

STATEMENT
of
Christopher Risbrudt
Acting Associate Deputy Chief
Programs and Legislations
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE
Before the
UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
Concerning:

S. 820, the Forest Resources for the Environment and the Economy Act

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before you today to discuss S. 820, the Forest Resources for the Environment and the Economy Act. I am Chris Risbrudt, Acting Associate Deputy Chief for Programs and Legislation.

The Administration agrees with the goals of S. 820 to promote sustainable forestry in the United States and encourage carbon sequestration on federal, state, and non-industrial private lands, and would like to examine the bill in more detail and work with the Committee on an acceptable bill.

On June 11th, the President announced a series of initial steps, including plans for advancing the science of climate change, advancing technologies to address climate change, and promoting cooperation in the Western Hemisphere and beyond. The Cabinet is continuing to work on this issue and is considering approaches that will tap the power of markets, help realize the promise of technology, and ensure the widest-possible global participation. Secretary Veneman is actively engaged in this process.

The concepts and ideas contained in S. 820 will receive serious consideration by the Administration as we move forward in developing an overall approach to address this serious problem.

S. 820 would amend the Energy Policy Act of 1992 to authorize a role for the Secretary of Agriculture in the Climate Change program relating to carbon sequestration on forested lands. S.820 would direct the Secretary of Agriculture to:

- Report to Congress on carbon storage and the potential to increase carbon storage on national forests through management actions, and the contribution of US forestry to the global carbon budget;
- Establish a Carbon and Forestry Advisory Council to advise the Secretary on developing guidelines for accurate voluntary reporting of greenhouse gas sequestration from forest management actions; evaluating the potential effectiveness of the guidelines; and estimating the effect of the proposed implementation on carbon sequestration and storage;
- Review and advise the Secretary of the Department of Energy on existing voluntary reporting guidelines for greenhouse gases;
- Establish incentives for States, non-industrial forest land owners, and nonprofit entities for forest management activities and carbon sequestration through a revolving loan program; and
- Establish reporting requirements for State, non-industrial forest landowners, and nonprofit entities that participate in the revolving loan program for carbon sequestration.

Background

Although there is much debate about how to address climate change and the specific impacts of climate change on the global environment, there is general agreement that the atmospheric CO² levels are increasing. Increasing forestland area, greater adoption of agro-forestry by agriculture, and improving forest and rangeland management and productivity can help reduce the rate of CO² accumulation.

Trees are efficient at sequestering large amounts of CO². Simply put, trees store carbon in their stems and branches as well as belowground in their root systems. In fact, about 50% of the dry weight of a tree is carbon. We believe that, in forest ecosystems, carbon accumulates over time on the forest floor and in the soil due to woody debris, leaves, and roots. Storing or sequestering this carbon in forests removes it from the atmosphere, while providing other environmental and economic benefits.

Existing forests produce benefits because actively managed forests produce fiber at the same time that they are storing carbon. Active forest management results in a mixture of age-classes and younger, faster growing forests produce fiber and store carbon at a faster rate.

Approximately half of the land in the contiguous U.S. is devoted to agriculture. Due to this extensive agricultural land base, incorporating tree planting into a small portion of these lands through windbreaks and riparian-forest buffers could result in an enormous amount of carbon sequestration as well as promoting conservation and economic

diversification. Other federal programs, such as the Conservation Reserve Program or the Environmental Quality Incentives Program encourage the planting of trees and shrubs in agricultural settings.

The goals and objectives of S. 820 fit within the construct of existing Forest Service programs and would enable the Agency to fully utilize its authority to manage the national forests and grasslands, provide assistance to State and private landowners through the Cooperative Forestry Assistance Act, and continue cutting edge research and development activities.

Through R&D (Research and Development), the Forest Service would continue to develop the science and technology needed to understand, manage, enhance, monitor, and estimate forest carbon stocks, including the above-ground, below-ground, and forest product pools. The Administration would like to review its program across Agricultural Research Service (ARS), Cooperative, State, Research, Education & Extension Service (CSREES), Department of Energy (DOE), Forest Service, and the National Science Foundation (NSF) to evaluate what is now being done and the best means to gather this information in the least burdensome way.

The new incentives and revolving loan program would fit neatly into existing Cooperative Forestry Programs. These programs provide technical and financial assistance to private landowners for reforestation and other forest management activities that result in enhanced forest productivity, improved environmental quality, and ultimately, increased carbon storage. The Rural Communities Assistance programs would also help rural places develop and sustain economic diversification and a market-based infrastructure.

