

**PROPOSED FISCAL YEAR 2006 BUDGET REQUEST
FOR THE FOREST SERVICE**

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS

FIRST SESSION

TO

RECEIVE TESTIMONY ON THE PRESIDENT'S BUDGET FOR FY 2006 FOR
THE FOREST SERVICE

MARCH 2, 2005



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PROPOSED FISCAL YEAR 2006 BUDGET REQUEST FOR THE FOREST SERVICE

WEDNESDAY, MARCH 2, 2005

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:04 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Pete V. Domenici, chairman, presiding.

OPENING STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Good morning, everyone. Let me ask that we come to order.

I welcome to the committee certainly all of our members to hear the Forest Service's budget request for 2006. And I certainly want to recognize Secretary Mark Rey and the Chief of the Forest Service, Dale Bosworth.

Dale, congratulations. I see his facial expression hasn't quite changed yet. Dale will receive this May at the University of Idaho's commencement the highest honor that our State land grant university can bestow on one of its alumni and that is the Hall of Fame.

I am mighty proud of that and I know you are, too. Congratulations. We are proud of your heritage there and the role that our School of Forestry has been able to play in the leadership of the Forest Service.

Rather than undertake a lengthy opening statement, I would like to note that this is a very lean budget request. It reflects the President's desire to reduce the budget deficit and like many other agencies, the Forest Service will be impacted.

I will be asking a number of questions as will all of us and submitting questions related to the specifics of the budget and the budget area and the legislative initiatives it proposes.

Before I ask other members for opening statements, I would like to make a few observations.

The budget requests and proposed outputs do not reflect the strategic focus listed in the budget proposal. In some instances, funding and outputs are far below previous year expenditures, while other program requests and outputs are above last year's levels, which suggest a different emphasis may exist.

In the face of the agency's request for budget reductions for facilities, maintenance, trails, and road maintenance, I continue to be concerned with the Forest Service's request for land acquisition funding.

There are other issues I am sure that we will discuss that are regional or parochial in nature as they relate to the budget and the budget impact upon all of our States. I will address those in my questions to you, Chief, and to you, Mr. Secretary.

I am troubled in large part by the increasing demands that are placed upon the Forest Service, the obvious need to fund the necessary training programs for State and local fire assistance and State and Private Forestry programs and our Wildland Fire Management programs.

Those are continuing to be an issue in the Great Basin West and especially in Idaho. We are the driest in recorded water history. And unless we get a wet spring, I think our forests will be increasingly vulnerable, as will be true in some of our adjoining States.

So there are a great many issues that we will want to discuss with you at this budget hearing.

With that, let me turn to the ranking member of the committee, Senator Bingaman.

Senator.

[The prepared statements of Senators Bunning and Domenici follow:]

PREPARED STATEMENT OF HON. JIM BUNNING, U.S. SENATOR FROM KENTUCKY

Today's hearing on the fiscal year 2006 budget for the Department of the Interior is important for the protection of our country's natural resources. I believe that funding conservation and management of those resources will help benefit communities today and preserve our cultural heritage for future generations.

One particularly important program for the State of Kentucky is the Abandoned Mine Land (AML) program. Coal mining has been important to Kentucky's economy and has helped keep Kentucky's electricity rates the lowest in the Nation. AML has helped restore lands and waters impacted by mining but were left inadequately restored. Last year we passed a temporary reauthorization of the AML program with the hope of addressing the details and goals of the program more thoroughly this year. I will be interested to hear what your thoughts are for the AML program.

I know that Congress will have the tough job of practicing some fiscal restraint. Although fiscal year 2006 will be a challenging one, I am confident that we can practice restraint while protecting our Nation's resources.

I thank Under Secretary Rey and Chief Bosworth and their staff for their hard work and their willingness to appear before us today to explain the Forest Service's budget in detail.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR
FROM NEW MEXICO

I want to welcome Committee Members to this hearing on the Forest Service FY 2006 Budget request.

And I want to welcome Undersecretary Mark Rey and Chief of the Forest Service, Dale Bosworth to the Committee this morning to help us understand the proposals made by the Administration in this budget request.

Rather than undertake a lengthy opening statement, I would note that this is a very lean budget request. It reflects the President's desire to reduce the budget deficit and like many other agencies, the Forest Service will be impacted.

I will be asking a number of questions and submitting other questions related to the specifics of this budget request and the legislative initiatives it proposes.

Before I ask other Members for their opening statements, I would like to make a few observations.

- The budget request and proposed outputs do not reflect the strategic focus listed in the budget proposal. In some instances funding and outputs are far below previous years' expenditures, while other program requests and outputs are above last year's levels, which suggests a different emphasis may exist.

- In the face of the agency's requests for budget reductions for facilities, maintenance, trails, and roads maintenance, I continue to be concerned with the Forest Service's request for land acquisition funding.
- On Valles Caldera, I am getting frustrated with the game the Administration appears to be playing on funding this program. We all know how important this transitional funding is and I recall you telling me last year that you would do your best to include the needed funding in this year's budget request. Yet once again it is not requested.
- I am troubled by the time you plan to take to complete forest plan revisions in New Mexico. There are twenty five other forests, in other regions, that have younger plans than the forests in our state, yet they are scheduled to be completed prior to our National Forests in New Mexico.
- Finally, the cuts to State and local fire assistance in the State and Private programs and in the Wildland Fire Management programs greatly concern me.

I want to remind everyone that we will be accepting additional testimony on this hearing for the next ten days and I expect to be submitting all supplemental questions to the agency tomorrow.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman. Thank you all for being here. I appreciate it.

I thought he was going to congratulate you on the hundred years' anniversary of the Forest Service, which we also think is a very major milestone, and congratulations on that.

Let me mention two or three things that I hope you will be able to address in your testimony or in the questions.

One is the issue that we have dealt with, I think every year that I have been here involved with the Forest Service budget, and that is the whole issue of fire borrowing, as I think we refer to it.

Last year we appropriated \$400 million in supplemental funds to the Forest Service to pay back accounts that were borrowed from in the past and to keep some of that money in reserve for the future.

I would be interested in any status reports you could give us on whether or not we are in the circumstance where we will have to look at fire borrowing again or if the problem is behind us. It has been an ongoing problem and one I think we need to understand better.

Obviously another issue is the whole issue of deteriorating roads in the national forests. As I understand it, road maintenance needs very dramatically out-distance the budget or any plans for the budget. And I would be interested in knowing how you see that.

There is a cut proposed, a 16 percent cut from last year, and that does not include a proposed 30 percent cut in the deferred maintenance and infrastructure accounts, which is also used to maintain roads. So I would be interested in that.

A third issue, and this relates to the national fire plan, which we all have given speeches about and talked about for some time now, includes several things that appear to me to have been largely forgotten about in the budgeting. And that is rehabilitation, community assistance and monitoring.

And with regard to the rehabilitation account, the proposal in the budget is for an 84 percent cut from last year. There is a 26 percent cut in state and private forestry, a 54 percent cut in cooperative fire assistance, a 30 percent cut in forest health management,

a 13 percent cut in cooperative forestry and elimination of the Economic Action Program.

With regard to monitoring the proposal is a decrease of 18 percent from the fiscal year 2001 levels. So that is obviously a major concern as well. I will have some questions when we get a chance to ask questions.

Thank you again for being here.
Senator CRAIG. Senator Thomas.

**STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR
FROM WYOMING**

Senator THOMAS. Thank you. I generally wait. I guess we all have some interest in the time it takes for forest plans to be done and whether this budget is going to assist in that area, the whole question of endangered species and how that is being used as a land management tool. It seems as if it is.

Obviously, we are interested in multiple use and how that fits together, as well as and wilderness study areas that are supposed to be study areas and not wilderness—why that is the case.

So a number of things, but I will wait until the question period, Mr. Chairman.

Senator CRAIG. Thank you very much, Senator.
Senator Wyden.

**STATEMENT OF HON. RON WYDEN, U.S. SENATOR
FROM OREGON**

Senator WYDEN. Thank you, Mr. Chairman. I will be brief. I was going to go through exactly the same numbers that Senator Bingaman mentioned in his address and I want to associate myself with his remarks.

I would just say to all of you at the Forest Service, what you have done is redefined the concept of thinning because that is essentially what your budget is synonymous with. On all of the key areas where members of the U.S. Senate have tried to reach and work in good faith with the Forest Service, you all are not willing to meet us halfway.

As Senator Bingaman touched on, we give these big speeches about working with the communities and a fresh approach with respect to dealing with fire in the long term. Senator Craig and I just put hours and hours into the Healthy Forest legislation, and this budget basically takes away the tools to do it on the ground. I mean, that is what it really means.

When you strip down Senator Bingaman's budget cuts that he outlined area by area, what it means is these local communities across the country are not going to have the tools to do what was in the bipartisan Healthy Forest legislation. I look forward to your giving us some assessment on how it might be otherwise.

It is pretty interesting. The Forest Service fiscal year 2006 budget press release is entitled, "President Bush reinforces commitment to cooperative conservation in the 2006 budget." Yet in all of these cooperative programs, which last time I looked is what the President is talking about in his press release, there are big cuts and they are all over the programs.

In total between the SPF and the WFM account, State Fire Assistance is proposed for a \$22.8 million cut. That is 31 percent. Forest Health Management Cooperative Lands proposed for a \$30.6 million, 53 percent cut.

This is not keeping faith with local communities. I am sure we are going to hear about how there is some sort of budgetary sleight of hand that is going to let us avoid duplication and the like. I am telling you, that is not what we are hearing from folks on the ground.

So I look forward to working with you, Mr. Chairman, and Senator Bingaman so that we can do what Congress set out to do in a bipartisan way for legislation that got more than 80 votes in the U.S. Senate.

Senator Craig and I have often noted that we were not getting any forestry bills to the floor of the senate until the "County Payments Bill" and the "Forest Health Bill." We worked in a bipartisan way. We are going to continue to do it.

It is not going to be possible to do it if we have these budgets that take away the tools to carry out the kind of legislation that gets 80 votes in the U.S. Senate and constitutes a real breakthrough for the West.

So, Mr. Chairman, I look forward to working with you and Senator Bingaman and Senator Thomas here. All our colleagues who put in all this time, I am anxious to work with you.

Senator CRAIG. Thank you, Ron.

We have been joined by two other of our colleagues, Senator Murkowski and Senator Smith.

Lisa, do you have any opening comments you would like to make?

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR
FROM ALASKA**

Senator MURKOWSKI. Thank you. Thank you, Mr. Chairman. And good morning, Mr. Bosworth, Mr. Rey.

I do have an opening statement that I would like to submit in full for the record. But just very, very briefly, there is a pretty good quote, I think, from former President Teddy Roosevelt, that I think we ought to be reminded of when we think of our forests and forest management.

He said, "First and foremost, you can never afford to forget for a moment what is the object of our forest policy. That is not to preserve the forests because they are beautiful, though that is good in itself, nor because they are refuges for the wild creatures of the wilderness, though that, too, is good in itself; but the primary objective of our forest policy, as the land policy of the United States, is the making of prosperous homes."

And when you think about it, there is a pretty fundamental difference between a national park and a national forest. When we think about the multiple-use policy—you know, in Alaska, I think we certainly appreciate that we would like to get back to a policy of multiple use. It is not only the recreation, and it is not only the "look but do not touch," but also there is a principle that requires that our forest resources be managed not only for the ecosystem

and the habitat values but for tourism, for recreation, and also for the harvesting of timber.

So I hope that we will be able to refocus on this pretty fundamental organic principle of multiple use. I think it is a principle that is often lost in some of the politicized debate that goes on.

So, Mr. Chairman, I look forward to the opportunity this morning to be able to ask questions of Mr. Bosworth and Mr. Rey as we focus on those principles of how we better achieve a true multiple-use policy for our national forests.

Thank you.

[The prepared statement of Senator Murkowski follows:]

PREPARED STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM ALASKA

Good morning, Mr. Chairman. It is a pleasure to join you in welcoming Mr. Rey and Chief Bosworth back to the committee. It is no understatement to say that the Forest Service is one powerful presence in my State of Alaska.

The Forest Service manages some 22 million acres in Southeast and South Central Alaska. The Tongass National Forest stretches the 500 mile length of the Southeast Alaska panhandle and covers more than 80% of the land. The Chugach National Forest begins just 50 miles south of Anchorage and stretches some 200 miles across Prince William Sound, the Copper River Delta and the Kenai Peninsula.

I am proud to join with Mr. Rey, Chief Bosworth and Forest Service employees across the nation in observing the 100th anniversary of the Forest Service. The Forest Service was founded on the principle of multiple use.

The Alaska Forest Association is fond of this 1903 quote which is attributed to President Theodore Roosevelt and appears on their website:

“First and foremost,” President Roosevelt explained, “you can never afford to forget for a moment what is the object of our forest policy. That is not to preserve the forests because they are beautiful, though that is good in itself, nor because they are refuges for the wild creatures of the wilderness, though that too is good in itself; but the primary object of our forest policy, as the land policy of the United States, is the making of prosperous homes.”

There is a fundamental difference between a National Park and a National Forest. The governing principle in our National Parks, particularly those in the Lower 48 that are not subject to the management principles in the Alaska National Interest Lands Conservation Act is “look but don’t touch.”

Multiple use does not mean “look but don’t touch.” The principle requires that our forest resources be managed not only for ecosystem and habitat values, but also for tourism, recreation and yes, the harvest of timber to promote economic development.

During this centennial year I would hope that we refocus on this fundamental, organic principle of multiple use. It is a principle too often lost in the highly politicized debates that in my view have hijacked our forest policy with the goal of managing our National Forests in the same way we manage our National Parks. Multiple use simply does not mean turning our National Forests into wilderness areas.

The people of Alaska and visitors to our State enjoy our forest resources for their natural beauty and recreational opportunities. Our national forests are home to diverse species of fish and game which Alaskans depend upon for their subsistence foods.

But we must also not forget that Alaska’s national forest resources have historically provided the economic lifeblood for numerous Southeast Alaska communities. This too is part of President Roosevelt’s legacy.

I am sad to observe that our Nation’s recent lack of commitment to multiple use principles in the Tongass National Forest has wreaked havoc on the economy of Southeast Alaska and brought pain to numerous small businesses.

There may be some in this room who would say that Southeast Alaska’s forest products industry is a relic of the past and that the family owned businesses that own the mills and construct the roads—should be put out of their misery.

Like most Alaskans, I respectfully reject this notion. I would like to think that the best days of the Alaska forest products industry are yet to come.

I applaud the work of the good people at the Ketchikan Wood Technology Center and the Wood Utilization Center in Sitka who are working to develop new markets for Alaska timber.

And I applaud the resilience of Ted Falconer, an entrepreneur from Washington state, who has withstood the efforts of a national environmental organization to harass into abandoning plans to reopen a veneer mill in Ketchikan. According to the Associated Press, 153 unsolicited letters were faxed to Mr. Falconer from the offices of the Natural Resources Defense Council, jamming his fax machine.

But most of all, I appreciate the resilience of our family owned businesses that simply refuse to say die.

I have had an opportunity to read the prepared testimony and appreciate Chief Bosworth's observation that the United States consumes much more wood than it produces and must import wood from other countries. The same is true for Alaska. A 1998 marketing study shows an annual lumber market in Alaska of approximately 100 million board feet—most of which comes from Canada and the Lower 48 states. We also import engineered wood products, manufactured wood products and preservative treated wood.

Alaska is prepared to accept the challenge of supplying its own timber needs. The mills that struggle to stay open have an operating capacity of about 200 million board feet. Yet today the mills have only about 50-70 million board feet of timber available.

The 1997 Tongass Land Management Plan provides that a maximum of 267 million board feet of timber can be harvested from the Tongass. Yet the Alaska Forest Association is deeply concerned that the Forest Service continues to plan for only 100-150 million board feet annually and is able to deliver about 50-70 million board feet.

I'm going to stop here but let me close on this point. The Alaska Forest Products industry is not going away and I want you to know that this Senator Murkowski—like the last one—is committed to seeing it flourish.

I look forward to working with Mr. Rey, Chief Bosworth and the devoted Forest Service employees in Region 10 who are truly committed to multiple use informed by sound science and sound economics toward this end.

Senator CRAIG. Senator, thank you.
Senator Smith.

**STATEMENT OF HON. GORDON SMITH, U.S. SENATOR
FROM OREGON**

Senator SMITH. Thank you, Mr. Chairman. Gentlemen, welcome. Good to see you. I want to join with other colleagues who no doubt have noted that it is the hundredth anniversary of the Forest Service.

Certainly in those hundred years, there has been no way to get out of the politics, but you certainly made an enormous contribution to our Nation and in our forests. Despite fire and floods and every other kind of catastrophe, I think it is appropriate to occasionally thank you for your service.

I want to suggest also, though, that I am pleased to see a proposed increase in funding for forest products in your line item, but I am a little disappointed that there is not more commitment to fully implement the Clinton Forest Health Plan and also, as I understand it, President Bush's Healthy Forest Initiative.

As I understand, the proposal for the Pacific Northwest Region would receive less than half the timber budget it received during the Clinton administration. I hope to clarify that point as we get into this hearing.

Welcome, gentlemen. And, again, thank you. We will take your budget and see if we can make it better.

Senator CRAIG. Thank you very much.

Now let me turn to our panel, the Chief of the Forest Service, and Under Secretary Rey. I will let you proceed in the order that you choose. We do have a vote around 10:30. We will want to take

your testimony prior to that and attempt to get into questions prior to that.

The chairman may be here by then and we will phase in and out to keep the questions going or we will go into a brief recess for those votes.

Please proceed, gentlemen.

STATEMENT OF MARK REY, UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. REY. Mr. Chairman, members of the committee, thank you 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 many of you indicated, this year marks the hundredth anniversary of the creation of the Forest Service and as a result of the agency's actions over the past hundred years of multiple use management, the decline in forest land that was occurring rapidly at the turn of the last century is stabilized; forest land has increased in some areas of the Nation.

Areas destroyed by wildfire have declined by 90 percent. Forest growth is exceeding forest 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 that were near extinction in the 1900's have been restored from the brink of extinction.

So the past hundred years has shown a considerable amount of accomplishment and pursuit of conservation objectives on the National Forest System. Let me tell you about some of the issues that we will be focusing on the next hundred years, most prominent of which is the Healthy Forest Initiative.

