

ARIZONA HOUSE OF REPRESENTATIVES
Forty-seventh Legislature – First Regular Session

**COMMITTEE ON NATURAL RESOURCES
AND AGRICULTURE**

Minutes of Meeting
Monday, January 31, 2005
House Hearing Room 5 -- 9:00 a.m.

Chairman O'Halleran called the meeting to order at 9:00 a.m. and attendance was noted by the secretary.

Members Present

Mr. Allen J
Mr. Brown
Mrs. Chase

Mrs. Kirkpatrick
Ms. Mason
Mr. Nelson

Mr. Weiers JP
Mr. Jones, Vice-Chairman
Mr. O'Halleran, Chairman

Committee Action

H.B. 2127 – DP – 7-0-0-2

H.B. 2180 – DPA – 9-0-0-0

Speakers Present

Lindsay Heyen, Majority Intern

Representative Andy Biggs, sponsor of H.B. 2127

Name of person recognized by the Chair who appeared in support of H.B. 2127 but did not speak: (Page 2)

Kathi Knox, Majority Research Analyst

Jay Zieman, Director, Arizona State Parks

William Scalzo, Director, Maricopa County Parks and Recreations Department

Dr. Wally Covington, Professor, Northern Arizona University (NAU)

Kirk Rowdabaugh, State Forester, Arizona State Land Department

Karl Siderits, Special Assistant to the Regional Forester, United States Forest Service

CONSIDERATION OF BILLS

H.B. 2127 – big game permits; compassionate transfer – DO PASS

Lindsay Heyen, Majority Intern, explained H.B. 2127 in summary (Attachment 1).

Representative Andy Biggs, sponsor of H.B. 2127, addressed the committee and offered to answer any questions from the committee.

Name of person recognized by the Chair who appeared in support of H.B. 2127 but did not speak:

Terry Petko, representing himself

Vice-Chairman Jones moved that H.B. 2127 be given a do pass recommendation. The motion carried by a roll call vote of 7-0-0-2 (Attachment 2).

H.B. 2180 – Spur Cross Ranch conservation area – DO PASS AMENDED

Kathi Knox, Majority Research Analyst, explained H.B. 2180 in summary (Attachment 3) and the 2-line O'Halleran Amendment dated 1/27/05 (Attachment 4). Representative Kirkpatrick asked how this bill differs from the original bill that was passed. Kathi explained the original legislation indicated the area that was to be designated as a state part, but that did not happen. Additionally, the bill outlined other measures that were supposed to be put into place and some of those did not occur.

Jay Ziemann, Director, Arizona State Parks, addressed the committee. He referred to a map (Attachment 5) and explained that Spur Cross Ranch was owned by an insurance company and a family trust. The insurance company owned 70 percent and the family trust owned 30 percent of the property with undivided interest. He informed the committee that as acquisition negotiations began, appraisals indicated that the property was worth \$50 million in value. The original agreement indicated that Maricopa County and the state would each pay one-half million dollars and the park would be maintained by both the county and the municipality of Cave Creek. After the appropriation was approved by the Legislature, the two sellers of the property decided that the \$15 million was not going to be for the entire parcel but would only cover the 70 percent owned by the insurance company. The municipality of Cave Creek passed a bond for an additional \$6 million to acquire the other 30 percent of the property. As a result, instead of \$15 million, the sale price is now \$21 million and instead of two partners providing acquisition dollars, there are now three. H.B. 2180 is a technical bill and reflects more accurately what transpired in the acquisition of Spur Cross Ranch. He offered to answer any questions from the committee.

Representative Kirkpatrick inquired as to who is paying for the maintenance of the park. Mr. Ziemann answered the operation and maintenance duties are held by Maricopa County and the town of Cave Creek.

William Scalzo, Director, Maricopa County Parks and Recreation Department, addressed the committee in response to Representative Kirkpatrick's questions. He explained that Maricopa County Parks has managed and operated the park since its inception. The funding for the maintenance of the park has come from the town of Cave Creek. Numerous public hearings resulted in the implementation of a master plan, which includes a Cave Creek sales tax that will be used for improvements to the park. The park itself will be a conservation area which means there will be no roads or driveway areas. This is an effort to protect the many artifacts in the area.

Representative Nelson asked if there are plans to develop the plan as a park facility with armadas and picnic areas. Mr. Scalzo explained the facility will have trails, an interpretive center, and a variety of services for the public. There will simply be no public vehicle access. He added that currently thousands of people hike, horseback ride and visit the park, and although it will not resemble a typical urban park with picnic areas and vehicle access, the park's uses will be quite extensive.

