



# NEWS RELEASE

USDA FOREST SERVICE • FOREST PRODUCTS LABORATORY

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## FOR IMMEDIATE RELEASE

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### **GAO Evaluates Federal Support for Wood Utilization Research, Cites Reduced Funding Despite Increased International Competition**

MADISON, Wis.—Noting that more wood is consumed every year in the United States than all metals, plastics and masonry cement combined, the Government Accountability Office (GAO) has issued a report on federal research and product development activities related to the utilization of wood.

The report, titled “Wood Utilization – Federal Research and Product Development Activities, Support, and Technology Transfer” (GAO-06-624) and dated June 22, 2006, also notes that the United States is the world’s leading producer of lumber and wood products used in residential construction and in commercial wood products. The wood product sector employed 535,000 people in 2004. The nation is also a leader in the pulp and paper business, employing 440,000 workers.

However, the GAO cites other reports that the U.S. forest products industry faces increasing competition from its traditional competitors (Canada, the Scandinavian countries, and Japan) as well as from emerging competitors (Brazil, Chile, and Indonesia). Approximately 120,000 jobs were lost in the paper-manufacturing sector from 1999 to 2004. And during the last decade, the wood household furniture industry lost approximately one-third of its market share to imports.

“Federal research and product development in wood utilization helps provide the science and technology needed to conserve the nation’s forest resources, supply the demand for wood products, and support forest management and restoration activities,” the 125-page report says.

Although many agencies have provided support for wood utilization research and product development, the Forest Service has the most experience in this area—it has been conducting wood utilization research and product development since 1910 and is a key player in carrying out these research and development activities, the report says.

The report points out that only the Forest Service employs full-time scientists and support staff to conduct wood-utilization research and product development and that most of the Forest Service's utilization research and product development is conducted at its Forest Products Laboratory (FPL) in Madison, Wis.

However, the report says, a 2002 National Academy of Sciences report showed a nearly 30-percent decline in the Forest Service's budget authority for products research since 1980 (in inflation-adjusted dollars), and a loss of about 46 percent in Forest Service research scientists from 1985 to 1999.

According to Chris Risbrudt, Ph.D., director of FPL, this affects many areas of our society and economy. "The researchers and support staff at FPL have an increasingly important but difficult job. Not only do we need to help U.S. industry compete internationally, but our work can directly affect the nation's ability to preserve its forests, build affordable energy-efficient homes, find sustainable alternatives to fossil fuels, and maintain vigorous rural forest-based economies," he said.

"As funding for utilization research declines, achieving that mission becomes more complicated and challenging, especially as we strive to make use of new scientific tools such as nanotechnology," he said.

"The GAO report highlights the dilemma we face. Senators Lugar and Cochran have performed a real service by asking the GAO to look at this issue," he said.

The GAO report was requested by Senators Dick Lugar, R-Ind., and Thad Cochran, R-Miss., in July 2004 to evaluate the federal government's capability to develop emerging technologies to help boost the competitiveness of the U.S. wood-products industry.

According to the report, a dozen federal agencies support wood-utilization research and product development, but only two agencies—the Forest Service and The Cooperative State Research, Education and Extension Service (CSREES)—specifically target those activities. Both agencies are part of the U.S. Department of Agriculture. CSREES supports such activities through a grant directed by Congressional committee to wood utilization research centers at some 12 universities.

The report is available on the GAO Web site at: <http://www.gao.gov/new.items/d06624.pdf>.

The USDA Forest Service Forest Products Laboratory was established in 1910 in Madison, Wis., with the mission to conserve and extend the country's wood resources. Today, FPL's research scientists work with academic and industrial researchers and other government agencies in exploring ways to promote healthy forests and clean water, and improve papermaking and recycling processes. Through FPL's Advanced Housing Research Center, researchers also work to improve homebuilding technologies and materials. Information is available at FPL's Web site: [www.fpl.fs.fed.us](http://www.fpl.fs.fed.us).

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