

FY'03 FOREST SERVICE PROGRAM BUDGET

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FORESTS AND
FOREST HEALTH

OF THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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OVERSIGHT HEARING ON FY'03 FOREST SERVICE PROGRAM BUDGET

**Tuesday, March 12, 2002
U.S. House of Representatives
Subcommittee on Forests and Forest Health
Committee on Resources
Washington, DC**

The Subcommittee met, pursuant to notice at 4:08 p.m., in room 1334, Longworth House Office Building, Hon. John E. Peterson presiding.

STATEMENT OF THE HON. JOHN E. PETERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. PETERSON [presiding]. Good afternoon. I am Congressman Peterson from the Fifth District of Pennsylvania, the Subcommittee Vice Chair filling in for our Chairman, Mr. McInnis, for the moment. We will call to order the Committee on Resources' Subcommittee on Forests and Forest Health for our oversight hearing on the Fiscal Year 2003 Forest Service Program Budget.

Under Committee Rule 4(g), the Chairman and the Ranking Minority Member can make opening statements. If any other members have statements, they can be included in the hearing record under unanimous consent.

Mr. PETERSON. At this time, I will share with you Mr. McInnis' statement.

[The prepared statement of Mr. McInnis follows:]

Statement of The Honorable Scott McInnis, Chairman, Subcommittee on Forests and Forest Health

The Forest Service provides leadership in the management, protection and use of the nation's forests and rangelands. The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations needs. Through implementation of land and resource management plans, the agency ensures sustainable ecosystems by restoring and maintaining species diversity and ecological productivity that helps provide recreation, water, timber, minerals, fish, wildlife, wilderness, and aesthetic values for current and future generations of people.

Through technical and financial assistance, the USDA Forest Service assists States and private landowners in practicing good stewardship, promoting rural economic development, and improving the natural environment of cities and communities. The agency continues to develop and use the best available scientific information to facilitate achievement of our goals and objectives. Domestic and international activities are directed at developing values, products, and services in such a way as to maintain ecosystem health.

Today we will take a closer look at the Forest Service's budget for the coming fiscal year which provides the means of achieving these important objectives. As always, it's a pleasure to have the Chief before the Subcommittee, and I look forward to hearing from Mr. Bosworth today.

Following an unusually heavy fire season in 2000, the Secretaries of Agriculture and Interior produced a National Fire Plan and were funded an additional \$1.8 billion by Congress to identify and begin implementing a long-term solution to the U.S. wildfire problem. Congress renewed that commitment last year. While very real progress has been made in battling the forest fire problem, many issues still remain.

Earlier this year, the General Accounting Office issued the latest in a long-line of reports criticizing the Departments of Interior and Agriculture for failing to adequately integrate their efforts to reduce the menacing specter of catastrophic forest fires. The GAO asserted in its January report that this lack of meaningful coordination continues to hamper the efficiency and effectiveness of the National Fire Plan.

Without strong leadership the program fails to live up to expectations.

- Little progress will be made in reducing fuel loads in the wildland urban interface. Communities will continue to be at risk of devastation by catastrophic fires.
- States will be inadequately involved in identifying communities at risk and in planning strategies for meeting plan objectives.
- Projects will be tied up in the analysis paralysis that plagues the agency.

As the Members of this Subcommittee remember well, the GAO offered a similar criticism of the relevant Departments and Agencies before our panel last summer. At the time, I put the then newly staffed Departments of Interior and Agriculture on notice—either fix the problem or Congress will fix it for you. The fix that I suggested at the time was the establishment of a National Fire Czar, a National Fire Council or some other inter-agency structure whose role would be to bring uniformity and consistency to federal wildland fire policy. Today, nearly nine months after I first issued it, I reiterate that ultimatum—if the involved agencies do not move quickly and aggressively to create the institutional structures needed to fully integrate National Fire Plan efforts, Congress stands ready to assume the leadership role.

The obvious way for Congress to remedy these implementation inadequacies is to enact the principles outlined in a December 2001 National Academy of Public Administration report, which called for the creation of a National Wildland Fire Policy Implementation Council. Whether through a National Fire Council or a National Fire Czar, it is clear that a new administrative entity in some form is needed to pull together the focus, efforts and energies of the disparate federal agencies which implement the National Fire Plan.

It is my understanding that various proposals to establish an inter-agency, interdisciplinary National Fire Council are floating around within the Administration on various levels. This is very good news. But while these proposals sound meritorious and laudable based on the information I have received, the time for proposals is long since passed. Fire season is nearly upon us and the time for action is now.

Later this spring, this Subcommittee will hold oversight hearings specifically focused on National Fire Plan implementation. If an inter-agency fire council or its equivalent has not been created through administrative direction by this time, rest assured that legislation built on the principles outlined by the National Academy of Public Administration will begin moving through this Committee.

Historically, the agency has also been beleaguered by financial accountability and performance management problems. The GAO testified in February 2000 that the Forest Service is taking actions to address known problems with its financial management and reporting. Despite these efforts, major hurdles to achieving financial accountability remain. The agency remains unable to reliably track major assets worth billions of dollars, accurately allocate revenues and costs to its programs in its financial reports and accurately prepare its financial statements. There are also numerous financial reporting errors and major internal control weaknesses.

According to the GAO, while the Forest Service has made considerable progress toward improved performance management, much difficult work remains. The agency still faces several major hurdles before it can provide accurate and timely information on how much of its funds are spent on specific strategic goals and objectives and what is accomplished with the money. The agency's annual performance measures often do not adequately indicate the outcomes the agency intends to achieve. As a result, they do not always encourage progress toward the agency's strategic goals and objectives and are not clearly linked to the long-term performance measures.

I know that, under the tutelage of Mr. Bosworth and Secretary Veneman, real strides have been made in restoring needed accountability to the Forest Service's

finances. I look forward to hearing about that progress as well as what future steps will be taken to ensure that the Forest Service's financial house is in order.

Although the agency has continued to improve its financial accountability and performance management, given its history, continued vigilance seems appropriate. I will request that GAO review the progress and describe the work that remains for the Forest Service to achieve financial accountability and improve performance management. I would hope to have that review completed by the end of this calendar year.

The integrity of the entire Forest Service has been compromised by unprofessional, unethical behavior of a few employees. The agency is faced with the task of restoring their credibility.

The President's Fiscal Year 2003 budget proposes includes several major shifts between and within programs areas as well as new initiatives and programs and elimination of other programs.

The Economic Assistance Program, benefitting local communities has been eliminated.

Increased funding of the FIA program and other priority shifts within Research and Development will result in the closure of several labs and the termination of research projects.

Another issue that I am especially interested in is this Charter Forest proposal. In an attempt to streamline the decision-making process, the Administration proposed to establish "charter forests," to test new management, budget, contracting and governance techniques. I know my Colleague Tom Udall is very interested in this issue. The two of us sent a letter to the Chief last year suggesting that the Forest Service should begin testing new and innovative approaches to management the nation's forest resources. We look forward to hearing about the proposal especially how it will streamline the natural resources decision-making process, establishing scientific accuracy, accountability, accessibility, trust-building, and efficiency in the planning process.

Other legislative proposals include: fireplain easements, permanent authority for recreation fee demonstration program, increased timber competition and revised schedule for ski fees.

It is with this that I welcome Mr. Bosworth and thank him for taking the time to appear before our Subcommittee. We look forward to hearing from the Forest Service on the administrations strategy for managing the nation's forest. I know the hearing will be a constructive dialogue, one that I look forward to continuing with Mr. Bosworth, Mr. Inslee and the other Members of this Subcommittee in the coming weeks, months and years.

Mr. PETERSON. I now recognize Mr. Inslee, the Ranking Minority Member, for any statement he may have.

STATEMENT OF THE HON. JAY INSLEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. INSLEE. Thank you, Mr. Chair, and thank you all for coming to the hearing. These are very important procedures because this is obviously where the rubber meets the road. It is not just more policy rhetoric, but we are dealing with real numbers here. So, we appreciate the opportunity to talk with you.

I just wanted to mention three things: First, concern about our enormous gap between our needs for maintenance and decommissioning arose and our existing budget. I am sure that all of us recognize that that is a large gap. But to put it in perspective, I was just now meeting, by coincidence with a couple of constituents who have been working with the Forest Service for 4 years to do an inventory of the needs in one little, teeny, tiny patch of the Forest Service on the Hood Canal, west of Hood Canal in the Olympic National Forest.

The needs there are conservatively estimated at about 1200 miles of significant decommissioning. As far as I can tell, I am advised that the entire budget for the entire nation is about 1500

miles. So, we can almost consume the entire maintenance decommissioning budget, I think, next to my little district, which would be fine with me, by the way, but Mr. Byrd may disagree in the Senate or that other chamber.

That is disturbing because I am hearing more and more that the biggest polluter of our water is us, is the Federal Government in our siltation problem with our salmon problem it is particularly acute in the State of Washington. So, I will be interested in your comments about what is the most realistic way we can boost that commitment to take care of our old roads instead of just building new ones.

My second issue is our Roadless Area policy, obviously, so you can tell us where the agency is because many of us think it is more important perhaps to fix the roof or the barn that is terribly leaking before we put on another addition. Given the nature of the extreme damage that we are doing with our existing roads, many of us think that that should be our national priority.

The third issue I am interested in, if you can make comments about our fire safety response, we still would like to know in the best way you can tell us as to how this response, we hope, will be different than past responses to past tragedies, and if you can bring them up to speed on your efforts in that regard. Thank you, Mr. Chair.

Mr. PETERSON. I thank the Ranking Member.

I would like to introduce our witnesses today. We have only one panel, Chief Dale Bosworth, in the middle, accompanied by Ms. Sally Collins, Associate Chief, USDA Forest Service and Mr. Hank Kashdan, Director of Program and Budget Analysis from the Forest Service.

Since we only have one panel, you are not limited to 5 minutes. I will limit the members to 5 minutes in their questions. I will rotate. They can have as many 5 minutes as they want, but only five at a time so everybody gets a chance. So, without any further adieu, we welcome the panel and please proceed. Make sure you are close to the mikes.

Mr. OTTER. Mr. Chairman, I would only observe that there are as many members here, we could both have the 5-minute limit taken off.

Mr. PETERSON. We will reserve the decision on that.

STATEMENT OF DALE BOSWORTH, CHIEF, USDA FOREST SERVICE; ACCOMPANIED BY SALLY COLLINS, ASSOCIATE CHIEF, USDA FOREST SERVICE; HANK KASHDAN, DIRECTOR, PROGRAM AND BUDGET ANALYSIS, USDA FOREST SERVICE AND ROBERT LEWIS, DEPUTY CHIEF, RESEARCH AND DEVELOPMENT

Mr. BOSWORTH. Well, Mr. Chairman and members of the Subcommittee, I do appreciate the opportunity to be here today to talk about the President's Fiscal Year 2003 budget for the Forest Service. As you said, I am accompanied here today by Forest Service Associate Chief, Sally Collins, and Hank Kashdan, who is the Director for our Program and Budget Analysis Staff.

As I said, it is a privilege to be here. There is a lot going on in the Forest Service and I am really anxious to answer your ques-

tions. But there are a few things I would like to say first. I do want to start off by saying that just a couple of weeks ago I had the pleasure of going to Utah and visiting Utah during the winter Olympics in Salt Lake City and the surrounding area.

