

CRS Report for Congress

Forestry in the 2007 Farm Bill

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Summary

Many programs authorized in the 2002 farm bill (P.L. 107-171) will expire at the end of FY2007; and the House has passed, and the Senate Agriculture Committee has offered, a draft bill to reauthorize these programs. General forestry legislation is within the jurisdiction of the Agriculture Committees, and past farm bills have included provisions addressing forestry, especially on private lands. Most federal forestry programs are permanently authorized, and thus do not require periodic reauthorization in the farm bill. Nonetheless, the 2002 farm bill reauthorized one office (international forestry), created a new private landowner cost-share assistance program (the Forest Land Enhancement Program) replacing two previously existing programs, and enacted a new Community Fire Protection Program.

Forestry provisions are being discussed for a 2007 farm bill. Funding is one issue, as half the mandatory spending for the Forest Land Enhancement Program (FLEP) was cancelled. Protecting communities from wildfire continues to be a priority for some, while controlling invasive species is a priority for others. Assisting forest-dependent communities in diversifying their economies could also be debated. Finally, some have expressed interest in trying to create markets for *ecosystem services* — forest values that have not traditionally been sold in the marketplace.

The Administration's 2007 proposed farm bill included a forestry title with four new programs: (1) comprehensive statewide forest planning; (2) competitive landscape-scale forestry grants; (3) a 10-year, \$150 million forest wood-to-energy technology development program; and (4) assistance to communities for acquiring, planning for, and conserving community forests. The Administration's proposal did not include a forest landowner financial assistance program, essentially proposing to terminate the Forest Land Enhancement Program.

On July 27, 2007, the House passed the Farm, Nutrition, and Bioenergy Act of 2007, H.R. 2419 (the 2007 farm bill). The separate forestry title includes national priorities for forestry assistance, mandatory statewide forest assessments, a new Coordinating Committee, and competitive allocation for some forestry funding. The forestry title also would reauthorize three programs, create an Emergency Forest Restoration Program, and provide grants to Hispanic-serving institutions. In addition, the bioenergy title includes woody biomass, and forest practices are included in other energy and conservation programs.

On December 14, 2007, the Senate passed the Food and Energy Security Act of 2007, an amendment in the nature of a substitute to H.R. 2419 (the 2007 farm bill). Its separate forestry title also includes national priorities for forestry assistance, and would reauthorize two programs. The Senate would require comprehensive statewide forest planning and cooperation and collaboration with Indian tribes. It also would create a new community forest and open space conservation program for local protection of forests threatened with conversion to non-forest uses; amend the Lacey Act to restrict imports of illegally logged wood products; authorize changes to certain national forest timber contracts; and encourage the President to ensure that imports are consistent with the U.S.-Canada Softwood Lumber Agreement.

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Forestry in the 2007 Farm Bill

Forestry programs have been addressed in past farm bills and other agriculture legislation. Federal forestry has historically been associated with agriculture, and with agriculture legislation. This report briefly describes the Agriculture Committees' jurisdiction over forestry, with examples of legislation addressed by the committees. It discusses forestry issues likely to be debated in the upcoming farm bill. It then presents information on the forestry provisions in the Administration's proposal for the 2007 farm bill, followed by the forestry provisions in the House-passed 2007 farm bill (the Farm, Nutrition, and Bioenergy Act of 2007, H.R. 2419) and in the Senate Committee draft bill (the Food and Energy Security Act of 2007).

Background

Both the House and Senate Committees on Agriculture have jurisdiction over "forestry in general" and acquired national forests.¹ Thus, the committees have been able to exert considerable influence over federal forestry activities over the years. For example, the Forest and Rangelands Renewable Resources Planning Act of 1974 (RPA; P.L. 93-378) and the National Forest Management Act of 1976 (NFMA; P.L. 94-588), which guide Forest Service planning and management, were both initially referred to the Agriculture Committees. More recently, the Healthy Forests Restoration Act of 2003 (P.L. 108-148) was referred to and reported by the Agriculture Committees.

