

**DEPARTMENT OF THE INTERIOR AND RE-
LATED AGENCIES APPROPRIATIONS FOR
FISCAL YEAR 2006**

THURSDAY, MARCH 3, 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:31 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.
Present: Senators Burns, Stevens, Cochran, Bennett, Dorgan, and Feinstein.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

**HON. MARK E. REY, UNDER SECRETARY FOR NATURAL RESOURCES
AND ENVIRONMENT**

ACCOMPANIED BY:

DALE N. BOSWORTH, CHIEF

HANK KASHDAN, DIRECTOR, PROGRAM AND BUDGET ANALYSIS

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. Good morning. We are very pleased to welcome Dale Bosworth, the Chief of the Forest Service, and Under Secretary for Natural Resources and Environment, Mark Rey this morning, and also Hank Kashdan, who is Director of Program and Budget Analysis. We thank you all three for coming down this morning.

We all know that there has been significant belt-tightening in non-defense programs for this coming year, and of course the Forest Service budget request we are reviewing today is currently an example of that. The President's budget request of \$4.065 billion for non-emergency discretionary appropriations represents a cut of 5.8 percent compared to the 2005 level of \$4.239 billion.

I know that this budget climate requires some tough choices, but some of the proposed program cuts have us a little bit troubled up here. For example, funding for construction and maintenance has been decreased by \$134 million, roughly 26 percent, compared to current levels. This is hard to understand given the Forest Service's own estimates that there is more than \$8 billion in backlog of maintenance work on the national forests.

Funding for State Fire Assistance has also been decreased, by over \$22 million, which has almost cut in half the number of com-

munities in which the Forest Service can provide technical assistance and grants for equipment. These local fire departments are often the first to respond to wildland fires. They provide a vital help to the Forest Service and the Department of the Interior.

Also, I am concerned about the \$29.5 million cut in Forest Health Programs in State and Private Forestry. We have millions of acres in our Nation's forests that are infested with insects and diseases like the western bark beetle, the southern pine beetle, and the gypsy moth. The dead trees that result from these pests add to our already excessive fuel loads we have on our forests. Reducing this program affects the agency's ability to monitor and eradicate these pests and diseases.

On the other side of the ledger, some programs receive significant increases in the proposed budget request. These include: Research, \$9 million; Forest Legacy, \$22.8 million; hazardous fuels, \$19 million; and Wildland Fire Suppression, \$51.6 million. I think we will all be interested in hearing from both of you how you formulated your 2006 budget and how you made the difficult decisions to allocate funding between the various programs.

There is another issue that concerns me also, the skyrocketing cost of firefighting programs. The average annual cost for fire suppression in the Forest Service in the last 5 years has been around \$958 million. By way of comparison, in the 5 years prior to that it was only \$352 million.

These escalating costs force the Forest Service to borrow massive sums of money and have caused serious disruptions in the ongoing work of the agency. For fiscal year 2004, the committee was able to provide a special allocation of \$400 million to deal with these escalating costs and impacts of heavy borrowing. The last fire season was not a particularly bad one compared to what we have seen over the last few years, but you still needed to tap into those additional funds to pay for firefighting expenses.

I would like to hear from both of you today on whether this special allocation proved effective in the past fire season, whether you believe that a similar mechanism is needed in the future, and how the agency has implemented several measures the committee included in the 2005 Interior bill to address rising fire suppression costs. These cost-saving measures include putting in place an independent panel to review the expenditures on large fires and devoting a full-time staff to analyzing the most efficient means to procure the hundreds of millions of dollars worth of supplies that are needed by the fire program each year.

Finally, I am pleased to see that the agency has obtained a clean audit opinion of its books for the third consecutive year. You are to be congratulated on that, Chief. In addition, the agency was removed this year from the GAO's list of agencies at high risk of waste, fraud, and abuse. I congratulate you and your leadership in straightening up many of these problems that we had in the Forest Service, and I know you are doing much more in this area and hope to hear from you later today on that subject.

I thank you for joining us today. We will have a lot of questions from this committee with regard to where we have cut and where we have added. We would enjoy listening to your reasoning for

that. I thank you again for coming this morning, and now I yield to my good friend from North Dakota, Senator Dorgan.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much.

Let me also welcome the Chief and Mr. Rey. I think you have covered, Mr. Chairman, many of the interests that I have. I am very interested in hearing the rationale for the budget recommendations. I must say that in the area of capital improvement and maintenance, given what we know is the backlog and the really critical need to be funding these areas, I am very concerned about a 40 percent reduction in facilities, a 16 percent reduction in roads, and in deferred maintenance and infrastructure improvement a 30 percent reduction—29.7 percent.

All of this begs the question, what are we going to do to address what we know are problems here and what we know requires us to continue to make investments to our forest lands and the property that allows the American people to enjoy our forest lands.

So I am going to submit some questions as well at the end of this dealing with leafy spurge and some other weed issues that I am sure they would expect. Mr. Chairman, as you know, the Congressional Review Act issue is on the floor of the Senate beginning now dealing with the rule coming from USDA to allow the live importation of cattle from Canada. Although I believe a Federal judge in your State of Montana yesterday issued a stay on that issue, we will nonetheless have a 3-hour debate and a vote on the Congressional Review Act trying to overturn that rule. So I will at some moment leave to go participate in that debate after we hear the witnesses.

But again let me thank you for holding the hearing and I am anxious to hear Under Secretary Rey and Chief Bosworth.

Senator BURNS. Chief? Who wants to lead off down there this morning?

SUMMARY STATEMENT OF HON. MARK E. REY

Mr. REY. I think that would be me.

Senator BURNS. Okay, lead.

Mr. REY. Thank you, Mr. Chairman and Senator Dorgan, for the opportunity to discuss the President's fiscal year 2006 budget for the Forest Service. I am pleased to join Chief Bosworth in appearing before you today.

As Chief Bosworth will discuss in a little more detail, this year marks the 100th anniversary of the Forest Service. As such, I think it is worthwhile to reflect on the fact that as a result of the agency's multiple use management actions over the past 100 years, the decline in forest land has stabilized and acres of forest land have increased in some areas of the Nation. Areas destroyed by wildfire have declined by 90 percent, forest growth is exceeding harvest, tens of millions of acres of cut-over land have been reforested, and much of these areas have again been harvested and reforested. Finally, populations of important wildlife species have been restored from the brink of extinction which they faced 100 years ago.

So the situation today is far different than it was 100 years ago, as a result of 100 years of conservation stewardship.

Let me touch on some of the issues that the Forest Service will be focusing on as we begin the second century. First, the health of our Nation's forests. The Healthy Forests Initiative and the Healthy Forests Restoration Act provide emphasis and new authorities necessary to protect communities and natural resources from the risk of catastrophic wildfire. The fiscal year 2006 budget for the Forest Service and the Department of the Interior together includes about \$867 million to continue implementation of the President's Healthy Forests Initiative. This is an increase of \$57 million from last year and a substantial increase over the authorization provided in the Healthy Forests Restoration Act Title 1 provisions.

In fiscal year 2006, the Forest Service and the Department of the Interior land managing agencies will reduce hazardous fuels on 4.3 million acres of Federal land, an increase of nearly 300,000 acres from fiscal year 2005, which will be an all-time record achievement as compared to about a million acres treated annually during the years of the decade of the 1990s.

Now, as you look at our fiscal year 2006 request for the Healthy Forests, you are going to find that the program is oriented more heavily toward Federal than non-Federal lands, and that emphasis exists for three reasons. First of all, we are the only ones who can and will treat Federal lands. We are the only governmental entity that will do that.

Second, by and large the Federal lands are in worse shape from a fuels standpoint than non-Federal lands. Third, there are other programs with, in some cases, more effective delivery mechanisms to provide assistance beyond that which we can provide to our non-Federal partners to assist in firefighting and hazardous fuel reduction processes.

I would also note that the Forest Service will focus two-thirds of its treatments in the wildland-urban interface to protect communities, in accordance with the priorities set in the fiscal year 2006 request.

While the effective treatment of hazardous fuels provides the long-term protection of communities and natural resources from the threat of catastrophic wildfire, the agency must also continue to address fire preparedness. The Forest Service and the Department of the Interior will maintain sufficient readiness resources to suppress more than 98 percent of wildfires on initial attack. As a result of the reengineering of our fleet of aviation assets in advance of the fiscal year 2004 fire season, the Forest Service and the Department of the Interior maintained—actually exceeded—the success rate from previous years in suppressing fires on initial attack. In 2003, for instance, we were successful in extinguishing 98.3 percent of ignitions on initial attack. In fiscal year 2004, we were successful in extinguishing 99 percent of ignitions on initial attack. This meant 70 fewer escapements, with an average suppression savings of about \$20 million. So our reengineered aviation fleet stood us in good stead.

As the chairman correctly noted, the money for suppression is up this year as compared to last year. As we have in previous years, we have budgeted the 10-year average, which continues to increase. That accounts for that increase in the 2006 request.

Let me talk a little bit now about Forest Service organizational efficiency, or operational efficiency. In response to concerns about agency accountability and management, the Forest Service has been diligently working to improve its financial and program management. The agency's implementation of new planning rules, for instance, is expected to significantly reduce both the time and cost to amend or revise land and resource management plans.

Another very important efficiency initiative contained in the President's budget would enable the agency to more effectively manage its facilities. Presently the agency has over 40,000 facilities in its inventory. That is significantly more than we need and it averages substantially more than one building per employee. Legislation proposed as part of the budget request would authorize the sale of unneeded facilities for fair market value and the use of sale proceeds to address our maintenance backlog. That, we believe, is directly responsive to the reductions that we have suggested in maintenance programs.

In addition, the legislation would provide for the establishment of a working capital fund for facility maintenance that will assess programs that use facilities for the maintenance of those facilities.

In response to the President's management agenda, the Forest Service is becoming more efficient in how it performs administrative support. By the end of 2005, the agency will have completed its implementation of a new information technology support organization and the centralization of its financial management and functions. In 2006, the agency will centralize its human resource management activities. Combined, these three efforts will reduce overhead expenses by \$91 million annually, and that is money that can be saved and thereafter reprogrammed for on-the-ground management activity.

As the chairman noted, in recognition of the agency's commitment to sustain an effective financial management, the Government Accountability Office removed the Forest Service from its high-risk list. The GAO action was a direct result of three successive clean audits, the first three in the agency's history, and the demonstrated commitment of the administration to implement organizational changes that will ensure the Forest Service's ability to sustain clean audits into the future.

PREPARED STATEMENT

I look forward to working with the committee and the Congress to enact the President's fiscal year 2006 budget request. After Chief Bosworth is done, we would be happy to respond to your questions. [The statement follows:]

PREPARED STATEMENT OF HON. MARK E. REY

Mr. Chairman, Senator Dorgan, and members of the Subcommittee, thank you for this opportunity to discuss the President's fiscal year 2006 Budget for the Forest Service. I am pleased to join Chief Bosworth in appearing before you today. In my testimony, I will discuss two main issues. First, I will focus on priorities for the Forest Service as it moves into its second century of fulfilling its mission, including the role that the President's Healthy Forests Initiative (HFI) holds in that mission. Second, I will discuss the reforms and efficiency actions the agency is employing to deliver its mission more efficiently.

As we move through the process of enacting the fiscal year 2006 Budget, all of us in the Executive Branch, like all of you in Congress, are well aware of the chal-

lenges faced in funding the priorities of the Nation. The President's proposed budget for the Forest Service addresses key priorities, makes critical tradeoffs, and demands efficiency in delivery of programs. I look forward to working with you to enact the President's budget for the Forest Service.

MOVING FORWARD—A NEW CENTURY OF SERVICE

As Chief Bosworth will also discuss, this year marks the 100th anniversary of the Forest Service. To give you a sense of how the Forest Service plans to move forward, I will briefly review the mission adopted by the Forest Service in 1905 when it was formed, and how its response to the national issues in the coming century are, for the most part, similar.

The 1905 mandate given the Forest Service involved responding to the degradation of watersheds and the substantial loss of forests and wildlife. The agency began taking important actions to conserve America's resources, including the closing of public domain lands and reserving the remaining public lands for protection and management; promoting the conservation and productivity of forests and grasslands regardless of ownership; acquiring scientific knowledge on natural resources management; improving management and productivity of all agricultural lands and forests; and adopting and enforcing wildlife conservation laws. As a result of the agency's actions over the past 100 years of multiple-use management, the decline in forestland has stabilized and increased in some areas of the Nation. Areas destroyed by wildfire have declined by 90 percent. Forest growth is exceeding harvest. Tens of millions of acres of cutover lands have been reforested and much of these areas have again been harvested and reforested. Finally, populations of important wildlife species have been restored from the brink of extinction.

In the coming century, the Forest Service must focus on restoring the health of watersheds, increasing recreational opportunities, providing clean water, establishing healthy wildlife and fish populations, and protecting communities and resources from the risk of catastrophic wildfire. The agency must accomplish this while providing minerals and forest products to meet the increasing demands of the nation. The President's emphasis on healthy forests makes sustainable production of products an integral aspect of improving forest health.

HEALTHY FORESTS INITIATIVE

The HFI and the Healthy Forests Restoration Act provides emphasis and new authorities necessary to protect communities and natural resources from the risk of catastrophic fire. The fiscal year 2006 budget for the Forest Service and DOI includes about \$867 million to continue implementation of the President's HFI, which is an increase of \$57 million from last year. This amount includes a request for \$492 million in hazardous fuels funding and the planned expenditure of an additional \$375 million in other habitat management activities that will reduce the risk of wildfire. In fiscal year 2006, the Forest Service and the Department of the Interior (DOI) will reduce hazardous fuels on 4.3 million acres, an increase of nearly 300,000 acres from fiscal year 2005, itself an all-time record.

The Forest Service will focus two-thirds of its treatment in the wildland urban interface (WUI) to protect communities. Protecting communities from the risk of wildfire can be accomplished by activities that result in the production of forest products and the protection and enhancement of watersheds and wildlife. For example, the Forest Service has worked closely with communities to complete over 600 Community Wildfire Protection Plans that identify the local strategies necessary to protect communities and promote multiple-use management activities.

The efficient expenditure of Federal funds requires the agency to develop appropriate incentives that will make the use of forest products an integral aspect of the hazardous fuels reduction. The Forest Service will make maximum use of the stewardship contracting authority and the new authorities provided by the Healthy Forest Restoration Act to make treatment of hazardous fuels more efficient. In furthering this objective, the President's Budget includes a \$10 million investment to improve facilities at the Forest Product Laboratory (FPL) in Madison, Wisconsin that will increase research in creating new products from forest biomass.

EFFICIENT RESPONSE TO WILDFIRES

While the effective treatment of hazardous fuels provides the long-term protection of communities and natural resources from the threat of catastrophic wildfire, the agency must also continue to address fire preparedness. The Forest Service and DOI will maintain sufficient readiness resources to suppress more than 98 percent of wildfires on initial attack. This represents the same approximate level of readiness that has occurred over the past several years. Being prepared to manage and sup-

press wildfire requires continued emphasis on improved and efficient use of equipment and personnel. As a result of reengineering the fleet of aviation assets in advance of the fiscal year 2004 fire season, the Forest Service and DOI maintained the success rate in suppressing fires on initial attack. Increased emphasis on the using helicopters instead of large fixed-wing air tankers enabled better pre-positioning of aviation assets in areas where the greatest danger existed and the more accurate application of retardant. The Forest Service is currently completing a long-term aviation strategic plan that will address the wise use of fixed-wing and helicopter assets, which we fully expect to further improve efficiency.

Effective use of suppression assets requires close coordination among Federal, State, and local agencies. Under the oversight of the Wildland Fire Leadership Council, Federal, State, and local resources are being more effectively coordinated in response to wildfires. I am pleased with the coordination that has resulted through this effort.

Although the fiscal year 2004 fire season was relatively mild, the agency still expended \$726 million for wildfire suppression. The President's Budget continues a focus on reducing wildland fire suppression costs and provides suppression funds at the ten-year average cost adjusted for inflation. Additionally, the Budget contains incentives for reducing costs through the allocation of funds to the field and authorizing use of unobligated balances for hazardous fuel treatments.

FOREST SERVICE OPERATIONAL EFFICIENCY

In response to concerns about agency accountability and management, the Forest Service has been diligently working to improve its financial and program management. The agency's implementation of a new planning rule is expected to significantly reduce both the time and cost to amend or revise land management plans. In addition, the rule provides for a pre-decisional objection process that replaces a less efficient appeal process. With the objection process, the public has an opportunity to make their concerns known to a higher-level official, and the agency then has the opportunity to make appropriate adjustments before the plan is approved. The appeal process, which was after plan approval, required any necessary or appropriate changes to be made through further planning processes.

Another important efficiency initiative contained in the President's Budget will enable the agency to more effectively manage its facilities. Presently, the agency has over 40,000 facilities in its inventory—significantly more than it needs, averaging substantially more than one building per employee. Legislation proposed as part of the budget will authorize the sale of unneeded facilities for fair market value, and the use of sale proceeds to address the maintenance backlog. In addition, the legislation will provide for the establishment of a working capital fund for facility maintenance that will assess programs that use facilities for the maintenance of those facilities. Local line officers will need to assess the number of facilities that are needed and the necessary operating funds to perform facilities maintenance—this creates the incentive to keep the number of facilities to a minimum. The rest will be conveyed at fair market value. It is anticipated this action will reduce the agency deferred maintenance backlog by 25 percent by fiscal year 2010.