There were two Olympic winter games that were signature events that were held on National Forest land, the Downhill and the Super 'G'. They were held at the Snow Basin ski resort which is located on the Ogden Ranger District of the Wasatch-Cache National Forest. The Forest Service's main goal for the 2002 Olympic Winter Games was to help ensure that Olympic-related activities on the National Forests were safe and environmentally responsible.

There were a lot of dedicated Forest Service employees there, co-operators as well as Forest Service employees and volunteers that worked really, really to make sure that those goals were met. I am happy to report to the Subcommittee that those goals were and we were part of a very successful event. So, I am very proud of the work that the Forest Service people contributed to that.

What I would like to do is just briefly summarize the testimony and then submit the full testimony for the record. The Fiscal Year 2003 President's budget request for the Forest Service is almost \$4.9 billion. Now, with this level of funding, we are going to be emphasizing protecting the public, employees, property, and resources. We are going to be providing benefits to employees. We are improving forest and rangeland health and we are going to be meeting the growing recreation demands for goods and services and other kinds of amenities by the public.

One of the things I am going to be putting a lot of focus on and a lot of folks in my agency are going to be putting a lot of focus on has to do with the process gridlock that we are engaged in. I want to focus a lot of attention on reestablishing a bias in favor of accomplishing the work of the Forest Service, which is work to be done on the ground.

The process paralysis, the analysis paralysis is directly affecting our ability to protect communities from catastrophic wild fires. It is affecting us in terms of providing communities with a sustainable flow of forest products. It affects us in terms of putting employees in the field on the ground where they really need to be.

We are going to be concentrating on the restoration of ecosystems to fire-adapted conditions. We need your support, and we appreciate your support in the funding of the National Fire Plan in the past. We are going to continue a focus, a primary focus on reducing the number of communities that are at extreme risk from wildland fire. Hazardous fuels reduction is the critical component of the National Fire Plan, in my judgment.

It is going to require a sustained effort over a number of years in order to work around these communities in order to reduce the fuels hazards and the potential for disastrous fires around the communities. We are going to be doing that and we have been doing that in cooperation with the Department of Interior and other parties, including the States.

There are just a few things I want to rattle off since in your opening remarks you talked about our cooperation with the Department of Interior. We are working together to achieve the goals of

the Department of Interior for the National Fire Plan. We have created a National Fire Plan. Coordinating teams are providing leadership in different areas of implementing the plan.

We developed a 10-year comprehensive strategy. We are completing the implementation plan. We identified communities at risk. We have been finalizing the Inter-Agriculture cohesive strategy. We are developing complimentary budget requests. We will develop a new planning analysis process and we will invest in applied research. We will collaborate with the States and other partners. These are the things that we have been doing with the Department of Interior.

The Forest Service plays a key role in maintaining benefits to communities. The type of opportunities that we are going to be engaged in will be based on the local needs, on what local people feel and local interests, while we remain consistent with the agency's mission and priorities.

I want to say something about invasive species because in the coming months I intend to focus more on invasive species and the invasive species problems. It is going to be an important and major part of the agency's future efforts. I think that there is a huge amount of ecological and economic impact from invasive species and I believe in the future we are going to have to pay a whole lot more attention to that.

So, in my agency I want to put more focus on that in the future. This pretty much concludes my opening remarks. I would be happy to take any questions that you might have.

Thank you.

**Statement of Dale Bosworth, Chief, Forest Service,
U.S. Department of Agriculture**

Chairman McInnis and members of the Subcommittee, thank you for the opportunity to discuss the President's Fiscal Year 2003 Budget for the Forest Service. I am accompanied by Forest Service Associate Chief Sally Collins and Director of Program and Budget Analysis Hank Kashdan. It is a great privilege to be here today.

In my first year as Chief, I am encouraged by the level of interest in management of the Nation's forests and rangelands shared by so many, as well as this Subcommittee. I have deepened my appreciation for the job being performed on the ground by our employees, as well as for the many individuals and groups that actively engage in the agency's work. Although I have worked on many wildland fires during my 36-year career, I appear before you today with a renewed appreciation of what it means to be on the "hot seat."

Overview

In my brief testimony today, I would like to discuss how the Fiscal Year 2003 President's Budget will allow Forest Service programs to make tangible contributions towards sustainable resource management and discuss some of the significant issues on which we look forward to working with the Subcommittee and the Congress over the next few months.

The Fiscal Year 2003 President's Budget request for the Forest Service for all appropriations totals almost \$4.9 billion. Along with the Administration's emphasis on efficiency and streamlining, the budget underscores the Forest Service as a science-based organization by placing emphasis on: (1) protecting the public, employees, property, and resources; (2) providing benefits to communities; (3) improving forest and rangeland health; and (4) meeting the growing recreation demands for goods, services, and amenities by the public. To ensure that the public gets the most value for its tax dollars, the Forest Service will become more efficient and streamline to increase funding at the field level; continue to improve agency accountability; and address the issue of "gridlock" that is preventing the prompt execution of projects on the ground. The Budget includes full funding of the Land and Water Conservation Fund (LWCF) and reflects increases related to the National Energy Policy, and continues the Administration's commitment to the National Fire Plan.

Public and Employee Safety

Before focusing on any specific program areas, I want to emphasize that the safety of agency employees and the public is one of the highest priorities for the Forest Service. In particular, the agency must take all action possible to prevent tragedies such as the Thirtymile incident last summer where four firefighters died. The Forest Service will ensure that proposed changes in management, policies, training, and operations are made to improve safety for the public and all employees, especially with respect to firefighter safety. The agency must also work to reduce risks to life, property, and ecosystems from high-intensity wildland fires within and adjacent to communities.

Gridlock and Analysis Paralysis

Under Secretary Rey and I intend to focus a great deal of attention on reestablishing a bias for accomplishing the work of the agency. What is commonly referred to as "gridlock" or "analysis paralysis" is directly affecting the ability of the agency to protect communities from catastrophic wildfire, provide communities a sustainable flow of forest products, and directly serve the public that uses and enjoys national forest lands.

The National Academy of Public Administrators reported two years ago that up to 40 percent of the work done on National Forests goes into the planning and analysis process. In addition, indirect expenses take an additional share of the budget (around 20%). Too little value is returned to the public. To move beyond gridlock, our approach is to rely on local knowledge and local participation as tools to achieve national goals; we will focus on local solutions to national issues. Local groups can help the agency find common ground to restore forest and ecosystem health. Conversely, this commitment to local decision-making cannot cloud our need to employ rigorous standards and consistent processes that assure financial integrity is paramount. I want to confirm that the renewed emphasis on local decision-making will not impede the reforms necessary for assuring public trust to ensure in the fiscal integrity or scientific reliability of the agency.

The President's Budget and USDA's efforts reflect a tangible first step in reducing the gridlock associated with much of natural resource management today. It includes continuation of stewardship contracting, expedited consultations for endangered species, and the legislative proposals I will touch on shortly. I renew my offer to work with you to find a way to make Forest Service land management decisions in an effective, efficient, and timely manner.

National Fire Plan -- Protecting Property and Resources

The agency will concentrate on the restoration of ecosystems to fire adapted conditions and reducing the risk of wildfire to rural communities. Rural residents and communities will be equipped with a variety of tools to reduce the likelihood of loss from wildland fire. The primary focus will be on reducing the number of communities at extreme risk of loss from wildland fire and increasing the proportion of forestland restored to conditions where fire regimes are within a historical range. This effort will be accomplished in cooperation with the Department of the Interior (DOI), state and local agencies, tribal governments, academia, and other partners and concentrate on restoring ecosystems to fire-tolerant conditions and protecting communities.

The Forest Service Preparedness Program, in cooperation with DOI's program and those of state agencies and local volunteer fire departments, will provide the resources and planning needed to protect communities and ecosystems from wildland fire. The Hazardous Fuel Program, in conjunction with DOI's program, will collaborate with State and local communities, tribal governments, and other partners to focus treatments in areas of greatest need of community protection and ecosystem restoration. The Fiscal Year 2003 Budget requests \$235 million for the Hazardous Fuels program, an increase in the program of about \$26 million. Seventy percent of these funds are targeted for the wildland-urban interface. Funding for rehabilitation and restoration, along with Burned Area Emergency, will protect communities and watersheds from post-fire damage, and help burned areas recover from fire damage. The Forest Service Research and Development Staff, along with the DOI-Forest Service Joint Fire Science Program, are focusing efforts on fuels reduction opportunities, including: (1) prioritizing areas for treatment; (2) determining impacts of treatments on wildlife, fish, and riparian areas; and (3) developing new uses for forest undergrowth and small diameter trees. The Budget provides resources to State and local communities to establish a truly comprehensive wildland fire management policy across all ownership boundaries. It provides the resources to increase the firefighting capability and planning of State and local fire agencies, and to reduce hazardous fuel on non-Federal land. Finally, the fireplain easements pro-

gram will enable the Forest Service to work with States to identify alternatives in areas where potential fire suppression expenditures exceed the estimated value of private property.

The USDA Forest Service and the Department of the Interior are in the second year of implementing the National Fire Plan. Significant headway was made in Fiscal Year 2001 and continues in Fiscal Year 2002 to enhance tracking and reporting mechanisms to provide accountability as accomplishments are made in firefighting, rehabilitation and restoration, hazardous fuels reduction, community assistance and research.

Together with the Department of the Interior, the President's Budget requests over \$2.1 billion for National Fire Plan programs to protect communities from wildland fire and restore fire adapted ecosystems.

Benefits to Communities

The Forest Service plays a key role in developing and maintaining benefits to communities by providing natural resource-based opportunities within desired sustainable levels for a variety of uses, values, products, and services. The type of opportunities the agency will engage in will be based on local needs and interests while remaining consistent with the agency's mission and priorities. This can include revitalizing and maintaining local economies through promoting partnerships in recreation and tourism; increased and sustainable availability of a variety of forest products and increased local contracting opportunities in implementing forest management projects; reducing risks to communities from severe wildland fires through hazardous fuel reduction and fire prevention activities and education; and providing a transportation system that facilitates local travel.

The Fiscal Year 2003 Budget provides an increase of \$10 million within the Forest Stewardship program to foster enhanced management and use of small diameter and underutilized wood biomass on private lands. Funds are also included for research on the use of small diameter trees for biobased products and bioenergy.

Forest and Rangeland Health

Keeping watersheds in good condition and restoring them where necessary are fundamental to the stewardship of the land and natural resources. The agency will focus efforts and move ahead on watershed restoration consistent with the agency's national goal to improve and protect watershed conditions to provide the water quality and quantity necessary to support ecological functions and beneficial water uses.

Invasive insects, diseases and plants threaten the integrity and viability of forest and rangeland ecosystems and cause billions of dollars of damage annually from losses due to tree mortality, impaired rangeland conditions, and increased susceptibility to high-intensity wildland fires. The Forest Service will work to protect the Nation's rural and urban forests and grasslands from invasive insect, pathogen and plant species in active partnership with Federal and State agencies, Tribal governments, and municipal and nonprofit organizations. The President's Budget requests over \$83.6 million to do so. The Budget also includes funding for cooperative work with States and communities to enhance and protect the Nation's urban forest resources as well as protect and conserve environmentally important forests threatened by conversion to non-forest uses.

In each of these areas, research is the key to sustaining our forest and rangeland productivity and health while addressing natural resource needs.

