



February 17, 2016

The Honorable Thomas Tidwell  
Chief  
U.S. Forest Service  
201 14<sup>th</sup> Street, SW  
Washington, DC 20250

Dear Chief Tidwell;

Thank you for your continued and strong support for the Four Forest Restoration Initiative (4FRI). The recent announcements of a major ramp up effort in the implementation of 4FRI, and of the injection of over 10 million dollars into this effort are most welcome news to the Arizona White Mountains communities. We are deeply appreciative of your sustained commitment to landscape scale restoration in Arizona.

This ramp up effort could not be more timely. Despite the “Bridge the Gap” program initiated in 2013, with the objective of implementing 15,000 acres of Ponderosa Pine and mixed conifer (PIPO/MC) restoration treatments annually with the White Mountains industry outside the 4FRI first phase contract, and about which your office was regularly briefed by the Eastern Arizona Counties Organization, individual Arizona Counties, the office of the Governor of Arizona, and the offices of Senator Flake and Senator McCain, approximately 90% of the log utilization capacity in the White Mountains is currently shut down for lack of wood supply, and the only biomass power plant in Arizona is operating precariously with only 1 ½ week of fuel.

This situation threatens the very survival of the industry that implemented the White Mountains Stewardship Contract for 10 years; that implemented over 85% of all the 4FRI mechanical restoration treatments in FY 2015; and, that is poised to continue being the driving force behind the implementation of most 4FRI mechanical thinning in FY 2016, 2017 and beyond.

On February 8, 2016, the Eastern Arizona Counties Organization organized a WHITE MOUNTAINS INDUSTRY / FOREST SERVICE ROUND TABLE under the auspices of the Natural Resources Working Group in order to provide a platform for a group of representative White Mountains industry partners to provide information to the Apache/Sitgreaves National Forests (A/S) new leadership on the challenges faced by the Arizona White Mountains industry, and on the critical factors to be considered to maximize the implementation of forest restoration in the White Mountains and to optimize the offerings of woody material by the A/S and 4FRI to the industry that funds and performs the restoration treatments.

Three supply line issues were identified:

- 1) URGENT RESTOCK: this is the minimum amount of wood required to justify the re-hiring and re-start of the processing plants. Assuming a minimum of 3 months of supply, and using for order of magnitude 1/4th of the annual requirement, a restocking of 4,000 PIPO/MC acres is urgently needed in Q2/Q3 FY 2016.

- 2) 2016 RUN RATE: after restocking is completed, a run rate of 15,000 PIPO/MC acres per year is necessary at minimum level.
- 3) INVENTORY REBUILD: standard business practice dictates that all processing plants should have a predictability of wood supply of one year at minimum, and three years at optimum. This implies increasing the offering of acreage to a 20,000 acre annual rate, which is the stated objective of 4FRI outside the 1st EIS contract, and the development of a series of medium term / medium scale contracts targeted toward individual White Mountains industries.

The total requirement of 4,000 PIPO/MC acres urgent restock in Q2/Q3 FY 2016; 15,000 PIPO/MC acres run rate in FY 2016; and, 20,000 PIPO/MC acres combined run rate & inventory rebuild in FY 2017 and beyond is objectively not a challenge that the Apache/Sitgreaves National Forests can meet alone.

The continued implementation of landscape scale forest restoration in the White Mountains is a 4FRI challenge.

However, the overall 4FRI situation is deeply unbalanced:

