

Date of Hearing: March 24, 2021

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Luz Rivas, Chair

AB 697 (Chau) – As Introduced February 16, 2021

SUBJECT: Forest resources: national forest lands: Good Neighbor Authority Fund: ecological restoration and fire resiliency projects.

SUMMARY: Requires the Department of Forestry and Fire Protection (CAL FIRE) to establish a program for the purposes of conducting ecological restoration and fire resiliency projects on national forest lands.

EXISTING LAW:

- 1) Authorizes CAL FIRE to enter into an agreement, including a grant agreement, for prescribed burning or other hazardous fuel reduction. Authorizes the state to assume a proportionate share of the costs of site preparation and prescribed burning or other hazardous fuel reduction on wild lands.
- 2) Authorizes CAL FIRE to provide grants or enter into agreements with entities, including, but not limited to, private or nongovernmental entities to improve forest health and reduce greenhouse gas emissions. Requires moneys appropriated to CAL FIRE for landscape-scale projects to be allocated as follows:
 - a) To subsidize the removal of small diameter material, especially surface fuels and ladder fuels, as well as dead trees, in order to help develop markets for beneficial uses of the material, including, but not limited to, animal bedding, biochar, cross-laminated timber, mulch, oriented strandboard, pulp, post, shredding, and veneer products.
 - b) For multiple benefit projects, such as tree thinning, carbon sequestration, forest resilience, and improved ecological outcome projects, including, but not limited to, restoring watershed health and function and supporting biodiversity and wildlife adaptation to climate change. Requires CAL FIRE to prioritize grant funding to landowners who practice uneven-age forest management with a resilient forest of diverse age, size, and species class within the boundaries of the project and whose activities are conducted pursuant to an approved timber harvest plan, nonindustrial timber harvest plan, or working forest management plan. Requires an application for a grant for a project to include a description of how the proposed project will increase average stem diameter and provide other site-specific improvement to forest complexity, as demonstrated by the expansion of the variety of tree age classes and species persisting for a period of at least 50 years.
 - c) For activities on National Forest lands to increase tree stand heterogeneity, create forest openings of less than one acre, and increase average tree stand diameter of residual trees. Requires collaboration with the Air Resources Board (ARB) for grant approvals for projects on National Forest lands.
- 3) Exempts, until January 1, 2023, prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that had been

reviewed under the federal National Environmental Policy Act (NEPA), from the California Environmental Quality Act (CEQA). This allowance is contingent on the Secretary of the Natural Resources Agency certifying on or before January 1 of each year that NEPA has not been substantially amended on or after August 31, 2018.

- 4) Requires, pursuant to SB 901 (Dodd), Chapter 626, Statutes of 2018, the following appropriations from the Greenhouse Gas Reduction Fund (GGRF) be made through the 2023-24 fiscal year to CAL FIRE:
 - a) \$165,000,000 for healthy forest and fire prevention programs and projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires.
 - b) \$35,000,000 to complete prescribed fire and other fuel reduction projects through proven forestry practices consistent with the recommendations of the Forest Carbon Plan, including the operation of year-round prescribed fire crews and implementation of a research and monitoring program for climate change adaptation.
- 5) Establishes the Good Neighbor Authority Fund (Fund) in the State Treasury. Requires the Fund to be administered by CAL FIRE under the direction of the Secretary of the Natural Resources Agency. Specifies money in the Fund be available for expenditure, upon appropriation by the Legislature, for state departments or agencies to undertake forest health and fuel reduction projects on federal lands executed through these agreements, including specified associated activities.
- 6) Requires the Fund to be the depository for revenues derived from the sale of forest products from federal lands.

THIS BILL:

- 1) Defines “Forest Collaborative” as a functioning collaborative group that includes multiple persons or entities representing diverse interests, that is transparent and inclusive, and that has sufficient expertise, capacity, and scientific support to effectively plan, implement, and monitor landscape-level, ecological-based forest restoration activities.
- 2) Requires CAL FIRE to establish a program to conduct ecological restoration and fire resiliency projects on national forest lands, with priority given to forest restoration and fuels reduction projects that are landscape scale, are focused on ecological restoration and are based on the best available science, emphasize the use of prescribed fire, and include community fire protection and protection of water and other infrastructure as important goals.
- 3) Specifies eligible activities under the program, consistent with the federal Good Neighbor Authority (GNA) law and agreement between the state and federal government, may include any of the following:
 - a) The development of NEPA and CEQA documents;
 - b) Other activities related to project planning;

- c) Implementation and maintenance of selected projects, including ecological thinning, prescribed fire, replanting, and related activities; and
- d) Authorizes CAL FIRE to contract with Native American tribes, local governments, forest collaboratives, resource conservation districts, and qualified nongovernmental organizations to assist in planning, implementing, and maintaining landscape scale restoration projects on national forest lands.