The Budget also includes \$15 million to transfer to the Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS) to help expedite Endangered Species Act (ESA) Section 7 consultation. The \$15 million is roughly enough to have one FWS or NMFS person per forest available to respond to ongoing agency projects. This will promote both available personnel to review project proposals under ESA Section 7, as well as ensure increased familiarity and understanding on the part of the FWS and NMFS staff as a consequence of their continuing involvement with USDA projects.

Recreation

I was honored to represent the Forest Service recently at the Winter Olympics in Salt Lake City. Two Olympic Winter Games signature events—the downhill and super G—took place at the Snowbasin Ski Resort, which is located on the Ogden Ranger District of the Wasatch-Cache National Forest. The USDA Forest Service's main goal for the 2002 Olympic Winter Games was to help ensure that Olympic-related activities on the National Forests were safe and environmentally responsible. Due to the dedication of many Forest Service employees, cooperators, and visitors, I am pleased to inform the Subcommittee that this goal was achieved.

Recreation is the fastest growing use on the national forests and grasslands and how most Americans come into contact with the Forest Service. The agency's recre-

ation framework is being implemented through five primary activities: (1) operating developed sites; (2) managing general forest areas; (3) protecting cultural resources and wilderness; (4) providing interpretation and education; and (5) administering recreation special use authorizations. The agency will focus on a measurable improvement in customer satisfaction and an increase in documented contributions to community economies, primarily through strategic business delivery partnerships. The Budget calls for \$264 million for recreation in Fiscal Year 2003.

The Forest Service is operating the Recreation Fee Demonstration Program to test the collection, retention, and reinvestment of new recreation admission and user fees. Proposed legislation would make permanent the current demonstration program and would authorize the Forest Service to retain and use recreation fees collected under the program.

Funds to the Ground—Accomplishing the Work of the Forest Service

President Bush has called for a government that focuses on priorities and does them well. The President's Management Agenda contains five government-wide and nine Forest Service-specific goals to improve federal management and deliver results that matter to the American people.

The Forest Service fully embraces the goals of the President's Management Agenda. The agency is committed to increasing available funds at the field level, shrinking non-discretionary cost centers at all levels of the organization, and reinstituting a firm bias for accomplishing the on-the-ground work of the Forest Service. To this end, the agency: (1) has established targets for increased contracting in key on-the-ground program areas; (2) is finalizing a workforce restructuring plan that will reduce and realign headquarters and regional personnel to increase resources at field locations; (3) has completed an exhaustive review of the headquarters budget; and (4) established Fiscal Year 2005 targets to reduce indirect expenses by one-half its Fiscal Year 2002 level (to approximately 10% of total). This will increase funds available for challenge cost-share from 2% to 5% of the operating program. In order to maximize fund availability at the field level, the Forest Service has implemented firm funding ceilings for the Washington Office, and intends to reduce overall Washington Office funding to no more than 7.6 percent of the total agency budget by the end of Fiscal Year 2003. Additionally, firm principles for management of the agency budget have been established that eliminate the "national commitments" method of holding funds off the top for later reallocation.

Accountability

The Forest Service recognizes it cannot provide credible natural resource management without effective financial and performance management. The agency continues its emphasis on improving the quality of its financial systems and performance reporting processes. A key aspect of improved performance accountability involves providing field units with the opportunity to influence the budgets they receive. The Forest Service formulated input to the Fiscal Year 2003 President's Budget using a new budget formulation process that provided local units the opportunity to develop budget requests at the local level.

The Forest Service has operated a fully compliant financial system for more than two years, and continues to implement actions that improve financial accountability. The Department is working closely with the Forest Service to promote agency efforts to provide high quality accounting information. In addition, the Department of Agriculture and the Forest Service continue to move forward in efforts to obtain a "clean audit opinion." Essential to this goal are effective cash reconciliation and property management programs. The Forest Service has improved the agency's accountability by directly linking the accuracy of accounting records to reconciliation processes and by committing an agency-wide team effort to ensure property records are adequate to document the approximately \$4 billion inventory of assets. I have also ordered the formation of six "strike teams" that will further develop or modify financial policies and procedures.

Legislative Proposals

Several legislative proposals of the Administration will include making the Recreation Fee Demonstration Program permanent; revising fee schedules for ski resorts; increasing competitive bidding on timber sales; and "charter forests," which will take innovative approaches to natural resources management. I look forward to working with the Congress to develop these proposals on a bipartisan basis.

Conclusion

In conclusion, Mr. Chairman, the President's Fiscal Year 2003 Budget demonstrates the commitment of the Forest Service to accountability through results. The Budget includes funding priorities for the National Fire Plan and wildland fire

management; research as the basis of scientifically sound resource decision-making; forest health; land acquisition; recreation; and minerals management, especially projects related to the National Energy Policy. The President's Management Agenda and Forest Service initiatives will examine opportunities for restructuring the Forest Service by reducing personnel at the national and regional level and redirecting them to the forest level. In addition, financial initiatives will focus on reducing indirect costs and streamlining accounting practices to reduce expenditures. Competitive outsourcing of commercial activities will continue to increase.

This concludes my testimony. I would be happy to answer any questions that you may have.

Mr. PETERSON. In your testimony you spoke of the process grid-lock. When will the Forest Service report on National Forest Planning and Decision Making be available?

Mr. BOSWORTH. We are currently completing the report. It is in the final stages. Basically, what we are doing right now is just getting internal reviews to make sure that we have all the ideas in the report.

What we are really looking at right at this point is trying to explain what the situation is and what the problem is. We are not looking, in this particular report, to come up with a whole lot of recommendations for solutions because I would like to see first if we have a common agreement on what the problem is because I fear running around looking for solutions to problems that we don't agree are there.

So, the report that we are about ready to complete will identify the problem in the best way that we can and then I think that will set the stage for recommendations for solutions.

Mr. PETERSON. So you want to first have a debate about what the problem is?

Mr. BOSWORTH. Yes. I am hoping it is not going to be too debatable. Frankly, the problems seem to me to be pretty obvious. But I'm sure that there won't be common agreement. But I do think that it is worth looking at the problem and making sure that there is some consistency in terms of what the problem is that we are trying to solve and if we really have a problem. I believe we have a problem and I want to make sure that I communicate that well with Members of Congress and see if we can't get some kind of common view of what the problem is before we start talking about solutions to it.

Mr. PETERSON. OK. The Departments of Interior and Agriculture have been working on a proposal for some time to create an Inter-agency National Fire Council which would be charged with bringing direly needed coordination and uniformity to the national fire plan. What is the status of this proposal within the administration?

Mr. BOSWORTH. We have a charter that we have been working with the Department of Interior on to establish an Inter-agency Leadership Council that would have the heads of the agencies, the five wildland firefighting agencies. They would be members of that leadership council. That charter is currently in the Department of Interior being reviewed for final agreement.

Mr. PETERSON. When do you think?

Mr. BOSWORTH. My hope is soon. My hope is in the next few weeks. I have not heard back from the Department of Interior to see if they have any major concerns with it. I think it is just a mat-

ter of time and we will have that charter approved by both departments.

Mr. PETERSON. Well, my experience with State government, and the Federal is worse, is that time doesn't seem to matter with a lot of agencies. You really have to put the stick to them.

Mr. BOSWORTH. This is very important to us. It is very high priority, so we will be doing whatever we can to make sure that we have the agreement.

Mr. PETERSON. Well, I will reiterate here the words of the Chairman, not speaking for myself but for the Chairman, that if it isn't forthcoming he is going to start the legislative process to move in that direction. So, I think a word to the wise is sufficient.

What are the impacts to your agency on OMB holding back \$280 million?

Mr. BOSWORTH. Well, there are \$280 million that I requested in a letter to the Secretary that the \$280 million was appropriated last year. It was appropriated as emergency funding to be released. I think in my request I actually requested \$346 million to be released.

The Department forwarded on a request of \$280 million. About \$200 million of that thereabouts was to pay back some of the money that we spent last year during the fire season. The other \$80 million had to do with circumstances for this fiscal year.

There are some consequences to not having the \$280 million. Probably one of the more important ones would be our ability to be at a fire readiness that would be consistent or close to consistent with last year. Of course, as time goes on, this is the time of year when we let contracts for helicopters and for tankers and where we hire firefighters and whatnot.

So, as time goes on it will be more difficult to meet the readiness level that we need to meet.

Mr. PETERSON. So, you are not cutting other programs. It is going to affect readiness?

Mr. BOSWORTH. At that time is one of the things, but some of the dollars would have paid back the money that we borrowed last year basically to do the first suppression. Last year and every year, just about every year, by the time we end up, if there is any big fire season at all, we end up spending the fire suppression dollars.

So, in the past we used to look at our trust funds like our KV and our salvage sale funds to borrow from that. Those funds no longer have much money in them, so now, last year, we had to look other places to get the money, so we stopped contracts that were large contracts about to be let. They hadn't been let yet. So we would have the money and not become deficit and be anti-deficient.

So, some of those dollars were to pay back those programs that you in the Congress had given us the dollars to do. So, it is important to us to be able to do the programs that you allocate the dollars for. Some of those wouldn't get done.

Mr. PETERSON. Thank you. My 5 minutes having expired, I now call on the ranking member for his questions.

Mr. INSLEE. Thanks, Mr. Chairman.

Chief, would you agree with my assessment that erosion causing siltation from our road system that you and I are responsible for

is a major cause of potential extinction of several salmon runs, for instance, in the State of Washington? Is that a fair assessment?

Mr. BOSWORTH. Well, I don't know that I could characterize it quite like that. I probably would need to talk to some of our fisheries scientists to be real confident in the way that I would answer that. But let me say that I do think that siltation, sediment from roads is an important factor in terms of survivability of fish.

There are a lot of factors that affect whether or not salmon and steelhead are going to persist—dams, hatcheries, and harvest. So habitat and siltation are each one of those things, but I don't know that I would say it is even more so than dams.

Mr. INSLEE. Right. It depends on which watershed we are talking about, obviously, too.

Mr. BOSWORTH. That is correct.

Mr. INSLEE. Let me state my assessment. The more I get into this subject, this becomes a bigger and bigger problem. That is just one Congressman's assessment. I will tell you that looking at it from the State of Washington.

I just wondered, what do you think should be our prioritization of your dollars regarding roads in that regard? For instance this year I think there is \$240 million attributed to new road building, maintenance and decommissioning. How is that split up between new road building, maintenance and decommissioning and how would you propose we think about that issue?

Mr. BOSWORTH. The \$241 million is the total. At this point I can't tell you specifically how much is for construction, reconstruction and maintenance. I can tell you, though, that the amount of miles of new construction, planned new road construction is very, very small. It is not non-existent, but it is very close to non-existent.

Most of the dollars will be for reconstruction and maintenance. But I can get the figures for you, break them down and be more specific. Now, maintenance and reconstruction are often very important for doing the things we are both talking about in terms of reducing sediment from existing roads.

I would agree with you that it doesn't make sense to build a whole lot of new roads if we can't take care of the roads that we have. The most important thing that we can do right now is taking care of the roads we have.

There may be some places and some situations that would be an exception to that, but by and large we need to be focusing on a lot of the existing roads, reconstruction and maintenance.

Mr. INSLEE. Could you provide us with that information as far as the number of miles involved? That would be helpful, I think.

Mr. BOSWORTH. Yes.

