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Mr. Chairman and members of the committee, I appreciate the opportunity to speak to you about a critically important issue in Colorado, the health of our forests. My testimony today will address the statewide impact of recent wildfires, funding for wildfire prevention, suppression, and recovery, challenges presented by Colorado's vast wildland/urban interface, and ways in which our forests might be managed to improve their resiliency and reduce the risk of catastrophic wildfire in the future. I will address the role and importance of federal authorities, market-based incentives, state land management, and place-based forest collaboratives in helping us improve the health of our state's forest resources.

The problem of forest health is compounded by the bark beetle epidemic across Colorado, one that has left us with millions of acres of dead and dying trees. Markets for these trees are weak or non-existent, making it prohibitively expensive to treat all the areas that need attention. Drought has intensified the fire-prone condition of our forests. These challenges facing Colorado and many western states are being addressed with active forest management. Our state has a range of efforts underway designed to help restore forest health while simultaneously revitalizing our forest products industry.

2012 Wildfire Season

As the Committee is likely aware, Colorado has already had an intense fire season. Toward the end of March, the Lower North Fork Fire burned for a week in a populated area near Conifer, south of Denver. That fire resulted in the tragic deaths of three people, the loss of 27 structures, and the scorching of 4,140 acres. At the peak of the fire, over 900 homes were evacuated. Just two months later, the High Park Fire erupted north of Fort Collins. That fire burned 87,284 acres, destroyed 259 homes and 112 outbuildings, and resulted in one fatality. Before that fire was fully extinguished, the Waldo Canyon Fire outside of Colorado Springs erupted, eventually scorching 18,947 acres, destroying 346 homes, and leading to two fatalities.

The fire season isn't over yet, but our work is now divided between recovery from these destructive blazes and continuing to reduce the risk of having additional fires. Impacts from the fires have touched an array of individuals and agencies. Costs associated with wildfires include suppression actions during the fire, structure and property loss. Additional direct impacts include those to water facilities and water quality. Longer term, revegetation and erosion prevention activities can continue for decades.

For example, following the Buffalo Peaks Fire (1995) and Hayman Fire (2002), erosion continued to cause problems for downstream Strontia Springs Reservoir. Finally, in 2011, Denver Water had no choice but to dredge it in order to remove the accumulated sedimentation. The dredging project cost the utility an estimated $30 million.

Funding for Wildfires

We tend to think of funding for wildfire in three categories: pre-fire mitigation efforts, fire suppression once the fire is underway, and then post-fire recovery.

Pre-Fire Mitigation and Forest Health

Before a fire, maintaining forest health and protecting homes and communities can reduce the eventual costs of wildfire. With approximately 4 million acres of bark-beetle infested dead and dying trees around the state, the scale of the challenge is daunting. Paying for treatments that might mitigate this forest health challenge has been exacerbated by a weak market for forest products in the state. Since we know we cannot afford to treat every acre that deserves attention, prioritizing treatment areas is essential.

We appreciate the efforts of Senator Udall and his colleague Senators from Wyoming and South Dakota in securing $40 million in fiscal year 2010 to this region of the U.S. Forest Service to help mitigate the effects of falling dead bark beetle-killed trees as well as additional treatment work in this infested area of our state and region. That funding has indeed helped, but we have much more work to do. It is estimated that the cost to treat the dead trees in the nearly 4 million areas hit hard by this current bark beetle epidemic could cost upwards of one billion dollars alone.

After the devastating 2010 Fourmile Canyon Fire, where 168 homes were destroyed north of Boulder, Sen. Udall requested a thorough assessment of the incident from the Rocky Mountain Research Station. We appreciate the Senator's leadership, and the report was released last month (Gen. Tech. Rep. RMRS-

GTR-289; July 2012). One of the most interesting findings was that while several fuels treatment projects had been conducted within the area that eventually burned, many of those treatments failed to protect homes. Those projects had been focused on improving the health of the forest, developing safe travel corridors, and creating wildfire defendable zones using a shaded fuel break near homes and communities. However, surface debris from the treatments had not been removed in many instances either physically or by prescribed fire. Thus, the efficacy of the fuel treatments was very limited. This finding underscores the challenges associated with funding shortages; while clearing timber is important, removing the material is an expensive – and critical – piece of the strategy. Incentivizing the removal of woody biomass could shift this pattern so that forest treatments include that pivotal step. However, the results did show that if property owners both removed excess trees and surface vegetation, their chances of protecting their homes was improved, which suggests that we need to do better about encouraging defensible space around homes and communities.

Fire Suppression

Early response to wildfires is essential to ensure public safety, reduce costs, and minimize damage to natural resources. Along with three other western Governors, Governor Hickenlooper in July wrote a letter to leadership in Washington, DC, urging Congress to provide adequate funding through FEMA for states and local jurisdictions pursuing fire recovery. The Fire Management Assistance Program is particularly important for these efforts. Additionally, the Governors noted their concern with the ongoing pattern whereby land management agencies exhaust the funds available for firefighting and are forced to redirect monies from other programs, including, ironically, fire mitigation work. Raiding the budgets for recreation in order to pay for fire suppression presents a significant problem in Colorado, where our outdoor recreation opportunities on public land are unparalleled. We support minimizing fire transfer within the federal land management agencies, and more fully funding existing suppression accounts.

Post-Fire Recovery

Colorado appreciates the range of federal support available to assist with post-fire recovery, primarily through the BAER teams and FEMA.

While FEMA has provided invaluable support for post-fire recovery, the research is clear: treating forests ahead of time and preventing fire from occurring is more cost effective. For this reason, we urge Congress to work with FEMA to expand the use of their disaster mitigation funds to include disaster prevention treatments.