Vice-Chairman Jones moved that H.B. 2180 receive a do pass recommendation.

Vice-Chairman Jones moved that the 2-line O'Halleran Amendment dated 1/27/05 (Attachment 4) be adopted. The motion carried.

Vice-Chairman Jones moved that H.B. 2180 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 6).

Presentation on Forest Restoration

Dr. Wally Covington, Professor, Northern Arizona University (NAU), addressed the committee. He offered a copy of the Missions and Goals of the Ecological Restoration Institute (Attachment 7) and explained it describes the background of the Institute and discusses the mission, which is to develop information needed to restore forest and watershed help in the State of Arizona. He offered a fact sheet that describes understanding fire and fire behavior (Attachment 8). Dr. Covington discussed the cost of wildfire (Attachment 9) and informed the committee that the only attempt for complete cost accounting of wildfire income tax is the facts from the Sierra Grande fire that burned so much of Los Alamos in 2000. The total acreage burn was 43,000 acres and as of 2004, over \$1 billion dollars has been spent out of federal tax dollars alone. That comes out to a little over \$23,000 per acre of damage. He pointed out that for just a few hundred dollars per acre of investment, these cataclysmic damages can be prevented. He also provided a fact sheet highlighting the restoration of the ecological and social integrity of the wild lands of the west (Attachment 10).

Dr. Covington informed the committee that ecological restoration is not just about restoring the wild lands but is also about restoring human habitat. He added that the concept of the greater ecosystem is large landscaped areas which include human communities as a critical element. He explained the Ecological Restoration Institute was established in 1997 through a decision package to the Board of Regents and the State Legislature. The money appropriated provided base funding for the Institute and currently operates at about \$2 million per year in both funds spent internally and funds passed on to the community. The mission is to bring the unique services of the university to bear on overcoming the limitations that are interfering with efforts to restore forests and watersheds within Arizona. The problem is cross jurisdictional and includes private lands, county, city, state and federal lands as well.

He pointed out that many of Arizona's greater ecosystems are in massive decline, ecological restoration offers a way to restore ecologic, economic, and social health and it does matter which treatments are selected. Collaborative approaches are essential.

Dr. Covington referred to a map of Arizona (Attachment 11) and pointed out that the most critical areas in need of ecological restoration are high-altitude areas. He noted the importance of restoring the greater ecosystem, which is a regional complex of ecosystems with common landscape-level characteristics linked by wide-ranging wildlife, landscape scale disturbance regimes and watershed functions. He added that greater ecosystems include human communities as key elements.

Representative Nelson asked about the natural cycle of burning and restoration. Dr. Covington explained that the European settlers took an agricultural approach to the wild lands in an effort to eliminate waste. The frequent fires that were part of the ecosystem were viewed as waste because they wasted forage that could better go into livestock and they killed little trees that could go otherwise have gone to the timber mill. Early foresters aggressively overgrazed the land to eliminate fire and while it appeared to be a successful strategy, it was not foreseen that the trees would become stagnant. Without fire, some type of active management needs to be implemented to maintain the kind of conditions that the rest of the ecosystem needs. Once the ecosystem is put in natural conditions, they can then maintain themselves over time.

In response to inquiry from Representative Allen, Dr. Covington explained that Arizona has the largest Ponderosa Pine Forest in the world but has almost no wet forest. He made the very critical point that all of the other states could lose all of their arid forests and still have forested watershed. If Arizona loses its arid forests, there will be no more forested watershed at all. He noted that Arizona still has 85 percent of its forests left but if nothing is done now they will not exist 25 years from now. He pointed out that before fire exclusion, Ponderosa Pine forests were open and park-like. As tree populations exploded, grasses and wildflower populations crashed. Excessive tree canopies dried up the seeps, springs and streams, wildlife habitats declined and crown fires have gotten larger and more severe. He offered a picture of Hart Prairie taken in 1885 (Attachment 12) at which time it really was a prairie. The same location photographed in 1990 (Attachment 13) reflects a tree encroachment of Ponderosa Pines in what was once open land. He pointed out that the amount of land lost in these fires has gone from 10 percent to 30 percent. He stated the environmental impacts are costly and include loss of lives, the direct cost of fire suppression, loss of homes and infrastructure, loss of wildlife and human habitats, watershed and water supply, recreation facilities, evacuation costs, tourism, timber and public health.