[The information referred to follows:]

Annual Activity	Output	2001	2002	2003
Maintain Transportation System – Passenger Car Roads	Miles maintained to objective maintenance level	30,056	25,132	24,760
Maintain Transportation System – High Clearance and Closed Roads	Miles maintained to objective maintenance level	51,576	32,779	32,056
Decommission Classified and Unclassified Roads	Miles decommissioned	2,164	1,566	1,520
Improve Transportation System – Roads	Miles of road capital improvement to objective maintenance level	369.8	1,369	1,350

Mr. INSLEE. How would you characterize how far off we are from meeting what should be our goal, for instance, of maintenance and decommissioning? Now, the numbers I threw at you in my opening statement which suggest we are off by factors of ten of where we should be as far as pace of decommissioning, where it looks to me like our entire national budget to do the job would only do the job in one area of Hood Canal. Is that a fair assessment of how far we are away from where we should be on taking care of these roads?

Mr. BOSWORTH. Well, I don't have a number across the country of miles of roads that we would believe need to be decommissioned. We probably don't even know that at this point because that comes from watershed analysis, ecosystem analysis, the watershed scale and other kinds of analyses that we will do.

But I can say that there is a lot more miles out there that we would want to decommission than what we have the dollars to complete. We are limited. We have a \$15 million cap that we are limited to.

Mr. INSLEE. I am sorry, that cap is what?

Mr. BOSWORTH. The cap is \$15 million.

Mr. INSLEE. For decommissioning?

Mr. BOSWORTH. For decommissioning?

Mr. INSLEE. And that cap is set in what forum?

Mr. BOSWORTH. That was set in the Appropriations bill.

Mr. INSLEE. In the last Appropriations bill?

Mr. BOSWORTH. That's correct.

Mr. INSLEE. Does that make any sense, to have a cap like that, when you have this, at least in my perception, this level of damage that we are doing, where the Federal Government could be considered one of, if not the, largest polluters in our entire watersheds in the country.

Does it make any sense to have a cap like that on decommissioning?

Mr. BOSWORTH. I guess I would say that a cap, probably, an arbitrary cap probably doesn't make a lot of sense. But on the other hand, I am not sure that we would have the wherewithal to add more dollars to it. I mean if Congress decides that is where you want to spend the dollars, that is your choice.

I guess my opinion is when you look at the overall programs that we have to deal with—we talk about fire, about fuels reduction and

some of those things, you know—there are a lot of different places you can put those dollars.

What I would like to do is, I would like for us in the Forest Service to become more efficient with the dollars that we have. I mentioned the analysis paralysis for process gridlock a minute ago. When I am talking about trying to deal with the process gridlock, I am talking about how we spend dollars on the ground to do things like road decommissioning, how we are doing things like thinning from below for fire-adapted ecosystems around communities; how we are working in replacing culverts so that fish can pass through those.

There are people who get the idea that process gridlock only applies to something that they don't want to have happen. But it also applies to a lot of the things that a lot of folks do want to have happen, which is doing some watershed restoration and putting these ecosystems into better condition.

When we spend 60 or 70 percent of the dollars pushing paper and process stuff, it is dollars that are not getting to the ground to decommission roads.

Mr. INSLEE. Thank you.

Mr. PETERSON. Before I call the next witness, I will just share my thoughts on the condition of the roads. For a decade, the first priority was to buy more land, not to maintain what we have. I think the lack of a maintenance budget will plague your department and all departments until we put in the adequate amount; because if we don't maintain a road you are going to have siltation and some maintenance of our existing system.

Although I am sure there are roads, and I support some roads being done away with, but, you know, an unsurfaced road, nature will decommission it naturally. Trees will grow in it and pretty soon there is a root base there and it will decommission itself. So, in my view, I think we have to concentrate more on maintaining what we because you know most of our people, especially our middle-aged and up, can't enjoy the forest if there is not some kind of a road to get there.

That is my view. So, Mr. Otter, you are on.

Mr. BOSWORTH. May I respond to that first, please?

Mr. PETERSON. Sure.

Mr. BOSWORTH. While I agree that many of these roads that aren't used end up with trees growing in them, we lost some experience in a lot of parts of the country, and I am familiar with Northern Idaho and Montana, most recently where we had roads that did have trees that grew up through them. They were not being used by anybody, but they were still part of the system. Some of those roads are blowing out because we had never pulled out the drainage.

So that is part of the cost in decommissioning. Even though the roads may not be used now, the roads that most people would agree they don't plan on using and they don't want to use, but they have a potential for delivery of sediment in some of the streams.

Mr. PETERSON. Mr. Otter.

Mr. OTTER. Chief Bosworth, we heard some statements made that the Forest Service was probably the largest polluter of our

salmon habitat and salmon spawning beds. You didn't agree or disagree with that. I would like to know where you stand on that?

Mr. BOSWORTH. Well, I don't agree that we are the largest polluter of the waters.

Mr. OTTER. Who is?

Mr. BOSWORTH. There are a lot of different lands that make up the watershed. There are private lands. There are State lands and there are National Forest lands. My belief is, and I can't sit here—maybe we have some studies I can talk to my research folks about. My belief is that some of the cleanest water in the United States comes off National Forest System lands.

I have seen that in all the parts of the country where I have worked. It will get downstream and when you get downstream you get into more of the urban areas and some of the areas where there is agriculture taking place, where there are more roads than what there is even on the National Forests.

So, while we do deliver some sediment to the streams and whenever you do have roads, that is going to be one source of sediment, I don't believe that the waters coming off the National Forest are the greatest polluter. I think they are probably the cleanest waters we have in the country.

Mr. OTTER. Let me give you a judgment call here. We burned 880,000 acres of watershed in Idaho during the 2000 fire season. Do you suppose that is degrading the watershed or any of the streams to the extent in excess of the roads that are there?

Mr. BOSWORTH. There is a huge amount of sediment. We have the figures on the forests like the Salmon-Challis Forest and the Bitterroot Forest where our watershed restoration folks went in and looked at after the fires. There are huge amounts of sediment that were being delivered those first few years after the fires, the first 2 years. There will continue to be, for another two or 3 years, large quantities of sediment.

There was also, in 2001, a rainstorm that came through parts of the Salmon-Challis and through the Bitterroot. It put down less than an inch of rain, but every drainage that it went over it blew out the streams and they ended up with mud down at the bottom of the hill and around some of the homes where people had survived the fires the year before and they ended up with mud in their places.

Mr. OTTER. What is the assessment process that you go through to identify a road for potential decommissioning?

Mr. BOSWORTH. Usually we do what we refer to as a watershed assessment or an ecosystem assessment at the watershed scale. We also have what we call a road analysis process that looks at either a watershed or the forest as a whole and looks at what roads we need, what roads we don't. We work with the public. I mean it is not something that we just do all by ourselves. We find out whether or not the roads that we have in place are still the ones that we want to have in the future and are they in the condition that we want to have then and whether or not there needs to be some reconstruction or decommissioning on some of those roads.

Mr. OTTER. In that scoping process, Chief, do you include handicapped access?

Mr. BOSWORTH. That is a factor that is involved in the decisions. We want to make sure that all persons have access to National Forests.

Mr. OTTER. So, senior citizens, too, then.

Mr. BOSWORTH. Yes. But that doesn't mean that every partner has access to every acre of the National Forests. We want to make sure that we are providing a wide array of opportunities for people to get to the National Forests, whether they are wheelchair bound, whether they are old. But again, we wouldn't want to say that every acre would be accessible by every individual. There are differences.

For example, wildernesses have some different levels of ability required to access wildernesses. But we do, when we are doing our analysis, our road analysis process, we do look at the different kinds of needs that people have to get to the National Forests.

Mr. OTTER. Let me give you another judgment call. If I happen to be a healthy 60-year old robust fellow who rides horses an awful lot, and I can ride a long way, do I have the same access? I mean, would a person who was, let's say, handicapped in some way that cannot ride a horse, would they be able to enjoy that same area of the forest as myself.

Mr. BOSWORTH. There are places on the National Forest System both in wilderness as well as some places outside of wilderness where your ability to hike or ride horses would allow you to get there.

Mr. OTTER. So we would be denying, then, these other people?

Mr. BOSWORTH. There are some places in the National Forests where folks would not be able to get there.

Mr. OTTER. So, they would not be able to see the salmon spawning beds in their natural habitat.

Mr. BOSWORTH. There would be some salmon spawning beds where they would be able to access out and be able to see it.

Mr. OTTER. So, we would have two classes of citizens.

Mr. BOSWORTH. Well, again, every acre, you go back to wilderness. Wilderness is areas where not everybody is going to be able to hike up into all the wilderness areas. Yet, there are many places on the National Forest System that have stunning vistas and beautiful landscapes that lots and lots of people can get to by passenger car. Some will take four-wheel drive. Some take a horse or an ATV and some that require hiking. So, we try to have a wide array of recreational opportunities for the visitors to the national forests where people have opportunities to see a wide array of things.

Mr. OTTER. Thank you, Chief.

Mr. PETERSON. The gentleman from New Mexico is recognized.

Mr. UDALL OF NEW MEXICO. Thank you, Mr. Chairman.

Chief Bosworth, it is good to have you here today. Let me start with—in your written testimony you talk about legislative proposals and you talk about Charter Forests which is a possible legislative proposal which would take innovative approaches to natural resources management. There isn't much in your budget proposal nor in your statement about Charter Forests.

I am wondering if you could flesh that out a little bit and give me an idea where you are headed and how we would get to a legislative point. Are you going to serve us up with a draft proposal of

what you are looking at? Are you interested in looking at what we produced? Go ahead.

Mr. BOSWORTH. Well, first, Charter Forests is sort of a concept that would allow for experimenting in different ways to see whether or not we can become more effective in managing National Forests. So, it would be like having an experimental forest where we could try to see if there are some ways that we can streamline some of the processes, whether or not we could work better with a collaborative group to achieve on the ground activities.

There are a number of examples out there that you could sort of think about, the Valles Caldera Trust, the Baca Ranch in New Mexico. It is managed by a trust, but it is National Forest System land and it could be an example of some approach that we might want to look at. The Presidio Trust is another one in San Francisco that is a concept that may feed into something like this.

Mr. UDALL OF NEW MEXICO. Where did the term "Charter Forests" come from because I am from, because I am familiar with both of those proposals and in concept I am very supportive of the idea that you are talking about, of working in a collaborative way to resolve local problems. But where did the term "Charter Forest" come from and what is it?

Mr. BOSWORTH. I believe that the term "Charter Forest" came from the Charter Schools approach that the administration has proposed to look at different individual schools and see whether or not there are different ways of—it is sort of the same concept, only with forests.

We are really looking for ideas. We are looking for ideas that would fit in with the concept and then we would see if we could put together some legislation and work with you folks to see whether or not there is something that we can make out of this that would help us to become more effective.

Mr. UDALL OF NEW MEXICO. Do you think you might come up with a draft for legislation some time soon on this?

Mr. BOSWORTH. It would be our intention to have some legislation that we would propose in the near future, but I can't give you a timeframe on how quickly that would be because I really need to find out where the ideas are coming from, how many ideas are out there. We are getting a lot of comments from folks right now that are saying, "I would like to be a Charter Forest."

We are saying, "Well, what are the ideas that would be associated with that that we might build from?"

So, we will be putting together some proposed legislation.