FISCAL EFFECT: Unknown

COMMENTS:

1) Author's statement:

The federal government owns and manages 57% of California's 33 million acres of forestland, while the state and local governments own and manage only 3% of the forestlands. Wildfires are a continuing and growing problem in California. The frequency, size, and intensity of wildfires is increasing every year, causing severe damage to infrastructure, life, our forest ecosystem, and property. In fact, the top seven largest wildfires all occurred since 2017, and were amongst the deadliest. Five of the top six occurred in 2020 alone, which resulted in more than 4.1 million acres burned. Many major wildfires start on federal forestlands then spread to and damage communities throughout our state. Recognizing the importance of working together to address forest health and wildfire risk, Congress expanded the Good Neighbor Authority (GNA) nationwide in 2014 to authorize the states and federal government to share funds, staff and other resources, across jurisdictional boundaries, through signed agreements. AB 697 would create a program for the State to plan, manage and implement forest restoration projects on U.S. Forest Service lands through an expanded and formalized GNA that would accelerate the pace and scale of ecologically based forest management.

- 2) Background.** Wildfires in California are continuing to increase in frequency and intensity, resulting in loss of life and damage to public health, property, infrastructure, and ecosystems. In 2020, wildfires burned more than 4.1 million acres. The August Complex Fire in northern California, the largest fire in California's modern history, burned over one million acres. In total, wildfires caused 33 deaths and destroyed over 10,000 structures in 2020. The land area burned in 2020 more than doubled the previous record, roughly 1.8 million acres, which was set in 2018. Furthermore, seven of the state's deadliest fires have occurred since 2017, with over 100 fatalities in 2017 and 2018.

Fire has always been present in California landscapes either occurring by lightning strikes or used by Native American tribes to preserve certain useful plants and prevent larger fires. Low-intensity fires have clear ecological benefits, such as creating habitat and assisting in the regeneration of certain species of plants and trees. Low-intensity fire also reduces surface fuel, which decreases future wildfire intensity.

A century of suppressing low-intensity fires, logging of older growth and more fire-resistant trees, and a significant five-year drought has increased the size and severity of California's fires. Climate change has also contributed to wildfire risk by reducing humidity and precipitation and increasing temperatures.

The use of targeted mechanical vegetation management, prescribed fire, and managed wildfire reduces the accumulated high fuel loads, promoting healthier, more resilient forests, reducing the risk of high-severity wildfires.

SB 901 (Dodd), Chapter 626, Statutes of 2018, committed \$1 billion for CAL FIRE's Forest Health Grant Program and Fire Prevention Grant Program and dedicated fuel reduction crews over the next five years. The funds are meant to be used to do significant fuel reduction work near communities and in forested watersheds, and many projects will include a biomass utilization component. Approximately half of this commitment has already been spent.

On January 8, 2021, the Governor's Budget proposed \$1 billion to support the Governor's Forest Management Task Force's Wildfire and Forest Resilience Action Plan; the plan included early action items and an extension of the SB 901 funding commitment for five years.

- 3) **Good neighbor authority.** GNA allows the United States Department of Agriculture's Forest Service to enter into agreements with state forestry agencies to do the critical management work to keep our forests healthy and productive.

Since GNA was first authorized, the number of projects and participating states has grown. In 2018, Congress expanded authorities for forest management projects related to the GNA, setting the stage for more growth in cooperative forest management.

There are 33 million acres of forestland in California. The federal government owns and manages 57% of forestland, while 40% is owned by companies, families, individuals, or Native American tribes. The remaining 3% is owned and managed by state and local governments.

Major wildfires have started on federal forestlands then spread to and damaged communities throughout our state. The health of federally managed forests has a significant impact on all Californians, because it provides clean air, clean water, carbon storage, and recreational opportunities. High-intensity wildfires threaten all of these values. At least four western states, including Idaho, Montana, Oregon, and Washington, have established formal programs where the state either contributes to or is primarily responsible for planning, managing, and implementing forest restoration projects on Forest Service lands.

California recently entered into a Memorandum of Understanding with the United States Forest Service, known as the Shared Stewardship Agreement, to reduce wildfire risks on federal, state and private lands by sustainably treating one million acres of forest lands annually by 2025. In addition, CAL FIRE has funded work through its Healthy Forest grant program on federal land using GNA.

AB 92 (Committee on Budget, Chapter 18, Statutes of 2020) among other things, enacted Public Resources Code Section 4810 that establishes the Fund in the State Treasury to facilitate the implementation of forest management projects on federal lands. AB 697 would take the next step by formalizing a GNA program in California.

4) Related legislation.

AB 267 (Valladares) eliminates the sunset on provisions that exempt prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that had been reviewed under NEPA from CEQA. This bill will also be heard on March 24th in this committee.

AB 642 (Friedman) is an omnibus fire prevention bill that makes various changes to support cultural and prescribed fire, including the creation of a Cultural Burning Liaison at CAL FIRE, and requires a proposal for creating a prescribed fire training center in California. This bill will also be heard on March 24th in this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Water Agencies
California Association of Resource Conservation Districts
California Native Plant Society
Defenders of Wildlife
Sierra Business Council
The Nature Conservancy
The Watershed Research and Training Center

Opposition

None on file

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