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### GRANITE WATERSHED ENHANCEMENT AND PROTECTION ACT OF 1998

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AUGUST 25, 1998.—Ordered to be printed

Filed under authority of the order of the Senate of July 31, 1998

Mr. MURKOWSKI, from the Committee on Energy and Natural  
Resources, submitted the following

### REPORT

[To accompany H.R. 2886]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 2886) to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System, having considered the same, reports favorably thereon with an amendment and recommends that the Act, as amended, do pass.

The amendment is as follows:

On page 2, line 23, strike “prescribed burns.” and insert in lieu thereof the following: “prescribed burns in the Granite watershed.”

#### PURPOSE

H.R. 2886, as ordered reported, would authorize the Secretary of Agriculture to conduct a demonstration project in the Granite watershed in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for a portion of that unit of the National Forest System.

#### BACKGROUND AND NEED

H.R. 2886, the Granite Watershed Enhancement and Protection Act of 1998, would permit the Forest Service to implement an innovative process to develop and carry out a comprehensive land management contract for the Granite watershed area, in the Stanislaus National Forest, California. The plan was developed by the Forest Service, together with local elected officials, forestry professionals

and environmental advocates to improve forest health and water quality.

In 1973, catastrophic fire burned approximately 17,000 acres in the Stanislaus National Forest. Following the fire, re-planting did occur. However, due to budgetary limits, further restoration did not occur. This lack of management has resulted in poor water quality and an excess fuel load.

H.R. 2886 allows the Forest Service to assign a group of multiple resource activities in the Granite watershed to a single contractor. Existing Federal contracting authority prohibits the Forest Service from offering a contract that bundles multiple resource activities. For example, if an area is in need of thinning, prescribed burning, and water quality monitoring, each of these would require separate contracts. Authorizing a single contractor to provide more than one service will eliminate duplication of effort by Forest Service staff, reduce unnecessary paperwork, and decrease preparation costs.

#### LEGISLATIVE HISTORY

H.R. 2996 was introduced on November 7, 1997, by Congressman John Doolittle (R-CA). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Forests and Forest Health. On March 24, 1998, the Subcommittee held a hearing on H.R. 2886. On April 29, 1998, the Committee on Resources reported H.R. 2886, as amended, to the House of Representatives by voice vote. H.R. 2886 passed the House of Representatives by voice vote on May 12, 1998.

The Subcommittee on Forests and Public Land Management held a hearing on July 22, 1998. At the business meeting on July 29, 1998, the Committee on Energy and Natural Resources ordered H.R. 2886, as amended, favorably reported.

#### COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on July 29, 1998, by unanimous voice vote of a quorum present recommends that the Senate pass H.R. 2886, if amended as described herein.

#### COMMITTEE AMENDMENT

The Committee amended H.R. 2886 to clarify that all of the resource management activities conducted by a private contractor pursuant to this bill will take place only within the Granite watershed area.

#### SECTION-BY-SECTION ANALYSIS

Section 1 entitles the Act the "Granite Watershed Enhancement and protection Act of 1998."

Section 2(a) authorizes the Secretary of Agriculture to enter into a five year contract with a private contractor to perform multiple resource management activities on Federal lands in the Granite watershed, consisting of approximately 8,000 acres, within the Stanislaus National Forest, California.

Subsection (b) specifies the types of resource management activities that can be performed under the contract, including: (1) reduc-

tion of forest fuel loads through precommercial and commercial thinning and prescribed burns in the Granite watershed; (2) monitoring of ecosystem health and water quality in the Granite watershed; (3) monitoring of the presence of wildlife and the effect of the management activities on wildlife presence; and (4) other resource management activities as the Secretary considers appropriate to demonstrate enhanced ecosystem health and water quality in the Granite watershed.

Subsection (c) requires that all resource management activities performed under the contract be consistent with applicable Federal law and the standards and guidelines set forth in the California Spotted Own Sierran Province Interim Guidelines or the subsequently issued final guidelines, whichever is in effect.