Mr. UDALL OF NEW MEXICO. In looking at the Valles Caldera Preserve, which is one of the ones that you mentioned, I think that is a good example of the Forest Service land being used in a way with a trustee board to work through a lot of the resource issues we have such a difficult time with in the west, whether it is grazing or hunting or recreational use or fishing.

This trustee group which is citizens and Presidential appointees and others are trying to come to grips with all of those issues on the use and trying to balance a good ecological system and a healthy ecological system with all of the demands that are out there for this 95,000 acre ranch.

I would be very interested in seeing what your proposals are and work with you also on what has happened in New Mexico because I think they are making some progress at the local level on many of these important issues. I am not so sure if it was managed the other way around, that you had to manage it out of Washington, not because you don't have good managers; it is just because I think you have so many acres of land, you know, hundreds of millions of acres of land, that it is hard to get down to the details and the specifics and understand the community.

Mr. BOSWORTH. I am interested in looking at any ideas that will help bring people together and help people to try to find solutions to some of these problems and particularly local solutions to some of these national issues. Charter Forests may be one way of doing that. There is a possibility of hearings being held. I would hope that there will be hearings held before there is proposed legislation.

I think it would really be worthwhile to have multiple panels with multiple interests and ideas in hearings and try to bring some of these ideas out and see where they would go. So, I would be really happy to participate in any hearings.

Mr. UDALL OF NEW MEXICO. So you would support some kind of hearing to flesh this out a little bit and try to get people to come up and give you ideas? I think that is good. My time has run out. Thank you very much. I appreciate your comments.

Mr. PETERSON. The gentleman from Idaho, Mr. Simpson.

Mr. SIMPSON. Chief, it is good to see you again. I am glad to see my colleague from Idaho brought up the issue of fires in Idaho and the siltation that occurred from there. We probably destroyed more salmon habitat 2 years ago in Idaho than we have since the 1910 fires. I can tell you, having spent a couple of days up there on those fires, I am glad there was a couple of roads up there to get into them. Otherwise, it would have been even more catastrophic than it was. That is just a comment.

Relative to Charter Forests, I wanted to ask you about those. Have you seen a bill that we have introduced, H.R. 2119, Heritage Forests? Have you had an opportunity to see that?

Mr. BOSWORTH. I guess I haven't.

Mr. SIMPSON. As you are looking for ideas, take a look at that. What it does, the intent behind that is to be able to go into some of these forests that we have where the native species are being driven out by other species and restore them to their natural heritage states. That is an interesting piece of legislation. We had it last year. I encourage you to take a look at that. I would like to work with you on Charter Forests, Heritage Forests, whatever you want to call them.

Also, there are many proposals out there. One of them is the Idaho Federal Lands Task Force which has made five recommendations of collaborative effort of management, different styles of management, each one of some Federal lands and some of them forestlands.

Take a look at those ideas because I really do think that the future management of the forests is going to be much more locally involved and local input in both the problems and solutions that drive our policies.

You mentioned that in the hazardous fuels reduction the President's budget calls for 70 percent of the fuels hazard reduction appropriation to be directed toward work in the wilderness-urban interface.

Mr. BOSWORTH. In the wildland-urban interface.

Mr. SIMPSON. Excuse me. That is what I meant. Are there examples of areas where fire has burned rapidly from a wilderness area into an area of mixed Federal and other ownership including improved property? Are there legitimate forest management reasons for treating areas outside of this wildland-urban interface?

Mr. BOSWORTH. There are situations where fires have burned from a number of miles away to a community. There are lots of different good reasons why you would do fuels reduction in areas that may be further away from the wildland-urban interface.

On the other hand, it makes sense, I believe, to start close to the communities and work your way out over time. I want to give you an example. If you end up being several miles away from a community and you are going to reintroduce fire into an area because you have done some thinning from below and now you want to get fire back in, if you have a huge amount of fuels between that area that you are treating and the town, you really increase the potential to have a prescribed burn get away and threaten the community.

So, it makes sense from my standpoint to start closer to the community and work your way out rather than being a long ways away from the community and doing the treatments there first.

Mr. SIMPSON. Will the Forest Service have projects far enough along through the planning and NEPA processes that such a target of 70 percent can be met by 2003?

Mr. BOSWORTH. I believe we will by 2003. Last year I believe that in testimony I had mentioned that the projects that we would be doing in 2001 would not in a lot of cases be around the wildland-urban interface simply because the projects that we had on the shelf and ready to go were further away from the communities.

But we started then in getting a focus on the projects that were in the communities at risk. We have been doing the preparatory work for those, environmental assessments, environmental impact statements, working with the communities. So we will be accomplishing significant acres in the non-wildland-urban interface, but we will be getting the stuff around those communities as well.

I also want to say that so many percent refers to dollars, not acres. It is much, much more expensive to treat those lands near the communities than it is the lands that are further away. So, remember that.

Mr. SIMPSON. In previous testimony, I believe it was in testimony, we talked about the problems and the length of time it takes to complete a NEPA process. I think you mentioned to me, I think the numbers one time were that the Forest Service spends about 20 percent of the time or dollars making a decision that it believes is a sound decision. Then about 80 percent of its time or dollars making it bulletproof from lawsuits.

You were concerned about that, as I am. Have we found a way, are you working on a way to try to smooth out this NEPA process that we have going?

Mr. BOSWORTH. Yes, I talked about 20 percent, 80 percent, 30 percent, 70 percent a couple of times. I have gotten those figures in talking with forest surveyors and district rangers who are doing the work and asking them how much information they had, how much time they had spent before they had enough information to make a good, sound decision, science-based that involved the public.

Most of them told me that it was about 20 or 30 percent. We are doing work right now. The report I mentioned earlier that we were about to complete describes the problem we are looking at. There are options we might have to decrease the amount of analysis and the amount of paperwork that it takes to get the job done.

I would like to ask Sally to add to that a little bit.

Ms. COLLINS. I just wanted to say, too, that the whole area around NEPA we are taking real seriously and looking at it from just a whole bunch of different dimensions. There are some specific changes we are looking at internally that we have some management control over. But there are a whole lot of things that we are right now working on with the Council on Environmental Quantity that are some potential regulatory changes or policy changes that we think we can work on with them.

We currently have an employee from the Forest Service at the Council on Environmental Quantity, working with us to look at some of those. In addition to that, we have some new categorical exclusions we are proposing. We are working those through the process right now so that by the summer we should have some new categorical exclusions that will also speed up any of the process.

But we have just a whole array of those kinds of things that we are working on. Interestingly enough, we had an internal survey done by Forest Service employees on what were the most aggravating issues for them internally. The whole process issue is probably the most demoralizing piece for employees. There is a lot of internal energy and anxiousness to get this solved.

One of the examples someone told me on a recent field trip was just what took 2 years ago, just 2 years ago or 3 years ago they could analyze in four or five pages for a biological evaluation is now 60 pages, just because of needing to justify those kind of decisions.

What we are thinking through are some policy changes and potentially some regulatory changes that are not going to change the intent of the environmental laws, in fact it may even help us realize the intent of the environmental laws, if we can actually see some of those kind of changes, it would actually help our employees get some work done on the ground.

Mr. PETERSON. Thank you. I'm going to let the Ranking Member start the second round of questions. Now that puts me at a slight advantage because once in a while we disagree and I get the chance to correct the record after he has done so.

Mr. Inslee.

Mr. INSLEE. We appreciate your correcting my mistakes always. It is a full time job, believe me.

Chief, the Pacific Northwest Assistance Program has really been helpful to some local communities. The administration has not funded it this year. Why would the administration conclude that

there are other sources that are as good or better than this for the needs of these local communities that have had real dislocation?

Mr. BOSWORTH. Well there are a number of things that we do across the country in our programs that I believe would help with community vitality and community economics. Some examples would be what we call the Wyden Amendment that allows us to spend National Forest System dollars on private lands if they are adjacent or near National Forest lands.

The fuels treatment work that is going on in a lot of places can be used on both private as well as National Forest lands if they are adjacent to the private lands.

There is Payments to States legislation that was passed by Congress and signed into law that provides 25 percent for Title II of the Act that would contribute in some cases to community vitality. There are a number of programs that actually help with community assistance.

Then, I think some of the opportunities that we have to work closely with communities where we are trying to do more outsourcing of contracting, more outsourcing of work through contracting, where we can contract with local communities to do work on National Forests that I think helps those communities.

Recreation and tourism and particularly getting information to the public on the opportunities for recreation and tourism on the National Forests are another place where you can help with community economy.

The Forest Stewardship Program with its technical assistance support would increase by \$16.1 million under the President's budget and that would provide \$10 million for small diameter and under-utilized wood biomass that could help communities.

So there are a number of other things that I think would also help communities in addition to that program.

Mr. INSLEE. I want to ask you about the Roadless Rule. First off, you can just tell us what timing we could expect or what you are thinking as far as timing on a specific action by the administration. Can you tell us, has there been any change? There was, at least in our characterization, an overwhelming sentiment for a strong roadless policy in the first go-around of hearings and comment. Has there been any diminution of that sort of ratio of strong versus not quite as strong comments from the public?

Mr. BOSWORTH. Well, I don't really have any real good way right at this point to measure whether that has changed one way or the other. My guess would be that if you talked to those same people who commented before, those same people would probably have pretty much the same sentiments that they had when they commented a year and a half ago.

There are a couple of aspects with the roadless issue that are in play. One has to do with the fact that we went out with an advance notice of rulemaking, proposed rulemaking, that asked, I think it was ten questions. We asked people to sort of answer those ten questions and give us their viewpoints so that we could look for other ideas and things on how we might move forward with this.

We are currently evaluating that, going through the content analysis from those comments that we got when we went out with ANPR. The other thing is that with all the court cases and lawsuits

on the roadless policy and being before the Ninth Circuit, there is still some uncertainty in terms of what the Ninth Circuit may end up doing with Judge Lodge's decision and that will have something to do with how we would move forward as well.

Mr. INSLEE. Do you intend to wait for at least the Court of Appeals decision on that before you issue a formal roadless area policy? Is that the understanding or do you know yet?

Mr. BOSWORTH. I can't answer that for certain. My guess is that it would make sense to see what the Ninth Circuit is going to do before we come out with some final proposal. There are also a number of other cases, I think nine other lawsuits in six other judicial districts and four other Federal circuits regarding the roadless conservation rule. So, it is a fairly complicated process that we need to work our way through and look to see if we can't find some kind of consensus around that.

Did you have something to add, Sally?

Ms. COLLINS. I would just say that we also are looking at—we were approached by a pretty diverse collection of outside interests interested in helping us work through some kind of a mediated look at what we do with roadless. We call it the Roads Working Group. They are in the process of meeting and coming up with some ideas about how we might work our way through that. So, that is going on as we have the public comments on, as we have the court.

Mr. INSLEE. How many tracks are proceeding that you have individually reviewed? You announced that you were going to individually review requests, including those in some revised forest plans and those not. Can you give us some assessment of how many are proceeding in the Tongass or otherwise?

Mr. BOSWORTH. I sent a letter out, it must have been in last June and then we put it into an interim directive that held to me the decision on whether or not to enter roadless areas with roads. But there were exceptions to that. The exceptions would be those same exceptions that were in the roadless area conservation rule and also if a forest plan was completed, a recently completed forest plan, then the Forest Supervisor or Regional Forester could make the decision in those particular cases.

I have had no requests from any Regional Forester to make a decision regarding entry into a roadless area.

Mr. INSLEE. Thank you.

Mr. BOSWORTH. You are welcome.