In addition to forestry on federal lands, the Agriculture Committees have jurisdiction over forestry research and forestry assistance to states and to private landowners.² Forestry research is governed largely by the Forest and Rangeland Renewable Resources Research Act of 1978 (P.L. 95-307), which revised and updated the McSweeney-McNary Act of 1928. Forestry assistance is governed largely by the Cooperative Forestry Assistance Act of 1978 (P.L. 95-313), which revised and updated the Clarke-McNary Act of 1924.³ Both laws were referred to and reported by the Agriculture Committees.

Recent farm bills have also included forestry provisions, primarily addressing the forestry assistance programs. The 1990 farm bill (the Food, Agriculture,

¹ Jurisdiction over national forests established from the public domain lies with the House Natural Resources Committee and the Senate Energy and Natural Resources Committee. See each Committee's website for details on its jurisdiction.

² These three programs — forest management, forestry research, and forestry assistance — have traditionally been the three principal branches of the USDA Forest Service.

³ For more information on these programs, see CRS Report RL31065, *Forestry Assistance Programs*, by Ross W. Gorte.

Conservation, and Trade Act of 1990, P.L. 101-624) contained a separate forestry title that:

- created four new forestry assistance programs;
- revised two existing forestry assistance programs;
- amended two forestry assistance programs;
- revised the administrative provisions for forestry assistance;
- created five special forestry research programs;
- amended three existing forestry research programs;
- authorized a private, non-profit tree planting foundation; and
- created a new FS branch: international forestry.

The 1996 farm bill (the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127) included only a few forestry provisions, extending the authorization for the one expiring assistance program and adding a new funding option within an existing program.

The 2002 farm bill (the Farm Security and Rural Investment Act of 2002, P.L. 107-171) contained a separate forestry title, which was a product of compromise between the Senate and the House. The House-passed version contained several forestry provisions. The Senate-passed version modified most of these provisions (deleting one), and added more than a dozen additional provisions. The conference could not resolve many of the differences, and the conference agreement contained fewer provisions than either the House or Senate version. (Some of the disputed provisions were enacted subsequently in the Healthy Forests Restoration Act.)

Forestry Issues for a Farm Bill

Reauthorization of the many agriculture programs is a prime reason for the periodic farm bills, but only two forestry programs have an expiring authority. The authorizations for expenditures under the Forest Land Enhancement Program (FLEP) and for the Office of International Forestry expire at the end of FY2007. Most other FS programs — forest management and planning, research, and assistance — are permanently authorized, many at “such sums as are necessary.” This may reduce the pressure to include a forestry title in upcoming farm bills. Nonetheless, various forestry issues other than authorization levels may be raised, such as forestry assistance funding, wildfire protection, invasive species, economic diversity, and markets for “ecosystem services” that have not traditionally been marketed.

Forestry Assistance Funding. Federal funding for forestry assistance programs has generally been rising, but the increase has not been spread equally among the various programs. Since the severe 2000 fire season and the development of the National Fire Plan, funding for cooperative fire programs (assistance to states and volunteer fire departments) has risen substantially (more than triple pre-2000 funding), and has remained at very high levels. Funding for Forest Legacy (acquisition of lands or easements on lands threatened with conversion to non-forest uses) has also risen substantially, from less than \$4 million in FY1998 to \$60 million or more annually since FY2001 (and a request of \$100 million for FY2005). In contrast, the Administration has proposed terminating funding for the Economic Action Program (economic assistance to rural, forest-dependent communities), and

funding has fallen from a peak of \$54 million in FY2001 to less than \$10 million in FY2006.

The adequacy of funding for private landowner assistance programs has been of concern to many. These programs provide cost-shares to qualified landowners for various forestry practices that increase tree growth, improve wildlife habitat, protect watersheds (thus improving water quality), and more. One of the changes enacted in the 2002 farm bill was to replace two programs — the Forestry Incentives Program (FIP) and the Stewardship Incentives Program (SIP) — with the new Forest Land Enhancement Program (FLEP). Because funding for FIP and SIP had been discretionary and either stagnant (FIP) or lacking (SIP), FLEP was given mandatory funding through the Commodity Credit Corporation of \$100 million total through the end of FY2007. However, some FLEP funds were borrowed to pay for firefighting and other funding was cancelled; in total, about half of the \$100 million “guaranteed” for FLEP was actually spent on landowner assistance. Given this history, Congress might revisit the issue of funding for landowner forestry assistance programs.

