

**PROPOSED FISCAL YEAR 2005 BUDGET REQUEST
FOR THE FOREST SERVICE**

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

SECOND SESSION

TO CONSIDER THE PRESIDENT'S PROPOSED FISCAL YEAR 2005 BUDGET
FOR THE FOREST SERVICE

MARCH 2, 2004



Printed for the use of the
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE

93-709 PDF

WASHINGTON : 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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TUESDAY, MARCH 2, 2004

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

The committee met, pursuant to notice, at 10:03 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Craig Thomas presiding.

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

Senator THOMAS. Welcome to the meeting of the Energy and Natural Resources Committee on the Forest Service budget. I want to welcome Under Secretary Mark Rey and Chief of the Forest Service Dale Bosworth and look forward to hearing about the fiscal year 2005 Forest Service budget.

I want to thank Senator Bingaman and our committee members for attending. I suspect you will see some more. Our Federal forests face many problems in the tight budget climate we are in. I am sure many of us will differ on how to best expend the limited amount of funding that will be available, but that is not an unusual thing.

I know that each of us will want to ask questions about the program and the initiatives that are important to our States.

Finally, I want to take time to thank all of those who worked so hard to gain the passage of the Healthy Forests Restoration Act. All of us on this committee worked to improve the bill and to gain passage of the bill. Under Secretary Rey and Chief Bosworth, I know that you and your people worked very hard on this legislation as well, and we thank you and expect that you will expend much more energy on the implementation of the law.

I would just ask for you to confine your oral comments to 5 minutes or near that and we will submit your written and oral testimony in full for the hearing record. I would like to ask the committee members to keep it as short as possible, however do it however you would like, sir, and we will rotate back and forth as we have more members. The chairman is participating this morning in the budget hearing and member meeting, so they are trying to move forward to get that on the floor, and therefore he is not here this morning.

So with that, Senator Bingaman.

[The prepared statements of Senators Campbell, Craig, and Domenici follow:]

PREPARED STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL,
U.S. SENATOR FROM COLORADO

Thank you, Mr. Chairman, I would like to welcome Undersecretary Rey and Chief Bosworth for appearing before the committee today and I am looking forward to the testimony that they will be providing us shortly. I appreciate your attendance since many sections of the Forest Service's budget deal directly with my home state of Colorado.

Nearly all lands issues are crucial to my home state since Colorado currently has almost 14.5 million acres of National Forest Land, out of which 3.1 million acres are designated as Wilderness. And, the BLM currently has 8.4 million acres in Colorado out of which 52,000 acres are designated wilderness.

I am heartened to see that with the passage of the Healthy Forest Initiative, state and national foresters now have many of the tools they need to better manage our public lands and forests, particularly as it relates to forest health and protecting the crucial Wildland Urban Interface areas.

However, states such as Colorado, whose timber industry has long since declined, face a unique challenge in that they lack the infrastructure to meet the management objectives put forth by the Administration. In fact, in a *Rocky Mountain News* article dating last May, shortly after passage of the Healthy Forest Restoration Act, Eric Sorenson of Delta Timber, which has about 15 employees said, "The opponents say this will help the big timber industry in Colorado," said "There isn't one." Currently, we only have 12 small mills in Colorado.

Conversely, there are many small companies, such as Greenleaf Forestry & Wood Products in Westcliffe, Colorado, which have found a niche and are pioneering a new, community-based forestry industry. They assist homeowners in forest management, materials processing, and create economic uses for materials salvaged from these projects such as roofing materials, siding, and home furnishings while providing much-needed jobs for depressed local economies. I commend these sorts of innovative companies and am confident that they are part of the solution and represent a significant component of both the future of sustainable forestry and good stewardship of our nation's forests.

During the time for questions I will raise some concerns regarding timber sales and forest plan management objectives.

These issue areas are traditionally very sensitive to my state, particularly among my fellow Coloradans who deal with these concerns daily. I have some other concerns related to issues in Colorado that I will further address at the appropriate time.

Thank you, Mr. Chairman.

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

I appreciate the work and time that has gone into creating the budget that will celebrate the 100th anniversary of the Forest Service. In reviewing the Forest Service's budget for Fiscal Year 2005, it once again appears to continue to reflect the major goals and objectives of the Chief. And I look forward once again to working with the Forest Service on our shared goal of continuing to promote, enhance, and conserve our public lands.

Weeds

In Idaho and much of the West, we have a large and increasing problem with noxious weeds. These weeds invade our public and private lands destroying both valuable habitat for many species and entire ecosystems. Private landowners are required in most states to do whatever they can to prevent and eradicate these damaging plants. However, public lands—especially in Idaho—adjacent to private land, are not subject to such a requirement.

It's encouraging to see that reducing the impacts from invasive species is the Forest Service's number two goal in the FY05 budget. In your overview of this goal, it is stated that weeds cost the public more than \$138 billion PER YEAR. However, a closer look at your budget says that the budget for invasive species will be reduced by \$25.6 million from FY04 levels, although six FTE's will be added. Could you provide the Committee with your thoughts on this disparate approach?

Forest Legacy

As you know, the Forest Legacy program continues to grow in popularity and need. I appreciate the attention and time the Forest Service is putting into this program. However, I am disappointed that the Idaho project, the St. Joe/Mica Creek project, did not receive an increase in funding. In fact, it is budgeted at the same number as FY04, \$3.5 million, the same number I worked to secure through the Appropriations process. While the recipient of the program in this case is Potlatch Corporation, the need is not any less than a smaller private landowner. I will again work with my colleagues on the Appropriations Committee to try to increase this amount and would like to see the Forest Service take a closer look at this critical project.

Timber Program

I am very excited to see an increase in the forest products and timber sale program and I commend the Chief for his work in this area. While a modest increase of 4% is proposed for the timber sale program and 19% is proposed for the timber salvage program—this is a step in the right direction. The removal of trees from our over populated forests significantly reduces the potential for disease and fire. Not to mention, the positive impact this has on our resource dependent communities.

Fire Program

After all of the hard work last year that went into the passage of the Healthy Forest Restoration Act, I commend the Forest Service's efforts to increase the wildland fire suppression funding by 15%. Their efforts along with the Department of the Interior to fully fund this critical piece of legislation shows how committed the agencies are to tackling this issue that is plaguing our Western communities. I realize the work that will be completed in this fiscal year is only a drop in the bucket, but it is the first step in the right direction that the agencies have taken in a long time.

State and Private

I am disappointed to see, what I feel is a drastic cut in State and Private forestry programs. The technical and financial assistance that is provided to our communities is a critical piece in the overall partnership in protecting our communities from wildfire. I look forward to the explanation and reasoning behind this decision.

Legislative Proposals

Last, I am very supportive of several legislative proposals by the agency. I would like to reiterate that I continue to be committed to finding a workable legislative solution for Recreation Fees and will continue to work with the Forest Service. I also want to reiterate that I do not support fees for dispersed recreation and will not support legislation that charges for it. Next, I am supportive of legislation to allow the Forest Service to sell excess property and to retain the receipts to pay for improvements or other administrative purposes. As the Chief knows, I have to two bills that have passed the Senate and are working their way through the House that do just that very thing and I look forward to working with the Forest Service on this concept.

The list goes on and on regarding the number of things I could comment on—for now I will leave it at that. I appreciate the Undersecretary and Chief's time today and look forward to the testimony.

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

I want to welcome Undersecretary Mark Rey and Chief of the Forest Service Dale Bosworth and I look forward to hearing about the FY 2005 Forest Service proposed budget.

I also want to thank Senator Bingaman and our other Committee members for attending this hearing. Given the problems facing our federal forests and the tight budget climate we are in, I am sure many of us will differ on how best to expend the limited amount of funding that will be available.

I know that each of us will want to ask questions about the programs and initiatives that are important to our State.

Finally, I want to take this time to thank all of those Senators who worked so hard to gain passage of the Healthy Forest Restoration Act. All of us on this Committee worked to improve the bill and to gain passage of the bill.

Undersecretary Rey and Chief Bosworth, I know that you and your people worked very hard to get this legislation, and I expect that you will expend much more energy on implementation of this law.

Please confine your oral comments to 5 minutes each and we will put both your written and oral testimony into the official record for this hearing.

I would ask that committee members keep their opening comments as short as possible, so that we can get to the questions and answer portion of this hearing. Senator Bingaman, would you care to make an opening statement? Then I will rotate back and forth based on the order in which Committee members arrived.

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

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

Let me welcome our witnesses, Under Secretary Rey and Chief Bosworth. I did want to mention just as an opening matter a couple of concerns, two significant failings that I see in the proposed budget again this year, and just indicate my concern about them.

The first is the chronic failure to adequately address what the Chief referred to last year as, quote, "the chaos of transfers," end quote. Each year we hear testimony about how the administration's request will meet the fire suppression needs and help avoid this chaos of transfers each year. That is, transfers from one account to another. Each year we end up scrambling for emergency appropriations to cover growing firefighting costs and to repay important accounts that have been raided in the mean time.

These transfers cause chaos, they cause delay, they cause us to dismantle projects in all of our States, projects such as thinning and watershed and species protection and energy production. We are still short nearly \$150 million from what was borrowed last year, as I understand it. I am disappointed that the administration seems to again have put us on this path to emergency appropriations and more of this transfer chaos with a request that I do not think passes the straight-faced test, given that all indications are that we will have another bad fire season in the West. That was the first concern.

The second is the administration's insistence on cutting funds for rehabilitating and restoring forests after fires. The administration is again proposing to cut the rehabilitation program. This year the proposed cut is 57 percent. The proposal last year from the administration was that we should zero out the funding for this program.

As all of us know, this has been a great concern on a bipartisan basis here. Senator Domenici specifically raised it last year as a serious and glaring problem. I spoke up in agreement with that concern. We heard about how rehabilitation and restoration needs are met through the fire suppression and other accounts, but the simple fact is that these critical community and ecological needs are not being met.

In the Southwest, of course, and in much of the West, we have the daunting restoration work not only that is a result of the recent fires, but also as a result of the kill from the bark beetle. I do not see any indication in the budget proposal that the administration is willing to deal with that problem.

So those are concerns that I wanted to mention before we got into the testimony. Again, I thank the witnesses for being here.

Senator THOMAS. Thank you.

Well, I guess we are talking about a budget that, taking inflation into account, will be approximately one-half of one percent below where we were in 2004. Some of the major objectives I think are very interesting and we would like to hear more about them: the catastrophic wildfire risk, of course, and where those funds, how they will be allocated; the invasive species issue is a very important one, too, to many of us.

There is also the Forest Service plans and operations having to do with energy and energy supply and the availability of access. I am also interested in hearing something more about the recreation fee program, which is something that is current, of course, here.

Mr. Secretary, if you would like to go ahead, sir.

STATEMENT OF MARK REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY HANK KASHDAN, DIRECTOR, PROGRAM AND BUDGET ANALYSIS, FOREST SERVICE

Mr. REY. Thank you, Mr. Chairman and Senator Bingaman, for the opportunity to discuss the President's fiscal year 2005 budget for the Forest Service. That will be the budget for the centennial year of the Forest Service. Inasmuch as this is the agency's first hearing on the President's 2005 budget for the Forest Service, before discussing the specifics of the budget I would like to take the opportunity to express my gratitude and that of the President for the bipartisan support of this committee that led to the passage of the Healthy Forests Restoration Act. All of the members of this committee understand the devastation and tragedy caused by catastrophic wildfire and more than half of the members have experienced it firsthand in their States. So again, thank you for your help in seeing that bipartisan piece of legislation become a reality.

The Chief will be highlighting a number of items of importance to the Forest Service budget today. In my testimony I will address just two of these issues. I will talk about the Healthy Forests Restoration Act and the agency's achievement of its second clean audit opinion in 2 years.

Let me now specifically address the Healthy Forests Restoration Act. Prior to fiscal year 2000, attention was beginning to focus on the vulnerability of natural resources to catastrophic wildland fire due to the buildup of hazardous fuels. The devastating fire season of 2000 brought the seriousness of the forest health problem to the homes of all Americans through seemingly constant reports in newspapers, on television, and in other media.

I am glad that Congress has responded quickly with its support for treatment of hazardous fuels, invasive species infestations, and other threats to our Nation's forests. The overwhelming support for the Healthy Forests Restoration Act in Congress underscores the importance of this legislation across the Nation.

In reflecting the President's Healthy Forests Initiative, the fiscal year 2005 President's budget places increased emphasis on protecting communities and property from the effects of catastrophic wildfire. The President's budget request provides funding for many activities that support forest health, including a funding request for \$760 million for activities in the Forest Service and the Department of the Interior that directly and visibly will result in pro-

tecting communities, restoring watersheds through the reductions of hazardous fuels, and implementing the kinds of projects called for in title I of the Healthy Forests Restoration Act.

Now I would like to address the second issue, which is the clean audit opinion that the Forest Service recently received. This is the second unqualified opinion in the last 2 years for the Forest Service, after many years of financial accountability problems. The Forest Service and the Department are working to ensure that timely, reliable financial information is provided in which the receipt of a clean opinion is the byproduct of an efficient and cost-effective financial management organization and system that are sustainable in the long run. So that second clean audit opinion is very important to us.

Now, if I might, I would like to digress for just a moment and respond to Senator Bingaman's two concerns. I do not think that we have ever said that fire borrowing is not a problem. Indeed, I think our testimony over the last couple years has highlighted the problems that that creates. In previous budget requests the administration has suggested the creation of a government-wide contingency fund to provide a fund available to eliminate the need for fire borrowing from program accounts, and that is a proposal that as far as we are concerned is still on the table.

I think what we have said throughout is, whether it is that proposal or some other, that we are eager to work with the appropriations, authorizing, and budget committees to see if we can find a better way to pay for the firefighting costs that we incur now on an increasingly severe basis as we experience a series of catastrophic wildfire seasons.

With regard to rehabilitation work, much of the rehabilitation work that is increase as a result of the 2003 fires is already funded as a result of the supplemental appropriations provided in the omnibus appropriations bill. So what you see is in addition to that and we think will stand us in good stead for the longer term rehabilitation work that needs to be done.

Much of the immediate rehabilitation work, that which occurs in the immediate post-fire environment, has already been paid for using fire suppression dollars under the authority to conduct burned area emergency recovery work under our fire suppression program.

So we think that the administration's budget request as best we know the circumstances on the ground right now will be adequate for those needs in addition to the money provided in the supplemental appropriations in the 2003 omnibus bill.

With that, I would be happy to turn to the Chief.

[The prepared statement of Mr. Rey follows:]

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

Mr. Chairman, Senator Bingaman, and members of the Committee, thank you for the opportunity to discuss the President's Fiscal Year FY 2005 Budget for the Forest Service. I am pleased to join Dale Bosworth, Chief of the Forest Service, at the hearing today on the budget for the centennial year of the Forest Service. This is the agency's first hearing on the President's FY 2005 Budget for the Forest Service. Before discussing the specifics of that budget, I would like to take the opportunity express my gratitude and that of the President for the bipartisan support of this Committee that led to passing the Healthy Forests Restoration Act (HFRA). All of the

members of this Committee understand the devastation and tragedy caused by catastrophic wildfire and more than half of the members have experienced it firsthand in their States. The commitment to protecting communities and natural resources you demonstrated in passing the HFRA will be reflected in the priorities of the Forest Service for years to come. Again, thank you.

OVERVIEW

Chief Bosworth will be highlighting a number of items of importance to the Forest Service today. In my testimony, I want to address two of these issues as well. I will talk more about the HFRA, and the agency's achievement of its second "clean" audit opinion in 2 years. In managing natural resources, we often use the term "sustainability" in context of maintaining long-term forest and rangeland health and ensuring the long-term delivery of services to the American people. The bipartisan support demonstrated by Congress in passing the HFRA will ensure significant and measurable returns on the investment of the American public. "Sustainability" can also be applied to obtaining a clean opinion in terms of maintaining the public's trust that their funds are being managed effectively. Implementing HFRA and effective financial management will require diligent and concerted efforts on the part of employees throughout the Forest Service to take the agency to sustainable levels of improvement. I am confident that the Forest Service under Chief Bosworth's leadership will meet these challenges and continue to provide the high quality of natural resources management that the American public expects.

HEALTHY FORESTS RESTORATION ACT

Let me specifically address the Healthy Forests Restoration Act. Prior to fiscal year (FY) 2000, attention was beginning to focus on the vulnerability of natural resources to catastrophic wildland fires due to the buildup of hazardous fuels. In the late 1990's, the Forest Service developed risk maps that highlighted fuels buildups and serious threats to forest health throughout the Nation. I recall Senator Craig noting in reviewing what was referred to as "forest risk maps," that northern Idaho was a "big red blob" signifying the dangerous buildup of hazardous fuels in that area. Because of the serious nature of the problem throughout the Nation, and especially in the West, Congress responded by authorizing focused experiments to restore health and productivity of our forests and rangelands by authorizing the Quincy Library Group activities in northern California, as well as stewardship end results contracting demonstration authority.

The devastating fire season of 2000 brought the seriousness of the forest health problem to the homes of all Americans, through seemingly constant reports in newspapers, on television, and in other media. The catastrophic fire seasons of 2002 and 2003 further underscored the problem. Although the Forest Service and bureaus in the Department of the Interior have worked together diligently since 2000, the complexity and extent of the problem do not afford us quick solutions. From 2001 to 2003, the Forest Service and Department of the Interior agencies have treated a total of 7 million acres to reduce the levels of hazardous fuels in our Nation's forests and grasslands. In FY 2004, the Forest Service will treat an additional 1.6 million acres and plans to treat 1.8 million acres in FY 2005 with hazardous fuels funds. Additionally, in FY 2004, the agency will accomplish more than 600,000 acres of hazardous fuels reduction through other land management activities including wildlife habitat improvement, vegetation management, and the sale of forest products. This integration of land management treatments is an important aspect of the President's healthy forest emphasis.

Congress has responded quickly with its support for treatment of hazardous fuels, invasive species infestations, and other threats to our Nation's forests. Funding for hazardous fuels reduction and fire suppression activities since FY 2000 has increased dramatically. In response to the President's Healthy Forests Initiative (HFI), Congress, with strong bipartisan support in both the House and the Senate, passed the Healthy Forests Restoration Act in December 2003, which contains key elements of the HFI. This Act gives the Forest Service and the Department of the Interior much-needed tools and authorities to reduce the threat of catastrophic wildfire to communities and to restore our Nation's forests and grasslands. Mr. Chairman, over the past several years, your support and that of Senator Bingaman and other members of the Committee have provided a focus on natural resource management today. This is especially true for the support you have shown for the HFI and HFRA.

The overwhelming support for the HFRA in Congress underscores the importance of this legislation across the Nation. The passage of this legislation shows the American people that Congress and the Administration are working together to combat

hazardous fuels buildups, insect and disease infestations, and other threats to the Nation's forests and grasslands. Through the HFRA, Congress has also provided Federal land management agencies with additional tools to improve the condition of watersheds, as well as fish and wildlife habitat; enhance grazing allotments; and utilize biomass from forest lands, which may in turn provide local communities with new, and often needed, economic opportunities.

HEALTHY FORESTS INITIATIVE

In reflecting the President's Healthy Forests Initiative, the FY 2005 President's Budget places increased emphasis on protecting communities and property from the effects of catastrophic wildfire. The President's Budget provides funding for many activities that support forest health, including \$760 million for activities in the Forest Service and the Department of the Interior that directly and visibly will result in protecting communities and restoring watersheds through the reduction of hazardous fuels. With this funding and by working together, the Forest Service and Interior bureaus will be able to treat more acres more quickly. Much of the coordination for these activities will come about through the 10-Year Cohesive Strategy and Implementation Plan, in which Federal, State, tribal, and local partnerships have formed a foundation to improve the protection of natural resources and communities.

Some of the key aspects of the HFI include administrative initiatives that help expedite projects designed to restore forest and rangeland health. These efforts include new procedures, provided under the National Environmental Policy Act, to allow priority fuels reduction and forest restoration projects identified through collaboration with State local, and tribal governments to move forward more quickly. Guidance from the Council on Environmental Quality has helped to improve environmental assessments for priority forest health projects. As a result, the Departments of Agriculture and the Interior have developed 15 pilot fuels projects using this guidance and have completed the assessments on 13 of the 15 projects. Another improvement to the administrative process has been early and more meaningful public participation in the planning and implementation of forest health projects.

Let me provide some examples of what can be accomplished with the new authorities. Due to its mountainous topography, the Gila National Forest in southern New Mexico has the highest fire occurrences in the State. Dense stands of mature trees and a continuing drought have combined to create a very dangerous wildland fire situation that threatens local communities and wildlife and fisheries habitat. In the summer of 2003, the Gila National Forest successfully used expedited administrative processes to complete planning on four categorical exclusions under the Healthy Forests Initiative. The four projects total 510 acres. All of the projects will reduce hazardous fuels by removing trees mechanically and using prescribed fire. Small diameter non-commercial trees will be chipped or piled and burned. Since some of the projects are located in and around communities, this effort will afford additional protection to the communities, which may be the difference that avoids disaster during a wildland fire.

In Arizona, the benefits of stewardship contracting authority, which was significantly enhanced under HFRA, will be realized through a 10-year project on the Apache-Sitgreaves National Forest. The White River stewardship project, which will start this spring, includes multiple treatments over a 150,000-acre area. The project will use the full stewardship contracting authority authorized in HFRA, thereby reducing costs of current contracting methods by one-half to two-thirds. The project has the full support of the Governor, county commissioners, and local officials.

The administrative relief provided in the Healthy Forests Initiative made possible the planning and implementation of these projects in the same year, thereby allowing projects that are essential to protecting communities to proceed as quickly as possible. HFI is helping to decrease the wildfire threat to communities in a timely manner and promote a healthier forest. I firmly believe that over the long term, the reduction of hazardous fuels in priority areas through efforts supported by the HFRA will be the single most important factor in reducing the cost of wildfire suppression.

With Federal wildfire suppression costs exceeding \$1 billion in 3 out of the last 4 fiscal years, this factor alone makes passage of the HFRA an important accomplishment. The FY 2005 President's Budget also reflects a continued commitment to containing wildfire suppression costs by including cost containment performance measures and implementation of actions called for in the FY 2004 President's Budget, including a study of the use of aviation resources on large fires. An emphasis on the accountability of line officers and incident commanders also will be continued.

CLEAN AUDIT OPINION

Now I would like to address the second issue, which is the "clean" audit opinion the Forest Service recently received. This is the second unqualified opinion in the last 2 years for the Forest Service, after many years of financial accountability problems. The Forest Service and the Department are working to ensure that timely, reliable financial information is provided in which the receipt of a clean opinion is a byproduct of an efficient and cost-effective financial management organization and system sustainable in the long term. Chief Bosworth can be justifiably proud of the accomplishment of two clean audits, although as I noted last year, it is the minimum the public should expect. However, as he will tell you later, achieving this opinion required a Herculean effort by Forest Service employees that cannot be sustained with the organization that is currently in place. This effort was highlighted in the USDA's Office of Inspector General's Audit Report for Fiscal Years 2003 and 2002, which stated that the Forest Service does not operate as an effective, sustainable, and accountable financial management organization. This illustrates additional work on business process design, operation, and control needs to be undertaken to address the reportable conditions and material weaknesses indicated in the FY 2002 and FY 2003 audits.

With this in mind, there are two imperative objectives the Forest Service will be facing this year: sustaining the clean audit opinion for FY 2004 and, even more importantly, addressing the underlying financial management infrastructure challenges the Forest Service faces by building a highly reliable and cost-effective financial management organization. A massive effort to meet the FY 2004 accelerated and congressionally-mandated audit deadline of November 15, 2004 is already under way. The approach being used is different than those used in the past, in an effort to find and address financial accountability problems as early as possible. In addition, the agency is taking steps to consolidate and centralize operations where feasible and practicable in order to make a more efficient and cost-effective organization. I know Chief Bosworth is committed to implementing reforms that will ensure the continued trust of the American taxpayer and the most efficient administrative organization possible.

CONCLUSION

Mr. Chairman, in closing, let me emphasize the importance of the FY 2005 President's Budget for the Forest Service. We have great opportunities and challenges ahead. Due to the support of Congress for the Healthy Forests Restoration Act, we can pursue a strategy for returning our Nation's forests and grasslands to a healthy state. As you know, this will take time, but with the continued support of your Committee and Congress, we will be able to see significant, sustained progress in that direction and will ultimately reach our goal.

I look forward to working with you in implementing the agency's fiscal year 2005 program and would be happy to answer any questions.

Senator THOMAS. Thank you.
Chief Bosworth.

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

Mr. BOSWORTH. Thank you, Mr. Chairman and Senator Bingaman. I do want to thank you especially for your continued support of the Forest Service mission and particularly for the support in passing the Healthy Forests Restoration Act. Its passage is going to help our organization become much more efficient in terms of getting some of that work done on the ground that needs to be done.