The Healthy Forests Initiative 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 the Department of the Interior land management agencies includes about \$876 million* to continue the implementation of the President's Healthy Forests Initiative. That is an increase of \$57 million over last year and significantly in excess of the authorization levels provided in Title 1 of the bill.

As Senators Wyden and Bingaman noted, the mix of emphasis is more toward Federal rather than non-Federal land. We believe that is because there are other programs, which we can talk about in our questioning and answering period, that deal with non-Federal lands and non-Federal initiatives, in some cases with superior delivery systems.

In fiscal year 2006, the Forest Service and the Department of the Interior will reduce hazardous fuels on 4.3 million acres, an increase of nearly 300,000 acres from fiscal year 2005, which was

*NOTE FROM THE DEPARTMENT OF AGRICULTURE: We believe that Under Secretary of Agriculture Mark Rey meant to say \$867 million.

itself an all-time record and over four times the average annual acres treated during the 1990's.

The Forest Service will focus two-thirds of its treatment in the wildland-urban interface to protect communities during fiscal year 2006. While the effective treatment of hazardous fuels provides the long-term protection for 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 the fleet of aviation assets in advance of the fiscal year 2004 fire season, the Forest Service and the Department of the Interior exceeded the success rate in suppressing fires on initial attack of previous years.

As a basis of comparison, in fiscal year 2003, we were successful in suppressing on initial attack 98.3 percent of all ignitions. During fiscal year 2004, we succeeded in suppressing 99 percent of all ignitions on initial attack. That resulted in 70 fewer escapements with an average suppression savings of about \$22 million.

Last year, we did not need to borrow from operating accounts for fire fighting purposes as a result of changes that you made in the budget process. If those changes continue on into this year and next, I would anticipate that we would not have to borrow this year or next year as well.

Going beyond the Healthy Forest Initiative and fire fighting efforts in response to concerns about agency accountability and management, the Forest Service has been diligently working to improve its financial and program management. In response to Senator Thomas's question, 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.

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, substantially more than it needs and averaging substantially more than one building per employee of the Forest Service.

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 would provide for the establishment of a working capital fund for maintenance that will assess programs that use facilities for the maintenance of those facilities.

With that legislation, I believe that we can get a jump on some of the maintenance backlog that infests the facilities and other assets of the National Forest System. I look forward to working with the committee in enactment of that legislation.

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 systems.

In fiscal year 2006, the agency will centralize its human resource management activities. All of the activities will be headquartered in a service center in Albuquerque, New Mexico.

Combined, these three efforts will reduce overhead expenses by \$91 million annually, allowing those savings to be reprogrammed into on-the-ground land management activities.

In recognition of the agency's commitment to sustained and effective financial management, I am very pleased that earlier this year, the Government Accountability Office, the 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.

I look forward to working with the Congress to enact the President's fiscal year 2006 budget. We would be pleased to answer any questions after Chief Bosworth speaks.

[The prepared statement of Mr. Rey follows:]

PREPARED STATEMENT OF MARK REY, UNDER SECRETARY FOR NATURAL RESOURCES
AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. Chairman, Senator Dorgan, and members of the Subcommittee, thank you for this opportunity to discuss the President's Fiscal Year (FY) 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 FY 2006 Budget, all of us in the Executive Branch, like all of you in Congress, are well aware of the challenges 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 forest land 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 FY 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 FY 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 FY 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% 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 suppress 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 FY 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 FY 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 FY 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 FY 2005, the agency will have completed its implementation of a new information technology support organization and the centralizing of its financial management. In FY 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 FY 2006 Budget.

I would be pleased to answer any questions.

Senator CRAIG. Dale.

STATEMENT OF DALE N. BOSWORTH, CHIEF, FOREST SERVICE, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY HANK KASHDAN, BUDGET DIRECTOR

Mr. BOSWORTH. Mr. Chairman, I also appreciate the opportunity to talk about the President's budget for the Forest Service for 2006. I'm accompanied by Hank Kashdan, who is our budget director in the Forest Service.

I appreciate, Mr. Chairman, your comments about the University of Idaho. I am proud that I went to school there. I would say I would have studied a little bit harder if I had known I was going to be in this job some day though.

[Laughter.]

Mr. BOSWORTH. But it was a great experience and it is a great institution.

I also appreciate the comments on our centennial in the Forest Service. A hundred year mark is a great opportunity for us, I think, to reflect a bit on the past, but more importantly to look to the future into another century of service to our Nation's forests and to the American people. We believe that we are fit for the job and looking forward to the kinds of changes that we need to make to do the job that people expect us to do.

My opening remarks are going to focus on four areas I would like to talk about briefly.

First a little bit about the tight and austere budget and second, some of the efficiencies that we are trying to take to improve our organization so we can get more dollars to ground.

Third, we are working toward getting better visibility and better collaboration, making our decisions more visible to the public, and doing a better job of collaboration. Finally, integrating all the functions of our work so that we are able to provide for healthy forests and healthy communities.

So I would like to discuss each one of those.

First, the tight, austere budget. It is a difficult budget time and there are a lot of programs that the Forest Service deals with that we like very much. But we have a role along with all the other Federal agencies to help with the budget deficit. That means that there are some tough choices and some tradeoffs that we have to make. We believe that this budget reflects some difficult choices and some difficult tradeoffs and we would be happy to discuss any of those.

It also keeps a focus on the highest priorities. The highest priorities for us are reducing the risk of catastrophic wildfire and continuing to improve the health our Nation's forests.

Next, I would like to talk about some of the efficiencies. Under Secretary Rey discussed some of those, but one of the things that we have been working hard on for at least the 4 years that I have been in this job is to improve our ability to get the dollars to the ground to do the work.

There are several kinds of efficiencies we have been working on. One deals with our process stuff, what I have referred to as analysis paralysis or process gridlock or process predicament.

With the help of Congress and with the help of the administration, we have tools in place that are helping us to improve those efficiencies, things like the Healthy Forests Restoration Act and stewardship contracting and categorical exclusions. All those areas have helped us to be able to get the job done on the ground better.

We still have a ways to go. There are many other things that we as an organization, working through our regulatory processes, need to continue to improve.

The other part is our administrative reforms, sort of the internal workings, our business management processes. As mentioned earlier, we expect with our administrative reforms to be able to save \$91 million a year once we institute our changes.

We expect that our administrative reforms will result in a reduction of about 1,300 FTEs, full-time equivalents. One of the steps we are taking is centralizing some of our processes.

Take, for example, our financial management processes. We will be centralizing those in Albuquerque. We have the Albuquerque service center open and we are in the process of finalizing that.

That along with getting our clean audit opinions and making changes to our overall financial management system, I think, puts us well on the road to being able to sustain a quality financial management system in the Forest Service.

We are doing the same kinds of adjustments in our information technology and our human resources areas so that when we are done with that, we will have people in a centralized location. We will be more consistent and we will be saving dollars.

We are also going to be proposing some changes in our facilities management. We have some proposals regarding facilities management that we believe will also improve our efficiency. I would be happy to discuss those in more detail.

Again, I believe that these commitments and these changes will allow us to get more dollars to the ground in the end.

I mentioned visibility and collaboration are what we are working on. There are several areas that we are moving on to increase our public participation and our public involvement.

One that is really important is our partnerships. That is a huge opportunity for us for the future. We have always used partnerships for a long, long time, but there are many more opportunities for us.

I am pleased to say that in fiscal year 2004, for about \$500,000* worth of appropriated dollars, we got about \$500,000* worth of dollars and in-kind work from our partners, resulting in a billion dollars getting to the ground to get the job done.

We are making some changes through our planning rule and our planning processes. We came out with a revised planning rule in December. While there is some controversy associated with that, I believe that it will help us work with the public in a more effective way than we have in the past.

When it takes 8 to 10 years to complete a forest plan, it is very difficult for people who just care about the land to stay engaged. And under our new planning rule, we expect to be able to complete a forest plan in 2 to 3 years. I think people then can stay engaged and involved in our process; that will give us more visibility.

There is also in our planning rule a requirement for independent audits on each forest each year. Those audits will be done. As I said, they are independent and those will also increase our visibility. Each year, we will be able to tell people whether or not we did what we said we would do and whether or not we are getting the results that we said that we would get. We will then make adjustments based upon monitoring if we are not getting the results we want.

In the area of fire and fuels treatment, we have community wild-fire protection agreements in place in over 600 communities. That is bringing more people together and involving people in a more high visibility way so that we can focus on hazardous fuels areas that the communities also believe we need to work on.

*NOTE FROM THE DEPARTMENT OF AGRICULTURE: We believe that Chief Bosworth meant to say \$500 million. Chief Bosworth noted this correction later in his testimony.

The “Federal Lands Recreation Enhancement Act” allows us to create recreation advisory councils where, again, we can get participation from people and determine where and when and if we should be charging fees.

Moving on to the last area, the area of integrated work to provide for healthy forests. In that area in 2006, the Forest Service is going to reduce hazardous fuels on 2.8 million acres. Now, a million acres of that will be done through other kind of nonhazardous fuels dollars.

The point there is that we want to take our wildlife dollars and our timber stand improvement dollars and the timber sales and forest product dollars and focus those dollars in areas where we can achieve the objectives of those dollars, but also do it in places where we have fuels problems, where we can treat fuels and get multiple benefits.

By doing a better job of integrating the work among the different functions so that we can get more benefits from each dollar that we spend on the land, I think we can end up improving our efficiency and accomplishing more work.

So, again, I am looking forward to working with you. It is a tight budget. We will deliver our programs, though, by focusing on the right priorities, by improving our efficiency, and by integrating our work.

I would be happy to answer any questions and I am looking forward to that.

Thank you.

[The prepared statement of Mr. Bosworth follows:]

PREPARED STATEMENT OF DALE N. BOSWORTH, CHIEF FOREST SERVICE,
DEPARTMENT OF AGRICULTURE

INTRODUCTION

Mr. Chairman, Senator Bingaman, and members of the Committee, thank you for this opportunity to discuss the President’s Fiscal Year (FY) 2006 Budget for the Forest Service. I am privileged to be here with you today. Let me first say, Mr. Chairman and Senator Bingaman, how much I appreciate the support you have given the Forest Service as we implement our new administrative service center in Albuquerque. Establishing this center is an important component of the agency’s plan to deliver its mission in the most efficient way possible.

I am pleased to discuss the President’s FY 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 FY 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. forest land has stabilized and forest acreage is now about what it was in 1905. In fact, forest land 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 one 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 FY 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 (P.L. 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 FY 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 FY 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 FY 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 five to seven 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 two to three 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 FY 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 sce-

nic 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 conservation 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 two hundred 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 three 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 FY 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 assure 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, which you have been so supportive of, 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 FY 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 FY 2006. With important system enhancements, the Forest Service will be able to provide project-specific information about FY 2006 expenditures with direct linkage to our strategic plan's goals and objectives.

To assure 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 FY 2006 President's Budget.

CONCLUSION

The President's Budget for FY 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 FY 2006 program and am happy to answer any questions you may have.

Senator CRAIG. Well, thank you very much, Chief, Secretary Rey. We have been joined by Senator Salazar.

Ken, do you have any opening comment you would like to make before we start the questioning rounds?

Senator SALAZAR. I would simply submit my opening statement for the record.

Senator CRAIG. Thank you. I appreciate that.
[The prepared statement of Senator Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Thank you Mr. Chairman. Good morning to members of the committee, and welcome Chief Bosworth and Under Secretary Rey.

I am glad to be here for these gentlemen's respective testimony on the President's proposed budget for the Forest Service. Colorado has eleven National Forests in all areas throughout our great state. These lands provide great opportunities for Coloradans and all to experience natural wildlife.

My priorities for the Forest Service Budget for FY 2006 are clear: we must ensure that we provide appropriate funding for fire management and prevention and adequate maintenance of existing facilities and access roads. Also, we must ensure that it is affordable for our citizens to enter and enjoy our National Forests.

Last week, I was home in Colorado. I traveled over 2,000 miles and conducted 17 meetings with local leaders, elected officials, and citizens. During the week I repeatedly heard from Coloradans who have concerns about the President's budget and what it means for Colorado.

I am very concerned by the Administration's continued cuts to land management planning. The ongoing staffing shortages within the Forest Service prevent many National Forests from completing plan revisions. Staffing continues to decrease. The FY 2006 budget proposes a 30% reduction from FY 2005, or a cut of over 100 full time equivalents (employees).

At the same time, road maintenance continues to be a significant needed improvement for the Forest Service. In 2004, the Forest Service reported that deferred road maintenance needs were approximately \$10 billion. Even with this backlog the agency continues to propose road building in roadless areas—principally for oil and gas development as well as commercial logging. My concern is that we maintain our existing roads before we start creating additional responsibilities that the Forest Service has neither the resources nor the personal adequately to manage.

Finally, I am concerned by the Administration's continued lack of funding for the National Fire Plan. The FY 2006 budget proposes an 84% cut from the FY 2005 level for Rehabilitation and Restoration, an \$88 million cut for Community Assistance and over \$30 million in cuts for the monitoring of forest fire areas.

I am hopeful that we will have the opportunity to address these issues today with Chief Bosworth and Under Secretary Rey.

Thank you.

Senator CRAIG. Well, I understand we have a bit of a reprieve. The vote will probably not start until around 11. So let us get started with the round of questions. We will do 5-minute rounds and try to move as rapidly as we can through, but at the same time, I think, cover the issues that many of us are concerned about.

Again, let me thank you both for being here and the testimony you have offered.

Let me begin with the proposal to sell excess properties and retain the revenues. As in past years, I assume these are small lots or buildings that the agency no longer has any need for.

Is that correct?

Mr. REY. That's correct.

Senator CRAIG. Okay.

Mr. REY. Buildings and the lots underneath them.

Senator CRAIG. Yes. I note that you have proposed significant reductions in capital improvement line items as well as facility construction and maintenance, road construction and maintenance, and trail construction and maintenance.

If I follow your proposal, you will sell some excess properties and use part of the revenue to help pay for facility construction and maintenance and some to acquire new facilities and/or new lands. Is that correct?

Mr. REY. Facilities.

Senator CRAIG. Facilities, not land?

Mr. REY. Correct.

Senator CRAIG. Approximately how much of the revenue will be used to pay for facility construction and maintenance—your guesstimation?

Mr. REY. Probably initially most of it.

Senator CRAIG. But it will not be used to acquire lands; is that correct?

Mr. REY. That would not be our intention.

Senator CRAIG. How would the Department feel if we adopted a proposal but direct that 90 percent of the revenue be used largely to improve forest health conditions on our national forests?

Mr. REY. Well, you could obviously do that. What we were trying to do is match how we allocated our budget priorities in line with this proposal. So a good reason that we took a cut in facilities maintenance, reprogramming that money into things like healthy forest work, was because we assumed that if you looked favorably upon enactment of this legislation, we would make up the difference in the revenues generated from the passage of the legislation.

Senator CRAIG. In the mandatory appropriations section of the bill, I note an increase of \$36 million in the land acquisition and enhancements section.

Am I correct that the total requested budget for land acquisition, when you add in the discretionary and mandatory line items together, is about 76 million? Could you explain that, please?

Mr. KASHDAN. Yes. Senator Craig, the receipts you are referring to in the land acquisition and enhancement fund is the title of a treasury account that has multiple activities in it.

In fact, what you had mentioned regarding the receipts from the sale of facilities is the deposit. Those deposits are reflected in that account. So that money is not for land acquisition. The amount of land acquisition is only what is in the discretionary account.

Mr. REY. Approximately \$40 million.

Senator CRAIG. So do I understand your proposal correctly that revenues from the sale of some of the excess properties will not be used to fund these maintenance programs?

Mr. BOSWORTH. If I could answer that. The purpose of the sale of property—administrative sites—would be to take the receipts, put them into a fund that would allow us to do building maintenance and facilities maintenance. So that is where those dollars would go.

We would also help make up some of our needs through developing a working capital fund where we would assess each building that we have based on the number of square feet. That working capital fund would be built up through that assessment as well as the revenues from the sale of the properties.

We believe that we can reduce our backlog in terms of facilities maintenance by 25 percent by the year 2010 by implementing something like this.

Mr. REY. And that is a very conservative estimate in our judgment.

Senator CRAIG. Is my assumption correct then that roads and trails take the heaviest hit here as it relates to budget and maintenance dollars?

Mr. BOSWORTH. That would be correct. The facilities maintenance dollars are also down, but our plan for taking care of that was as I said. The situation with roads and trails is that we would—well, first, let me mention trails. I believe that we can do more and more trail maintenance and work through partnerships.

And I misspoke. It was pointed out to me when I was giving my opening remarks. I said \$500,000 worth of partnerships. I should have said \$500 million. We have gotten a lot of dollars and a lot of work from our partners. \$500 million is a considerable amount when equal to the \$500 million that we use in appropriated dollars. Trails is an area where we really do well in terms of partners.

As far as road maintenance, we are going to have to focus our road maintenance dollars on those arterial roads and collector roads and the roads that have the greatest needs. We are just going to have to do a better job of focusing on those, working out agreements with counties where they are maintaining roads right up to ours, where we can work together to reduce our costs.

So those are the kinds of things that we want to do to improve our ability to do the road maintenance. It is a difficult choice and that is an area that we have to work harder in order to be able to accomplish what we need to accomplish in terms of road maintenance.

Mr. REY. Another variable that will affect the size of our road maintenance needs will be the final disposition of the Federal Land Highway Program funding in the surface transportation legislation. There is a revenue stream that has historically been available to the Forest Service through that route.

There are proposals to broaden it and narrow it, so that is a moving target at this point, but one that will ultimately have some relevance to what our overall road maintenance needs will be in the future.

Senator CRAIG. With this difficulty in funding on roads and road maintenance, can I take that one step further? And I see my time is up, so I will close with this.

We have forests in Idaho that are currently under the development of a travel plan and a roads plan. The Payette National Forest is a perfect example. They are into that phase now.

And yet, the Forest Service is out obliterating current roads on that forest. They keep coming back to the counties involved and the communities involved and saying, well, you have to take this one off because we just eliminated it. It has created a substantial anger level out there, and it is very frustrating to me.

If the Forest Service is going to work cooperatively with the communities in the development of a plan for roads, why are they out obliterating roads prior to the collaborative effort that might ultimately produce a road plan that could include that road?

So can I assume we will have a moratorium on road obliteration on the Payette and other forests in Idaho until the road plans are perfected and finalized?

