EXHIBIT 8
DATE 2/7/2005
HB

**The Montana University System**
***Strengthening the Montana Economy***

## PRODUCE HEALTHY RURAL RESIDENTIAL AREAS AND ADDITIONAL JOBS

**State Need:**

- Many Montana residents have settled on properties in the "wildland-urban interface," the low-elevation dry pine zone that is predisposed to frequent wildfires. This ecological zone will require ongoing vegetation management to sustain forest vigor and reduce the risk of fire damage to residential developments.

**Current Problem:**

- More and more people are moving into fire-adapted ecosystems. There is a strong public expectation to have their residential investments protected by fire suppression professionals.
- Although the protection of rural housing is closely related to homeowner treatments of the area immediately surrounding buildings ("firewise" treatments that utilize appropriate building materials and reduce fuels in the area within 100' of the house), the structure and composition of forests surrounding residential developments can affect fire behavior as well as other desirable attributes of a forest, such as wildlife habitat and aesthetics. The absence of systematic, science-based silvicultural guidelines for urban-interface forest treatments hinders the application of effective forestry in the urban interface.

**Market Reality**:

- Real estate values are affected by the condition of forests surrounding residential areas.
- The limited economic returns from the harvest of small diameter trees in the urban interface require operations to be highly efficient and well designed, so that larger, more economically valuable trees will be available in the future.
- Silvicultural treatments in the wildland-urban interface will require extensive cooperation among landowners, foresters, and highly trained timber operators, making interpersonal skills and sensitivities as necessary as technical capabilities.

**Proposed Solution:** Science-based, "Best Management Silvicultural Practices" in the lands surrounding rural residential developments

- Create a research, monitoring, and training program to evaluate the multiple effects of forest treatments in the wildland-urban interface and the types of treatment approaches most desirable to ex-urban residents.
- Provide economic evaluations of multiple uses of wood products based on the scale of operations, the market opportunities, and the types of forests affected.
- Develop, test, and apply voluntary guidelines to assist timber operators to become more effective in applying silvicultural treatments so that additional jobs are created in the forest.

**Required Investment:**

- $175,000 per year to the Montana Forest and Conservation Experiment Station
- $200,000 biennial investment from industry partners

| **MFCES Expenditures** | |
|---|---|
| Research and Monitoring faculty | $ 80,000 |
| 1 doctoral student | 25,000 |
| Training Consultants | 20,000 |
| Labor and Operating | 50,000 |
| TOTAL | $175,000 |

**Partner Contributions**

Experiments on lands, consulting on industrial practices, logging methods, and wood utilization, field measurements for monitoring effects.

**Return on Investment:**

- Additional treatments of forests in the wildland urban interface supplies more forestry jobs including woods workers and monitoring specialists
- More opportunities to utilize wood products from Montana's forests, supplying more mill and manufacturing jobs
- More jobs in ancillary areas such as trucking, marketing, and financial services
- Increased safety for wildland firefighters and woods workers
- Reduced fuel levels in forest stands in rural areas will reduce fire suppression costs and increase safety and security in communities.

**Selected Examples of Returns:**

- Under dry summer conditions, by reducing the level of forest fuels in rural neighborhoods through commercial operations, the investment can be recovered within two years.