

NAEMI Biomass & Business Training Workshop

May 2006

Cohesive Fuels Treatment Strategy

Without expanding the ability of the private sector to remove biomass from public lands, we cannot address the excessive fuels problem in a timely and efficient way. We cannot solve the fire problem by relying exclusively on Federally funded prescribed burns, for both economic and environmental reasons. Nor can we adequately reduce hazardous fuels simply through other direct Federal actions, because Federal dollars are limited and responsibilities are shared by Federal, State, Tribal, local, and private land managers alike.

ASPMB Directive

- Assistant Secretary, Policy, Management and Budget dated March 17, 2005.

Priorities related to biomass utilization:

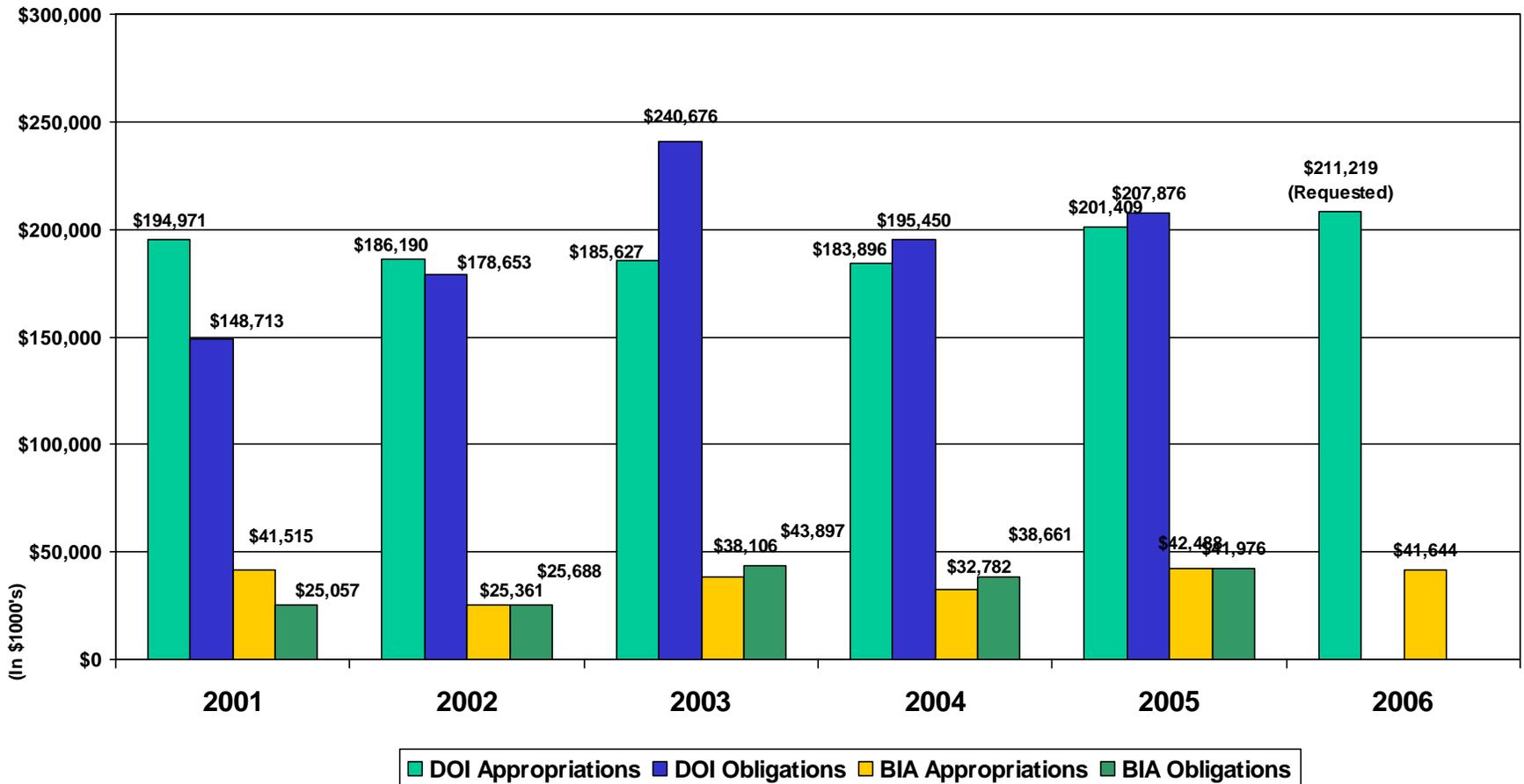
- using mechanical treatments, with special emphasis on projects yielding biomass for off-site economic use.
- Projects using contractors, particularly contracts that support rural community stability

GAO Report: Woody Biomass User's Experiences Offer Insights for Govt. Efforts Aimed at Promoting Its Use (March 2006)

- Findings:

- Govt. activities may be more effective in stimulating woody biomass use if they take into account the extent to which logging and milling infrastructure is in place. . .
- The availability of a reasonably low-cost supply of woody biomass depends in part, on the presence of logging and milling infrastructure

National & BIA Hazardous Fuels Program Funding History 2001-2006



Myths & Truths

- Restoration is important to all tribes
- Logging changes CC
- HFR is a fuels management responsibility
- Biomass is well-coordinated between bureau/tribal programs and tribal enterprises
- It will take hundreds of years to restore ecosystems
- There's Money in Biomass
- Not all tribes wish to restore ecosystems to natural conditions
- Relatively few logging acres result in CC change
- HFR funds may be cost-shared with other programs to increase efficiency
- Biomass needs better coordination
- There is potential to restore ecosystems in 30 years or less
- Some jobs, energy supplement, sustainable ecosystems, reduced risks

Business Handbook

- National HFR Program Funding Distribution
 - ASPMB March 17, 2005 Memo
 - Performance-based allocation
 - Cost share w/ activity fuels (re: Activity Fuels Cost Sharing Table)
 - May offset "deficit sales" and biomass utilization to "break even" point; valid cruise and/or appraisal required; tribe may set minimum stumpage for biomass

Business Handbook cont'd

- Biomass Utilization:
 - Merchantable hazardous fuels removed as biomass must be credited toward the AAC.
 - Revenue from bio-energy (placed on the grid) must be deducted (based on green tons equivalent) from the HFR contributions to the treatment.
 - No deduction is required when bio-energy is used by tribal enterprises, tribal housing, schools, etc.

Operational Considerations:

- Stand alone HFR biomass project
- Integrated with thinning non-merchantable products
- Integrated with logging
- Immediately after logging
- Use w/ permits
- Integrate costs with large sale or stratify

Fiscal Considerations:

- Its appropriate use the HFR Program to supplement new programs
- Non-reoccurring funds
- Competitive with other HFR treatments
- Focus on long-term sustainable business in the near future
- Funds at risk of considerable scrutiny
- Performance measures are planned

New HFR Activity Fuel Cost Share Format

- Uses PowerPoint format
- Simple
- Less Busy
- Not a dichotomous key
- Produces same answers as original version



Warm Springs Example

- Hazardous fuels removed (chips) immediately after commercial entry
- Fuels removed independent of sale activity
- Bio-energy through chip products



Coulville Example



- Hazardous fuels removed as sub merchantable trees, tops, immediately after harvest
- Chip products

Mescalero

- Hazardous fuels removed during:
 - Logging operation
 - Immediate after logging operation
 - As part of Forest Health Protection non-commercial entry.