I would like to note that, after looking at the membership of the committee, that half of the members, between half and two-thirds of the members of the committee, have felt the effects of catastrophic wildfire in the past few years. I think that reflects how widespread our problem is. The need to prevent this in the future is exactly why the HFRA is so important.

I want to discuss the Healthy Forests Restoration Act and the wildfire issues more, but first I would like to note that, as Secretary Rey said, this is our—next year will be our centennial year and this is our 101st budget of the Forest Service. In 1905 the Agriculture Appropriations Act for the Forest Service was slightly less than a million dollars in total. In 1905 Secretary Wilson of USDA gave instructions to the Chief, Gifford Pinchot, that are the basis for the multiple use principles that guide us today. Those were: “administer forest reserves for the greatest good for the greatest number in the long run.”

That term “long run” I think is synonymous with the term “sustainability” that we use often today. So my remarks are primarily about sustainability, and I will frame those by talking about healthy forests in the context of what I have been referring to as the four great threats to our Nation’s forests and grasslands. The first of those is the unnatural accumulation of buildup of fuel, with the resulting fires. The second one is unwanted invasive species that we see all across the country. The third is loss of open space and the fourth is effects of unmanaged recreation. People love their national forests to death in some cases.

Before talking about those four threats, though, I would like to talk a little bit about financial management. As Secretary Rey said, we did get our second clean audit opinion. We are happy with that, but we burned out a lot of our hardworking employees in the process. We are spending about over \$125 million every year just in our financial management. That is too much. Those are dollars that should be going to the ground.

This effort is not sustainable organized the way that we are. We are actually organized, I think, pretty well for the 1950’s. We need to reorganize for the future. I intend to do a significant centralization of our financial management. I still believe in decentralization of decisionmaking, but our financial management needs to be centralized.

I know that some of the members of this committee may hear from some of your constituents when we start doing that and I hope that we will have your support and understanding and would be happy to brief any of you as we work our way through this. But we have to do this if we are going to sustain the public trust in Forest Service financial management.

Now, I would like to talk about what I think I know more about and that is management of our natural resources. I will start with the first of the four threats that I mentioned earlier. Last week I was in southern California with our national leadership team and we held our national leadership team meeting near Lake Arrowhead so we could view some of the devastation of the fires and also look at the hundreds of thousands of acres of bark beetle damage occurring in that area.

I am very concerned about what I saw—the widespread forest mortality. We are incinerating, burning in incinerators, something like 5300 tons per month of wood, just to get it out of the woods because there is no other place to take it. That would be enough to build 500 homes. We are burying in landfills probably three times that amount in order to remove that dead material from the woods. That is next door to one of the largest markets in the

United States, one of the largest consumptive areas in the United States, where we are importing two by fours from other places to local Home Depots while right up on the mountaintop we are having to bury wood that could be used.

I am just an old forester and I do not know a lot about trade issues and I am not really talking about trade issues. I am talking about the fact that past practices have eliminated any wood-based infrastructure from the market in these areas. So we are burning wood and burying wood that should and could be used as forest products, and that is painful as a professional forester for me to observe.

I think that problem either exists or will exist around the rest of this country if we do not maintain some kind of infrastructure for being able to utilize some of our wood products.

So how do we deal with this serious threat? Well, HFRA I think provides \$33 million increased funding for hazardous fuels. Long-term stewardship contracts give us some additional authorities. We are getting some efficiencies through our categorical exclusions. Reduction of hazardous fuels can be accomplished with more than just hazardous fuels funding as well. The President's Health Forests Initiative is strongly supported in the 2005 budget through other kinds of treatments that will help restore watersheds and reduce hazardous fuels, things like wildlife habitat improvement, vegetation management, sale of forest products.

Let me move on to invasive species. Unwanted invasives, unwanted weeds, unwanted pests and pathogens are a problem. Last year I referred to that as a sleeping giant. Our budget this year contains important emphasis on invasives: a \$10 million increase in research, \$10 million for an emerging pest and pathogen fund. We just developed in the Forest Service an invasive species strategic plan that is just almost off the press right now and that will help guide us in terms of dealing with other organizations on invasives.

The third threat was the loss of open space. The budget contains a \$36 million increase in forest legacy programs. It will help us build partnerships and help us acquire some easements so that we can maintain some of those lands in good condition.

The fourth, the fourth threat, was unmanaged recreation. The national forests are one of the largest providers of outdoor recreation in America, with 211 million visits in fiscal year 2002. Imagine the demand in another 50 years on these lands as the population increases. National and international priorities prevent greater funding emphasis on the recreation program and I accept that. So we need to focus on increased partnerships and program efficiency. The President's budget proposes a permanent authority for what has been the recreation fee demo program over the past several years and I am committed to making the Forest Service part of that recreation fee authority and I want to work closely with this committee to achieve that goal.

A couple of remarks in closing. Little did I realize when I went to work for the Forest Service that I would be Chief and that I would be here for the 101st budget of the Forest Service. If you count the length of my service and the length of my father's service in the Forest Service, the Bosworths have been in the Forest Serv-

ice for two-thirds of our agency's history. I cannot tell you what an honor that has been for me.

Although I cannot tell you that I look forward to the hearing season that we are in right now, that we have each year, I will tell you that it is a privilege to be here today for no other reason than just to say thank you, Mr. Chairman, and thank you to this committee for your support that you have shown for the Forest Service, for the health of America's forests, and for protecting the resources and the communities from the risk of wildfire.

I would be happy to answer any questions.

[The prepared statement of Mr. Bosworth follows:]

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

Mr. Chairman, Senator Bingaman and members of the Committee, thank you for the opportunity to discuss the President's Fiscal Year (FY) 2005 Budget. I also want to personally thank you, Mr. Chairman and Senator Bingaman for the support provided to the Forest Service this past year in supporting the President's Healthy Forest Restoration Act and for the strong support in protecting America's forests and rangelands from the threat of catastrophic wildfire. I know this commitment is founded in the fact that, as Under Secretary Rey noted, close to half the members of this Committee have experienced such devastating fires in their states.

OVERVIEW

This President's Budget is for the Forest Service's centennial year. It supports the agency's mission of sustainable natural resource management. On February 1, 1905, President Theodore Roosevelt signed into law The Transfer Act, transferring the forest reserves from the Department of the Interior to the Department of Agriculture. On March 3, 1905, the Appropriations Act for the Department of Agriculture referenced the "Forest Service." On the day of the transfer, then-Secretary of Agriculture, James Wilson, wrote a letter of instruction to the first forester of the Forest Service, Gifford Pinchot. He directed that:

In the administration of the forest reserves it must be clearly borne in mind that all land is to be devoted to its most productive use for the permanent good of the whole people, and not for the temporary benefit of individuals or companies. Where conflicting interests must be reconciled, the question will always be decided from the standpoint of the greatest good of the greatest number in the long run.

Now, 100 years later, that advice encompasses the multiple use management principle that guides the Forest Service's program of work. We are here today to ensure that our nation's forests and grasslands are treasured resources for the benefit and enjoyment of all people now and in the future. The decisions made in formulating the President's FY 2005 budget for the Forest Service are for the long-term good of the public and the resources that we are entrusted to manage for the American people.

I am here to talk with you today about the FY 2005 President's Budget request for the Forest Service as we enter a new century of service to America. In 1905, the Forest Service spent just shy of \$1 million total for the young agency. As we propose a budget to begin the second century for the agency, the President's request is \$4.9 billion, \$68.4 million greater than the FY 2004 enacted budget, excluding emergency funding for repayment of fire transfers and funds for Southern California. The FY 2005 Budget provides funding to reduce the risk of wildland fire to communities and the environment by implementing the Healthy Forest Initiative and the Healthy Forests Restoration Act (HFRA) which President Bush signed into law this past December. In addition, increased funds are provided for research, fire suppression, Forest Legacy, Forest Products, and Minerals and Geology.

In my testimony today, I want to reflect on the challenges faced by the Forest Service in 2005, many of which are similar to those faced in 1905. I want to discuss the new opportunities offered by HFRA that will result in improved forest and rangeland management, healthier landscapes, and reduced risk of catastrophic wildfires. I want to talk about four major challenges facing the Forest Service, which I often refer to as the "four threats." I also want to highlight some other areas

of performance accountability and legislative emphasis that comprise the President's FY 2005 budget.

As I talk with you today about the FY 2005 budget, I am reminded of the challenges that the agency, Congress, and the American public have worked through and worked out over the past 100 years. A brief review of the land management issues of 1905 shows that issues were as contentious back then as they are today. The challenges that we faced today are still contentious and complex. I believe, however, that we have an opportunity to change the debate. We want the American people to judge us not on what is taken off the land, but how we have improved its condition after conducting natural resource management activities.

PROGRESS TOWARDS HEALTHY FORESTS AND GRASSLANDS—PROTECTING COMMUNITIES

Today, the cleanest water in the country comes from our national forests. More than 60 million Americans get their drinking water from watersheds that originate on national forests and grasslands. A century ago, competition for clean water in America was not the issue it is today and will be in the future. Protecting wilderness values wasn't on the radar screen 100 years ago. Today, we protect some 35 million acres of wilderness, about 18 percent of the land in our National Forest System. At the 1905 American Forest Congress, President Roosevelt spoke of vast forest destruction and an inevitable timber famine if the destruction continued. Large parts of the East and South were cutover, burned over, and farmed improperly. Today, tens of millions of acres of federal, state, and private forests in the East and South have been restored and the total number of forested acres is the same as 100 years ago. A century ago, many animal and plant species were severely depleted or on the brink of extinction. Today, many of these species have made remarkable comebacks after finding refuge on our nation's forests and grasslands. A century ago, the profession of forestry was in its infancy in the United States. Early foresters used a much younger set of scientific principles in managing natural resources. Today, after 90 years of Forest Service research, we have a much firmer and broader scientific foundation for sustaining forest ecosystems into the future.

REDUCING THE THREAT OF CATASTROPHIC WILDFIRE

Today, we are putting research-based knowledge to use in restoring the nation's watersheds to a healthy condition. The President's Budget provides \$266 million, an increase of \$33 million over the funding appropriated in FY 2004, to reduce hazardous fuel. This will allow treatment of 1.8 million acres, an increase of 200,000 acres above the 2004 level. Over the past several decades, declining forest health conditions have led to an increasing incidence of uncharacteristically severe wildfire. Forests that are naturally adapted to frequent natural fires have gone many years without such fire, thus becoming overly dense and laden with fuels. These forests are at abnormally high risk to damage from wildfire as well as insects, diseases, or infestations of invasive plants. The President has acted to address this risk by establishing his Healthy Forest Initiative and providing a budget for hazardous fuel reduction that has more than tripled since FY 2000. In addition, the Healthy Forests Restoration Act passed by Congress last year will bring new administrative initiatives that will compliment expanded stewardship contracting authority that will further reduce hazardous fuels and restore watersheds.

Mr. Chairman, we need only look at how expenditures for wildland fire suppression have doubled in the last 10 years, to understand the need for this bold strategy. Just this past October we saw a graphic illustration of the serious forest and rangeland health problems we face. Although tragic in terms of loss of life and property, the severe wildfires in Southern California this past fall burned for the most part in mixed ownership chaparral areas and did not appreciably affect the forest health situation on forested lands in Southern California, particularly on the San Bernardino National Forest. In the forested areas, much of the remaining unburned acres are still choked with mostly small trees, many of which are dead and dying from drought and bark beetle infestations. Much of these forested lands are still at risk. Additional work remains on the national forests in Southern California as well as on other areas across the country that are experiencing serious forest health problems. Nor are these risks limited only to Federal lands. Mitigating the risks of catastrophic wildfires and treating forest health challenges across ownerships and jurisdictions requires cooperative action to be taken on the parts of governments, communities, private landowners and individual homeowners.

Mr. Chairman, I want to thank you and the other members of Congress for working last year to pass the Healthy Forests Restoration Act and expanded Stewardship Contracting authority. The President's Budget and new authorities provided by HFRA will aid Forest Service field managers work with local communities to treat

more areas more quickly than in the past. The President's Budget also recognizes the need to integrate the fuels reduction program with other programs that support wildlife habitat improvements, watershed enhancements, vegetation management, and forest products. Restoring and rehabilitating our fire-adapted ecosystems may be the most important task that our agency undertakes. To provide optimal wildfire risk mitigation across the landscape, we are prioritizing our hazardous fuels reduction work to ensure the most beneficial use of funds. We are moving from treating symptoms towards treating the underlying problems, and treating hazardous fuel in locations on our nation's forests and rangelands where they will be most likely to influence large-scale fire behavior. We expect this approach to restore forest health and significantly reduce the potential for large, damaging fires over the long term, as well as the costs of fires that do occur both—in terms of the taxpayer and the environment.

We must also realize that it is not only the hazardous fuel reduction program that will improve overall forest and rangeland health. The integrated approach of multiple management activities in the agency's wildlife, grazing, vegetative management, and timber programs will improve the condition of the land, or in the Forest Service vernacular "improve condition class." This emphasis encompasses one of the "four threats" I refer to in managing this agency. We are committed to accomplishing the aggressive treatments planned in the President's Budget for FY 2005 using new authorities in the Healthy Forests Restoration Act that improve the condition class of the nation's watersheds and thus protect communities and resources for future generations and our Research Station directors are committed to providing the Forest Service with the best science available.

I have discussed in detail wildland fire, the first of the "four threats." I will discuss elsewhere in my testimony the other three threats; invasive species, loss of open space, and unmanaged outdoor recreation. Before doing so, let me highlight other areas that will require our attention in our Centennial year.

PERFORMANCE AND FINANCIAL MANAGEMENT ACCOUNTABILITY

The Forest Service efforts to improve agency efficiency continue to focus on the implementation of the five initiatives in the President's Management Agenda (PMA). One key element of the PMA is improved financial performance. In the past few years we made an unprecedented effort to get our financial house in order. For a second year in a row, we received a clean audit opinion. We look forward, in the not too distant future, to also seeing the agency removed from the General Accounting Office "high risk list." I am proud of our financial management progress. To be candid, however, the effort made by Forest Service employees to keep the agency from falling into a type of financial receivership was so unprecedented that the agency cannot sustain this level of effort as we are currently organized. Our internal financial management and administrative support infrastructure is based on a 50-year-old model that is archaic. It does not operate within acceptable government-wide standards. It fails to use today's technology and business based models that can make our operations more efficient and our accountability the best it can be. With this in mind, the Forest Service will implement a new model for Forest Service financial management that involves significant centralization and consolidation of administrative support. We anticipate a minimum cost savings of \$30-\$40 million over time, although there may be some short-term costs incurred associated with setting up this model.

We are also reengineering human resource management processes. Our objectives are to maximize automation, streamline processes, provide for consistency, and reduce overhead costs. At the same time, we will ensure compatibility with OPM's Government-wide initiatives.

We will implement this overhaul without affecting the ability of field line officers to make decisions about natural resource management. We will continue to put considerable effort into improving the effectiveness of our financial management and administrative support program with the objectives of improving efficiency, reducing indirect costs, and dedicating funds to accomplish on-the-ground resource management objectives.

An important tool that will help the agency improve its operational and program accountability is contained in the President's Management Agenda. It is the Program Assessment Rating Tool (PART). For FY 2005, the Office of Management and Budget conducted reviews on the Forest Service's Forest Legacy Program, Land Acquisition Program, and reevaluated the Capital Improvement and Maintenance Program. This analysis recommended that the programs reviewed include the development of long-term measures that focus on outcomes, development of efficiency meas-

ures that assess the cost on a unit basis, and completion of program analysis to help focus program objectives and management.

The PART process for FY 2006 will assist the agency in addressing one of the "four threats" because the agency will utilize PART to evaluate invasive species activities. In addition to utilizing PART, the agency will use funds to address emerging threats to the nation's natural resources from the spread of unwanted pests and pathogens. The President's Budget proposes \$10 million for an Emerging Pest and Pathogen fund to be used for quick response. We will integrate our National Forest System, State and Private Forestry, and Forest and Rangeland Research programs to ensure we are focused on this invasive species threat. I intend to emphasize line officer performance accountability for halting the spread of invasives as an important element of the performance appraisal process. The PART program will be a tool to ensure the effort is integrated, outcome-based, and properly focused.

RESEARCH

I noted earlier that I felt the agency's Forest and Rangeland Research program was a foundation of improved ecosystem health. I am pleased to support an FY 2005 President's Budget request that emphasizes a renewed focus on Research as a foundation for establishing management practices that are applied to the national forests and grasslands as well as state, tribal, local, and international lands. The total Research and Development budget for FY 2005 is up \$14.3 million.

The President's FY 2005 Budget recognizes that the demand for solutions based on research is exceptionally high, and the Forest Service should organize to optimize the delivery of information to provide solutions in the timeliest, accurate manner. To enhance the linkage between forest researchers and on-the-ground resource managers in both the public and private sectors, it is critical that the most efficient development and delivery of mission-critical information be employed. Enhancing the linkage between the information user and the information generator helps ensure this efficiency. The President's Budget provides additional funding for optimizing the transfer and implementation of research findings.

Within R&D, \$7.2 million is focused on research that will protect water quality for human use and aquatic habitat, and provide improved tools for land managers to restore native vegetation on sites disturbed by fire and mechanical means. This program increase will also afford the agency the opportunity to continue its research focus on controls for newly arrived insects including the hemlock wooly adelgid, the Asian long-horned beetle, invasive bark beetles, and the emerald ash borer. In addition to this significant program increase, the State and Private Forestry technology applications program will be integrated with the Research and Development mission area. We expect an improved technology applications program that focuses on a thematic basis, including applications in hazardous fuel utilization, fire science applications, invasive species, watershed, and other mission critical areas.

FOREST LEGACY PROGRAM

The third of the four threats that I have emphasized involves the loss of open space. The President's Budget fully funds the Land and Water Conservation program, including a \$35.8 million increase in the Forest Legacy Program. The program has seen great success in addressing the threat of reduced open space through the use of conservation easements in partnership with private landowners to maintain viable and healthy forested lands. The PART review of the program by OMB found that management of the Forest Legacy Program is valuable and generally strong. We will work to improve performance measures that track the percentage of priority forest lands at risk of conversion to non-forest uses that are currently in a contiguous forest condition.

RECREATION

The last of the four threats to the nation's resources involves the challenges posed by unmanaged recreation. To use an old phrase, in many areas of the national forests we are "loving our public lands to death." The FY 2005 budget reflects an increase of \$2.3 million in the Recreation budget. With this in mind, I intend to have the agency focus on managing the program with improved efficiency and greater reliance on partnerships. Moreover, our work in the area of hazardous fuel reduction and invasive species provides a number of benefits that protect and enhance the quality of recreation on National Forest System lands.

The Forest Service is a leading provider of outdoor recreation opportunities in the nation. People visited national forests and grasslands over 211 million times in FY 2002. These millions of visitors expect cleared trails, accessible facilities, and safe experiences. They also cause significant impacts on the land and on our facilities,

as they hike, camp, kayak, ski, hunt, or fish on our federal lands. Since 1997, we have relied on fees from the Recreational Fee Demonstration Program to provide safe, enjoyable, and memorable experiences for these millions of visitors. We know that without those fees, we would be hard pressed to keep some campgrounds open, toilets cleaned, and trails safely maintained. The President's FY 2005 legislative proposals include permanent authority for the Recreational Fee Demonstration Program. Visitor use continues to increase, especially near urban areas and many of the very special places we manage on our national forests and grasslands. As more and more people enjoy these places, their presence comes with the price of increased needs for maintaining facilities, equipment, and the land itself. Through the Fee Demo Program, the recreating public has told us how important increased safety and security is to them, an elevated service made possible through Fee Demo funds.

This is the 40th anniversary of the signing of the Wilderness Act, a bold legislative action that secured the enduring benefits of wilderness for present and future generations. The Forest Service manages 32 percent of the National Wilderness Preservation System and was the first Federal agency to manage a designated wilderness area. The National Survey on Recreation and the Environment finds that Americans who know about wilderness tremendously value it.

Our backlog in deferred maintenance for our facilities continues to be a challenge. This backlog includes facilities for providing recreation opportunities to the public, as well as our administrative sites where employees work and provide services to the public. The budget reflects improvements made by the Forest Service in implementing recommendations contained in a PART review of the Capital Improvement and Maintenance program, and includes \$10 million to address deferred maintenance.

In addition, there are important legislative proposals to be presented by the Administration that will help us leverage limited discretionary appropriations to accomplish key objectives of the recreation and other administrative programs. The Administration will submit legislation proposing a Facilities Acquisition and Enhancement Fund. This authority will provide a useful tool for reducing our administrative site backlog through an authorization to dispose of lands and improvements in excess of our needs, and use the proceeds for infrastructure improvements.

The Administration will propose expanded and consolidated partnership authorities to make it easier and more efficient for third parties to get involved in the agency's recreation program as well as other management programs and activities. This legislation will streamline the ability of the Forest Service to collaborate with non-Federal partners in achieving natural resource management goals. Forest Service directives cite over 30 different laws relating to partnerships and 14 different types of agreement instruments document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. We look forward to working with Congress in making it more efficient to work with partners in managing the national forests.

WILDLAND FIRE SUPPRESSION

As the Forest Service focuses on a new century of service to Americans, its emphasis will be centered on management activities that address the four threats and the goals of the Healthy Forests Initiative. Our success over the long term will reduce the risk to communities and natural resources from catastrophic wildland fire. The Forest Service, in partnership with the Department of the Interior and state and local agencies, is committed to protecting communities and resources with the best and most efficient fire fighting infrastructure possible.

The total wildland fire budget for FY 2005 is \$1.4 billion including an \$88.3 million increase over the FY 2004 enacted level for fire suppression. This increase reflects the ten-year average cost for fire suppression. I want to address several important wildfire suppression issues.

Wildfire suppression activities are dangerous. Unfortunately, last year we lost five lives in fires related to the Forest Service. The agency continually evaluates the fire suppression program for safety, and makes improvements to reduce the risk to firefighters. After the Thirtymile fire in 2001, the Forest Service implemented a number of significant changes to improve safety measures for firefighters and the public. Changes were developed in cooperation with OSHA, the Department of the Interior, and other interagency partners through the National Wildfire Coordinating Group. We have clarified and added emphasis on fatigue awareness and work/rest guidelines; added driving guidelines for transportation safety; and improved risk assessment and mitigation procedures. We continue to scrutinize our firefighting program to make additional safety improvements, including an examination of relation of

completed fire management plans and the deployment of incident personnel in locations where resource values are minimal. Areas we are particularly concentrating on are human factors such as experience and leadership. While we will never remove all the risk from firefighting, we will constantly work to reduce the risks. We must never compromise our emphasis on components of the agency's budget that might affect the safety of our workforce.

This past year we have aggressively focused on reducing the costs of firefighting efforts. The President's budget proposes new incentives for reducing wildfire suppression costs including the allocation of suppression funds to Forest Service regions, and the authority to retain unexpended suppression funds for use in forest restoration activities consistent with the goals of the Healthy Forest Initiatives and HFRA. It also includes the establishment of clearer rules concerning the use of suppression resources and incentives for rapid demobilization and better use of local non-federal resources. I am proud of the fact that in FY 2003 we kept more than 98 percent of all unwanted fires that started from becoming large fires in 2003. While large fires represent only 2 percent of the total number of fires, over the past few decades they have accounted for more than 87 percent of the total costs for fire suppression. Many large fires are complex and more expensive to suppress today than 20 years ago, and they can be more dangerous. The costs of containing fires in the wildland urban interface will likely continue to be high as we struggle to keep fire from destroying people's homes and livelihoods. At the same time, the President's FY 2005 Budget reflects the full implementation of fire management plans completed for all National Forest Systems lands that will allow for cost savings associated with a full range of suppression actions, including an increased use of wildland fire use fires, as appropriate. It also contains new performance measures that will provide baselines on which the total cost of fire suppression can be assessed.

Over the past year, we have completed the Consolidated Large Fire Cost Report 2003, in which we have identified areas to contain costs. Clearly, reducing the number and improving the way we manage large fires will lead to lower costs. I have issued policy direction that states, "Fires are suppressed at minimum cost, considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives." We will take the lessons learned from the past year and continue efforts to reduce the costs of large fires. We will also look at better ways to use fire in its natural role and will work together with our Federal, Tribal, State, and local partners to accomplish these goals.

CONCLUSION: ENTERING A NEW CENTURY OF SERVICE

Our agency's 100th anniversary is a time for us as an agency to reflect on our history, the contributions we have made as stewards of our nation's natural resources, and lessons we have learned to provide world-class public service into the future. We see FY 2005 as a time to broaden public understanding and appreciation of our nation's forests and grasslands, and a time to broaden partnerships worldwide to collectively sustain our natural resources. In this centennial year we will sponsor several events and activities that help focus this attention.

Mr. Chairman, let me say again how honored I am to be here as Chief presenting the 101st President's Budget for the Forest Service. We have 100 years of amazing accomplishments. We also have 100 years of promises to keep, 100 years of laws and regulations to uphold. For 100 years, Americans have both applauded us and picketed our doors. The country has seen sweeping changes over those 100 years, and many innovative tools to help us keep up with those changes.