Paragraph (d)(1) authorizes the source of funds that may be used to provide for the resource management activities to be performed under the contract, including: (1) funds appropriated to carry out his section; (2) funds specifically provided to the Forest Service to implement projects to demonstrate enhanced water quality and protect aquatic and upland resources; (3) excess funds that are allocated for the administration and management of the Stanislaus National Forest; (4) hazardous fuels reduction funds allocated for Region 5 of the Forest Service; and (5) a contract provision allowing the cost of performing authorized management activities, such as thinning, described in subsection (b) to be offset by the values owed to the United States for any forest products removed from the Granite watershed.

Paragraph (2) prohibits the use of appropriated funds, to carry out the contract, from any other unit of the National Forest System to carry out the contract.

Paragraph (3) directs that any transfer of funds under paragraph (1) must be reviewed by the Commission on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

Subsection (e) authorizes the Secretary to accept and use funds provided by the State of California to assist in the implementation of the contract.

Subsection (f) requires the Secretary, not later than February 28 of each year during the term of the contract, to submit a report to Congress describing the resource management activities performed under the contract. This subsection also states that the report should include the source and amount of funds used to carry out the contract, and the resource management activities to be performed under the contract during the calendar year in which the report is submitted.

Subsection (g) clarifies that all Federal environmental laws apply to the contract.

#### COST AND BUDGETARY CONSIDERATIONS

The following estimate of the cost of this measure has been provided Congressional Budget Office:

U.S. CONGRESS,  
 CONGRESSIONAL BUDGET OFFICE,  
 Washington, DC, July 30, 1998.

Hon. FRANK H. MURKOWSKI,  
 Chairman, Committee on Energy and Natural Resources,  
 U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2886, the Granite Watershed Enhancement and Protection Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Victoria V. Heid (for federal costs) and Marjorie Miller (for the state and local impact).

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

*H.R. 2886—Granite Watershed Enhancement and Protection Act of 1998*

CBO estimates that enacting H.R. 2886 would have no significant impact on the federal budget. Because the act would increase direct spending, pay-as-you-go procedures would apply, but we estimate the increase would total only about \$200,000. This act would impose no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The state of California and local governments in the state might choose to share in the cost of this project, but their involvement would be voluntary.

H.R. 2886 would authorize the Secretary of Agriculture to enter into a five-year contract with a single private contractor to perform multiple management activities on federal land in the Stanislaus National Forest in California and to fund that contract using receipts from forest products removed by the contractor, as well as funds provided by the state of California and appropriated funds.

The U.S. Forest Service is planning to conduct the Granite Watershed Project on an area known as the Granite Burn over the next five years. Work to be performed under the contract will include timber stand thinning, brush removal, road closures and maintenance, and other land management work. According to the Forest Service, outlays to implement the project will total about \$5 million over the 1999–2003 period. The agency plans to conduct the project, including the timber stand thinning, under current law using appropriated funds. (The agency has applied for a grant from the CALFED Bay-Delta Program, a consortium of federal and state agencies, to partially fund the project, but that grant may or may not be awarded.)

Enacting H.R. 2886 would allow the agency to pay for a portion of the project using offsetting receipts generated from the project's timber stand thinning. The Forest Service expects the thinning to generate offsetting receipts of approximately \$200,000 in fiscal year 1999. Based on information from the Forest Service, CBO estimates that enacting H.R. 2886 would increase direct spending outlays by \$200,000 in fiscal year 1999. Because the act would allow the Forest Service to use the receipts to pay for the project, enacting the legislation could either decrease discretionary outlays by

about \$200,000 or allow the agency to fund additional work, depending on how the Forest Service implements the project. CBO estimates that other provisions in the act would have no net effect on the federal budget.