Wildfire Protection. The threat of wildfire damages to resources and property seems to have increased in recent years. Attention has focused on high biomass fuel levels, particularly in federal forests, and on structures (especially homes) in or near at-risk forests, a situation known as the wildland-urban interface (WUI; see CRS Report RS21880, *Wildfire Protection in the Wildland-Urban Interface*, by Ross W. Gorte). Section 8003 of the 2002 farm bill created a new Community and Private Land Fire Assistance Program to assist communities and private landowners in planning and other activities to protect themselves from wildfires. The program was authorized at \$35 million annually through FY2007 and “such sums as are necessary ... thereafter.” The FS has included such expenditures as authorized activities in its State Fire Assistance Program. For FY2005, the House Appropriations Committee directed that “\$5 million of the increase [to State Fire Assistance] is provided to fund, on a cost share basis, community wildfire protection plans” (H.Rept. 108-542, p. 94). However, Congress has not appropriated funds explicitly for this program.

Protecting private lands and structures from wildfires continues to garner congressional attention, as the threat of wildfire persists. How to assist private landowners and communities, how to combine this assistance with other assistance and incentive programs, and how to fund such assistance could be debated in the farm bill context.

Invasive Species. Invasive species — non-native plants and animals that are displacing native ones — are becoming recognized as a substantial problem. (See CRS Report RL30123, *Invasive Non-Native Species: Background and Issues for Congress*, by M. Lynne Corn et al.) In a speech to the Idaho Environmental Forum in January 2004, then-FS Chief Dale Bosworth identified invasive species as one of the four major threats to the nation’s forests and rangelands.⁴ The FS’s Forest Health Management Program has evolved from a mechanism to survey and control insects

⁴ The other three identified threats are fire and fuels, unmanaged recreation, and loss of open space. See [<http://www.fs.fed.us/projects/four-threats>].

and diseases, to a program to address all forest pests, including invasive species. In its FY2004 and FY2005 budget requests, the Administration proposed an Emerging Pests and Pathogens Fund to address rapidly developing problems of invasive species, but the Appropriations Committees rejected the request both years. In its deliberations over a farm bill, Congress could address the structure and financing of programs to prevent and control invasive species on federal, state, and private forests.

Economic Diversity. The economies of many rural communities have evolved around the use — finding, extracting, processing, and selling — of natural resources. In some of these areas, one resource (e.g., timber, minerals, livestock) has traditionally dominated the local economy, but the economies of such areas can be devastated when that resource is depleted or when its markets are depressed (permanently or even temporarily). Many communities have sought approaches to diversifying their economies, to mitigate the travails that can occur when a dominant economic sector is depressed. The National Forest-Dependent Rural Communities Economic Diversification Act of 1990 was enacted in §§ 2372-2379 of the 1990 farm bill to authorize forestry and economic diversification technical assistance to “economically disadvantaged” rural communities. Under the title *Economic Action Program*, funding rose from \$14 million in FY1996 to \$54 million in FY2001, but has declined since, and President Bush has proposed terminating the program in several budget requests. In its farm bill deliberations, Congress could consider ways to perpetuate economic assistance programs for traditional wood products-dependent communities, either as a continued FS program or as part of other USDA rural assistance programs. (See CRS Report RL31837, *An Overview of USDA Rural Development Programs*, by Tadlock Cowan.)

Markets for “Ecosystem Services”. Forests provide a broad array of environmental services — clean air and water, wildlife habitats, pleasant scenery, and more — for which private landowners are generally not compensated, because these services are typically not bought and sold in a marketplace. A variety of interests have examined the possibilities of finding ways to compensate landowners for continuing to provide ecosystem services.⁵ This is akin to the “green payments” proposals that would reward farmers who provide environmental benefits through their farm management practices. Such “green payments” for forest landowners’ ecosystem services might be discussed in Congress’s farm bill deliberations.