As we enter our second century of service, the continued prosperity of our country is in large part dependent on sustaining the health, diversity, and productivity of our Nation's forests and grasslands. This is the Forest Service's mission today. And much as Secretary Wilson directed the agency in 1905, our successes are only as great as our ability to act under a businesslike structure, promptly, effectively, and with common sense. I am proud of the many accomplishments our talented and dedicated employees have given to this country and the mission they face in entering this new century of service.

We still have much work to do and many challenges to undertake. Restoring the nation's forests and grasslands in balance with society's goals will take time. We have new tools to help meet those challenges in the Healthy Forests Restoration Act and expanded Stewardship Contracting authority, in continued research to support these complex challenges, and through the work we continue to do with local communities and partners new ways of solving land management problems in more effective and inclusive ways.

I enlist your continued support and look forward to working with you toward that end. I will be happy to answer any questions.

Senator THOMAS. Thank you very much. As you can see, all three of us here are very involved in forests in our States.

Senator Murkowski, did you have an opening statement?

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

Senator MURKOWSKI. Thank you, Mr. Chairman. Just very briefly, welcome to Chief Bosworth and to you, Mr. Rey. I appreciate all the years of service that both you and your family have given. We certainly look forward to working with the administration regarding this budget request and appreciate your comments this morning, although I was not able to listen to all of them.

I have a couple areas of interest that I am going to focus on in my questions, primarily the State and private forestry program, which many of my constituents in Alaska rely on. I'd also like to focus on the wildland fire management accounts and how the administration plans to fund the Healthy Forests Act.

In looking at the State and private forestry program, I am troubled that the budget reflects a decrease of 16 percent. In particular, I am troubled by the proposed zero funding for the economic action program. As you know, I have many, many communities in my State that rely on the EAP in order to diversify their forest-dependent economies. These are the communities in and around the Chugach and the Tongass. So I am going to have a couple questions for you there. But it concerns me that the administration is perhaps sending a message to Congress that assistance to the small forest-dependent communities is not a priority.

The other program of importance that I want to go into a little bit more is the Federal land enhancement program. In our State, the Alaska Forest Service depends greatly on this cost-share program to assist the landowners as they implement a variety of on-the-ground forest land enhancement practices, particularly the reforestation after the beetle kill and the forest thinning. So I want to go into a little bit more in terms of what is going on with this reprogramming and, if we are talking about other high-priority programs, knowing exactly what those are.

Mr. Chairman, I do have a much longer opening statement which I will ask be included in the record. At this point in time I will reserve the balance of my questions for a later point.

[The prepared statement of Senator Murkowski follows:]

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

Good Morning, Mr. Chairman and other members of this Committee. Welcome to both of our witnesses, Mr. Mark Rey of the U.S. Department of Agriculture and Chief of the U.S. Forest Service, Mr. Dale Bosworth.

I look forward to working with this Administration regarding the upcoming 2005 Budget Request and hearing from our witnesses today on the various requests for the programs that manage and support our national forests and grasslands.

I am particularly interested in the State & Private Forestry Program of which many of my constituents in Alaska rely upon. I am also interested in the Wildland Fire Management Accounts and how the Administration plans to fund the "Healthy Forest Restoration Act of 2003." It is critical for its timely implementation to get on-the-ground dollars to those forested lands most in need of fuels reduction.

In reviewing this budget request for the Forest Service, I am troubled that the budget reflects a decrease of 16% (\$63.8 million) in the State & Private Forestry

Program. This program, as you know, provides technical and financial assistance to landowners and resource managers to help sustain the Nation's urban and rural forests and to protect communities and the environment from wildland fires.

In particular, for the third year in a row, the President's Budget proposes zero funding for the Economic Action Program (EAP) that was funded at approximately \$25 million in FY '03 and FY '04 with \$2 million going to Alaska each year. I am very concerned about zero funding for Fiscal Year 2005.

In my home state of Alaska, many communities rely upon the EAP in order to diversify their forest-dependent economies. In fiscal years 2003 and 2004, the EAP provided grants to 17 communities near the Chugach and Tongass National Forests alone.

The EAP also provided dry kilns, planers and lumber-storage facilities to eleven Alaska-owned businesses. (Nenana Lumber Company, Nenana; Alaska Birch Works, Fairbanks; Regal Enterprises, Copper Center; Alaska Fibre, Petersburg; Alaska Wood Moulding, Anchorage; J&H Enterprises, North Pole; Husky Lumber, Nikisi; Nelson Enterprises, Chuathbaluk; Thorne Bay Wood Products, Thorne Bay; Logging & Milling Associates, Delta Junction; Pacific Log & Lumber, Ketchikan).

With zero funding proposed in FY 2005 for this program, the Administration is sending a message to Congress that assistance to small forest-dependent communities is not a priority. In this day of declining timber sales and increased litigation regarding sustainable forestry industries, most especially on the Tongass National Forest, I question how the Forest Service is going to assist the communities that survived for many years utilizing the fiber that seems to be no longer available for their economies. We owe it to these communities to help them diversify their economies and support them in maintaining healthy forests, healthy lands along with a strong economic base.

Another program of importance to my state is the Federal Land Enhancement Program (FLEP), which, although funded through the Commodity Credit Corporation, is managed by the Forest Service. I know that our Alaska State Forest Service depends greatly on this cost-share program to assist landowners in Alaska implement a variety of on-the-ground forest land enhancement practices. The work on private forested lands from this program in my state has included reforestation after beetle kill and forest thinning for fuel load reduction on the Kenai. I am particularly concerned about the current proposed use of funds for this program by the Forest Service in both FY 2004 and 2005. It appears that there is ample funding to implement this program in both 2004 and 2005, but the Administration is requesting to "reprogram" the available dollars to more "high priority programs", leaving no money targeted for this state program.

Currently, a total of 478 private landowners, along with 19 Alaska Native Corporations are eligible for FLEP funds for wildfire fuels reduction and timber stand improvements. Without funding, eligible Alaskan landowners have no opportunity to make needed forest health improvements on their lands.

Another concern that I have is that this Administration most recently supported the bi-partisan effort of this Congress in passage of the Healthy Forest Restoration Act of 2003. The FY 2005 budget requests funding of \$33 million for Title I only (Federal lands fuels reduction work). I will want to ask our witnesses why the Administration is not requesting funding for the remaining titles of this new law. Of particular interest in my State of Alaska is the use of biomass technologies and research, as found under Title II of this new law. There is no funding for this title in the President's FY 2005 Request.

In another area, the Forest Service is continually playing "catch-up" with revising outdated forest plans. With a proposed \$10.9 million reduction in Land Management Planning from the FY 2004 level of \$70 million, I question how the agency proposes to keep its 126 forest plans around the nation timely. Clearly, with outdated forest plans being utilized by this agency, the chance for additional lawsuits grows exponentially.

I thank the Chair for the opportunity to address these and other important forestry issues with our guests today.

Senator THOMAS. Thank you. Your comments will be in the record.

Senator MURKOWSKI. Thank you.

Senator THOMAS. Mr. Secretary, obviously we are all faced with a budget problem this year in terms of the deficit and so on. As we said, yours is down by half of one percent. But you have, and I appreciate this, listed six priorities and certainly that is where it

ought to be. Four of those six have reductions. Now, if those are your priorities how do you explain having your priorities be in the category of reduced spending?

Mr. REY. Well, I think part of that goes to how we measure reductions. When we compare budgets between years, we have been backing out congressional earmarks, because we put together a programmatic budget and then the Congress adjusts that budget in the way the founders envisioned, and many of those adjustments involve earmarks that are not programmatic in nature. So if you back out the earmarks, I do not think you will find those programs are all reduced.

Additionally, some of those programs involve not just the Forest Service's effort, but the efforts of other cooperating agencies like the Natural Resources Conservation Service. For example, invasive species is one of our priorities. One of our budget initiatives for the Forest Service this year is a \$10 million emerging pathogen fund.

We are beginning to look at invasives somewhat like we look at forest fires, which is that if you can move quickly and control or eradicate a pathogen upon its introduction it is a lot cheaper than trying to deal with it after it has already spread to several thousand or tens of thousands of acres. So our emerging pathogen fund is analogous to trying to attack forest fires at initial attack and eliminate the problem before it spreads and becomes more expensive.

But beyond the Forest Service's efforts, the other agency that I oversee in the Department of Agriculture spends a considerable amount of money through farm bill programs dealing with invasive species on an annual basis. Most of that is on private land. Not all of it is. It is on multi-ownerships.

I think it is a function of how you look at those numbers. In our judgment, we are holding those priority programs even or giving them slight increases compared to the program request that we submitted last year backing out congressional earmarks. If you add congressional earmarks, you can come to a different conclusion.

Senator THOMAS. Well, they are interesting. As you point out, one is reducing catastrophic wildfire risk. That happens to be a very high priority for most everyone. Providing outdoor recreation opportunities is another that you had on your list. To help energy resource needs; here is one that you are responsible for because those permits are on forest lands and there has been a great delay in issuing some of those permits. So I hope that we can continue to have those as priorities.

Chief, the budget includes a \$2.5 million reduction in range management. We talked last year about the difficulty of getting NEPA done for grazing permits. How many grazing permits are there, are they behind, and what is this reduction going to mean to preparing for rangeland management?

Mr. BOSWORTH. I cannot give you the exact number, but I can follow up later and give the exact number of permits. We are behind in terms of completing the NEPA for range permits. We have just completed a few months ago or just a couple weeks ago actually a change in our handbook for doing NEPA on range permits and reissuance of range permits that we believe will help streamline the process, make it go faster, that will work better for both

the Forest Service as well as the grazing permittees. It is more focused on outcome rather than the specific numbers that we have been in the past. I think that our permittees will find that it is easier for them to work with. I think that our folks on the ground will find that, following the new process, that they will be able to get through the NEPA quicker.

Of course, one of our objectives is to be able to modernize some of our processes so that we are not spending all of our time doing the paperwork. About 36 percent of the NEPA has been completed, 36 percent of the allotments, and we have 6,900 allotments, is the number that we have currently.

Senator THOMAS. I see, thank you.

Senator Feinstein, I will ask Senator Bingaman to go and then we will have your opening statement.

Do you have questions, sir?

Senator BINGAMAN. Yes, thank you very much.

Let me ask a couple of parochial questions first. One of the problems we have here in Congress and I think in all of Washington is that we are so busy killing alligators we do not have time to drain the swamp, as the saying goes. In my home town the Forest Service has a fire cache which provides supplies for fire suppression efforts in Arizona, New Mexico, Texas, and Oklahoma. This is Silver City, New Mexico, I am speaking about.

The facilities there are old storage sheds, trailers, sheet metal garages, sort of patched together, and there is a lot of effort expended each year in moving supplies from one shed to another so as to get it all done. What they have needed for a long period is a warehouse that is large enough to keep the supplies they need. I do not see anything to indicate that this is something that is ever going to be built by the Forest Service.

Do you know anything about this or is this something you could look into, Chief Bosworth? I went out and visited them a year or so ago and was struck by the inadequacy of the facilities they have there.

Mr. BOSWORTH. I will be happy to look into it. I am not aware specifically of the conditions. I do know it is not in the '05 budget. I am not sure where it is in terms of the priorities compared to those kind of fire cache facilities around the rest of the country. But I will certainly look into it and see whether there is something we can do.

Senator BINGAMAN. I would appreciate it if you could get back to me on that. I would sure appreciate it.

Mr. BOSWORTH. I will do that.

Senator BINGAMAN. One other issue that Senator Domenici and I have both taken a lot of interest in is the Vallez Caldera National Preserve. I notice that the administration consistently requests a million dollars as the amount needed. I think this year the request was \$992,000 to accomplish the purposes and goals of the Forest Service in that regard. That was a figure that was put in in the first year that this thing was enacted because we just did not know. We just had to put a figure in.

Unfortunately, there has never been an effort, at least I am not aware of it, to go back and look at what is the actual cost that ought to be covered here. Do you know if there is anything being

done on that? Does this \$992,000 reflect what you really think is needed for that effort?

Mr. REY. Senator, I think the \$992,000 is basically a flat budget response in the absence of analysis that probably needs to be done. Senator Domenici and the Chief and I talked about this yesterday and we observed that we typically budget a million, you and Senator Domenici typically add some numbers to it, and we move on.

One of the original intents in the authorizing legislation was that at some point in the future the trust that administers the Vallez Caldera would be self-sustaining. I do not think we had any idea at the time how long it would take to get to that point or what the appropriate level of Federal support in the interim should be. But I think now that the Vallez Caldera has been authorized for I believe 5 years—I think we are approaching the fifth anniversary—it probably marks a pretty good time to take stock and evaluate for either 2005 as we move forward in this appropriations process or, if that is too early, then in our 2006 budget request, not only what the right Federal request should be for the next year, 2006, but what the out year support should be.

What I committed to Senator Domenici is we would take a look at that, and I would make the same commitment to you as well.

Senator BINGAMAN. All right, that will be a big help. I appreciate hearing that.

You have a proposal, Mr. Rey, for revising the National Forest Management Act regulations. You got a lot of comments back, a lot of public comments, a lot of comments from members of Congress, urging you to withdraw or substantially alter those proposed NFMA regulations. Could you give me the status on that effort and whether or not there is going to be some decision to withdraw or modify those regulations or what is going to happen?

Mr. REY. We have completed the analysis of the comments, which as you noted were substantial on all sides, and are significantly modifying the regulations. We are reaching the close of that effort and it is my expectation that within the next month or so we should have a new set of regulations to send out for people to look at.

We have not made a decision whether those will be final regulations or a reproposal. That will be a decision that we will make within the next couple of weeks. If they are a reproposal, then we will accept another round of comments. If they are final regulations, then the administrative appeals process will trigger and we will continue to hear public comments on them.

I do not think withdrawing the regulations or simply continuing to operate under the 1982 regulations is a viable alternative, for two reasons. First, those regulations are now 22 years old and a lot has changed in 22 years. Secondly, those regulations governed the appropriate processes to use to develop the first generation of forest plans and as such they were much more detailed and they required the agencies to do a lot of things that arguably you should not have to do, at least in all instances, to revise or amend an existing plan.

So it will be a sporting discussion. I imagine we will satisfy some of the critics of the proposed rule, but I am quite confident we will

not satisfy all of them. I will assure you that your staff will be briefed before we go public with a decision.

Senator BINGAMAN. Thank you.

I have a few other questions. I will wait for a second round.

Senator THOMAS. We will have a sporting discussion. I think that sounds good.

Senator Feinstein.

**STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR
FROM CALIFORNIA**

Senator FEINSTEIN. Thanks very much, Mr. Chairman.

Welcome, gentlemen. Obviously, I am very pleased that the healthy forests bill is now law and being carried out. But what I am concerned about is the funding in the budget to carry out the health forests bill. As you know, we authorized \$760 million in hazardous fuels reduction. That is far more than what is in the budget. The budget purports to provide \$760 million for hazardous fuels reduction, but it is only by relabeling existing programs that it achieves that amount.

I would like to indicate two concerns. The budget as I understand it significantly cuts fire-related assistance to States and communities, by as much as 42 percent. It goes from \$132 million to \$77 million. That is a dramatic cut. I am hearing from the fire safety councils all throughout the State with real concern.

Let me ask this question if I might. Most of the supposed increase, with the exception of an additional \$30 million for fuel reduction, appears to be made up by shifting funding from other existing programs, such as State and private forestry, fire science, and timber. How much of the \$760 million do you consider to be new money?

Mr. REY. The \$760 million, first of all, is a combined Department of Agriculture-Department of the Interior total, so I want to make sure we are clear on that. Of that \$760 million, somewhere between \$80 and \$100 million of it is in our judgment new money.

Now, we are sensitive to the suggestion that we are merely—

Senator FEINSTEIN. How much in your budget would you consider new money?

Mr. REY. About half of that, about \$40 million.

Senator FEINSTEIN. \$40 million?

Mr. REY. Right. And about the same or a little more for Interior.

We are sensitive to the suggestion that we are merely relabeling things and that is not quite accurate. But let me express why we are constructing the budget this way. When the Healthy Forests Restoration Act passed, we had a new piece of legislation with new authorities and a new authorization level. What we thought would be most helpful to do would be to organize our budget, both at the Department of Agriculture and the Department of the Interior, in a crosscut that shows how much money we are devoting to the activities that were described in the authorization language of title I of the bill, which is where the \$760 million authorization is. We have money that we will appropriate or request to be appropriated against the other titles as well, but most of the attention was on title I and the proposition that for the activities described in sec-

tion 108 of the bill that the authorization level that was desired was \$760 million.

In reconfiguring the budget that way, what we included is not only the hazardous fuels reduction account, which is a discrete account in both the Department of the Interior and the Forest Service's budget, but also other program areas that were going to fund activities that were conducted that would have hazardous fuels reduction objectives.

So for instance, when we say that we are going to treat 2.2 million acres of land in this 2005 budget request and reduce the fuel loads to bring the condition class down, what we mean is 1.6 million acres of that will be treated with the hazardous fuels reduction account and .6 million will be treated with money from some of the other accounts—vegetation management, watershed, timber, etcetera.

Some of those accounts experienced slight increases as well to do this work that in our judgment is new money. In some of those accounts, we reprogram more of the work that would otherwise be done under the account to do this work to address the Congressional priority.

It is fairly complicated. It is not merely a case of relabeling, but I think a fair read of this \$760 million is that, depending on how you want to split the hairs, there is between \$80 and \$100 million of new money, and what we are trying to do is configure this budget so that we can see what we are devoting to the authorization that you said was important when together we worked on this legislation.

Senator FEINSTEIN. If I might just follow up, Congressman Jerry Lewis and I obtained \$240 million in hazardous fuels reduction funding for Federal and private lands in southern California through the 2003 supplemental and the 2004 omnibus and Interior appropriations bill. I do not know whether you are taking some of that money or not.

Mr. REY. No.

Senator FEINSTEIN. You are not?

Mr. REY. That is not included in any of this.

Senator FEINSTEIN. My question then for you, that \$240 million is intact?

Mr. REY. That is correct. But let me make one clarification. I understood the \$240 million to include both fuels treatment work and post-fire rehabilitation work, so there are two functions that that is paying for.

Senator FEINSTEIN. So in other words, you are going to take the rehabilitation money out of that?

Mr. REY. I think \$150 million of it was scheduled for rehabilitation and that is what we are spending it on, and I think the balance was fuels reduction and we are going to spend it as you told us to.

Senator FEINSTEIN. That is good.

In your assessment—and I notice that in the chart you have distributed, one of the charts has to do with the Arrowhead and Big Bear areas still remaining of major concern, and your other charts show that same area in jeopardy for another forest fire. Do you be-

lieve the money is adequate there and that we can get it used fast enough to make a difference this next season?

Mr. REY. I believe what you have given us for this season is probably as much as we can use. It is not adequate over the next 3 or 4 years to deal with the immensity of the problem. That will be an ongoing problem that we will have to work with you to try to continue to address.

But I think the resources that we have as a result of the work that you and Congressman Lewis did in the supplemental is about as much as we can responsibly use during 2004 and I think what we will have to do, Senator, is sit down with you as the summer unfolds to see what 2005 looks like.

Senator FEINSTEIN. Quick, quick, quick, Mr. Chairman.

Would you estimate the dead trees in that area from bark beetle to still be a half a million acres?

Mr. REY. Yes. There was very little reduction of that acreage as a consequence of the fires because we were able to stop the fire before it got too deeply into the bug-kill area. So what little was burned has probably been replaced by increasing spread of the infestation.

Senator FEINSTEIN. Thank you.

Senator THOMAS. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you.

As I indicated in my short opening, the concerns that I have are in the State and private forestry area. Why has the Forest Service taken this area and basically said this is not as important to the agency any more? We are seeing a reduction here. What is the reasoning behind that?

Mr. REY. Well, I do not think we have said that it is not important to the agency. We have made some fairly tough choices, given the kind of budget environment that we are operating in.

With regard to the—let me just go to some of the specific concerns that you raised. With regard to the economic action program, what we have proposed there is identical to what we have proposed I think the last 2 years. The economic action program funds have been 100 percent earmarked over the last couple of cycles. It is my expectation that you will continue to put money in there and it will continue to be 100 percent earmarked.

But from a programmatic standpoint, what we have been trying to establish is that those kinds of support dollars are now being provided in a more organized way and at a greater level of funding through the Department of Agriculture's rural development program with mandatory funds that are provided through the farm bill.

For instance, a couple of your constituents, Senator Murkowski, and I have talked about the need to get some assistance to do a feasibility or due diligence study for new manufacturing facilities in Haines and Seward. Of course, one option would be to provide money for that under the economic action program account.

But another option that currently exists is that our rural development program just went out with a request for proposals for a value-added economic assistance grants program. So what I have tried to do is to get your folks in touch with our State rural devel-

opment director because he is basically sitting on a pot of money that is designed for that purpose in a competitive grant program. I think that, given their description of what they want to do, there is every reason to believe that they will be successful in acquiring a value-added economic development grant which will provide them the money they need for the feasibility studies for those two mills.

The economic assistance program is one that we have zeroed before. It is an area that is important, but we think is being dealt with better by an existing, another existing program within USDA that, frankly, has more money to spend on it in any event.

With regard to the forest landowner incentive program, here again we have had to make some tough choices about where to focus the assistance that we provide to the State forestry agencies and to private forestry in each of the States. What the Chief has indicated and what the State foresters have agreed is that one of the principal threats to private forest landownership is fragmentation and development. We have increased the forest legacy program, which is the Federal program that provides the States assistance to buy development easements, significantly. That was one of the largest budget increases in this budget proposal.

In a sense, I guess I would maintain that we are trying to address what the States have told us is the number one priority. Now, perhaps one option is if a State says, well, maybe that is the number one priority throughout the country—Alaska may be a pretty good example of this—but it is not a number one priority in Alaska, there is other things we could do, then maybe there is a way to adjust between those accounts.

But the State and private forestry program, taking aside the reorganization of some of the program accounts, has not been diminished that dramatically in this budget request.

Senator MURKOWSKI. The State fire assistance program, apparently there is a decrease there, a difference between 2004 and 2005, it looks like a difference of 16,818. We are certainly looking at this particular budget component very critically as we assess the work being done down on the Kenai Peninsula. Obviously, we would like to know that we are going to have sufficient funding to deal with the issue down there. Do you believe that this is sufficient to help us on the Kenai?

Mr. REY. Well, I think the State fire assistance program is one where a little closer discussion may be helpful among the members of the committee. In 2000 and in 2001, as a consequence of the development of the national fire plan and Senator Domenici's Happy Forests Initiative, fire suppression activities for both Federal and State agencies were increased dramatically, and in those increases we expended a lot of money in refurbishing the capital infrastructure for our firefighting effort, buying new engines, taking on new crews, providing money to the States to do those same capital acquisitions.

You do not need to buy a new fire engine every year. It is a periodic thing. So as we have sort of reduced our capital expenditures at the Federal level, so have we reduced the State firefighting assistance account, reflecting the same proposition, that arguably the States should not be buying new fire engines every year.

I appreciate the fact that not every State is in exactly the same situation. So there is an area where maybe more specific information as this budget goes forward could help us adjust among these accounts to a little more accurately reflect an individual State or State's needs.

Senator MURKOWSKI. We would like to work with you on that.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

A couple quick ones. Chief, you mentioned the fee demo project. We of course are moving forward on that with regard to parks, intend to have a hearing. We have received a good deal of comment from people, adverse comment generally, from having to pay to go on forests. I do not know what your plan is, but at least there ought to be some identification of the kinds of facilities if you are talking about fee. What is your view on that?

Mr. BOSWORTH. Well, first, the polling that we have done, I guess would be the right word, the questionnaires that we have sent out, generally for us have shown that about 85 percent of the people that we have asked support the user fee. Now, there is also, I will agree that there are some places where we have done it through the fee demo program where there has been a lot of pushback, and we believe we have made corrections and adjustments in our program based upon some of the adverse comments that we have gotten from people as we have learned during the life of the fee demo how to apply it better and have public support for it.

The kinds of places that we generally use—there are lots of ways that we use the money that we get. We try to put the money back to where it was collected, the bulk of the money back to where it was collected. Some of it goes to improving national facilities, some of it goes to increased law enforcement presence when that is what people have told us they would like to have.

Some of it has gone toward fixing up trailhead facilities, putting in places for people with pack stock to be able to unload their pack stock more effectively and easier. Those kinds of facilities have been improved. Then there is places where we have water-based recreation where we have been able to do a better job of providing ramps for people to unload boats.

Senator THOMAS. My question is are you going to be able to identify those places where there is some sort of facility that people can feel comfortable about paying for—

Mr. BOSWORTH. We can do that.

Senator THOMAS [continuing]. As opposed to just going. But you have not. I have asked for that and I have not gotten any response.