Mr. BOSWORTH. I guess I would like to look into it a little bit more before I would say we would have a moratorium, Mr. Chair-

man. I am not specifically familiar with what is currently going on in the Payette.

I will say that each forest has gone through a forest road analysis, where they involve the public to figure out the entire transportation system that they have now and what they need. In many cases, there are roads that we are obliterating or eliminating that have not had people driving on them for years. Now, I know that they are not all like that. We have—

Senator CRAIG. Then instead of tank traps and knocking down trees, why don't you rip and seed and let Mother Nature do her job?

Mr. BOSWORTH. In many cases, I would agree with that. In fact, that would be the way to go about it.

Senator CRAIG. I am glad to hear that. That means that you would eliminate half of the road obliteration that is currently going on in the Payette, Dale.

Mr. BOSWORTH. I will look into the Payette because, as I said, I am not familiar with the specifics there.

Senator CRAIG. I appreciate that.

[The information follows:]

ROAD CLOSURES AND DECOMMISSIONING IN THE PAYETTE NATIONAL FOREST

The Payette National Forest (NF) is currently in the middle of a major effort of Access Travel Management, including extensive public involvement. The counties have been identified as cooperating agencies and have been intimately involved in the process.

As a result of a completely separate effort, the Payette NF has implemented a 4-5 year old Vegetation Management EIS Decision identifying existing classified and unclassified roads for closure and/or decommissioning in an effort to reduce sediment and restore watershed health.

CURRENT STATUS

Decommissioning Roads—In fiscal year 2004, the Payette spent over \$200,000 closing and/or decommissioning 28.8 miles of classified and 32 miles of unclassified roads. The forest plans to spend \$220,000 in fiscal year 2005 to close/decommission an additional 24 miles of classified roads and 15.7 miles of unclassified roads.

Travel Management Planning—The Payette NF has held five public meetings seeking public input on travel management options for the forest. Senator Craig's staff in Boise, ID has been involved and the Forest has intensified its public involvement efforts based on feedback provide by the Senator's staff. A draft EIS will be released for public comment during summer 2005. A final EIS and decision are expected during winter 2006.

Mr. BOSWORTH. I do know that we have forests in Idaho where there are roads that we are having a lot of problems in terms of sedimentation. They have trees in them that are probably that big in the middle of the road and that they need to be restored.

Senator CRAIG. Sure.

Mr. BOSWORTH. And you know the drainage needs to be pulled out. That is part of the obliteration process as well.

Senator CRAIG. I have taken too much time. Thank you very much.

Let me turn to Senator Bingaman.

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

Let me start by asking about two New Mexico specific issues that I asked about last year when we had this same hearing.

In both cases, I think there was a pretty clear commitment by one or both of you to look into these and get back to us. To my

knowledge, that has not happened. So maybe we can be sure that it happens this time, so I do not just make this an annual event.

One is the Silver City Fire Cache. I visited that location over a year ago, prior to the time that I raised it with you before, and I was struck by the fact that it is currently located in several different buildings. It is not in a single warehouse, and it seemed to me to be a very inadequate facility.

I had asked if you could look at that and determine whether or not it, in fact, is in need of improvement and whether or not you could commit to do that.

And, Mr. Bosworth, I think you indicated when we talked about it a year ago that you would look into that and get back to us. I did not know if you had any chance to. I have not heard anything back.

Mr. BOSWORTH. I thought we had gotten back on all those questions and if we did not get back, I apologize to you. I will make sure personally that we respond to that question about the Silver City Fire Cache.

I would also like to say that one of the things that we are doing at the same time is looking at our whole fire acquisition, how we get supplies and disperse those supplies. We want to modernize that whole process so we can be much more efficient than what we have been in the past.

And the Silver City Fire Cache as well as all the rest would be a part of that. But your question focuses more on that facility and the condition of that facility and whether that needs to be improved or changed. I will get back to you on that.

[The information follows:]

CURRENT SITUATION

The Silver City Fire Cache is currently operating out of a facility that consists of nine separate buildings and storage sheds comprising a total of approximately 9,000 square feet. Fire cache facilities are also shared by the Grant County Aerial Fire Base, the helitack crew, and smokejumpers. The current area of coverage for the Silver City Fire Cache includes the State of New Mexico, southeastern Arizona and to the 100th Parallel in Texas and Oklahoma.

The largest building currently being used at the Silver City Fire Cache is scheduled to be converted to an operations building as part of the proposed Grant County Aerial Fire Base reconstruction project. Should funding for the Grant County Aerial Fire Base be approved prior to the approval of funding for the Silver City Fire Cache project, the effectiveness of the Silver City Fire Cache will be drastically reduced due to the loss of warehouse space.

Plans and specifications for a proposed Silver City Fire Cache construction project were completed in FY 2002.

EXPECTED BUDGET NEEDS

The estimate for construction of the proposed 36,000 square foot Silver City Fire Cache project is between \$4.5 and \$5.0 million.

REGIONAL PRIORITY FOR SILVER CITY FIRE CACHE

Region 3 of the Forest Service has a long list of Fire Administration & Other (FA&O) priorities, consisting of 20 projects, which does not include the Silver City Fire Cache. This list was developed in April 2000, using national forest input. All the projects submitted were ranked. Based on current funding levels, this list will take 25+ years to complete. The Forests have the opportunity each year to propose changes in the FA&O funding priorities for their Forest. The Gila National Forest has not requested any changes.

At this time, the Silver City Fire Cache is not a regional priority.

Senator BINGAMAN. I will appreciate that. The other issue, and this is one that Senator Domenici and I both raised in the hearing last year, and that is on the Valles Caldera National Preserve.

I notice your budget once again requests flat funding, \$992,000. It was my view last year and it is still my view that that is not a realistic funding level for the Forest Service to have with regard to the Valles Caldera. We, of course, added some funds here in the Congress.

But, again, this was an issue we raised and urged that you look into. And I think there was a commitment to get back to both Senator Domenici and myself on that.

I think, Secretary Rey, you were the one that we were talking to at that time. I did not know if you had a chance to look into this. Your statement in last year's hearing was that I think the \$992,000 is basically a flat budget response in the absence of analysis that probably needs to be done.

And I guess my urging is, has that analysis been done? Obviously you are still asking for \$992,000. Can you get it done?

Mr. REY. I think it is fair to say the analysis is done and we are going to continue to discuss that issue as this budget unfolds as well.

Senator BINGAMAN. So the analysis was done and you concluded that \$992,000 was the right amount?

Mr. REY. Given our other budget priorities, correct. If the only question is, what is it going to take to run the Valles Caldera, then that is probably a different number.

Senator BINGAMAN. What is the question then that you were asking in arriving at the \$992,000?

Mr. REY. How will they use the additional money? The assessment is they would use it to continue to operate their existing programs, No. 1.

No. 2, what is the prospect that they can become more self-sufficient during the current fiscal year? The answer is doubtful in the short term. Perhaps in the longer term.

There is some indication in the legislation that there was an interest in having the trust become a more self-sufficient operation. That has not happened and we hope it will still happen. We will have to continue to debate what the right level of funding is as we try to see if that can happen.

Senator BINGAMAN. Well, that is sort of a nonanswer as far as I can decipher it.

Mr. REY. A muddy answer, I will give you that.

Senator BINGAMAN. I gather that your basic position is that is all the money you have asked for and that is all you are planning to ask for. But I am not exactly clear as to why this is such a low priority relative to the other things you folks request funds for.

Let me ask about one other issue and that is your budget proposes to eliminate the \$7.9 million in funding for the Joint Fire Science Program account and instead it suggests that that should be funded through the Wildland Fire Preparedness account.

That account is also scheduled for a budget cut and is also underfunded. It does not seem to me there is any explanation for how this additional activity can be funded through there.

We have a chart I am going to put up here that shows what has happened to the number of scientists in the Forest Service or employed in the Forest Service. The trend is not a healthy one, at least from my perspective.

To me, this proposed budget is just another indication of the lack of concern about the science that is going into decisionmaking there at the Forest Service.

Could either of you respond on that?

Mr. BOSWORTH. Yes. First, science is extremely important to the operations of the Forest Service. If you look at a trend of the total number of employees in the Forest Service during the period of time that they are showing there, I think you would see a downward trend in the entire agency.

In other words—I cannot give you exact figures, but I believe in 1985, we were probably in the vicinity of 40,000 employees and we are probably down to 33 or 34,000, somewhere in that vicinity. This reflects part of that decline in terms of our numbers of folks.

We also believe that we can get good science not just from our research and development organization in the Forest Service. We have good research scientists and we want to continue with a very viable research organization, but we also want to do a better job of partnering with universities and other institutions that are doing good research. We have increased that over that same period of time so that we can get their research and apply that.

We are also putting more emphasis on technology transfer so that the good science and increased knowledge that we receive gets into the hands of the folks who are on the ground so they can make better use of it—both in the public and private lands, as well as national forest lands.

So while that does reflect a decline, and it is a decline that I am not real thrilled about, I do want us to get as efficient as we can in terms of how we do our research and how we apply it.

Senator BINGAMAN. My time is up, Mr. Chairman. Thank you.

The CHAIRMAN [presiding]. Thank you, Senator Bingaman.

First I want to thank Senator Craig. I was not here when the questioning started, but somebody told me they were watching the television that showed what you all were doing. I do not think you all were smiling.

[Laughter.]

The CHAIRMAN. You were rough.

Senator BINGAMAN. We will work on that.

The CHAIRMAN. Right.

Senator CRAIG. Mr. Chairman, uno poco.

The CHAIRMAN. You are doing a little better. What we are saying is we want to be tough on you, but we do not want you to have to frown too much. So we want a smile. I thank Senator Craig for taking over in my stead.

I want to ask Senator Thomas, you might have to do it a little bit for me again. I have to do one other thing, but I will be back.

I am not going to ask any questions, but I am going to tell you, Mr. Rey, with reference to the Valles Caldera, I think it may be something that you ought to look at what you think they are doing to become self-sufficient. They think they are trying. We think they are trying. But you might objectively say we do not think they are

doing some of these things that could have been done. It might be more offensive to do it than not to do, but it might be helpful.

I myself have thought they should do some things they are not doing. Maybe Senator Bingaman has. You know, we are trying to get there. The law does not say next week or next month. If you read it carefully, it says eventually.

So I just get that to you from my own advice, my own thoughts. Senator.

Senator THOMAS. Thank you, Mr. Chairman. Thank you, gentlemen.

It is not easy to deal with this thing. Someone said it is kind of like going to heaven. We all want to go, but we do not want to do the things necessary to get there. That is kind of the same with the deficit. We want to reduce it, but we do not want to do what is necessary to cause that to happen.

One of the cuts, as I understand, is State and Private Forestry which includes payments for volunteer fire departments. Is that the case and is not that a little tough not to be able to do that?

Mr. BOSWORTH. There are two parts to that. There are dollars that go for volunteer fire departments that are in communities that are generally less than 10,000 people and then there are dollars that go to the States for fire assistance for the larger communities.

Our budget would keep the volunteer fire departments the same. Senator THOMAS. I see.

Mr. BOSWORTH. We would not be taking the cuts there. The cuts would be in the dollars that go to the State for fire assistance for the larger communities.

The Department of Homeland Security has a very large grant program that will also focus on communities and fire departments in larger communities, somewhere upwards of \$700 million.

We would be working with the Department of Homeland Security in helping identify where some of those dollars would go in those larger communities.

Senator THOMAS. Good. As you know, there has been some discussion and we passed something on the demonstration fee. There is a good deal of concern about fees and what sort of facilities are identified. I notice you have that as an income factor.

Have you decided what the criteria are going to be for charging fees on the Forest Service?

Mr. BOSWORTH. No. We have not completed that portion yet. One of the things that we would be doing is we are still looking to see about establishing recreational advisory councils and they would help us set the criteria on specific areas. We are currently working on developing the specific criteria that would apply and there are several parts to it.

What we want to do with that is to make sure that we are doing this in a way that people who are going to be using the national forests will support the fees. We will then make sure that we are putting the revenues back into the places where we collected the dollars and make sure we are doing improvements that people want, that we are not just picking those things ourselves.

Senator THOMAS. Some visitors' improvements and so on?

Mr. BOSWORTH. Well, yes. There are a lot of things that the public would like us to work on and sometimes we think something dif-

ferent ought to be worked on. We need to pull those two things together much closer.

Senator THOMAS. Okay. Budget cuts in land management planning. I don't know exactly what that means. You indicated maybe doing something to reduce the length of these forest plans. Is this a factor in that?

Mr. BOSWORTH. Well, we have a final planning rule that we came out with in December. That planning rule calls for some fairly significant changes. Within that planning rule, we also have a proposal to use categorical exclusions for forest plans.

The whole notion is that what we would do is you would lessen the amount of time up front doing analysis and developing alternatives. We would reduce that amount of time and instead we would do more work in terms of monitoring and independent audits on the back side so that we can make adjustments based upon what we know.

In the past, I believe we spent way too much time trying to guess what might happen under every alternative rather than actually going out and monitoring what is taking place. We should then be making adjustments based upon that and doing it in a way where the public is heavily involved and have independent auditors look at our work.

That should shrink the length of time down significantly that it takes us to do a forest plan. We believe that we will be able to revise forest plans in 2 to 3 years as opposed to 8 to 10 years.

Senator THOMAS. 8 to 10 years. I hope so.

I have been spending quite a bit of time on the endangered species thing and too often that is being used as a land management tool and it does not seem as if the agencies necessarily have worked together as closely as they might with respect to that.

But my time is over. I just urge you to work on the endangered species so that those decisions can be more clearly made. Thank you.

The CHAIRMAN. Thank you.

Senator Wyden.

Senator WYDEN. Chief, like others on this committee, I really put my heart and soul into the forest health legislation. I basically did not even leave the floor of the Senate while we were considering it.

I will tell you I am very troubled by the approach that you all are taking and it is both in terms of the numbers, and I will go through those, but also even in terms of the way you describe the agency's work.

Even during the course of the debate, I thought we were finally making some headway in terms of changing our approach with respect to fires. We were not going to put all the focus on suppression, but we were going to go into these key kinds of areas, rehabilitation and restoration.

And even when you were here during the course of the legislation, you talked about fire plans, you talked about the number of acres being treated in communities. And today you basically told us we were back to the old days. You talked about knocking back fires and those were your words, not mine. 99 percent of the fires knocked back.

And certainly the numbers reflect the way that you have described it as well. I mean, the budget shifts the money again into suppression and away from rehabilitation and restoration.

And so why don't you give me your take on it because I want to make this bipartisan wall work. We have 80 votes and we did not get 80 votes by accident. Senator Craig, all of my colleagues here, we wanted to make a dramatic shift.

And now both in terms of the budget numbers and certainly just the way you have described it, it just looks like we are going back to the old days. We are going backward, not forward.

Mr. BOSWORTH. Senator Wyden, I don't agree. I do believe that our budget proposal—

Senator WYDEN. You did not describe it differently 2 years ago? I will bring you the words. You talked about acres treated and you talked about community fire plans and today you talked about knocking back 99 percent of the fires.

The budget numbers have shifted. So both in terms of the way you described it and the budget numbers, there has been a change. Is that wrong?

Mr. BOSWORTH. The best way to reduce the amount of fire suppression is to do the kinds of fuels treatment work that we need, particularly in and around communities, so that we can reduce the fire hazard in those communities. That is the best long-term way in my view to reduce that whole chunk of fire suppression dollars.

In the meantime, we are going to continue to request a 10-year average in terms of our fire suppression dollars so that we can help protect communities.

Our focus has to be on healthier forests. It has to be on reintroducing fire into some of these fire-adapted ecosystems in a way that we can control it and maintain it using fire.

We allow far more fires to burn today than we have in the past. In terms of in the back country where we have fire management plans, we allow fires to burn for purposes to improve the health of those forests.

So, in fact, I believe that we—

Senator WYDEN. But the budget numbers, Chief, contradict that statement. There has been a cut in cooperative fire assistance by \$31.6 million. That is 30 percent. A cut in Forest Health Management, a cut in Cooperative Forestry, a cut in State and Private Forestry.

I mean, I want to work with you and that is why we did pursue a bipartisan strategy in the forest health area. But those are the numbers. The numbers are a 32—in fact, it was even higher. Excuse me. I misstated it. It is at \$32 million, a 54-percent cut in Cooperative Fire Assistance.

I mean, those cooperative programs are the places where we are going to carry out the new and bipartisan vision and they are all being cut 30, 40, and 50 percent.

Mr. BOSWORTH. Much of the Cooperative Fire Assistance to the States is for dollars that go to fire departments in communities for fire suppression.

We also have the opportunity to take a percentage of our hazardous fuels dollars and grant that to communities to do work on private land from our hazardous fuels account. We are proposing

to increase by \$18 million our hazardous fuels dollars. Again, a portion of that can be granted to communities to do work on private land.

So there are a number of areas, a number of places where we believe that we can do work on private lands to help. Through our community fire planning process, we work together with the communities to decide and identify those places where we can strategically locate our treatments to help protect the communities.

That is a big part of our program. Those are all things that we were not talking about 4 or 5 years ago.

Mr. REY. In fairness to the Chief, the 99 percent success rate on initial attack was my statement. That was in response to the hearing we had last year after we grounded the air tankers when I think most of the members of this committee thought we were going to leave the forests to burn.

My point was that we were more successful with a reconfiguration fleet than we had been the previous year. The fact that we are successful in extinguishing fires on initial attack has no bearing on the fact that we want fires to burn where we know that they can burn safely and within prescription.

We are committed to doing more of that and we have done more of that. The acres burned under prescription this past year were, as were the acres treated, an all-time record.

You are correct, Senator, that if you look at the way we propose to fund the Healthy Forests Initiative, we have in this budget proposal emphasized treatment on Federal land as opposed to treatment on non-Federal land. And we did that for two reasons.

First, we are the only ones who are paying to treat Federal land. There is nobody else doing it.

Second, the Federal lands by and large are in worse shape from a fuels standpoint than the non-Federal lands. The Federal lands within the wildland-urban interface are among the worst Federal lands.

And there is probably a third reason and that is that in many of these other line items, the ones that you indicated, there are other finances available through other Federal Government programs to provide assistance to State and local governments to do that work, in some cases more efficiently than our delivery program.

The CHAIRMAN. Okay. Thank you.

Senator THOMAS. Mr. Chairman, can I just ask for something for the record?