In particular, the proposed revolving loan program is essentially the same as the existing Smart Growth Partnership Program, a program that is part of the conservation spending category. That program provides funding to Intermediate Relending Program (IRP) entities at low interest rates so that these entities can establish revolving loans. The purpose of funding the IRP's is to help landowners manage and develop woodlots and forests to protect these lands from development.

The recent release of the President's Climate Change Review Interim Report and the National Energy Policy complement these goals. We commend the sponsors of this bill for their recognition of the important role of our Nation's forests in carbon sequestration and recognizing that long-lived forest products, such as construction materials and furniture, are important carbon stocks that can be estimated and managed as part of active forest management programs that increase overall carbon storage. Estimates of carbon pools that do not include forest products currently in use and in landfills are inaccurate and misleading.

The bill should be clarified to reconcile the potential conflict between carbon sequestration and ecosystem restoration. In many parts of the country, particularly the Interior West, the health of our national forests and public lands has deteriorated due to the excessive growth of small diameter thatch. The result is high carbon density, but low ecological health, not to mention high risks of catastrophic fire damage. The bill needs to consider how, in various circumstances, increasing carbon sequestration in a forest may run counter to other important goals.

Suggestions

The Administration would recommend a technical change to the title of the bill by removing the reference to “national forests derived from the public domain.” Unless this change is made, the initiatives in the bill would not apply to national forests in the east and south that were established from acquired lands.

We would also like to work with you to clearly define the intent of term “watershed.”

Because S. 820 amends the Energy Policy Act of 1992, which is administered by the Secretary of Energy, there are several places in the bill where it is not clear whether the authority or requirement referring to “the Secretary” refers to the Secretary of Energy or the Secretary of Agriculture.

The Administration would recommend several clarifications in Section 4 of the bill, because the authority and administration of several paragraphs is confusing. Section 4 of the bill amends 42 U.S.C. 13385 and requires the Secretary of Agriculture to undertake a review of the guidelines for the voluntary collecting and reporting of information on sources of greenhouse gases established by the Secretary of Energy, Administrator of the Energy Information Administration, and make recommendations for amendments and refinements of the guidelines. The Administration would recommend redrafting the requirement for the Secretary of Agriculture to complete public involvement on any recommended changes before recommending them to the Secretary of Energy. Instead, perhaps a collaborative approach to public involvement might be more useful.

It is also unclear from the construction of Section 4 whether the Secretary of Agriculture or the Secretary of Energy is ultimately the keeper of carbon storage information generated by States and non-industrial forest landowners participating in the revolving fund program. The language of the bill needs to be clarified concerning the role of the Administrator of the Energy Information Administration, Department of Energy and the role of the Department of Agriculture in data collection and storage.

Throughout Section 4 of the bill, which amends the Global Climate Change Title of the Energy Policy Act administered by the Secretary of Energy, the existing law refers to requirements and authorities of the Secretary of Energy. This becomes problematic in Section 5 of the bill where the question arises concerning the Forest Carbon Cooperative Agreements and Loan program, whether “The Secretary” mean the Secretary of Energy or “The Secretary of Agriculture?”

The interactions with the State Foresters and activities on non-industrial forest lands are similar to language in the Cooperative Forestry Assistance Act that is within the authority of the Secretary of Agriculture. The Administration would recommend that Section 5 of the bill be redrafted to amend the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101-2114, 16 U.S.C. 1606) to clarify the administration of the State and non-industrial private land

carbon sequestration program to the Secretary of Agriculture through the Chief of the Forest Service. This would speed implementation of the incentive programs and movement of funds and direction through existing processes and authorities under the Cooperative Forestry Assistance Act.

We commend your intent to be consistent with Executive Order 13112 on Invasive Species by identifying eligible tree species. This approach provides important environmental safeguards while offering landowners opportunities for increased productivity, increased local income, and increased carbon sequestration that would not otherwise be realized. This also provides the landowner with opportunities to take advantage of science and technology advances in woody cropping systems that can provide bioenergy feedstocks, thereby offsetting the use of fossil fuels.

Summary

In closing, Mr. Chairman, the Administration appreciates the effort and thoughts that have gone into developing S. 820. The ideas contained in this bill warrant serious consideration. However, the bill will affect direct spending; the Administration recommends that the activities called for by this bill be funded through discretionary appropriations. The forest-based initiatives articulated in this bill would contribute to sustainable forestry and carbon storage on federal, state, and private lands. The Administration is developing a comprehensive plan for addressing climate change and welcomes this input. We would ask that, as Congress develops its own ideas on methods to address this global problem, it also consider opportunities to encourage agro-forestry and improve the management of agricultural soils to increase carbon sequestration.

Thank you for the opportunity to comment today. I would be pleased to answer any questions you or members of your Committee may have.