Strict sense restoration treatment in Ponderosa Pines includes:

- Retain trees which predate settlement
- Retain post-settlement trees needed to reestablish pre settlement structure
- Thin and remove excess trees
- Rake heavy fuels from the base of trees
- Burn to emulate natural disturbance regime
- Seed with natives/control exotics

Representative Allen asked about the reference to controlled exotics. Dr. Covington explained controlled exotic plants are those that are not natural to the area.

He continued with his presentation and explained the areas where strictly natural conditions are meant to prevail are wilderness areas, natural areas and national park. The rest of the landscape is cultural. More trees may be left to accommodate specific resource management objectives such as future wood harvesting, or fewer trees may be left to accommodate other objectives such as wildlife goals. He pointed out that the important thing to realize is that the alternative prescriptions have very different outcomes. He discussed predicted fire characteristics (Attachment 14) and pointed out that monitoring and evaluating long-term effects of forest restoration is much more than fire behavior and beetle damage, but is more about the health of the entire ecosystem.

Dr. Covington stated the importance of collaborative work between the agencies and discussed different assessments that have been used to both prioritize critical landscape elements and to discuss alternative thinning and burning treatments. One effort is the Western Mogollon Plateau Adaptive Landscape Assessment. The result of this research in the State of Arizona is the opportunity to inform the rest of the country about how to move forward and get restoration underway.

In response to inquiry from Representative Nelson, Dr. Covington explained that within the stakeholders groups, representatives from businesses such as livestock, ranchers and wood industry, environmental organizations are assembled in committees

In response to inquiry from Representative Allen, Dr. Covington explained that large areas of the landscape became homogenous and conditional to supporting crown fires. Restoration treatments need to be strategically located and once 20 percent to 30 percent of the landscape is treated, there will no longer be fires that consume over 10,000 acres.

Vice-Chairman Jones asked if the wood industry has declined in Arizona, and if so, by how much. Dr. Covington answered that the wood industry has declined in Arizona by 98 percent and transportation costs have played a very big role in that. Most of the wood industry was built upon harvesting old trees although some facilities used smaller diameter trees. The remaining older trees were easy to harvest leaving small trees and it became difficult to switch to small wood utilization. Additionally, environmentalists increased their efforts and most activists looked at cutting any trees at all as unnecessary.

In response to inquiry from Vice-Chairman Jones, Dr. Covington answered that biomass is a renewable source of energy and anything that can be done to encourage a restoration industry or an industry that is living off of the excess production of the land is in Arizona's long-term benefit.

Presentation by Arizona State Land Department

Kirk Rowdabaugh, State Forester, Arizona State Land Department, addressed the committee and discussed the Arizona Community Wildfire Protection Planning (Attachment 15). He informed the committee that in 1995 Arizona State Forestry began to focus on protecting communities at risk from wildfire. By 2000, all program activities had been leveraged to address the issue of protecting communities from wildfire.

He explained a State Forest Stewardship Program assists private non-industrial forested land owners who are developing a resource management plan that has cost shared grants to help implement those management plans. Most of those management plans focus on wildfire issues. Currently, most forestry is about protecting communities that are at risk of wildfire.

Mr. Rowdabaugh discussed some issues of the Healthy Forest Restoration Act (HFRA), one of the more important features of which is that it provides the Bureau of Land Management the tools to expedite the treatment of hazardous fire-related projects. Another tool is the Community Wildfire Protection Plan, which puts into place the ability for the communities to define what they believe the wildlife urban interface to be. In almost all cases, Arizona communities have come together to develop their own Community Wildfire Protection Plan and it has become a very powerful process. One of the outcomes of the Plan is that the communities prioritize those areas that they think need to be treated first. There are very few stand-alone wildfire protection plans and when there is a stand-alone, it is an area like Summerhaven or an area that is so geographically isolated that it only makes sense for the community to act alone.

He discussed the efforts that go into a wildfire protection plan, the first of which is collaboration, and in most cases it is a culmination of counties and cities along with multiple fire departments. There must also be identification and prioritization of those areas where the fuel reduction projects will occur. Measures to reduce the ignitability of structures throughout the at-risk community must also be addressed. He stated that in less than one year, Arizona has completed six plans in the communities of the National Sitgreaves Forest, the Apache Forest, the rim country or the area around Payson, Prescott, the greater Flagstaff area and there is a stand-alone on Mt. Lemmon in the Summerhaven community. Currently, 130 communities are covered by protection plans and another five communities are preparing plans so very significant progress will have been made by the end of 2005.

