

**Statement of
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Before

The HOUSE COMMITTEE ON NATURAL RESOURCES

Concerning

Energy Policy Reform and Revitalization Act of 2007

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Mr. Chairman and members of the Committee, thank you for the opportunity to discuss the Forest Service's position regarding those provisions of HR 2337, the Energy Policy Reform and Revitalization Act of 2007 that apply to the Forest Service. I am pleased to be here with you today.

The Administration acknowledges energy development on National Forest System lands is an important component of meeting the United States' energy needs now and in the future. Together with BLM, the Forest Service has worked to make energy resources available while protecting the renewable resources on National Forest System (NFS) lands. Before I begin my discussion I want to highlight the close working relationship that the Forest Service maintains with BLM with respect to energy development on NFS land and note that several of the provisions of HR 2337 seem to pertain only to the BLM. If this legislation moves forward, it is our hope that it will be amended to reflect the cooperative working relationship between these two land and resource management agencies.

Section 103 Energy Rights of Way Corridors on Federal Land

If enacted, section 103 of HR 2337 would repeal Section 368 of the EPAct. It would require a study of energy transmission and corridor needs and defer designation of energy corridors, pending completion of the study. Repealing Section 368 of EPAct will delay the designation of needed energy corridors without providing substantive improvement.

Over the last two years, the Forest Service, working in cooperation with the Bureau of Land Management, the Department of Defense, the Fish and Wildlife Service, the State of California, the Department of Energy and in partnership with the state of Wyoming and various Indian Nations, have developed a Programmatic Environmental Impact Statement (PEIS). The public, industry and local resource managers have been engaged in meeting the requirements of Section 368 of the EPAct.

Significant amounts of time and money have been invested to meet the requirements of the EPO section 368. The Draft PEIS identifying energy corridors on Federal Lands in the eleven western states is expected to be released by the end of July, for a 90 day public comment period. During this public comment period, open houses will be held in 12 western cities and in Washington D.C. After considering public comments and issuing the Final PEIS, the Chief of the Forest Service could amend as many as 41 forest land management plans to include identified corridors.

The process to identify corridor locations in the eleven western states has received widespread industry and public support. Using state of the art tools such as interactive webcasts with the projects contractor Argonne National Laboratories, local land managers have specified the Federal land areas for energy corridors that will benefit the public's need for energy and, to the degree possible, avoid scenic, natural, cultural, historic resources, sensitive ecological areas. The analysis process has also incorporated mitigation measures to the degree practicable. During the project's public scoping meeting at 11 western cities, over 300 comments were received. Additionally over 1,000 comments have been received by the State of California.

The designation of contiguous corridors across Federal lands identifying the preferred location for future rights-of-way has been viewed as a step in the right direction. Interagency Operating Practices identified in the PEIS would provide guidelines to ensure adequate environmental protection and address cultural and resource concerns.

Analysis associated with the development of the PEIS would incorporate results of the DOE congestion studies and proposes alternative corridors for transmission of electricity, oil, gas and hydrogen. Additionally, the PEIS will identify transmission corridors that may accommodate future developments of wind and solar energy.

The PEIS process gives the agencies an opportunity to minimize impacts of energy transmission corridors by focusing on all lands available for use. The PEIS process also allows the agencies to look at the cumulative effects of designating energy transmission corridors at the broadest level.

Section 105 Repeal of Rebuttable Presumption regarding Application of Categorical Exclusion Under NEPA for Oil and Gas Exploration and Development Activities

Section 390 of the EPO directs the Secretaries of the Interior and Agriculture to use five new categorical exclusions (CEs) for approving oil and gas activities conducted pursuant to the Mineral Leasing Act. The Section 390 CEs are limited to oil and gas activities in existing areas of development with previously approved development, analyzed through a NEPA process. The new activities must be within existing areas with land use plans approved within the previous five years, or with surface disturbance limited to 5 acres and a previous project with a NEPA process decision.

CEs are part of full compliance with the National Environmental Policy Act (NEPA). The Council on Environmental Quality regulations (40 CFR 1500 et seq.) for implementing the NEPA allows agencies to include categorical exclusions in agency NEPA procedures. When the Forest Service analyzes a project under a CE, a site specific analysis is conducted. All resources of concern, including critical wildlife habitat, are evaluated and if anticipated impacts are beyond those allowed under a CE, an environmental assessment or environmental impact statement would be conducted.

Since the EAct was enacted into law, the Forest Service has used the section 390 CEs to approve approximately 300 projects. The Forest Service's experience to date demonstrates that section 390 provides a useful tool that enables the agency to redeem its management responsibilities in a timely and cost-effective manner with respect to certain types of oil and gas exploration and drilling activities on NFS lands. Additionally, the Forest Service conducts a site-specific analysis of each project and, if necessary, attaches conditions of approval to ensure that resources are protected and all applicable statutes and policies are followed.

Title III Alternative Energy and Efficiency

Section 304 Green Building Leadership Program

The Forest Service is constantly and aggressively seeking every opportunity to upgrade facilities in conformity to the Silver certification rating under the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) Rating System. The Forest Service is one of a few federal agencies that requires new offices and visitor centers be certified to a LEED Silver rating by the United States Green Building Council. Most other agencies only employ LEED as a design guide and do not obtain actual certification. Additionally, the Forest Service is exploring opportunities to install cogeneration (heat and electricity) units in its new buildings where applicable.

Section 305 Green Concessions Management Program

Section 305 of H.R. 2337 would require that when awarding any concession the Forest Service would give preference to proposals that are likely to result in energy savings or implement environmentally sustainable practices. The Forest Service currently takes demonstrable energy savings and environmentally sustainable practices into account when issuing special use permits. However, these areas are not given preference over delivery of quality services.

Section 309 Biomass Utilization Pilot Program

Section 309 would replace section 210 of the EAct with a Biomass Utilization Pilot Program. The Administration agrees with the stated finding that "supply of wood biomass for energy production is directly linked to forest management planning to a degree far greater than in the case of other types of energy development."

The definition of biomass contained in Section 210 is sufficiently broad to develop and implement bioenergy projects. The new definition in section 309 would more narrowly define biomass by removing the reference to by-products of hazardous fuels treatments. The current agency definition of biomass is contained in a Memorandum of Understanding signed by the Secretaries of Agriculture, Energy and the Interior that implements the Biomass R&D Act of 2000, as amended. The biomass definition was incorporated by the Department of the Interior in its regulation at 48 CFR Part 1437.

Section 309 would direct the Secretary of Agriculture to establish a Biomass Utilization Pilot Program involving 10 different forest types on Federal lands. The Forest Service has developed and implemented a coordinated resource offering protocol (CROP) study involving 27 national forests, 84 ranger districts, 35 BLM districts, numerous states, tribes, local government entities and private interests. These studies are complete and accomplish the important step of looking at all potential forest biomass, including state, private, tribal, other federal and NFS lands. The result describes a predictable supply for the next five years.

The Forest Service has also provided woody biomass supply estimates to various state, regional and national biomass assessments during the past three years. The proposed Biomass Utilization Pilot Program is, duplicative on ongoing work and would redirect successful efforts that implement section 210(c) of the EPAct, and would narrowly constrain additional activities.

Conclusion

In conclusion, Mr. Chairman, the Administration is firmly committed to the responsible development of energy resources. Thank you for this opportunity to discuss the Forest Service's role in the Energy Policy Reform and Revitalization Act of 2007. The Forest Service would be pleased to work with the Committee regarding this bill. I am happy to answer any questions that you may have.