In response to the President's Management Agenda, the Forest Service is becoming more efficient in how it performs administrative support. By the end of fiscal year 2005, the agency will have completed its implementation of a new information technology support organization and the centralizing of its financial management. In fiscal year 2006, the agency will centralize its human resource management activities. Combined, these three efforts will reduce overhead expenses by \$91 million annually. I appreciate the support Congress has shown as the Forest Service implements these reforms.

Even with these improvements, however, inefficiencies increase program delivery costs and are impeding Forest Service performance. The Administration proposes additional reforms to enhance Forest Service efforts to improve its accountability and focus on measurable results in the management of our national forests. These reforms will significantly reduce overhead, business management, and other indirect costs to improve efficiency and program delivery.

In recognition of the agency's commitment to sustained and effective financial management, I am very pleased that the Government Accountability Office (GAO) removed the Forest Service from its "High Risk List." The GAO's action was a direct result of three successive "clean audit" opinions and the demonstrated commitment of the Administration to implement organizational change that will ensure the Forest Service's ability to sustain future clean audits.

CONCLUSION

A "clean audit" opinion is the minimum the public should expect from the Forest Service. Just like America's citizens, a Federal agency should be able to balance its checkbook. Further, the agency must demonstrate that it performs its mission as efficiently as possible. The President's Management Agenda is creating the framework for efficiency. I believe the Forest Service has responded well and is demonstrating its commitment to the efficient delivery of natural resource management on Federal and non-Federal forest and rangelands. I look forward to working with Congress to enact the President's fiscal year 2006 Budget.

I would be pleased to answer any questions.

Senator BURNS. Chief, do you have an opening statement you would like to make?

Mr. BOSWORTH. Yes, I would.

Senator BURNS. Thank you. Proceed.

SUMMARY STATEMENT OF DALE N. BOSWORTH

Mr. BOSWORTH. Mr. Chairman and Senator Dorgan: I also am pleased to be here to discuss the President's fiscal year 2006 budget for the Forest Service. As Under Secretary Mark Rey mentioned, it is our centennial year in the Forest Service, 100 years of caring for the land and taking care of the national forests and grasslands and trying to serve the American people. It gives us a unique opportunity this year, I believe, to work with many of our partners and collaborators and critics to reflect a bit on the past, but more importantly to be looking to the future, to the next century of service. Together, we can figure out what kind of changes we need to make so that we will be able to continue to provide top-quality service to the American people in managing their forests.

In my opening remarks, I would like to touch on four themes very briefly. Those are: the budget, the tight, austere budget that we are in; some efforts to improving efficiency under way; better visibility and collaboration for the agency; and our efforts at integrating our work more effectively.

So first, in regards to the budget situation, we at the Forest Service recognize that we have a responsibility to help reduce the deficit, which results in some very difficult choices that we need to make. There are tradeoffs obviously that come with those choices, and we have worked hard at identifying those tradeoffs and trying to mitigate those so that we can continue to produce high-quality services.

We have kept our focus on the top priorities. The top priorities are reducing the risk of catastrophic wildfire and continuing to improve forest health conditions.

Now, in terms of efficiency, for the 4 years that I have been in this job, we have been focusing on trying to get more and more dollars, and a higher percentage of our dollars, to the ground where the job can get done. There are two areas of efficiencies that we keep focusing on. One is in natural resource management, getting more efficient with the National Environmental Policy Act, developing environmental impact statements, and our consultation efforts with Fish and Wildlife Service and NOAA Fisheries. You have given us a lot of help through the Healthy Forests Restoration Act. The Administration has helped with the Healthy Forests Initiative. We have stewardship contracting that you were key to getting us

a pilot and then the full authority. Those things have helped in that area.

The other aspect of efficiency is in our own internal operations, our business management practices. We have been focusing on improving them and the result is, as has been mentioned before, that we are no longer on the high-risk list from GAO and we have had several clean audit opinions.

We would be unable to sustain those clean audit opinions if we did not make some significant changes in how we are organized. Therefore, we have opened up a service center for financial management in Albuquerque, New Mexico, and we are in the process of moving people to that service center. We are going to be doing the same kind of efforts with information technology and we are also beginning the process of moving people to Albuquerque in our human resources area. We expect to reduce about 1,300 full-time equivalents, FTE's, when we complete all of our reorganization for the business management areas. We expect to save about \$91 million a year when we are fully implemented.

So those changes together will make a big difference in how we can deliver the services that people want. We are also making some reforms in facilities management and we will have some proposals regarding these reforms that we can discuss more if you wish.

I believe that making these commitments and implementing these changes, although they are difficult for the organization, will result in a higher percentage of our dollars getting to the ground to get the work done.

In the area of visibility and collaboration, we need to improve and to continuously improve our ability to work with the public in a very visible way. There are several areas. Probably the first would be in the areas of partnerships. We have done a good job in partnerships in my view, but we have great opportunities to improve that.

In fiscal year 2004, we had about \$500 million worth of work that we got from partners, both in cash and in-kind work, doing things on the ground. That was matched with about \$500 million of our funds, totaling \$1 billion of work on the ground that we were doing through partnerships. We can increase that.

Our new planning rule that just came out in December requires independent audits at the end of the year for each forest through an Environmental Management System. That will allow people to know whether or not we are doing what we say we will do and whether or not we are getting the results on the ground in the way that we said we would do.

We will increase our monitoring and that will allow us to make some adjustments based upon what we learn from the monitoring and what we learn through those independent audits. I believe that will increase our public involvement and it will also increase the visibility of our work.

In the area of wildfire, wildfire protection agreements that we have in communities help us to work better together with the communities. We have wildfire protection agreements with over 600 communities now.

The Federal Lands Recreation Enhancement Act allows for recreation advisory councils. Once again, that will be an opportunity for

us to work closer with the public in determining if, when, where, and how we should be collecting fees.

As far as integrating our work to provide for healthy forests, in fiscal year 2006 the Forest Service will reduce fuel hazards by 2.8 million acres. About 1 million acres of that will be accomplished with non-hazardous fuels funds, from things like wildlife habitat improvement dollars, timber stand improvement dollars, and sale of forest products dollars. The idea is that if we place those projects in the right places, we can accomplish both the timber sale objectives as well as fuels treatment objectives, or habitat improvement objectives as well as fuels treatment objectives.

So our line officers are now achieving multiple benefits and multiple goals by focusing integrated treatments in the right places.

We believe that by integrating work, we will improve our efficiency and we will in the end accomplish more work on the ground.

PREPARED STATEMENT

So in closing, I am looking forward to working with you. I appreciate this opportunity to discuss our budget. Again, it is a tight budget and we expect to deliver our programs by focusing on priorities, by improving our efficiency, and by integrating our work. I would be happy to answer any questions you might have. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DALE N. BOSWORTH

INTRODUCTION

Mr. Chairman, Senator Dorgan, and members of the Subcommittee, thank you for this opportunity to discuss the President's fiscal year 2006 Budget for the Forest Service. I am privileged to be here with you today. I want to express my appreciation for the support this Subcommittee has given the Forest Service to improve the health and sustainability of the nation's forests and rangelands.

I am pleased to discuss the President's fiscal year 2006 Budget request for the Forest Service, which totals \$4.07 billion in discretionary funding. It emphasizes the top priorities of the agency, especially the President's Healthy Forests Initiative, that are essential to improving the sustainability and health of the nation's forests and rangelands. First, I will discuss the future direction of the Forest Service. Then, I will describe our efforts to reduce wildfire threats and costs. For the remainder of my testimony, I will highlight programs and legislative proposals that reflect new directives or shifts in emphasis for fiscal year 2006.

FUTURE DIRECTION OF THE FOREST SERVICE

This year the Forest Service celebrates its 100th anniversary. We are commemorating a century of caring for America's national treasures. One hundred years ago, America's first forester, Gifford Pinchot, recognized that "our responsibility to the Nation is to be more than careful stewards of the land, we must be constant catalysts for positive change." This advice was true in 1905 and remains a guiding light now in 2005. Change is inevitable. This is why the Forest Service is committed to being a catalyst for positive change into our next century of service.

Congress created the Forest Service as part of a national strategic response to the degradation of watersheds and the substantial loss of forests and wildlife that was occurring at a rapid rate during the last half of the 19th century. Let me briefly reflect on how much has changed since the Forest Service was established in 1905. During the last half of the 19th century, the U.S. population had more than tripled and forests were being cleared for agriculture at an average rate of 13.5 square miles per day. Wildfires were burning 20 to 50 million acres a year between 1880 and 1930. These fires, as well as unregulated hunting and logging, were threatening long-term economic and environmental values. In fact, these activities were tolerated and even encouraged in the name of economic development, but it had become increasingly clear that what was going on was unsustainable.

Establishing the Forest Service in 1905 created a direct response to these threats. This response has been successful. The decline in U.S. forestland has stabilized and forest acreage is now about what it was in 1905. In fact, forestland in the Northeast has actually increased by 26 million acres since the Forest Service was established. Areas burned by wildfire have declined 90 percent since the 1930s. Forest growth has exceeded harvest since the 1940s. Tens of millions of acres of cutover lands that existed in 1905 have been reforested. Many of these are now mature forests whereas other reforested lands have been harvested a second time and are starting a new cycle. While some wildlife species continue to face threats, many others that were greatly depleted or nearly extinct in 1905 have increased dramatically, such as Rocky Mountain elk and wild turkey.

The Forest Service has played a key role over the past 100 years in creating the changes that have touched our landscapes. In January, the agency convened a Centennial Congress in Washington D.C. to discuss these changes and the future 100 years of the Forest Service. Delegates to the Congress examined issues ranging from engaging the public in land management decisions to rewarding forest owners for carbon sequestration, delivering clean water, and providing other multiple-use benefits. We discussed how American society shifted from rural and agrarian to urban and industrialized. This in turn influenced the mix of uses and values the public seeks from its public lands. Today we see increased demands for recreation, greater consumption of natural resources, and mounting pressure on public lands from new development. Yet, at the same time, the public is expressing greater concern over the need for sustainable resource management.

This historical shift places us in a conservation era that focuses on ecological restoration and long-term sustainability. We must manage the land for long-term ecosystem health and sustainable uses while meaningfully engaging the public in our decision-making. Land managers must be adaptable, innovative, and welcoming of new information, ideas, and perspectives. In the end, to be that constant catalyst for positive change in this era, the Forest Service must be more collaborative, accountable, and efficient in managing our natural resources.

In the face of constant change, Americans must examine their consumption choices as an important aspect of sustainable development and ecosystem health. The United States consumes more wood than any other country. We also consume far more timber than we produce. The Forest Service has an opportunity to promote sustainable wood production and consumption. For example, Americans build roughly 1.5 million single-family houses each year, which consume roughly 22 billion board feet of lumber. At the same time, we lose approximately 17 percent of this amount to fire each year, which is equivalent to 250,000 new houses. We also lose a significant amount to insects and diseases. If we could salvage some of this lost wood, without compromising ecosystem health, we could help minimize our need to import wood. When imports encourage illegal or unsustainable environmental practices abroad, then there's a problem. This is why the Forest Service is assisting the State Department with implementing the President's initiative against selling illegal logs. The goal of the initiative is to combat illegal logging and the sale of illegally harvested timber products. But, minimizing consumption from foreign forests is only part of the equation. If we want healthy and resilient ecosystems and communities, then we need intelligent consumption balanced with sustainable management of our nation's forests and rangelands.

WE ARE IMPLEMENTING A LONG-TERM STRATEGY TO REDUCE WILDFIRE THREATS

Restoring fire-dependent ecosystems is the long-term solution to reduce the harmful effects of catastrophic wildfire. Restoration work involves eliminating the build-up of hazardous fuels so that natural fire regimes may be reestablished. The results of this effort may, in some cases, take several years before we begin to see significant changes in the way fire burns across the landscape. The President's Healthy Forests Initiative (HFI) is helping us tackle the process gridlock that was impeding the restoration of fire-adapted ecosystems, including the treatment of hazardous fuels.

In support of the HFI, the President's Budget dedicates \$281 million to treat 1.8 million acres for hazardous fuels. An additional 1 million acres will be protected as part of other natural resource management activities. Since 2001, Federal land management agencies have treated 11 million acres of hazardous fuels on public lands. The Forest Service and the Department of the Interior (DOI) agencies exceeded our program goals by accomplishing 2.9 million acres of hazardous fuel reduction for 2004, including 1.6 million acres in the Wildland-Urban Interface (WUI). Fifty-seven percent of these treatments were in the WUI.

Another part of our long-term restoration strategy is to treat the right acres, in the right place, at the right time. Consistent with the President's recent Executive Order on Cooperative Conservation, the Forest Service is working closely with State forestry agencies and other partners to coordinate fuel treatments and to provide technical and financial assistance to reduce hazardous fuels on State and private lands. We are also enlisting the assistance of local communities. The Forest Service is working with coalitions of interested citizens to identify those areas in greatest need of hazardous fuel treatments. This collaborative effort includes helping communities complete Community Wildfire Protection Plans (CWPP). To date, over 600 such plans have been completed or are in progress across the nation. The number of plans will continue to grow as partnerships are formed and high-risk areas are identified. A consistent and systematic interagency approach will have a large-scale impact on reducing the size and severity of catastrophic wildfires. In addition, in fiscal year 2005, a handful of pilot projects supported by our Research program will test the strategic placement of fuel treatments on the behavior and effects of wildland fires. If this is effective, we will be better positioned to design and locate treatments to make a difference in the size, behavior, effects, and costs of fires. This integrated approach will maximize our investment in fuel treatments and allow us to build more integrated fuel treatment strategies with our partners.

The expanded stewardship contracting authority provided by Congress is another key feature of the President's Healthy Forests Initiative goal of reducing catastrophic wildfire threats by making treatment of the land more cost-effective and collaborative than ever. For example, it allows contractors to make economic use of materials removed during restoration or thinning projects. This incentive promotes efficient land management practices and creates business opportunities in local communities. Using the stewardship and general contracting authority that Congress included in the Tribal Forest Protection Act (Public Law 108-278) enacted last summer, Indian tribes have the opportunity to enter into agreements with the Secretaries of Agriculture and the Interior to achieve additional fuels reduction work on federal lands adjacent to their reservations. We are working with the Bureau of Land Management and Tribes on implementation guidelines for the Act.

In all, we have a multi-faceted approach to tackling wildfire threats. Stewardship contracting, collaborating with partners, and strategically treating hazardous fuels are just a few examples. With your continued support of our hazardous fuels program and the HFI, we can have a long-term impact on minimizing the threat of catastrophic wildfire.

WE ARE LOOKING FOR NEW WAYS TO REDUCE WILDLAND FIRE SUPPRESSION COSTS

In addition to reducing wildland fire threats, we must also reduce fire suppression costs. The President's Budget proposes a \$51.6 million increase above the fiscal year 2005 enacted amount for wildland fire suppression. This reflects the most recent 10-year average for suppression costs, which are on an upward trend. Despite going into the 2004 fire season on the heels of continuing drought and dry fuel conditions, the fire activity resulted in a below-average year across most of the Nation. Alaska, the lone exception, experienced its worst fire season on record with 703 fires and 6,517,200 acres burned. The lower 48 States experienced 61,873 fires that burned 1,394,144 acres. We attribute this less severe fire season to more favorable weather, fewer dry lightning storms, and to achieving initial attack success rates of over 99 percent.

Despite this relatively "good" fire season, the agency still expended \$726 million on wildland fire suppression. The Forest Service will continue to focus on reducing wildland fire suppression costs through incentives for efficient funds management, effective supply chain management, and rapid demobilization of incident response resources. The President's Budget provides additional incentives for reducing suppression costs by allocating suppression funds to the field and authorizing use of unobligated wildfire suppression funds for hazardous fuels treatment. Thus, a line officer's success in reducing suppression expenses can be rewarded through the availability of more funds to reduce hazardous fuels. Additionally, the Forest Service will work with the independent panel that was established by Congress to assess the agency's management of large wildland fires. The panel's first report on the fiscal year 2004 fire season will be completed soon.

RESEARCH GUIDES OUR DECISIONS AND DELIVERS NEW SOLUTIONS

In addition to these efforts, hazardous fuels reduction is critical to minimizing wildland fire suppression costs. Creating market-based incentives for the removal of this "biomass" is an important aspect of the agency's Forest and Rangeland Research program. The President's budget includes a \$10 million request for capital

improvements in our Forest Products Lab, which has been a world leader in developing innovative products made from wood and other forest materials. Maximizing use of forest biomass can complement forest management, provide jobs in local communities, and offer a renewable energy source for our country. The agency's Research program is critical for developing new technologies that make economic use of unmarketable and other salvageable forest materials while meeting our resource management needs. For example, the Lab developed a new composite material for residential siding made of recycled plastic and wood from juniper and salt cedar, two tree species that contribute to hazardous fuel loads in the Southwest. Biomass utilization offers a host of opportunities, many of which are yet to be discovered. For this reason, we are pleased that the President's Budget includes such an important investment in our country's future.

The President's Budget also includes a \$12.8 million boost in research to fund the Forest Inventory and Analysis (FIA) program to cover 100 percent of America's forests with an annual inventory. The FIA is the Nation's only forest census, which has been keeping track of the heartbeat and other vital statistics of America's forests for roughly 75 years. FIA is the only program delivering continuous and comprehensive assessments of our forests in a nationally consistent manner across all land ownerships. Policy and programmatic decisions hinge on what the census tells us about forest health. The FIA's up-to-date monitoring, coupled with cutting-edge research and our State and Private Forestry programs, also play a key role in addressing the emerging threat of invasive species. The FIA is critical to assessing our current progress in implementing our Invasive Species Strategic Plan. Moreover, FIA information will feed into the two national Early Warning System Centers that we are establishing in fiscal year 2006 to identify, detect, and rapidly respond to environmental threats, such as invasive species, diseases, insects, and fire.