Chairman O'Halleran asked Mr. Rowdabaugh to discuss the fire map. He explained the map distributed to the committee (Attachment 15) is one of the products of a project called the Arizona Fire Map. Legislation passed last year asked the state forester to do a better job of collaborating statewide on all projects related to forest health and fire. It was decided that a map product would assist the state and local governments in beginning to comprehend the full spectrum of activity. The map allows collaboration efforts to develop projects and help account for what has been accomplished. He added that in the last four years, about 5,000 houses have been protected through these projects.

Vice-Chairman Jones asked about the conditions on forested tribal lands with respect to the undergrowth or overgrowth. He also asked about the level of collaboration between the state and the tribes in Arizona on the plans and he asked whose resources will be used to address the needs or requirements. Mr. Rowdabaugh explained that with respect to the condition of the land, the tribes suffer from some of the same general pressures that affect the rest of the state. They have not been constrained though in their ability to actively manage their land. The Fort Apache is still a very active and vibrant producer of wood material on the reservation and many of their lands have been actively managed. Through the Bureau of Indian Affairs, the tribes have access to the same kind of monies as communities outside of Indian country. Additionally, tribes have the same access to state forestry programs as any other community.

Presentation by United States Forest Service

Karl Siderits, Special Assistant to the Regional Forester, United States Forest Service, addressed the committee and explained his experience in the forest service has taken him around the country for the past 40 years. He stated the fires are starting earlier each season, some as early as April. They are lasting longer sometimes into September and the fires are burning larger areas damaging thousands of acres and can cost millions of dollars. He offered a handout (Attachment 16) and discussed the budget for the six national forests in Arizona. He pointed out that the program in forest fuels management is increasing and is a priority of the forest service. The total acreage included in wildlife urban interface will go from just over 28,000 acres to over 47,000 acres nationally. He referred to a map and explained it reflected all projects in Arizona and New Mexico that plan on participating in the fuels management program this year.

In response to inquiry from Representative Allen, Mr. Siderits explained that the programs were developed based on sound ecology. The programs turn into treatments and sometimes it is impossible to go into certain areas with the lower cost prescribed fire treatments. Thinning must be done first, which can cost as much as \$500 to \$1,000 per acre. He explained further that there is so much work to do to be close to the 1 to 1 ratio, which equals approximately 60 trees per acre. Arizona forests have thousands of trees per acre which is more like a 20 to 1 ratio and it will take years to reduce it.

He pointed the following key points:

- New growth has by far exceeded removals, even with the heavier logging of the 60's 70's and 80's removal through logging was only 30 to 50 percent of new growth.
- For the last 10 years, removal has been less than 10 percent of net new growth.
- Dense forests are now suffering drought and in their stressed condition large numbers of trees are succumbing to insect attacks.
- There are only two ways for excess trees to get out of the forest, up in smoke or hauled out.
- Research has clearly shown that intensity of forest treatments are needed to reduce fire hazard; those treatments would also bring forests much closer to historic densities so they would likely be less susceptible to their attack.
- Stewardship contracting is another tool to use in improving business opportunities in forest management. There are 15 in Arizona and New Mexico, the largest of which is in the White Mountains and includes 15,000 acres of wood annually or 150,000 acres over ten years. He stated that 800 acres has already been treated and the wood is going into biomass energy, wood pallets, and flakes for horse bedding areas.

Chairman O'Halleran stated the Healthy Forest Restoration Act (HFRA) gave the Forest Service some tools, one of which was the exclusion of 1,000 acres. He asked how many acres have been excluded in Arizona and if it has helped. Mr. Siderits stated it absolutely has helped and the area around Payson categorically excludes some thinning projects. In fiscal year 2005, the plan is to exclude 61,000 acres, 35,000 acres was excluded last year. The Healthy Forest Initiative (HFI) also allows the categorical exclusion of cutting next to trails, roads, cutting on private lands and cutting next to recreation areas.

He added that a letter received from the President and Congress stated that priority should be given to the fuelization of woody biomass for byproducts. It is a renewal resource and the wood should be cut and used.

Chairman O'Halleran stated aggressive action should be taken now because a valuable energy source is being wasted.

In response to inquiry from Chairman O'Halleran, Mr. Siderits explained that the small saw mills need to be reestablished in the forest closer to the wood. The areas of Payson, Pine, and Strawberry are ideal because those areas are within 20 miles of the smaller diameter trees. Currently, transportation costs are high because the mills are in Phoenix.

Without objection, the meeting adjourned at 11:25 a.m.

Robyne Richards, Committee Secretary
February 11, 2005

(Original minutes, attachments and tape on file in the Office of the Chief Clerk)