The Administration’s 2007 Forestry Proposal

The Administration’s 2007 farm bill proposed four new forestry programs: (1) comprehensive statewide forest planning; (2) competitive landscape-scale forestry grants; (3) a 10-year, \$150 million forest wood-to-energy technology development program; and (4) financial and technical assistance to communities for acquiring, planning for, and conserving community forests. The Administration’s proposal did not include reauthorizing FLEP, or creating a new landowner assistance program.

⁵ American Forests, the Southern Environmental Law Center, and others held a workshop to discuss landowner compensation for ecosystem services provided in Washington, DC, on May 18-20, 2005.

Landowner Assistance. USDA has provided assistance to private forest landowners for more than a century, since before the FS was established. The current financial assistance program is the Forest Land Enhancement Program (FLEP). This program replaced the Forestry Incentives Program (FIP, created in the Cooperative Forestry Assistance Act of 1978) and the Stewardship Incentives Program (SIP, created in the 1990 farm bill). FLEP was enacted in the 2002 farm bill with mandatory funding of \$100 million over the six-year life of the law. The promise of mandatory spending, however, has not been fulfilled. The FS released \$20.0 million for FLEP in FY2003, and borrowed \$50 million of the total to pay for firefighting in the 2003 fire season. The FY2004 Interior appropriations act⁶ repaid nearly \$9.9 million, leaving a balance of \$39.9 million. In the FY2005 budget request, the President requested that the remaining funds be cancelled (not released for expenditure by the FS). The balance of FLEP funding was cancelled, pursuant to FS Administrative Provisions in P.L. 108-447, the Consolidated Appropriations Act of 2005, and the borrowed funds were not repaid. Budget authority (prior to cancellation) was \$9.2 million for FY2004, \$15.0 million for FY2005, and \$5.4 million for FY2006.⁷ Of the \$100 million “guaranteed” for FLEP in the 2002 farm bill, only \$49.5 million will have been spent, with \$40.1 million borrowed and not repaid, and \$10.4 million cancelled. The Administration has proposed to neither renew FLEP nor replace it with an alternative private forest landowner financial assistance program. It is unclear whether this lack of private landowner assistance reflects a conclusion that past programs have been ineffective.

Comprehensive Statewide Planning. The Administration proposed a new program of financial and technical assistance to state forestry agencies to develop and implement Statewide Forest Resource Assessments and Plans to address the increasing public demand for forest products and amenities, pressure on landowners to convert forests to other uses, and risk from wildfire. It is unclear whether a national direction for statewide forest planning provides the flexibility to address diverse forests across the United States such as those in Iowa and those in Florida. The proposal also raises the question of whether the various state forestry organizations are unable or unwilling to undertake statewide forest planning without federal direction and oversight. Whether statewide forest planning, together with other forestry farm bill proposals, would be more effective at providing for the growth in demand for forest products and amenities than a direct landowner assistance program, such as FLEP, is unknown. Finally, funding for this new planning effort is uncertain, when the Administration has proposed to cut FY2008 forest stewardship funding (for financial and technical assistance to states) by 41%.

Landscape-Scale Competitive Grant Program. The Administration’s proposal included a new landscape-scale competitive grant program “to develop innovative solutions that address local forest management issues; develop local nontraditional forest product markets; and stimulate local economies through creation of value-added forest product industries.” The Administration identified as significant problems the aging of family forest owners and potential fragmentation

⁶ FS programs have been funded in the annual Interior appropriations acts since 1955.

⁷ Personal communication with Joe Norrell, USDA Forest Service, Office of Program and Budget, Washington, DC, on October 27, 2006.

of forests over the next two decades. The proposal would create a program that “would ensure a comprehensive, coordinated approach to forest management and would ensure collaboration across ownership and jurisdictional boundaries.” However, many aspects of the proposal are unclear, such as:

- how “landscapes” would be defined for the grants;
- the proportion of the landowners or lands that would need to be involved for a landscape to be eligible for a grant;
- whether landowners, including governmental entities, could be convinced or coerced to cooperate;
- why the program is related to landscapes and landowners, since the goal is to foster nontraditional markets and value-added industries; and
- how the landscape grant proposals would be assessed and compared; that is, what criteria would be used to make the grants competitive.