OUR NEW PLANNING PROCESS IS MORE FLEXIBLE, EFFICIENT, AND RESPONSIVE

Our future forest planning efforts will focus more on emerging threats, such as invasive species, wildfires, and unmanaged recreation. To meet these challenges, the Forest Service recently published a planning rule that offers greater flexibility for land managers. The rule establishes a dynamic planning process that is less bureaucratic, emphasizes science, and provides more opportunity for public involvement earlier in the planning stages. Moreover, land management plans must be more strategic, transparent, timely, and cost-effective.

This new planning process directs each forest and grassland unit to adopt an Environmental Management System (EMS), which is an adaptive management tool designed to provide feedback to land managers on all phases of land decisions. A key feature of the EMS requires independent audits of our agency's performance at 5-year intervals to ensure that we are achieving the plan's goals. The EMS will ground our decisions in science and strengthen our accountability.

Public involvement in our decisions also makes us more accountable. This is why the rule requires opportunities for public involvement at four key stages in the planning process. The rule also establishes a pre-decisional objection process that replaces our agency's costly and lengthy appeals process. These new features encourage the public to participate with land managers in the early planning stages to resolve any issues and concerns. This will be less adversarial than in the past where some people waited until after a final decision to make their concerns known by filing an appeal. Under the old rule, it typically took 5 to 7 years to revise a 15-year land management plan, and in the case of one forest, cost as much as \$5.5 million. Under the new rule, a plan revision will take approximately 2 to 3 years and cost much less.

WE CAN REAP MULTIPLE BENEFITS FROM PRESERVING OPEN SPACE

The President's Budget dedicates \$80 million to the Forest Legacy Program, which will protect an estimated 300,000 priority acres in fiscal year 2006. This program is an excellent tool for reducing the loss of open space and saving working forests. This program is successful, in part, because it places the important decisions of how and where to protect open space in the hands of States, local governments, individual landowners, and non-profit partners. Protection of open space serves multiple purposes that go beyond the obvious benefit of supporting biodiversity, maintaining scenic beauty, and preventing conversion of land to undesirable uses. More open space directly encourages and supports working forests, working farms, and working ranches. This is a value-added benefit that makes it profitable to maintain open space. We need to maintain "working forests"- those that are managed to produce economic and environmental benefits. Study after study shows that con-

servation of forests is one of the best methods for keeping our drinking water safe and clean.

Another key to this program's success is that it leverages millions of dollars at the local level. For example, each Federal dollar typically leverages an equal amount in non-Federal contributions. Since 1992, a \$197 million Federal investment has protected over \$381 million of land value, encompassing over 1 million acres through conservation easements and land purchases. We hope that you will continue to support this important program.

The President's Budget also proposes an increase of \$5 million for the Forest Stewardship Program, which provides planning and management assistance to thousands of America's private forest owners. Federal funds are leveraged by contributions from State forestry agencies that deliver this program. The improved forest management that results from this program benefits all Americans by providing a full range of ecosystem services, including clean water and air, habitat for wildlife, and forest products.

WE HAVE NEW APPROACHES TO TACKLE THE PUBLIC'S GROWING RECREATION NEEDS

National forests and grasslands are an integral connection between the American public and their desire to experience the great outdoors. The Forest Service hosts more than 200 million recreation visitors each year. Reconciling this demand within the limits of maintaining sustainable ecosystems is becoming a greater challenge each year. To address this issue, we are looking at a variety of new approaches to keep us in the forefront of meeting visitors' expectations of having safe and enjoyable recreational experiences. Last year, President Bush signed into law the Federal Lands Recreation Enhancement Act. This Act allows the Forest Service to charge modest fees at recreation sites that can be used to help maintain and improve the recreational experience of our visitors. The vast majority of recreation sites and services will continue to be free for activities such as horseback riding, walking, hiking, and general access to national forests and grasslands. The Act also establishes citizen recreation advisory committees that will provide important input on implementation of the fee program. We look forward to working with these committees and Congress to ensure that the public is fully involved and fees are fair for the value received.

In the past several years, I have noted that unmanaged recreation, particularly with respect to off-highway vehicle (OHV) use, is a major challenge to our national forests and grasslands. The age of Americans being able to drive anywhere on National Forest System lands has come to an end. Over the last 3 decades, ownership of OHVs in the United States has grown from 5 million to 37 million vehicles. National forests are experiencing an explosion of user-developed trails beyond our agency's capacity to manage or maintain. Some of these unauthorized trails are causing unacceptable resource damage. In response, the Forest Service recently published a proposed regulation on management of motor vehicle use on national forests. The regulation would require forests to work closely with local communities to designate roads, trails, and areas open to motor vehicle use and specify allowable use by vehicle class and time of year. Motor vehicle travel off of the designated system would be prohibited. The agency is currently developing the final rule, which is expected to be published later this year.

WE NEED TO REVERSE THE TREND OF DETERIORATING FACILITIES

Our backlog in deferred maintenance for our infrastructure continues to be a challenge. This backlog is especially critical for facilities that provide recreation opportunities to the public, as well as our administrative sites where employees work and provide services to the public. It is appropriate that we look for solutions beyond appropriations to tackle our deferred maintenance backlog. For example, this budget proposes a new incentive-based approach to reduce our maintenance backlog for administrative sites and visitor centers. Moreover, the President's Budget proposes new legislation that authorizes the Secretary of Agriculture to sell or exchange administrative sites that are no longer needed for National Forest System purposes. The legislation will facilitate the timely disposal of administrative sites and free up dollars to invest back in existing or replacement facilities. It will also provide for the use of a working capital fund for the performance of routine maintenance. These reforms will assist the agency in maintaining and improving the quality of its facility assets.

WE HAVE MADE GREAT STRIDES IN PERFORMANCE AND FINANCIAL MANAGEMENT
ACCOUNTABILITY

The Forest Service will continue agency-wide efforts to improve performance and financial management accountability in fiscal year 2006. We have already made significant progress toward this goal. I am proud to report that the Government Accountability Office removed the Forest Service from its "high risk" list because we achieved a third consecutive "clean" audit opinion and are implementing significant organizational changes that ensure sustainability in financial management. Not only is this an important accomplishment for our agency, but it demonstrates our serious commitment to make continued improvements in financial management, as well as build efficiency into other administrative areas that have been burdened with outdated policies and decentralized processes. While I am pleased with our financial management improvement, I must also acknowledge that attaining this milestone simply means that we are now balancing our checkbook—something the public should expect as the norm. Keeping the checkbook balanced will allow the agency to better focus on its natural resource management functions.

Our Financial Management Improvement Project is moving forward as planned. Later this month, the new Albuquerque Service Center will be operational, with phased implementation throughout this fiscal year. This new center will provide financial and budgetary services to the agency using performance standards that focus on customer service, efficiency, and data quality. With full implementation of financial management reforms, the Forest Service anticipates that it will realize a \$35 million in annual savings. Additionally, when other reforms are implemented, the annual savings will increase to \$91 million.

A key element of quality financial management is the ability to link funding and expenditures to the strategic goals of the agency. In response to the Budget and Performance Integration initiative in the President's Management Agenda and the Government Performance and Results Act, the Forest Service is presenting an improving performance-based budget year after year. In fiscal year 2004, the Forest Service completed a new strategic plan. This planning blueprint has helped the Forest Service and its field units develop programs of work that address our natural resource needs while maximizing limited resources and improving performance accountability. The strategic plan was the driving force in making budget decisions and requests for fiscal year 2006. With important system enhancements, the Forest Service will be able to provide project-specific information about fiscal year 2006 expenditures with direct linkage to our strategic plan's goals and objectives.

To ensure that the Forest Service's annual activities are appropriately aligned with its Strategic Plan, the agency is making effective use of the Program Assessment and Rating Tool (PART). The PART process has been used in the past to develop more effective performance measures and emphasis in programs, including wildland fire management, capital improvement and maintenance, Forest Legacy, and invasive species. Two additional programs will be evaluated in support of the fiscal year 2006 President's Budget.

CONCLUSION

The President's Budget for fiscal year 2006 delivers funding for innovative approaches as well as long-standing programs that have served the land and the American public well. The President's Budget also demonstrates that the Forest Service must use incentive-based approaches to reduce costs and accomplish its mission. We must continue to work closely with Federal and non-Federal partners to leverage alternative funds to accomplish our program of work. As I said at the beginning of my testimony, we must move forward with a renewed interest in collaboration, efficiency, and accountability as we enter this new century of service. We must be rapid responders, but we must also respond to change with great care. After all, we are the trustees of America's greatest natural resources.

Thank you for this opportunity to discuss the President's Budget. I look forward to working with you to implement our fiscal year 2006 program and am happy to answer any questions you may have.

Senator BURNS. Thank you. Thank you a lot, Chief. We appreciate your statement. We appreciate your good work on the task. Of course we realize that we are on a tight budget up here also.

GRAZING

I want to bring up one thing that still kind of concerns me. We talk about healthy forests and we talk about removal of fuels, and I think we have done a lot to move in that direction and we have accomplished a lot. I noticed in the budget that you cut \$3.4 million out of your budget for processing of grazing allotments. Now, I want to remind our good friends this: Every place that we have grazing, we have less fires. I think the grazing permits can be thrown right in there with healthy forests or fuel or fire prevention and should be moved up in the priorities. Instead, we have given you categorical exclusion to help you increase and to deal with those permits.

They are not moving any faster that I can see, and now we are cutting budget from it, which, I think, does a couple of things. The program keeps an industry alive, and it keeps your forest in a management-type mode where we can prevent fires and provide additional fuels reduction.

I do not see you making that connection on how important this really is. It is a natural thing. It does not cost us anything. We, in fact, get a few dollars back for it.

Mr. BOSWORTH. Mr. Chairman, the numbers that were calculated to show how many allotment management plans we would complete were calculated prior to the time that we had the opportunity to use categorical exclusions. Our expectation is that we would be able to increase significantly the number of allotment management plans each year, from about 400 probably up to around 750 allotment management plans each year, with the use of the categorical exclusion.

So that would be about 300 additional each year for the next 3 years. If we are able to complete those even faster than the 3 years and we got the total of 900 completed that we have the authorization for, we would be back asking you for some additional help. But categorical exclusions are going to go a long ways toward achieving what you are concerned about, I believe.

Mr. REY. That reduction is a reflection of our expectation that our unit cost to do grazing lease renewals will be reduced slightly through the use of the categorical exclusion. So that was a reduction we took, not to reduce outputs, but in recognition of the fact that we could produce a higher level of outputs more efficiently, given a very tight budget.

We do understand and appreciate that grazing plays an important role in fuels reduction. In fact, in some of our national forests, particularly the ones in the Los Angeles Basin, we let grazing leases out to maintain fuels levels in fuels breaks for that purpose. It is a fairly inexpensive way to maintain fuels at a certain level in a fuel break, and grazing animals help us in our fuels reduction and fire reduction risk purposes, with one exception. We had an escapement on a wildfire 2 years ago in the Angeles National Forest where one of our goats was indirectly involved, because it was an escapement from a pagan worship ceremony where they were sacrificing a goat and the fire got away. So in that case the goat did not help, but normally they do.

Senator BURNS. Well, I would think that maybe you would hang onto this \$3.4 million and accelerate the number of permits that you could work. I would hope you could do that. But to cut back if you are more efficient—I do not have any problem with being efficient. Therefore, we ought to see the increased numbers of permits being worked and issued. That is what I am getting at.

I would say, I got the biggest kick out of—I drove on the back side of the University of Montana a couple years ago and there were two big truckloads of sheep being unloaded out there. They were going up on Mount Jumbo. Well, these people standing around, these little environmental people who have been trying to get livestock off of public lands all these years, said: We found a new way to control leafy spurge and spotted knapweed, and we are paying the people that own the sheep to graze this off.

I said: By golly, wish I had thought of that. I did not want to throw any dampness on what they were trying to do, but we know that it works, and it has to be part of our activities to prevent forest fires. If one occurs, the suppression is much easier. We have seen up in the Big Timber area where a fire just got all the way up to a grazing lease and then it quit right there. So we think it is pretty important.

I am pleased with your leadership on the audit. I think that was very important because we had a long time here trying to figure out what in the world was going on down there and how we were using the money. I applaud you for integrating your systems of accounting and also the moving, using broadband, centralizing your bookkeeping, and all of that.

So that tells me that we ought to be a little more efficient when we start dealing with grazing, forest stewardship, and forest health. With the categorical exclusion that we have got in place for you, those should move along a lot faster than I think they are moving along right now.

I would yield to my good friend from North Dakota.

NOXIOUS WEEDS

Senator DORGAN. Mr. Chairman, let me again thank the witnesses for their testimony. I indicated previously that I would submit some questions for the record. As the Chief knows, I will once again want to inquire about leafy spurge and weed control on lands that I believe we have a responsibility to control weeds on. I also want to provide some other questions for which we can get some answers.

Because of the debate on the floor at the moment on this live cattle issue from Canada, I am going to go over and participate in the debate and I know my colleagues, including the chairman of the full committee now, who has joined us will participate. So let me defer at this point and, Mr. Chairman, thank you very much for this hearing this morning.

Senator BURNS. I will be over to join you in just a little bit. Thank you, Senator Dorgan.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much for convening this hearing to review the Forest Service budget for the next fiscal year.

HEALTHY FORESTS INITIATIVE

I notice in your statements both the Chief and the Under Secretary refer to the President's Healthy Forests Initiative. We were really pleased that we were able to support the President's initiative and get legislation passed implementing many of the suggestions that the Administration had made.

HEALTHY FORESTS RESERVE PROGRAM

I am concerned about one aspect of the budget request, though, and that is the fact that there is no funding provided for the Healthy Forests Reserve Program. This was part of the Healthy Forests Initiative and we are hopeful that a way can be found to reallocate some funds so that that program can be funded.

What is the reaction that you have to that problem? Has there been any conversation within the Forest Service or in the Department about reprogramming or in some other way making available funds for the Healthy Forests Reserve Program?

Mr. REY. There have been some conversations. They have not involved the Forest Service. They have been held at the departmental level. The reason for that is that in the delegation that occurred after the Act was passed the Healthy Forests Reserve Program was delegated to the Natural Resources Conservation Service because of its similarity to a number of NRCS programs like the Farm and Ranch Land Protection Program and the Grassland Reserve Program.

We are in the process of writing the regulations—that is, NRCS is in the process of writing the regulations—for the Healthy Forests Reserve Program. We expect that they will be out in proposed form shortly. It is our expectation that we will complete those regulations contemporaneously while we are working on this 2006 budget and at some point as that occurs we would be happy to sit down with the committee and talk about some reallocations of funds to provide funding in the Healthy Forests Reserve Program.

Senator COCHRAN. Good. We would appreciate very much your assistance in helping to find a way to see that funds are allocated to that program, even though it may not be within your budget. Your influence could help.

Mr. REY. Actually it is, because the NRCS is the other agency I oversee. So you are complaining to the right person.

Senator COCHRAN. Okay. We also know that under the law we passed, we encouraged more resources be made available for pest infestation problems research, particularly into better ways to combat diseases in our forests. This not only applies to our Forest Service lands, those under your direct jurisdiction and responsibility, but also private forests. I think insects do not know whether they are on private land or public land when they start their work. There is a lot that can be done by our Government agencies to help private landowners. In our State, most of the land is in private ownership and so I am hopeful that the Forest Service and the Department will continue to keep that in mind and help lead the way in developing new management and treatment methods that they can share with private landowners.

Mr. REY. We have several of those under way now, mostly in the Southeastern States. I know we have some in Georgia and some in Arkansas. I do not recall offhand whether we have any projects in Mississippi. But what we would be happy to do is submit for the record a complete list of the projects so far that were developed under I think it is Title IV of the Healthy Forests Restoration Act. [The information follows:]

TITLE IV—SILVICULTURAL ASSESSMENTS AND ACCELERATED INFORMATION
GATHERING

Using authority provided under Title IV of the Healthy Forests Restoration Act of 2003, Forest Service Research & Development (R&D), National Forest System (NFS), Forest Health Protection (FHP), and State and Private Forestry (SPF) are working together and partnering with several universities and State forestry agencies to conduct landscape-scale applied research projects to address insect infestations and diseases that threaten the health of many of our forests and grasslands in the United States. The applied research projects aim to conduct and evaluate different land management practices that reduce problems associated with the current outbreaks of insects such as the red oak borer and southern pine beetle, and to translate that information for practicing professionals, landowners, and the public. These projects will be instrumental in mitigating the damage caused by these destructive insects. There are currently six silvicultural assessments underway.

Title IV also includes projects on accelerated information gathering on insects and diseases. There are currently six of these projects planned or underway, and one has been completed.

A complete list of Healthy Forest Restoration Act research and development projects, under Title IV—Silvicultural Assessments, and Accelerated Information Gathering, is below. A detailed description of each individual research project may be obtained at http://www.healthyforests.gov/applied_research/index.html.