The CHAIRMAN. For the record, absolutely.

Senator THOMAS. Chief, what I would like, because I do not share the view that there are other programs, I would like you to give me a detailed list of the other areas of Federal funding where you can offset the cuts that are in your budget because I have outlined the cuts in cooperative forestry. I do not believe the funds are available in other areas, but I want to be fair to you all. I would like a list. Can I have that within 30 days?

Mr. BOSWORTH. We can get you that list. I do not want to imply that for every dollar that we are reducing that there is a dollar available somewhere else, but it will offset some of that.

Senator THOMAS. Okay. That will be fine. Thank you.

[The information follows:]

EXAMPLES OF USDA PROGRAMS THAT CAN ASSIST
FOREST-DEPENDENT RURAL COMMUNITIES

USDA's Rural and Community Development (RD) programs can address priority needs in rural areas, including assistance to rural communities and forest-based industries, through several programs. These programs focus largely on issues concerning agricultural land. The following summarizes USDA programs, other than Forest Service programs, that could provide financial and technical assistance to forest based rural communities:

USDA Agency	Program	Community Development Issues
RD-RBS*	Rural Business Opportunity Grants.	Promote sustainable economic development in rural communities with exceptional needs. Small total number of awards, given to both agriculture and forest based communities.
RD-RBS	Rural Business Enterprise Grants.	Finance and facilitate development of small and emerging private business enterprises. Grants do not go directly to businesses. Primary natural resource use is agricultural.
RD-RBS	Rural Economic Development Loans and Grants.	Grants to establish a revolving loan fund for community development, telecommunications, job training, medical care, etc. No focus on forestry or natural resources.
RD-RBS	Intermediary Re-lending Program.	Grants for intermediaries to re-lend for business establishment or expansion, job creation or expansion, or community development projects. No focus on land management or natural resources.
RD-RBS	Business and Industry Guaranteed Loans.	Stimulates rural economies with 80% guarantee of a loan made by a commercial lender. Used for equipment, real estate, debt refinancing. Focused on agriculture.
RD-RBS	Cooperative Development Grants.	Grants to improve the economic condition or rural areas through the development of new cooperatives and improvement of existing cooperatives.

* Rural Business-Cooperative Service

The CHAIRMAN. Okay. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Let us stay on the fire subject for just a moment. As you know, we had a horrific fire season last summer in Alaska. We lost 6.5 million acres. It was the worst fire season on record for the State since we have been recording this.

The notes that I have here indicate that there were 703 fires. For some reason, I am remembering it as a much larger number. But any way you cut it, it was huge. It was a devastating loss for us.

You know many of those issues. You know that we have got a hearing coming up on how all the agencies that were involved worked together or what worked right and what did not work right.

But we have got some issues up north that cause me to believe, coming from a very unscientific approach, that we are going to have another tough fire year. Our temperatures in the interior are increasing.

We are still dealing with spruce bark infestation, although perhaps not at levels that we have seen in the past, but I think it is still going to be tough year. And I think other Alaskans feel the same.

And, quite honestly, the folks in the interior would really like to be able to breathe the air during the summer months instead of looking out through a smoke-filled haze.

So I was somewhat interested in your map that is looking at the seasonal wildfire outlook February through August 2005. Alaska is all white. I am hoping that perhaps your meteorologists know something different and that you are not thinking that Alaska is going to have a tough fire season, but maybe we just were not included in the map. But we need to be prepared.

So my question to you in looking at some of the cuts that we have—and this was raised by Senator Wyden and some others, zeroing out the volunteer assistance. Certainly in many instances up north, our volunteer fire departments are the first responders to many of these Federal land fires.

I just have real serious concerns about where we are going to be and how we work with the Alaska communities that are potentially at risk to reduce the fire risks that I think are going to be real again this coming summer. So if you could just address some of those.

Mr. REY. Okay. As to your first observation, Alaska is white in this particular iteration because our predictive models pick up Alaska a little bit later in the year given that the cold weather stays longer up there.

So it will be probably another couple of weeks before we have a reasonable prognostication of what the Alaska fire season is going to be like, although most of our fire people agree with your suggestion that it could well be another difficult fire season.

Second, as the chief indicated in response to Senator Wyden, we have targeted our cuts away from the volunteer fire departments. So the money that we retained in those accounts, the funded volunteer fire fighters are going to stay in those accounts for that purpose.

What we hope to do with the needs for large fire fighting organizations is to work with the people at FEMA who have a large account for fire fighting assistance, upwards of \$700 million, and make sure that we coordinate our efforts so that we are addressing the primary wild land fire fighting needs among larger communities which is where our cuts would be most heavily felt.

Senator MURKOWSKI. On the Tongass, the point was made earlier about the road funds. We recognize that right now these roads have to be constructed to the same specification as a Federal highway which increases the cost and reduces Forest Service timber receipts.

Now, in southeastern Alaska, we look at those timber roads and we certainly recognize that these do not even come close to looking like a Federal highway. We need the roads, but the cost of building them to this standard is making timber sales in certain areas un-economic and impairing the viability of, as you know, an already struggling timber industry.

Why do we have to construct these roads to this high standard?

Mr. REY. Well, there are two reasons. But those reasons aside, this is something we are looking at. In the past, many of the roads that were being constructed were not simply timber roads. They were part of what we wanted to establish as part of the arterial network or the transportation network for southeast Alaska. Indeed many of the roads in existence on Prince of Whales Island today started as timber roads as an initial matter.

Now they do not serve that function, but they do serve an important function in allowing people to drive between Craig and Thorne Bay, for instance. That need is starting to diminish as that system has been established. So a smaller number of roads are going to be built to that standard for a longer-term purpose.

Senator MURKOWSKI. Do you see us getting away from that standard though?

Mr. REY. Yes. One of the things we are looking at is being able to scale down some of the road standards for roads that are not going to have a longer-term or subsequent use after the timber sale occurs. So that is something we are working on with the region in southeast Alaska.

Senator MURKOWSKI. I look forward to working with you.

Mr. REY. Thank you.

Senator MURKOWSKI. Thank you.

The CHAIRMAN. Senator Smith.

Senator SMITH. Thank you, Mr. Chairman.

Chief Bosworth, President Bush has frequently vocalized his support for full implementation of the Clinton forest plan which calls for 1.1 billion board feet. The Forest Service has changed the survey and management requirements to make the plan work better. That assumes it is going to be properly funded.

Do you believe that your budget does provide the funding sufficient to carry out the President's commitment to the Northwest Forest Plan?

Mr. BOSWORTH. Yes. I believe the budget will—I guess I would not want to say a hundred percent, but the budget will be focused. We will be getting the dollars mainly through our regular forest products appropriation that would allow us to continue to implement the Northwest Forest Plan.

There are also a number of efficiencies that were not really calculated into some of our original projections when we put together the budget justifications.

Let me speak more to the whole program, not just the Northwest Forest Plan.

I believe our budget justification shows that with those dollars that we would be showing somewhere in the vicinity of 1.8 or 1.9 billion board feet. More recent analysis, now that we have some of these different tools, show that we would be approaching more like 2.4 or 2.5 billion board feet, we believe.

So there are a number of areas where we think that we will be able to do the work that needs to be done in all parts of the Northwest Forest Plan.

Senator SMITH. Thank you.

Mr. Rey, next week the Federal court resumes consideration of the Biscuit Fire Rehabilitation Project 2½ years after the fire.

Does the Forest Service budget assume any revenues from the salvaged Biscuit fire?

Mr. REY. I don't believe our baseline projection assumes any revenue. So anything that comes in as a consequence of harvest activity on the Biscuit salvage would be in excess of the baseline revenues.

We expected that there would be a considerable amount of litigation surrounding the Biscuit Fire Recovery Project. Our expectations were met and perhaps exceeded. And, therefore, we will wait and see how the courts play this out. So far, we have been on a winning streak there and I hope that streak continues.

Senator SMITH. If, however, the court blocks the project from moving forward and no revenues are derived from salvage, how will the Forest Service pay for the restoration work?

Mr. REY. We will either have to forego some of the restoration work or we will have to reprogram funds from other areas or other accounts to do that work. The Biscuit Fire Recovery Project is a holistic project with a substantial amount of recovery work that is dependent upon revenues from the sale of that portion of the burned timber that was both merchantable and reasonable to harvest from an ecological standpoint.

Senator SMITH. Thank you, gentlemen.

The CHAIRMAN. Thank you very much.

I gather that Senator Salazar at least indicated he might return. How about Senator Bingaman?

Senator CRAIG. He may.

The CHAIRMAN. All right. Well, I am going to suggest now that—

Senator MURKOWSKI. I have one more question. I appreciate the opportunity to come back again to the Tongass issue.

As you know, we have only got one harvest and 12 percent of commercial timber on the Tongass in the past hundred years. And as we look to the Tongass land management plan, it provides that a maximum of 267 million board feet can be harvested from the Tongass, yet we are concerned, primarily the Alaska Forest Association is concerned that the Forest Service continues to plan for only 100 million board feet annually and is able to deliver only between about 50 to 70 million board feet.

We don't have any threatened or endangered species on the Tongass and yet we have, through the land management plan, we have got several constraints, reserves, buffers that do limit the economically viable timber that can be made available.

So the question that I have to you this morning is whether the Forest Service is committed to preserving and enhancing the timber industry in southeast and whether in your view it is appropriate to revisit or to rethink some of the restrictions that currently exist out there as they relate to the Tongass.

Mr. REY. The short answer to the first question is yes. The short answer to the second question is that we have embarked on the 5-year review of the Tongass Land Management Plan. The issues you described will be part of that review.

You are correct. There are no threatened or endangered species or at least terrestrial species on the Tongass. The stellar sea lion is within the range of the Tongass.

There is, however, a very robust population of environmental litigants in southeast Alaska, as there is in Oregon. Much of the complexity in fulfilling the President's commitment to implement the Northwest Forest Plan is comparable to the complexity associated with fully implementing the Tongass Land Management Plan. That is, moving sale offerings through the appeals and litigation processes.

Senator MURKOWSKI. And as we recognize, that is incredibly tough. I am sure you are aware we are attempting to get a small veneer plant in the Ketchikan area up and going. Some of the tactics that have been used of late to pressure the individual that wants to move forward with this in my opinion are not only inappropriate, wrong, short-sighted, but really very offensive in their approach.

We have a management plan out there that allows for this and yet it is not just the litigation. It is other efforts by individuals that will seek to literally shut down the Tongass for any viable timber harvesting. That is what we deal with.

Mr. Chairman, thank you for the latitude of questions.

The CHAIRMAN. Thank you very much.

I will talk to you on the floor during the vote about a couple of things that pertain to our trip and a couple of other things about the budget.

First I want to thank you all and apologize for not having been here myself. I am very pleased to have you here.

Secretary Rey, I am particularly happy to have you where you are. I want to offer just a thought.

Cutting discretionary spending in the manner that is being recommended there are lots of feelings up here about what we should cut, what we should not. There is even some feeling whether discretionary cuts really are so valid over the long haul in terms of reducing the deficit.

But I would urge that—and we are having hearings so we can find out. But we do not pass any authorizing bills anymore up here just because we cannot get them done.

So you are going to be in appropriations where the decisions are made with reference to the priorities that you have established. I know you have gone through all this with OMB, but I hope in that process, I know the chairman and ranking member will be interested.

I think you have to view this very carefully in terms of the things we are cutting versus things that are really going to come back and haunt the Government. All of these are not insignificant expenditures. Some are clearly not needed. And I hope we have hit those rather than some that are very much needed. And I think it is hard to tell which.

Mr. Bosworth, you have a terrifically difficult job. Everybody wants more and better forests and I think they equate how much we give you to spend with that. I am not sure that is correct. I think you are impacted by a lot of things.

What you can and cannot do by law probably has as much impact as what we spend on you or do not give you to spend. But we cannot fix that, right?

So I just tell you that some of us know. Some of us are on that Appropriations Committee. And whatever we say here will have an impact only if we can affect appropriations right. Otherwise, from here, they go to Appropriations and all this talk is over with, right?

So I want to just ask you a couple of things about New Mexico, if I might. With reference to Santa Fe, I have a couple of things that I need answered.

Congress has funded a program through the Forest Service to thin the watershed that provides 40 percent of the water for the city of Santa Fe. The appropriations total about \$5.5 million, something in that order, over 4 years.

First I want to tell you I have been very impressed at how you have reduced the potential fire danger which is a terrific problem with the water availability for Santa Fe.

Could you tell me how many acres have been treated and what is the cost per acre and are there any major components of the costs of thinning this area and how many acres remain and what is estimated for the completion?

Mr. BOSWORTH. I would like to get that for you and I can get that pretty quickly. I do not have it with me today. That was an area that I have been also watching. The costs were fairly high for a period of time and we were working at getting some of those costs per acre down. But I am interested in it.

The CHAIRMAN. Give it to the ranking member on the Committee, please.

Mr. BOSWORTH. We will do that.

[The information follows:]

The Santa Fe watershed project includes thinning, prescribed fire, and monitoring activities. Final completion of the hazardous fuel reduction project will be completed by FY 2007, dependent upon weather and burning conditions.

To date, 3,638 acres (57%) have been thinned. An additional 1,763 acres (28%) will be thinned during FY 2005. The remaining 1,000 acres (15%) are planned to be thinned during FY 2006.

Completion of the project will cost approximately \$1.2 million; \$1.1 million in FY 2006, and \$100,000 in FY 2007. This includes thinning, prescribed fire, and monitoring costs associated with the project.

Major components of the costs include:

- A Forest Service contract with Forest Rehab of Libby, MT to carry out the thinning work for the project at a cost of \$945/acre.
- Pile burning accomplished by Forest Service personnel at approximately \$50/acre. All of the thinning projects require pile burning the year following the thinning operation.

The CHAIRMAN. Then I need to ask you, has the Forest Service identified any other major watersheds that are at risk for catastrophic fire? We happen to have one. It is clear and obvious, but maybe there are some others. Could you provide us with information in that regard?

Mr. BOSWORTH. Yes, we will. In fact, there are other watersheds in New Mexico that are at high risk of fire.

The CHAIRMAN. Would you also tell us that you found them and is there any effort being made to do something about them?

Mr. BOSWORTH. I will do that.

[The information follows:]

The Forest Service is engaged in collaborative efforts to prioritize communities and watersheds at risk in New Mexico and other States. Project development is taking place through the Community Wildfire Protection Plan (CWPP) process underway in many New Mexico communities and counties. The Forest Service is an active

participant in CWPP development; the community has the final responsibility to complete the CWPP.

Several watersheds have been identified through collaborative efforts, including those associated with the communities of Gallinas, Cloudcroft, Ruidoso, and the counties of Alamogordo, Catron, and Grant. Some of these areas have fully developed CWPPs and others are underway. The Forest Service is working with these communities to develop restoration plans. Some projects have already occurred in areas under these CWPPs. The flexibility to prioritize projects on an annual basis is a critical component of a positive and effective relationship with communities.

The CHAIRMAN. I will not talk about the Valle Vidal and the issues that have been raised up there with reference to whether there is natural gas or the like there, but perhaps we can converse on it sometime.

Mr. BOSWORTH. I would be happy to do that.

The CHAIRMAN. Lincoln National Forest, you are aware of what that is. There is an Apache sawmill up there.

Mr. BOSWORTH. Yes.

The CHAIRMAN. You are aware of that?

Mr. BOSWORTH. Yes.

The CHAIRMAN. You can look it up and give us the answer. We would like to know what steps you are taking to deal with the health of the forest in the Lincoln National Forest and also what can the national forest do to contribute to the existence of that sawmill, if anything. Would you do that for us?

Mr. BOSWORTH. I would be happy to do that as well. There are a number of things that we are doing that we can do. But I will get you some real specific answers.

The CHAIRMAN. But you are doing something?

Mr. BOSWORTH. Yes.

The CHAIRMAN. You know about it?

Mr. REY. We are working with the tribe very closely right now.

The CHAIRMAN. Okay. Thank you very much.

And also how much additional timber will you be offering this year as compared to last year, speaking of this area?

Mr. BOSWORTH. For just that specific forest or the Lincoln National Forest?

The CHAIRMAN. Right. And I would like you to provide me with a specific amount of funding that the region will make available in the 2006 budget to support the county's partnership and restoration, the CPR, in New Mexico and Arizona.

I read somewhere that it was cut out or almost done away with or—no?

Mr. REY. No. We have continued to fund that effort pretty consistently.

[The information follows:]

The Forest Service is doing a lot to address with forest health issues on the Lincoln National Forest (NF), as well as support the volume needed by the Apache Sawmill in White Sands. In FY 2005, the Lincoln NF is using a hazardous fuels budget of approximately \$3 million to treat 15,000 acres with prescribed burning and 15,000 acres with thinning. A capability assessment was prepared for the sawmill, which showed a capacity of about 6 million board feet. The Lincoln NF is preparing approximately the same volume of 5.5 million board feet as it prepared last year.

In addition, in FY 2005 the Forest Service made \$100,000 available to the Counties Partnership on Restoration (CPR) in New Mexico and Arizona. The FY 2006 President's Budget does not include specific funding for the CPR.

The CHAIRMAN. Is that not the one that Senator Bingaman was very interested in?

VOICE. It is a little different. The CFRP.

The CHAIRMAN. Did he ask about this already?

VOICE. No, he did not.

The CHAIRMAN. Okay. Well, what is the name of that?

VOICE. CFRP.

The CHAIRMAN. Should I just tell him to give us the information? Would you give us the information on the CFRP?

Mr. REY. Yes. That is the Collaborative Forest Restoration Partnership.

The CHAIRMAN. Senator Bingaman initiated that and I—

Mr. REY. In a piece of legislation, right.

The CHAIRMAN. Can you give him that so we would have that too?

Mr. REY. Right.

[The information follows:]

THE COMMUNITY FOREST RESTORATION ACT OF 2000

The Community Forest Restoration Act of 2000 (Title VI, Public Law 106-393) established a cooperative forest restoration program in New Mexico to provide cost-share grants to stakeholders for forest restoration projects on public land to be designed through a collaborative process (*the Collaborative Forest Restoration Program*). Projects must include a diversity of stakeholders in their design and implementation, and address specified objectives, including: wildfire threat reduction; ecosystem restoration, including non-native tree species reduction; reestablishment of historic fire regimes; reforestation; preservation of old and large trees; increased utilization of small diameter trees; and the creation of forest-related local employment. The act limits projects to four years, and sets forth cost limits and provisions respecting: collaborative project review and selection; joint monitoring and evaluation; and reporting. The act authorizes appropriations of up to \$5 million annually, and directs the Secretary to convene a technical advisory panel to evaluate proposals that may receive funding through the Collaborative Forest Restoration Program.