Mr. BOSWORTH. We will—I will respond to that. I will get that information for you.

Mr. REY. What we have given you, Senator, is criteria that would be conducive to evaluating what should be—

Senator THOMAS. I have not seen that.

Mr. REY. That we transmitted to your staff a while back, but we will get you another copy.

Senator THOMAS. There are some more here, so I will stop with that.

Senator Bingaman.

Senator Wyden.

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

Senator WYDEN. Thank you, Mr. Chairman and Senator Bingham.

Gentlemen, I have looked at the budget and as one who spent an enormous amount of time, like many on this committee, trying to get this bill passed, I am just profoundly disappointed by the budget request. It seems to me that you are taking the health out of the healthy forest program. I mean, at a minimum, at a minimum you are hundreds of millions of dollars short of what the Congress authorized in the bipartisan compromise.

We asked for \$760 million of new money for these various kinds of initiatives and as far as I can tell there is at most \$100 million of new money. Now, this is a breach of what the Congress intended on a bipartisan basis in terms of getting this work done. As all of you know, the House authorized no new money. I would not have been on the floor for the entire time this debate came up unless there was a chance to get a bipartisan agreement that ensured that there would be the new dollars for these hazardous fuels reduction programs.

So my question—I guess I will start with you, Chief—is how in the world are you going to get these projects, the hazardous fuels reduction projects, done with well over \$600 million less than the Congress authorized?

Mr. REY. Inasmuch as I was the one who worked with you on the bill, perhaps I should take that and save a little time.

Senator WYDEN. I am interested in that, Mr. Rey, and I always respect your views. But I want to start from a policy standpoint with the Chief describing how these projects are going to get done, because I think that there is going to be enormous frustration out in rural America, which is expecting these new funds to get the important work done, and you all are basically doing a bait and switch. We authorized this new money and it has not been there.

Mr. BOSWORTH. I would be happy to answer that and tell you how we are going to get the job done.

Senator WYDEN. Fine.

Mr. BOSWORTH. First, through the healthy forest initiative, by coming up with new processes, new tools, that allow us to be able to spend more dollars on the ground, less dollars going through process and paperwork, categorical exclusions. We have come up with some counterpart regulations so we can work more effectively with the Fish and Wildlife Service.

There are a number of things we are doing with stewardship contracting authority that you gave us, in implementing stewardship contracting authority, that will allow us to get more work done on the ground. Plus we are doing a number of projects where we are focusing some of our other kinds of work that in the past may have not been done in, say, condition class 3, which is the high, the bad areas in terms of fuels. We are going to focus some of the jobs, like habitat improvement for certain wildlife species, we would like to focus more of that in the condition class 3 area, thereby converting that to condition class 1.

In fact, I have—I can show you an example of one in Oregon that is the Dry Creek pre-commercial thin, that work was done—it was

on Umpqua National Forest. Work was done with some RAC dollars and some vegetative improvement dollars, not hazardous fuels dollars or fuel reduction dollars, and yet, as you can see in the picture there, there was some piling was done. The area looks different. It may not look significantly different in the picture, but you can see where the fuels has been reduced using dollars other than fuels management dollars in order to accomplish that.

So we have that opportunity to do increased work with a number of other kinds of projects, accomplishing more than just one thing at a time, but multiple benefits, one of those benefits being fuels reduction.

Mr. REY. I think that what we have committed to doing in the 2004 budget with the Department of the Interior is treating a grand total of four million acres. Now, let us review the bidding. In fiscal year 2000 the two agencies, the two Departments, together treated two million acres. So we will be doubling that. We will be continuing that rate of progress and perhaps exceeding it on to 2005, and our goal is over the next couple of years to double that again to where we are treating eight to nine million acres a year.

If we can get to that next phase jump, then we will be on a path to address this problem in 8 to 10 years, which is what we have always said will be the time frame that is needed to address it. This is not a problem that we got into overnight; it is not a problem that we are going to get out of overnight.

But insofar as the funding is concerned, it pains me to disagree with you, Senator Wyden, but our occasional disagreements make our general agreement that much more dear. There was never anything in this authorization that talked about \$760 million of new money. It says: "There is authorized to be appropriated \$760 million for each fiscal year to carry out: one, activities authorized by this title; and two, other hazardous fuel reduction activities of the Secretary, including making grants to States, local governments, Indian tribes, and other eligible recipients for activities authorized by law."

What we have tried to do, as I was explaining earlier to Senator Feinstein, is reorganize our budget with the Department of the Interior to show you a crosscut of the funds that are devoted to the activities described in this authorization. Not all \$760 million of it is new money, that we would acknowledge. Roughly \$80 to \$100 million of it is new money. We think that is, A, good progress towards the goal in acres treated that I have described; and B, squares favorably in total with the authorization language as it is written.

Senator WYDEN. Mr. Chairman, I know my time is up and I just want to make one last point.

Virtually all the things that the Chief discussed are projects that I support. I would just say, gentlemen, I think it is a fantasy to say that we are going to get anything close to the amount of work Congress foresaw in this bipartisan legislation accomplished under your budget. I do take exception with Mr. Rey's views. Everybody in the U.S. Senate thought this was new money that was going to go to these efforts, and I think it is particularly exasperating to see that coupled with the cuts in the money that would go to the States and localities for doing the cooperative programs.

We are continuing the kind of budgetary shell game in my view that has made business as usual in the forestry area so frustrating to communities across this country. I just want it understood, Mr. Chairman and colleagues, that I am going to do everything I can to try to get back to the kind of bipartisan focus that we had when we passed this historic legislation and that unfortunately this budget moves away from.

I thank you for the extra time.

Senator THOMAS. Thank you very much.

Senator Akaka.

**STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR
FROM HAWAII**

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

I want to add my welcome to the witnesses. Mr. Secretary, good to have you back in this room.

Mr. REY. Thank you.

Senator AKAKA. Chief, good to have you here.

Mr. Chairman, I have a statement that I would like to submit for the record.

Senator THOMAS. We will include it in the record.

[The prepared statement of Senator Akaka follows:]

PREPARED STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Mr. Chairman, I appreciate your holding this hearing today. I would like to add my welcome to the witnesses. It is a pleasure to see you both again.

In addition to managing approximately 192 million acres of national forests and grasslands across the country, the Forest Service provides research, technical assistance, and cooperative programs with landowners to restore and maintain private forests. The Forest Service's contributions are very important for us in Hawaii. The State of Hawaii has forests that range from tropical rainforests to arid scrub, covering 41 percent of the State's total land area.

We greatly appreciate the Forest Service's work on invasive species, tropical forestry, and the Forest Legacy Program, which have been beneficial in maintaining and restoring Hawaii's native forest lands. The State has an outstanding state forestry program and recently completed the Hawaii Tropical Forest Recovery Action Plan and designated last year, 2003, as the "Year of the Hawaiian Forest."

I realize that hard choices have to be made about programs and priorities. The Administration's budget request reflects priorities of tax cuts and the war against terrorism, which force difficult choices by discretionary spending agencies such as the Forest Service. I note that after inflation is taken into account, your budget request is down slightly from the FY 2004 enacted level.

There are some bright spots in the budget request that I would like to mention. In State and Private Forestry, I am pleased to see the increase in the Forest Legacy program this year, but disheartened to see offsetting decreases in programs like Urban and Community Forestry and State Fire Assistance. I am pleased to see a funding increase for the Institute of Pacific Island Forestry for research on invasive weeds and ecosystem restoration.

Overall, it is good to see that you are increasing your spending to understand and control invasive species. There is a \$10 million increase in the Forest and Rangeland Research line item for rapid response to new introductions of invasive pests or pathogens. I have some specific questions about this when we get to the questions.

Thank you again, Mr. Chairman. I will ask my questions when we get to the appropriate point in the hearing.

Senator AKAKA. I have some questions on invasive species and healthy forests.

Senator THOMAS. Very well. Go right ahead, sir.

Senator AKAKA. May I proceed with my questions?

Senator THOMAS. Certainly.

Senator AKAKA. My questions are for either you, Mr. Secretary, or the Chief. I am glad to see a commendable increase of \$7.3 million in funding for invasive species control methods in Forest and Rangeland Research. This is an ongoing battle for many States, especially mine, and an important issue for the overall health of our forests and communities.

The appropriation for Forest and Rangeland Research indicates that the invasive species programs will expand research on controls for newly arrived insects and pathogens. The budget document also indicates that new biological controls for established invasive weeds will increase, along with methods to restore the sites once the invasive species is controlled.

As you know, the State of Hawaii is plagued by invasive weeds such as miconia and fountain grass. These and other invasives have been changing the hydrology of tropical forests by depleting the groundwater supply, preventing native plant growth, and leading to erosion. The erosion increases sedimentation in surface waters and smothers coral reefs.

My question is, with regard to Hawaii it is unclear as to what level of funding my State can look forward to for control of invasive weeds and insects. The Institute of Pacific Islands Forestry will have an increase, but is this the only invasives effort by the Forest Service that will affect Hawaii's forests? To what specific pests, species, or pathogens will the funding be dedicated and how will the research help with Hawaii's invasive problems? Mr. Secretary?

Mr. REY. Senator, the support provided to the Institute of Pacific Island Forestry is probably the largest source of support, primarily on research related to invasives, that will come out of the Forest Service budget. But as you know, there are no national forest lands in Hawaii. Most of the land is non-federal ownership. The program that does the most in dealing with invasives in Hawaii is the environmental quality incentive program administered by the Natural Resources Conservation Service, which is the other agency I oversee.

In fiscal year 2003, for instance, we sent a little over \$2.1 million of environmental quality incentive program money to Hawaii for work on private lands. I am told that much of that was used to deal with invasives, the spread of invasives on private land, since that is a significant problem in Hawaii.

Overall in that program account, I think the Natural Resources Conservation Service spent somewhere in the neighborhood of \$20 million in fiscal year 2003. I can give you overall budget numbers for that account for 2004 and 2005. I cannot today tell you how it is broken among States and within Hawaii how much of what Hawaii's allocation is going to invasives as opposed to some other private land problem. But I can get with you as those numbers are developed and get them to you.

Senator AKAKA. Would you want to make any comment, Chief? Otherwise, fine.

Mr. BOSWORTH. Just to add to that one thing. The President's proposal, budget proposal, has \$2 million for the emergency pest and pathogen program and of course that covers the whole country. But the critical thing there is that as we have new species pop up

we need to be able to respond to those quickly, both with research as well as with control measures.

The number one thing we can do with invasives, the most important thing, is prevention of new outbreaks, stopping them quickly. The emerging pest and pathogen program would help a lot with that.

Senator AKAKA. Well, I want to commend the Forest Service for its participation in the interagency budget crosscut on invasive species and its work with the National Invasive Species Council. However, I am disheartened to note that the overall funding for invasive species-related projects has decreased since fiscal year 2003 from \$88.3 million to the present budget request of \$67.9 million.

I am interested in one change in particular. I see that a \$10 million request has been added to the Emerging Pest and Pathogens Fund in State and Private Forestry. The budget request mentions several non-native species or pathogens that would be addressed by this funding, such as emerald ash borer and sudden oak death; but none of these are of immediate concern in Hawaii.

I understand that you have touched on this earlier, but I would like to know the rationale behind these choices. Were there specific States in mind when this request was being calculated? Does this mean less funding to combat other varieties of invasive species?

Mr. BOSWORTH. That list that is in there, we are not limited to that list. That is just a list of some of those that we are having particular difficulty with right now that we are getting new outbreaks that we are aware of. The situation is that we could easily get a new outbreak of some pest or pathogen that we never heard of or have never seen before, and that is part of the purpose of the emerging pest and pathogen program, would be to then all of a sudden switch some dollars to that and get after it very quickly.

The list that was shown was the list of some that we do not about, that we are having problems with right now. But we are not limited to that.

Senator AKAKA. Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

Senator Bingaman.

Senator BINGAMAN. Thank you.

Let me just ask about a couple of other issues. Mr. Rey, you were referring on this issue of how do we get away from these transfers of funds from one account to another to fight fires, and you had one idea that I think you put forward that you might be supportive of would be establishing a government-wide contingency fund.

As you undoubtedly know, I offered an amendment last year to the healthy forests bill where I was suggesting that we provide authority to the Forest Service to go to Treasury and borrow money as it is needed. The administration opposed that. Most members of the Senate opposed that. It was something which was not in the budget. Nobody thought that it was a good idea.

How would your government-wide contingency fund work and is this something you would actually put money into when the budget comes up to us next year?

Mr. REY. Probably the best thing for me to do, since my memory is less acute than it was years ago, is to get you the administra-

tion's proposal from fiscal year 2004's budget request. But as I recall how the account would work—and I will ask our Budget Director to spell me here if I get it wrong—is that what we requested in our budget request was the establishment of a government-wide contingency account that would be available not only to the Forest Service but FEMA and other agencies who typically utilize emergency authorities and spend money to deal with emergency situations, and that some amount of money for that purpose would be added into the budget resolution as a contingency and then carried forward in the budget resolution so that it would be available for the appropriations committees to thereafter draw from in addressing these emergencies.

Is that about how it works?

Mr. KASHDAN. That is essentially correct, Senator.

Senator BINGAMAN. That was in the 2004 budget that you sent up and not in this year's budget?

Mr. KASHDAN. It was in the 2003 and the 2004 budget. It is not contained in this budget.

Senator BINGAMAN. How much money were you asking to go into that account?

Mr. KASHDAN. My recollection is at least \$4 billion in 2003. I do not recall what the amount was for 2004. But again, that was a government-wide amount.

Senator BINGAMAN. But you would still support that kind of a proposal? If we were to put it together and offer it, we could get administration support for it?

Mr. REY. I have not had any indication that there has been any change in that view. I think we figured that there was no point in taking the third strike inasmuch as it had been offered twice and not generally well received.

Senator BINGAMAN. Well, I may follow up with you on that, because I do think the fact that this is not on the front page of the morning newspaper does not mean it is not going to come back to bite us as we get into the fire season, and I would like to see us try to get ahead of it.

The one other issue I wanted to ask about is this bark beetle kill that we have seen all through the west; at least in my part of the country, in the Southwest, particularly in northern New Mexico. In my lifetime and I think since we have been keeping records, the number of trees, the percentage of the pinon trees, that have died, and many of the pines as well, is unprecedented.

Is there any plan by the Forest Service to deal with that problem at this stage? Is it too soon to know the extent of the problem, or is it just subsumed under a more general category of these areas we need to rehabilitate? What is the situation there?

Mr. REY. Given the magnitude of these epidemics at this point, we obviously do not look at this as an emerging pest problem. We are well beyond looking at this as something we can eradicate. So we are looking at these pandemics as part and parcel of the areas that we have to treat to reduce fire risk, and we will likely not treat all 100 percent of the areas that are infested in any location where we are currently suffering infestations. Rather, we will look at strategic treatments to create defensible barriers to the spread of fire and the further spread of the insects where that is possible.

So we look at it as a component of the healthy forest challenge that we face, but at least in areas where we have already reached pandemic or epidemic proportions not something that we are going to be able to eradicate, given the size of the epidemic.

Now, there still are parts of the country where we are dealing with initial infestations and there our strategy is different, to get in, get it cut down quickly, and catch it before it spreads, both for pine beetle as well as for other pathogens.

Senator BINGAMAN. My time has expired there, but I may follow up with you and urge that we try to do some strategic planning with regard to this, because to my mind this is not just sort of an add-on to another plan that we already have in place. This is a 900-pound gorilla if there ever was one, as far as the ability to manage the forests in the part of the country that I am from.

Mr. REY. I do not mean to suggest it is an add-on. It is an element of a larger problem, and there is a unique aspect to this in that we are not just trying to create defensible spaces to stop the spread of the catastrophic fire; we are also looking at what our opportunities are to slow or stop the spread of the epidemic.

Senator BINGAMAN. Thank you, Mr. Chairman.

Senator THOMAS. A couple of just quick ones. In the spring of 1993, Chief, I think you predicted there would be seven forest plans by the end of 2003, 17 by the end of 2004. It seems like there has only been 17 completed since 1993. How many plans do you plan to get continued? That seems to be one of the things that goes on forever in the States, are these forest plans.

Mr. BOSWORTH. I can get you the number, the listing of completed plans as well as what our schedule for out years is. One of the reasons that we are proposing to revise the forest planning rule, the NFMA rule, is so that we can get forest plans done in a reasonable period of time. Under our existing processes, it has been taking 8, 9, 10 years to complete a 15-year forest plan, which just does not make any sense.

So my belief is that we have to have processes where we can get a forest plan done in a couple of years, get it revised. If we are going to engage the community and the public in developing these plans, you have to have a process that will do it in a reasonable period of time or we will lose people.

I would be happy to submit a full schedule of what has been completed and what we plan on doing in each fiscal year from now on out.

Senator THOMAS. Have you made progress in doing it more quickly or not?

Mr. BOSWORTH. Yes. Actually, we have not completed our new planning rule yet, but even under our old planning rule we are getting the focus on reducing the length of time and I think we are picking it up a little bit. But we need to make significant improvements over what we are right now.

Senator THOMAS. Mr. Secretary, you recommended \$35 million in the forest legacy program. Which is more important to you, dealing with the health disaster or acquiring additional lands and conservation easements? Could 35 bucks maybe, \$35 million, be better used?

Mr. REY. I am not sure it is an either/or proposition in the case of acquiring easements at least. One of the things that is complicating a lot of our land management and firefighting efforts is the fragmentation of landscapes and the subdivision of privately owned forest and ranch lands and the growth of the wildland-urban interface. To the extent that our forest legacy program is slowing the growth of the wildland-urban interface by providing an incentive for people not to subdivide their land, whether it is forest land as far as the forest legacy program is concerned or ranch land as far as the Natural Resources Conservation Service grassland reserve or farm and forest land protection program is concerned, whichever program is involved, if it is slowing the growth of the wildland-urban interface it is assisting our firefighting effort and assisting our ability to restore forest health.

So I am not sure it is an either/or proposition, at least insofar as easement acquisition is concerned. Now, some will make the case that as far as actual fee title acquisition is concerned, which is more expensive, that that really should be a lower priority than devoting the effort to deal with the health of existing Federally owned lands. I think our budget reflects that. Our land acquisition account is significantly lower than it has been in past years and most of the acquisitions that are called for in the priority list are acquisitions that involve places where the Federal Government or the Congress committed to buy out people as new areas were designated, like the Columbia Gorge National Scenic Area. When that legislation passed, the Congress made a commitment to retire from willing sellers their land within the Columbia Gorge Scenic Area because many of those owners wanted the opportunity to take that money and go buy land someplace else that they could manage more intensively.

So that is what our land acquisition is prioritized to do right now.

Senator THOMAS. Well, that is good. I hope as you look at that that you use trades and these kinds of things rather than—so that you do not have a net gain of land ownership. It seems like there is plenty of—

Mr. REY. We are not interested in a net gain, and there is a proposal in our legislative proposals to allow us to begin to convey through sales excess assets, not so much land as administrative sites. And we would be very eager to talk with you about seeing that come to fruition.

Senator THOMAS. Some of these isolated tracts and so on could be traded.

Senator Akaka, we are about to wind up here, I think.

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

I want to return to the Healthy Forests Restoration Act of 2003. Title V of that act authorizes up to \$25 million for the Healthy Forests Reserves Program. This program would help landowners restore forested habitats for rare and endangered species through cost-sharing agreements and conservation easements.

The State of Hawaii has completed the Hawaii Tropical Forest Recovery Action Plan, and we have just completed an extensive series of critical habitat designations. Hawaii can easily benefit from this program. I do not find a request for title V in the budget docu-

ment. Can you provide any details on the status of title V and your plans for a request next year?

Mr. REY. Title V is a title that requires at a minimum guidance to our field and we are thinking now perhaps regulations before we can implement it. So in the interest of not creating expectations that we could not fulfill, we did not line item anything for title V.

Now, that having been said, some of the projects that we would normally fund either under our forest legacy program—or I should say, some of the projects that we could fund under our forest legacy program and under our forest stewardship accounts, as well as the farm and ranch land protection program, the grassland reserve program, the wetlands reserve program, under the Natural Resources Conservation Service accounts, could be used to serve two purposes and fund projects that qualify under the Healthy Forests Reserve.

But at least right now, we would like to get, if not regulations, at least guidance out to our field so people know how they should approach this in an organized fashion before we create an expectation by putting however an amount of money, a line item in the 2005 account. So you will see more of this from us in 2006.

Senator AKAKA. Well, I would like to continue to work with you on this program because it could help, and we look forward to the future of the program.

Thank you very much, Mr. Chairman. I have a question that I will put in for the record.

Senator THOMAS. All right, that will be fine.

Thank you, gentlemen. We will leave the record open for 24 hours. If people have further questions, we will get them to you. We appreciate your work. All of us are very interested in the resource of the national forests and we want to continue to work with you to make those things work as best we can. So thank you.

The committee is adjourned.

[Whereupon, at 11:22 a.m., the hearing was adjourned.]

APPENDIX
RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR DOMENICI
VALLES CALDERA

Question 1. I note in your proposed budget that you have recommended a \$2.1 million dollar reduction for the Valles Caldera National Preserve. I know you understand the need to provide sufficient funding for this important project. I think you understand that the failure to provide sufficient start up and transitional funding now, will doom any effort to have the Preserve ready to take over its full financial responsibility when scheduled. Can you tell me why you've made the recommendation that you've made?

Answer. The decrease for the Valles Caldera is a result of the agency's challenge, and specifically in the Southwestern Region, to balance all the competing priorities and needs the agency faces. To increase the FY 2005 President's Budget request for the Valles Caldera would result in impacts to the other national forests. Below is a table showing the funding history for the Valles Caldera.

VALLES CALDERA FUNDING HISTORY

Fiscal year	President's budget	Enacted
2001	\$0	\$988,000
2002	\$1,011,000	\$2,800,000
2003	\$1,035,000	\$3,130,000
2004	\$984,000	\$3,111,000

GRAZING

Question 2. Over the last several years you have been forced to limit the number of cattle that you let ranches put out on their allotments in New Mexico due to continued drought. Two years ago the process used by most of the Forests in New Mexico to inform the ranchers was unacceptable. Last year did improve some.

What have you done this year to work with the ranchers to relate your expectations for this upcoming grazing season?

Answer. Region 3 forest managers have been working with permittees throughout the winter to describe conditions of forage on Forest Service allotments. This is part of the Regional Forester's "no surprises" policy for National Forests' managers to communicate as early and as openly as possible with permittees regarding 2004 use. Also, forest managers have been instructed to consider creative and flexible ways to address use and reduced numbers due to permittee requests such as requests for changed seasons, changed use patterns, flexible utilization limits, and charging non-use to resource protection. By far the vast majority of permittees in the Region have been very cooperative and understanding of the situation with drought and forage use.

Question 3. What steps have you taken to improve your folks communications with the ranchers?

Answer. In addition to our answer to question 2, the Regional Forester has emphasized range management as a top priority for the Southwestern Region. The Regional Forester and Forest Supervisors are working closely with county commissioners, Congressional delegations and permittees to resolve issues without resorting to confrontation. In addition, the Region and Forests are focusing on coming together with permittees and other affected interests at the local and State levels, listening respectfully to their needs, and assisting with development of solutions at the

local level. Open houses have been held throughout the winter with permittees, individuals and groups and will continue into the spring as the 2004 grazing season begins.

Question 4. I know that there has been controversy about range monitoring related to allowing the Universities in New Mexico to help provide data. I don't understand why the Forest Service is willing to accept monitoring from non-governmental organizations (for instance on stewardship projects) but somehow your folks in Region Three can't find a way to work this out with the Universities in New Mexico.

I am growing seriously concerned with the Forest Service's grazing operations in my State. You need to quickly make an assessment and develop a plan that will resolve these issues.

I would like an action plan to be developed and delivered to me within three weeks on specific steps you are taking, or will be taking to improve communications with the grazing community in Arizona and New Mexico.

Answer. The Forest Service is striving to improve communication with the grazing communities in Arizona and New Mexico. We are certainly willing to provide your staff with a briefing on the actions being taken to improve communication about management of the rangeland resources in the region.

Question 5. The FY 2005 budget includes a \$2.5 million reduction for range management (that's a 5% reduction). This past year we spent a considerable amount of time discussing the trouble the Forest Service was having getting NEPA done for renewal of grazing permits. At the time, the Forest Service was having great difficulty telling us how many permits they still had to complete.

Can you tell me today how many grazing permit renewals still need to be done?

Answer. None, all grazing permit renewals are current for this fiscal year. Section 325 of the FY 2004 Interior Appropriations Act provides relief until the end of 2008 for renewal of permits without completion of NEPA analysis.

There is a problem with completing NEPA on allotments. At the end of FY 2003, 5,002 allotments were scheduled to be completed out of the original 6,886 allotments on the 1996 Rescissions Act schedule. Only 2,296 allotments have been completed. A total of 4,590 allotments still need NEPA on the 1996 Rescissions Act Schedule.