Silvicultural Assessments:

- Research and demonstration areas of silvicultural treatments for minimizing gypsy moth effects
- Hemlock woolly adelgid in the southern Appalachians at Otto, North Carolina (SRS-4351)
- Applied silvicultural assessment of upland oak-hickory forests and the red oak borer in the Ozark and Ouachita Mountains of Arkansas at Monticello, Arkansas (SRS-4106)
- Maintaining habitat diversity, sustaining oak systems, and reducing risk of mortality from gypsy moth and oak decline on the Daniel Boone National Forest: silvicultural approaches and their operational dimensions
- Applied silvicultural assessment (ASA) of southern pine beetle (SPB) in southern pine stands west of the Mississippi River (SRS-4106)
- Silvicultural thinning treatments for hemlock woolly adelgid (HWA) damage mitigation (NE Station)

Accelerated information gathering projects include:

- Response of bark beetle populations to wildfire and prescribed burning at Athens, GA (SRS-4505)
- Hemlock woolly adelgid in the southern Appalachians at Athens, GA (SRS-4505)
- Trapping systems for early detection of exotic beetles at ports-of-origin and ports-of-entry, and for detection and control of exotic and invasive beetles in urban landscapes and managed forests at Athens, GA (SRS-4505)
- Blacks Mountain interdisciplinary research project—Cone Fire assessment
- Stand and landscape visualization systems and remote sensing of forest vegetation structure
- Rapid response treatment strategies for public and private landowners in the South to recover from Red Oak Borer in the Ozark Mountains of Arkansas at Monticello, Arkansas (SRS-4106)
- Genetic diversity of western white pine (*Pinus monticola* Dougl.) revealed by genetic markers: Improving the white pine blister rust resistance breeding program and understanding the importance of natural regeneration after biotic and abiotic disturbances.

HEALTHY FORESTS RESERVE PROGRAM

Senator COCHRAN. Thank you very much.

Mr. Chairman, thank you for the hearing and the good job you are doing as chairman of this subcommittee.

Senator BURNS. Thank you very much, Mr. Chairman. I will address you back as "Mr. Chairman" also.

FOREST HEALTH

I think the chairman raises a good question on our research and the maintenance of our forests, especially with regard to insects. They do not know whether the trees are privately owned or owned by the Federal Government. No matter what the private people do in order to take care of their problem, if we do not take care of ours, theirs is an endless job and we never will get our arm around this.

So I think he raises a good question there and we should take a look at that.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

LITIGATION COSTS

One of my main hobby horses that I continue to ride is the impact of litigation costs, both in the Forest Service and the BLM. We have had testimony from the BLM that litigation costs eat up something like 50 percent of their administrative budgets, and people keep filing delays, filing appeals, doing everything they can to use the courts to prevent what I consider to be sound management.

The Government wins something like 99 percent of all of these appeals, but the amount of administrative time spent dealing with them and legal fees spent handling it are great. The folks who file the protests really do not care about the merit of their position. They simply want to snarl up the whole process.

Do you have a sense or can you give us a summary of where these litigation costs are in the Forest Service?

Mr. BOSWORTH. Senator Bennett, I do not think I can give you a specific cost regarding our litigation costs. The situation for us is that every one of our projects in one way or another is affected by litigation, because we have to go through additional analysis, additional work, checking, double-checking—getting an administrative file that may be 6 feet tall if you stacked it on end—assuming we may get litigation.

So every project ends up being affected because we have people doing work and analysis and documentation that otherwise is not really necessary for a sound decision. They go through it in order to make sure that if they get litigated, they will have an opportunity and a chance to win.

So if you just took the actual cost of litigation per se, the specific amount of time we spend on it, it would not be a high percentage of our budget, but probably 50 percent of our time goes into planning and doing analysis and documentation in the event of that litigation. Then we often get appealed; we go through the appeals process and then we get litigated on a proportion of those.

So our concern has been how to reduce that level of analysis and work that we do so that we can make sound decisions and involve the public, but not have to have 10 boxes worth of administrative record to defend ourselves in court. It is very impacting in the end.

Mr. REY. I think that the costs break into three broad categories. There is the one we can quantify for you and submit for the record and that is the actual cost of the time spent in appeals and litigation. The second, which the Chief mentioned, is the collateral cost of working backwards for all the projects that are affected by litigation, adding additional analysis and process in the interest of litigation avoidance.

The third is the opportunity costs associated with projects that are time-sensitive that are delayed and ultimately changed as a consequence of the delay associated with litigation. In southern Oregon, for instance, we are in the middle of a matrix of lawsuits, which is probably the best way to describe it, on the recovery project for the Biscuit Fire, that burned in 2002, which was the largest fire in Oregon's history.

LITIGATION COSTS

Ultimately, by the time we sort our way through all the litigation—and so far we are winning the lawsuits; we are not losing them—much of the salvageable timber that we would have salvaged is going to be substantially less useful, if not worthless. The proceeds from that salvage were going to partially pay for much of the other restoration work that was going to be done on those sites to stabilize those watersheds on a long-term basis.

So as we lost that potential revenue source as an opportunity cost associated with litigation that we will ultimately win; at least we are winning so far, even in the Ninth Circuit. We are going to have to either forego the restoration work or pay for it out of appropriated dollars. So that opportunity cost is not inconsequential, particularly in projects that are time-sensitive by their nature.

Senator BENNETT. We are the Appropriations Committee and we have to come up with the money that you need to carry out your mission, and it is just very frustrating to me that such a high percentage of the money we come up with goes into what is essentially a totally nonproductive kind of activity. If you were losing your lawsuits, that would indicate that you were doing something wrong and that these people are watchdogs. But the fact that you win so often indicates, I think, that they are not watchdogs; they are dogs in the manger who simply do not want you to do your job and they are using the courts as a way to try to prevent it.

ENERGY

Let me turn my attention to the question of energy resources. There is a great deal of energy available in the Intermountain West, where I come from, and increasing attention is being paid to the potential of energy coming from Forest Service lands. There is some sense of frustration that land managers on the ground do not pay attention to energy development, they put it very much on the back burner. Do you want to address that and agree or defend or vigorously deny or whatever else you might have in mind with respect to this question?

Mr. REY. Well, I think I would offer an alternative perspective. If you look at our 2006 request from among the National Forest System accounts, what you will see is that one of the largest increases is for our minerals program. A good part of that is a reflection of the fact that we know that we have a backlog of opportunity there and a desire to be more efficient in reviewing the applications that we get for new development. We are trying to process those in an efficient fashion so that we can produce energy in an environmentally sensitive way.

Mr. BOSWORTH. If I could add just one thing to that, we are also putting significant effort into biomass and utilization of biomass, both in terms of research and finding places where we can utilize some of that material to help reduce energy needs for this country.

PLANNING RULE

Senator BENNETT. Land management plans. We have talked here before about the Dixie National Forest and how again, back to the first subject, protests and petitions and so on have prevented us from saving the Dixie Forest from devastation by the beetles. People say: Gee, if human beings go in there, somehow they will taint the forest. The fact is, the beetles are there destroying the forest and human beings, if they were there, could do something about it, somehow that is okay. If nature kills the trees, the trees deserve to be dead, but if human beings kill the trees and turn them into houses, somehow that is evil. I do not support that view, but there is that view.

Can you talk about improvements to the LMP that are coming as a result of the new rule you adopted in December 2004?

Mr. BOSWORTH. Yes, I would be happy to do that. As you said, in December we finalized our planning rule. We have been operating under the old planning rule that was developed in 1982, so you can tell that is quite outdated and it was time to make some significant revisions, in our judgment. So the new planning rule that we have does several things.

First, I believe it will allow for better public involvement. It is going to be shorter. We will get it done quicker. We estimate that under the new planning rule we will be able to complete a forest plan revision in 2 to 3 years. Under our existing time frame it has taken us 8 to 10 years to complete a 15-year forest plan.

By having it shortened, I believe that it will allow people to be much more engaged and much more involved. The average person cannot be involved in a forest plan if it is going to take 8 or 9 years to get it done. The people who are being paid can. The people from the timber industry or the livestock industry or the environmental industry can be involved in it. But the person down the street who wants to go out with his family and enjoy the national forests cannot stick with it.

So I believe that is one major change I think will help. It will also cost less money if we get it done quicker.

I believe it will also provide for better environmental protections. The reason I say that is because we have an Environmental Management System that we will put in place that requires an independent audit of the forest each year and that will show whether or not we are doing what we said we would do and whether or not

we are getting the outcomes that we said we will get. We will increase the amount of monitoring that we are doing, so that will allow us then to make adjustments based upon what we have learned.

So the whole notion would be, instead of trying to guess what might happen by doing an analysis up front, we will do adequate analysis, but we will put our emphasis into after we have implemented for a year; then we look and see what actually happened and learn from that and make adjustments. That makes more sense to me. I think that will provide for better environmental protections.

I think it will also increase the visibility of our projects by having independent auditors looking at what we are doing and involving the public in that.

In the end, all of our decisions will be science-based. The planning rule requires using the best available science. Our analyses will be reviewed by our scientists to make sure that we are actually interpreting the science correctly.

So those are the major changes that I think will end up with a much better process that will be more acceptable to the public.

Senator BENNETT. Thank you.

Thank you, Mr. Chairman.

Senator BURNS. Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

RED CEDAR EXPORT POLICY

I am concerned about a few things here that I read in the budget. For instance, there is a request that we change the prohibition against export of Alaska's red cedar to give the right of first refusal to the timber industry and then to allow its export. Just how would that work? Are you going to set the price and if they take it they can buy it; if not, are you going to export it? I do not understand that mechanism.

Mr. REY. That is basically how it would work. This would be an opportunity to—

Senator STEVENS. Well, you have got a timber industry on its knees because of the work of extreme environmentalists in our State and they cannot afford to meet the bid of people in foreign countries that do not have the environmental restrictions that we have. That is a no-brainer. I do not understand who came up with that.

Mr. REY. No, this is an attempt to help the industry in Alaska to market the red cedar, which they do not manufacture in Alaska, but to also give the opportunity for the industry in the Puget Sound to get access to those logs. The way that the system is supposed to work is—

Senator STEVENS. All we did was prohibit the export, Mark. We did not say you could not sell it to Seattle. They can still sell it to Seattle if they want to buy it. I do not understand that language at all. I would urge you to look at it and give us a paper on what it really means. I have been around that industry for a long time and I never saw such a proposal, that our people can buy it if they meet your price, is what you are saying.

Mr. REY. No. What we are saying is that the producers in the Puget Sound area get a right of first refusal at a set price.

Senator STEVENS. No. The language says first refusal to the Alaska timber industry. Check it, will you?

Mr. REY. Okay, we will check on that.

[The information follows:]

Senator Stevens is correct, since the Alaska timber industry would be making the initial purchase.

KAKE LAND EXCHANGE

Senator STEVENS. Second now, we provided \$2 million to facilitate what was known as the Kake Land Exchange. You want to strike that language. Why?

Mr. REY. I think the exchange is complete, is it not?

Senator STEVENS. Again, take a look at that. I do not understand that either.

[The information follows:]

KAKE LAND EXCHANGE

In October 2000, Congress enacted the Kake Tribal Corporation Land Transfer Act (Public Law 106-283, Kake Act), an amendment to the Alaska Native Claims Settlement Act (ANCSA). The statute provides for the reallocation of lands and selection rights among the State, Kake Tribal Corporation, and the City of Kake in order to protect and manage the Kake municipal watershed.

The Kake Act provided that if the State relinquished its selection rights to 1,389 acres of Federal lands in Jenny Creek, and if Kake Tribal Corporation and Sealaska conveyed 1,430 acres of non-Federal lands to the City of Kake, then USDA would convey the surface estate of the 1,389 acres at Jenny Creek to the Kake Tribal Corporation and the subsurface to Sealaska.

The lands conveyed to the City were encumbered by a conservation easement granted by Kake Tribal to the Southeast Alaska Land Trust to provide for the perpetual protection and management of Kake's watershed. Thus, the Act authorized "such sums as may be necessary to carry out this Act, including to compensate Kake Tribal Corporation for relinquishing its development rights [in the lands encumbered by the conservation easement] and to provide assistance to Kake Tribal Corporation to meet the requirements of subsection (h) [the timber export restriction]."

In fiscal year 2001, the appropriations legislation provided \$5 million for this purpose. The Alaska Region determined the value of the timber rights Kake Tribal Corporation relinquished to be worth at least \$5 million and transferred the funds. Kake Tribal Corporation commissioned a market analysis that indicated the Corporation lost \$18 million in revenues. This amount was not verified or accepted by the Forest Service using standard market value estimates. In subsequent fiscal years (fiscal year 2002 through fiscal year 2005), Congress appropriated additional lump sum payments to Kake Tribal for implementation of the Act. A total of about \$13 million has been allocated to Kake Tribal (subject to rescission percentages). The Forest Service believes that the Kake Act has been fully implemented.

TIMBER SALE PIPELINE

Senator STEVENS. We proposed that there be \$5 million be put in to funding for the EIS's on Alaska timber sale to ensure that there would be a stable supply of timber, the so-called pipeline amendment, to put some timber in the pipeline so it would be there and the EIS's would be cleared in advance so people knew what they were bidding on. Right now you bid on it and then the EIS comes along and it is stalled for 2 years. Your money is tied up for 2 years and your industry dies.

Now, what is wrong with our approach?

Mr. REY. The problem is litigation, but not the funding of the EIS's.

Senator STEVENS. Well, you strike the money, \$5 million for the pipeline money. Again, I want you to look at that. I cannot believe you would strike that \$5 million. The Forest Service concurred with us that we should find a way to get the EIS's completed before a timber sale.

Mr. REY. We can take a look at that.
[The information follows:]

The President's fiscal year 2006 budget includes up to \$4 million specifically for allocation to the Alaska Region for the purpose of preparing timber pipeline volume which is in addition to its normal allocation.

ALASKA RAILROAD

Senator STEVENS. One was provided for—\$1 million for the activities on the Chugach that relate to the partnership between the Chugach people—as you know, it is a regional Native corporation—and the Alaska Railroad. Why did you strike that money?

Mr. REY. It was our understanding that that was a 1-year project. If there is a continuing need to carry that forward, that is something we should talk about.

Senator STEVENS. What this finances is stops made in Forest Service area, by the Alaska Railroad. Maybe you should understand what it is about. It was in order to increase the recreation opportunities in the forest area by financing the stops that are necessary. You understand? We have an Alaska Railroad. It does stop. It is like a Toonerville Trolley. It stops in advance if you tell it where to stop.

If the people know it is going to stop in the forest, they will build the recreational facilities for those stops in your Forest Service area. Again, I look at this, I cannot believe that the people who prepared it—I hope this is part of OMB's additions to your proposal and not the Forest Service. If not, I suggest you station some people up in Alaska to learn a little bit about my State, okay?

Mr. REY. Okay.

Senator STEVENS. I will tell you, a kind letter will follow this.

ALASKA FIRE SEASON—2005

As you know, the last year was about the worst fire season we have ever seen. At one time there were 6.6 million acres burning. For 15 days the EPA rated the air quality in Fairbanks as dangerous and hazardous—at 10 micrograms per cubic meter. People were told to stay indoors, to avoid exertion. Older people had to be moved out of the city.

I received reports that these fires could have been diminished, but you lacked resources to fight fires in my State, whereas you were fighting fires of 100,000 acres in the lower 48. Now, tell me, who makes that decision that you can't fight fires in Alaska?

Mr. REY. Those decisions are made by the incident commanders on site in charge of the fires, and no incident commander in Alaska was denied any resource request that he posed.

Senator STEVENS. This was reported in the paper now and was reported to us in my offices in Alaska that the Federal agencies lacked the resources, manpower, and equipment to handle these fires because they were so large. They could handle minor fires, but they could not handle large fires. Now, you know, some time ago

the environmental community came to me and said: God made the fires and God made the forests, so you should not interfere with God. Is that the proposal now, we are going to let fires in Alaska burn?

Mr. REY. No, not at all. We trust the incident commanders in charge of fires, whether they are Alaskan fires or whether they are fires in the lower 48, to decide what the attack strategy on those fires is going to be and call for the resources that they need. And in Alaska this year——

Senator STEVENS. Well, then I shall call, ask the committee to call the people who made the decisions in Alaska to come tell us why they did not fight those fires. 6.6 million acres of Federal forest burned and the fires went on for 20 days.

Mr. REY. It was a record fire season in Alaska.

Senator STEVENS. They tell me, because all the winds are bringing all the snow down this year, it is going to be a record fire season again.

Mr. REY. It is setting up to be another one.

Senator STEVENS. There are 2.2 million acres of beetle kill in the Anchorage region. We have not been able to cut it and if it is as dry this year in Anchorage as it was in Fairbanks last year, it could well consume the area that has half the population of my State. You know I live right in the middle of it, right?

Mr. REY. I think the difference here is that if cities like Anchorage or Fairbanks or even small communities are threatened, our incident commanders will adopt a much more aggressive and resource-intensive strategy.

Senator STEVENS. Now you are saying that if there are not any people around you let the timber burn?

Mr. REY. We do that in the lower 48 as well. We let it burn under prescription if we know that there are no property or human lives that are threatened. That is not unique to Alaska.

Senator STEVENS. Over 6.6 million acres of timber can burn and you just sit by?

Mr. REY. We do not sit by.

Senator STEVENS. You did not try to contain it.

Mr. REY. We make sure that we can extinguish when it is an immediate threat to human life or property.

Senator STEVENS. Well, you know it was right to the edges of the National Missile Defense area at Fort Greeley, do you not?

Mr. REY. There were contingency plans to make sure it did not——

Senator STEVENS. I remember going down to New Mexico where it came right up on Los Alamos because of a decision not to fight it about 12 miles away and the fire got away.

I tell you, I do not think you understand. Someone has got to take a look at this. You just cannot let fires burn because you never know where they are going to go if they really get bad.

Mr. REY. We do not just let fires burn. Where we have fire management plans that we can let them burn with some confidence under prescription——

Senator STEVENS. Well, I ask you to check it.

Mr. REY. We can do that.

Senator STEVENS. Last, I was told that we do have the Fire Jumper School in Alaska in Fairbanks and during this period, those fire jumpers were out of the State fighting other fires elsewhere.

Mr. REY. If that is the case that is because they were not called for by the incident commanders that were in charge of fighting the Alaska fires.