The FY 2006 President's budget continues funding at \$5 million.

The program is designed to encourage different organizations to collaborate on the design, implementation, and monitoring of restoration projects on a broad spectrum of public and tribal lands. Grant money is available for projects on Federal, State, tribal, county, or municipal lands in New Mexico.

One of the goals of the Collaborative Forest Restoration Program is to provide an alternative to appeals and litigation the Forest Service typically faces on these projects by bringing opposing groups to the table. By working together to apply for these grants, small business owners, conservation and environmental groups, community groups, tribes, universities, and other organizations can help reduce the threat of wildfire, improve watershed conditions, and bring jobs and job training to local communities.

Tribes, State and local governments, educational institutions, private landowners, conservation organizations, non-profit groups, and other interested public and private entities are encouraged to apply for grants. Collaborative partnerships are sought to create local employment and/or training opportunities while accomplishing forest restoration objectives.

In FY 2004, the Forest Service received 36 grant proposals in New Mexico requesting more than \$10.9 million. A technical advisory panel reviewed the proposals and made recommendations on the proposals that best met the objectives of the program. The Forest Service awarded 14 grants totaling approximately \$4.1 million.

The CHAIRMAN. Okay. I think I have to go vote. And what I am going to do—it is 11:25. Even though we will not be asking you questions, can you wait for us for a little bit?

Mr. REY. Sure.

The CHAIRMAN. Then we would not have to call you back. I am going to say whoever comes back from whichever side, reconvene the meeting. I think the Senator Salazar or Senator Bingaman. But

I want to set a deadline, so we do not leave this open and so we do not ask questions indefinitely.

So I am going to say that will happen, but we will close this meeting, whoever is here, and if not, I will come back and close it at 12:30. Is that fair enough?

Thank you very much. We are in recess until a senator returns and then we will close this at 12:30. Thank you very much.

Mr. BOSWORTH. Thank you.

[Recess.]

Senator SALAZAR [presiding]. Let me say this. This is not the first time that I get to chair a meeting. Today I gave my maiden speech on the floor talking about issues relating to rural America and I am delighted to have this opportunity to ask you a few questions at this hearing and then we will go ahead and we will conclude the hearing.

I have a Colorado-specific question to start out with and that has to do with the White River National Forest Management Plan. What I wanted to ask you about with respect to that plan and the revisions that have been made of that plan is why the changes were made.

I had some communication with some of your staff, with David Tenny this morning, and I look forward to the response to the questions that we asked of him this morning.

But let me tell you what my concern is and see whether you can help me with this. The sense that I have gotten working on this matter and hearing from my constituents in Colorado, in the northwestern part of the State, is that there was a tremendous amount of energy that went into the creation of the plan which was approved by Chief Bosworth back in 2002.

That plan was a plan that had involved thousands upon thousands of hours of public input. And the plan that frankly I think the people in northwest Colorado felt good about and yet decisions that have been made on the revisions to that plan seem to have come out of Washington without the kind of consultation and input from the local community that should have been there.

And here is frankly my concern. My concern is that this is not the only revision of a national forest plan that we are going to make. And so as we move forward, for example on the Gunnison or the Grand Mesa or any of our other forests in the State of Colorado, what is it that is going to keep those forest management plans in place once the planning process has been completed given what appears to be, at least from the ground at this point, an arbitrary and capricious decision frankly by someone in Washington to simply say that the forest plan had already been approved by the Chief of the Forest Service should be set aside?

So I would like either Chief Bosworth or Assistant Secretary Rey to respond to that question for me.

Mr. REY. I would be happy to start and then the Chief can elaborate on that.

The way our planning process works is that once a plan is completed, notwithstanding how many people participated in the comment period and how much public involvement there was, there is a right of administrative appeal.

The final decision to approve a plan is not made by the chief. It is made by the regional forester, in this case Regional Forester Cables in Denver.

If the plan is appealed, the chief is the reviewing officer that has to review that appeal in accordance with our regulations and issue a decision to either uphold or reverse and remand the plan back for further work.

In addition, if the appellants are dissatisfied with the chief's decision, they have the opportunity to seek a second level of review at the department level, in my office, and either I or one of my deputies then becomes the second reviewing official to review the plan.

In the case of the White River plan, there were a number of appellants. Those appeals were reviewed. The chief was the first reviewing officer. He made a decision and upheld in part and remanded in part. Some appellants requested a second review. My deputy, Dave Tenny, who you met with this morning, did that review and remanded on some additional issues.

But the remands are not revisions of the plan. Now the plan goes back to the forest supervisor and whatever changes are subsequently made will go through a notice and comment period. And that is the way our regulations work.

So there is nothing arbitrary about it or capricious. Certainly, if somebody wants to challenge the outcome of the proceeding, they have that right in Federal District Court and can avail themselves of that particular argument if they think so. But it is an on-the-record review which has been completed now.

The next step will be for the forest supervisor to take both the decision of the Chief and the decision of Deputy Under Secretary Tenny, make some changes to the plan in accordance with the remands, and then propose those changes for an additional round of public comment.

Senator SALAZAR. I appreciate your explanation as to the process and I know the process well and I know how it works. And I know ultimately the legal remedies that are available to somebody who is challenging the decisions that are being made.

In this particular circumstance, you have the chief of the Forest Service having made a decision on the plan and that decision in part has been reviewed and changed by Deputy Secretary Tenny.

Can you summarize for me what the impetus was for those changes and the specific changes that he ordered to be made in the plan?

Mr. REY. Sure. The impetus was that he was exercising the authority provided for in the Forest Service Appeals Regulations to undertake a review of a chief's decision.

The substance of them fell into two broad areas and we can give you a copy of the decision which would get much more specific.

One went to how water rights issues are going to be addressed to bring the plan into consistency with the water rights policy that we have subsequently developed with the State of Colorado through a Memorandum of Agreement.

The second was in regard to provisions to protect the lynx which is an introduced species in Colorado. And there again, we wanted to bring the provisions of the plan in concert with the Southern Rockies conservation strategy that is being developed for the lynx.

We felt that the plan was at some variance with what was happening on other national forests.

What we think will result is a better mechanism for recognizing the State's role in water rights through the memorandum of understanding that was developed with Colorado. With regard to the lynx, we think we will end up with a better protection plan that will protect areas where the lynx truly occupies habitat.

Now both of those issues are going to be taken back to the forest. The plan will be amended accordingly and then the public will have an opportunity to comment on whether they prefer this or whether they find it less desirable. But they would not be excluded from that.

Senator SALAZAR. Let me make a comment. I think it is very important for you, Under Secretary Rey, or Chief Bosworth or Deputy Under Secretary Tenny to go to Colorado and to explain what has happened here in the same way that you were explaining it to me here today.

Regarding the two substantive issues with respect to the decision, it seems to me that the direction of working with Colorado to try to address the water issues and the values associated with a forest in recognition of state law and working in concert with the Colorado Water Conservation Board is an important initiative for our country.

In years past, I had conversations with your predecessors about the fact that the Forest Service had spent some \$70 million on litigation concerning reserved rights in my state, in the State of Colorado.

My suggestion at the time to the forest and USDA was that what we ought to do is to try to figure out ways in which we could work in concert with the state agencies to try to protect those forest values because I thought that would be a much more cost-effective way. If we are spending millions of dollars in litigation, it seems to me it would be better to be spending that money instead on improving the values that the forest seeks to improve.

Regarding the second matter relating to the lynx, what I understood from the meeting this morning is that with the Southern Rocky Mountain plan that is under consideration, it was felt that it was better to integrate what was happening in the White River National Forest with what is happening more regionally, I think more ecosystem wide, since I am sure the lynx does not recognize the boundary of where the White River National Forest ends and where it does not.

So I think it is very important for the people in my State to understand what it is that is happening there. And so I would ask you to participate with the individuals that I met with this morning in coming to Colorado and making sure that there is this input from people up in the northwest part of Colorado.

I was in Routt County in the last several days and a number of ranchers and other people frankly were very upset about what had happened here because they felt that there was some political appointee in Washington, D.C. that was undoing years and years of work. There had not been, I think, the kind of explanation and communication with them that would have given them the understanding that you are giving here today.

Mr. REY. We would be happy to do that. One of the advantages of these hearings is we get invited to Colorado and New Mexico. It is a great opportunity.

Senator SALAZAR. We have a lot of snow in Colorado, so you are welcome to come up to the Steamboat.

Let me just ask one other question and then we will go ahead and close the hearing. And that has to do with the streamlining proposal that you have on the time line for revisions on forest management plans.

I know that some of the questions that were asked by colleagues on the committee earlier had to do with the sense that maybe it is taking too long. Your plan to try to get a revision to forest management plans in less time is an important thing for everybody to look at, given the fact that most people think it now takes too long.

Talk to me just a little bit about what you are planning to do with respect to the streamlining of the effort on the revisions of forest management plans, if you can, Chief Bosworth.

Mr. BOSWORTH. Yes. I would be happy to do that.

We have been operating under a regulation or rule in the development and revision of our forest plans. The most recent rule was implemented in 1982. That is when the rule was established that we operate under now.

During that period of time, during the 1980's and the 1970's, we were doing entirely different kinds of work on national forest lands. We had a very large timber harvest program. We were not into the fuels treatment like we are today. We did not have the catastrophic wildfires that we have today.

Over time, it evolved where it was taking us 6 or 8 or 10 years to develop a revision because of all the processes we were going through. We needed to revise our rule so that we could look more to the future rather than to deal with the things we had been doing 20 years ago.

The threats that face our forests in the future are things like catastrophic wildfire and invasive species and an increased recreation demand, loss of open space—some of those kinds of things.

So we need a rule that will help us move into the future and also will be a rule that we can engage the public in more quickly and more effectively. And so that is what this rule does. There are several things that it will accomplish.

I believe one is that it will improve the citizens' ability to participate in the forest plan revisions because of the fact that we will get them done quicker and people do not have to try to stick with it for 7 or 8 years.

The only people that can stick with it are those people who are being paid to by the timber industry or the livestock industry or the environmental industry or someone. But a person down the street that just wants to go to the forest, they cannot do that. They cannot stick with it for that long. So that will help citizen participation.

Also the rule requires adoption of an Environmental Management System which will be—for each forest, that will require an independent audit each year of that forest and the implementation of that forest plan. That independent audit can be done from outside the Forest Service or from outside the forest.

That will be done by folks that will look at what we have accomplished that year in terms of implementing the forest plan, whether we did what we said we would do and whether we are getting the kinds of effects and outcomes that we said we would get.

It will give us an opportunity to increase the amount of monitoring that we are doing as we implement. We can then make adjustments based upon what we learn together with the public about the implementation of those forest plans.

So I believe it will result in better environmental protection as well as better public participation.

Another aspect is that it has to be science based. These forest plans need to be based on the best science that is available, on the best knowledge that we have about how ecosystems interact. It calls for science reviews and consistency reviews of the work that we do in the development of the forest plan.

So it is a significant change from where it had been in the past. There will be discomfort, I think, in some areas until people actually see how we are implementing them. I believe that people will like what they see after we have had a few years of implementation.

Senator SALAZAR. What is the status of the rule at this point?

Mr. BOSWORTH. At this point, the rule has been finalized and we are in the process of training people so that they can implement plan revisions under the new rule.

When we came out with a final rule, we also came out with another proposal that is out for public comment. That proposal would be to categorically exclude forest plans from environmental impact statements.

In other words, we would still do environmental analysis, but we would not develop a whole array of alternatives. We would work with the public to develop a forest plan, and when we make a decision to do a project and actually do a project on the ground, that is when we would actually do the environmental impact statement.

Part of it is there is a big redundancy there. In our forest plans, we do not make a decision to do anything. We set standards and guidelines and goals. The decision to do something on the ground is made on a project-by-project basis.

So that is the time when we need to do the environmental impact statement. And we believe we should be able to do a categorical exclusion for the plan itself which would significantly reduce the amount of time and the cost on the up-front side of doing a forest plan.

Senator SALAZAR. Thank you, Chief Bosworth.

I would appreciate being informed in Colorado as you move forward with the implementation of the rule and specifically giving me and my office a heads up, if you will, as you move forward with any revisions on our national forests.

I think for most of us who sit on this committee, national forests are so important for us because they comprise so much of the land mass of our state and they provide all the benefits that are provided to our respective States.

But being kept abreast of what is going on as you move forward with forest planning within our eleven forests in Colorado is something that I very much would appreciate.

Mr. BOSWORTH. We would be happy to do that.

I should also point out that some cases, we have forests that are halfway or three-fourths of the way through developing forest plans using the old rule. Those forests will continue. Some of those will complete their plan revision using the old rule just simply because there are almost none.

That may be the case in some of Colorado's forests. We will be happy to keep you informed on which ones will be done using the new rule and the ones that are going to be completed under the old rule.

Senator SALAZAR. Under Secretary Rey and Chief Bosworth, I very much appreciate you coming here in front of the committee today and providing us the information.

I ask unanimous consent to place the statements in the record including the full statements of Chief Bosworth and Under Secretary Rey and, two, to submit the questions for the record on behalf of our members and, three, that we will recess until 10 a.m. tomorrow for a hearing on the Department of Energy Budget with Secretary Rodman. Thank you and the meeting is adjourned.

[Whereupon, at 11:45 a.m., the hearing was adjourned.]

APPENDIX
RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR DOMENICI
FACILITIES MANAGEMENT

Let me begin with the proposal to sell excess properties and to retain the revenues. As in past years, I assume these are small lots or buildings that the agency no longer has any need for. Is that correct?

Question 1. Approximately how many of these properties are there and how much revenue are they likely to generate?

Answer. Generally, properties slated for sale will be offices, work centers, or residences distributed throughout the country that are underutilized or no longer needed to support the Agency mission. Sale of these facilities can result in meaningful reduction in deferred maintenance backlog and provide funds for maintenance and reconstruction. The Forest Service anticipates there is at least \$50 million of facilities to be sold. The agency has not completed a thorough inventory of all the properties that may lend themselves to competitive sale so a total dollar value of facilities to be conveyed is not yet available. As facilities are sold, the number remaining to be sold will decrease over time to the point where Forest Service facilities are properly aligned with mission and organizational requirements.

I note that you have proposed significant reductions in the Capital Improvements line items as well as Facilities Construction and Maintenance, Road Construction and Maintenance, and Trails Construction and Maintenance. If I follow your proposal you will sell some excess property and use part of the revenues to help pay for facilities construction and maintenance and some to acquire new facilities, and/or new lands.

Question 2. Approximately how much of the revenue will be used to pay for Facilities Construction and Maintenance, and how much for acquisition of additional property?

Answer. Generally funds generated by the sale of administrative sites will be used to realign the support infrastructure of the agency to its mission and organizational structure through facility disposal, construction, and maintenance. Most of the revenues will be used for facility rehabilitation or replacement, with emphasis toward optimizing efficiency and decreasing deferred maintenance backlog. Accomplishing those objectives will require a mixture of facility construction and maintenance. We do not have precise information on the proportion between construction and maintenance needed at this time.

As we will generally be reducing total square footage of facility space, we do not anticipate the need for much new property acquisition; however, there will be some. One example is in District office consolidations, where several sites may be disposed of to build a new office in the optimum location.

Question 3. I am confused. If these properties are excess to the agency's needs, why do you need to replace them or to acquire new lands?

Answer. The Forest Service does not have many excess facilities, as most are currently occupied. However, we do have a need to realign facility space to a more optimum size and location and to decrease our deferred maintenance. There are many situations where employees should be relocated to another site to improve public service and improve space utilization and cost efficiency. For example, it may be optimum to consolidate two or more offices into one new efficient office near a centralized population while concurrently selling facilities at scattered sites. Such facility realignment is focused on improved service, efficiency, and reduced costs. Acquisition of new administrative properties, if needed, will be incidental to realignment.

Question 4. How would the Department feel if we adopted this proposal, but directed that 90% of the revenues be used to improve the forest health conditions of our National Forests?

Answer. As previously stated, we do not have excess facilities for disposal as a revenue source. Due to our changing agency mission and workforce, there is a critical need to realign our facilities to provide better public service and reduce maintenance liabilities. This conveyance program reduces the need for appropriated funds to meet that purpose. If the receipts are redirected to healthy forest activities, deficiencies in location, space utilization, and deferred maintenance backlog of fire, administrative and other facilities would be compounded.

LAND ACQUISITION

In the mandatory appropriations section of the bill I note an increase of \$36 million in the Land Acquisition and Enhancements section.

Question 5. Am I correct that the total requested budget for Land Acquisition when you add the discretionary and mandatory line items together is \$76 million? Why do we need that much new federal land?

Answer. The FY 2006 President's budget only requests \$40 million for Land Acquisition. Within this amount, \$26.5 million is for acquiring land. Another \$500,000 is for cash to equalize land exchange values, and \$13 million is for acquisition management costs.

The \$26.5 million requested in the President's Budget for new land acquisition projects is being proposed to help reduce current management costs through reduction of boundary survey and marking, as well as by providing greater access to current forest lands for fire suppression purposes. These projects will also provide greater public recreation opportunities and protect vital watersheds.

Under the Land Acquisition and Enhancement Fund, the \$36 million increase reflected in new budget authority represents estimated revenues that will be collected from the sales of administrative sites, including their associated land. Funds collected from these sales are only available for maintenance, rehabilitation and construction of facilities, and are not available for new land acquisition projects.

ROAD AND TRAIL CONSTRUCTION

I also note in the Capital Improvements section you have significant reductions in Road and Trail Construction.

Question 6. Do I understand your proposal correctly, that revenues from the sale of some of the excess properties will not be used to fund these important maintenance programs?

Answer. The legislative proposal will provide funding for needed maintenance and construction of fire facilities, administrative facilities, research facilities, visitor centers and dams.

WILDLAND FIRE SUPPRESSION

You've requested the 10-year average for funding fire suppression and this last year the Forest Service managed to expend more than the ten year average for fire suppression. It was only the supplemental appropriations funding they received that kept you from having to rob Peter to pay Paul.