Grazing permits are "reworked" (see question 8) when new terms and conditions are incorporated into a grazing permit in order to bring it into conformance with changes in law, regulation, or policy. Some of these changes require decisions that are supported by a NEPA analysis and some do not. When NEPA analysis is required, it is conducted on the allotment and not the permit since the allotment defines the area on the ground where environmental effects from grazing actually occur. The schedule developed to implement the 1995 Rescissions Act tracks allotments, not permits. Changes to the permit cannot be identified until the NEPA analysis is completed on the allotment.

The FY 2005 Budget calls for the Forest Service to adopt methods for prioritization through the development and use of qualitative tools that assess rangeland health and sustainability through the use of indicators that are linked to existing monitoring data. The Forest Service will consult with the Department of the Interior to develop and utilize an integrated and consistent framework and process for using monitoring and assessment information that leads to reduced allotment monitoring backlogs.

Question 6. How many you expect to complete this year?

Answer. Under the authority of Section 325 we intend to issue new permits for all permits that expire or are waived this year. The FY 2004 target to complete NEPA analysis on allotments is 368.

Question 7. When do you expect to clear the backlog?

There is no backlog of permits. There is a problem with completing NEPA on allotments. At the end of FY 2003, 5,002 allotments were scheduled to be completed out of the original 6,886 allotments on the 1996 Rescissions Act schedule. Only 2,296 allotments have been completed. A total of 4,590 allotments still need NEPA on the 1996 Rescissions Act Schedule.

The agency recognizes the need to emphasize long-term condition and trend effectiveness monitoring and the need to de-emphasize annual implementation monitoring. Both kinds of monitoring require quantitative measurements to standup to appeals and litigation. Qualitative monitoring has a place but is limited in scope. The agency already uses Proper Functioning Condition (PFC), developed by the Bureau of Land Management, to assess the functionality of riparian systems. PFC is both a qualitative assessment and qualitative monitoring tool. Science based methods that go beyond the use of PFC require quantitative monitoring. Rapid assessment qualitative measures of upland rangelands have not been repeatable, have too much variation, and therefore are not defensible in appeals and litigation. Quantitative allotment level monitoring is developed on an individual project basis as

part of the allotment planning process. Adaptive management should be built into the proposed action to allow for maximum flexibility in management. Chapter 90 of the Range Permit Administration Handbook (FSH 2209.13) includes efficiencies on how to limit inventory needs, combine multiple allotments for inventory and analysis, develop a focused purpose and need statement, develop a focused proposed action, limit the number of alternatives analyzed in detail, and include adaptive management and monitoring into the proposed action.

Question 8. Would you provide us a table for each forest and grassland that shows the number of grazing permits that currently need to be reworked and how many existing permits will come up for renew[al] for each of the next 10 years?

Answer. Until the end of FY 2008, new grazing permits will be issued when the previous permits expire in accordance with Section 325. The attached table shows the current status of completion of allotment NEPA and the grazing permits associated with those allotments:

Region	Rescission allotments			Rescission allotments still needing NEPA	Permits tied to allotments still needing NEPA
	Allotments on 1996 schedule	Allotments NEPA accomplished 27 Feb 04	Total percent of schedule completed		
Northern—Region 1	1295	289	22%	1006	857
Beaverhead-Deerlodge				125	97
Bitterroot				53	27
Idaho Panhandle				30	18
Clearwater				32	30
Custer				162	150
Flathead				77	70
Gallatin				106	98
Helena				227	157
Kootenai				27	10
Lewis and Clark				227	150
Lolo				29	15
Nez Perce				35	35
Rocky Mountain—Region 2	1664	714	43%	950	668
Bighorn				27	18
Black Hills				155	100
GMUG				47	40
Medicine Bow-Routt				127	100
Rio Grande				97	60
Arapaho and Roosevelt				69	57
Pike and San Isabel				125	112
San Juan				225	115
Shoshone				70	62
White River				8	4
Southwestern—Region 3 ..	1093	652	60%	441	393
Apache-Sitgreaves				97	87
Carson				64	55
Cibola				72	70
Coconino				12	9
Coronado				7	7
Gila				14	12
Kaibab				8	7
Lincoln				12	10
Prescott				5	4
Santa Fe				127	111
Tonto				23	21
Intermountain—Region 4 ..	1209	302	25%	907	791
Ashley				69	67
Boise				28	23
Bridger-Teton				37	34
Dixie				11	9
Fishlake				39	38

Region	Rescission allotments			Rescission allotments still needing NEPA	Permits tied to allotments still needing NEPA
	Allotments on 1996 schedule	Allotments NEPA accomplished 27 Feb 04	Total percent of schedule completed		
Manti-LaSal				57	47
Payette				97	85
Salmon-Challis				117	100
Sawtooth				110	97
Caribou-Targhee				187	167
Humboldt-Toiyabe				112	97
Uinta				17	12
Wasatch-Cache				26	15
Pacific Southwest—Region 5	722	134	19%	588	386
Eldorado				37	22
Inyo				20	5
Klamath				0	0
Lassen	112	90			
Los Padres				0	0
Mendocino				52	27
Modoc				54	41
Six Rivers				0	0
Plumas				7	5
Sequoia				6	2
Shasta-Trinity				0	0
Sierra				77	62
Stanislaus				165	92
Tahoe				58	40
Pacific Northwest—Region 6	661	94	14%	567	358
Deschutes				24	15
Fremont				112	97
Gifford Pinchot				0	0
Malheur				0	0
Mt. Hood				0	0
Ochoco				25	17
Rogue River				27	11
Umatilla				7	5
Umpqua				2	1
Wallowa-Whitman				245	100
Colville				125	112
Southern—Region 8	144	97	67%	47	16
Kisatchie				11	5
National Forests in Mississippi				5	2
George Washington and Jefferson				25	6
Ouachita				2	1
Ozark-St. Francis				4	2
Eastern—Region 9	98	14	14%	84	46
Mark Twain				57	27
Green Mountain				27	19
Totals	6886	2296	33%	4590	3515

The attached table shows when current term grazing permits expire over the ten-year period 2004 to 2013.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Northern—Region 1										
Beaverhead-Deerlodge	9	1	0	0	0	0	3	14	38	0
Bitterroot	1	0	0	0	0	0	0	0	0	0
Idaho Panhandle	1	0	0	0	0	0	0	0	0	0
Clearwater	0	0	0	0	0	0	0	1	2	0
Custer	0	0	0	0	0	0	0	11	31	0
Flathead	0	0	0	0	0	0	0	0	0	0
Gallatin	18	0	0	0	0	0	0	7	14	0
Helena	3	0	0	0	1	0	0	2	13	0
Kootenai	3	0	0	1	0	0	0	0	2	2
Lewis and Clark	2	0	0	0	0	0	0	10	15	0
Lolo	1	0	0	0	0	0	0	0	1	0
Nez Perce	2	0	0	2	0	0	0	0	10	0
Total	40	1	0	3	1	0	3	45	126	2
Rocky Mountain—Region 2										
Bighorn	2	0	0	0	1	0	0	9	10	0
Black Hills	3	0	2	0	0	0	0	19	39	0
GMUG	16	0	3	0	1	0	0	16	18	0
Medicine Bow-Routt	3	0	0	0	0	0	1	1	18	12
Rio Grande	0	0	0	0	0	0	1	1	18	12
Arapaho and Roosevelt	4	0	0	1	0	0	0	0	2	0
Pike and San Isabel	0	0	0	0	0	0	0	0	2	32
San Juan	3	0	0	0	0	0	1	2	13	0
Shoshone	8	0	0	0	0	0	0	4	4	1
White River	12	0	0	0	0	0	0	1	12	1
Total	178	0	5	1	2	0	3	53	136	58
Southwestern—Region 3										
Apache-Sitgreaves	2	98	2	6	8	25	9	16	97	4
Carson	19	36	22	19	26	24	28	19	29	12
Cibola	15	33	28	5	29	25	22	3	1	0
Coconino	1	14	11	4	2	3	5	5	1	1
Coronado	18	46	28	14	27	13	30	20	34	19
Gila	23	21	6	6	10	7	31	13	21	14
Kaibab	4	11	3	1	6	1	1	1	17	3
Lincoln	27	8	16	9	11	6	21	19	14	18
Prescott	4	14	8	6	3	5	8	10	0	4
Santa Fe	8	22	16	17	18	16	61	51	62	15
Tonto	7	18	7	27	7	13	9	7	7	0
Total	128	321	147	114	147	138	225	164	283	90
Intermountain—Region 4										
Ashley	0	6	1	2	4	0	2	6	17	1
Boise	1	0	0	0	0	0	0	1	0	0
Bridger-Teton	9	0	0	0	0	0	2	3	24	0
Dixie	1	0	0	0	0	0	0	5	14	0
Fishlake	0	0	0	0	0	0	0	1	33	0
Manti-LaSal	3	1	1	0	0	0	0	41	53	0
Payette	2	0	0	3	0	0	0	16	6	0
Salmon-Challis	0	0	0	0	1	1	0	3	42	0
Sawtooth	0	0	0	0	0	0	0	0	17	0
Caribou-Targhee	0	0	0	0	0	0	0	0	25	0
Humboldt-Toiyabe	0	0	0	0	0	0	0	0	17	0
Uinta	0	0	0	0	0	0	0	7	39	0
Wasatch-Cache	1	0	0	0	0	0	13	0	5	0
Total	17	7	2	5	5	1	17	83	292	1
Pacific Southwest—Region 5										
Eldorado	0	0	0	0	0	0	0	0	2	0
Inyo	0	0	0	0	0	0	0	1	5	0
Klamath	6	0	0	0	0	0	0	2	4	1
Lassen	2	0	0	0	0	0	0	1	3	6
Los Padres	1	0	0	3	0	0	0	0	6	4
Mendocino	0	0	0	0	0	2	0	0	1	0
Modoc	2	2	0	0	6	0	6	3	66	2
Six Rivers	2	0	1	0	0	0	0	2	3	0

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Plumas	0	0	0	0	0	0	0	1	6	0
Sequoia	1	0	0	0	0	0	0	10	9	0
Shasta-Trinity	0	0	0	0	0	1	0	0	0	0
Sierra	0	0	0	0	0	0	0	0	3	4
Stanislaus	1	0	0	0	0	0	0	0	4	0
Tahoe	2	0	0	0	0	0	0	1	4	4
Total	17	2	1	3	6	3	6	21	116	21
Pacific Northwest—Region 6										
Deschutes	1	0	0	0	0	0	0	0	1	0
Fremont	1	0	0	0	0	0	0	2	10	0
Gifford Pinchot	0	0	0	0	0	0	0	0	1	0
Malheur	6	0	0	0	0	0	0	3	15	0
Mt. Hood	0	0	0	0	0	0	0	0	2	0
Ochoco	0	0	0	0	0	0	2	6	4	0
Rogue River	4	0	0	0	0	0	0	0	11	0
Umatilla	1	0	0	0	0	0	0	2	4	0
Umpqua	0	0	0	0	0	2	3	3	14	0
Wallowa-Whitman	2	0	1	0	0	0	0	2	12	0
Colville	1	0	0	0	0	0	0	3	48	0
Total	16	0	1	0	0	2	5	21	122	0
Southern—Region 8										
Ouachita	2	0	0	0	0	0	0	4	6	0
Total	2	0	0	0	0	0	0	4	6	0
Eastern—Region 9										
Huron Manistee	1	0	0	0	0	0	0	2	1	0
Mark Twain	2	0	0	0	0	0	1	4	0	0
Monongahela	2	0	0	0	0	0	1	1	0	1
Total	5	0	0	0	0	0	2	7	1	1

Question 9. Please also display the projected work assignments by forest related to the number of permits that will need to be renewed each year to complete the backlog in 8 years?

Answer. Please refer to attached table, which represents an 8-year projection of the workload remaining by Forest to complete NEPA on those allotments remaining on the schedule.

Region/forest	Allotments NEPA to be accomp. 2004	NEPA to be accomplished								Rescision allotments still needing NEPA
		2005	2006	2007	2008	2009	2010	2011		
Northern—Region 1										
Beaverhead-Deerlodge	100	5	10	0	10	0	0	0	0	1006
Bitterroot	3	10	20	5	5	5	5	0	0	125
Idaho Panhandle	0	10	10	10	0	0	0	0	0	53
Clearwater	2	5	5	5	5	5	5	0	0	30
Custer	50	10	2	50	25	25	0	0	0	32
Flathead	25	10	17	5	10	10	0	0	0	162
Gallatin	50	25	25	5	1	0	0	0	0	77
Helena	77	50	100	25	25	0	0	0	0	106
Kootenai	7	5	5	5	5	0	0	0	0	227
Lewis & Clark	79	28	59	50	12	0	0	0	0	27
Lolo	0	9	10	10	0	0	0	0	0	227
Nez Perce	15	10	5	5	0	0	0	0	0	29
Nez Perce	15	10	5	5	0	0	0	0	0	35
Rocky Mountain—Region 2										
Bighorn	7	5	5	5	5	0	0	0	0	950
Black Hills	55	50	25	25	0	0	0	0	0	27
GMUG	17	10	10	5	5	0	0	0	0	155
Medicine Bow-Routt	57	50	20	5	0	0	0	0	0	47
Rio Grande	7	10	25	25	10	10	10	0	0	127
Arapaho-Roosevelt	29	25	10	4	1	0	0	0	0	97
Arapaho-Roosevelt	29	25	10	4	1	0	0	0	0	69

Region/forest	Allotments NEPA to be accomp. 2004	NEPA to be accomplished							Rescision allotments still needing NEPA
		2005	2006	2007	2008	2009	2010	2011	
Pike-San Isabel	25	25	25	25	25	0	0	0	125
San Juan	50	50	50	50	25	0	0	0	225
Shoshone	25	25	10	10	0	0	0	0	70
White River	4	4	0	0	0	0	0	0	8
Southwestern—Region 3									441
Apache-Sitgreaves	50	25	10	10	2	0	0	0	97
Carson	25	25	10	4	0	0	0	0	64
Cibola	25	25	10	10	2	0	0	0	72
Coconino	5	5	2	0	0	0	0	0	12
Coronado	5	0	2	0	0	0	0	0	7
Gila	7	0	7	0	0	0	0	0	14
Kaibab	4	0	2	2	0	0	0	0	8
Lincoln	7	3	2	0	0	0	0	0	12
Prescott	3	0	2	0	0	0	0	0	5
Santa Fe	117	0	5	5	0	0	0	0	127
Tonto	13	0	5	5	0	0	0	0	23
Intermountain—Region 4									907
Ashley	16	3	10	15	15	5	5	0	69
Boise	12	5	3	0	0	0	0	0	28
Bridger-Teton	17	5	5	5	0	0	0	0	37
Dixie	6	3	2	0	0	0	0	0	11
Fishlake	15	15	9	0	0	0	0	0	39
Manti-LaSal	25	17	5	5	5	0	0	0	57
Payette	25	25	17	10	5	5	10	0	97
Salmon-Challis	27	25	37	10	11	7	0	0	117
Sawtooth	72	31	2	5	0	0	0	0	110
Caribou-Targhee	57	30	25	25	25	25	0	0	187
Humboldt-Toiyabe	12	25	25	25	25	0	0	0	112
Uinta	7	5	5	0	0	0	0	0	17
Wasatch-Cache	6	5	5	5	5	0	0	0	26
Pacific Southwest—Region 5									588
Eldorado	7	15	5	5	5	0	0	0	37
Inyo	10	5	0	5	0	0	0	0	20
Klamath	0	0	0	0	0	0	0	0	0
Lassen	22	10	55	5	5	5	10	0	112
Los Padres	0	0	0	0	0	0	0	0	0
Mendocino	12	10	10	10	10	0	0	0	52
Modoc	10	7	7	10	10	10	0	0	54
Six Rivers	0	0	0	0	0	0	0	0	0
Plumas	2	0	5	0	0	0	0	0	7
Sequoia	4	0	0	2	0	0	0	0	6
Shasta-Trinity	0	0	0	0	0	0	0	0	0
Sierra	27	25	10	10	5	0	0	0	77
Stanislaus	55	25	25	25	25	10	0	0	165
Tahoe	28	15	15	0	0	0	0	0	58
Pacific Northwest—Region 6									567
Deschutes	14	0	10	0	0	0	0	0	24
Fremont	25	25	25	25	10	2	0	0	112
Gifford Pinchot	0	0	0	0	0	0	0	0	0
Malheur	0	0	0	0	0	0	0	0	0
Mt. Hood	0	0	0	0	0	0	0	0	0
Ochoco	5	10	0	10	0	0	0	0	25
Rogue River	7	0	5	5	5	0	5	0	27
Umatilla	2	0	1	0	2	0	0	0	7
Umpqua	1	0	0	0	1	0	0	0	2
Wallowa-Whitman	124	27	81	0	10	3	0	0	245
Colville	25	25	25	25	0	25	0	0	125
Southern—Region 8									47
Kisatchie	1	0	5	0	5	0	0	0	11
NF Mississippi	2	0	1	0	1	1	0	0	5

Region/forest	Allotments NEPA to be accomp. 2004	NEPA to be accomplished							Rescission allotments still needing NEPA
		2005	2006	2007	2008	2009	2010	2011	
GW-Jefferson	5	5	5	5	0	5	0	0	25
Ouachita	1	0	0	1	0	0	0	0	2
Ozark St.-Francis	3	0	0	0	1	0	0	0	4
Eastern—Region 9									84
Mark Twain	7	25	0	25	0	0	0	0	57
Green Mountain	7	5	5	5	0	5	0	0	27
Total All Regions									4,590

Question 10. On a separate table please display by forest and grassland the amount of funding for each of the last five years expended on grazing permit renewal and the number of permits that were successfully completed on each forest and grassland.

Answer. The Forest Service does not track expenditures to the level of detail requested. However, we have provided a table that shows the number of permits issued by Forest, by Region, for each of the last 5 years, 1999, 2000, 2001, 2002, 2003, and the number of allotments for which NEPA was completed on for each of the last 5 years.

Permits issued within the last 5 years	1999	2000	2001	2002	2003
Northern—Region 1					
Beaverhead-Deerlodge	25	10	2	5	2
Bitterroot	10	1	0	0	0
Idaho Panhandle	5	0	2	0	0
Clearwater	1	0	0	1	0
Custer	5	0	5	0	0
Flathead	2	5	0	2	0
Gallatin	15	2	5	0	0
Helena	2	3	2	0	0
Kootenai	2	1	0	2	0
Lewis and Clark	10	5	0	0	0
Lolo	5	0	5	0	0
Nez Perce	10	5	5	0	0
Total	91	32	31	11	2
Rocky Mountain—Region 2.					
Bighorn	15	5	5	10	0
Black Hills	5	10	0	0	0
Grand Mesa, Uncompahgre, and Gunnison	12	0	5	2	14
Medicine Bow-Routt	10	15	10	8	1
Rio Grande	5	5	0	0	0
Arapaho and Roosevelt	5	0	0	10	0
Pike and San Isabel	12	6	0	30	0
San Juan	5	0	5	0	0
Shoshone	15	0	10	0	0
White River	2	0	0	0	27
Total	86	41	35	60	42
Southwestern—Region 3					
Apache-Sitgreaves	30	5	18	3	2
Carson	5	0	2	5	0
Cibola	26	5	17	25	5
Coconino	10	12	5	10	12
Coronado	15	2	5	5	25
Gila	30	0	0	10	15
Kaibab	10	0	5	2	0
Lincoln	13	3	0	10	12
Prescott	2	10	5	0	0

Permits issued within the last 5 years	1999	2000	2001	2002	2003
Santa Fe	5	13	1	7	12
Tonto	5	2	5	0	0
Total	151	52	63	77	83
Intermountain—Region 4					
Ashley	2	6	2	0	5
Boise	2	0	8	5	0
Bridger-Teton	0	6	2	0	0
Dixie	10	0	5	0	0
Fishlake	2	21	0	5	0
Manti-LaSal	5	0	2	0	0
Payette	0	5	0	2	4
Salmon-Challis	2	0	5	1	2
Sawtooth	2	0	5	1	0
Caribou-Targhee	16	5	2	10	12
Humboldt-Toiyabe	0	5	2	0	0
Uinta	5	0	2	0	0
Wasatch-Cache	5	2	0	5	0
Total	51	50	35	29	23
Pacific Southwest—Region 5					
Eldorado	1	0	0	0	0
Inyo	0	6	0	0	0
Klamath	0	0	11	0	0
Lassen	0	2	0	0	0
Los Padres	2	2	0	0	0
Mendocino	0	1	0	0	0
Modoc	25	10	0	0	0
Six Rivers	0	2	0	0	0
Plumas	0	2	1	0	0
Sequoia	0	1	0	6	0
Shasta-Trinity	0	2	0	1	0
Sierra	0	1	0	0	0
Stanislaus	1	0	0	0	0
Tahoe	1	5	0	0	0
Total	30	34	12	7	0
Pacific Northwest—Region 6					
Deschutes	2	0	1	0	0
Fremont	10	0	5	2	0
Gifford Pinchot	0	2	0	0	0
Malheur	1	0	0	0	0
Mt. Hood	0	1	0	0	0
Ochoco	0	4	1	0	0
Rogue River	1	0	0	0	0
Umatilla	0	1	0	0	0
Umpqua	0	0	1	0	0
Wallowa-Whitman	10	5	1	2	0
Wenatchee	4	0	2	5	0
Colville	5	2	2	1	0
Total	33	15	13	10	0
Southern—Region 8					
Kisatchie	5	5	2	0	0
National Forests in Mississippi	2	0	2	0	0
George Washington and Jefferson	1	2	0	0	0
Ouachita	1	3	0	6	0
Ozark-St. Francis	1	0	1	0	0
Total	10	10	5	6	0
Eastern—Region 9					
Mark Twain	10	2	5	0	0

Permits issued within the last 5 years	1999	2000	2001	2002	2003
Green Mountain	2	2	0	0	0
Total	12	4	5	0	0
<hr/>					
Allotments with NEPA completed for the past 5 years	1999	2000	2001	2002	2003
Northern—Region 1					
Beaverhead-Deerlodge	16	4	1	0	2
Bitterroot	0	1	0	0	0
Idaho Panhandle	0	0	0	0	0
Clearwater	0	0	0	1	0
Custer	0	0	0	0	0
Flathead	1	0	0	0	0
Gallatin	0	0	0	0	0
Helena	0	4	2	0	0
Kootenai	2	0	0	2	0
Lewis and Clark	0	0	0	0	0
Lolo	0	0	0	0	0
Nez Perce	0	0	0	0	0
Total	19	9	2	3	2
Rocky Mountain—Region 2					
Bighorn	5	0	0	0	0
Black Hills	0	0	0	0	0
Grand Mesa, Uncompahgre, and Gunnison	2	0	0	2	14
Medicine Bow-Routt	9	25	10	8	1
Rio Grande	1	1	0	0	0
Arapaho and Roosevelt	1	0	0	0	0
Pike and San Isabel	0	6	0	31	0
San Juan	1	0	0	0	0
Shoshone	4	0	0	0	4
White River	1	0	0	0	27
Total	24	32	10	41	46
Southwestern—Region 3					
Apache-Sitgreaves	26	5	8	3	1
Carson	2	2	1	0	4
Cibola	204	5	7	30	2
Coconino	0	2	2	0	2
Coronado	3	2	1	1	13
Gila	21	0	0	6	5
Kaibab	0	0	5	0	0
Lincoln	3	3	0	0	4
Prescott	0	0	1	0	0
Santa Fe	1	3	1	3	7
Tonto	1	1	0	0	0
Total	261	23	26	43	38
Intermountain—Region 4					
Ashley	0	6	1	0	4
Boise	1	1	6	2	3
Bridger-Teton	0	6	1	0	0
Dixie	0	0	0	0	0
Fishlake	0	27	0	0	0
Manti-LaSal	4	0	0	0	0
Payette	0	0	0	0	4
Salmon-Challis	1	0	0	1	0
Sawtooth	0	0	0	1	2
Caribou-Targhee	6	6	1	18	19
Humboldt-Toiyabe	0	0	0	0	0
Uinta	8	0	0	0	1

Allotments with NEPA completed for the past 5 years	1999	2000	2001	2002	2003
Wasatch-Cache	0	1	0	0	0
Total	20	47	9	22	33
Pacific Southwest—Region 5					
Eldorado	1	0	0	0	0
Inyo	0	4	2	0	0
Klamath	0	0	8	3	0
Lassen	0	0	0	0	0
Los Padres	1	1	2	1	0
Mendocino	0	0	0	0	0
Modoc	2	34	0	2	0
Six Rivers	0	0	0	0	0
Plumas	0	1	0	0	2
Sequoia	0	0	0	8	0
Shasta-Trinity	0	0	0	0	0
Sierra	0	0	0	0	0
Stanislaus	1	0	0	0	0
Tahoe	0	1	0	5	0
Total	5	41	12	19	2
Pacific Northwest—Region 6					
Deschutes	2	0	0	0	0
Fremont	15	0	6	1	0
Gifford Pinchot	0	0	0	0	0
Malheur	0	0	0	0	0
Mt. Hood	0	0	0	0	0
Ochoco	0	5	0	0	0
Rogue River	0	0	0	0	0
Umatilla	0	0	0	1	0
Umpqua	0	0	0	0	0
Wallowa-Whitman	0	0	10	6	2
Wenatchee	0	4	0	0	0
Colville	0	2	1	0	3
Total	17	11	16	8	5
Southern—Region 8					
Kisatchie	12	0	0	0	0
National Forests in Mississippi	4	0	0	0	0
George Washington and Jefferson	0	3	0	0	0
Ouachita	4	0	0	0	7
Ozark-St. Francis	0	0	1	0	0
Total	20	3	1	0	7
Eastern—Region 9					
Mark Twain	12	0	0	0	0
Green Mountain	1	0	0	0	0
Total	13	0	0	0	0

Question 11. You mentioned that you have made changes to your grazing regulations, specifically how will those changes allow the field to increase the number of permits they work on and the speed with which that work is completed? Please provide specific examples and specific estimates of the time saved, as well as specific estimates of the money to be saved by this new process.