Senator STEVENS. Mr. Chairman, I ask you to call that person to come testify before this subcommittee this year.

Senator BURNS. We will track him down.

Senator STEVENS. I do not accept the position that fires should be left totally to go and just rage in an area like ours just because we are so big. We have one-fifth of the land mass of the United States. Half the Federal lands of the United States are in our State. You are making the decision those half are subject to different conditions than you would make in other States.

Mr. REY. No, we are applying essentially the same standard in Alaska that we are applying in the lower 48.

Senator STEVENS. But if the resources are not there to fight them, how are we going to fight them?

Mr. REY. That is the issue I think we are still trying to assess, as to whether the resources were there to fight them.

Senator STEVENS. That is the issue I would like to set. I tell you, 6.6 million acres burning in a period of 20 days has got to be examined. It may be that current needs of the United States do not need that timber, but it takes a lot, lot longer to grow timber in Alaska than elsewhere. You agree to that?

Mr. REY. In that part of Alaska, sure.

Senator STEVENS. Particularly in that part of Alaska, in the Interior. It is a slow growing season. We have a long season, but it is slow growth because of the shallowness of the roots. Once they burn, it takes years. That whole area now is just stark. It looks like you are going through a part of hell when you drive through it.

I really urge you to get him up here because someone has got to answer why there was not a greater attempt to stop those fires.

Thank you, Mr. Chairman.

Senator BURNS. Thank you.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Mr. Chairman.

As one of the co-sponsors of the Senate Healthy Forests bill along with you, Mr. Chairman, Senator Cochran, Senator Craig, and Senator Wyden, I am very concerned by cuts in this budget. It is my understanding that the budget proposes a 54 percent cut in cooperative fire assistance, a 30 percent cut in forest health management on State and private lands, a 13 percent in cooperative forestry, and elimination of the economic action plan which helps businesses economically remove hazardous fuels.

HAZARDOUS FUELS REDUCTION FUNDING

In contretemps to this, funding for hazardous fuel reduction on Forest Service lands increases from \$263 million to \$281 million. It seems to me that the way this is imbalanced gives short shrift to what we, Mr. Rey, tried to accomplish in the Healthy Forests bill, and I want to ask a couple of questions.

It is my understanding that the Forest Service has the capacity for an additional \$41.4 million in hazardous fuel reduction on private lands, four or five times as much as the approximate \$8 to \$10 million in the fiscal year 2006 budget for these purposes. In addition, there is capacity for an additional \$15 million in hazardous fuel reduction on State and private lands. So my question is, this reading would indicate that the budget falls far short of the amount needed to move ahead at full speed to reduce the risk of catastrophic fires, certainly in southern California.

Mr. REY. I am not sure where the capacity numbers come from, but clearly there is greater need for fuel reduction work on non-Federal lands than the 2006 budget provides funding for. I think we can agree on that. As I said in my opening statement, as we moved to put together our budget under the Healthy Forests Initiative and the Healthy Forests Restoration Act, we put together a budget request that focused more heavily on Federal lands than on non-Federal lands, and we did that for three reasons.

First, we are the only ones who treat Federal lands. We are the only ones who can treat Federal lands. There is no other unit of government that is going to provide money to treat our Federal at-risk lands, either in the wildland-urban interface or outside it.

Second, if you look across the country, I think it is a fair assessment to say that by and large the Federal lands are in worse shape than the non-Federal lands. Our fuel loads are heavier.

Senator FEINSTEIN. Except, let me stop you here. It is my understanding from my staff that what you have done is essentially move the activity to the cheaper areas and away from the wildland interface areas.

Mr. REY. No, we are actually increasing the amount of treatment done in the wildland-urban interface as compared with previous years. But we are focusing on the Federal lands within the wildland-urban interface, as opposed to the non-Federal lands within the wildland-urban interface. And wildland-urban interface acres are on the average more expensive to do, so you get less acres per a set investment than you would outside the wildland-urban interface because you have to go more heavily to the mechanical treatment.

The third reason that we focused on Federal lands may be the most important, and that is as we worked with our partners in the firefighting community at both the Federal and State level, we identified other funding streams that are available to our non-Federal cooperators, in some cases with better delivery systems than our own.

For example, the USDA Rural Development program had a \$300 million or so grant program last year using Farm bill funds to provide assistance to first responders. That is money that we are going to try to get to our rural firefighters. FEMA has a \$700 million program to assist firefighters at the State and local level.

Senator FEINSTEIN. I guess what I see, Mr. Rey, we gave a lot of attention—Senator Conrad was there, Senator Burns was there—as to how we set up this bill to be able to move aggressively in certain areas on fire. We had big discussions. It seems to me that what you are doing is shorting part of our problem and moving the money to other places, and that concerns me.

Mr. REY. I think I agree with the disproportionate distribution of revenues over the whole of the problem, because we are emphasizing Federal lands over non-Federal lands. It does not follow, however, that in making that emphasis we are moving the treatments away from the wildland-urban interface and into other areas. The treatments are still proportionately focused in the wildland-urban interface. About two-thirds of our treatments in 2006 will be in the wildland-urban interface.

But even on a forest with as much non-Federal land as, say, the San Bernardino—

Senator FEINSTEIN. That is what I was going to mention.

Mr. REY [continuing]. What we are saying is we are going to put our initial emphasis—our proposal to you, I guess I should say, is that we put our initial emphasis on treating the Federal lands on the San Bernardino, because we are the only ones who can and will do that.

Now, that is obviously a discussion we are going to continue to have over the appropriations process. Last year you reduced what we requested for hazardous fuels, so in that sense you reallocated to hit non-Federal lands.

Senator FEINSTEIN. Not me, not for reducing.

Mr. REY. No, you did not reduce the overall effort, but you made us switch from Federal lands to non-Federal lands. Not you specifically, but the Congress generally.

Senator FEINSTEIN. Well, take for example the bark beetle forest that is dry and deteriorating very rapidly, which is part on Federal and part on non-Federal land in the San Bernardino National Forest. Does this mean you treat the Federal land and you do not treat the rest of it?

Mr. REY. No, what it means is we think there are other mechanisms for funding the non-Federal portion of the treatment and we want to make sure as we allocate our priorities that we can do our part of it. So on the San Bernardino or on another forest in a similar situation, what we would try to do would be to work with the local communities, identify what funding streams they have available, but make sure as we did that, we have enough to do our part of it.

In some of these forests, they are using funding streams from the Secure Rural Schools and Community Self-Determination Act to do the non-Federal lands treatment. We do use hazardous fuels dollars to help with the development of community-based fire plans that cover both Federal and non-Federal lands. So we are not walking away from the non-Federal lands. What we are trying to do is to strike the right balance to make sure that if you look across all of the funding streams available that we can do a treatment that is effective because we treat both in a strategic fashion and not get to the point where all of the non-Federal land is treated and the private landowners then look to us and say: Well, what have you guys done?

Senator FEINSTEIN. I guess my concern—and let me just say this to my colleagues who were there. If you will recall, we spent a lot of time trying to work out a balanced formula and I think we did. We took a lot of flak from environmentalists who said, they are just going to turn this thing around. I do not want that to happen.

I think that what the intent was and what we did should be carried out by the Department. I think it is a real point of major integrity that we work, that the cooperative fire plans—I attended a meeting in August in the Tahoe Basin with all of the fire communities. I am going up there again. They have all worked very hard to do their cooperative fire plan and to see that the funding remained so that that can get done.

I think it would be really very tragic if what some people said would happen with that healthy forest plan happens, because we tried to see that it was a balanced approach and that we did the right thing by the urban-wildland interface.

Mr. REY. I think we are all committed to making sure that approach works and what we have to do as we go through each budget cycle is try to make sure we get the right amount of funding in each program area.

Senator FEINSTEIN. All I know is what my people tell me and they tell me that the way this is worked out shorts California and it moves the money to cheaper areas to do forestry work.

Mr. BOSWORTH. I would like to respond to that, Senator. As Chief of the Forest Service, I get a number of different recommendations from my folks saying, well, here is how we ought to allocate it around the country. When they are looking at these recommendations from time to time, they say: Well, you know, it costs more money to do business in California; we ought to put it in the wildland-urban interface than some other place.

So often when they are making those considerations, those considerations become available for other people to look at. All I want to tell you is they are not decisions until I make them. I am happy to have those considerations, but in California, even though we had some recommendations to do some different things based on cost per acre, we put the dollars in California where they were needed and we kept the program at the level and will continue to be giving a high priority for California.

Senator FEINSTEIN. Well, I had whispered in my left ear, where I am a little bit hard of hearing, that they did this year, but what about next year?

Mr. BOSWORTH. Well, I am sure that I will get recommendations from folks again with a variety of different choices in how we ought to do it. But I am still going to be the one that makes the decision and I am very concerned about those wildland-urban interface areas in California. They are more expensive. It costs more to do business.

Senator FEINSTEIN. I understand that. But I cannot help that in any way. That is the way it is.

Mr. BOSWORTH. Neither can the Forest Service folks that are in California, because it is just a higher cost of doing business. So we are going to continue to find the right balance, but I just do not foresee ending up shorting the areas there that have the critical wildland-urban interface with national forest land all around them.

Again, we will continue to always look at different choices, but I just cannot foresee a decision that would make significant reductions in California.

Mr. REY. The good news, I guess, in terms of this is that our regional foresters are arguing passionately to get more money to do

this work, and your regional forester is among the most aggressive and passionate.

Senator FEINSTEIN. Good, we like that. Thank you very much.

COMMUNITY FIRE PLANS

Let me go to the community fire safe councils. It is my understanding that communities get about \$40 million I requests from the fire safe councils and that there is some additional money available through the county payments legislation which Senators Craig, Wyden, and I are working on to try to get reauthorized. How are we going to implement the fire safety councils plan in the face of these budget cuts or proposed budget cuts?

Mr. REY. Well, we do fund some of the fire planning work through hazardous fuels dollars, which has not been cut. It has actually been increased. So there is some assistance there. The money that is provided under the Secure Rural Schools and Community Self-Determination Act is from a mandatory account, so that money will continue to flow as well.

So we have been so far able to keep up with the community fire planning process. There are about 600 that have been developed so far, which is actually pretty impressive because it has only been 13, 14 months since the bill's enactment, and those are up and running. I think so far we have been able to keep up with the desire of the communities for assistance with their plans.

Senator FEINSTEIN. All right. Well, we will watch and see. That is for sure.

ADAPTIVE MANAGEMENT—SIERRA NEVADA FRAMEWORK

Let me just say that I understand you were instrumental in working out an agreement between the Forest Service and the University of California on an adaptive management plan for the revised Sierra Nevada Framework. I just want to congratulate you on that. I think it is important to have that independent review.

Can you explain to us how you envision this working?

Mr. REY. Sure. I will take the first cut at that, but the Chief and, more notably, the regional forester will probably be much more articulate about the details.

It is being set up as a three-part agreement between the State, the Forest Service, and the University of California at Berkeley. In the Forest Service there are two entities involved. There are the national forests of the Sierra Nevada region and then there is the Pacific Southwest Forest and Range Experiment Station at Berkeley.

The University of California will do monitoring of the treatments that we apply for fuels reduction purposes in a number of sites that are going to be selected by the university in conjunction with the State and the Forest Service, and that will be part of our active monitoring program that we do as we move forward to implement the Sierra Nevada Framework.

As the results of that monitoring are made available, the university will analyze it. It will be available for public review. The primary purpose of it, I guess to state it as simply as I can, is that we will be evaluating whether the treatments that we have specified accomplish the results that we desire and just those results.

We want to evaluate whether they are effective in fuel reduction and that there are no unanticipated or unintended consequences as a result of implementing.

If we find that either they are not effective or there are unintended consequences of a negative nature, then that work will form the basis for subsequent amendments to the Sierra Nevada Framework. The University of California and the State, for that matter, but primarily the University of California, will provide an independent certifying capability to see that the Sierra Nevada Framework works as we hope it will.

Senator FEINSTEIN. I think that is very interesting. It is going to be interesting to see how it works out. Let me just commend you.

Do you have anything to add, Mr. Bosworth, to that?

Mr. BOSWORTH. The only thing I would add is that it is critical for us to have a monitoring system that has public credibility. When you look at a plan like the Sierra Nevada Framework, it is fairly controversial, so there are differences of opinion on all sides. The future for us is going to be in effective monitoring, and often using independent outside parties to help us do that monitoring and evaluation, to do the kind of adaptive management that we need to do in the future.

That is really what this is about. So this approach has the potential to be a model for some other places if it works. I do not have any reason to believe that it would not work well.

Senator FEINSTEIN. Well, it is certainly a hot issue. Let me just commend both of you. I think it is a very interesting project.

QUINCY LIBRARY GROUP

Let me ask the last question on the Quincy Library Group. What actions has the Forest Service taken to ensure that the QLQ project will meet the intent of the law in future years? Really what I am getting at is the planned program of work in the remaining years of the project.

Mr. BOSWORTH. The budget proposal would maintain the base level of funding for Quincy Library Group. Every opportunity we get, we put more money into it if we can. So in fiscal year 2005, this fiscal year, we were able to scrape up even some additional dollars to put into QLQ to do some additional work.

The funding proposal for 2006 would be the same level as it was for 2005 and that was enacted for 2005 and the same that it was for 2004. As I said, if there is excess money somewhere—which there is not usually a lot, but from time to time there will be dollars that will not get spent as effectively in another forest or another region—whenever we have the opportunity we will put some of those dollars into Quincy Library Group to ensure that we get the outcomes there that you had intended.

ROAD MAINTENANCE

Senator FEINSTEIN. Just one other quick question. In places of real road devastation, particularly in southern California, caused by the fires, are you going to be able to help with those roads? As has been stated, this is going to be another big fire year, I suspect, for southern California.

Mr. BOSWORTH. Right now we are assessing primarily the flood damage that occurred from the huge rain storms in southern California. We know that there was somewhere in the vicinity of \$35 million worth of damage to roads and trails, but we have not completed the analysis or the assessment. So what it will require is, at least to some degree, given the dollars that we have currently, that we would redirect where we can and do what we can to respond to that with the dollars that we have.

Mr. REY. Similarly on non-Federal lands, the Natural Resources Conservation Service is starting to get initial assessments of flood damage in the form of requests for emergency watershed protection money.

BARK BEETLE DAMAGE—SAN BERNARDINO NATIONAL FOREST

Senator FEINSTEIN. I am sorry. I said the last question. Just one more. I am really concerned with the San Bernardino Mountains and the bark beetle forest. The longer you leave the trees there, it seems to me, the worse it gets. How much of that infested acreage do you think you are able to treat this next year? Can you give me a percentage?

Mr. BOSWORTH. I do not think that I—well, let us see. I guess I can. Well, at least for fiscal year 2006, based on the—

Senator FEINSTEIN. Assume it is 1 million acre area.

Mr. BOSWORTH. Well, approximately 56,000 acres would be treated with hazardous fuels funds. The 2006 President's budget proposal would allow for about 56,000 acres. Now, the total area I think that has insect damage on the San Bernardino National Forest I believe is around 350,000 acres or 400,000. I could be wrong on that, though, and I would have to get you better information to be sure. Is it 400,000? That is in the neighborhood.

Senator FEINSTEIN. Then the rest of it. Are you saying that the rest of it is going to remain untreated?

Mr. BOSWORTH. Well, it really depends on where you locate the treatments. You do not have to treat every acre. If we locate our treatments in a strategic way, then that helps protect other areas from fire or insect disease. So it is critical that we locate our treatments in the right places.

For example, in a certain drainage, you may have a 100,000 acre drainage, but you may only need to treat 25 or 30,000 acres if you do it right, rather than every single one of the acres.

Senator FEINSTEIN. I guess the reason I am asking this is, as you know, there are homes all in the middle of this. I mean, it is the most complicated thing. I would like to ask that you work with us on how you are going to do this, to try to get the most bang for the dollars in the interface areas where private property is really at risk.

Mr. BOSWORTH. I would be very, very happy to work with you on that. I have flown over the area. I have been driven through the area. I have hiked through some of it, several times in the last 2 years. It is a very, very difficult area that is in a very, very terrible condition.

Mr. REY. I think most of the treatments are being laid out with the local communities through a task force that has been in existence for about 4 years down there. The best thing to do might be,

if you are going to be in that area at some point this spring, to just sit down with the task force people and have them lay out what the program of treatments are.

Senator FEINSTEIN. I will do that, but just generally, 57,000 acres out of nearly 1 million acres of infested forest is just a little bit. That is what I am most worried about, where we are going to get the funds to really be aggressive.

Mr. BOSWORTH. It is 56,000 out of 400,000. So it is still a small percentage.

Senator FEINSTEIN. Of Federal land.

Mr. BOSWORTH. Yes.

Senator FEINSTEIN. Okay, and not the non-Federal land.

Mr. BOSWORTH. Correct.

CONDITIONS IN MONTANA

Senator BURNS. If you would like to visit Montana we will show you some of that, you do not know what a problem is. Ours is bigger and we have got it up there. With that, your flood damage down there we would take a little of it. We need moisture. We have no snow and we just do not have a lot of moisture.

I am going to only take up one more question. We lost another sawmill this year, you know. Owens and Hurst went down. When we talk about her problems, we are losing our infrastructure and people who know how to work the forests. We lose 90 jobs up there and some allied jobs around that, that help us deal with the people who know how to operate in the forests, even on our fires and anything else.

So we have a big problem. Up there where they have diseases, we cannot get those trees out, or the small diameter trees. We retooled our mills to handle smaller diameter logs and now they cannot get them. It goes through the appeals business and all of that, even with hazardous fuels and healthy forests and forest stewardship.