Forest Wood for Energy. The Administration proposed a 10-year, \$150 million wood-to-energy program to accelerate development and use of new technologies to use the substantial amounts of low-grade woody biomass that degrade forest health and exacerbate wildfire risks and are of little commercial value. The proposal did not identify the program goals, nor describe whether the focus would be on converting woody biomass to cellulosic ethanol or burning woody biomass to produce electricity. While the proposal seems to emphasize technological solutions, other factors — capital costs, infrastructure, collection and hauling opportunities, etc. — might be critical for improved utilization of low-value woody biomass for energy. It is unclear whether this proposal, or other programs, could address these other factors.

Community Forests Working Lands Program. The Administration’s 2007 farm bill proposed a community forests working lands program to provide communities with the financial assistance to acquire and conserve forests and the technical assistance to plan for the use and conservation of those forests. This program would particularly address the problem of producing goods and services from forests at the urban fringe. However, it is unclear how this proposed program differs from the existing Forest Legacy Program. The proposal also did not address the question of the federal role and responsibility in funding or otherwise assisting communities in acquiring and conserving local forestlands. Finally, some might question whether the proposed community forests program, and the proposed competitive landscape-scale grant program (discussed above) move away from private forestland ownership and individual decision-making toward communal forest ownership and management.

The House-Passed 2007 Farm Bill

On July 27, 2007, the House passed the 2007 farm bill, the Farm, Nutrition, and Bioenergy Act of 2007 (H.R. 2419). It contains a forestry title (Title VIII) and two woody biomass programs in the bioenergy title, while woody biomass and forest practices are included in a wide array of other energy and conservation programs. The forestry title sets priorities for national private forest conservation, requires statewide assessments and strategies for forest resources, creates a new Forest

Resource Coordinating Committee, and directs competitive allocation for some state assistance funding while allowing competitive allocation for funding innovative projects. The bill would reauthorize three forestry programs through 2012. The bill also includes an Emergency Forest Restoration Program to provide assistance for restoration efforts for forests damaged by natural factors. Finally, the forestry title provides a competitive grant program to Hispanic-serving institutions to increase diversity in forestry and related fields.

One significant aspect of the House-passed bill is the lack of a private forest landowner assistance program, consistent with the Administration's proposal. Authorization for the current program, the Forest Land Enhancement Program (FLEP), expired at the end of FY2007. This would mark the first time since the Cooperative Forestry Assistance Act was enacted in 1978 that no such forest landowner financial aid program is authorized.

Forestry practices and woody biomass are addressed elsewhere in the 2007 farm bill, as well. Many of the existing and proposed conservation programs include forestry practices as applicable conservation activities that qualify for cost-share assistance. (For more information on agriculture conservation programs, see CRS Report RL33556, *Soil and Water Conservation: An Overview* and CRS Report RL34060, *Conservation and the 2007 Farm Bill*, both by Jeffrey A. Zinn.) Also, many of the existing and proposed bioenergy programs include woody biomass as a possible feedstock. (For more information on agriculture bioenergy, see CRS Report RL32712, *Agriculture-Based Renewable Energy Production*, by Randy Schnepf.) The programs that include forest-related activities, but are not focused primarily on these activities, are not included in this report. Two energy programs specific to woody fuels are described below.

National Priorities. The House-passed 2007 farm bill establishes a new set of national priorities for federal assistance for private forest conservation. It adds a new subsection to § 2 of the Cooperative Forestry Assistance Act of 1978:

(c) Priorities — In allocating funds appropriated or otherwise made available under this Act, the Secretary shall focus on the following national private forest conservation priorities, notwithstanding other priorities specified elsewhere in this Act:

(1) Conserving and managing working forest landscapes for multiple values and uses.

(2) Protecting forests from threats, including wildfire, hurricane, tornado, windstorm, snow or ice storm, flooding, drought, invasive species, or insect or disease outbreak, and restoring appropriate forest types in response to such threats.