Mr. PETERSON. The reforestation budget has been cut by \$355 million with borrowings in recent years. Last year \$51 million was construction and maintenance; \$24 million timber purchaser; Elect Road Construction Fund \$15 million; Timber Salvage Fund \$51 million; Working Capital Fund \$20 million; Reforestation Fund \$39 million; Hazardous Fuels Projects \$10 million; Backlog Fire Facility Repair, \$59 million, again for restoration and rehabilitation from fires; \$5 million for research and development; and \$6 million for State fire assistance.

It appears that you are constantly having to borrow—or some would say “steal”—from other funds because of fires. Have we adequately funded the fire program? I mean when you have that kind of money taken out of reforestation and other projects you hamper

those programs. To me that is the on-the-ground money the bureaucracy turns on. But the on-the-ground money gets taken for fires.

Should we be funding you for fires more adequately?

Mr. BOSWORTH. Well, we need a long-term solution to the problem that we have. If we have an average cost of about \$474 million, which is an average 10-year cost for fire suppression. If we have fewer dollars than that, then in the end, during most fire seasons we are either going to have to borrow money from other funds, or we are going to have to pull firefighters off the fire line. I don't think there is going to be a lot of support to pull the firefighters off the fire line, particularly around these communities.

So, this does cry out for a long-term solution where we at least have some kind of line of credit or some other thought-out place to get the dollars if we are going to need them for fire suppression. I realize there is criticism about our fire suppression costs, the cost for large fire suppression. We are doing a lot of things right now to try to figure out how we might be able to cut some of our fire suppression costs.

But I will say that in the end my belief is that where we can cut costs we will, but in the end I think it is going to be marginal costs around the edge. It is not going to be significant reductions in the costs of large fire suppression. So, we do need to come up with a long-term solution on what we are going to do in those years that we fall short, years like the year 2000 where we fell significantly short of the dollars that we had.

Mr. PETERSON. Well, as I was saying, last year was not as bad a year. But these borrowings I listed were last year's borrowings. So, that is right. If it had been a bad year those funds could have been depleted.

Mr. BOSWORTH. That is exactly right.

Mr. PETERSON. Let us give you a message. We can speak and you can quote us. When you go back and talk to OMB, tell them that there are a lot of folks in Congress, on this committee, who think they ought to release those funds and that you shouldn't have to be borrowing from other accounts. Is that message clear?

Mr. BOSWORTH. Yes, very clear.

Mr. PETERSON. What are the agency's plans to provide leadership and inter-agency coordination for the Fire Plan? What are you doing to show leadership to the rest?

Mr. BOSWORTH. In terms of inter-agency?

Mr. PETERSON. Yes.

Mr. BOSWORTH. Well, there is a number of things that we are working on right now with the other agencies for the National Fire Plan, things like identifying performance elements. They are the same kind of performance criteria, performance elements for both the Department of Interior and the Department of Agriculture Forest Service.

We are working together to make sure that how we describe our performance is going to be the same for both and that they are results oriented. We are working on a complimentary budget request approach so that we are not inconsistent with the Department of Interior in the way they approach that.

Our inter-agency cohesive strategy is an inter-agency cohesive. That is something that the agencies within Interior as well as the Forest Service and USDA are working on together and we are about to have that completed. We should have an implementation plan completed within the next few weeks. That implementation plan will be an inter-agency implementation plan.

I think the most important thing, though, is the interagency group, the leadership council, that would be the heads of the agencies who would be working together to provide that leadership within all five agencies. That is the thing, I think, in the end that will make a big difference.

Mr. PETERSON. Are we working toward a czar?

Mr. BOSWORTH. Fire security czar? Tom Ridge is finding it very difficult to get Federal agencies to work together for homeland security. These are huge beasts. I mean I say that as a long time governmental person with a business background. These agencies are tough to deal with one-on-one. But when you try to get three of them to go on the same track, it is not easy, no matter what area you are in, human services or forest services. It is not an easy deal.

Mr. PETERSON. Well, my view is that when we get the charter completed and signed off for the agency leadership council with the five agency heads working together, I do believe that we won't need to have a fire czar; that the five agencies will work together and accomplish what is expected.

Mr. BOSWORTH. Well, I hope your optimism bears fruit.

Mr. PETERSON. I don't know if you are familiar with what we call the NWCG. That is the National Wildfire Coordinating Group. That is an organization or group that is made up of the wild land firefighting agencies as well as the States that has been in place for a number of years. That is a group that together establishes the training requirements, establishes the red card system that works through the Incident Command Teams that we have that work on fires or inter-agency.

We may have our Forest Service people reporting to a Park Service person or even a State or county person who is the incident commander. But they are all part of the same team on suppressing fires. I think the model with that National Wildfire Coordinating Group, that model is the same sort of model that we are talking about with our agency leadership council that has been very successful, very successful.

Mr. PETERSON. I will say this and then I have to move on to the next questioner here. But I hope all of these value the safety of a human life over a species. That is my personal belief. We shouldn't be worried about some of the things we did the last time, whether we move or we don't move, an endangered plant is not as valuable as a human life.

Mr. Otter.

Mr. OTTER. Thank you, Mr. Chairman.

Chief Dale, would you take me through a decommissioning the operation process, the actual physical process of decommissioning a road?

Mr. BOSWORTH. Well, there are different approaches, but let me give you one approach. What we would do is, first, through an analysis process such as a watershed analysis or a road analysis,

when we determine that a road should be decommissioned, it may be a road that hasn't been used for 20 years or it may be a road that has been and for one reason or another we decide that it needs to be decommissioned.

One way would be to put a physical barrier at the end of that road so that people are not going to continue to drive on it. We put a sign up and you go through the public announcement process so people are aware of it. Generally, if it is going to be decommissioned we should be pulling the drainage out of it and putting it back to its normal state, so the water will flow in its normal channel, in its regular channel.

We may put some native grass seeds back in it to get it growing. That is one way and just leaving the road prism in place.

Another way may be that we would pull some of the road prism out. In other words, pull the fill slope back up into the road bed and plant that and also pull the drainage out. So, it depends upon what the long-term purpose is and what your objectives are, but there could be several ways of decommissioning. Again, from simply just putting up a barrier to stop people from using it clear to putting it back to its original contour.

Do you want to add to that?

Ms. COLLINS. Yes. Another thing I was going to add is that every road has a friend. Every road in the National Forest has a constituency. I look back on my time as a manager of a National Forest and I think some of the most sensitive issues we dealt with were roads issues, whether you are proposing a seasonal closure or a gate or a decommissioning.

So, the public development in that, when the notification and letting people have an opportunity to comment on that was always a huge part of that process because, like I say, people really care about many of those areas.

Now, there are some places where it is easier than others. But generally, whether it is a family that has camped in an area for a long time or a hunting group or it is an important access for fire-fighting or whatever it might be, there is always a constituency for an area.

So, it is important for us to be working with people as part of that process.

Mr. OTTER. I see. The reason I asked that question is that I happened on to a road that, I guess, decommissioned. It was at the Sawtooth. The devastation that resulted from the decommissioning three or 4 years ago, because of the prism, as you called it, had been removed and the watershed, there was a mechanical effort made to get it back to its natural state. The resulting washout and concentration of flows gouged a terribly deep hole into the surface. Then it subbed and probably a 25-acre section of the mountain slipped off because it subbed down below, went between the rock bed and the soil.

I was told that was a result of them trying to remove a road. It would seem to me, it looked to me like there was a whole lot more damage done by removing the road than if you had just put up the gate or put up the block or gouged one of those Kelly humps or whatever you call it in the road to stop traffic.

But it was awful and the damage that was done is going to be there for a long, long time. I don't know when that will ever come back. Obviously, not in my lifetime.

I am sure you are sensitive to those things, not to do more damage than just to leave it there. In this case, then it was ripped. The other thing that was interesting was that the old road surface was ripped in the plane parallel to slope. Of course, the water then just got into one of those deep rip ditch and it just continued to widen and wash more and more and more. They think that is what eventually caused the slip-off. I would like to have the opportunity to show you that.

The other thing I guess I would like to see, I would like to see a successful decommissioned area. I don't mean a picture. I mean I would like to know where there is a successful decommission that is maybe 5 years old that we can go out and look at because all I have seen thus far is unsuccessful ones where you actually tried to take them out.

Mr. BOSWORTH. I would look forward to taking you to northern Idaho and visiting some places up in the Clearwater National Forest that I believe you would like to see. It was fairly uncontentious, if that is the right word. There wasn't too much controversy associated with it. Most people believed that it was something that needed to be done. In fact, I would like to see it after three or 4 years, too, to see whether or not it looks like it should look and like we hope it looks. Maybe we can learn something from that.

Mr. OTTER. Just one additional question then: How are we going to get in to see it?

Mr. BOSWORTH. Well, we will walk a little bit or you can bring your horses.

Mr. OTTER. Good point.

Mr. PETERSON. The gentlemen from New Mexico is recognized.

Mr. UDALL OF NEW MEXICO. Thank you, Mr. Chairman.

Chief Bosworth, I represent a district with a number of Native American tribes in it. The fire season we had in 2000 was pretty devastating to some of them in terms of their forests. I am wondering what work the Forest Service has done to work with tribes and assist them in the implementation of the National Fire Plan?

Mr. BOSWORTH. There are a number of things. Of course, it depends on individual tribes. The work that is being done on one forest to another forest may vary some, but one of the focus areas is to make sure that we are working with the tribes as well as working with the States and the counties and the local people in determining where we want to do fuels treatment. We use a lot of tribal members in fire suppression, in our fire suppression activities.

We work very closely with the tribes in terms of the fuels aspects. I don't know that I can talk to the restoration or rehabilitation aspects, but I can find out and get back to you on that part of it.

Mr. UDALL OF NEW MEXICO. Thank you. In the GAO report on severe wildland fires it mentioned percentages in terms of where you are applying money in terms of wildland-urban interface. Apparently, there is a large number of acres, the number that I have is 785,000 acres of non-wild and urban interface lands which have

been targeted for treatment. Could you tell me what your thinking is on that, why such a large amount and what the reasons are?

Mr. BOSWORTH. The work that we did in 2001 with the National Fire Plan in terms of fuels treatment was not as focused on the wildland-urban interface as we would like to have it. The reason for that was because the projects we had on the shelf ready to go were projects that were not necessarily focused on the wildland-urban interface.

It takes a couple of years usually to work your way through the environmental analysis, the consultation and the collaborative work you need to do with the communities to decide where you are going to do the work around the community, where the highest priority work is, what kind of work and then do the documentation.

So, just because of the short timeframe when we got the first National Fire Plan, the dollars, that first year's worth of work wasn't able to be focused as much around those areas as we would like. But that is where we are heading now and more and more the projects are going to be focused on those areas now.

I am just looking at some figures here. In 2001 we had some 611,000 acres, approximately, and in 2002 about 544,000. In 2003 the plan is to have about 965,000 in the wildland-urban interface. So, that is a fairly significant jump. That is mainly because it is a two or 3-year lag before you can start projects from the very beginning until you work your way through that process.

That takes me back to some of the process gridlock that I worry about. The GAO, in its January 2002 report, Severe Wild Land Fires, supported a recommendation made by the National Academy of Public Administrators that an inter-agency national council should be created to provide leadership and ensure that funds appropriated to implement the National Fire Plan are spent efficiently.