So I am at a loss on how we are supposed to handle all of these things. I think probably when you start taking some of those trees out down there, you will probably run into some of the same problems we run into up in Montana. It sure gets in the way of good forest management.

They have just about covered all the questions I have up and down the line. I have a few more, but we can address those. We are going to see a little bit of a change in funds as we work our way through this budget, but we will come to agreement on that, I think, fairly quickly, and I appreciate all your work.

Senator Cochran, have you got other questions for this panel?

APPROPRIATION PROCESS

Senator COCHRAN. I was going to ask, Mr. Chairman, a couple of questions about the organization of the Forest Service in the Department of Agriculture and the challenge that that presents to you in responding to requests to testify at hearings of the Appropriations Committee. We just went through a reorganization of our subcommittees and made some changes in jurisdictional responsibilities in our subcommittees. You are a part of the Department of Agriculture and you are here testifying before an Interior Appro-

priations subcommittee. Do you also get called to testify before the Agriculture Appropriations subcommittee as well during the consideration of the budget request?

Mr. BOSWORTH. I do not get called for the Forest Service budget. I do not testify at Agriculture Appropriations. On occasion we participate in oversight hearings, but not from the Appropriations Committee on Agriculture.

From my perspective, it works very well working with the Interior Appropriations subcommittee.

Senator COCHRAN. Which subcommittee actually approves your budget request or provides funding for your activities every fiscal year?

Mr. BOSWORTH. Interior does, the Interior subcommittee.

Mr. REY. I typically appear before the Agriculture subcommittee, but for the Natural Resources Conservation Service.

Senator COCHRAN. Right, because you are also—you supervise the Director of the NRCS, do you not?

Mr. REY. Right.

Senator COCHRAN. Well, I am curious to find out how all this works in practice. When we start reorganizing things, sometimes it has an impact that we do not fully appreciate while we are moving responsibilities around among different subcommittees. I wanted to be sure we had not made some decisions here that made it harder for you to do your business or less efficient in terms of the time you have to spend up here on Capitol Hill.

Mr. REY. I do not think your reorganization will affect us either way.

Senator COCHRAN. Good. It suits you to continue the way that we are handling your budget request each year in terms of the committees that have jurisdiction over your hearings and writing the bill for you?

Mr. REY. I think so. The Forest Service and the Department of the Interior land managing agencies have enough comparable programs that it probably is a benefit to look at them as a whole. So I think it probably works just fine.

Senator COCHRAN. Good.

We thank you for the good job you are doing. We hope that the implementation of the National Forest Initiatives through the law that we passed is moving along the way we anticipated. You were very active in that, Mr. Rey, and we appreciate your personal involvement in coming up here to the Hill to meet with Senators as we were working our way through that.

HEALTHY FORESTS RESTORATION ACT

Is the law living up to our expectations? Is it really giving you the tools to better manage our forests and make sure we achieve our goals?

Mr. REY. I think it has been so far.

Mr. BOSWORTH. I would like to respond to that. In fiscal year 2004, the amount of work that we got done far exceeded anything that we had done in the past in terms of fuels treatment, for example. I think that as time goes on and our folks get more adept at using the new tools and opportunities that we have through the Healthy Forests Restoration Act, they will get even better. Those

kind of things help us a lot, and we are going to continue to always look for more improvements and ways that we can modernize our processes. We may need help in the future on some other things, but so far, so good.

Senator BURNS. Thank you very much.

Thank you, Mr. Chairman.

Mr. REY. Probably one other insight to share with you about that is that, aside from the words in the statute and the programs that emanated from it, one thing that I did not anticipate is how much more enthusiasm we found at the field level in the Forest Service and, while I cannot speak directly for them, the Department of the Interior land managing agencies, as a consequence of Congress speaking affirmatively in enactment of the Healthy Forests Restoration Act.

That has had a material effect on how people at the ground level have felt about their activities and about their mission.

Senator COCHRAN. That is good to hear. Thank you for giving us that information.

Senator BURNS. That, Senator, would reflect pretty good leadership here at the top end. So I think Dale has done a great job and all of you have done a great job. In some areas we will always have conflicts. We will work our way through this budget and this appropriation. With your help, I think we will come to a very successful conclusion.

ADDITIONAL COMMITTEE QUESTIONS

There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

FINANCIAL ACCOUNTABILITY

Question. The Forest Service has received a clean audit opinion on its books for the last three fiscal years. The agency was also taken off the GAO's list of agencies at high risk of waste, fraud and abuse this year. The Forest Service is now drastically reorganizing its financial management systems by consolidating these functions in one location rather than having this work done throughout the Regions of the Forest Service.

Please explain how this reorganization will make your financial management systems better?

Answer. We were on the high risk list because we lacked accountability over billions of dollars in two major assets: Fund Balance with Treasury and property, plant and equipment.

We believe these efforts, when implemented effectively, will provide stronger financial management, sustain positive audit results, and ensure compliance with federal financial reporting standards. We will be able to sustain this improved, more efficient, and more accurate operating model.

Beginning in December 2001 and continuing throughout 2002 we developed a corrective action plan, brought in contract resources to supplement agency staff, made system improvements, performed property appraisals on major real property assets, reconciled all asset and liability accounts and adjusted the agency's accounting records to reflect the results of this work. As a result of this effort, the agency received an unqualified audit opinion on its fiscal year 2002 financial statements; however, we had not yet proven we could sustain this outcome in future years. We had not reached the end goal of routinely producing timely, accurate and useful financial information.

In the past two years we made additional progress, especially with respect to addressing several long-standing material internal control deficiencies. We resolved material deficiencies related to fund balance with Treasury, and in property, plant and equipment, thus increasing accountability over billions of dollars in assets. We received unqualified audit opinions on our financial statements for fiscal years 2003 and 2004 thus demonstrating sustainability for three consecutive years.

Management has demonstrated a strong commitment to efforts that, if effectively implemented, should help to resolve many of our remaining financial management problems and move us toward sustainable financial management business processes. We have a corrective action plan that we are executing and we have demonstrated progress in addressing our financial management deficiencies. These efforts are designed to address internal control and noncompliance issues identified in audit reports, as well as organizational issues. For example, during fiscal 2004 we began re-engineering and consolidating our finance, accounting and budget processes to a central processing center in Albuquerque, NM. We previously operated in a decentralized model with over 150 accounting/budget centers located through out the regions (9), forests (130), stations (8) and area. The centralization effort began in March 2004. We have redesigned financial/budget processes to operate in a central processing center. The Albuquerque Service Center (ASC) opened on February 22, 2005. As of April 4 we have approximately 230 employees in the ASC with work and staff migrating thru January 2006.

Question. How much money does the agency expect to save through this reorganization?

Answer. The business case for this effort indicated a one time investment of approximately \$45 million to be spent mostly in fiscal year 2005 some small amount being spent in the 1st quarter of fiscal year 2006. The expected annual cost savings from this centralization effort are projected to be \$36 million. The investment payback period is approximately 1.7 years. We are well on track at this stage of the project at achieving these cost savings for the investment indicated.

Question. What will be the personnel impacts on the Regions by moving all these people to one location?

Answer. There were approximately 1,175 full time employees of whom approximately 1,055 were located in the regional offices (9), forests (130), stations (8) and area (1). There also were approximately 800 full time equivalent employees performing budget and finance work part time at the R/S/As. At the conclusion of this centralization effort there will be 305 field budget personnel and 47 field personnel engaged in operating the new Integrated Acquisition System. These 352 personnel will be located at the R/S/As. Thus there will be an approximate reduction at the Regions of 600–800 personnel depending on how many of the part time FTEs are reduced. The Albuquerque Service Center for Financial Management will employ approximately 400 people.

PLANNING RULES

Question. In December of last year the Forest Service released its final rule revising the forest planning regulations. The forest planning process has become far too costly and time consuming. Under the old rule, the agency was spending millions of dollars on forest plans that were taking 5–6 years just to prepare.

Please describe how these new planning rules will streamline this process?

Answer. The new forest planning rule will improve the way the Forest Service does forest planning. Land management plans under the new planning rule will be strategic in nature, and more timely and cost effective. The goal is to shift resources from extensive up-front planning, to a more balanced planning program where plans are revised quickly, and resources are shifted from planning to monitoring. With a more efficient revision process, we hope to get our resource specialists out of the office, and into the field.

The process will be streamlined mainly in three ways. First, the new rule promotes strategic plans. The planning process recognizes that effects cannot be meaningfully evaluated until the project stage. Therefore, the forest plan analysis doesn't typically need to be as detailed as in the past. Second, Forest Supervisors are encouraged to use an interactive, collaborative process to iteratively develop the proposed plan. This means not only is public involvement more meaningful, but the interdisciplinary team no longer needs to carry through three, four, five, or more full "alternatives" through the entire planning process. Rather analysis is needed only for the proposed plan and what narrower options remain after initial public involvement is concluded. Third, because new science, assessments, or other new information can be used immediately, plans will only need to be amended when the new information points to a need to change a plan component.

Question. Will the public still have a full opportunity to provide input to the Forest Service during the planning process?

Answer. Yes. Public involvement is emphasized in the 2004 rule. The Forest Service intends to continue working closely with our public to address any concerns that might arise with regard to the planning rule and during forest plan development.

Question. How much will the agency save in terms of time and money by implementing these new planning rules?

Answer. Although the agency will save time and money on plan revisions, the overall costs to the agency will not decrease because time and effort will be redirected to plan monitoring and plan amendments. Agency time and money will be used more effectively. The plan revision process under the 1982 rule has generally taken 5–7 years. Under the 2004 rule, we estimate that forest plan revisions will take approximately 2–3 years. This will enable the eventual shift of planning funds to activities which will keep the plans current.

MONTANA TIMBER ISSUES

Question. There is a real problem in Montana with being able to provide a stable supply of timber from the national forests. In January, it was announced that the Owens & Hurst mill in Eureka is going to close and 90 jobs will be lost. When timber mills close it is not only devastating to the people who lose their jobs and the economies of the towns they live in, it also damages the Forest Service's ability to deal with forest health issues, particularly hazardous fuels reduction. If there is not a market for the small diameter wood that is the main component of hazardous fuels on our nation's forests, we will never be able to afford to remove all these fuels with appropriated dollars.

What can the Forest Service do to improve this situation in Montana and other states where the supply of wood from our public lands is critical to keeping mills open?

Answer. Currently almost all regions have the capability to expand their timber sale programs, depending on the availability of funds. In fiscal year 2005, appropriated Forest Products funds were moved among some regions, in part to help address timber industry infrastructure. However, our ability to move funds among regions is limited by the fact that there are widespread priorities and community needs across the country. Moving limited funds to help one region affects our ability to address priorities in another region. Current Salvage Sale fund balances are limited and do not provide options for additional timber harvest.

Forest Products is not the only affected funding source, as increasing emphasis on timber activities in any place also generates additional needs for commensurate roads and land survey support.

The agency is discussing a change in the measure of success in delivering the timber sale program, using timber volume sold instead of timber volume offered, to put more emphasis on results.

Question. How many board feet do you expect to be able to offer this year compared to last?

Answer. In fiscal year 2004 the Northern Region offered a little more than 232 million board feet of timber for sale. The target for fiscal year 2005 is about 226 million board feet, which is a result of slightly less total appropriated Forest Products funds plus Salvage Sale Funds being available for the Region. The Region currently has about 262 million board feet of timber involved in appeals and litigation, and we are seeking solutions to move this volume forward to sale.

A nearly \$3 million increase in fiscal year 2005 appropriated funds for the Northern Region is being used to offset less Salvage Sale Funds being available due to lower collections.

The agency's fiscal year 2004 accomplishments showed an increase in volume offered for sale and volume sold over our estimate in the fiscal year 2004 President's Budget. This increase occurred in both live and dead volume. We anticipate a similar increase in both fiscal year 2005 and fiscal year 2006.

Question. Does the agency believe that it is critical that we maintain a robust timber mill infrastructure in order to deal with our hazardous fuels problem on the national forests?

Answer. Yes, a viable timber infrastructure is essential for accomplishing our agency's vegetation management objectives and restoring fire-adapted ecosystems.

GRAZING PERMITS

Question. There is a real problem with a backlog of expiring grazing permits that need to be renewed. Congress put a schedule in place for the renewal of these permits in the 1995 Rescissions Act. The agency's budget justification says that the

Forest Service is only getting done 50 percent of the work that you need to do each year. In the fiscal year 2005 Interior appropriations bill the Committee provided additional funds to address this problem and also provided a Categorical Exclusion from NEPA for grazing allotments that met certain conditions.

Has the Categorical Exclusion helped to increase the number of grazing allotments you expect to complete in fiscal year 2005?

Answer. The Forest Service will be able to accelerate the completion of allotment planning beginning in fiscal year 2005 through fiscal year 2007 due to the Congressionally authorized use of up to 900 categorical exclusions outlined in the Consolidated Appropriations Act of 2005 (Public Law 108-447). This helps the agency to a large extent, although at the present pace, the agency would complete about 85 percent (including the 900 under the categorical exclusion) of the scheduled allotment analyses and plans by 2010, the original scheduled end date.

Question. I see the fiscal year 2006 budget proposal reduces the program by \$3.4 million and the number of grazing allotments processed declines by 33 percent. Why is that when we have such a large backlog?

Answer. In addition to completion of grazing allotment NEPA analysis, the Grazing Management budget line item accomplishes other important work, including the management of grazing allotment acres to standard in accordance with forest plan standards and guidelines, development of new allotment management plans in concert with NEPA analyses, and performance of necessary implementation and effectiveness monitoring. The agency's initial focus on completion of NEPA work on approximately 317 allotments in fiscal year 2006 considered the need to balance overall grazing management program requirements with the 1995 Rescission Act schedule and other critical resource needs. With the grazing allotment categorical exclusion (CE) authority as provided in Section 339 of the fiscal year 2005 Consolidated Appropriations Act, the agency is refocusing its efforts in order to accelerate the number of allotments processed and decrease the backlog. A total of 400-600 allotments are expected to be analyzed with plans amended by the end of fiscal year 2005.

MAINTENANCE CUTS

Question. According to the proposed budget for fiscal year 2006, the agency has a backlog of deferred maintenance of over \$8 billion. But the budget proposes to cut the Capital Improvement and Maintenance accounts by \$134 million which is a 26 percent reduction.

Why is the agency cutting this account when the backlog of deferred maintenance needs is so high?

Answer. To balance National programs while reducing the overall Forest Service budget, some reductions to Capital improvement and Maintenance were necessary in fiscal year 2006.

The Forest Service expects to partially offset reductions to administrative site maintenance and construction with the enactment of the proposed Facilities and Land Management Enhancement Act. The Act will provide for the use of revenues from the sale of surplus administrative site properties. Another aspect of the legislative proposal is the creation of a working capital fund for administrative facility maintenance, whereby some maintenance costs would be funded through assessment to other programs. These proposals are not expected to fully make up for the difference between the fiscal year 2005 enacted facilities funding and the fiscal year 2006 request. Most of the reduction would come from capital investments.

Within the trails program, we plan to partially offset program reductions through the increased use of partnerships and volunteers.

Question. How are you planning to address this enormous backlog of deferred maintenance?

Answer. We anticipate that maintenance backlog will continue to grow; however, we have multiple efforts underway to help positively address backlog maintenance.

—Through proposed Facilities and Land Management Act, which would provide for the conveyance of administrative sites, we will eliminate the deferred maintenance liability on those facilities conveyed to other owners. At the same time those revenues would replace other deficient facilities or perform needed rehabilitation work on existing facilities.

—Developing a working capital fund (WCF) for all administrative buildings provides a direct incentive for local staff to reduce facilities and optimize their space requirements, because funds not used in maintaining facilities are available for other program needs.

- Through facility master planning and developed recreation site master planning efforts, we are identifying the optimum location, size and number of facilities we can sustain into the future.
- Through the Road Analysis Process, we are taking a realistic look at budgets and identifying roads that can be closed or eliminated, or the road standard downgraded.

HAZARDOUS FUELS FUNDING

Question. The agency has increased the hazardous fuels reduction budget by \$19 million. Over the long term, the only way to reduce the severity of our fire seasons is by removing the excess fuels that we have in our forests. Recently, the GAO issued a report that stated that the Forest Service and the Department of the Interior had not issued sufficient guidance for prioritizing hazardous fuels reduction projects.

Given that the hazardous problem is so large and resources are scarce, the agencies must have a way of prioritizing the most important acres for treatment.

How would the agency respond to GAO's criticism that the Forest Service has not prioritized these projects nationally?

Answer. Hazardous fuels activities under the Healthy Forests Initiative, the Healthy Forests Restoration Act, and the National Fire Plan are coordinated between the Departments of Agriculture and Interior through the Wildland Fire Leadership Council. This coordination covers prioritization and overall general management objectives including accountability for activities and oversight of the development of measures of fuel condition. Fuel characteristics, fire regime, and vegetation are being assessed to assist in identifying areas where activities need to be prioritized. This information is used in addition to the criteria associated with wildland urban interface needs and needs for treatment associated with other critical areas such as municipal watersheds and protection of endangered species habitat.

In addition to the above criteria and management direction, our national fuels treatment program priorities are developed annually to utilize the latest science and information in cooperation with Department of Interior staff, and transmitted to regions, forests, and districts. That guidance shapes prioritization decisions at the individual National Forests and Ranger Districts, where fuel treatments are evaluated on a site specific basis. In addition, other resource treatments for wildlife habitat improvement, watershed, vegetation management, and recreation are also being designed to address fuels treatment needs. Those combined objectives can help address fuel reduction and condition class improvement goals. The timing and placement of these treatments on the landscape are evaluated with our partners at state, tribal, local, and other federal agencies. Many states have formal inter-agency groups to assist in this process and we actively promote such collaboration. Projects covered by a Community Wildfire Protection Plan are also given a priority and emphasize the diverse partners that play a role in the prioritization process. These collaborative partnerships are very well established and successful in some areas, and in other locations some of these relationships are still being formed. Allocation of funds to individual National Forests for these projects is at the discretion of the Regional Foresters.