4FRI	
Coconino / Kaibab NF - 1 <sup>st</sup> EIS contract	Apache/Sitgreaves NF - White Mountains industry
<ul style="list-style-type: none"> <li>• Good Earth Power:               <ul style="list-style-type: none"> <li>– Heber sawmill: small legacy mill on line.</li> <li>– Williams sawmill: small legacy mill reported to be in reconstruction; no observed sustained activity.</li> <li>– “flagship sawmill”: reportedly planned but not permitted.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Forest Energy: two successive layoffs, no current production, zero green wood supply.</li> <li>• Arizona Log and Timberworks: shut down last week, running this week with 3 days of supply.</li> <li>• Reidhead Brothers large diameter mill: recently shut down, zero supply.</li> <li>• Reidhead Brothers small diameter mill: recently shut down, zero supply.</li> <li>• APC Pallets Eagar mill: recently shut down, zero supply.</li> <li>• Novo Star Hewsaw mill: shut down for February for lack of supply.</li> <li>• Novo BioPower: 1 ½ week of supply.</li> </ul>
<ul style="list-style-type: none"> <li>• Acres under contract: 54,000 acres.</li> <li>• FY 2015 rate of treatment: 2,400 acres (including PJ, state &amp; private land).</li> <li>• Projected FY 2016 treatments: reportedly 16,000 acres (?).</li> </ul>	<ul style="list-style-type: none"> <li>• Acres under contract: 10,700 acres.</li> <li>• FY 2015 rate of treatment: 15,000 acres (including PJ, state &amp; private land).</li> <li>• Projected FY 2016 treatments: up to 17,000 acres, if acreage made available by USFS.</li> </ul>
<ul style="list-style-type: none"> <li>• Inventory on hand, based on actual FY 2015 rate of treatment: 22 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory on hand, based on actual FY 2015 rate of treatment: 7 months.</li> </ul>
<ul style="list-style-type: none"> <li>• Inventory on hand, based on projections for FY 2016 rate of treatment: 3 ½ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory on hand, based on projections for FY 2016 rate of treatment: 6 months.</li> </ul>
<ul style="list-style-type: none"> <li>• Status of infrastructure required for projected FY 2016 performance: reportedly planned but not permitted.</li> </ul>	<ul style="list-style-type: none"> <li>• Status of infrastructure required for projected FY 2016 performance: 100% on line.</li> </ul>

Rebalancing 4FRI can only be done with the full spectrum of the 4FRI resources from all four individual national forests and the regional office, and with the active support of the national office.

Agreeing that no individual solution will provide a 'silver bullet' and that an 'all of the above' approach is required, the participants to the WHITE MOUNTAINS INDUSTRY / FOREST SERVICE ROUND TABLE, including the A/S leadership, discussed a range of possible solutions:

- 1) All Apache/Sitgreaves NF existing PIPO/MC NEPA-ready acres to be allocated to urgent (Q3 2016) offerings outside the 1st EIS contract.
- 2) All Tonto NF Payson and Pleasant Valley districts existing PIPO/MC NEPA-ready acres within the economically viable radius of the White Mountains industry working centers to be allocated to urgent (Q3 2016) offerings outside the 1st EIS contract.
- 3) USFS 4FRI Team to review the possibility to swap the Apache/Sitgreaves NF Rim Lakes - Willow 1st EIS contract Task Order (1,248 acres) for another Task Order in the western Coconino NF or Kaibab NF, and offer a Willow sale in Q3 2016.
- 4) USFS 4FRI Team to review the possibility to swap the Coconino NF East Clear Creek 1st EIS contract Task Order (4,295 acres) for another Task Order in the western Coconino NF or Kaibab NF, and offer an East Clear Creek sale in Q3 2016 as the first stage of implementation of the CC Craigin Watershed Protection Project (CWPP).
- 5) Apache/Sitgreaves NF to review if additional burned acres (or 'green island' acres) can be added immediately to the Burrow Stewardship Agreement with the Eastern Arizona Counties Organization. Are the previously reported 4,000+ candidate acres south of Greer available? What NEPA action is required?
- 6) Upper Rocky Arroyo NEPA to be concluded as soon as legally possible, and preparation (Prep) work on PIPO/MC acres to start as soon as legally possible, or designation by description (DxD) to be implemented on Upper Rocky Arroyo.
- 7) Apache/Sitgreaves NF to review the 56,000 NEPA-ready acres assumed to have been burnt in the Wallow Fire. Do some of these acres ('green islands', light burns, etc.) still need to be treated? Can the NEPA be updated with short Supplemental analyses?
- 8) Apache/Sitgreaves NF to review the possibility to accelerate the NEPA, the Prep, and the offering for the 20,000 acres of PIPO/MC included in the West Escudilla project.
- 9) Apache/Sitgreaves NF to review what possibilities exist under the recently approved Categorical Exclusions (CE) of the Farm Bill.
- 10) Apache/Sitgreaves NF to review the possibility of a hazard trees CE along the main A/S forest roads.
- 11) Apache/Sitgreaves NF to review the requirement to remove logging slash residual biomass from the upcoming offerings. It may be needed in some areas, and not as much in others.