The Wildland-Urban Interface

A recent Colorado State University study (D. Theobald and W. Romme, 2007) estimated the size of the WUI in our state as encompassing 715,000 acres; that same study predicts a 300% increase to over 2 million acres of WUI by 2030. Homes in the WUI are particularly vulnerable to wildfire. They also present an unusual public policy challenge, as individual homeowners need to be brought into a landscape-scale approach that is based on the best available science.

The Fourmile Canyon Fire Report (referenced above) noted that home destruction in the fire was due to direct firebrand ignitions and/or surface fire spreading to contact the home. Therefore, significantly reducing the potential for WUI fire disasters during extreme burning conditions depends on a homeowner creating and maintaining a safe *home ignition zone* or HIZ – the design, materials, and the maintenance of the home including the area 100 feet around it. The Colorado State Forest Service works with homeowners to help them assess and then treat forested land to reduce the threat from fire. That agency is funded largely through the State and Private Forestry program in the USFS budget, and their work is limited by the funds available to support their efforts. Again, these limitations point to the need for prioritization.

We support the concept of identifying "critical areas" on our national forests that are at high risk of catastrophic wildfire, and then applying streamlined review and implementation processes for thinning projects. These areas are in urgent need of expedited treatment to reduce fuel loads to help reduce the threat to communities from wildfires. Because our most urgent need is around communities, we suggest defining the concept so that it refers exclusively to areas within the WUI. This would allow for a focus of scarce resources to the areas that are most critical: near homes, communities, and water facilities. The Governor recently sent a letter on July 6, 2012 to the Senate and House Agriculture Committees urging that this concept—as well as many others—that appear in the Forestry section of the 2012 Farm Bill be adopted and passed so that we can employ these provisions as soon as possible.

Federal Authorities

In addition to the "critical area" designations identified in his letter regarding the Farm Bill, the Governor identified two other federal authorities have played a key role in Colorado as we work to find a private market for forest products, enhance the health of our forests, and reduce the risk from wildfire. Those provisions are Stewardship Contracting and Good Neighbor Authority.

Stewardship Contracting allows the USFS to focus on goods (trees and other woody biomass) for services (removal of this material), and helps the agency make forest treatment projects more economical. Individuals who seek to build a business that requires a reliable supply of timber have consistently reported that long term Stewardship Contracts provide them with the security they need to secure investments. We support permanent authorization for stewardship contracting.

Good Neighbor Authority allows states, including our own Colorado State Forest Service, to perform forest treatments on national forest land when they are treating neighboring non-federal land. This landscape-scale approach is essential for achieving landscape-scale forest health. Fires don't respect ownership boundaries. We support permanent authorization for Good Neighbor Authority.

Market-Based Incentives

Another way to encourage the removal of woody biomass is to provide incentives for the private sector. Using the wood to create traditional forest products is one avenue. More recently, Colorado (and several other states) has begun to explore the viability of using the wood as an energy source.

Colorado's 2011 Forest Health Act (SB11-267) created a Biomass Task Force, tasked with researching the barriers to the development of such an industry and making recommendations for overcoming those barriers. The report noted that

> Colorado should use more forest biomass to reduce the fuels available to catastrophic wildfires. Biomass could be used in wood-to-energy efforts, which work more effectively where the full-value product chain, (i.e., the full range of possible wood products is produced), is generated through forest management activities. Higher-value uses of wood, such as lumber and wood paneling, provide the financial support to remove and utilize lower-value woody material, such as biomass for energy, allowing this material to be used efficiently, rather than being left behind to fuel a wildfire.

State Lands

So far, this testimony has focused on the challenges facing federal and private lands. We do, however, want to mention state lands. As with federal public lands, the cost of removing trees when the vegetation removed is of low economic value makes their removal costly. Of the 4,483,638 million acres of land that the state manages (State Trust Lands, State Parks, and State Wildlife Areas), about 845,000 acres is forested, and of that about 297,000 acres has been impacted by the bark beetle, and of this about 8,000 acres is within the wildland/urban interface. That means that of the 3.5 million acres of forest lands affected by the bark beetle, state lands represent 0.2 percent of the immediate threat to homes and communities. Still, we have been actively treating these lands—when we can secure the funding to do so. To date, the state has treated—that is, removed excess vegetation that constitutes the fuel for intense wildfires—about 48,000 acres. Much of this work was done with federal assistance (about $2.5 million between 2006 and2010), and this federal funding required state matching dollars. The state is actively pursuing additional federal funding (again requiring state matching dollars) for this year and beyond.

Collaborative Groups

Colorado has a rich environment of grassroots initiative and cooperation that fosters gatherings of people from differing backgrounds and interests coming together to address forest issues in specific geographic locations through collaborative approaches. Although there is a current national trend of citizens organizing collaborative groups to work together to address complex issues facing forests on public and private lands at the local and regional levels, Colorado has a long tradition of successful collaborative problem solving spanning nearly thirty years. There are twenty identified place-based forest collaboratives of all sizes, organizational structures, missions and operational philosophies active in Colorado and at least three new collaboratives are being formed. Because of this rich environment of collaboration, Colorado became the only state to receive multiple awards when it got two highly competitive USDA Collaborative Forest Landscape Restoration Program grants in 2010.

Conclusion

Colorado is facing a host of challenges when it comes to managing our forest resources and reducing the risk of wildfire to homes and communities. The strength of our place-based collaborative groups allows them to partner with land management agencies to leverage scarce resources. Innovative small businesses have begun to emerge in the state, seeking to make creative use of woody biomass. But Colorado needs help. As described here, permanently authorizing provisions that help our efforts is an essential step. We look forward to working with this committee in whatever way is useful.

Thank you for your ongoing interest in and passion for these issues.