Further approaches are being developed and field-tested that integrate all of the criteria and risks in an attempt to use the diverse data, needs, and objectives in a repeatable and methodological fashion.

Question. How many acres do you plan to treat in 2006 compared to 2005?

Answer. We plan to treat 1.8 million acres in both fiscal year 2005 and fiscal year 2006. In fiscal year 2005 we plan to treat at least 1,281,000 acres in the wildland-urban interface (WUI). The remaining acres will be treated outside of the WUI with an emphasis on highest departure from a reference condition for vegetation, fuels and disturbance regimes. Additionally, an estimated 700,000 acres will be treated as a secondary benefit of other land management activities.

In fiscal year 2006 we plan to treat at least 1,450,000 acres (80 percent) in the WUI. Additionally, the agency plans to have a fully integrated fire-adapted ecosystem restoration program that would generate an additional 1,000,000 acres from other land management programs.

Question. Can you explain your proposal to move the funding for hazardous fuels reduction from the Fire account to the National Forest System account?

Answer. The transfer of the hazardous fuels budget line item to the National Forest System (NFS) appropriation would provide better alignment with current Forest Service efforts to integrate all vegetation treatment activities. The majority of vege-

tation treatments and other related terrestrial and aquatic activities are funded with NFS appropriations.

Question. Why is this transfer necessary?

Answer. Currently, a high priority for the use of NFS funds and other related appropriations is ecosystem restoration, including restoration of fire-adapted ecosystems both previous to and after significant disturbance events (wildland fires, insect and disease epidemics, storm damage, etc.). An integral part of restoration includes identifying desired future vegetative conditions and designing treatments to achieve those conditions.

This proposed shift in appropriation would allow for better internal agency alignment of programs. As a result, we anticipate more integrated and efficient program management leading to the achievement of common vegetation objectives.

FOREST HEALTH PROGRAM CUTS

Question. The Committee is concerned about the large cut (\$29.5 which is equal to 29 percent) that is proposed in the fiscal year 2006 budget for the Forest Health program in State and Private forestry. This program helps to monitor and treat millions of acres of state, federal, and private lands for insects, diseases and invasive weeds.

How many fewer acres will be treated as a result of these cuts?

Answer. In fiscal year 2005, we plan to treat approximately 918,000 acres for control of insects, diseases, and invasive plants. In fiscal year 2006, our target is 656,000, a reduction of about 28 percent.

Question. How many acres nationally need treatment for insects and disease?

Answer. In fiscal year 2005, the national request for treatment projects for forest insects and diseases totaled 1.2 million acres and we were able to fund approximately 76 percent of that request. We expect the treatment needs requests in fiscal year 2006 to be as high or higher than those we received this year. The continuing drought in areas of the West will also increase demand for projects to treat acres at risk to western bark beetle attack. The treatment need for invasive plants control projects on state and private lands is on a steep upward trend; in fiscal year 2005 we were able to fund programs in 27 states.

STATE AND VOLUNTEER FIRE ASSISTANCE CUTS

Question. The state fire assistance program is very important in providing grants for equipment and giving technical assistance to local fire departments. The fiscal year 2006 budget request proposes to reduce this program by over \$22 million, which will almost cut in half the number of communities assisted by the program.

Is this a wise cut when frequently it's the local firefighting forces that are first on the scene of a wildfire?

Answer. Although the proposed funding in State Fire Assistance decreased the proposed funding for Volunteer Fire Assistance (VFA) remains the same as appropriated in fiscal year 2005. VFA funding is aimed specifically at building and maintaining fire fighting capacity in fire departments serving communities of less than 10,000 people. Rural and volunteer fire departments provide a first line of defense in coping with fires and other emergencies in rural areas and communities. These departments provide nearly 80 percent of initial attack on wildfires in the United States. We anticipate that maintaining current funding levels in Volunteer Fire Assistance will help maintain rural fire fighters capability to respond to National Forest fire emergencies as they have in the past.

Question. Isn't it true that other grant programs for firefighters through agencies like FEMA are not specifically for wildland firefighting so this is the only grant program for this purpose?

Answer. Although FEMA programs are not specifically aimed at wildland fire fighting capability and rural fire departments, those departments are not excluded from FEMA grant programs. They compete for grant funding with other fire departments.

FIRE READINESS CAPABILITY

Question. Over the last several years, the Committee has had some difficulty working with the agency on funding for the Fire Preparedness budget. This is the program that puts in place firefighters, engines, and other basic firefighting assets at the start of the fire season. In fiscal year 2005, the Committee had to add \$20 million to the request for preparedness in order to maintain the same number of firefighters and engines as the agency had in the previous year.

In the budget for fiscal year 2006, you have reduced the program by roughly a half million dollars, but your budget justification claims that you will hire more firefighters and deploy more engines. How is this possible with less money?

Answer. The agency will maintain a level of readiness approximate to that attained in fiscal year 2004. This level will be achieved through efficiencies implemented in the program leadership functions and agency-wide overhead.

Question. Can the agency assure the Committee that at the level of funds requested for fiscal year 2006 you can maintain readiness at current levels?

Answer. Yes, the Forest Service is committed to maintaining firefighting readiness comparable to the fiscal year 2004 level without sacrificing firefighter safety. An errata sheet was submitted identifying the Forest Service's resource capability consistent with the President's Budget and actions relative to the agency's airtanker fleet capability. The updated errata sheet specifies a capability comparable to the previous year. The content of that errata sheet is as follows:

- Employ 10,480 firefighters.
- Employ 399 prevention technicians.
- Employ 277 smokejumpers.
- Maintain 66 Type I crews (hotshot crews).
- Maintain 995 engines.
- Maintain 63 water tenders.
- Maintain 123 dozers.
- Maintain 29 tractor plow units.
- Maintain 86 Type I, II, and III helicopters for local mobilization.
- Maintain 7 Type II efficiency helicopters for national mobilization.
- Maintain 6 Type I helitankers for national mobilization.
- Maintain a fleet of up to 20 airtankers. However maintain the overall production capability of our prior fleet of 33 airtankers through the use of single engine airtankers (SEATS), Type I helicopters, and Type II helicopters.

AIR TANKERS

Question. In 2004, the Forest Service and the Department of the Interior were unable to use the majority of the large air tanker fleet for aerial fire suppression operations. The agencies replaced these aircraft with single engine air tankers (SEAT's) and helicopters. Eventually eight P-3 Lockheed aircraft were returned to the air tanker fleet and the agencies were contracting to review the service life of the remaining air tanker fleet.

What is the status of the reviews of the large air tanker fleet to determine their operational service life?

Answer. An operational service life for the P2V is currently being developed by Avenger Aircraft and Services. Contracts for the Douglas aircraft (DC-4, DC-6, and DC-7) are currently being negotiated.

Question. If the aircraft reviews have been started, when do you expect a final report on the operational service life of the aircraft?

Answer. A preliminary operational service life is scheduled to be available on June 1, 2005. This preliminary operational service life will provide enough information to determine if some aircraft can be returned to service. A final report will be available when operational loading data in the wildfire environment has been collected and an operational service life for the wildfire environment is determined.

Question. Will the final reports on the aircraft service life be completed before the start of the 2005 wildfire suppression season?

Answer. No.

Question. If the aircraft are not accepted, what are the plans for replacing the large air-tanker fleet and at what additional cost?

Answer. Short term plans for the 2005 wildfire season call for replacing large airtankers with helitankers, type I helicopters, and single-engine airtankers. We anticipate the cost of these resources will be comparable to 2005 airtanker costs.

Question. What are the long-term plans to modernize the air tanker fleet?

Answer. Long term plans to modernize the fleet include:

- Contractor-owned and operated aircraft such as the BAe 146 and Boeing 747.
- Government-owned ex-military aircraft such as the P-3 Orion and the S-3 Viking operated by contractors as government furnished equipment.
- Development of a purpose-built airtanker operated by contractors as government furnished equipment.

Question. What aircraft are being reviewed, what is the timeline to replace the existing aircraft, and what role will the existing aircraft companies on contract have in this future organization?

Answer. Aircraft currently under review are ex-military P-3 and S-3 aircraft. Replacement timelines vary from 6–14 months depending on the aircraft. Roles for existing airtanker companies may include possible contracts for airtanker conversions, maintenance, and pilot services.

FIRE SUPPRESSION COSTS

Question. The Committee is concerned about the rising costs for firefighting. The average annual cost of fire suppression for the Forest Service over the last 5 fiscal years (fiscal year 2000-fiscal year 2004) has been \$958 million. By way of comparison, in the 5 years prior to that it was only \$352 million. In the fiscal year 2005 appropriations bill the Committee included several measures to address these rising costs, such as putting in place an independent panel to review expenditures on large fires, and devoting personnel to analyzing the most efficient means to procure the hundreds of millions of dollars worth of supplies that are needed by the fire program each year.

Please provide the Committee with an update on how you have responded to these instructions from the Committee?

Answer. The answer is under review by the USDA's Under Secretary for Natural Resources and the Environment.

Question. Please describe what level of savings the agency might expect to achieve by putting these measures in place?

Answer. The agency is not prepared to make a definitive cost saving estimate, except for individual fires that have been reviewed. Because all fires are unique, projecting savings from a small sample across all large fires would not provide the information needed to target specific cost saving opportunities. However, completion of the cost benefit analysis and associated implementation strategy, the Office of the Inspector General's Large Fire Cost review, and the method of supply analysis should provide the foundation for such an estimate later this calendar year.

WILDLAND FIRE OUTLOOK FOR THIS YEAR

Question. The Committee is very concerned about the drought conditions that persist in Montana and much of the Interior West and what that will mean for this year's fire season. Mountain snowpack is at or near record low levels in parts of Washington, Oregon, Idaho and Montana.

What do the agency's fire models predict for this year's fire season in the Interior West?

Answer. The Wildland Fire Outlook—February through August, 2005 is per the National Interagency Fire Center's Predictive Services Group, and was issued January 26, 2005.



The outlook for this year's fire season shows above normal fire potential in the Pacific Northwest, Northern Rockies, the lower elevations of the Great Basin, and over much of Florida. Some key points of the upcoming season include:

- Mountain snow packs are at or near record low levels in portions of Washington, Oregon, Idaho, Montana and northwest Wyoming. This situation, combined with long term drought and vegetation mortality from insect damage, will increase fire potential in portions of the West.
- Winter storms have brought heavy rain and snow in California, Colorado, and the Southwest. This weather will help moderate the fire season in the mountains but will increase fire potential in the lower elevations of Nevada, Utah, and the California deserts, due to heavier concentrations of fine fuels.
- Florida has been drier than normal so far this winter. This situation, combined with downed trees from the 2004 hurricanes, will lead to the potential for an active fire season.

Question. Nationally, does the Forest Service expect a severe fire season in 2005?

Answer. Alaska.—Snowpacks are currently running near to well above normal over most of the state. However, snowpack plays only a small part in determining the intensity of the summer fire season. At this time, the fire season outlook calls for equal chances of an above, below, and normal fire season. If the late spring through June temperatures turn out to be warmer than normal, then the potential for an active fire season would increase.

West.—The abundant winter precipitation should result in a later start and the potential for a less severe fire season in the Southwest. The areas with the highest fire potential extend from the Cascades across Idaho and into Montana and northwest Wyoming. This prediction is primarily due to the very low snowpack and a warmer than normal spring forecast. However, there are still many unknowns; such as the character of the snowmelt and summer lightning pattern.

South and East.—In the South, the main area of concern is in Florida where a dry winter, downed fuel buildup from the hurricanes, and localized insect mortality have lead to the potential for an active fire season. The fire season in the East is expected to be normal to below normal, but may begin earlier than normal. This prediction is due to below average snow cover in north-central states which could make fine fuels available for ignition earlier in the season than usual.

OFF HIGHWAY VEHICLE RULEMAKING

Question. The Chief has identified unmanaged recreation as one of the four major threats to our national forests. The agency plans to issue a new national policy dealing with the use of Off Highway Vehicles (OHV's) in national forests. Obviously, this is an issue which is very important to many of our constituents who use OHV's.

When does the agency expect to issue a final rulemaking on this issue?

Answer. The Forest Service hopes to issue a final travel management regulation in spring 2005.

Question. Does the Forest Service expect the rule to place much greater restrictions on the use of OHV's?

Answer. The proposed rule would require designation, at the local level, of roads, trails, and areas for motor vehicle use. Once designation is complete, the proposed rule would prohibit use of motor vehicles off the designated system. The proposed rule provides a national framework for local decisions—which routes and areas are designated for motor vehicle use would be determined at the local level, after public involvement and coordination with state, local, and tribal governments.

The proposed rule represents a shift to a designated system of routes, rather than open cross-country travel. This shift is called for due to the expansion of OHV availability and technology. The agency expects that some existing unauthorized routes would be designated, thereby increasing the system of managed motor vehicle trails. The agency anticipates that other existing unauthorized routes will not be designated, and use on these routes will be prohibited. Determining which routes fall into each category is a local decision.

Question. What has the agency been hearing from OHV user groups about the need for a national policy on OHV use?

Answer. The Forest Service received over 81,000 comments on the proposed regulation, reflecting a wide range of interests and points of view. Some respondents called for a ban on OHVs on national forests and grasslands, while others objected to any limits on OHV use. Many respondents, including several national OHV user groups, endorsed the concept of managing OHV use on a designated routes basis. Concerns were expressed about the agency's funding, commitment, and ability to enforce designations.

NEED FOR SPECIAL FIREFIGHTING ALLOCATION

Question. Last year, the Committee was able to provide a special allocation of \$400 million to deal with the skyrocketing costs of the firefighting program and the impacts of heavy borrowing. These funds were available only after the agency had expended all of its regularly appropriated funds. The agency needed to tap this allocation for \$150 million in what was a pretty light fire season compared to what we have experienced over the last 5 years.

Was having this special allocation effective in terms of preventing the need to borrow from non-fire accounts?

Answer. The emergency supplemental funding for fire fighting allowed the agency to execute emergency fire suppression responsibilities without disrupting other agency programs. As you know we spent \$726 million in fire suppression, which exceeded the amount appropriated by \$125 million. We were able to make use of the emergency contingency rather than transfer from other appropriated accounts and helped lessen inefficiency and program disruptions caused by mid-season fire transfers.

Question. When the agency doesn't have to borrow funds from other programs is it able to determine how much more of the regular program of work can get done? For example, was the Forest Service able to offer more board feet for sale, or treat additional acres for hazardous fuels?

Answer. To underscore the benefits of avoiding fire transfer we note that we significantly exceeded key performance targets including Timber Volume offered (+110 percent), Hazardous fuels acres treated (+113 percent), Noxious weeds acres treated (+154 percent), Grazing allotment NEPA (+110 percent), and miles of Roads and Trails maintained (+152 percent). We do not believe we could have experienced this same level of performance if we had to transfer funds for Fire Suppression.

Question. Does the agency believe that a similar mechanism is needed for fiscal year 2006 to prevent the massive borrowing that has happened in recent years?

Answer. In fiscal year 2006 the President's budget is \$700 million for suppression. The Forest Service will also have any remaining unobligated balances available for fire suppression. If a severe fire season occurs in fiscal year 2006 resulting in suppression costs that exceed available funding, additional funds will be redirected from other agency programs. The agency is working aggressively to contain suppression costs by developing effective and efficient wildfire suppression methodologies

that provide for public and firefighter safety, while striving to minimize the need for transfers from other programs.

BACK COUNTRY AIRSTRIPS

Question. The Committee has heard concerns that our nation's parks and forests are being closed off to visitors from the air who utilize airstrips on public lands known as back country airstrips. These same airstrips are also critical for pilots flying over rural areas like Montana, who either encounter an emergency or have to wait out less than desirable weather.

What is the Forest Service's position as it relates to protecting aircraft access and for preserving back country airstrips?

Answer. Backcountry airstrips are generally managed for "emergency use only" with the understanding that sporadic use will occur. Over the years, the Forest Service has recognized that some level of maintenance is necessary at these airstrips for them to continue to function as emergency airstrips. Annually, Forest Service staff inspects each backcountry airstrip to assess current conditions and determine any maintenance needed to keep them serviceable. Forest Plan direction provides for continued maintenance of these airstrips in order to keep them functional.

For example in the State of Idaho, the Forest Service is currently working closely with the state in several areas. We are working with the Idaho Transportation Department, Division of Aeronautics and the Idaho Airstrip Network Steering Committee on an Idaho Airstrip Action Plan, part of the transportation plan for the entire state, that includes all backcountry airstrips administered by the Forest Service. We are working with the Idaho Division of Aeronautics on a landing strip classification system which will provide the public with basic information on each landing strip in terms of facilities, maintenance, and adjacent facilities and activities. We are also working with the Division of Aeronautics in development of an "Operations and Maintenance Plan" format for landing strips located in the Frank Church River of No Return Wilderness, leading to a consistent and collaborative approach in management of these backcountry airstrips.

Question. How many of these airstrips have been closed in the past 5 years?

Answer. The Forest Service has not closed any backcountry airstrips to public access in the past five years.

Question. Do you have any plans for closing airstrips in the future?

Answer. At this time, the Forest Service does not have any plans to close backcountry airstrips.