- 12) Apache/Sitgreaves NF to review the possibility to offer medium term and long term medium size contracts to allow the existing White Mountains industry to finance investments in biomass disposal (e.g. conversion of mill energy systems to biomass).
- 13) USFS 4FRI Team to review re-purposing the 1st EIS contract Task Orders within economic radius of the White Mountains industry - or equivalent number of acres, that are scheduled to expire during FY 2016.
- 14) USFS 4FRI Team to review the possibility to transfer temporarily Prep crews from the Coconino and Kaibab NF to the Apache/Sitgreaves NF.
- 15) Apache/Sitgreaves NF to review the re-ramp up of 'timber shops' and 'sales administration shops' in all its districts in order to re-activate a program of multiple, regular, geographically distributed timber sales designed to supply each district's working circle.
- 16) USFS 4FRI Team to review the possibility to transfer resources massively toward the NEPA analysis of the Black River project to start implementing restoration in the Salt River watershed and balance the woody material offerings along the Mogollon Rim.

On February 16, we met with Regional Forester Cal Joiner and his Team, and discussed individually each of these proposed actions. We are very encouraged to observe that these proposed actions appear aligned with the Forest Service recently announced 4FRI implementation ramp-up plan, and that the Southwest Region appears inclined to allocate, and re-allocate, 4FRI NEPA-ready acres based on actual performance.

We have committed all available Eastern Arizona Counties Organization resources to support the Forest Service as much as possible in the implementation of appropriate actions, such as the expansion of the Burro Stewardship Agreement between the Service and the Eastern Arizona Counties.

Implementing timely, and for some of them urgently, these proposed actions, represents an enormous commitment of treasury, which you have already provided, and for which we are grateful. It also represents an enormous human resources challenge, which may be difficult for the Southwest Region to meet alone. Your support in facilitating the temporary detailing of technical teams, specifically field preparation teams and NEPA teams, from other regions during FY 2016 to Region 3 may be critical to the success of this ramp up.

We are respectfully asking that you continue to strongly support, enable and empower the 4FRI Forest Supervisors, the newly appointed 4FRI Chief Executive, and the Regional Forester as they engage in difficult and courageous decisions, up to and including the repurposing of NEPA-ready acres previously allocated to the 1<sup>st</sup> EIS Contract, to save 4FRI and save landscape scale restoration in Arizona. We are further respectfully asking that you monitor closely over the coming months the implementation of the ramp up.

We cannot overemphasize the urgency and the gravity of the situation, and the absolute necessity for rapid and bold decisions. We intend to follow up with the Apache/Sitgreaves, the 4FRI, and the regional leaderships by early March, in order to set, or recast, common expectations for objectives and implementation timelines on the 16 proposed actions, if applicable, and possibly others, as appropriate.

Without such measures, Arizona will likely lose the White Mountains industry that proved itself by implementing the White Mountain Stewardship Contract for 10 years; that just implemented approximately 85% of the forest restoration treatments in Arizona during FY 2015; and, that is demonstrably capable of implementing routinely 20,000 acres of Ponderosa Pine and mixed conifers restoration treatments annually, which is the stated 4FRI objective outside the 1<sup>st</sup> EIS Contract, plus several thousand acres of Pinion Juniper restoration treatments annually.

Respectfully,



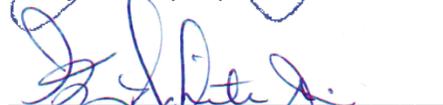
Gila County Supervisor Tommie Martin, Chair Eastern Arizona Counties Organization



Greenlee County Supervisor David Gomez, Vice Chair Eastern Arizona Counties Organization



Navajo County Supervisor Jason Whiting, Chair White Mountains Natural Resources Working Group



Apache County Supervisor Tom White



Graham County Supervisor Drew John



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CC:

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4FRI Chief Executive Scott Russell

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Senator McCain

Senator Flake

Arizona Governor Ducey

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Congressman Gosar