

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Monday, February 05, 2018
TIME: 1:30 P.M.
PLACE: Room EW40
MEMBERS: Chairman Gibbs, Vice Chairman Gestrin, Representatives Moyle, Raybould, Shepherd, Wood, Boyle, Vander Woude, Miller, Burtenshaw, Mendive, Youngblood, Kauffman, Giddings, Blanksma, Erpelding, Rubel, Jordan
**ABSENT/
EXCUSED:** Representative(s) Blanksma, Erpelding
GUESTS: Tom Schultz, Idaho Forest Group; Gary Spackman, Idaho Department of Water Resources; Norman Semanko, Parsons Behle and Latimer; Murphy Olmstead, Wittmeyer Associates; Andy Brunelle, US Forest Service; Lynn Tominaga, Idaho Ground Water Association

Chairman Gibbs called the meeting to order at 1:30pm.

MOTION: **Rep. Kauffman** made a motion to approve the minutes of the January 29, 2018 meeting. **Motion carried by voice vote.**

Tom Schultz, Vice President, Government Affairs, Idaho Forest Group, gave an informational presentation on the economic impacts of the Good Neighbor Authority in Idaho. He provided a little background on the Idaho Forest Group including they own and operate six lumber mills; five are located in Idaho, and one in Montana. He stated the bulk of the timber is purchased from two types of private lands; industrial private and small private, followed by state lands and federal lands. Because there is a 280 million board foot difference between the capacity of the mills they operate in Idaho and the lumber output, they believe there is an opportunity for increased growth on the timber sales side and are well poised to capture a share of that growth.

Mr. Schultz stated in Idaho, 76% of the forest lands ownership is federal; most is Forest Service, with a small portion in BLM ownership, 14% is private, 6% is state owned, and 4% is other. He stated the timber harvest state-wide has dropped approximately 50% from its historic highs in the 1970's - 1990's, with an 80% decline on federal lands. Some of the decline can be attributed to changes in environmental laws, various litigation, and cultural changes within the organizations managing the forests. With this decrease in timber harvests, there has been an increase in mortality and a decrease of health of the forests from insect infestation, disease, and catastrophic wildfires. Of the 20 million acres of federal forest lands in Idaho, 12 million acres are under active management. The remaining 8 million acres are in wilderness areas or roadless areas with little to no opportunity to manage, which puts those lands at higher risk for forest health issues. Mr. Schultz stated 8.8 million acres within the 12 million active management acres are at risk for insect infestation or catastrophic wildfires, so those are the acres that have been targeted for treatment.

The Forest Service utilizes several land management methods for timber harvest including traditional timber sale contracts, the collaborative forest landscape restoration program, stewardship contracts, and the Good Neighbor Authority (GNA). In 2014, the Farm Bill authorized the GNA in Idaho, allowing **Governor Otter** to sign an agreement, directing the Department of Lands to identify projects. **Mr. Schultz** stated 50 project areas were identified for treatment, totaling 1.8 million acres. Additionally, under the Farm Bill, the Forest Service can continue to designate forest areas for treatment, which they have, adding to the 1.8 million acres, for a total of 4 million acres designated for treatment.

Mr. Schultz stated 20% of the revenue generated from timber sales goes towards scaling, 20% is seed money for future projects, and 60% goes towards project work such as culverts, maintaining roads, or improving habitat. He stated Idaho is leading the way with the GNA, with 11 projects currently underway around the state and over 10,000 acres planned for treatment over the next three years. The goal is to roughly double outputs including timber harvest, habitat enhancement, stream restoration, fish passage, and road maintenance. The benefits for Idaho include new jobs in the timber industry and associated businesses and increased tax revenue for the state of approximately \$24 million annually.

In response to questions from the committee, **Mr. Schultz** first explained the GNA projects receive funding from three sources; the Forest Service provides \$300,000, industry provides \$200,000, and the state provides \$250,000 from the General Fund. He stated it would be up to the Legislature to decide if there should be any changes to the current funding stream. Additionally, Mr. Schultz explained that the difference between small private lands and industry, or large, private lands is size. Anything over 50,000 acres is considered a large land owner. Finally, Mr. Schultz stated there is indeed a market demand for increased harvest and there is capacity to handle the increased volume of timber.

RS 26032: **Rep. Boyle**, District 9, stated more work is needed on this legislation, so she will come back to the committee with a new RS.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:56pm.

Representative Gibbs
Chair

Tracey McDonnell
Secretary