NEW FIRE TECHNOLOGIES

Question. The Committee is aware of several new kinds of technologies that are being tested and considered for wider use by the fire program. One of these is an enhanced infrared sensor system called FIREWATCH. Please provide the Committee a more detailed discussion of the technical aspects of the FIREWATCH system. In particular, describe the enhanced vision capabilities of the infra red sensors during moderate to heavy smoke conditions.

Are the mapping capabilities compatible with other software systems already deployed by the USFS/BLM?

Answer. The FIREWATCH aerial supervision/remote sensing program was developed to fulfill aerial supervisory needs and improve incident management situational awareness. The aircraft is a Bell 209 Cobra helicopter that has been completely rebuilt, rewired, and has all weapons systems removed. The aircraft is equipped with many integrated, technologically advanced systems. These systems will assist the Air Tactical Group Supervisor (ATGS) in supervising aircraft over an incident, and will also gather and transmit real-time information for incident management to enhance operational efficiency.

The aircraft is equipped with state-of-the-art high tech systems:

- Two separate infrared sensors
- Digital low light color camera
- Laser range finder
- Laser illuminator
- Type 1 ATGS communication system
- Live infrared sensor, color camera video. And audio are transmitted through a television quality airborne microwave transmission system
- ARCGIS (ESRI shape file) interagency fire program compatible mapping data system
- Real-time satellite map data transmission capability and/or USB Mass Storage Device

—Geographically referenced inertial navigation system

The FLIR is integrated to work with an Avalex moving-map program that can display street, topographic, and aeronautical maps. The infrared sensor provides the capability to see fires through smoke and haze day or night. Since the infrared imager is integrated with the onboard mapping system, it is able to very accurately determine the position of items of interest, which are observed on the ground. By directing the sensor along the perimeter of a fire the system can accurately map the fire. Immediate delivery of map data is made possible through a data transmission kit equipped satellite phone. Video and infrared data and all cockpit audio are also recorded on an Avalex system digital video (DVD) recorder. The aircraft is equipped with a multi-channel microwave transmitter capable of down linking real time color or infrared camera images to a portable microwave receiver and/or data recovery van.

FIREWATCH Benefits to Incident Management

Visibility.—The Bell 209 seating arrangement allows the ATGS a full 300+ degree horizontal and unlimited vertical field of vision.

Maneuverability.—Capability of hovering and slow flight provides the aerial supervisor a superior platform for analyzing critical situations. Target determination, reconnaissance, and situational interpretation are greatly enhanced, therefore allowing more accurate interpretation of situations for firefighters.

Human Aiding Technology.—First identified by the Tactical Aerial Research Management Study (TARMS) as a future component to enhance the aerial supervisory mission, advanced technology provides incident staff real-time information critical for situational awareness and cost effective decision-making. Live video (color camera or infrared sensor) and audio can be sent via microwave to an incident command post for immediate interpretation by incident staff. Infrared capability allows the image of a fire's perimeter to be viewed regardless of smoke. Transmission of map data can be emailed in flight or delivered by removable hard drive (USB Mass Storage Device). FIREWATCH can deliver a portable "briefcase" downlink receiver; this monitor enables tactical ground firefighters to receive FIREWATCH live video transmissions while actually "on the line". DVD recordings and map data can be delivered to incident planning staff for interpretation to determine effective and efficient fire planning.

Direct Communications.—The helicopters ability to operate locally and land at an incident provides the opportunity for aerial supervisors to meet directly with incident staff. Eye-to-eye discussion and delivery of real-time intelligence can be an invaluable strategic asset.

Speed.—The Cruise speed of the Bell 209 Cobra is similar to many fixed wing air tactical aircraft in use today (cruise speed 160 statute miles per hour), and mission flight endurance of up to 3.3 flight hours.

Crew Comfort.—A fully functional heating and air conditioning system reduces fatigue and provides the flight crew a very comfortable working environment for extended flights.

Cost.—The Bell Model 209 FIREWATCH helicopter provides capabilities normally provided to incidents by two aircraft for the cost of one. Normally an aerial supervisory aircraft is ordered for an incident, and then a second aircraft is ordered to provide remote sensing information (Aircraft equipped with infrared sensor and/or mapping capability). Intelligence gathering missions normally do not require the commitment of an aircraft for a full day, but often, full day costs are incurred. FIREWATCH is staffed and operated by fully qualified Air Tactical Group Supervisors (ATGS) that can provide relief Aerial Supervisory coverage between intelligence gathering missions, consequently reducing the requirement for a relief ATGS. Occasionally, smoke inversion may limit aircraft operations, but FIREWATCH helicopter operations may continue. FIREWATCH can reduce incident costs by fulfilling helicopter coordinator duties.

Question. In testing, did the real time mapping capabilities meet, or exceed, expectations?

Answer. In initial testing and in the first season of fielding the FIREWATCH system, it clearly exceeded expectations. Furthermore, acquired system improvements will increase speed, integration, and capabilities of the mapping system. The agency is presently working on a system that will allow FIREWATCH information to have real time computer-online capability. This capability will be on web-sites to fire managers as well as public service for emergency information.

Question. Please provide the Committee a detailed discussion of other platforms besides helicopters to which the FIREWATCH suite could be applied and whether the system could be "modularized", or shared between various platforms?

Answer. The FIREWATCH system initially used a military surplus AH-1 Cobra airframe as a surrogate. The AH-1 airframes were readily available, inexpensive, and could be rapidly outfitted. The focus throughout the initial fielding was, however, to design a system that could readily be installed and fielded on any other airborne platform. As a result, the FIREWATCH system is totally modularized and can be fielded on practically any other airborne platform. Installation design provides for readily transferring the system from one aircraft to another. While installation on a specific aircraft may require FAA approval, numerous aircraft and airframes will be able to accommodate FIREWATCH.

Question. What are the comparative costs and cost savings associated with deployment of the FIREWATCH system on multiple platforms?

Answer. The comparable equipment cost for the technology suite installed in the FIREWATCH aircraft will be similar for any aircraft platform. The conceptual design of the FIREWATCH technology suite included the objective of compatibility for installation in any future aerial platform. Cost for research and development have already been borne in the engineering of the first FIREWATCH aircraft. No further major development costs would be necessary on other aerial platforms.

Question. To date the FIREWATCH system has only been deployed in R-5 California but it appears this coming year the heavy fire incidents are likely to fall in other parts of the west, primarily the Northern, Intermountain, Pacific and Northwest Regions. Does the agency plan to test the FIREWATCH system in these other parts of the country?

Answer. Yes. FIREWATCH is considered to be a national resource available to any Federal, state, or local agency. FIREWATCH recently responded to a request from the Department of the Interior, Office of Surface Mining, to determine locations of underground coal seam fires with its infrared sensor and mapping systems.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

FOREST LEGACY

Question. In fiscal year 2003, 2004, and 2005, how many applications did the Forest Service receive for Forest Legacy proposals and what was the total dollar amount requested? For each of these years, how many applications was the Forest Service able to fund?

Answer. Below is a table identifying the number and funding level for all proposed and funded projects for fiscal year 2003, 2004, and 2005, including new state start-ups.

Year	Number of proposals	Amount of proposals	Number funded	Amount appropriated
2003	129	\$229,371,725	43	\$64,682,000
2004	119	265,375,541	44	¹ 67,298,000
2005	81	162,026,975	39	² 59,496,000

¹ Of which \$6,914,000 is from prior year funds.
² Of which \$7,198,000 is from prior year funds.

NORTHERN FOREST LANDS COUNCIL—NORTHEAST STATE FORESTERS ASSOCIATION
 REPORTING

Question. Last year was the tenth anniversary of the publication of the Northern Forest Lands Council's "Finding Common Ground: Conserving the Northern Forest." The Forest Service was instrumental in convening the Council and publishing the report. It also has been the key federal partner in implementing the report's recommendations. The Northeast State Foresters Association published a report assessing the region's progress in meeting those recommendations. Is the Forest Service following up on that assessment and how can the Forest Service help the region address recommendations that NEFA identified as unmet?

Answer. The Forest Service's Northeastern Area (NA) office has been integrally involved in the efforts spearheaded by NEFA (North East State Foresters Association) at the ten year anniversary of the original Northern Forest Lands Council report. In these efforts NEFA analyzed changed conditions in the Northern Forest region, assessed how well the original 37 recommendations had been implemented, and recommended what still needed to be done.

In the last two years NA provided NEFA 4 grants totaling \$89,900 to do the assessment and the subsequent follow-up work. That \$89,900 was matched with

\$89,900 in nonfederal contributions. In addition NA has provided a liaison on the NEFA team, the field representative from its Durham, NH Field Office. NEFA has not yet published the final assessment but will shortly. The most recent grant provides NESFA \$35,000 in funds, matched with an equal amount of nonfederal support, to publish, distribute, and spread the word about the assessment, including briefing the 4 governors (Vermont, Maine, New Hampshire, and New York) who named team members to the assessment "Forum" working group. The Forest Service's Durham Field Office public affairs specialist will assist NEFA in designing and implementing an outreach strategy to notify the public that the assessment is complete.

As the draft NEFA report notes, the assessment efforts at the 10th year anniversary were done with a tiny fraction of the dedicated \$5 million in federal, state, and other resources that attended the original Northern Forest Land Council's work. NA will continue to support the work of NEFA, within the limits of its annually appropriated funding in programs such as Forest Stewardship, Economic Action Programs, Forest Health, and Urban and Community Forestry.

The draft assessment report recommends that the governors of Maine, New Hampshire, Vermont, and New York embark on an initiative that provides a sustained focus on the challenges and opportunities common to the Northern Forest geographies of the 4 states.

Recommendation 1.—Invest public and private resources to develop and implement community and economic development strategies across the region to reinvigorate the rural economies of the Northern Forests.

Recommendation 2.—Continue public and private investment in conservation and forest stewardship efforts.

Recommendation 3.—Support private forest landowners in practicing sustainable forest management while encouraging public access to private land for recreation.

Recommendation 4.—Create a collaborative regional effort to ensure the implementation of the initiatives in the assessment report with the governors initiating a continuing coordinating mechanism to provide a sustained focus on the challenges and opportunities common to the Northern Forest geographies of the four states.

The scope of such an initiative far exceeds the expected program funding the Forest Service receives in the applicable programs. However, we will continue to address unmet needs identified in the Northern Forest Lands Council 10th Anniversary Forum Final Report a bit at a time as provided by our current levels of program funding.

GREEN MOUNTAIN NATIONAL FOREST LAND ACQUISITION

Question. The Forest Service has recommended that \$400,000 be reprogrammed from the Green Mountain National Forest's land acquisition account for other projects outside the Forest. How will this reprogramming affect the Green's land acquisition program? In particular, are there pending projects that will be delayed because of the reprogramming or lack of funds?

Answer. The fiscal year 2005 Consolidated Appropriations Act of 2005, Public Law 108-447, reduced the Land Acquisition program's unobligated balances by \$11million. The Eastern Region's share of this reduction was \$1.9 million. The Region analyzed each Forest's carryover balances and proportionately assessed those forests that could not expend all of their carryover balance during fiscal year 2005. It was determined that the Green Mountain National Forest's contribution to the reduction would be \$400,468 based on equitable forest shares of available carryover within the Region. It is not expected that this assessment will delay any pending projects in fiscal year 2005 on the Green Mountain.

NORTHEASTERN RESEARCH STATION BUDGET

Question. What is the impact of the President's fiscal year 2006 budget recommendation for the Northeastern Research Station, particularly in the area of recreation research?

Answer. The President's fiscal year 2006 budget request for the Northeastern Research Station proposes no recreation research. Funding is directed to higher priority programs such as Forest Inventory and Analysis.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

LEAFY SPURGE

Question. In fiscal year 2003 and fiscal year 2004, the Interior bills contained \$300,000 for leafy spurge control in North Dakota in an effort to address the weed

problem on the grasslands. Last year, for fiscal year 2005, that amount was increased to \$350,000.

Please tell the committee what progress has been made thus far with these funds? For example, how many acres have been treated? Which entities have been doing this work? And how many more acres remain to be treated?

Answer. Along with Forest Service staff, the following entities have participated in the treatment of noxious weeds: Sheyenne Valley, Little Missouri, McKenzie County and Grand River Grazing Associations; Billings, McKenzie, Slope, Golden Valley, Ransom and Richland County Weed Control Boards; Rocky Mountain Elk Foundation, State of North Dakota, and U.S. Department of Agriculture. Most of the treatment of noxious weeds through chemical application has been by the Grazing Associations and County Weed Control Crews. The Forest Service has been most heavily involved in the movement of leafy spurge beetles and other methods of weed control.

The Dakota Prairie Grasslands (DPG) noxious weed program is an integrated approach to weed suppression and eradication, and includes herbicide control, biological control, goat and sheep grazing, mechanical and re-vegetative treatments, and education and prevention. In 2002, 13,694 acres of noxious weeds were treated across the DPG. In 2003, 16,536 acres were treated, and in 2004, 10,958 acres were treated. Future treatment needs cannot be accurately described in terms of acres remaining to treat. The target species is aggressive and persistent, and a long-term treatment strategy involving successive treatments over an extended period is most effective. The DPG is working on a definitive weeds inventory; but it requires time and funding to implement. The benefits of fully implementing this type of inventory needs to be weighed against diverting funds from immediate treatment needs.

Question. I am also concerned that this work is not going to be continued in fiscal year 2006. Under the President's request, the Vegetation and Watershed account is up by \$4.1 million, but your budget justification doesn't specify any set amount for leafy spurge control on the grasslands. Does the President's fiscal year 2006 budget request contain the \$350,000 needed to continue this work?

Answer. The war on weeds will be a part of our program in fiscal year 2006 and well into the future. Leafy spurge is a very difficult species to eradicate. Older plants will be the focus of non-chemical suppression efforts, such as goat grazing, while young/new infestations are targeted for aggressive herbicide control. Biological control will also be used to reduce and control spurge populations.

GRAZING ALLOTMENTS

Question. The Forest Service is in the process of completing its scientific review of grazing allotments on the Dakota Prairie Grasslands (DPG). The Scientific Review Team's final report is due out in the near future and early estimates predict grazing activities on the grasslands could be cut by 15 to 35 percent.

One of the reasons associated with the sharp cuts is that the management planning strategy has moved from livestock emphasis to ecosystem restoration. The management plan emphasis is included in the Dakota Grassland Plan and the move from a livestock emphasis to an ecosystem restoration plan has already been appealed by the ranchers and the ranchers lost. I believe we can have both and that developing an appropriate management plan is not an either/or proposition.

Often ranchers get unfairly criticized for what those in some sectors refer to as "abusing the land." However, as someone familiar with ranching, I think the ranchers themselves are the best people to ensure that the land they graze remains environmentally sound because it directly affects their livelihoods and economic situations.

Recently the Forest Service proposed a new rule that would put social and economic interests on the same level as environmental interest when developing management plans. I believe this common-sense approach is needed because too often we dismiss economic and social consequences that impact local towns and communities.

My question is this: Will the Forest Service review the DPG Management Plan, taking into account social and economic impacts, as described in the new rule? And if not, why not?

Answer. The National Forest Management Act requires consideration of social and economic aspects in planning. The current Dakota Prairie Grassland (DPG) Management Plan was completed under the 1982 planning rule. At the time of the DPG's plan revision these elements were considered and displayed.

The new planning rule provides an option for national forests and national grasslands to amend a plan under the 1982 rule for three more years. Therefore, any conditions that may precipitate a plan revision or amendment on the DPG would take

into account social and economic impacts regardless of which planning rule is followed.

As a final point, any future project-level planning would need to consider social and economic impacts on a site-specific basis, regardless of which rule the plan was written under.

FIREFIGHTING BORROWING

Question. For several years in a row, Congress has not appropriated enough money for fighting fires. As a result, the Forest Service was forced to borrow money from its non-firefighting accounts to supplement the firefighting budget. Congress was then forced to come back and reimburse the Service for its extra costs. Not only is that an extremely inefficient way of doing business, but since we have not reimbursed the full amount that was borrowed, some of the Service's programs were being cut to absorb the difference.

This past year, fiscal year 2005, Congress addressed the problem by adding \$394 million for fire suppression activities, in addition to the \$649 million in the base account. The president's budget is seeking an increase of \$51 million in suppression funds for fiscal year 2006, but that still puts the request at only \$700 million. That's at the 10-year average, but I'm concerned with what happens if next year turns out to be another \$1 billion plus fire year. What other proposals does the Forest Service have to help alleviate this problem?

Answer. In fiscal year 2005 the agency has approximately \$1.2 billion available for emergency suppression. This amount includes an annual appropriation of \$649 million; supplemental appropriations of \$394 million; and carryover from fiscal year 2004 of \$313 million, less a \$149 million pay back to K-V. We anticipate this amount will be sufficient for fiscal year 2005. In fiscal year 2006 the President's budget is \$700 million. The Forest Service will also have any unobligated balances available following the fiscal year 2005 fire season. If a severe fire season occurs in fiscal year 2006 resulting in suppression costs that exceed the funding available, additional funds will be redirected from other agency programs. The agency is working aggressively to contain suppression costs to developing effective and efficient wildfire suppression that provides for public and firefighter safety, and striving to minimize the need for transfers from other programs.

SUBCOMMITTEE RECESS

Senator BURNS. I thank the members for attending this morning. I thank the panel for appearing this morning. The subcommittee will stand in recess to reconvene at 9:30 a.m., Thursday, March 10, in room SD-124. At that time we will hear testimony from the Honorable Gale A. Norton, Secretary of the Interior.

[Whereupon, at 10:55 a.m., Thursday, March 3, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, March 10.]