



Inflation Reduction Act Briefer

Overview:

The Inflation Reduction Act of 2022 (IRA) (<u>H.R.5376</u>) passed the Senate on August 7 by a vote of 51 to 50 and the House by a vote of 220-207 on August 12. It was <u>signed into law</u> by President Biden on August 16. This bill is a slimmed-down version of the previously proposed Build Back Better Act, resulting from extensive negotiations on the Democrat side of the aisle. This bill went through the reconciliation process, meaning it required the support of every single Democrat with Vice President Harris casting the tie-breaking vote. It also restricts the measures in the bill to those that directly change federal spending and revenue, and not authorizations of new programs.

Provisions in Subtitle D Forestry

SEC. 23001. NATIONAL FOREST SYSTEM RESTORATION AND FUELS REDUCTION PROJECTS

"In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031."

Total Amount	Activity
\$1.8B	Subtitle D Sec. 23001(a)(1): \$1,800,000,000 for hazardous fuels reduction projects on National Forest System land within the wildland-urban interface.
\$200M	Subtitle D Sec. 23001(a)(2): \$200,000,000 for vegetation management projects on National Forest System land carried out in accordance with a plan developed under section 303(d)(1) or 304(a)(3) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542(d)(1) or 6543(a)(3))
\$100M	Subtitle D Sec. 23001(a)(3): \$100,000,000 to provide for environmental reviews by the Chief of the Forest Service in satisfying the obligations of the Chief of the Forest Service under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 through 4370m—12)
\$50M	Subtitle D Sec. 23001(a)(4): \$50,000,000 for the protection of old-growth forests on National Forest System land and to complete an inventory of old-growth forests and mature forests within the National Forest System
	Subtitle D Sec. 23001(b): RESTRICTIONS.—None of the funds made available by paragraph

(1) or (2) of subsection (a) may be used for any activity— (1) conducted in a wilderness area or wilderness study area; (2) that includes the construction of a permanent road or motorized trail; (3) that includes the construction of a temporary road, except in the case of a temporary road that is decommissioned by the Secretary not later than 3 years after the earlier of— A) the date on which the temporary road is no longer needed; and (B) the date on which the project for which the temporary road was constructed is completed; (4) inconsistent with the applicable land management plan; (5) inconsistent with the prohibitions of the rule of the Forest Service entitled "Special Areas; Roadless Area Conservation" (66 Fed. Reg. 3244 (January 12, 2001)), as modified by subparts C and D of part 294 of title 36, Code of Federal Regulations; or (6) carried out on any land that is not National Forest System land, including other forested land on Federal, State, Tribal, or private land.

SEC. 23002. COMPETITIVE GRANTS FOR NON-FEDERAL FOREST LANDOWNERS.

"In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031."

Total Amount	Activity
\$450M	Subtitle D Sec. 23002(a)(1)-(4): • \$150,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program a cost share to carry out climate mitigation or forest resilience practices in the case of underserved forest landowners, subject to the condition that subsection (h) of that section shall not apply; • \$150,000,000 for the competitive grant program under section 13A of the
	Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program grants to support the participation of underserved forest landowners in emerging private markets for climate mitigation or forest resilience, subject to the condition that subsection (h) of that section shall not apply; • \$100,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program grants to support the participation of forest landowners who own less than 2,500 acres of forest land in emerging private markets for climate mitigation or
	forest resilience, subject to the condition that subsection (h) of that section shall not apply;

	 \$50,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) to provide grants to states and other eligible entities to provide payments to owners of private forest land for implementation of forestry practices on private forest land, that are determined by the Secretary, based on the best available science, to provide measurable increases in carbon sequestration and storage beyond customary practices on comparable land, subject to the conditions that— those payments shall not preclude landowners from participation in other public and private sector financial incentive programs; and (B) subsection (h) of that section shall not apply.
\$100M	Subtitle D Sec. 23002(a)(5): \$100,000,000 to provide grants under the wood innovation grant program under section 8643 of the Agriculture Improvement Act of 2018 (7 U.S.C. 7655d), including for the construction of new facilities that advance the purposes of the program and for the hauling of material removed to reduce hazardous fuels to locations where that material can be utilized, subject to the conditions that— (A) the amount of such a grant shall be not more than \$5,000,000; and (B) notwithstanding subsection (d) of that section, a recipient of such a grant shall provide funds equal to not less than 50 percent of the amount received under the grant, to be derived from non-Federal sources.
	Subtitle D Sec. 23002(b): COST-SHARING REQUIREMENT.—Any partnership agreements, including cooperative agreements and mutual interest agreements, using funds made available under this section shall be subject to a non-Federal cost-share requirement of not less than 20 percent of the project cost, which may be waived at the discretion of the Secretary.

SEC. 23003. STATE AND PRIVATE FORESTRY CONSERVATION PROGRAMS

"In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031."