Answer. Forest Service has not made any changes to grazing regulations. Policy was issued in the Forest Service Handbook at 2209.13, Chapter 90, Rangeland Management Decision Making in mid-February. It clarifies existing policies and raises the awareness level of successful practices currently in use by emphasizing the following:

- Environmental analysis focuses on the condition of the land that is to be maintained or achieved.

- “Project initiation” precedes NEPA analysis and results in a well defined purpose and need statement and a proposed action to start the actual NEPA process. NEPA does not begin until the proposed action is well defined. Permittees are encouraged to participate in development of the proposed action.
- Inventory and analysis needs are better defined and minimized. Inventory and analyses are encouraged on combinations of multiple allotments.
- Principles of adaptive management and accompanying monitoring are included in the proposed action, which extends the life of the decision and allows for implementation of future management options with minimal additional work.
- Alternatives analyzed in detail are kept to an absolute minimum, usually two or three.

The FY 2005 Budget calls for the Forest Service to adopt methods for prioritization through the development and use of qualitative tools that assess rangeland health and sustainability through the use of indicators that are linked to existing monitoring data. The Forest Service will consult with the Department of the Interior to develop and utilize an integrated and consistent framework and process for using monitoring and assessment information that leads to reduced allotment monitoring backlogs. Cumulatively applying these practices should reduce the time it takes to complete NEPA analyses and should extend the life of decisions. While specific estimates of savings are not known, we believe that applying the efficiencies in Chapter 90 which includes inventory and analysis on multiple allotments will reduce costs.

GALLINAS MUNICIPAL WATERSHED W-U INTERFACE FUELS TREATMENT PROJECT

Question 12. Chief, could you update me on the progress being made on the Gallinas Municipal Watershed W-U Interface Fuels Treatment Project?

Answer. The Draft Environmental Assessment (EA) was made available for public notice and comment on February 20, 2004. The first public open house to discuss the draft EA took place on March 10, 2004. A documented decision was made on April 2, 2004. Comments are currently being reviewed, and a Decision Notice should be issued by May 10, 2004. Anyone who submitted substantive comments to the EA then has 45 days in which to appeal. We expect the project to be implemented this year.

Question 13. What is the time-line for completion and when will NEPA be done?

Answer. Initial treatments are anticipated to begin in October 2004. According to the proposed action of this project to treat approximately 8,400 acres, multiple treatments are envisioned for up to 10 years. We anticipate the NEPA process will be completed by May 10, 2004.

SANTA FE WATERSHED FUELS TREATMENT PROJECT

Question 14. How is the Santa Fe Watershed Fuels Treatment project coming along?

Answer. We are currently on target and on schedule. Approximately 1,000 acres will be treated in FY 2004.

Question 15. What are your current costs per acre for the work that you are currently doing?

Answer. The current cost per acre is \$963.

Question 16. When do you expect to complete that project?

Answer. The project total is 7,300 acres. To date 2,100 acres have been treated. If funding remains consistent, we anticipate completing the project in September of 2006.

REGION THREE FOREST PLANS

Question 17. My staff tells me the most recent schedule for completion of the forest plan revisions indicates that the Region Three forest in my State will not get new plans until 2011. As you know, all of the plans in my State had reached their National Forest Management Act Required Revision date by 2002.

Why is it that forest plans that will not reach their 15 year National Forest Management Act Required Revision date until 2004, 2005 and even 2008 are scheduled to be completed before any of the plans in my State?

Answer. In an effort to improve management of the plan revision process, the Forest Service developed a Forest Plan Revision Schedule. The revision schedule sets priorities for plan revisions based on several considerations. Those National Forest System units facing a multitude of ecological and social concerns such as impaired waters, imperiled species, fire risk, forest health, undue human pressure, or persistent poverty were considered as high priorities for revision. National Forest Sys-

tem units with recent significant amendments or without the issues identified were considered lower priorities for revision. There was also an attempt to group National Forest System units with similar ecological, social and economic settings to improve planning efficiency and reduce planning costs. Therefore, some forest plans were scheduled later than if their original completion dates was the only criteria.

The Southwestern Region amended the entire Region's Forest Plans in 1996 to address Mexican Spotted Owl and Northern Goshawk. This reduced the need to revise the forest plans. Also, the Region has been completing core assessment and inventory collection which must be done prior to revisions being initiated.

HEALTHY FOREST RESTORATION ACT IMPLEMENTATION

Question 18. I understand that the Washington Office has informed the field that you expect 4 million acres of Healthy Forest Restoration Act treatments to be completed this next fiscal year. This estimate is down from the 5 million acre amount that Undersecretary Rey indicated to my staff that the target would be prior to the All Forest Supervisors meeting in Nebraska.

Why the reduction in target level from the end of January to now?

Answer. Undersecretary Rey was referring a combination of Forest Service and Department of Interior's acres in his estimates. The Forest Service projections reflect the most recent Agency estimates. FY 2004 projections are 1.6 million acres, funded from hazardous fuels, with other programs improving Fire Regime Condition Class (FRCC) of an estimated 600,000 acres. FY 2005 projections are 1.8 million acres, funded from hazardous fuels, with other programs improving FRCC of a currently estimated 673,000 acres.

Question 19. How many acres of condition class two and three lands fall within the National Forest System?

Answer. According to "Development of Coarse-Scale Spatial Data for Wildland Fire and Fuel Management", the General Technical Report published by the Rocky Mountain Research Station in 2002, there are 80.4 million acres of condition class 2 and 51.1 million acres of condition class 3 in Forest Service lands for a total of 131.5 million acres in condition classes 2 and 3.

Question 20. Of the 4 million acres you suggested will be treated in FY 2004, how many of those will be within the National Forest System?

Answer. The Forest Service will make treatments that contribute to improving Fire Regime Condition Class (FRCC) on 2.2 million acres in FY 2004. Hazardous fuel reduction activities will account for 1.6 million acres, and other programs will account for 600,000 acres. Virtually all of the 2.2 million acres projected for treatment in FY 2004 will be on National Forest System lands.

Question 21. How many of those acres will be within the forested areas that are overstocked and infested with insects?

Answer. Almost all of the acres to be treated with hazardous fuels reduction activities, as well as acres treated through other programs, will be within forested areas that are overstocked, and many of these acres are infested with insects. In addition to those acres, Forest Health Management funds will be used to treat 77,000 acres that are overstocked and are at imminent risk of insect infestation.

Question 22. How many of those acres will be targeted at New Mexico?

Answer. 70,243 acres will be treated in New Mexico in FY 2004 using hazardous fuel reduction funding. In addition, other funds will be used to treat approximately 62,700 acres to improve condition class, through programs such as wildland fire use, watershed improvement, wildlife improvement, and rangeland improvement.

Question 23. How many acres will be within the overstocked and infested forest areas within New Mexico?

Answer. All of the acres listed in the answer above are projected in areas of declining forest and rangeland health where restoration of fire adapted systems is urgent. In addition to those acres, 300 overstocked and infested forest acres will be treated with Forest Health Management funds in New Mexico.

Question 24. Can you get my staff a detailed list of the projects that will be undertaken in New Mexico this year, along with NEPA completion dates and the projected offer dates?

Answer. We were unable to compile the specific projects being planned in New Mexico down to the level of detail requested. New Mexico's FY 2004 target for acres treated for hazardous fuels is 74,055. The target for acres treated by other programs that improve condition class in FY 2004 is 36,730.

Question 25. How much of the treatment nationally will be accomplished with prescribed burning?

Answer. We estimate about 1.36 million acres, funded by the hazardous fuels line item, will be treated with prescribed burning. Other programs may use prescribed

burning to treat a small portion of the 600,000 acres that will be treated to improve fire regime condition class; but there are no current estimates of the amount.

Question 26. How much of the treatment nationally will be accomplished with the mechanical removal of the fuel from the forests?

Answer. We estimate about 240,000 acres, funded by the hazardous fuels line item, will be treated mechanically. Other programs will use mechanical treatment to treat most of the 600,000 acres that will be treated to improve fire regime condition class.

Question 27. How much of that mechanical treatment will involve commercial timber sales?

Answer. About 260,000 acres will be treated using forest products and timber salvage sales activities.

HAZARDOUS FUELS SPENDING

Question 28. I also understand that you put out a press release right before this budget was released that trumpeted the fact that the Administration's proposed budget had \$760 million in it to implement the Healthy Forest Restoration Act.

Can you tell me how much of that \$760 million is for the implementation of Titles Two through Five of the Healthy Forest Restoration Law?

Answer. The \$760 million is for implementation of Title I.

WILDLAND FIRE PROGRAMS

Question 29. I see that you recommended moving hazardous fuels reduction from the Wildland Fire Management section of the budget to the National Forest Systems section of the budget. I think I agree with that, but could you explain why and what the advantages of this are?

If we make that move, will the hazardous fuel line item be more vulnerable or less vulnerable to future fire borrowing?

Answer. The funds would be less vulnerable in the NATIONAL FOREST SYSTEM appropriation to future fire transfer if Congress continues to enact language similar to language that was included in the ADMINISTRATIVE PROVISIONS, FOREST SERVICE section in Public Law 108-7, Consolidated Appropriations Resolution, 2003.

That language provides that "Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions if and only if all previously appropriated emergency contingent funds under the heading 'Wildland Fire Management' have been released by the President and apportioned and all funds under the heading 'Wildland Fire Management' are obligated."

This proposal will improve management in two ways. First, it will give hazardous fuels projects a greater chance to continue, and not be cancelled or delayed, during times of severe wildfire activity when the agency needs to transfer funds. Second, it will enhance integration of hazardous fuel treatments with other vegetative treatment programs in NFS.

Question 30. On the subject of fire suppression costs. Over the last five years it appears that the agencies have figured out how to spend a billion to a billion and a half dollars per year for fire suppression, no matter whether we burn 3 million acres or we burn 7.5 million acres. Can you tell me what steps you have taken between the year 2000 and today to get control of this situation?

Answer. In response to the 2000 fire season, the Forest Service and Department of Interior jointly developed the National Fire Plan. This plan laid out four goals for the federal wildland firefighting agencies to work towards over the next 10 years. To these ends, the agencies are working to improve fire prevention and suppression cost containment, reducing hazardous fuels, restoring fire adapted ecosystems, and promoting community assistance.

In 2003, President Bush announced the Healthy Forest Initiative. This led to the passing of the Healthy Forests Restoration Act. The provisions of this Act will enable us to protect the safety of firefighters and the public, care for America's forests and rangelands, reduce the risk of fire to communities, and protect threatened and endangered species.

The Forest Service is using these tools to revise policy, improve Decision Support Systems, streamline procedures, and strengthen our relationships with other federal, state, and local agencies. These changes will lead to improvements in cost containment and environmental conditions.

Specific to your question, the Forest Service has issued two reports that outline expectations of line officers, incident commanders, and employees in the area of sup-

pression cost containment. We have standing cost containment oversight teams that visit large incidents and recommend actions that will reduce expenditures. We are developing a new fire planning system that will lead to better strategic analysis of large fires and the decisions that cause them to become expensive. We are developing a new situation analysis that will display a better range of suppression alternatives to line officers during their decision process. This will be accomplished by clarifying the definition of the least cost suppression alternatives within decision support models and establish this alternative as the default option for suppression activities for a given incident and by completing updated geospatially-based fire management plans linked to databases that will lead to increases in the annual number and acres designated as wildland fire use fires. We are embarking on an aggressive fuel management program to rid forests of accumulated fuel. In addition, we will:

- Implement priority cost containment activities called for in the FY 2004 President's Budget and the recommendations contained within the Wildland Fire Management PART, as well as select recommendations from the National Academy of Public Administration (NAPA) report entitled, *Wildfire Suppression: Strategies for Containing Costs*.
- Reduce wildland fire suppression costs through a continued emphasis on the accountability of line officers and incident commanders.
- Review the cost-effectiveness of large fire aviation resources and assess state cost-share agreements to ensure that the federal government is not paying a disproportionately high share of suppression costs.
- Continue to conduct national cost containment reviews on selected incidents and implement recommendations contained in the Consolidated Large Fire Cost Report of 2003 to address suppression cost containment issues raised during cost reviews in FY 2003. Provide oversight to ensure that cost containment measures are implemented.
- Working through the National Wildfire Coordinating Group's Incident Based Automation Task Group, continue to enhance the "real-time" incident obligation reporting system.

In addition, in FY 2005 the Forest Service will initiate incentives to reduce suppression expenditures. The President's Budget proposes to allocate fifty percent of suppression funds to the field and allow unobligated year-end balances to be retained by the regions to be used for vegetative treatments to improve condition class. The objective is to create an incentive in the field (additional funds for on-the-ground work) to reduce expenditures, with the goal of eliminating the need to transfer funds. An added benefit will be an increase in funds available to improve condition class, which will further reduce suppression costs and the need to transfer funds. The President's Budget also includes cost containment actions and performance measures, expands the use of risk mitigation, updates fire management plans to increase wildland fire use, and implements suppression cost savings incentives. The Forest Service and Department of the Interior will develop a process through which rural fire department training, experience, and qualifications can be recognized as equivalent to National Wildfire Coordinating Group (NWCG) qualifications. Together with agency actions already under way, these efforts should effectively reduce the need for further borrowing, supplemental appropriations, or both.

USDA and the Department of the Interior will continue to enhance agency policy and procedures to reduce suppression costs.

Question 31. Would you provide me a table that shows what the Federal fire suppressions costs were by agency and by year from 1985 through 2003?

Answer. Obligations are available for the Department of the Interior (DOI) as a whole, but not by the individual agencies within DOI. Obligations are shown in thousands of dollars on the following page, and have been adjusted for inflation (2003 dollars).

	FS	DOI
1985	245,513	119,240
1986	165,832	135,418
1987	367,251	117,928
1988	603,026	209,590
1989	448,144	227,151
1990	330,513	187,927
1991	166,120	92,691
1992	355,569	106,764
1993	220,371	67,595

	FS	DOI
1994	887,789	188,925
1995	421,425	126,457
1996	616,848	173,149
1997	198,323	116,323
1998	335,657	120,241
1999	389,945	166,751
2000	1,138,946	354,388
2001	706,551	254,435
2002	1,299,877	401,488
2003	1,023,500	303,638

Question 32. Please also provide the average cost per fire and the average cost per acre burned on the lands controlled by each agency, for each year between 1985 and 2003. We need the BIA, BLM, US Park Service, US Fish & Wildlife Service and the Forest Service.

Answer. We have provided this information for the Forest Service (FS) on the following page, and respectfully defer to the Department of the Interior (DOI) for their portion of the response. Costs are adjusted for inflation (2003 dollars):

	FS \$/fire	FS \$/acre
1985	N/A	N/A
1986	N/A	N/A
1987	31,147	329
1988	44,555	404
1989	38,205	962
1990	27,805	1,092
1991	15,746	1,330
1992	29,180	562
1993	28,527	1,000
1994	59,809	600
1995	49,451	1,749
1996	55,606	660
1997	20,395	821
1998	38,648	1,570
1999	40,708	540
2000	95,863	545
2001	69,611	1,250
2002	141,877	753
2003	103,499	858

Question 33. I would also like you to provide us with comparable data for Canada and Australia for that same time period. Please amass this data and present it in 2003 dollars, rather than nominal dollars. And adjust the data from Canada and Australia into US dollars.

Answer. We are unable to obtain the information from Australia and Canada in time to meet the Committee publication deadline. However, we will provide the requested information.

Question 34. I know that you continue to tell us that cost by acre or by fire are not "good" measures to examine when we examine the costs of fire fighting. Please provide us with four or five criteria for measuring the costs of fire fighting that you believe would be better criteria for Congress to measure agency performance against?

Answer. The 10-Year Implementation Plan identified several performance measures for fire fighting. This includes the average gross costs per acre for suppression and emergency stabilization and rehabilitation by size class and fire regime for fires (i) contained within initial attack; (ii) escaping initial attack; (iii) within wildland-urban interface areas; (iv) outside wildland-interface areas; (v) in areas with compliant fire management plans; and (vi) in areas without compliant fire management plans. The agency will use this and other measures as we continue to explore other appropriate measures. We have three small research groups working on various ways to isolate and explain these variables so that meaningful performance measures can be adopted.

The Forest Service is also looking at ways to determine break-even points (value of resources protected versus predicted suppression cost) that will indicate whether

or not a suppression action is economically advisable. There is some progress in this study, but not enough to say whether it could be used as a performance measure or as only a part of the decision process.

Other short term research and development that may assist with development of performance measures deals with the development of a prediction system for large fire suppression costs and a fireline production model for suppression success, cost and other related outputs.

MESCALERO APACHE MILL CLOSURE

Chief, I know you are aware that the last two major sawmills in my state, the mills run by the Mescalero Apache, are on the verge of shutting down. I know you and Mr. Rey understand that operations cannot be maintained without a vast improvement in the Lincoln National Forest's timber sale program.

Question 35. How much timber is growing annually on the Lincoln?

Answer. The latest inventory was in 1999, and at that time the growth on the Lincoln National Forest (NF) was 49.5 million board feet (MMBF) gross volume per year, and 39.0 MMBF net volume per year after mortality is deducted. This volume is calculated on non-reserved timberland.

Question 36. How much timber is dying annually on the Lincoln?

Answer. The latest inventory was in 1999, and at that time the mortality on the Lincoln NF was approximately 10.5 million board feet (MMBF) per year. This volume is calculated on non-reserved timberland.

Question 37. How much has been removed through sale each of the last ten years?

Answer. See the table below. This data includes both timber sale contracts and personal use volume removed.

LINCOLN NF

Fiscal year	Volume removed (MMBF)
1994	3.3
1995	3.6
1996	1.3
1997	2.8
1998	1.5
1999	2.4
2000	1.6
2001	2.7
2002	8.2
2003	4.1

Question 38. Do you agree with me that you will never be able to accomplish complete forest health restoration unless you have the industrial infrastructure (sawmills, pulp mills, and biomass facilities) to utilize the materials?

Answer. Yes, a viable industrial infrastructure is needed to accomplish our management objectives at a lower cost than other alternatives. Additional industrial infrastructure would help provide more efficient opportunities to address this challenge. However, there are other ways to accomplish forest health restoration, and we are also pursuing those methods in combination with timber harvest.

Question 39. What are you going to do on the Lincoln over the next five years to ensure it will not be the Forest Service's fault that the last sawmill in New Mexico gets shut down?

Answer. On March 1, 2004, the Regional Forester and his staff, the Lincoln NF Forest Supervisor, District Ranger, the New Mexico State Forester, mill managers, and the Vice-President of the Mescalero Apache Tribe, met to understand the situation and determine what the Forest Service can do as part of a solution. A capability assessment will be conducted on the Forest to determine what can be produced and what the mill needs.

Question 40. Would you also provide me with those same growth, mortality and removal figures for the other forests in Region Three?

Answer. Figures in the following table are for timber softwood species on non reserved timberland on National Forest System land. They are based on inventories completed in 1999 (AZ) and 2000 (NM).

National forest/Unit/State	Acres	Gross cubic-foot volume (MCF)	Gross annual cubic-foot growth (MCF)	Annual cubic-foot mortality (MCF)	Net annual cubic-foot growth (MCF)
Apache-Sitgreaves—01—					
AZ	903,548	1,437,436	38,983	3,664	35,319
Carson—02—NM	637,522	1,136,669	22,987	4,523	18,464
Cibola—03—NM	448,612	480,625	12,947	1,370	11,577
Coconino—04—AZ	811,875	1,171,492	28,929	4,393	24,536
Coronado—05—AZ	65,731	168,711	2,294	na	2,294
Gila—06—NM	1,081,141	953,131	22,017	1,313	20,704
Kaibab—07—AZ	500,585	924,373	16,521	4,137	12,384
Lincoln—08—NM	220,895	445,346	9,847	2,089	7,758
Prescott—09—AZ	62,730	127,485	2,447	231	2,216
Santa Fe—10—NM	859,452	1,473,313	29,960	4,040	25,920
Tonto—12—AZ	190,157	291,513	5,782	812	4,970
Arizona Total	2,534,626	4,121,010	94,956	13,237	81,719
New Mexico Total	3,247,622	4,489,084	97,758	13,335	84,423
Region-3 Total	5,782,248	8,610,094	192,714	26,572	166,142

REGION 3—TIMBER HARVEST/REMOVAL VOLUMES (MMBF)

Forest	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Apache-Sitgreaves	35.9	27.0	12.5	20.9	11.7	22.0	14.9	8.5	8.4	14.8
Carson	5.0	5.4	2.7	3.7	6.3	11.9	8.4	12.7	10.5	11.4
Cibola	3.4	4.7	2.1	7.2	1.8	2.7	3.3	3.9	5.4	4.4
Coconino	30.9	19.9	10.0	15.0	5.3	6.3	10.4	9.7	16.8	9.5
Coronado	0.2	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.2
Gila	14.3	6.7	2.3	2.1	1.0	2.7	2.0	3.0	2.6	3.9
Kaibab	7.7	13.5	5.0	18.0	1.8	17.5	12.3	16.6	6.3	3.7
Lincoln	3.3	3.6	1.3	2.8	1.5	2.4	1.6	2.7	8.1	4.1
Prescott	4.1	3.3	2.2	4.9	0.3	2.6	2.9	3.3	1.9	3.7
Santa Fe	2.9	10.0	6.3	6.7	4.1	13.0	6.4	7.1	5.8	15.2
Tonto	7.8	5.3	1.7	1.7	1.1	2.5	3.1	2.9	4.9	2.3
Regional Total	115.5	99.6	46.3	83.2	34.9	83.7	65.4	70.5	70.8	73.2

GREEN TIMBER SALE PROGRAM VS. BIOMASS PROGRAM

Question 41. Chief, when I look at the table on page 22 of the Highlights Section of your budget justification document, it shows that the expected National Forest Fund Receipts through 2007 will be flat. My staff tells me that is an indication of a timber sale program that is shifting from larger material to much smaller stem material that is of low value. Is that basically correct?

Answer. Yes, however the shift has already occurred, and explains the decline in revenues from before FY 1998 to the lower levels shown for FY 2001 and later years. The flat revenue projection from the present to 2007 is considered to be in part due to lower market values for the products we anticipate selling.

Question 42. What have you done to send that message to the Forest Service employees that work at the Forest and District levels?

Chief we need your leadership and we need you to make it clear to your agency and the American Public that our national forests are not sustainable unless we manage them and a forest products industry is critical to your being able to accomplish that.

As far as I am concerned, the two mills down on the Lincoln are the "canary in the mine". I hope that you will do everything in your power to ensure that the air that our canary needs does not go bad on your watch.

Answer. Accomplishment of hazardous fuels treatments will be best accomplished through the coordinated application of hazardous fuels reduction projects, stewardship contracting, and other vegetative management projects, including timber harvests.

Active forest management is an essential component of sustaining the health of our National Forests. We are also very concerned that we have the full range of tools available to address healthy forest restoration issues. However, market forces in the private sector play an even greater role than government actions. Mindful

of market realities, we are working strategically to do what we can to assure that the timber sale program remains a viable tool to achieve our goals and objectives.

Question 43. What steps are you prepared to direct the Lincoln National Forest and other Forests in Region Three to contribute to a wood supply that will help both maintain a viable forest products industry in New Mexico?

New Mexico and Arizona are in the dire situation they are because past administrations didn't think maintaining a forest products industry was critical to their ability to manage the forests. Now we know better, but don't seem to be able to reverse course. Answer. We are managing our program to utilize the existing industry and help create new industry through becoming a significant provider of wood. We already have a new post and pole operation starting in Raton, NM next month. We are developing a 10-year vegetation treatment schedule that will show how much and where we have wood products of differing sizes to be made available. This should enable industries to start up, although these industries will need to be based on smaller average tree sizes than our industries of the past. We have several businesses and communities looking at New Mexico for biomass plants, small-log sawmills, and even one pulp mill. We are also using the new tools provided by the Healthy Forests Restoration Act, categorical exclusions, and the stewardship contracting authority to help move these projects along.