(3) Enhancing public benefits from private forests, including air and water quality, soil conservation, biological diversity, carbon storage, forest products, forestry-related jobs, production of renewable energy, wildlife and wildlife habitat, and recreation.

Thus, forestry assistance is to conserve working forests, protect and restore forests, and enhance public benefits from private forests.

Statewide Assessments. The House-passed farm bill requires each state to conduct a statewide assessment of forest resource conditions, trends, and threats to receive federal forestry assistance funds. Each state also must prepare a strategy for addressing the identified threats, along with a description of programs and resources available for addressing the threats. The states have two years to prepare the initial assessment and strategy, with annual updates for the strategy and updates as needed for the assessment, and coordinate with specified agencies and groups. The Secretary may use up to \$10 million of appropriated forestry assistance funds to assist states with their assessments and strategies.

Forest Resource Coordinating Committee. The House-passed bill replaces the existing USDA Coordinating Committee with a new Forest Resource Coordinating Committee, composed of the heads of four USDA agencies (and chaired by the Chief of the Forest Service) and representatives of state agencies, academia, and interest groups. The Committee is to provide coordination and direction to the USDA agencies and to coordinate with state agencies, focused on achieving the national priorities identified above.

Competitive Funding. The House-passed bill requires that the Secretary allocate a portion of funds available under the Cooperative Forestry Assistance Act of 1978 on a competitive basis. The portion to be competitively allocated is “to be determined by the Secretary,” in consultation with the Forest Resource Coordinating Committee.

The bill also allows the Secretary to competitively allocate up to 5% of cooperative assistance funding for “innovative national, regional, or local education, outreach, or technology transfer projects” that contribute substantially to achieving the national priorities. These projects require a 50% matching contribution.

Reauthorizations. The House-passed 2007 farm bill reauthorizes, through 2012, the Office of International Forestry, under § 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. § 6704(d)), and the Rural Revitalization Technologies Program, under § 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (the 1990 farm bill; 7 U.S.C. § 6601(d)(2)).

The bill also extends and modifies funding for Healthy Forest Reserves. These reserves were authorized through 2008 in the Healthy Forests Restoration Act of 2003 (16 U.S.C. §§ 6571-6578). The extension requires the Secretary to provide \$10 million annually for the program from the Commodity Credit Corporation for FY2008-FY2012.

Emergency Reforestation. The House-passed 2007 farm bill adds an Emergency Forest Restoration Program to an existing Emergency Conservation Program under Title IV of the Agricultural Credit Act of 1978 (16 U.S.C. §§ 2201-2205).⁸ The original program focused on emergency protection and rehabilitation to wind- or water-eroded agricultural lands. The expanded program provides up to 75%

⁸ The Cooperative Forestry Assistance Act contains a permanently authorized Emergency Reforestation program [16 U.S.C. § 2106a] that has not been funded since FY1993.

of the costs (up to \$50,000 annually) for landowners to rehabilitate or restore their forest lands damaged by storms, fires, drought, invasive species, or insects or diseases.

Hispanic-Serving Institutions. The House-passed farm bill authorizes a program of competitive grants for undergraduate scholarships to recruit, retain, and train Hispanics and other under-represented groups in forestry and related fields. The program is authorized through 2012 at “such sums as may be necessary....”

Woody Biomass Energy. The bioenergy title of the House-passed 2007 farm bill includes two provisions, both numbered § 9019, to expand the use of woody biomass in energy production. The first § 9019 adds a new § 9018 to Title IX of the Farm Security and Rural Investment Act of 2002 (the 2002 farm bill; 7 U.S.C. §§ 8101 et seq.). This section creates a competitive research-and-development grant program for using woody biomass, with priorities for low-value biomass, wood biorefineries, wood-derived transportation fuels, and improved yield from energy plantations. Mandatory funding is provided at \$15 million annually through 2012 from the Commodity Credit Corporation.

