good business, it is good for Colorado's forests and essential in our efforts to accelerate the pace and scale of restoration.

The mutual cancellations allowed for the purchase of the assets of the largest saw mill in Colorado, under the new name, Montrose Forest Products Mill. The mill had been in receivership for nearly two years. I have visited the mill personally and keeping it in production is and continues to be a priority for the Region. Montrose Forest Products has been successful at bidding on 7 of 11 contracts since purchase of the mill in August 2012. These contracts equate to roughly 354,000 board feet. The mill also receives logs that were purchased from the Forest Service by other entities.

We are seeing new opportunities for traditional timber, small diameter wood, and biomass to accomplish the much needed forest restoration work. West Range Reclamation, a Colorado-based forest products company, recently purchased the former Bighorn Lumber Company which was no longer operational. They have established a three-phase product operation at this site to include firewood sales, a post and pole operation, and a saw mill.

The new sawmill in Saratoga, Wyoming, is expected to expand a portion of its operations into northern Colorado and shows promise for our restoration efforts and commitment to a sustainable forest products industry.

Long-Term Stewardship Contracts

In 2008 and 2009, the Colorado General Assembly adopted joint resolutions encouraging the Forest Service to consider placing long-term stewardship contracts strategically throughout the state. I am pleased to share with you that we now have four of these contracts in place in Colorado, located in Pagosa Springs, along the Front Range, and on the Medicine Bow-Routt and White River National Forests. About 60% of the product from the last two contracts will be in the form of woody biomass and will be used to support a new bioenergy facility in Gypsum, an existing pellet plant in Kremmling, and a new stud mill under construction near Granby.

We believe that long-term stewardship contracts are an important tool to accomplish landscape restoration goals while also providing raw material to industry. We anticipate growth in the state and local economies through implementation of these contracts.

The Agency remains committed to ensuring a long-term, sustainable supply of forest products. I'm pleased to report that from a regional perspective, we are experiencing a major turn of events associated with our timber sale activity. Last year, we met 129% of our timber production goals. This equates to nearly 200 million board feet per year, or to put it in terms of homebuilding, approximately 25,000 homes. Colorado's share of that was 106 million board feet. Approximately 77% of the volume sold in FY2012 was classified as saw timber.

Looking Out at the Next 12 Months

The Forest Service is committed to working cooperatively to restore, and make more resilient, national forests affected by sustained drought and bark beetle activity. Drought continues to affect ranchers who use national forest lands for livestock grazing. The Forest Service is working closely with permittees to address mutual concerns and collectively proceed and work through sensitive issues.

We are all aware of the potential increased risk and intensity of wildfires with an ongoing drought. The Forest Service is committed to working with the fire community, ensuring we are well positioned to respond to wildland fire.

In Summary

In Colorado, we are working aggressively to identify and implement solutions to meet the Agency's goals of accelerated restoration and resilience, job creation, and a sustainable forest products industry. I am confident that we have the systems in place to accomplish this task.

Reports show that competitive forest product markets are vibrant and active. Several forests recently experienced multiple bidders for timber sale contracts. This is a strong indication of a positive economic trend for the forest products industry. Already, in this calendar year, we are awarding more competitive timber sale contracts across the State.

To maintain this positive momentum, it is imperative that we continue to build partnerships, work together, foster innovation, and allocate our funding strategically.

In closing, I know the coming years will provide challenges including drought, wildland fires, watershed health and a growing population. Working together, as we have, I am confident about the future of our forests, the future for our communities, and the people who live and work in Colorado.

I appreciate the interest the General Assembly has shown in regard to maintaining healthy and resilient forest ecosystems and your support of a wood products industry across the state. As we look to the future your continued support will be important. I want to thank each one of you for your leadership in these issues.

This concludes my prepared remarks. I have provided written comments to the Committee and I'll be happy to answer any questions at this time.