What are your thoughts on their recommendation?

Mr. BOSWORTH. Well, the Secretaries of Interior and Agriculture directed the Deputy Secretaries to decide how they wanted to approach this from a leadership standpoint. Their direction was for us to establish an inter-agency leadership council at the agency level. In other words, the agency heads would be the inter-agency leadership council.

That is a charter that we have developed. It is now over at the Department of Interior and hopefully will be approved and signed by the Department of Interior in the near future. To establish this inter-agency leadership council I think would meet the expectations that I think the GAO report was citing.

[The GAO report on Severe Wildland Fires has been retained in the Committee's official files.]

Mr. UDALL OF NEW MEXICO. Thank you. Thank you, Mr. Chairman.

Mr. PETERSON. The President's budget calls for allowing non-commercial interests to bid on timber sales. Can you explain how this proposal helps you achieve your land management objectives?

Mr. BOSWORTH. Well, the notion on that proposal would be to increase the competitiveness and therefore the value of timber sales. About 60 percent of the timber sales that we offer are timber sales for other purposes. It may be for habitat improvement. It may be

for fuels reduction for watershed restoration. In those cases, that wouldn't apply. The other 40 percent of the timber sales that we offer that are specifically for the purposes of providing timber, selling timber. This would be a proposal that could allow other interests to bid on those and therefore not have the effect on the land management objectives that I believe you are talking about.

The 60 percent of the timber sales that we offer—

Mr. PETERSON. They are to be low-cost sales by design.

Mr. BOSWORTH. They do other things other than just provide wood supplies?

Mr. PETERSON. Why aren't those in separate budgets? You know, they criticize timber sales just because they don't make money when the biggest share of them are not about making money. Those should be under a different title. They shouldn't be allowed to do that to you. I am serious.

Mr. BOSWORTH. Well, it causes a lot of confusion in the public. We have a tool.

Mr. PETERSON. It is self-induced by putting it together.

Mr. BOSWORTH. We have several tools for accomplishing work on the land. Those tools may be a service contract. It may be a Forest Service crew. It may be a stewardship contractor. It may be a timber sale. If our objective is reducing the fuels, for example, any one of those tools may be the right tool, depending on the particular circumstances and the particular situation.

Then there are other projects, timber sales, that we may sell strictly for the purpose of getting a return to the government and getting wood fiber on the market. That is a different purpose. The two things get pretty confused with the public in terms of our timber sale program.

Mr. PETERSON. I guess I would find it problematic with the small amount of timber that is being sold by this huge agency and now to allow anti-forestry practice people, you know, managing forests, you may do a commercial sale that is profitable, but there is going to be a lot of winners with well-managed forests.

If we don't manage them, they are all going to eventually die. We get into the issue of carbon sequestration. You know, a young managed forest is a great carbon sink. It sucks carbon out of the air to make the trees, you know, like well-managed farmland. When you have aggressive plant growth, you are taking the carbon out of the air. There is a lot of concern about carbon dioxide today.

If we stop managing, and it seems to me this proposal stops managing, we are going to let all our forests grow old and die. Now, there are lots of people who believe in that. I think it is the most stupid thing I have ever heard of because watching an old forest die, there may be some beautiful parts of it, but as a whole if we let all the forests in this country age and die, they become carbon dioxide emitters and they also become ugly places with limited wildlife and habitat because old, dying forests are not where you see wildlife activity like you do.

So, I guess I question that 40 percent is now going to be challenged by people who would in turn pay for.

Mr. BOSWORTH. Well, it is an area where we would be very interested in working with you folks and seeing if there are some areas

that we could explore along those lines and see whether or not there are some things that would be particularly useful.

You were talking about the carbon sequestration. I would just like to add that we have some very good research that has taken place in terms of carbon sequestration on national forests that is important research that is going on there. I think it will be informative as it goes along.

Mr. PETERSON. Well, let's assume the 40 percent all gets purchased by people who don't want to cut down the trees, who don't want forestry practiced. Doesn't that prevent you from legally complying with the law of your management plan?

Mr. BOSWORTH. Well, if we allow this proposal, it would require action by Congress and we would have to work together with Congress to figure out how legislation should be put together. My assumption would be that if Congress passes legislation along those lines that it would be legal.

Mr. PETERSON. The gentleman from New Mexico.

Mr. UDALL OF NEW MEXICO. The budget request, Chief, lists two items that will be addressed in legislation regarding timber sales. One of them says the legislation will be forwarded to Congress to require sealed bids on timber sales. Is legislation necessary to require the Forest Service to only offer sealed bids on timber sales?

Mr. BOSWORTH. Right now, we have both sealed bid and oral auction timber sales.

Mr. UDALL OF NEW MEXICO. But legislation isn't required, is it, for you to go ahead and do sealed bids on timber sales?

Mr. BOSWORTH. No. We do sealed bid timber sales right now.

Mr. UDALL OF NEW MEXICO. Right now? You have the authority to do it?

Mr. BOSWORTH. I believe that this proposal would require that virtually all timber sales be sealed bid timber sales as opposed to oral auction.

Mr. UDALL OF NEW MEXICO. But right now administratively you could move forward and make all of your timber sales sealed bid.

Mr. BOSWORTH. That may be possible with some policy changes internally, and I am not sure whether or not it would require legislative change. I don't know whether we can do it through policy or regulatory approaches or not. But my belief is that there are some reasons why in some cases we have been having oral auctions that either has to do with law or maybe it has to do with some things that we changed regulations on. I will have to get back to you on that.

Mr. UDALL OF NEW MEXICO. OK. I just thought if your approach was to believe that this was a good idea and it's a better way to do it and you have the administrative authority now, then you should probably just go forward and do it.

Mr. BOSWORTH. I am just not sure that we can implement that fully without some legislative change.

Mr. UDALL OF NEW MEXICO. OK. Thank you.

The budget request anticipates for the Fiscal Year 2003 2.4 billion board feet of timber to be harvested. How much of that is intended to come from roadless areas?

Mr. BOSWORTH. I think the number is 2.0.

Mr. UDALL OF NEW MEXICO. Billion?

Mr. BOSWORTH. Billion board feet.

Mr. UDALL OF NEW MEXICO. OK. So, I am high here. Two point zero billion board feet.

Mr. BOSWORTH. I don't believe that there would be any that is being planned right now for roadless areas.

Mr. UDALL OF NEW MEXICO. Is any of that from the Tongass in Alaska?

Mr. BOSWORTH. There could be some from the Tongass. That is would be an exception to that, some of the roadless areas in the Tongass. I can give you the figures for the Tongass specifically, if you would like those.

Mr. UDALL OF NEW MEXICO. Yes, I would like those. Aside from the Tongass, there wouldn't be any from roadless areas?

Mr. BOSWORTH. I am not aware of any from roadless areas. I can check that, but I don't believe there is any planned from roadless areas.

Mr. UDALL OF NEW MEXICO. I have just been shown this. I guess this is the budget justification. It is 2395 board feet.

Mr. BOSWORTH. Let me have Hank address the volume number.

Mr. KASHDAN. There is a table in the budget justification. The 2.4, I believe, is what is being shown as timber harvest. The 2.0 is the planned offer volume. The timber harvest is planned at 2.4. Our reporting and accomplishment measures are based on timber offer, which is the 1.999 amount.

Mr. BOSWORTH. The timber harvest is the harvesting of timber from sales that sell this year and last year that are three or 4-year sales. So, that is sort of the estimated amount of timber that is going to be harvested from those existing timber sales.

Mr. UDALL OF NEW MEXICO. Does the 2.4 include salvage sales?

Mr. BOSWORTH. It would include both salvage as well as green timber sales.

Mr. UDALL OF NEW MEXICO. OK. Thank you. Thank you, Mr. Chairman.

Mr. PETERSON. I thank the gentleman.

The very patient gentleman from Idaho, Mr. Otter.

Mr. OTTER. Thank you, Mr. Chairman.

Chief Bosworth, would you run again through the different types of sales there are and contracts on bids. It sticks in my mind that how could we have a sale without a reduction in fuel, whether it was a good reduction in fuel or method in order to harvest some good timber or if it was a reduction in fuel in order to prevent forest fire or if it was a reduction in fuel like we desperately need in Clearwater in order to increase the elk habitat.

Tell me why we would have a removal of trees or whatever is there if it wasn't a reduction in fuel.

Mr. BOSWORTH. Well, we have timber sales, some timber sales in some parts of the country where the purpose for those timber sales is strictly to provide wood fiber that is not necessarily a part of a fuel reduction effort.

Mr. OTTER. But isn't the effect of it to reduce the fuel loading?

Mr. BOSWORTH. It would remove some fuel when you take the tree out, that's correct. But it may not be the kind of project that would necessarily reduce the fire hazard because it may be leaving more small fuels, fine fuels that would actually increase the risk.

So, if it is not designed from a fuels reduction standpoint then it may be meeting other purposes, but it may not meet the purposes of fuel reduction. It may be in a place where fuel reduction isn't a big issue or a big problem.

Mr. OTTER. I have a question relative to the research and development on invasive and noxious weeds. I don't have the exact figure, but information that I have is that the Forest Service is planning on using some of the funding that now goes to the Montana Research Station for funding this SIMFOREST software program. What exactly is the SIMFOREST plan and how and why is it more important than the research and development that we have going on at Montana Research?

Mr. BOSWORTH. First I want to say that the research budget, the research program that is proposed does readjust some of the priorities for research, both putting some dollars into forest inventory and analysis and into a few other areas that this budget would move us toward.

For example, areas that this budget would move us toward, for example, the SIMFOREST. The SIMFOREST is really developing a model that would simulate sort of—the "SIM" stands for simulator that would be a simulation model that would allow a better understanding of some of the complex interactions that take place with a growing forest. It would particularly be helpful to private landowners and consulting foresters maybe to better understand what would happen if they do certain kinds of forest management on their particular piece of land.

It is only in the very early stages conceptually. It is an area that could be very beneficial, particularly to private landowners.

Mr. OTTER. In this simulated model of forests, would that include an opportunity to see what kind of a TMDL addition loading a forest fire would have on a watershed and whether or not it would contemplate then having to stop other legitimate activities on the watershed because of a forest fire?

Mr. BOSWORTH. We are very early in the process at this point in looking at this. But let me have Robert Lewis, our Deputy Chief for Research and Development, give you a more specific answer regarding the SIMFOREST model.

Mr. LEWIS. Thank you. The SIMFOREST is a technology transfer methodology that will allow us to take research data and simulate forest management of all types over time. Fiscal Year 2003 would be the first year of this particular program and a number of research stations will be involved. In fact, we will start a fairly new unit at Moscow, Idaho with about \$1 million of that program going to it for 2003.

Earlier you wanted to know about the FIA Program. FIA is a very high priority for the agency. We developed a strategic plan to fully implement the FIA program and so the administration proposed full implementation in 2003 as we had outlined in the strategic plan for FIA.

Mr. OTTER. Thank you very much. I would like to follow that up with another question. You were here with Lyle Lafferty, weren't you here with Lyle Lafferty and Gail Norton a couple of weeks ago? You mentioned the SIMFOREST then. I got the impression that it

was up and running and you weren't going to need any money for it; that you already have a product.

Mr. LEWIS. Well, the SIMFOREST is a different new initiative that is not specifically geared to the National Fire Program but for all forest management activities including silviculture. Actually, you can look at stands and predict how they would develop over time, watersheds, for example.