Question 7. What steps have you undertaken to control your fire costs? What steps have you taken to ensure the suppression production increases?

Answer. In 2002, the Forest Service contracted with the National Academy of Public Administration to perform an independent cost containment review, which resulted in a report in September 2002. Additionally, during 2003 and 2004 the Forest Service completed more than 15 interagency regional reviews of fires that exceed \$5 million dollars and performed national reviews.

These reviews have resulted in more than 100 recommendations. Additionally, the agency is assessing numerous recommendations that have resulted out of interagency fire reviews conducted during the last couple of years. Most of these recommendations have the potential for cost savings when fully implemented. However, some will likely yield more substantial savings and merit greater attention. In order to focus efforts on those recommendations with the greater potential for return, we are conducting a cost benefit analysis using economic and financial experts. The results of this effort will be an implementation strategy that will enable focused efforts on recommendations with greater cost savings.

For FY 2005, the agency determined that an in-depth, objective look at large fire costs was warranted. The agency requested OIG modify their audit schedule to enable them to conduct their planned Large Fire Cost Review to coincide with this year's fire season and the OIG concurred. The OIG will begin this review in FY 2005 including on-site visits during large incident activity.

In compliance with a provision of the FY 2005 Department of Defense Appropriations Act (P.L. 108-287), the Secretary of Agriculture established an independent

cost-containment review panel to examine and report on fire suppression costs for individual wildfire incidents that exceed \$10,000,000. The review panel includes representatives from the academic and fire community as well as agency administrative subject matter experts. The review panel is currently finalizing the report that will be available soon.

An additional measure that the Agency plans on implementing in the future that may result in potential savings is the method of supply analysis. The Agency is currently looking at methods of supply analysis from various perspectives. There are several groups working on methods of supply analysis in relationship to suppression procurement activities. The first group is a strategic group initiated by the cache managers to look at opportunities for centralized procurement, inventory, and delivery methods. A second group is from the acquisition management side looking for efficiencies through standardization. The Office of the Inspector General (OIG) is conducting an audit of the agency's procurement practices which may also help direct additional supply analysis.

The agency is committed long term to controlling fire costs and has initiated the following actions: identifying the most cost effective alternative relative to fires escaping initial attack; developing stratifications of fire cost relative to size and other factors to identify incidents with costs outside the normal range; developing inter-agency cost performance measures for FY 2006; developing a long term strategic aviation strategy and plan; developing a large fire decision support system to provide enhanced decision support for fires escaping initial attack; and developing a comprehensive fire planning and budget system, Fire Program Analysis (FPA).

VALLES CALDERA

I see that you have nearly zeroed out the funding for Valles Caldera again this year. I thought I had your assurance, in last year's hearing, that the Administration would more fully support this funding.

Question 8. Why the increase in Forest Legacy funding, while the decrease in funding for Valles Caldera?

Answer. The Forest Legacy Program (FLP) is an important voluntary private forest land conservation program. The FLP protects working forests, which provide important public benefits such as clean water, clean air, wildlife habitat, forest products, and recreation opportunities. Over the last several years, the FLP has revised its program management operations and project selection process to be nationally competitive based on standard national criteria. The program received a "moderately effective" rating through OMB's Performance Assessment Rating Tool evaluation because it has clarified a set of national goals and objectives, as well as implemented a set of accountability measures addressing outcomes, efficiency, and demand that can be tied to budget request. For these reasons, the Administration's budget request supports FLP funding to protect important private forest lands through a non-regulatory, incentive based approach.

The request of \$992,000 for the Valles Caldera is the same as was requested by the Administration in 2005 while the 2006 request for FLP funds was decreased by \$20 million. Given that the 2006 request for all non-emergency discretionary funding is \$173 million less than the 2005 request and in light of other priorities, the 2006 Valles Caldera request was held constant at the \$992,000 level.

FUNDING OF EMPLOYEES DURING EMERGENCIES

I asked the Chief about the number of forests that have an over-reliance on emergencies to ensure their employees are funded for the year.

Question 9. Can I get your commitment that you will take a very hard look at this situation? I understand that some forests would have to lay-off significant numbers of employees, if we ever had an emergency free year. Is that true?

Answer. As implied in the question, any individual Forest Service unit experiences fluctuations in annual funding due to a variety of reasons, among them emergency funding for events such as hurricane relief, ice storm damage, and flooding, rain or snow events to name a few. Forest Service employees have also responded to non-Forest Service emergencies such as support to Columbia Shuttle recovery, Exotic Newcastle Disease, and recovery efforts following the attacks on the Pentagon and World Trade Center. However, all Forest Service units have sufficient funding to pay for the permanent employees they currently have. It must be noted that many units rely on a proportionately large number of temporary employees to complete seasonal work. It is absolutely the nature of having a seasonal workforce that the positions are filled contingent upon having sufficient funding. Moreover, in the desire to stretch every dollar and maximize the amount of work that gets done on the ground in a given year, many units will plan for some employees to spend

some portion of their time being away from their regular job on a temporary or emergency assignment. Since this actually happens somewhat frequently, it is actually useful to plan for this absence when developing work plans for contracting or temporary hires. In the event that funds or assignments on other units are not available, employees stay home and contracts or temporary hires are reduced.

PROGRAM FUNDING: RECREATION AND ROADS

One of the strategic focuses in this budget is to provide recreation opportunities. I see funding reductions in the Recreation line item, funding for road maintenance, and regulatory initiatives on ORV transportation as signs that the agency may not be all that interested in providing for the number one recreational use of our National Forests, driving for pleasure.

Question 10. How does this budget request result in any growth in road access and roaded recreational opportunities?

Answer. The amount of roads passable to standard passenger cars has decreased 10,000 miles over the last decade. The agency's primary focus is on road user safety and protection of soil and water resources.

Question 11. If we have several years in a row of these funding levels for road maintenance, aren't we doomed to more road closures, a concentration of motorized recreationists, and more impacts from that recreation?

Answer. Road maintenance and reconstruction work will be focused primarily on critical health and safety needs and watershed protection measures. Actual road maintenance and reconstruction will decrease from FY 2004 actual (90,786 miles) and estimated FY 2005 levels (63,173 miles) to 42,932 miles in FY 2006.

I know this is a hearing on the budget, but could you speak some on trends in receipts? I see by and large you are projecting that they will continue to fall—that is all except the receipts from the recreation fee program.

Question 12. Given the risk of the forest counties schools legislation not getting re-authorized, what should the counties that will depend on Forest Service receipts be preparing for?

Answer. The Administration could support reauthorization of P.L. 106-393 with agreed upon savings that fully offset the payments that the bill would authorize and if the bill is amended to incorporate other changes. The Administration will be happy to work with the committee to identify offsets. The Administration is working with the committees on improvements to S. 247 and the companion House bill.

If P.L. 106-393 is not reauthorized, then counties will return to the 25 percent fund payments authorized under the 1908 Act beginning in FY 2007. Any unexpended Title II funds authorized by P.L. 106-393 must be obligated by that time or returned to the treasury. Title III funds will be available until expended by the county.

FY 2004 payments from the national forest were \$79.7 million, while the current funding level under the full payment amount is \$393.8 million.

FUNDING FOR FOREST SERVICE STRATEGIC GOALS

In reading your budget request indicates that you will focus on five strategic goals including reducing the risk from catastrophic wildfire, reducing impacts from invasive species, providing outdoor recreation, helping to meet energy resource needs, and improving watershed conditions. But when I examined the budget request and the proposed outputs I only saw two areas that received significant budget increases, the Forest Legacy program, and Hazardous Fuels Reduction.

Question 13. Can you point to any evidence in the budget request to suggest that Forest Legacy has anything to do with any of the strategic goals?

Answer. The Forest Legacy Program (FLP) protects working forests, which provide important public benefits such as clean water, clean air, wildlife habitat, forest products, and recreation opportunities. The FLP supports the Forest Service's strategic goals of providing outdoor recreation and improving watershed condition. Thirty-one out of the 40 states and territories participating in FLP identified protecting watershed function and water supply as a program priority and 20 states and territories identified recreation as a program priority.

In addition, goal six of the Forest Service's Strategic Plan includes the objective of maintaining the environmental, social, and economic benefits of forest and grasslands by reducing their conversion to other uses. The FLP is an important voluntary private forest land conservation program that helps the Forest Service accomplish this objective.

The four major challenges to the Nation's forests and grasslands identified by the Forest Service are: (1) fire and fuels, (2) invasive species, (3) unmanaged recreation,

and (4) loss of open space. The FLP helps States address the environmental and economic consequences of loss of open space and working forests.

STATE AND LOCAL FIRE ASSISTANCE

I see the proposed increase in Hazardous Fuel Reduction, but I also see significant cuts proposed in State and Local Fire Assistance.

Question 14. Will the proposed cuts to State and Local Fire Assistance decrease the ability of those rural fire fighters to be first responders on National Forest fire emergencies?

Answer. No, although the proposed funding in State Fire Assistance did decrease, the proposed funding for Volunteer Fire Assistance (VFA) remains the same as FY 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 maintain rural fire fighters capability to respond to National Forest fire emergencies as they have in the past.

Question 15. I also note that the number of communities to be assisted through the State and Private Fire Assistance program is to be cut in half. How will that impact the overall team effort to fight fires?

Answer. We anticipate that a shift in some funding requirements from federal level (State Fire Assistance) to the state and local level to assist local communities should not significantly affect the overall team effort. Volunteer Fire Assistance in the President's budget remains at the FY 2005 level.

FIRE SUPPRESSION FUNDING

Last year's fire season, while a 7 million acre year, did not impact on the lower 48 States all that much. Yet, I am told you expended more than 100% of your suppression funding.

Question 16. What specific steps have you taken, and will you take, to contain your fire suppression costs in FY 2006?

Answer. In 2002, the Forest Service contracted with the National Academy of Public Administration to perform an independent cost containment review, which resulted in a report in September 2002. Additionally, during 2003 and 2004 the Forest Service completed more than 15 interagency regional reviews of fires that exceed \$5 million dollars and performed national reviews.

These reviews have resulted in more than 100 recommendations. Additionally, the agency is assessing numerous recommendations that have resulted out of interagency fire reviews conducted during the last couple of years. Most of these recommendations have the potential for cost savings when fully implemented. However, some will likely yield more substantial savings and merit greater attention. In order to focus efforts on those recommendations with the greater potential for return, we are conducting a cost benefit analysis using economic and financial experts. The results of this effort will be an implementation strategy that will enable focused efforts on recommendations with greater cost savings.

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FOREST PLANNING

Last year you and I discussed the forest plan situation in New Mexico. I complained about our plans not being scheduled for revision until 2011 and 2012. I note that your new forest planning rule suggests those plans will not be completed by 2009, a two year improvement over last year's schedule.

But I still have a concern. There are 23 other national forests that were due for revision in 2001, like our New Mexico forests, that are scheduled to be completed before our revisions. There are another 25 that were due for revision in 2002 or later that will be completed before our forests in New Mexico.

Question 17. What does Region Three have against forest planning, and why must New Mexican's be the last forests in the planning queue?

Answer. The Southwestern Region made major amendments to all of their Forest Plans in 1996 to address Mexican Spotted Owl and northern goshawk. Due to that large-scale amendment effort the Region did not place emphasis on Plan Revision work until the last two years. Initial work has begun to prepare the assessments necessary for Forest Plan revisions. To achieve economies of scale it was necessary to group Forest Plan revisions into logical units for the assessment work. The Coronado National Forest has many issues with border land management that requires changes in Forest Plan management direction. We have therefore placed the emphasis on Arizona assessments and revisions. The Coronado National Forest is starting this year and next year the Region plans to begin revisions on the Apache-Sitgreaves, Coconino, Kaibab, Prescott, and Tonto National Forests. Assessment work is beginning this year in New Mexico and in FY 2007 we are scheduled to start revisions on the New Mexico Forests. The National Grasslands administered by the Cibola National Forest are starting revision this year due to the unique and isolated situation. The agency plans on all forests completing their revision within 2-3 years of initiating under the 2004 planning Rule.

RANGE MANAGEMENT AND GRAZING

Question 18. Given the exceptionally wet year we have been having in New Mexico, can we expect to see cattle and live stock stocking numbers increased this summer and how will your proposed budget decreases affect those efforts?

Answer. At this time the Region and the Forests are assessing the situation. At this time they anticipate the amount of use may increase from the past two years, however, some areas may see less and others may see more based on the amount of forage growth. As the year goes by, further assessments will take place to help determine the full extent of the increase. The budget amount will not determine the amount of grazing that takes place.

EMPLOYEE FUNDING

We have seen a significant number of emergencies that have helped fund a large number of employees over the last three years. Beyond fires, your agency has sent people to deal with everything from hurricanes, floods, the space shuttle disaster, to New York to deal with 911, and even to help kill chickens in bird flu situations. I also note that you're projecting to reduce the funding of Full Time Equivalent employees from 37,650 down to 36,000.

Question 19. Are your planned reductions in personnel in line with your planned budget reduction?

Answer. Planned staffing levels are in line with the planned budget. We anticipate significant savings in indirect costs through the streamlining of business operations, including through the establishment of the Albuquerque Service Center, and these savings will help maintain capability for on the ground work.

Question 20. Can you provide me a list of forests that will have sufficient funding to pay for the employees they currently have, in the absence of some emergency helping to fund the positions? And can you include an estimate of what percent of each forest's employees depend on emergencies to maintain their full annual salary?

Answer. All forests have sufficient funding for their permanent full time work force. Forest Service regions rely upon temporary, seasonal help when needed during the fire season.

SANTA FE WATERSHED

Congress has funded for the past three years a program through the Forest Service to thin the watershed which provides 40 percent of the water for the City of Santa Fe. The appropriations have totaled something on the order of about \$5.5 million over four years. I have been impressed with the progress in reducing the potential fire danger in the Santa Fe Watershed.

Question 21. Could you please tell me how many acres have been treated in the Santa Fe Watershed to this point?

Answer. To date, 3,638 acres (57%) have been treated.

Question 22. What is the cost per acre on average, and what are the major components of the cost to thin this watershed area?

Answer. Of the 2,500 acres treated in the Santa Fe Watershed projects, the costs to complete the project to date averaged \$469 per acre. Thinning of 1,000 acres cost \$945 per acre or \$945,000, prescribed burning of 1,500 acres cost \$75 per acre or a total of \$75,000, monitoring of the watershed by the Rocky Mountain Research Station has cost \$123,828 and monitoring by the Southwestern Region has cost \$27,500 to date. Total project cost has been \$1,171,328 over the 2,500 acres. Pile burning is accomplished with Forest Service personnel at an additional cost of approximately \$50 an acre.

Question 23. How many acres are remaining to be treated to complete the thinning project?

Answer. 1,763 acres (28%) will be thinned in FY 2005, with the remaining 1,000 acres (15%) planned for FY 2006. All of the thinning projects require pile burning the following year. Final completion of the hazardous fuel reduction project is estimated to occur in FY 2007, depending upon weather and burning conditions.

Question 24. What is the estimated cost to complete the Santa Fe watershed thinning project?

Answer. Completion of the thinning project will cost about \$1.2 million (FY 2006—\$1.1 million; FY 2007—\$0.1 million). This estimate includes thinning, prescribed fire, and monitoring costs associated with the project.

Question 25. What is the estimated cost to maintain this watershed once the thinning project is completed?

Answer. To maintain the watershed in the desired condition, it would be necessary to thin a 6,400 acre area once every nine years at a cost of approximately \$800,000. In addition to thinning, annual prescribed fires over 700 acre plots would cost an estimated \$91,000 per year.

Question 26. Has the Forest Service identified any other major watersheds at risk from catastrophic fire? Could you please provide that information to the Committee?

Answer. The Forest Service is engaged in collaborative efforts to prioritize communities and watersheds at risk in New Mexico and other states. Further project development is taking place through the Community Wildfire Protection Plan (CWPP) process in many New Mexico communities and counties. The Forest Service is an active participant in CWPP development, with final responsibility resting with the community. Several watersheds have been identified through collaborative efforts, including the Gallinas, Cloudcroft, Ruidoso, and Alamogordo and Catron and Grant Counties. The Forest Service is working with these communities to develop restoration plans. Each of these communities is important to the Forest Service. The flexibility to prioritize projects on an annual basis is a critical component to the continuation of a positive and effective relationship with communities.

Question 27. Is the Forest Service working on plans to address these major areas? What would be the process used to move forward with these priority projects?

Answer. Yes. As stated in the previous answer, the Forest Service is engaged in collaborative efforts to prioritize communities and watersheds at risk in New Mexico and other states. Further project development is taking place through the Community Wildfire Protection Plan (CWPP) process in many New Mexico communities and counties. The Forest Service is an active participant in CWPP development, with final responsibility resting with the community.

Question 28. What have been the lessons learned from this project?

Answer. The agency learned several valuable lessons from the Santa Fe Watershed restoration project including:

- An informed and educated public will create support that will allow for approximately twenty percent more prescribed burning accomplishments annually.

- Benefits of whole tree mastication exceed hand piling of thinned material, which requires at least two more treatments. Additional treatments required for thinning, hand piling, and burning add more time and costs to the project.
- Thinning prescriptions to reduce fire behavior need to be based on slope instead of a broad prescription for environmental constraints. More trees need to be removed on steep slopes to reduce fire behavior to acceptable levels of control and fire protection. The need to reduce more trees is due to the way fire preheats fuels on steep slopes versus flat ground.
- Necessary skills for management of the project include global positioning system, geographic information system skills, forestry expertise, and a dedicated person to manage project. These skills will avoid unnecessary complications with contractors on acres being treated.
- As the benefits of mastication are seen, there will be an increase in competition both for the services rendered by the contractor and for the contractor to provide the services at a lower cost.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR BUNNING

LAW ENFORCEMENT—ILLEGAL DRUGS

Question 1. One of the problems in the forests of my home state is the difficult task of combating illegal drugs. The Daniel Boone National Forest. Because of its size and isolated location, the Appalachians of eastern Kentucky has become a haven for marijuana growers and methamphetamine laboratories. In the past, the Daniel Boone National Forest has effectively used the Kentucky National Guard to fight this illegal activity. With more and more of the guard fighting terrorism, I am concerned that the Daniel Boone will have difficulty maintaining a strong drug interdiction program. Is this a widespread problem for National Forests? What do you plan to do to address this critical issue? Is this a widespread problem for National Forests?

