

Testimony to the U.S. House of Representatives
Committee on Natural Resources
“Evolving West”

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Good morning Chairman Rahall and members of the Committee. My name is Russ Vaagen and I am Vice President of Vaagen Bros. Lumber. I also serve as Vice President of the Northeast Washington Forestry Coalition. My family’s company has been operating in Northeast Washington since 1952. We pride our selves on running a business that is not only economically viable, but leaves things in better condition than we found them. Vaagen Bros. Lumber has always been a leader in utilizing as much fiber as possible from the forest. We utilize co-generation to create renewable power using wood waste; we sell all of our by-products to go into other products like paper, newsprint, particle board and pellets. In the late 80’s our company started pioneering small diameter technology in the US that had been in use in Scandinavian countries. Today our focus is small diameter logs. We produce lumber out of logs starting at 4 inch small end diameter and we make chips from logs down to 2 inch small end diameter. The largest log that we can make lumber out of is 14 inch large end diameter. It truly is a small diameter process.

In the past 55 years since my family has been operating sawmills in NE Washington, we have seen many changes. Changes in our communities, our forests, our industry and changes in the ways we work out our differences. I am going to talk about four points that address these changes and how we can begin improving the health of the forests and communities in the West. My four key points are:

1. Collaboration
2. Forest Health and Wildfire
3. Sawmill Infrastructure
4. Rural Economics of the West

I am part of a local collaborative group called the Northeast Washington Forestry Coalition that meets to discuss and solve issues related to the management of the Colville National Forest. The Colville National Forest is 1.2 million Acres of land in the counties

of Ferry, Stevens, and Pend Oreille. The Coalition consists of conservation groups, timber companies, a paper mill, a power company, consulting foresters, loggers, a ski area, and interested members of the public. The county commissioners and local politicians are also involved.

The timber industry and conservation groups had both been at odds with the agency and each other for a number of years. That all began to change when both sides started to see that they were not getting their interests met. Four years ago our group was formed to discuss our concerns with the management of the Colville National Forest and out of that we discovered that the interests of the local timber industry and the environmentalists were very similar. Both wanted healthy forests and healthy communities, but weren't seeing enough progress on either front.

We have come to agree that we can have more timber harvested at the same time we protect other areas of the forest. As a result, we have not had a project appealed on the Colville in more than two years. The Northeast Washington Forestry Coalition has a Memorandum of Understanding signed with Colville National Forest to collaborate on projects and issues of managing the forest. We are in constant communication with the Forest Service and the process has been very successful and looks to build momentum into the future. Currently the Colville National Forest sells about 35 million board feet annually. Our coalition has identified an area in need of responsible management that can support 80 million board feet annually. Producing more logs from the forest is important, but we are also working on protecting more areas of the forest, possibly even new wilderness. It is what we call the blueprint for the future management of our forest. The Northeast Washington Forestry Coalition is a great group that is an example of how people are working together to solve problems and build hope for a strong and balanced future. The members of this coalition have the full spectrum of political view points; however these issues are not political by nature

My second point centers on forest health and wildfire. We have a serious problem in the West, especially on our National Forests. Our forests by in large are over stocked with too many trees fighting for water and sunlight, making them strain to survive. This is due to decades of fire suppression to keep fires to a minimum in order to protect property, resources and habitat. Not allowing the fires to burn when the fuel loads were lower has had the consequence of putting too many trees and too much brush on the landscape. This all means that when fires, insects or disease enter these forests the consequences can be catastrophic. In certain areas we need to continue suppressing fires to protect homes and communities, but we need to manage the forests to keep the forests from becoming overgrown. Thinning these forests and providing products to local businesses is the best way to achieve this. It adds value at every step, to the land, to the community, and to the economy. It just makes sense.

We are currently spending large amounts of money fighting these fires when, in fact the fires are a symptom of a larger problem. The Forest Service will spend almost \$2 billion for fire preparedness and suppression this year. Those two activities now account for 45% of the agency's budget, up from 15% little more than a decade ago. The driving

problem is poor forest health and over crowded forests. Congress can help by in solving the problem by directing more funding to projects designed to reduce fuels and improve the health of the forests. If we just keep spending more money on fire fighting , we will continue to see the problem get larger and become even more expensive in the future. We can completely reverse the trend by harvesting valuable products from these areas while improving the health and vitality of the forest

My third point is the importance of sawmill infrastructure in getting this work done. Sawmills are the greatest tools for treating our forests. Without sawmills there is little or no market for valuable material that needs to be removed from project areas, which will require massive amounts of federal dollars to treat our forests. Because there is such a critical need to treat large areas at a landscape level, being able to sell large volumes of small and medium sized logs is critical. Unfortunately, there are many areas of the west where sawmill infrastructure is gone or on the brink of disappearing. Areas in New Mexico, Colorado, California, Utah, Wyoming and others used to have sawmills, but now they have nothing. This makes it nearly impossible to do the work effectively. The cost of getting that infrastructure back is staggering. We need to make sure that a focus is placed on to creating large projects where the infrastructure exists in order to maintain it. Large projects should also be undertaken in areas where sawmills don't exist in order to provide opportunity for local businesses to get started again. Small projects over short periods of time do not provide enough material or the predictability to start or maintain a business. There have been projects that have been more than 100,000 acres and up to 10 years in length. We need to see more of that.

My forth and final point is about the rural economics of the West. With the advent of the internet and improved communications the rural economy has been evolving and changing. One thing that people may not know is that in the rural communities some of the highest paying careers are in sawmills and jobs in the woods. In our area the average sawmill worker makes between \$35,000 and \$45,000 annually not including benefits. This makes up a very important part of the economic engine of our communities. Having mills adds value to property owners by providing an outlet for them to sell logs while they take care of their property. It also allows them to keep their land as working forests rather than development, which is changing the West. A healthy sawmill infrastructure allows much more opportunity for specialty and value added manufacturing. Timber revenue in the rural west also generates tax dollars for the local governments. Increasing volumes of timber from the National Forests from good projects can generate funds for counties. This could be part of the solution to secure rural schools and county payments.

Sawmills and the resource industries are not the cornerstone of these rural western communities that they once were, but they play a vital role in the overall economic picture. It is very important to create a balanced economy in these communities so they are able to weather the storms of economic downturns. If you look at the vibrant towns in the rural west they have the element of balance. I truly believe that by treating our forests in a sensible way led by collaborative groups like the Northeast Washington Forestry Coalition we can add real economic and ecologic stability to communities where it has been missing for far too long.

In conclusion my key points are

- That collaboration makes sense and is very important to the management of our National Forests,
- That forest health is an important issue with real consequences and we must take action,
- That sawmill infrastructure makes forest health treatments possible, and finally
- The management of our Federal forests has profound impacts on our rural communities.

The West is indeed changing, and my community is evidence of that. But while everything about our community is now more diverse and dynamic, we've found that collaboration through groups like NEWFC can help us find our common values and work together on solutions that meet all our needs. Congress can help by putting focus both financially and politically on putting more large projects together that help improve the state of our forests and the vitality of our rural economies.

Thank you.