On May 11, 1998, CBO prepared a cost estimate for H.R. 2886, as ordered reported by the House Committee on Resources on April 29, 1998. This version of H.R. 2886 is virtually identical to the House version, and the estimated costs are the same.

The CBO staff contacts for this estimate are Victoria V. Heid (for federal costs) and Marjorie Miller (for the state and local impact). This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.

#### REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out H.R. 2886.

The bill is not a regulatory measure in the sense of imposing Government established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little if any additional paperwork would result from the enactment of H.R. 2886.

#### EXECUTIVE COMMUNICATIONS

On July 29, 1998, the Committee on Energy and Natural Resources requested executive comment from the Department of Agriculture and the Office of Management and Budget on H.R. 2886. These legislative reports were not available at the time this report was filed. When the requested reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Forest Service at the Subcommittee hearing follows:

#### STATEMENT OF GLORIA MANNING, ASSOCIATE DEPUTY CHIEF, NATIONAL FOREST SYSTEMS, FOREST SERVICE, DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the subcommittee, I am Gloria Manning, Associate Deputy Chief for National Forest Systems. I am pleased to be here to share the Administration's view on H.R. 2886, which would allow the Secretary to contract with a single source to implement the Granite Watershed Enhancement Project.

The Administration supports H.R. 2886, Stanislaus National Forest Demonstration Project.

#### H.R. 2886 TO PROVIDE FOR A DEMONSTRATION PROJECT ON THE STANISLAUS NATIONAL FOREST, CALIFORNIA

H.R. 2886 would allow the Secretary to contract with a single source to implement the Granite Watershed Enhancement Project. The Administration supports the bill.

In 1973, 17,000 acres of the Stanislaus National Forest burned in a catastrophic wildfire known as the Granite Burn. H.R. 2886 provides support to the Granite Watershed Enhancement Project which is a unique partnership to restore a fire-damaged ecosystem and reduce the future risk of fire. Forest Service officials from the regional and local level have joined together in working with local elected officials, private forestry professionals, and environmental groups to develop a project that will improve both the overall condition of the Granite watershed and the health of the surrounding forest. The Granite project is supported by the Regional Council of Rural Counties, the California Forestry Association, and the administrative leadership of the Bay-Delta CALFED process, a joint federal-state Bay-Delta Recovery program.

The collaborative planning efforts for the Project have drawn a broad array of partners together including county and state governments, the City of San Francisco, irrigation districts, environmental groups, industry groups and the scientific and academic communities. Partnership commitments have been made to further Project planning and implementation including additional funding resources, comparable work on adjacent private property, and intensive and comprehensive scientific and academic monitoring assistance both on- and off-site.

The Granite Project calls for multiple resource monitoring, timber stand thinning, riparian restoration, meadow revegetation, road maintenance, and road obliteration to protect watershed values and reduce wildfire hazards. These efforts are designed to protect the project area from large wildfires, restore hydrologic function in meadows and streams, and to reduce stream sedimentation. Long term monitoring is a critical component of the project and will include water quality, habitat quality, and critical species population monitoring.

The bill had been modified from the introduced version. It now includes a technical amendment allowing the Secretary to enter into a contract that provides for the exchange of goods and services. This modification improves the opportunity to leverage federal funds through partnerships and provides a more timely and cost-effective response to the specific forest health situation in Granite Creek.

The advantage offered to the public by this project is that public scoping has developed clear desired future conditions for the watershed, as well as some potential alternative means of attaining those conditions. A benchmark assessment of the ecosystem and forest health is underway. Therefore, if a stewardship contract is the vehicle chosen to implement a decision, the Forest Supervisor can include specific and, in some cases, quantitative environmental goals. Ecosystem improvements can and will be measured and resource inventories will be completed prior to implementation. Budgetary impacts of using a single

contract that exchanges goods for services in this case would be minimal, since the costs and foregone revenues would be known ahead of time and there is opportunity for significant contract competition.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the Act H.R. 2886, as ordered reported.