Answer. The Southern Region has seen a reduction in National Guard support to assist National Forest law enforcement officers/agents with the cutting and removing of marijuana plants.

Forest Service Law Enforcement and Investigations staff makes every effort to maintain the highest level of law enforcement presence in the field as possible. Officers on detail from other areas within the region are used whenever possible.

The Forest Service is partnering with the Office of National Drug Control Policy, the National Marijuana Initiative and other Federal, State and local law enforcement agencies. Sharing manpower resources, intelligence and working in task force groups eradicating and investigating marijuana and methamphetamine usage benefits the National Forest.

The Forest Service is a permanent and committed member to the Office of National Drug Control Policy, High Intensity Drug Trafficking Area (HIDTA). The Appalachia HIDTA provides Forest Service officers/agents with limited financial resources to detect, destroy and investigate illegal marijuana and methamphetamine usage on the Daniel Boone and Cherokee National Forests.

WILDLAND FIRE SUPPRESSION FUNDING

Question 2. The proposed budget for the forest Service includes significant decreases in funding for fighting forest fires. While I realize that there were extraordinary events last year that prompted emergency funding, in any given year there will be a certain level of natural forest fire activity. Does your budget realistically reflect the costs of fighting fires in an average year or do you expect to return to congress for emergency funding after the first large scale fire?

Answer. The budget reflects the 10-year average annual cost of wildland fire suppression. Unobligated balances from previously appropriated funds will be available if not obligated in FY 2005. In addition, agency efforts to reduce suppression costs will lessen the need for additional funds absent extraordinary circumstances. If a severe fire season occurs in FY 2006, resulting in suppression costs that exceed the amount available, funds will be transferred from other Forest Service programs.

FOREST LEGACY PROGRAM—KNOBS STATE FOREST

Question 3. Kentucky recently established a forest legacy program and identified the Knobs State Forest as its first priority for the program. Would you explain how the forest legacy program will work in Kentucky and at the Knobs State Forest?

Answer. In 2003, Kentucky entered the Forest Legacy Program with the approval of the State's Assessment of Need (AON) by the Secretary of Agriculture. The AON is an implementation plan that evaluates forest characteristics, uses, and threats;

describes specific forest areas where the FLP will be focused; and outlines program goals and eligibility criteria. After coordination with the State Forest Stewardship Coordinating Committee and conducting public involvement, the Kentucky Division of Forestry identified the state's program goals to protect environmentally important forest areas that are threatened by conversion to non-forest uses and to promote working forests and other conservation opportunities. In addition, four Forest Legacy Areas were defined to focus the FLP into areas with high important forest resources and known threat of conversion.

FLP projects are evaluated through a nationally competitive selection process based on standard criteria. Projects with the highest scores are included in the President's budget request. The Knobs State Forest project is included in the President's FY 2006 budget request, and also received funding in FY 2004 and FY 2005. This project is located in the Salt River watershed, which is experiencing significant conversion of working forests to other uses. Once formed, this new state forest will protect an important working forest and provide much needed recreational opportunities, educational opportunities, habitat protection, and other benefits in a heavily populated area.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR BINGAMAN

US AID—REFORESTATION OF HAITI

Question 1. Secretary Rey and Chief Bosworth, I would like to bring to your attention language in the omnibus conference report directing US AID, in consultation with the Department of Agriculture and others, to develop a comprehensive strategy on reforestation in Haiti.

In May of 2004, nearly 3000 Haitians were killed in flooding caused only by moderate rains. In September, then Tropical Storm Jeanne killed nearly 5,000 more Haitians. Storms in 2003 and 1998 also claimed many Haitian lives due to flooding. There is widespread agreement that these tragedies are directly linked to deforestation.

I specifically sought to have the language requiring US AID to consult with the Department of Agriculture included in the Omnibus report because I think we need some fresh thinking on Haiti reforestation, and I think that this is something in which the Forest Service should play a constructive role.

Will you commit to devoting some resources and expertise to that important effort?

Answer. We understand that USAID is in the process of developing the requested strategy for Haitian watershed restoration and that they will invite the Forest Service and other agencies to contribute its' development before it is finalized. We agree that new ideas are needed and we are committed to working with both USAID and Congress to develop innovative approaches to address this important issue.

TIMBER SALE ACCOUNTING

Question 2. A few weeks ago, the Congressional Budget Office issued its "Budget Options" report for Congress to consider. That report says that the Forest Service does not maintain the necessary data to estimate the annual receipts and expenditures associated with individual [timber] sales. Thus, it is hard to estimate precisely the budgetary savings . . . (Chapter 2, page 97). The General Accountability Office had arrived at the same conclusion in earlier reports. Does the Forest Service agree with the statement quoted above from the CBO report, and has it corrected the accounting problems relating to timber sales that have been identified by the GAO? Please explain.

Answer. The Forest Service does not agree that we have accounting problems relating to timber sales. While receipt information is maintained by individual timber sale in the Timber Sale Accounting subsidiary system, expenditure information is maintained at the programmatic level by National Forest. Maintaining cost information at the individual timber sale level is not a federal financial requirement nor does agency management consider it essential to program or budgetary decision-making. Further, the cost of maintaining expenditure information at the sale level of detail would far exceed the benefit from our perspective. We recognize GAO's prior review of the timber sale program but there were no agreements regarding accounting at the individual timber sale level. With respect to the language in the Congressional Budget Office report regarding budgetary savings, it is unclear what is meant by this statement and we therefore have no response.

FEDERAL LANDS RECREATION ENHANCEMENT ACT

Question 3. The recently enacted Federal Lands Recreation Enhancement Act includes a number of criteria and limitations that restrict the Forest Service fee collection authority. For which areas, if any, will the Forest Service no longer be collecting fees as a result of the restrictions in that Act.

Answer. The Federal Lands Recreation Enhancement Act (FLREA) prohibits charging entrance fees or standard amenity fees for individuals under 16 years of age. This prohibition affects the Forest Service at recreation sites around the country that charge on an individual basis, primarily visitor centers. In addition, unlike the Agency's authority under Land and Water Conservation Fund (L&WCF) Act and Fee Demonstration program, the FLREA also prohibits charging an entrance fee for certain congressionally designated areas such as National Recreation Areas or National Scenic Areas. As a result of this prohibition, the Forest Service no longer collects an entrance fee at these areas. Certain portions of these congressionally designated areas may meet the FLREA criteria for charging a standard amenity fee.

To be in compliance with the FLREA criteria, additions to and removals from the Forest Service's recreation fee program will be initiated this Spring when Forest Service specific guidelines are issued to the Forests for implementation. Removals will likely include some day-use facilities and boundaries adjusted at some high impact recreation areas. With the repeal of L&WCF fee collection sections, several campgrounds will be added to the FLREA program.

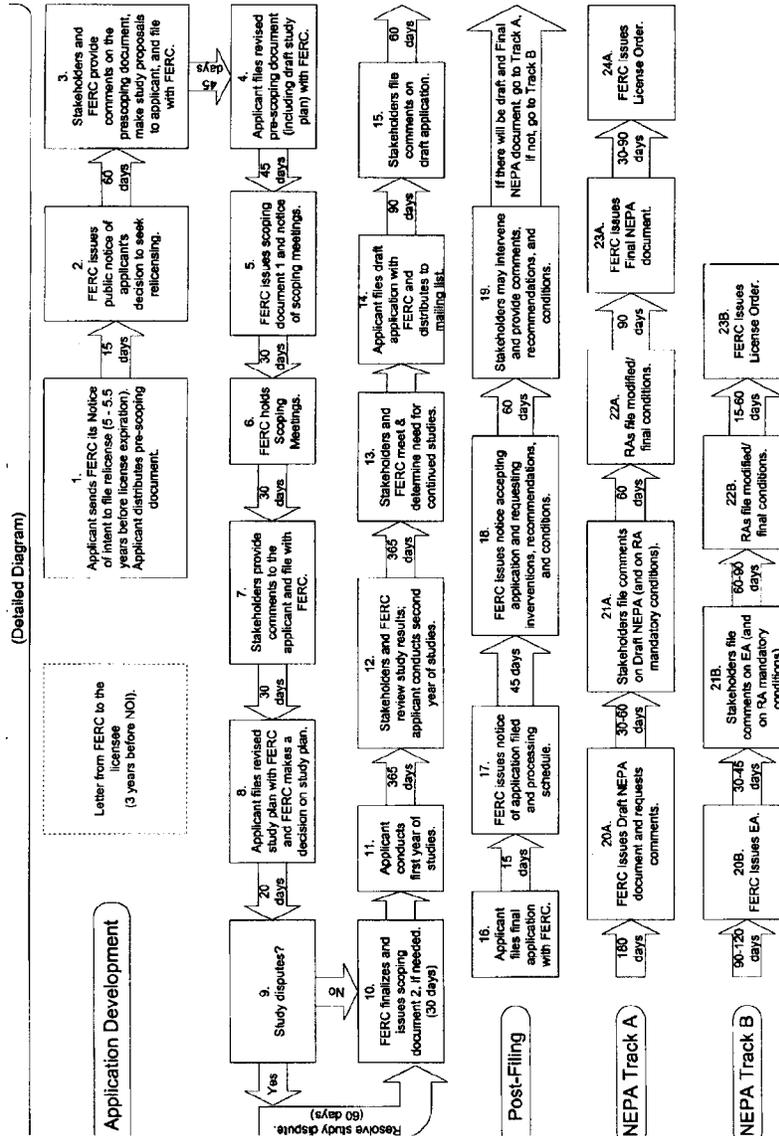
FEDERAL ENERGY REGULATORY COMMISSION AND HYDROELECTRIC POWER LICENSING

Question 4. Please describe the current process at the Forest Service for developing mandatory conditions for hydroelectric licenses under the Federal Power Act. Is the time line for developing these conditions consistent with the time line for relicensing proceedings at the Federal Energy Regulatory Commission? Please describe.

Answer. The current process for developing mandatory conditions for hydroelectric licenses is formally outlined in Forest Service Manual, 2770, Federal Power Act Projects as follows:

1. Respond to the Federal Energy Regulatory Commission's (FERC) notice of acceptance of a license application with a report pursuant to section 4(e) of the Federal Power Act of October 24, 1992 (43 U.S.C. 1761(d)) for any project that occupies National Forest System (NFS) land.
2. Provide FERC with a statement of the conclusions as to the project's consistency or interference with national forest purposes and the project's consistency with the applicable land management plan. Identify the nature and extent of any significant inconsistency or interference.
3. Coordinate with FERC and other Federal and State agencies, as appropriate, in determining the license conditions necessary for the protection and utilization of NFS lands and resources.
4. Transmit to FERC those section 4(e) license conditions the Forest Service considers necessary to mitigate effects on NFS lands and resources that are directly attributable to project operations and maintenance.

The time line for developing Forest Service conditions is consistent within boxes "NEPA Track A 20A-24A" or "NEPA Track B 20B-23B" the timeline for relicensing proceedings at the Federal Energy Regulatory Commission. The diagram displays both the timeline and integration of the federal agencies development of conditions with FERC's licensing process.



Question 5. What efforts has the Forest Service made to coordinate its process for developing conditions with the FERC?

Answer. As part of a number of efforts, and in response to the National Energy Plan, the Forest Service conducted a review of the National Environmental Policy Act (NEPA) as applied to the Federal Power Act (FPA) Section 4(e) conditions and the policies and practices of other federal agencies that also submit conditions to FERC. The Forest Service review determined that the development of FPA Section 4(e) conditions does not constitute an independent agency action by the Forest Service. The NEPA "action" regarding licensing of hydroelectric projects is FERC's.

This change made Forest Service policy consistent with the policy and practice of other federal agencies that submit conditions to FERC pursuant to the FPA (e.g., USFWS, BIA, BLM, and NOAA) and allowed the FS to file any revisions to its preliminary conditions at the same time as other federal agencies. As for all agency conditions, opportunity for public comment on the agency's 4(e)'s is available in the FERC process, and parties to the FERC proceeding still have an appeal opportunity in the FERC licensing process.

This change in policy also allows for early and frequent public involvement in the development of FS 4(e)'s. This is in line with the newly proposed FERC integrated licensing process and the practice of other federal agencies with mandatory conditioning authority. Through the FERC process, the FS and other agencies provide many opportunities for public comment while FERC is scoping issues during environmental reviews of license applications.

Question 6. Does the Forest Service afford license applicants and others an opportunity for an administrative appeal of a mandatory conditions? If so, please describe the appeals process.

Answer. The Forest Service does not issue a decision document when license conditions are transmitted to FERC. Our conditions are not agency decisions as defined in 36 CFR 215. However, the Forest Service is committed to providing ample opportunities for public input as it develops its mandatory conditions. The public can also review and comment through FERC's licensing process. Federal agencies are required to submit preliminary conditions to FERC upon notice from FERC that the application is "ready for environmental review." All of the agencies preliminary conditions are included in FERC's draft environmental impact statement (EIS). The license applicant, other parties to the FERC proceeding, and the public can comment on the FERC NEPA document and file reply comments on the comments of others. As has been our practice, the Forest Service will continue to consider and respond to comments on its preliminary conditions in determining the need for revised conditions before submitting the mandatory conditions that will be part of FERC's final NEPA document and included in the license.

Question 7. Does the Forest Service conduct formal adjudicatory appeals as provided for by the Administrative Procedure Act?

Answer. The Administrative Procedure Act (APA) requirements are self-defining and the Forest Service's voluntary and other statutorily required appeal systems do not fall within APA's requirements for, or definitions of, a formal adjudicatory process. The APA establishes procedural requirements for only one class of adjudications: those which are "required by statute to be determined on the record after an opportunity for an agency hearing." This means the APA's formal adjudication procedures are mandatory only when some other statute directs the agency to conduct an evidentiary hearing in adjudicating particular kinds of cases. The Forest Service Title 36, Code of Federal Regulations, Sections 215, 217 and 218 appeal systems do not qualify as formal adjudications as the system is an informal, discretionary appeal opportunity, refined over the years. As noted in answers above, since the Forest Service does not issue a decision document to FERC, our conditions are not an appealable decision.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR CANTWELL

RECREATION—FUNDING

Question 1. Mr. Rey, the Northwest Forest Pass, created under the Fee Demo program, currently brings in more than one million dollars each year to trails in Washington state. Local forests, which have seen their recreation budgets decline dramatically over the past decade, have come to depend upon these funds to take care of basic maintenance and operations needs.

How will the new fee regime, created under the Federal Lands Recreation Enhancement Act, ensure that this important source of trail funding is preserved?

Answer. The decision on how to spend recreation enhancement fee revenue is made at the Forest level, in consultation with the public. Under Fee Demo, generally a portion of each Forest's Northwest Forest Pass revenue was used to maintain forest trails through the hiring of crews to do trail maintenance and provide support to volunteer organizations that perform trail maintenance. Based on criteria provided by the Federal Lands Recreation Enhancement Act (FLREA), there may be removals and additions of day-use facilities, including trailheads, to the Northwest Forest Pass, which may impact the fee revenue available for use by a forest. Upon release of Forest Service guidelines for implementation of FLREA, all sites or areas that were previously charging recreation fees, including those sites under the Northwest Forest Pass, will be evaluated to align with FLREA. Those not meeting

FLREA's criteria will no longer impose fees. Until these reviews are complete, revenue projections for the Northwest Forest Pass are uncertain.

Question 2. Or, if the Northwest Forest Pass does not continue in its current form, how will the agency cover the cost of maintaining its trail system?

Answer. Generally, forests have contributed Northwest Forest Pass fee revenue to partners who complete trail maintenance projects. Partnerships, donations, grants, and volunteer contributions are the threads that hold the trails program together. Trail maintenance priorities are established by the forest based upon available funding, including appropriated and recreation fee sources.

Question 3. Mr. Rey, as you know, funds shifted within the Forest Service at the national level magnify exponentially as they filter down through the regions to local forests, especially as the agency covers its various overhead and management expenses.

Given the President's proposed flat budget for Forest Service recreation funding, what do you anticipate to be the actual impact to recreation budgets at the forest level?

Answer. The proposed budget in the recreation program continues at the FY 2005 enacted level; however, some program delivery will be impacted by absorbing the \$4.5 million in pay costs. The agency will focus on efforts that maximize recreation delivery and place emphasis on high priority efforts that deliver services to the public, including those where the agency also has partnerships to honor. Priority will go to the operation of developed sites and visitor centers, public services such as interpretation, and addressing ecosystem health in areas of sanitation and garbage removal. We will also continue implementation of the OHV efforts, the recreation site realignment process, and meet our obligations to our service partners.

Question 4. Likewise, the President has proposed a 16 percent cut to the agency's Capital Improvement and Maintenance/Trails (CIMI) account. After adjusting for agency and overhead costs, for every dollar delivered to a Washington forest in 2005, how many cents will they see in 2006?

Answer. The total trail capital improvement and maintenance funds allocated to the Pacific Northwest Region (Washington and Oregon) in FY 2005 was \$9,688,000, with \$3,541,000 (36.5%) going to cover cost pools. The allocation will be similar in FY 2006.

Question 5. Mr. Rey, I understand that the individual regional Forest Service requests for LWCF funding to acquire in-fill parcels for the Pacific Crest National Scenic Trail total \$5 million. All of these acquisitions are from willing sellers and will allow trail relocation off the roadway for safety reasons, and to protect the trail from intense development pressures.

Please explain why the President's budget request does not follow the recommendations of the regional Forest Service offices.

Answer. The President's budget reflects national priorities for the acquisition of land to be included in the National Forest System and focuses on the agency's annual and strategic program goals and objectives. Annually, each Region submits a list of acquisition projects that represent high resource value and a requested amount to fund those acquisitions. These projects are ranked nationally based on explicit criteria that typically focus on acquiring lands providing increased recreation opportunity and open space while reducing the threat of development and management cost. Proposed projects are then provided with a level of funds consistent with their national ranking and in proportion to the Administration's funding allocation for overall land acquisition. For FY 2006, the President's Budget request includes acquisitions for the Pacific Crest Trail project in both Regions 5 and 6 and was allocated a proportional share of resources within the funding limits provided.

ROADLESS AREA CONSERVATION RULE

Question 6. Mr. Rey, as you know the Forest Service is currently considering comments to its proposed changes to the landmark 2001 Roadless Area Conservation Rule.

Please provide me with an update on this process and when you think it will be completed.