Question 44. New Mexico and Arizona are in the dire situation they are because past administrations didn't think maintaining a forest products industry was critical to their ability to manage the forests. Now we know better, but don't seem to be able to reverse course.

How much timber do you intend to offer next year?

Answer. Nationally, the Forest Service plans to offer 4,585,279 CCF (about 2.3 billion board feet) of timber volume for sale in FY 2005.

Question 45. How much of that timber will be salvage and how much will be green timber?

Answer. Of the total volume to be offered in FY 2005, 3,385,279 CCF (about 1.7 billion board feet) is planned to be from the regular program and 1,200,000 CCF (about 0.600 billion board feet) from the salvage program.

NUMBER OF TIMBER SALE CLAIMS AND COSTS

Over the last decade there have been a tremendous number of timber sales that have been cancelled and delayed. Many of these cancellations and terminations have resulted in claims against the government. Some of these claims have taken years to settle or resolve.

Question 46. I would like a list of each timber sale cancellation, by year, beginning in 1985 and data on whether the cancellation or delay resulted in a claim by the timber sale purchaser. Please group these sales and claims by National Forest.

Answer. The Forest Service has been compiling data on timber sale claims in four categories that address the origin or basis for the claim as follows: T&E Species; Resources; Contract Disputes; and Other. The data do not identify whether the claim was the result of a delay or cancellation. The data also do not include sales that were delayed or cancelled if no claim was subsequently filed. There is no reliable data prior to 1992, and records were last updated in 2001. None of the standard timber sale databases specifically track claims, so this information cannot be quickly accessed. By the end of May we can provide a list of sales from FY 1992-2003 that had claims filed based on a delay or cancellation, grouped by region and forest.

Question 47. We would also like information about the dollar amount of the initial claim, if the claim resulted in a settlement through negotiation or if the settlement was directed by a court or the court of claims. If the claim was dropped please also include that in the data base.

Answer. By the end of May the Forest Service can provide a list of timber sale claims from FY 1992-2003 with the following information: the dollar amount of the initial claim; the amount paid to date; when the claim was paid; and amounts that are still in dispute. Forest Service data generally do not identify whether the amount paid was the result of a negotiated settlement or a court order, so that information cannot be provided.

Question 48. Additionally, for each claim, please display when the claim was settled and paid out and how much of the payment to the purchaser was paid on the principal of the claim and how much was paid in interest charges on each claim.

Answer. This cannot be provided, as the Forest Service has not routinely tracked interest charges separately from the principal amount paid.

OTHER PROGRAMS

Question 49. I see that you are once again recommending cutting deferred maintenance from the FY 2004 level of \$31 million down to \$10 million. Yet you are recommending a \$40 million increase for the Forest Legacy program. Why?

Answer. Deferred maintenance is an important concern to the agency and will continue to be accomplished using our regular Capital Improvement and Maintenance appropriations for Facilities, Roads, and Trails; the 10-percent Roads & Trails fund (Expenditure from Receipts Act of 1913); and from a portion of Recreation Fee Demo site receipts.

We will continue to focus on our most critical backlog maintenance needs, including public and employee health and safety and critical resource problems, such as restoring fish passage. In addition, we are continuing to implement strategies to help reduce the rate of backlog maintenance growth.

Question 50. Why do you recommend that we continue to spend \$5 million on international forestry and \$52 million for land acquisition when you won't fund the maintenance of the land and buildings you are entrusted to manage?

Answer. The FY 2005 President's Budget proposes \$10 million for deferred maintenance and infrastructure improvements. This funding level will allow the agency to focus on high-priority maintenance, particularly those addressing critical health and safety mission-critical needs. The FY 2005 President's Budget includes a legislative proposal that would authorize the Secretary to sell or transfer, at fair market value, administrative sites and facilities, and appurtenant administrative land, in accordance with Federal appraisal standards. The proceeds from these sales would be made available for acquiring or developing land and improvements for administrative purposes, thereby reducing backlogs while improving efficiencies and reducing indirect costs. International forestry successfully coordinates habitat management for migratory species, collaborates on prevention of invasive species introductions and promotes forest sustainability in other countries. The land acquisition program identifies and acquires lands, waters, and interests in lands to the National Forest System. These lands or interests are identified vital for resource protection or enhancement, recreational development, or are directed by the agency to acquire by legislation.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR CAMPBELL

Question 1. Is the increase in the "green" timber sale program adequate to implement management programs in the forest plans, including newly revised forest plans such as White River, Routt, Rio Grande and Arapaho Roosevelt National Forests?

Answer. Yes. The additional funding will help us achieve the expectations for the forest products programs on the national forests, including those with newly revised Forest Plans.

Question 2. Timber program unit costs (costs/CCF) have risen dramatically over the past 5 years (see chart). What steps are you taking and what direction are you giving to reduce costs?

a. How much do you expect the new Categorical Exclusions to reduce costs?

Answer. A key step being taken to reduce timber program unit costs is to encourage the field units to take full advantage of tools provided under the Healthy Forests Restoration Act, the new stewardship contracting authorities, and administrative actions under the Healthy Forests Initiative. It will also include the use of categorical exclusions (CEs), revised administrative appeal procedures, and more timely salvage sales. We will have a better idea after this field season as to how much categorical exclusions are used and what cost savings might come from them. We are encouraging all field units to use CEs where possible and have developed web sites to help them understand where and how to use them.

Question 3. I've heard that some Forests have virtually no funds in their Salvage Sale Fund. Are you aware of that problem? Has lack of Salvage Sale Funds limited implementation of salvage programs on some Forests?

Answer. Yes, we are aware of this. A number of national forests have not adequately managed Salvage Sale funds to plan and implement needed salvage sales. These forests are located in the Rocky Mountains, Southwest, Pacific Northwest, and California Regions.

To date, Salvage Sale funding levels have not prevented any forest from preparing eligible salvage sale projects. The forests and regions are encouraged to shift timber sale offer volume from salvage to the regular timber sale program and use appropriated funds to prepare qualified salvage sales.

a. Are you taking steps to restore Salvage Sale Fund balances on those Forests? Are you also taking steps to ensure that the Salvage Sale Funds are managed like

a business so that the funds are not depleted and limit implementation salvage programs? Do you need help from Congress?

Answer. The Forest Service strives to maintain a sustained Salvage Sale Fund balance equal to one hundred fifty percent of the annual program need. We feel that this amount provides the agency with sufficient flexibility to be able to respond to catastrophic salvage events, such as wildfires, hurricanes, drought, insect outbreaks and disease outbreaks.

The Washington Office continues to encourage field units to manage opportunities for Salvage Sale collections to ensure future needs are covered. We continue to monitor the salvage sale program so that we may respond appropriately as the situation changes.

Question 4. Would you explain the relative forest growth on the national forests compared to the amount of harvest? (see chart) If growth exceeds harvest by a wide margin, doesn't that suggest that the forests that are already over-stocked and over-crowded will become more over-stocked and over-crowded and that there is no end in sight to the fire and insect epidemic problems?

Answer. The fact that growth exceeds removals and mortality does not indicate that all areas of the forests are overstocked. However, it does mean that there is an increase in biomass, which may or may not indicate problems in the future. It remains for our current and future treatments to bring forests into ecologically sustainable conditions and keep them there, which will require varying treatments depending upon forest type, the amount of growth that is occurring, and the forest conditions that are desired.

Question 5. There is only one large sawmill in Colorado, and I understand other States have similarly limited forest industry infrastructure. I've heard various Forest Service staff discuss the need for forest industry infrastructure, and would like to know if you mean that, and what you are doing in this budget proposal to ensure that States like Colorado don't lose any more of our forest products companies.

Answer. Forest industry infrastructure is needed for processing timber and other non-merchantable material that need to be removed from forests to maintain the forests in a healthy condition, and also supports biomass processing plants that produce electricity or other products. In addition to significant market forces in the private sector, the reduction in the amount of timber supply from national forests over the past decade has been a factor in private industry's decision to close or move infrastructure capacity to other locations. Accordingly, the Forest Service cannot provide assurances on efforts that largely rely upon the business judgment decisions that private sector firms deem to meet their best interest. This budget proposal has funds that will treat a sufficient quantity of hazardous fuels to potentially attract industry into areas that are deficient in infrastructure.

Increasing the capacity of rural communities to use forest products is important. The Forest Service recognizes that by eliminating the Economic Action Programs there will be an impact on how agency services are provided to rural communities. The 2005 President's Budget does provide indirect benefits to communities in many other ways. For example:

- The President's Management Initiatives call for significant increases in contracting that will benefit local businesses.
- USDA's Rural Development programs can address priority needs in rural areas via several programs. The programs can assist forest-based industries. Here are some options:
 - Business and Industry guaranteed loans—Provides up to 90 percent guarantee of a loan made by a commercial lender for agricultural enterprises. The business applying for the loan must already have strong equity and collateral.
 - Rural Business Enterprise Grants—Provides grants to public institutions to assist agricultural business. Grants do not go directly to businesses.
 - Intermediary Relending Program—Provides grants for intermediaries to relend through an adequately secured loan for new agricultural businesses, and expansion of those existing businesses unable to obtain a conventional loan.
 - Rural Business Opportunity Grants—Promotes sustainable economic development in rural communities with exceptional needs such as natural disasters, structural changes, and persistent poverty or population decline. Provides grants for economic planning, business assistance, and training to obtain specific USDA-RD program funding.
 - Cooperative Development Grants—Grants are available for cooperative development to establish and operate centers for cooperative development.

One of the tools with the greatest promise is the stewardship contracting authority, which allows for longer term contracts and can attract investors who need a

greater commitment of supply than they have had in the past. The National Forests on the front range of Colorado are planning stewardship contracting sales that may have the potential to attract industry and the infrastructure necessary to handle the material that will be offered under these contracts.

Two new categorical exclusions (CE's) have been developed jointly with the Department of the Interior under the auspices of the Healthy Forests Initiative (HFI). One of these applies to hazardous fuels reduction; the other applies to post-fire rehabilitation and restoration activities. Three additional CEs were developed by the Forest Service, apart from the HFI, and are applicable to small timber harvest projects: live tree removal, salvage harvest, & harvest to prevent the spread of insects & disease. The new CEs will allow for relatively limited, non-controversial projects to proceed without extensive documentation, although CEs (of any type) can be applied only where there are no extraordinary circumstances; i.e. projected adverse effects on sensitive resources. A level of inventory and (in some cases) consultation regarding sensitive resources is needed to determine whether or not extraordinary circumstances apply.

The National Forests in Colorado plan to offer 104,699 CCF (about 52.4 million board feet—MMBF) of timber volume in FY 2004. Forest industries purchased an average of 57,926 CCF (about 29 MMBF) of forest products annually during the 1999-2001 period.

The proposal to move funding for the Hazardous Fuels program into the National Forest System (NFS) is consistent with the President's Healthy Forest Initiative and the Healthy Forest Restoration Act. It enhances consideration of the effects of all vegetative management treatments upon the condition class of NFS resources. The proposal will allow managers to consider in a quantifiable, systematic manner the relative costs and benefits of proposed projects upon wildfire risk reduction and other land resources management objectives.

Question 6. There are two small forest products companies west of Durango that use aspen to make tongue and groove paneling and excelsior. The San Juan NF forest plan allows 6 million board feet per year of aspen sales, but the San Juan NF didn't sell any aspen sales in FY 02 or FY 03 because they were fighting fires and working on salvage sales. Now the salvage sale has been held up by a court injunction. These are small companies that hire a lot of minority employees and are very important in those communities. Can you tell me if this budget proposal has enough funds for aspen sales from the San Juan NF?

Answer. The San Juan NF plans offer 20,561 CCF (about 10.3 million board feet—MMBF) of forest products this year. Aspen is included in a portion of those sales. In FY 2005, about 14.8 MMBF is on the 5-year action plan, with 4.4 MMBF being aspen.

Question 7. I understand you want to remove smaller, less valuable trees in some cases to meet your management objectives. Will those trees be in addition to some of the larger trees that need to be managed to achieve your forest plan management objectives? Are you coordinating your plans with forest products companies to make sure that your plans are feasible and there is at least a partial match with their business plans?

Answer. The smaller, less valuable trees that will need to be removed to achieve forest restoration and hazardous fuels reduction objectives are in addition to the larger, saw-timber trees that are part of our normal timber sale program. Both individual Forests and the Regional Office staff communicate regularly with forest products industry representatives, along with non-traditional organizations that may have an interest in the smaller diameter material, to keep them informed of planned projects and forest management.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR MURKOWSKI

Question 1. What is the effect of the exemption of the Tongass National Forest from the restrictions in the Roadless Rule in terms of the Forest's ability to produce enough timber to support the remaining family-owned mills in Alaska?

Answer. The exemption will allow the Forest to implement the 1997 Tongass Land Resource Management Plan, which supports the existing forest products infrastructure.

Question 2. How much economically viable timber is currently under contract in the Alaska Region, for which there is a contractual requirement for domestic processing within the State and what is your funding request in the '05 budget to continue such projects?

Answer. If the purchasers elect to cancel all 20 of the qualifying timber sales under Section 339 of PL 108-108, the remaining volume under contract on the Tongass National Forest will be 47 million board feet (MMBF) of economical timber

for domestic processing. All timber sale contracts in the Alaska Region require domestic processing unless the Regional Forester determines that the timber is surplus to the needs of Alaska processors. The FY 2005 estimated allocation for the Alaska Region is \$25,515,000.

Question 3. Why is this number so low?

Answer. Due to litigation, 270 million board feet (MMBF) of economically viable timber is currently not available for offer.

Question 4. Last year's harvest level was 51 MMBF. (Under TLMP, the annual harvest permissible is 267 MMBF (per year), on average over 10 years). Clearly 50 MMBF under contract is insufficient to meet industry demand. What is the Forest Service's position on what this amount should be and why?

Answer. The Alaska Region is striving to have a 3-year supply of economically viable timber under contract.

Question 5. Is this 3 year supply of 450 MMBF enough to support what is left of the limited timber industry in Southeast?

Answer. The 3-year supply level represents the Forest Service estimate of current demand. Private sector actions and market forces will determine how industry will respond to changing market conditions.

Question 6. Please explain this discrepancy between your demand calculation and calculations supported by the timber industry of Alaska.

Answer. The timber industry's demand calculation is based on a fully integrated industry that is capable of efficiently utilizing all grades and species of timber.

Question 7. Why is the Forest Service request declining in this important area of the agency?

Answer. The FY 2005 President's Budget request for the Forest Products budget line item has increased \$9,284,000 over the FY 2004 enacted level. In addition the regular volume planned for offer is estimated to be 3,385,279 hundred cubic feet (1,693 MMBF) which is an increase of 374,594 CCF (188 MMBF) from FY 2004 planned levels.

Question 8. What are these "duplicative" programs in USDA that you state address the goals of the State and Private Forestry Program and what do they do to help private landowners, such as those in Alaska?

Answer. USDA's Rural Development programs, though focusing primarily on agriculture, could also help forest-based industries and address the needs in rural areas, including those in Alaska. For those places that already have adequate community capacity to compete for loans and grants, USDA's Rural Development programs can address the needs via the following programs:

- Business and Industry guaranteed loans - Provides up to 90 percent guarantee of a loan made by a commercial lender for agricultural enterprises. The business applying for the loan must already have strong equity and collateral.
- Rural Business Enterprise Grants - Provides grants to public institutions to assist agricultural business. Grants do not go directly to businesses.
- Intermediary Relending Program - Provides grants for intermediaries to re-lend through an adequately secured loan for new agricultural businesses, and expansion of those existing businesses unable to obtain a conventional loan.
- Rural Business Opportunity Grants - Promotes sustainable economic development in rural communities with exceptional needs such as natural disasters, structural changes, and persistent poverty or population decline. Provides grants for economic planning, business assistance, and training to obtain specific USDA-RD program funding.
- Cooperative Development Grants - Grants are available for cooperative development to establish and operate centers for cooperative development.

FLEP activities qualify for other Forest Service, Federal or state conservation program support. As of 2004, USDA alone administered 23 programs that give agricultural land users financial incentives to apply conservation measures to their farms, ranches, and forests. These programs are included in the following table:

USDA Bureau	Program	Resource conservation issues
FSA	Emergency Conservation Program.	Land damaged by wind erosion and other disasters, including drought.
FSA	Soil and Water Conservation Loan Program.	Conserve, improve, and sustain natural resources and environment.

USDA Bureau	Program	Resource conservation issues
FSA	Conservation Reserve Program	Wildlife habitat. Tree planting. Enhance forest and wetland resources.
FSA	Conservation Reserve Enhancement Program.	Improves water quality by establishing vegetative buffers, including trees.
FSA	Farm Debt Cancellation—Conservation Easements Program.	Environmentally sensitive lands for conservation, recreation, and wildlife purposes.
FSA	Integrated Farm Management Option.	Conserving soil, water, and related resources, including forests.
FS	Forest Legacy Program	Conservation easements for forests threatened with conversion to non-forest uses.
NRCS	Colorado River Basin Salinity Control Program.	Conservation practices that reduce salt levels in the Colorado River.
NRCS	Rural Clean Water Program	Rural non-point source pollution control.
NRCS	Small Watershed Program	Improve water quality in small watersheds.
NRCS	Emergency Wetland Reserve Program.	Restore wetlands function.
NRCS	Water Bank Program	Conserve water and wildlife habitat.
NRCS	Wetlands Reserve Program	Range land, pasture, or production forest land where the hydrology has been significantly degraded and can be restored.
NRCS	Agricultural Management Assistance.	Plant trees for windbreaks. Integrated pest management.
NRCS	Conservation Innovation Grants.	Water. Soil. Air. Grazing Land and forest health. Wildlife habitat.
NRCS	Conservation Security Program	Maintain and enhance the condition of natural resources, including forests.
NRCS	Emergency Watershed Protection.	Watershed protection.

USDA Bureau	Program	Resource conservation issues
NRCS	Environmental Quality Incentive Program.	Prescribed burning.Planting. Fencing. Riparian forest buffers. Firebreaks. Forest site preparation. Tree/shrub enhancement. Forest trail and landings. Forest stand improvement.
NRCS	Watershed Protection and Flood Prevention..	Water needs for fish, wildlife, and forest-based industries.
NRCS	Farm and Ranch Lands Protection Program.	Conservation easements.
NRCS	Grasslands Reserve Program ...	Conservation easements.
NRCS	Soil and Water Conservation Assistance.	Soil, water, and related natural resources, including forest lands.
NRCS	Wildlife Habitat Incentives Program.	Conservation practices that benefit habitat of threatened and endangered species, including forested lands.

The General Accounting Office, in its report entitled *Federal Budget: Opportunities for Oversight and Improved Use of Taxpayer Funds* (GAO-03-922T June 18, 2003), stated:

Policymakers and managers need to look at ways to improve the economy, efficiency and effectiveness of federal programs and specific tax expenditures. Even where we agree on the goals of programs, numerous opportunities exist to streamline, target and consolidate to improve their delivery. This means looking at program consolidation, at overlap and at fragmentation.

In addition to the 23 other conservation incentive programs within USDA alone, the FY 2005 President's Budget includes \$129.5 million for the Department of the Interior's Cooperative Conservation Initiative. That amount is a 25 percent increase over FY 2004. Because FLEP is duplicative of services provided by other programs of USDA and DOI and countless other programs of other Federal agencies, States or non-government organizations, the proposal is fully consistent with GAO's suggestion.

Question 9. The Economic Action Program of your agency's State & Private Forestry Program helps rural communities, such as those found in my home state of Alaska to build skills, networks, and strategies to address social, environmental, and economic changes. This program also helps businesses develop and market new products for forest-based goods & services, such as biomass energy. I am particularly concerned as to why this program is zeroed out in the FY '05 budget?

Answer. For the third year, the President has proposed eliminating Economic Action Programs. The President's Budget focuses on USDA's rural development programs and in other Forest Service programs that both directly and indirectly assist communities. USDA's rural development programs are mentioned in the previous question. Forest Service programs that benefit communities include forest health management, state and volunteer fire assistance, forest stewardship, urban and community forestry, and the hazardous fuels reduction program.

Questions 10 and 11. The Forest Land Enhancement Program (FLEP), which was part of the 2002 Farm Bill is an important program to the states. As you know, this program provides for technical, educational and cost-share assistance to promote the sustainability of non-industrial private forests. For example, in Alaska, in FY 2003, Alaska received \$830,640 for implementation of this program, which helped native corporations and individual landowners to do reforestation after beetle kill, fuel reduction work and wildlife habitat improvements on their lands.

It appears that the funding history of the FLEP has been erratic. The Farm Bill authorized \$100 million from the Commodity Credit Corporation over a 5-year pe-

riod ending with FY 2007. A total of \$20 million was used for landowner cost-share and technical assistance in FY 2003, its first year of implementation. In FY 2003, \$50 million of the remaining FLEP funds were transferred from FLEP to cover Forest Service wildfire suppression costs. Congress repaid \$10 million to the FLEP account in the FY 2004 Interior Appropriations Bill, leaving \$40 million remaining in the account. The FY 2005 Budget now proposes to use the remaining \$40 million as off-sets for other higher priority programs.

Can you explain to me what these “higher priority programs are” and why the Administration is choosing to not use the remaining \$40 million from the previous fiscal year for the FLEP Program?

Answer. The President’s budget balances competing needs and priorities, and reflects in its totality the priorities of the President. There is no specific linkage between the cancellation of FLEP funds and the funding of other priorities.

FLEP activities qualify for other Forest Service, Federal or state conservation program support. As of 2004, USDA alone administered 23 programs that give agricultural land users financial incentives to apply conservation measures to their farms, ranches, and forests. These programs are included in the following table:

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Question 12. It was mentioned at this hearing that funding is going to the development of new manufacturing facilities in Seward and Haines. Through which program is this funding being generated and how much funding has been sent to Alaska?

Answer. In 2002, Husky Lumber of Nikiski (on the Kenai Peninsula formerly located in Seward) received a grant of \$186,000 through Forest Service Economic Recovery Program (Forest Products Conservation & Recycling dry kiln earmark) to finance building two lumber mills and a steam-powered kiln dryer.

In 2001, the community of Haines received a \$10,500 grant through the Forest Service Economic Recovery Program to develop its industrial park marketing program.

In 2001, SuperNatural Teas of Haines received a USDA Cooperative Research Education and Extension Service grant of \$25,000 through the University of Alaska Southeast for equipment to process and dry tea from wild plants gathered locally.

In 2001, Icy Straits Lumber of Hoonah received \$400,000 in financing through USDA Rural Development (Intermediary Relending Program) that leveraged a Forest Service Economic Action Program (FPC&R dry kiln earmark) dry kiln grant (\$549,000), commercial bank financing, and state funds to purchase a dry kiln and related resaw equipment.

Discussions in Seward have focused on potential USDA Rural Development value added grants to aid in the establishment of a wood processing facility (oriented strand board, veneer, press board) if an eligible entity would apply.

Question 13. What are these particular facilities in Haines and Seward and what is it that they are intending to do in terms of manufacturing?

Answer. Husky Lumber has two sawmills and a kiln dryer with a capacity of processing about 8 million board feet of lumber per year. According to the general manager, Husky can supply Alaska and the Lower 48 with dimensional lumber for buildings, logs for homes, tongue-and-groove paneling and decking, log siding and cants, and large dimension materials for oil fields. At capacity, the mill will employ about 30 people.

Question 14. What additional accomplishments are required on the Kenai Peninsula in the Wildland Urban Interface (WUI) via mechanical treatment, prior to the commencement of the cheaper per acre treatments via prescribed fire?

Answer. In order for the Chugach National Forest to begin using prescribed fire on 7,100 acres to restore spruce bark beetle impacted land, approximately 1,300 acres and 33 miles of power-line or highway right-of-way first need mechanical treatment. These areas are a mix of state, private, borough, and National Forest System lands.

In order for all landowners on the Kenai Peninsula to accomplish about 26,000 acres of prescribed fire, approximately 65,000 acres of mechanical treatment would be needed on all state, private, borough, and federal lands.

Question 15. Does the President's budget fulfill this need for Alaska (fuels treatment on the Kenai)?

Answer. Yes, the President's budget fulfills this need.

Question 16. In the FY 2005 Budget Request, there is a decrease in the State Fire Assistance Program (a difference of \$16,818 million from '04 - '05). This Program is critical to the work being done on the Kenai Peninsula in my state. Why this decrease?