The other § 9019 creates a Community Wood Energy Program. This creates a grant program for state and local governments to acquire wood energy systems for public buildings and to develop and implement a community wood energy plan. The state or local government is required to match the federal grant. The program is permanently authorized at “such sums as may be necessary....”

The Senate-Passed 2007 Farm Bill

On December 14, 2007, the Senate passed a 2007 farm bill, the Food and Energy Security Act of 2007, an amendment in the nature of a substitute to H.R. 2419 as passed by the House. It contains a forestry title (Title VIII) as well as including woody biomass and forest practices in a wide array of energy and conservation programs. The forestry title sets priorities for national private forest conservation, requires comprehensive statewide forest planning, creates a new Community Forest and Open Space Conservation Program, restricts illegal logging, and authorizes modifications to certain national forest timber contracts. The bill would reauthorize two forestry programs through 2012, and contains two provisions affecting the Green Mountain National Forest in Vermont. The bill also includes a subtitle to improve collaboration and cooperation between Indian tribes and federal agencies. Finally, the bill also contains a Sense-of-the-Senate provision encouraging the President to ensure that lumber imports from Canada are consistent with the United States-Canada Softwood Lumber Agreement.

One significant aspect of the Senate-passed bill is the lack of a private forest landowner assistance program, consistent with the Administration’s proposal and the House-passed bill. Authorization for the current program, the Forest Land Enhancement Program (FLEP), expired at the end of FY2007. This would mark the first time since the Cooperative Forestry Assistance Act was enacted in 1978 that no such forest landowner financial aid program is authorized.

Forestry practices and woody biomass are addressed elsewhere in the 2007 farm bill, as well. Many of the existing and proposed conservation programs include forestry practices as applicable conservation activities that qualify for cost-share assistance. (For more information on agriculture conservation programs, see CRS Report RL33556, *Soil and Water Conservation: An Overview*, and CRS Report RL34060, *Conservation and the 2007 Farm Bill*, both by Jeffrey A. Zinn.) Also, many of the existing and proposed bioenergy programs include woody biomass as a possible feedstock. (For more information on agriculture bioenergy, see CRS Report RL32712, *Agriculture-Based Renewable Energy Production*, by Randy Schnepf.) The programs that include forest-related activities, but are not focused primarily on these activities, are not included in this report. Two energy programs specific to woody fuels are described below.

National Priorities. The Senate 2007 farm bill establishes a new set of national priorities for federal assistance for private forest conservation. It adds a new subsection to § 2 of the Cooperative Forestry Assistance Act of 1978:

(c) Priorities — In allocating funds appropriated or otherwise made available under this Act, the Secretary shall focus on the following national private forest conservation priorities:

(1) Conserving and managing working forest landscapes for multiple values and uses.

(2) Protecting forests from threats to forest and forest health, including unnaturally large wildfires, hurricanes, tornadoes, windstorms, snow or ice storms, flooding, drought, invasive species, or insect or disease outbreak, and restoring appropriate forest structures and ecological processes in response to such threats.

(3) Enhancing public benefits from private forests, including air and water quality, forest products, forestry-related jobs, production of renewable energy, wildlife, enhanced biodiversity, and the establishment or maintenance of wildlife corridors and wildlife habitat, and recreation.

Thus, forestry assistance would be provided to conserve working forests, protect and restore forests, and enhance public benefits from private forests. The priorities are similar, but not identical, to the priorities in the House-passed bill.

Statewide Forest Planning. The Senate-passed farm bill requires each state to prepare a comprehensive statewide forest plan to achieve the national priorities. Each state must coordinate its plan with specified agencies and groups. The Secretary may use up to \$10 million to assist states with their planning.

Community Forest and Open Space Conservation Program. The Senate bill includes a provision amending the Cooperative Forestry Assistance Act of 1978 to establish a Community Forest and Open Space Conservation Program. The program provides grants to local governments, Indian tribes, or nonprofit organizations to acquire lands threatened by conversion to non-forest uses and that provide economic, environmental, educational, and recreational benefits and serve as models of sustainable forest stewardship for other landowners. The grants may be up to 50% of the acquisition cost, with the authorization for “such sums as are necessary.” This program is similar to the Forest Legacy Program, which authorizes

the federal acquisition, or grants to states for their acquisition, of lands or easements on lands threatened by conversion to non-forest uses.

