



LEGISLATIVE HAPPENINGS

07 Farm Bill Hearings

Two of the House Agriculture Committee hearings on 07 Farm Bill were conducted in the South (Fayetteville, NC and Auburn, AL). Commodity programs were the primary emphasis for these hearings. Hearings were conducted in Nebraska and California where Rep. Richard Pombo (R-CA) observed the strong interest in increased access to foreign markets and support for EQIP. While no further House Agricultural hearings are expected in the South, there is interest in encouraging the Committee to conduct a hearing in Washington, DC to focus exclusively on forestry. Senate schedules are not certain, and some have conjectured that the Senate may not take any action on the Farm Bill this year. Slow progress in World Trade Organization (WTO) treaty efforts have prompted some groups to suggest that 07 Farm Bill discussions should be delayed. Several bills (HR 4775-Thornberry R-TX and HR 4332- Peterson D-MN) have been introduced to extend 02 Farm Bill programs pending WTO results. While noting that delays may appeal to the South's row crop farmers, Secretary of Agriculture, Johanns, has expressed his objection to any postponement in writing a new Farm Bill.

Meanwhile, the Southern Group of State Foresters (SGSF) Farm Bill activities include the establishment of a Working Group to coordinate communications and networking as well as participation in respective National Association of State Foresters (NASF) committees. The SGSF is currently reviewing the NASF proposed principles regarding development of the 07 Farm Bill. In December 2005, the SGSF prepared a working draft on Farm Bill issues, strategies, and principles that formed a basis for formal comments to the United States Department of Agriculture (USDA). The SGSF continues dialogue with the Southern Forest Coalition (Nature Conservancy, Southern Environmental Law Center, Society of American Foresters, American Forest Foundation, and Environmental Defense), National Association of Conservation Districts,

American Farm Bureau Federation, National Wild Turkey Federation, Forest Landowners Association, Southeast Forestry and Wildlife Farm Bill Working Group and the National Council of Private Forest Landowners.

Endangered Species Act (ESA) Reauthorization

In September 2005, the House passed HR 3824, the Threatened and Endangered Species Recovery Act (TESRA) (Pombo R-CA), which amended the Endangered Species Act. Described as something of a compromise between forest landowner/industry groups and environmental interests, TESRA eliminates current requirements to designate a critical habitat for listed species and substitutes instead, a voluntary recovery planning process. Other provisions include compensation for fair market value of impacted properties, safe harbor agreements in Habitat Conservation Plans, case-by-case rulemaking for listed species, and protocols for the use of the best available scientific data. The compromise effort notwithstanding, the bill is largely unfavorable to many environmental groups.

In the Senate, Crapo (R-ID) and Lincoln (D-AR) advanced a bi-partisan bill (S. 2110), termed the Collaboration for the Recovery of Endangered Species Act (CRESA). The bill calls for the increased participation of states and landowners in voluntary partnerships to recover species and provides for tax breaks and conservation banking as incentives. Concurrently,, Senate Wildlife Subcommittee Chairman Lincoln Chafee (R-RI) hoped that a comprehensive study prepared by the Keystone Center could find common ground among stakeholders and reconcile some of the more contentious issues such as species habitat issues and recovery plans. The Center, however, could not reach consensus on these matters. This impasse has subsequently prompted Senate Environment and Public Works Chairman, James Inhofe (R-OK.), to propose yet another ESA bill intended for markup by the end of March. All such matters suggest that a bi-partisan initiative will be extremely difficult.

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Biofuels/ Energy

Renewed interest in biobased fuels has occurred following references to those alternatives in the President's State of the Union address. The House Resources Committee subsequently conducted hearings to consider the potential for the expansion of woody biomass and other biofuel sources, particularly for production of ethanol. Some are conjecturing that the elevated costs of fuel may persist and generate economically viable opportunities for wood-based ethanol. The President's FY 07 budget proposal contains \$150 million to promote the development of biobased transportation fuel from agricultural waste including wood chips. Biorefinery project managers in Arkansas and the Mississippi Delta provided testimony at House Resources Committee hearings. While the feasibility of these options is still uncertain, some remain hopeful that such markets could stimulate expanded reforestation, increased investment in forest management, and mitigate, to some degree, the loss of forestland otherwise occurring in the South. The SGSF staff is working with the Southern Forest Research Partnership to examine strategies for potential project development.

Secure Schools

In an effort to provide a funding mechanism to reauthorize the Secure Schools and Community Self-Determination Act through 2012, the USFS has proposed to divest approximately 304,370 acres (estimated \$800 million) of surplus lands within the National Forest domain. Funds generated from the land sales would primarily assist Western-state counties otherwise impacted by loss of timber sale revenue. State and local governments and nonprofit land trust organizations would have the first right to buy the surplus tracts. The controversial proposal contained in the agency's FY 2007 budget request would impact approximately 55,316 acres of National Forests in the South as follows:

■ Alabama 2,822	■ Arkansas 3,612
■ Florida 973	■ Georgia 4,522
■ Kentucky 4,540	■ Louisiana 3,895
■ Mississippi 7,479	■ North Carolina 9,828

■ Oklahoma 3,541	■ South Carolina 4,665
■ Tennessee 2,996	■ Texas 4,813
■ Virginia 5,717	

Hurricane Supplemental

The 2006 Department of Defense Appropriations Act contained several USDA programs directed at hurricane recovery including increased funding for the Emergency Conservation Program (\$200 million) and Emergency Watershed Protection measures (\$300 million) to provide certain levels of assistance to non-industrial forest landowners for reforestation. The Emergency Forestry Conservation Reserve (EFCR) program was also established to provide a special CRP-type payment (\$404 million) for qualifying damaged timberlands subject to reforestation. The Farm Services Agency is in the process of rulemaking for implementation of EFCR. In addition, the supplemental allocated \$30 million for USFS State and Private program support. Despite the extremely low allocation to USFS-S&PF, the appropriations met, and in some cases, exceeded the recommendations of the SGSF. Concern remains, however, that funding may not adequately support the levels of technical assistance necessary to implement the recovery programs. The Southern Group of State Foresters has also advocated rules and administrative procedures avoiding cumbersome restrictions that might complicate landowner participation or hinder the recovery of high priority areas.

In addition to the Hurricane Supplemental included in the 2006 Department of Defense Appropriations Act, the White House asked Congress for \$1.7 billion to improve hurricane protection systems and environmental restoration in states impacted by hurricanes Katrina and Rita. Funding would restore certain Fish and Wildlife Refuges, National Park sites, and other Department of Interior facilities. The only USDA funding contained in the latest supplemental is a \$10 million expansion to (NRCS) for watershed and flood and prevention programs.