Total Amount	Activity
\$700M	Subtitle D Sec. 23003(a)(1): \$700,000,000 to provide competitive grants to States through the Forest Legacy Program established under section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) for projects for the acquisition of land and interests in land

\$1.5B	Subtitle D Sec. 23003(a)(2): \$1,500,000,000 to provide multiyear, programmatic, competitive grants to a State agency, a local governmental entity, an agency or governmental entity of the District of Columbia, an agency or governmental entity of an insular area, an Indian Tribe, or a nonprofit organization through the Urban and Community Forestry Assistance program established under section 9(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(c)) for tree planting and related activities.
	Subtitle D Sec. 23003(b): Waiver—Any non-Federal cost-share requirement otherwise applicable to projects carried out under this section may be waived at the discretion of the Secretary.

Division D Forestry Summary:

- National Forest System (NFS) Restoration and Fuels Reduction Projects
 - \$1.8B for hazardous fuels reduction projects on NFS land within the Wildland Urban Interface (WUI)
 - Cannot be used on any non NFS lands (other federal, state, Tribal, or private lands prohibited)
 - WUI definition from Healthy Forests Restoration Act of 2003 (<u>16 U.S.C.</u> 6511)
 - \$200M for vegetation management on NFS lands carried out in accordance with a water source management plan or a watershed protection and restoration action plan
 - Cannot be used on any non NFS lands (other federal, state, Tribal, or private lands prohibited)
 - \$100M for NEPA environmental reviews
 - \$50M for inventory of old-growth and mature forests and protection of old-growth forests on NFS land
- Competitive Grants for Non-Federal Forest Landowners
 - Landscape Scale Restoration (LSR) Landowner Assistance (\$450M total)
 - \$150M for cost share to carry out climate mitigation or forest resilience practices in the case of underserved forest landowners
 - \$150M for grants to support the participation of underserved forest landowners in emerging private markets for climate mitigation or forest resilience
 - \$100M for grants to support the participation of forest landowners who own less than 2,500 acres of forest land in emerging private markets for climate mitigation or forest resilience
 - \$50M for grants to states and other eligible entities to provide payments to owners of private forest land for implementation of forestry practices on private forest land to provide measurable increases in carbon sequestration and storage beyond customary practices on comparable land
 - Utilizes the LSR authority (16 U.S.C. 2109(a))

- 1:1 match waived
- Subject to match requirement of not less than 20% with ability to waive at discretion of the Secretary
- \$100M for the Wood Innovations Grant Program
 - Including for the construction of new facilities that advance the purposes of the program and for the hauling of material removed to reduce hazardous fuels to locations where that material can be utilized
 - Grant amount \$5M or less
 - 1:1 match required

State and Private Forestry Conservation Programs

- \$700M for Forest Legacy Program competitive grants
- \$1.5B for Urban and Community Forestry (U&CF) competitive grants for tree planting and related activities
 - State agency, local governmental entity, agency or governmental entity of an insular area, an Indian Tribe, or a nonprofit organization are all eligible entities
- Waiver
 - Any non-Federal cost-share requirement otherwise applicable to projects carried out under this section may be waived at the discretion of the Secretary
 - FLP (16 USC 2103(c)) statutory match is 25%;
 - U&CF Challenge Cost-Share program (16 U.S.C. 2105 (f)) requires
 1:1 match
- \$100M provided to USDA for administrative costs for implementation; no transfer authority

Summary of Other Provisions of Interest:

- Additional Agricultural Conservation Investments
 - \$8.45B to Environmental Quality Incentives Program for one or more agricultural conservation practices or enhancements that directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production.
 - \$4.95B to Regional Conservation Partnership Program for prioritized partnership agreements that support the implementation of conservation projects that assist agricultural producers and nonindustrial private forestland owners in directly improving soil carbon, reducing nitrogen losses, or reducing, capturing, avoiding, or sequestering carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production.

Conservation Technical Assistance

- \$1B to provide conservation technical assistance through the Natural Resources Conservation Service (NRCS)
- \$300M to carry out a program to quantify carbon sequestration and carbon dioxide, methane, and nitrous oxide emissions, through which NRCS shall collect field-based data to assess the carbon sequestration and reduction in carbon

dioxide, methane, and nitrous oxide emissions outcomes associated with activities carried out pursuant to this section and use the data to monitor and track those carbon sequestration and emissions trends through the Greenhouse Gas Inventory and Assessment Program of the Department of Agriculture.

- Funding for the U.S. Fish and Wildlife Service to Address Weather Events
 - \$121.25M to make direct expenditures, award grants, and enter into contracts and cooperative agreements for the purposes of rebuilding and restoring units of the National Wildlife Refuge System and State wildlife management areas by
 - addressing the threat of invasive species;
 - increasing the resiliency and capacity of habitats and infrastructure to withstand weather events; and
 - reducing the amount of damage caused by weather events.