Reauthorizations. The Senate 2007 farm bill reauthorizes, through 2012, the Office of International Forestry, under § 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. § 6704(d)), and the Renewable Resources Extension Act of 1978 (P.L. 95-306; 16 U.S.C. § 1671). The Senate did not follow the House in reauthorizing the Healthy Forest Reserves or the Rural Revitalization Through Forestry programs.

Tribal-Forest Service Cooperative Relations. This subtitle contains two parts. The first part has two sections. One section amends the Forest Legacy Program — which provides funds for federal or state acquisition of lands or easements to protect lands threatened with conversion to non-forest uses — to allow grants to Indian tribes for similar purposes. The second section authorizes the Secretary of Agriculture (in coordination with the Secretary of the Interior) to provide financial, technical, educational, and related assistance to Indian tribes to (a) access national forests for traditional, religious, and cultural purposes; (b) coordinate or cooperate in resource management; and (c) provide tribal traditional, cultural, or other expertise or knowledge.

Part II of this subtitle addresses authorities for cultural and heritage cooperation. One section authorizes the use of national forest lands, with federal assistance for reburial of human remains and cultural items. Another section authorizes temporary closures of national forest lands historically used by Indians to assure access for traditional and cultural uses. A third section authorizes free use of trees and forest products for traditional and cultural (but not commercial) purposes. The final section generally prohibits disclosure of information on reburials as well as information on tribal resources, cultural items, uses, or activities.

Illegal Logging. The Senate bill amends the Lacey Act Amendments of 1981 (P.L. 97-79; 16 U.S.C. §§ 3371-3378) to expand the restrictions on and the penalties for importing wild plants or plant parts (e.g., logs and lumber) removed in violation of domestic or foreign laws. It excludes crops, cultivars, and plants and plant parts (e.g., seeds, roots, and cuttings) intended for planting in the United States. It also expands and clarifies for plants the definition of taken or possessed illegally, and establishes a process for legal plant imports. (See CRS Report RL33932, *Illegal Logging: Background and Issues*, by Pervaze A. Sheikh.)

Green Mountain National Forest. The Senate bill includes two provisions affecting the Green Mountain National Forest in Vermont. The first expands the boundary of the forest to allow for acquiring certain lands. (The Forest Service cannot acquire, by purchase, exchange, or donation, lands outside the designated boundaries of the national forests.) The other provision authorizes the sale or exchange of specific lands to the Bromley Mountain Ski Resort, with specific directions on the use of any proceeds generated by the sale or exchange.

National Forest Timber Contract Options. The Senate bill allows the purchasers of non-salvage Forest Service timber sale contracts awarded between July 1, 2004, and December 31, 2006, to request a modification to their contracts. The

options available are to cancel a portion of the contract, to have the payment rate recalculated (called a *rate redetermination*), or to substitute an approved Producer Price Index for the index specified in the contract. The Secretary may agree to the contract modification if the several specified terms and limitations are met.

Woody Biomass Energy. The bioenergy title of the Senate Committee-approved 2007 farm bill includes two provisions to expand the use of woody biomass in energy production. The first provision adds a new § 9013 to Title IX of the Farm Security and Rural Investment Act of 2002 (the 2002 farm bill; 7 U.S.C. §§ 8101 et seq.). This section creates a competitive research-and-development grant program for using woody biomass, with priorities for low-value biomass, processes integrated with biorefineries, wood-derived transportation fuels, and improved yield from energy plantations. Funding is authorized at \$5 million annually for FY2008-FY2012.

The other provision adds a new § 9014 to the 2002 farm bill, to create a new Community Wood Energy Program. This is a grant program for state and local governments to develop a community wood energy plan and acquire wood energy systems for public buildings. Project priorities are to be determined considering energy efficiency and appropriate conservation and environmental criteria. The state or local government monies are required to match the federal grant. Funding is authorized at \$5 million annually for FY2008-FY2012.