Answer. The Forest Service is still processing and considering public comments at this time with the intent of completing this process in FY 2005.

Question 7. What is the total number of comments received on this draft rule-making?

Answer. The agency estimates it has received 1.8 million comments.

Question 8. How many of those comments were from Washington state?

Answer. The Forest Service does not compile information on the sources of comments.

Question 9. Can you provide a preliminary analysis of those comments?

Answer. No, given the stage of the comment analysis we are in, we are not able to provide a preliminary analysis at this time.

Question 10. Mr. Rey, the proposed changes to the Roadless Rule would provide governors with an unprecedented roll in determine the use of federally owned lands. Is there any historic or regulatory precedence for state officials deciding how federal lands should be managed?

Answer. State officials would not decide how to manage the Federal lands. The proposed rule would establish administrative procedures to allow a Governor to petition the Secretary to undertake future rulemaking to establish or adjust management requirements for inventoried roadless areas within the State. If the Secretary accepts a petition, subsequent State-specific rulemaking would be proposed that would include public involvement and the appropriate level of environmental analysis. Governors would not make the rulemaking decisions; they would make recommendations to be considered in future rulemaking, and a commitment that the State would participate as a cooperating agency in any environmental analysis for that State-specific rulemaking.

Question 11. Is the Department of Interior concerned about how this dynamic could alter the use of other federally owned public lands?

Answer. The Forest Service is not aware of any concerns by the Department of Interior about the proposed rule.

Question 12. Do you envision providing state agencies with federal resources to take on these tasks?

Answer. No. The Forest Service would provide the State with available information. The responsibility for collaborating with interested parties and assembling the petition for submittal to the Secretary would be a State responsibility.

Question 13. Mr. Rey, I understand that under the draft rule the Forest Service still retains all the final decision-making authority. Is it true that the Forest Service can still turn down any or all Governors requests for roadless area protections?

Answer. The petitioning process is strictly voluntary. If a Governor does not submit a petition to the Secretary for consideration, then the management requirements for inventoried roadless areas in that particular State would remain as they are in approved land management plans. Decisions to approve land management plans are made by the Forest Service. Under the proposed rule, the decision to accept or decline a petition by a Governor to recommend changes to the management requirements through State-specific rulemaking for these areas rests with the Secretary, as does the decision to adopt any subsequent State-specific rulemaking.

Question 14. What does the Forest Service estimate it will cost to begin a new state-by-state rulemaking process?

Answer. There are 38 States and the Commonwealth of Puerto Rico that contain National Forest System inventoried roadless areas. Since this petitioning process is strictly voluntary, there is no way to know how many petitions might be submitted to the Secretary, or how many submitted petitions the Secretary might approve that could then trigger subsequent State-specific rulemaking. An individual State-specific cost-benefit analysis would subsequently be completed.

Question 15. How will the proposed rule change affect the existing multibillion dollar road maintenance backlog?

Answer. There should not be any direct affect on the maintenance backlog. The roadless rule will not have a direct affect on the mileage of the road system.

Question 16. Please update me on the state of the road maintenance backlog, including an estimation of its overall cost and an explanation of how these figures were derived.

Answer. Based on refinements to our inventory data, we estimate our road backlog for deferred maintenance and capital improvement costs to be \$6.5 billion. If you factor in the added organizational costs for design and contract administration plus all overhead costs for support, we estimate the total cost to restore our road system to be around \$9 billion. This estimate is the sum of deferred maintenance needs and of capital improvement needs necessary to implement forest plans. The amounts are derived from estimates made during condition surveys of the roads. All passenger car roads were surveyed and a statistical sample of non-passenger car and stored roads was conducted.

Question 17. How does the President's FY 2006 budget request propose to deal with this vital issue?

Answer. In the President's FY 2006 proposed budget, addressing the needs of wildland fire management and hazardous fuels reduction is an agency priority. The agency will continue to emphasize public safety in order to assure road user safety

on the existing roads open to passenger cars and on roads passable only by high clearance vehicles. Priorities that determine the mileage of roads maintained in each category will be developed at the local level. Doing this will allow us to meet emergency needs, critical annual health and safety maintenance needs, and critical deferred health and safety (backlog) needs on the most important roads. When non-priority roads are closed by natural events, such as floods, landslides, and blow down, they will likely remain blocked to traffic. Opening such roads would not be a priority unless they become critical for public access or accomplishment of resource projects.

WILDLAND FIRE PREPAREDNESS

Question 18. Mr. Rey, as you know, the issue of USFS firefighter safety has been an issue that I have paid very close attention because of a horrible tragedy. On July 10, 2001, near Winthrop in Okanogan County, in the midst of the second worst drought in the history of our state, the Thirtymile fire burned out of control.

Four courageous young firefighters were killed. Their names:

- Tom Craven, 30 years old;
- Karen FitzPatrick, 18;
- Jessica Johnson, 19;
- and Devin Weaver, 21.

Sadly, as subsequent investigations revealed, these young men and women did not have to die. In the words of the Forest Service's own report on the Thirtymile fire, the tragedy "could have been prevented." At that time, I said that I believe we in Congress and management within the firefighting agencies have a responsibility to ensure that no preventable tragedy like Thirtymile fire ever happened again.

Yet, I'm deeply saddened by the fact that it's clear we haven't done enough.

In July 2003—two years after Thirtymile—two more firefighters perished, this time at the Cramer Fire within Idaho's Salmon-Challis National Forest. Jeff Allen and Shane Heath were killed when the fire burned over an area where they were attempting to construct a landing spot for firefighting helicopters.

After the Thirtymile Fire, the Occupational Safety and Health Administration (OSHA) conducted an investigation and levied against the Forest Service fire citations for Serious and Willful violations of safety rules. It was eerie, when OSHA concluded its investigation of Cramer. The result: another five OSHA citations, for Serious, Willful and Repeat violations. Reading through the list of causal and contributing factors for Cramer and putting them next to those associated with the Thirtymile fire, I was struck by the many disturbing similarities. Even more haunting are the parallels between these lists and the factors cited in the investigation of 1994's South Canyon Fire on Storm King Mountain in Colorado. It's been ten years since those 14 firefighters lost their lives on Storm King Mountain—and yet, the same mistakes are being made over and over again.

These facts have also been documented by an audit and memorandum issued by the Department of Agriculture's Inspector General. The IG found that "while there were many factors common to all three fires, the most important was a failure by [Forest Service] fire suppression personnel to establish fire safety rules and guidelines and to exercise acceptable supervision and judgment." The audit also stated "accidents on the South Canyon, Thirtymile, and Cramer Fires, all of which involved fatalities, could have been avoided if certain individuals had followed standard safety practices and procedures in place at the time." Lastly, the IG noted that the Forest Service "has not timely implemented actions to improve its safety programs."

Despite these critical issues, how do you explain reductions in the USFS-preparedness budget?

Answer. With the Forest Service FY 2006 preparedness budget, the agency is committed to maintaining firefighting readiness comparable to the FY 2005 level without sacrificing firefighter safety.

Question 19. What specific steps are you taking to ensure that our wildland firefighters and those that manage them during firefighting, are getting the training and equipment they need as we head to another challenging fire season in my state and throughout the West?

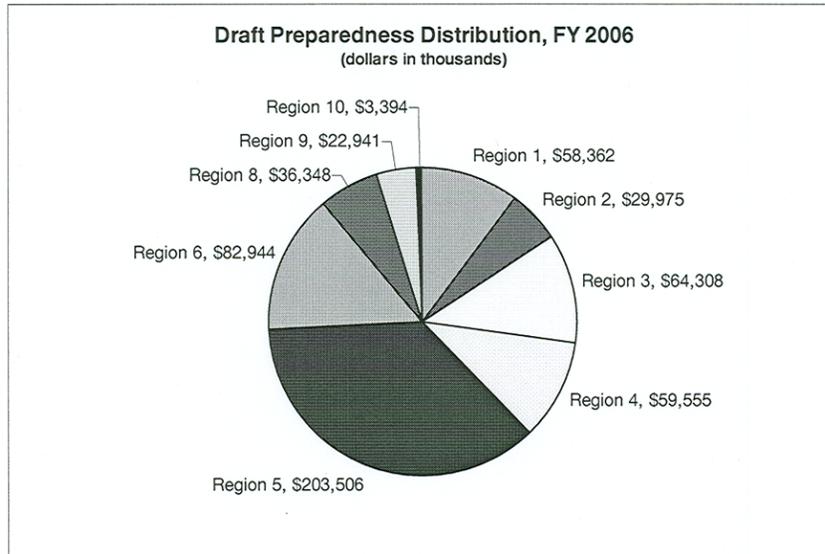
Answer. The Agency is continuing its commitment to provide wildland firefighters with adequate training and equipment to carry out their job. One of the areas in which the fire organization has been successful in expanding training is with the development of an extensive leadership training program.

On October 1, 2004, the Agency implemented Interagency Fire Program Management (IFPM). IFPM is an extensive program that focuses on bringing the federal wildland fire organizations up to consistent professional standards, and increasing training and safety. For example, the program increases the competency of forest

technicians, elevates key fire positions to professionalism, and requires University education credentials.

Question 20. Can you clearly identify how much money will be spent on preparedness within each region of the Forest Service including within my State of Washington?

Answer.



Based on preliminary information, Preparedness funds would be distributed to the Regions as shown in the accompanying chart. The above chart does not reflect preparedness allocations associated with National Headquarters and other national costs, centralized business operations, and allocations to research station special projects.

The State of Washington will receive about 21% of the Region 6's fire preparedness budget or about \$17.5 million for the Gifford Pinchot, Mt. Baker-Snoqualmie, Olympic, Okanogan-Wenatchee and Colville National Forests.

THIRTYMILE FIRE REPORT

Question 21. Mr. Rey, the USFS conducted an internal investigation following the Thirtymile fire. Unfortunately, much of that information was redacted when the report was released in May 2002. I believed then, and continue to believe, that the Forest Service over-reached—claiming “deliberative process privilege” as the reason it won't release any more. Deliberative process privilege is what agencies claim when they want to reject FOIA requests. It is clear that it is within the agency's discretion to release a less redacted version of the report itself.

Can you please explain your reasoning that this material, so important to the families of the four victims, has been redacted and is considered deliberative process privilege?

Answer. There are many reports addressing the Thirtymile incident investigation that include a safety report, a manager's report and an administrative investigation report. It is somewhat unclear which report your question is referring to, however we believe the question refers to the administrative investigation report because the other reports were released unredacted.

The investigation conducted by the Forest Service was undertaken in the context of possible disciplinary actions against Forest Service employees. Information within the investigation report was withheld pursuant to Exemptions 5 and 6 of the Freedom of Information Act. Exemption 5 protects the ability of an agency to investigate and be frank in its evaluation and analysis of the information discovered during the investigation. The Forest Service believes the release of this type of information would compromise the ability to provide candid evaluation and analysis in the future. Additionally, employees investigated are entitled to privacy under Exemption 6. Because there are possible administrative actions resulting from the outcome of

the investigation and the agency analysis of the investigation, that the privacy interest is significant. The agency is obligated to protect that personal privacy.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR SALAZAR

LAND MANAGEMENT PLANNING

I am concerned about the Administration's continued cuts to land management planning. The ongoing staffing shortages within the Forest Service prevent many National Forests from completing plan revisions. Staffing continues to decrease. The FY 2006 budget proposes a 30% reduction from FY 2005, or a cut of over 100 full time employees.

As you know, in 2000 the Rocky Mountain Region published a notice of intent to amend five national forest management plans in Colorado and one in Wyoming to establish guidance for conservation of Canada lynx. Unfortunately, this effort (Southern Rockies Lynx Amendment) has been delayed and has no specific deadline. Yet the multi-agency Canada Lynx Conservation Assessment and Strategy, which was published in 2000, demonstrated the need for planning and guidance to protect lynx in Colorado's national Forests.

Question 1. How will the cuts to land management planning in your Department affect staffing in Colorado? And how will those cuts affect completion of the Southern Rockies Lynx Amendment?

Answer. It is uncertain how the budget will affect staffing in Colorado. The Rocky Mountain Region is not currently planning reductions in their planning staffs. However, the 2004 Planning Rule was developed in part to reduce the upfront costs of plan revision and shift more funds to monitoring and plan amendment. Were the lynx issue to arise today under the new planning rule the Forest Service would expect quicker incorporation of new science and new direction when needed for wildlife. The Rocky Mountain Region does expect the lynx amendments to be completed in FY 2006.

FIRE MANAGEMENT

The President's FY 2006 budget would cut the very resources that are most effective at preventing the loss of homes in the wildland-urban interface (WUI) to wild-fire. It seems that the only way to guarantee protection of homes in the WUI is to treat the immediate vicinity of those structures, and the structures themselves. Clearing the interior forest far from communities seems risky, as there is no predicting where the next lightning strike will be and a fire anywhere within two miles of a community can launch fire brands that shower an area with flaming debris, igniting anything they contact.

Yet, the President's FY 2006 budget continues to cut resources that would facilitate protection of this state and local assistance.

Question 2. Would you please explain the decision to cut this program further?

Answer. Efforts to reduce hazardous fuel within and adjacent to communities at risk from wildland fire are aimed at improving the chances that suppression will be effective. Reducing the flammability of structures and treating private lands directly adjacent to homes is one extremely important step in improving the odds of survivability. Another important step is to make problem fire behavior rare or unlikely in the adjacent wildlands, and reducing the opportunity for problem fires to spread rapidly across the landscape. Reduction of hazardous fuel through thinning, cutting, burning and similar treatments is the best way to change expected fire behavior. These treatment efforts are not wasted in the forest interior, for they often meet multiple management objectives, reducing fuel while improving wildlife habitat, improving forest health or watershed values, restoring ecosystems, etc. While lightning ignitions are random, human caused starts from a variety of sources are somewhat less random, often associated with road access. Wildfire spotting potential is a concern, although spotting distance from a protection target like a community varies with the kind of trees and fuel in the adjacent forest, the slope and the position of the fire on that slope, and the wind speed and direction on the day of the fire. The funds available for the hazardous fuel reduction program are not being cut, but have actually shown an increase in past years and into FY 2006. Local variability in funds may be due to shifting priorities geographically.

ENERGY RESOURCES DEVELOPMENT

In the FY 2006 Park (should say Forest) Service budget justification, the USFS states that the agency will continue to emphasize leasing and development requests for oil, gas and geothermal energy with a "particular emphasis" (Sec. 7 pg. 59) on coalbed methane.

Question 3. Will the USFS also emphasize and make available the resources necessary for adequate oversight of the field operations of this energy development?

Answer. The Forest Service will continue to provide adequate oversight of field operations to ensure compliance with permit requirements and strive to protect the environment.

OFF HIGHWAY VEHICLES

Chief Bosworth, in your testimony you mentioned the increase in use of off-highway vehicles (OHV) within National Forests and the negative impact they are causing on resources. You stated that the Forest Service is currently finalizing a rule for managing OHVs that will require each National Forest to undertake travel management planning that will specify what trails/roads are for ORV use and which are off-limits.

Question 4. Why, then, is there is no money allocated in the President's budget for implementation of this critical rule?

Answer. Better management of OHV use is one of the top priorities of the Forest Service and it is the agency's intent to accomplish this job within the funds available. A designated system of roads, trails, and areas will result in reduced environmental impacts, control over route proliferation, and a better and more sustainable experience for visitors.

Within the next few years, the Forest Service intends to complete route designation as quickly as possible. This process will depend on local planning in an open, collaborative process coordinated with state, local, and tribal governments, and commitments from both the agency and the public.

Question 5. If you are using funds from other accounts within the budget, how will the Forest Service account for its spending to implement this rule?

Answer. The Forest Service intends to fund route designation locally according to the primary purposes served. This is consistent with past practice in travel management, and with the agency accounting structure. Travel planning includes multiple steps and serves multiple purposes involving management of National Forest System roads and trails. Bringing motor vehicles onto a designated system protects water quality and wildlife habitat in addition to serving recreation visitors. Forest plan inventory and monitoring may also be a component. Work activities associated with the Forest Service's strategic goal on Unmanaged Recreation, which includes implementation of the OHV rule, will be tracked in the Forest Service Work Planning system. That system will provide a sophisticated estimate of costs associated with attaining the strategic goal.

CAPITAL IMPROVEMENT AND MAINTENANCE

In your testimony Chief Bosworth, you stated that the backlog in deferred maintenance for deteriorating facilities continues to be a problem. You said that the budget proposes a new incentive-based approach to reduce the maintenance backlog for administrative sites and visitor centers. However, within the Budget Overview for the Forest Service (Sec. 9 pg. 1) it states that "beginning in FY 2006, facility maintenance within the capital improvements program is limited to recreation sites." It goes on to say that maintenance of research, fire, administrative, visitor center, and all other facilities will be funded from a working capital fund (WCF).

Question 6. How will you prioritize the maintenance that is necessary and the funds that will be used for this purpose?

Answer. Maintenance work that eliminates critical health and safety issues at administrative sites will be the highest priority use of these funds. Remaining funds will be used to eliminate maintenance issues that cause impairment of infrastructure function.

FOREST FEES FOR VISITORS

Chief Bosworth, you stated earlier that last year President Bush signed into law the Federal Lands Recreation Enhancement Act, which allows the Forest Service to charge modest fees at recreation sites which can be used to help maintain and improve the recreational experience of our visitors. You said, however, that the vast majority of recreation sites and services will continue to be free for most visitors (for activities such as horseback riding, walking, hiking, and general access to national forests and grasslands).

Question 7. How will you determine what activities may not remain free to visitors?

Answer. The Federal Lands Recreation Enhancement Act (FLREA) provides well-defined criteria that must be met before a federal land management agency can collect a recreation enhancement fee. The FLREA generally provides criteria based on

amenities that include facilities and services for the majority of recreation enhancement fee sites and areas, not based on activities. The special recreation fee permit category authorizes the collection of fees for certain activities, such as issuing outfitting and guiding permits and motorized recreation vehicle use.

The Forest Service in conjunction with the four other federal agencies (Bureau of Land Management, National Park Service, Fish & Wildlife Service, and Bureau of Reclamation) is developing policy and guidelines to implement the FLREA. Upon release of these guidelines this Spring 2005, all sites or areas that were previously charging recreation fees under fee demonstration authority will be evaluated for alignment with FLREA. Those sites not meeting the FLREA criteria will no longer have fees.