Answer. The President's Budget continues to support the work of communities and States in reducing the threat of wildland fire, but at a reduced level over previous years. While direct funding in State Fire Assistance under Wildland Fire, Operations, has decreased, funding is available in other appropriated areas and indirect support functions can be found in other areas of the Presidents Budget. This assistance includes:

- \$25 million in appropriated State Fire Assistance funds in the State and Private Forestry appropriation.
- An increase of more than \$63 million for National Fire Plan programs. This includes a \$32.8 million increase in Hazardous Fuel Reduction to continue to work with communities and organizations in planning treatments to reduce the risk of wildland fire in high priority areas and the wildland-urban interface
- Working cooperatively with States and communities by making leading-edge wildland fire management technology available.
- Coordinating the use of the Federal Excess Personal Property program to assist state and local communities.

Question 17. The Rehabilitation and Restoration Program under the Wildland Fire Management Account is decreased by \$3.9 million from the FY 04 level of \$6.9 million [a 57% decrease]. Can you explain this decrease?

Answer. The President's Budget proposes \$3.0 million dollars in FY 05 for Rehabilitation and Restoration. Critical rehabilitation work not covered by the Fire Rehabilitation budget line item in the Wildland Fire Management appropriation will be addressed by utilizing regularly appropriated funds and carryover funds from prior years including any funds that were appropriated for repayment of funds transferred for fire suppression. The critical rehabilitation and restoration work will be funded from several of the various National Forest System budget line items, Capital Improvement and Maintenance budget line items, as well as, from the Permanent Appropriations and Trust Funds. The \$3.9 million decrease from the FY 2004 enacted level is modest when compared to the \$445 million in rehabilitation work that the Forest Service has estimated will be funded through regularly appropriated funds.

Question 18. Why is only Title I of the Healthy Forest Restoration Act the only title being funded in the FY 2005 President's Request and how much of this funding is "new money"?

Answer. The agency's primary focus with regard to the Healthy Forest Initiative has been on reducing hazardous fuels to reduce the impacts of catastrophic wildfires on the environment and to reduce risks to communities. Therefore, the agency's primary focus on implementing HFRA has been on Title I, including determining funding for FY 2005. Of the total Forest Service amount for Title I, approximately \$38 million (\$33 million in hazardous fuels, \$2 million in Forest Products, and \$3 million research) is "new money".

Question 19. Why isn't the Biomass Title of HFRA being funded and seen as a priority in the President's Budget?

Answer. Title II of the HFRA has three components: (1) biomass use research, (2) rural revitalization technologies, and (3) utilization grants. The Agency deems the development of information and assistance to communities in the production and use of biomass to be a priority for sustainable management and economic sustainability. Examples of implementation include:

- The FY2004 Joint USDA/USDOE Solicitation for Proposals under the Biomass Research and Development Initiative was modified to include grant funding in the areas identified in Title II of HFRA.
- FS R&D has a comprehensive program in forest biomass assessment, management, harvesting and recovery, utilization, processing, and marketing for HFRA Title II.
- S&PF is emphasizing partnering with universities and USDA Extension Service and formalizing procedures for demonstrations within current programs to assist community-based enterprises.
- The Forest Service has the grant authorities and programs in place to provide direct technical assistance and grants to individuals and entities to demonstrate commercial biomass utilization should such funds become available through Title II of the HFRA.

Question 20. The President's FY 05 Request includes proposed budget reductions in virtually every area of the Wildland Fire Management Area except Fire Operations which is up \$88.3 million over the FY 04 level of \$597.1 million. Please explain these reductions and why.

Answer. The President's budget proposes an \$88.2 million increase over the 2004 request for Fire Operations Suppression. This request provides the 10-year average suppression cost, adjusted for inflation.

In Other Operations, the President's Budget is an approximately \$22 million increase over the 2004 request, and is approximately equal to the 2004 enacted level when adjusted for Emergency Appropriations, Hazardous Fuels and Joint Fire Sciences which were moved to other appropriations.

Question 21. How much would it take to fully meet the road maintenance needs in the Alaska Region?

Answer. The Alaska Region reports annual maintenance needs of \$18.9 million. \$1.6 million of these needs are reported to be "Critical". (Critical needs are those, which if not met, will constitute an immediate threat to health and safety, forest resources, or accomplishment of the agency mission.)

Question 22. What is the funding request in the FY 2005 budget for road maintenance and what portion would be allocated to Alaska?

Answer. The President's budget proposes \$227,906,000.00 for the road construction and maintenance budget line item. The Alaska Region's estimated allocation would be \$15,902,000. The line item is used for road maintenance, road decommissioning, and reconstruction and construction activities. Of this amount approximately \$5 million is for road maintenance, and the remaining funds would be used for road decommissioning, and road reconstruction and construction.

Question 23. It is my understanding that the funding to be allocated to Alaska is far below the needed amount to address road maintenance needs. Please explain this discrepancy.

Answer. Agency-wide and regional budget requests are developed by forests through the Budget Formulation and Execution System (BFES) process. Working within regional constraints, each forest requests the level of funds within each program based on local priorities and needs. The Alaska Region's level of requested road maintenance funding and the Forest Service agency-wide level of requested funding developed from BFES are below the amounts needed to address all of the road maintenance needs. The relative ratio of requested funding to needs in Alaska is similar to that of the other eight regions.

Question 24. With a proposed \$10.9 million reduction in Land Management Planning from the FY 2004 level of \$70 million, I would like to know how the agency proposes to keep its 126 forest plans around the nation timely. With outdated forest plans being utilized by the agency, the chance for additional lawsuits grows exponentially.

Answer. The current Forest Plan revision schedule reflects an FY 2004 workload that can be accomplished within funding levels received from Congress. It also contains a planned level of work and accomplishment whereby subsequent years will require substantially more funds. This schedule was developed based on the desire to facilitate effective management of the program by having only about one-third of the agency's Forest Plans under revision at any one point in time (i.e., an even-flow of Plan revision initiations and completions).

The revision schedule provided in the FY 2005 Budget Justification assumes efficiencies associated with the revised national forest planning rule and reflects program funding contained in the President's Budget.

The new planning rule being developed by the agency should also allow Forests to complete revisions more efficiently in future years.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR BUNNING

Question 1. The Forest Service has asked that it be given permanent authority for its recreation forest fee program. Many Americans, however, are opposed to paying access fees that force them to pay for simply setting foot in certain forests. How will you balance service fees—such as parking fees or docking fees—with general access fees? How will you make certain that the visitors to our forests will see the local investment from their fees?

Answer. Providing a fair and equitable program is a high priority for the Forest Service and the other agencies (Bureau of Land Management, National Park Service, Fish & Wildlife Service) participating in the Recreational Fee Demonstration Program. Through the Blueprint for Forest Service Recreation Fees (Blueprint), the Agency provides a consistent, national framework for identifying the types of recreation facilities and services for which fees will be charged. The Forest Service is not charging for general Forest access, viewing sunsets, or undeveloped areas with low use. Fees are charged in areas where higher levels of recreation development or services are provided. To ensure that we have a fair and equitable fee structure, each recreation fee demonstration project requires a business plan that includes an economic analysis which demonstrates that the proposed fees are comparable to those charged in the local/regional area.

Accountability to the public is very important. In fact, one of the key lessons learned in the Fee Demo program is that fees are acceptable to people if they have a direct connection to a benefit. The Forest Service ensures that the public sees the result (benefit) of their fees through several methods. The results of recreation fees are visible at the site through new or rehabilitated facilities, the results of improved services (i.e., cleaner toilets, better trash removal), and better maintained trails. Some forests hold public meetings to describe how fees were spent in the past year and present projects for the coming year. We post annual accomplishments at several places including at the recreation fee site itself, visitor centers, and district or information offices to ensure that users are aware of where their fees are going. Forests also post accomplishment summaries on their websites so people can access the reports electronically as well as mail those accomplishment reports to those interested in recreation fees. Finally, the Forest Service prepares a joint Annual Report to Congress with Bureau of Land Management, Fish & Wildlife Service, and the National Park Service that accounts for recreation fees revenue and expenditures. The Annual Report to Congress is posted on the Forest Service website for electronic access (<http://www.fs.fed.us/recreation/programs/feedemo/index.shtml>).

Question 2. National Forests, National Parks, waterways and other recreational areas are often intertwined into a complex web of jurisdictions. With the Forest

Service wanting to make its recreation fee program permanent, what will you do to work with other agencies to ensure that Americans are treated fairly and are not deterred from using our forests because of redundant fees from other agencies?

Answer. The Forest Service is actively working with the Bureau of Land Management, Fish & Wildlife Service, and the National Park Service to ensure that the recreation fee program is fair and easy to use and understand. The Departments of the Interior and Agriculture have created the Interagency Fee Leadership Council (the Council) to oversee and coordinate the Recreation Fee Demonstration Program. The Council is co-chaired by Mark Rey, Under Secretary of Agriculture and Lynn Scarlett, Assistant Secretary for the Department of Interior and members include leaders of the agencies involved in the Fee Demo program. The Council develops joint goals and work plans to ensure that all agencies are working toward the common goal of providing a seamless recreation experience to the American public. Interagency objectives include 1) interagency pass policies; 2) reporting mechanisms; 3) program evaluation; 4) feedback loops for adjusting policies and addressing problems; and 5) joint research on various aspects of the program.

The participating agencies' coordination is best visible in the development of interagency regional passes. Many regions are responding to the public's need for simplified recreation passes by providing regional passes that cover participating Federal and State lands. An example is the Oregon/Washington Forest Pass that covers basic fees sites at Bureau of Land Management, National Forest Service, Fish & Wildlife Service, and National Park Service lands as well as 6 Army Corps of Engineers sites, 26 Oregon State Parks, and 20 Washington State Parks. Another interagency regional pass is the Visit Idaho Playgrounds (VIP) pass. The VIP pass covers fees on State and Federal lands in Idaho. Regional passes are moving the Fee Demo program toward the Council's stated goal of having one national interagency pass that covers all federal recreation land.

The Forest Service developed and implemented a Blueprint for Forest Recreation Fees (Blueprint) in 2003. The Blueprint provides standardized criteria that each recreation fee site must meet before being included in the fee program. The Blueprint criteria are consistent with the other agencies' recreation fee site criteria. To provide greater benefits and create an easier fee program for the public that reduces fee layering, the Blueprint allows greater acceptance of the Golden Eagle Passport, an interagency pass, at basic fee sites within the Forest Service. Not only is accepting the Golden Eagle Passport at more fee sites moving the program toward the goal of seamless service across Federal land, it also is easier for the public to understand and use.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR AKAKA

INVASIVE SPECIES

Question 1. I am glad to see a commendable increase of \$7.3 million in funding for invasive species control methods in Forest and Rangeland Research. This is an ongoing battle for many States, and an important issue for the overall health of our forests and communities.

The appropriation for Forest and Rangeland Research indicates that the invasive species program will expand research on controls for newly arrived insects and pathogens. The budget document also indicates that new biological controls for established invasive weeds will increase, along with methods to restore the sites once the invasive is controlled.

As you know, the State of Hawaii is plagued by invasive weeds such as miconia and fountain grass. These and other invasives have been changing the hydrology of tropical forests by depleting the groundwater supply, preventing native plant growth, and leading to erosion. The erosion increases sedimentation in surface waters and smothers coral reefs.

With regards to Hawaii, it is unclear as to what level of funding my State can look forward to for control of invasive weeds and insects. The Institute of Pacific Islands Forestry will have an increase, but is this the only invasives effort by the Forest Service that will affect Hawaii's forests? To what specific pests, species, or pathogens will the funding be dedicated and how will the research help with Hawaii's invasives problems?

Answer. It is recognized that Hawaii is suffering from among the worst, if not the worst, invasive species problems of any state in the USA. The Institute of Pacific Islands Forestry, the Hawaiian Unit of the Forest Service's Pacific Southwest Research Station, is committed to researching ways to understand, prevent, and control invasive species in Hawaii and the Pacific. Hawaii will benefit from increased

research support for invasive species research on several fronts. We will expand research to address the following important invasive species problems:

- Biological Control of such aggressive weeds as miconia, tibouchina, and strawberry guava.
- Breaking the exotic grass/wildfire cycle particularly control of fountain grass. This cycle negatively affects human safety, property, rare and endangered species, and military training.
- Watershed restoration as a means of controlling exotic species and protecting entire watersheds from the ridge to the reef. Here we will focus on restoring native forests in areas occupied by exotics or bare ground thereby decreasing sedimentation and damage to coral reef ecosystems.

Funding for the Emerging Pest and Pathogens Fund would enable the Forest Service to deal more effectively with unexpected introductions of invasive species to protect habitats and mitigate short-term effects. This fund is for rapid response to new invasive species or pest population increases of more than 150 percent from one year to the next. Funds may be used solely for: (1) rapid response to new introductions of non-native or invasive pests or pathogens which no previous Federal funding has been identified to address, or (2) for a limited number of instances in which any pest populations increase at over 150 percent of levels monitored for that species in the immediately preceding fiscal year and failure to suppress those populations would lead to a 10-percent increase of annual forest or stand mortality over ambient mortality levels in the affected area. This program supports the President's Healthy Forests Initiative and serves as an agency initiative/focus item for addressing invasive species.

Forest Service fire scientists, of the Riverside, California Research Station, are working in Hawaii to develop and refine fire behavior models to address Hawaii climates and fuels. They are developing local and regional short- and long-term fire-weather forecasts to support models and long-range planning activities. Much of this work is done with the military in response to their issues with invasive grasses, fuel accumulations, and fire problems resulting from ignitions associated with training activities.

The support given to the Institute of Pacific Island Forestry is important because it can be used to leverage additional funds for research on the control of exotic species and restoration of native ecosystems. We have successfully obtained additional funding for research from the National Science Foundation, the Joint Fire Sciences Program, the Nature Conservancy, and the International Programs of the Forest Service. This research has increased our research efforts on the ecological impacts, economic impacts, and approaches to control of exotic species. The leveraged funding has also facilitated the involvement of researchers and collaborators from other Federal Agencies, Universities, NGOs, and other Forest Service Research Stations.

Question 2. I commend the Forest Service for its participation in the interagency budget crosscut on invasive species and its work with the National Invasive Species Council. However, I am disheartened to note that overall funding for invasive species-related projects has decreased since FY2003 from \$88.3 million, to the present budget request of \$67.9 million.

I am interested in one change in particular. I see that a \$10 million request has been added to the Emerging Pest and Pathogens Fund, both in State and Private Forestry. The budget request mentions several non-native species or pathogens that would be addressed by this funding, such as emerald ash borer and sudden oak death; but none of these are of immediate concern in Hawaii.

What is the rationale behind these choices? Were there specific states in mind when this request was being calculated?

a. Does this mean less funding to combat other varieties of invasive species?

Answer. The Emerging Pest and Pathogen Fund targets new, unanticipated, invasive pest and pathogens that may be introduced into the United States and is not intended for any particular species. The species mentioned are examples of the kind of pests and pathogens that would be appropriate.

HEALTHY FORESTS RESERVES PROGRAM

Question 3. Title V of the Healthy Forests Restoration Act of 2003 authorizes up to \$25 million dollars for the Healthy Forests Reserves Program. This program would help landowners restore forested habitats for rare and endangered species, through cost-sharing agreements and conservation easements. The State of Hawaii has completed the Hawaii Tropical Forest Recovery Action Plan, and we have just completed an extensive series of critical habitat designations. Hawaii can easily benefit from this program.

I do not find a request for Title V in the budget document. Can you provide any details on the status of Title V and your plans for a request next year?

Answer. No funds are currently requested for Title V of the Healthy Forests Restoration Act, and it is too early to predict what will be requested in FY 2006.

The Cooperative Lands line item, however, shows plans for FY 2005 to “provide technical assistance to Hawaii for management of non-native weed species as provided for by the Hawaii Tropical Forestry Recovery Act.” (Pages 7-8 and 7-9 of the Budget Justification)

Question 4. The Cooperative Lands line item shows plans for FY2005 to “provide technical assistance to Hawaii for management of non-native weed species as provided for by the Hawaii Tropical Forestry Recovery Act.” (Pages 7-8 and 7-9)

This is the same action described in FY2004, yet there are no specifics as to the level of funding or type of activity, and whether this would be an increase or a decrease from FY2004.

Can you please provide information on the level of funding and type of activities planned for Cooperative Lands, in relation to the Hawaii Tropical Forest Recovery Act, and how it differs from the FY2004 activities and levels of funding?

Answer. In 2004, \$547,000 was sent to Hawaii and was distributed to Hawaii, Maui, Kauai, Oahu, and the Department of Forestry and Wildlife. A large portion of these funds went toward control of Miconia. Maui is also spending funds on pampas grass, ivy gourd, and giant reed. The remainder of the funds is being distributed to the Island Invasive Species Committee’s to treat outlying populations of species of limited distribution on the islands. Additionally, \$155,000 was sent to the other Pacific Islands for managing invasive species.

We expect approximately the same level of funding for the activities under the Hawaii Tropical Forest Recovery Act in FY 2005.

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR FEINSTEIN

HAZARDOUS FUEL REDUCTION NATIONWIDE

Question 1. California’s Fire Safe Councils, which receive funding from the national Fire Plan, help communities protect themselves from catastrophic fire. I understand that the fuel reduction efforts of the Lytle Creek Fire Safe Council were responsible in significant part for the Forest Service’s successful stand in the San Bernardino Mountains during the tragic California wildfires last fall. Is this correct?

Answer. The efforts of the Lytle Creek Fire Safe Council were significant in saving much of the community of Lytle Creek during the Grand Prix Fire—in fact, parts of this area had been identified before the fire as areas that could not be defended due to the dense fuel loads. Because of the efforts of the Fire Safe Council in the months and years before the fire, the incident team re-evaluated the situation and determined that they could defend these homes, saving nearly all of them. These efforts highlight how local governments and private residents can take action “close to home” to mitigate the risk of uncontrolled wildfire.

Question 2. Despite the useful work of Fire Safe Councils, as I read the President’s proposed 2005 budget, funding for state, local, and volunteer fire assistance is cut by 42% (\$147 million down to \$85 million), while funding for Economic Action Grants to communities is zeroed out. How can this be justified given the importance of both Fire Safe Councils’ community planning efforts, and the need for state and local firefighters in initial attack and firefighting in the Wildland Urban Interface?

Answer. The FY 2004 funding referenced in the question includes \$24.8 million specifically for Southern California appropriated in the FY 2004 Consolidated Appropriation Act and all of the Economic Action Program funds, over half of which supports non-wildland fire activities. The President’s Budget continues to strongly support the work of communities and States in reducing the threat of wildland fire. The budget request for the National Fire Plan includes an overall increase of \$63 million for National Fire Plan programs (excluding the supplemental funds for Southern California). The increase in Hazardous Fuel Reduction (+\$32.8 million) provides additional funds over the FY 2004 enacted level to continue to work with communities, other federal agencies, and organizations in planning treatments to reduce the risk of wildland fire in high priority areas including the wildland-urban interface. The increase in Fire Suppression Operations (+\$88.3 million) gives the Forest Service additional resources to suppress wildland fires that might threaten communities and other non-federal lands. The President’s Budget includes strong incentives for the use of local resources in hazardous fuels removal projects, and assumes expanded use of stewardship contracting to meet on-the-ground resource management objectives, including hazardous fuels reduction. The President’s Budget also

provides for the expanded use of state and local firefighters and resources. In addition to the overall funding increase for the National Fire Plan, the Forest Service continues to work cooperatively with States and communities in numerous ways to protect communities, the public, and firefighters from wildland fires, including making available the latest leading-edge wildland fire management technology and coordinating the use of the Federal Excess Personal Property program.

Question 3. The Administration has claimed the 2005 budget fully funds the Healthy Forests Restoration Act by increasing funding to \$760 million. However, most of the supposed increase, with the exception of an addition \$30 million for fuel reduction, appears to be made up by shifting funding from other existing programs, such as state and private forestry, fire science, and timber. How much of the \$760 million do you consider to be new money?

Answer. The President's Budget proposes \$760 million for work to reduce hazardous fuels and restore forest and rangeland health, as prescribed in the Healthy Forests Initiative and the Healthy Forests Restoration Act. Other Forest Service programs besides the hazardous fuels reduction program contribute toward these goals. The Forest Service has not shifted funds from other programs. The amounts shown in programs other than hazardous fuels that support HFI and HFRA are those funds that contribute toward removing hazardous fuels and reducing risk of catastrophic wildfire. Of the total Forest Service amount for Title I, approximately \$38 million (\$33 million in hazardous fuels, \$2 million in Forest Products, and \$3 million research) is "new money".

SOUTHERN CALIFORNIA

Question 4. Congressman Jerry Lewis and I obtained \$240 million for hazardous fuel reduction and restoration of burned areas on federal and private lands in Southern California through the FY03 supplemental and the FY04 Omnibus and Interior Appropriations bill. It is critical that we reduce the terrible risk of catastrophic fire in the San Bernardino Mountains and surrounding areas. My question for you is whether this is enough funding for FY04 and FY05, or whether we need more.

Answer. The current funding is adequate.

Question 5. As I understand the proposed budget, funding for rehabilitation and restoration of burned over areas decreases to \$3 million from \$6.9 million in FY 2004, a 57% decrease. Restoration is needed after any major fires. How do you propose to fund this needed restoration under your budget?

Answer. The critical rehabilitation and restoration work will be funded from several of the National Forest System budget line items, Capital Improvement and Maintenance budget line items, as well as funds from the Permanent Appropriations & Trust Funds. Prior to the establishment of the Rehabilitation and Restoration budget line item following the extraordinary 2000 fire season, these accounts were the primary source of non-emergency rehabilitation and restoration funds.

Some of the primary National Forest System budget line items include:

1. Vegetation & Watershed Management for seeding, plantings, reforestation, noxious weed prevention and treatments, soil stabilization, and other watershed rehabilitation and restoration treatments
2. Landownership Management for reestablishing property boundaries

From the Capital Improvement and Maintenance appropriation:

1. Roads funds for repairing bridges, culverts, and erosion
2. Trails funds to repair trails and reduce erosion
3. Facilities budget line items will be used for reconstruction of minor recreation facilities, and other administrative facilities

And from the Permanent Appropriations and Trust Funds, such as,

1. Ten-percent Roads and Trails Fund
2. Reforestation Trust Funds.

The decrease from the FY 2004 enacted level is modest when compared to the \$445 million in rehabilitation work that the Forest Service has estimated will be funded through regularly appropriated funds.

LAKE TAHOE

Question 6. For the first time in years, we have the possibility of fully funding the \$30 million federal share of the Lake Tahoe Restoration Act, thanks to last year's amendments to the Southern Nevada Public Land Management Act. My only concern is that I have heard rumors that the \$30 million might be used to cover other Forest Service operations, effectively denying California the benefit of this ad-

ditional funding. Can you assure me that the Forest Service's base funding for Lake Tahoe and Region 5 will be maintained?

Answer. The Southern Nevada Public Land Management Act (SNPLMA), as amended by P.L. 108-108 (FY 2004 Interior and Related Agencies Appropriations Act), will provide the \$300 million authorized in the Lake Tahoe Restoration Act (LTRA) to federal agencies over the next 8 years (\$37.5 million per year). The funds from SNPLMA will be used to fully implement the LTRA, but they will not be used to cover other Forest Service base operations. Instead, the FY 2005 President's Budget increases the Lake Tahoe Basin Management Unit's (LTBMU) base budget by \$2,715,000 through additional appropriated funds. This increase provides for approximately \$7 million in base funding for the LTBMU. Base funding supports personnel and infrastructure and provides basic program support not included in LTRA funding, but which is needed to implement the LTRA.

The Forest Service is committed to providing an adequate and stable base budget for the LTBMU for the long term beyond the LTRA. Through the combined funding from the SNPLMA and Forest Service appropriated funds, it will be possible to support both a stable base budget for the LTBMU and fully fund the LTRA.

PRIORITIZING FUEL REDUCTION PROJECTS

Question 7. Having accurate data about areas at risk is critical for effective fire management. The Condition Class Rating System, while useful at a broad scale, is not currently designed to be used at the local or regional level. In response, the Forest Service has launched the LANDFIRE program to improve and refine the condition class system. Recently, the National Association of Public Administration released a report entitled "Enhancing Hazard Mitigation Capacity," as part of its ongoing review of wildland fire management. NAPA has recommended that the LANDFIRE program be accelerated. Does the 2005 budget allow you to accelerate the program?

Answer. Yes, the Forest Service has the discretion to direct funding within budget line items as priorities dictate, consequently the FY 2005 budget allows us to accelerate the development and implementation of LANDFIRE as needed.

The LANDFIRE team is providing input to the Wildland Fire Leadership Council (WFLC) on the merits of accelerating the LANDFIRE program. The proposed accelerated schedule (\$39.9 million) would deliver most products 12-15 months faster than originally planned, at an increased cost of 8 percent, \$3 million, over the life of the project. In FY 2005 the cost would increase about \$3.2 million for the Forest Service, and \$3 million for the Department of the Interior. The most significant issue being explored is the cost of acceleration with respect to product quality, and subsequent user confidence in the data resulting from LANDFIRE. These application costs must be fully evaluated before the final decision is made on whether or not to accelerate LANDFIRE development.