Mr. OTTER. I see. Let me get back then now to Ms. Collins. Maybe she can answer my question relative to we have certain loading levels of total daily loading, TMDLs. We do have a lot of activity because we have some locked in lands within the forest boundaries and that sort of stuff.

It would seem to me, do we have any information on the maximum daily loading that takes place as a result of a forest fire on a watershed? Do we have any of that information?

Ms. COLLINS. Not on a daily basis as the fire is burning. I don't think we do. In fact, while the fire is burning that kind of testing generally is not done. It is done as we are right away in there doing a burned area rehab work. That is where we are starting to test for whatever water quantity issues we know are going to be there from erosion.

So, we're in there right away looking at that and looking at what needs to be done relative to that, looking at where we want to plant trees and where we want erosion control, those kinds of things.

Mr. OTTER. I understand that. What I am concerned about is hearing our assessment of whether to thin, whether to take out a road in an area that perhaps we need to remove some more fuel from that, as a result of our not taking that out and that forest burns and the fuel loading is as heavy as it was 2 years ago on the 880,000 acres and subsequently we calcined the earth about 16 to 18 inches deep where nothing is going to grow for a long, long time.

Then we used that TMDL loading as a result of that forest fire to stop other activities on that watershed so it is sort of a collateral economic damage that was going on there. Another reason that we need to take at least into consideration, is it advisable for us to remove that loading rather than end up increasing the total loading on it on a daily basis if there is a forest fire?

Ms. COLLINS. Right. So, you are basically arguing for doing the kind of thinning that we need to do to reduce those kind of catastrophic fires, at least that is what I think I am hearing you say; get in there and pre-treat those areas so that you don't have a catastrophic fire so you don't have that kind of erosion problem. Is that what I'm hearing you say?

Mr. OTTER. If we had had a basal measurement load on a lot of those areas that burned in Idaho of 150 or 180 or even 200 or 250, but when we had 650 and 700 and 750 in the basal measurement, it was such a load, I mean the earth may have been scorched a little bit but it wouldn't have burned 16 or 18 inches deep like it did.

So, that is going to maximize the loading that is going to be. As a result, that watershed is going to be damaged for a long, long time. So, my question comes down as, if we are making assessments on forest health based upon how good the water shed is,

what is the effect of the watershed burning because we didn't go in and remove that.

Mr. BOSWORTH. You are making the same arguments that we make for a lot of reasons why we ought to be implementing the National Fire Plan. We need to be doing fuels treatments. We need to be doing active management on the land so that we can reduce the threat to both homes and structures and communities, but also to municipal watersheds so we can reduce the effect on other forest resources such as soils and water quantity.

So, I am in full agreement that we need to be actively managing particularly the drier Pine type part of the National Forest System where we have the Ponderosa Pine, the drier ecosystems that historically burned more frequently, like every 15 to 30 years. We need to be in there doing the kind of activities that will decrease the severity of fires that go through there, whether they be for communities or whether it be for ecosystem health and watershed health.

In your consideration of allowing somebody to bid on a forest sale that had no intent of going in and cutting to remove the fuel loading, let me just say—and I don't know what the results of all that would be—but let me just say that I would certainly encourage my State, over which 65 percent is Federal ground, that any damage that is done as a result of that fuel remaining there after the bid was let and those people decided not to take it out, like we do on cattle graze, if somebody comes in and bids a cattle graze and that fuel stays on the land and then there is a resulting fire and if there is collateral damage done to the state land or the private property, that whoever made that bid and then did not execute it is held responsible, financially liable for the other damage that was done.

I don't know how fast a program like that can go forward, but to the extent that I can allow other States to do that through Federal legislation, I am willing to do just that.

Thank you, Mr. Chairman.

Mr. PETERSON. You are welcome.

The timber targets have been reduced continuously from, I guess 12.5 billion down to 2 billion. When will the Forest Service start meeting its timber targets and when will the Chief start holding line officers responsible for meeting those targets?

Mr. BOSWORTH. Well, we are holding line officers accountable for meeting all of the targets that we agree on now. The timber target for 2003, with our proposal, would be two billion board feet. My belief is that we have to shore up our performance accountability in the Forest Service not just on whether or not we are meeting timber targets, but whether we are meeting our recreation responsibilities, our watershed restoration responsibilities and the whole works.

My expectation is that when a Regional Forester takes the dollars, then they agree to do the work. I expect the work to get done. What I am going to keep focusing on is that my intention is to under-promise and over-deliver. I don't want the Forest Service making promises that in the end we can't keep. That is why I am going to keep harping about the analysis gridlock or the analysis paralysis that we are in because until we get that fixed, I don't

want to make a whole bunch of promises of doing something more that I am not confident that we are going to be able to accomplish.

Mr. PETERSON. What are the consequences going to be for a line officer who doesn't meet their targets, if he or she doesn't get it done?

Mr. BOSWORTH. Well, I guess I would have to wait. I mean there is performance, they get a performance appraisal at the end of the year. Some of it depends upon if there is one of the 30 different targets that they were issued, and there is only one of them that they didn't achieve and there are reasons for that, then it depends upon the reasons and it depends upon whether or not they identified the shortfall and the reasons for the shortfall ahead of time and let us know what the problem was and we tried to see if we can fix the problem.

You know, some of these things are outside of their capability to fix. But I want them to be managing the Regions in a way that identifies whether or not they are going to accomplish what they said they are going to do. If they can't we are going to have to find somebody else that can do that job. I do fully intend this year that we will meet our fiscal year 02 target of 2.0 billion board feet. I expect that to happen and it looks like we are on track for that to happen.

Mr. PETERSON. Right. I am pleased to hear that. You may have to send a sound out through the bushes that the rules are going to be enforced because until you do, you know, behavior won't change. I know a State agency that was so corrupt and so bad that when a new administration came in they started firing people for stealing.

It had been so commonplace that the courts, there were 30-some people that I know of that were fired for stealing who all got their jobs back. The public never knew this, but the courts gave them their jobs back because stealing was so common in that agency that they couldn't be the ones who were first punished. From there on they were allowed, but because the warning had been sent out. That is an extreme example, but it is true.

Mr. BOSWORTH. But I do want to say that the Forest Service isn't corrupt, and I know you were not implying that.

Mr. PETERSON. No, I wasn't implying that. Let the record show that.

Mr. BOSWORTH. But I also want to say that I believe we have some really, really good people out there in the field that are wrapped up in some really, really lousy systems.

Mr. PETERSON. Yes, it is lousy. But you do have to put a toughness out there. I mean, people have to buck up. You know, when somebody gets penalized for misbehavior the word is out on the street.

Mr. BOSWORTH. If you shoot one, thousands fall.

Mr. PETERSON. That is right.

Charter Forests, since the administration released this Charter Forest idea, the Subcommittee has been approached by scores of community-based organizations designating their national forests and respective backyards as Charter Forests.

In my mind this is a scathing indictment of the process that governs the management of our national forests. It shows how debili-

tating this analysis paralysis, as you so aptly described it, has become. What are your thoughts?

Mr. BOSWORTH. Well, my view is that the notion of Charter Forests is something that we should be working together with Congress in looking for some opportunities on how we might develop some proposed legislation that would allow us to experiment with some ways that would help us to work our way through some of these processes.

In the meantime, I don't intend to wait and see what happens with Charter Forests. In the meantime I still expect us to be looking at some of the things we can do with our regulations and working with other agencies that have regulations that affect us and working with them to try to see if there are some changes we can make in our regulatory process that would help us to streamline some of these processes.

Mr. PETERSON. In your opinion, could you through regulation do some pilot work?

Mr. BOSWORTH. There are some things that we can do within our current authorities, but generally it is going to take some legislation if we want to make any significant difference.

Sally, do you want to add to that?

Ms. COLLINS. The only thing that I would say is that we have been doing some of these things for quite a while. We have a couple of pilot projects out there where we are working with BLM really closely, sharing some authorities and getting some great efficiencies.

In fact, this administration is proposing additional collocations between agencies. So, we have those kinds of pilots out there. We had other kinds of reinvention kinds of pilots where we are looking at different budgeting kinds of systems and learning from those pilots.

So, we had a history of trying that and actually even before evolving to the Charter Forest idea had spent some time talking to our field organization about what are some ideas that you might have or we could pilot some ideas around the country, a different way to accomplish NEPA on emergency projects, for example, or something else.

So, the ideas are flowing and it is not just around Charter Forests but they are flowing around a whole lot of other kinds of things that we could do that may not require legislation.

Mr. PETERSON. Do you think you could do a prototype Charter Forest without legislation?

Ms. COLLINS. Well, I think it really depends on what we want to do and how far we want to go. I think that we could do a couple of different kinds of things. Now, some of the authorities we have on the Baca Ranch, for example, require legislation. We couldn't quite go that far. So, I think it depends on how broad a range we want to explore in terms of some authorities and some ideas.

Mr. PETERSON. Next question: Permanent extension of the recreation fee demonstration program was proposed in the President's budget. Tell the Subcommittee why you think it is important for Congress to give permanence to this user fee program.

Mr. BOSWORTH. We have been experimenting now with the fee demo process for a number of years. We have learned a lot by ex-

perimenting with it. It has been a demo process basically and a demonstration process. We found things that worked. We have found things that didn't work quite so well.

Some of the main principles that we have discovered though are that I guess may be self-evident, but there are things like if you make sure that the dollars go back to the area where the people are recreating, they are a lot more supportive of the process, in fact, in some cases very supportive of the fee if they know that those dollars are going to thing back to the area that they are interested in, where they recreate on a regular basis.

The other thing that makes a big different is if people see an improvement immediately when you start charging fees. If there aren't things that they can see that are the things that they would like to have happen, then they are not going to be very supportive.

We have limited dollars that are available to us in terms of our recreation budget. The recreational use of the national forests is increasing exponentially. People have expectations of having a decent experience when they get to the national forests.

I don't support the idea of charging everybody who comes to the national forest or anywhere near that, but I do think there are some places like we are experimenting with in the fee demo process where it makes sense to charge additional fees. We have been at it long enough, I think, that where we can demonstrate that it is a good project, a good process and we would like to work with you in getting some kind of more permanent authority.

Mr. PETERSON. The gentleman from Idaho, Mr. Otter.

Mr. OTTER. Thank you, Mr. Chairman.

I have one question that I want to close with. That is, I noticed in the budget where you have \$131 million for additional land acquisition for the Forest Service and I also noticed where some of the funding that you are asking for is to go to kind of slow the growth of backlogged maintenance that you need, which would suggest to me that you have maintenance that continues to grow and needs that continue to grow on the land that you now have.

That leads me to the question of why would you want to buy more land if you are not taking care of what you have?

Mr. BOSWORTH. Well, in many cases lands that we acquire are lands that are in holdings or surrounded by national forest and actually in a lot of cases it is more efficient if it is all in national forest ownership than having in-holdings there where you are surveying the corners. It is more expensive to design projects and so on.

Now, I don't want to imply that that is the way that all the land acquisition would be. There is also in a lot of cases tremendous support both locally as well as from Congressional members for some of the land acquisition projects that are in areas that are sensitive for people. They have sensitive species on them. They are places where people want to recreate. They don't want to see subdivisions developed and they would like to have the Forest Service manage them as part of the national forest system.

So, you know, there is a lot of support for it. I think that within our budget we don't increase our costs in most cases because again most or I think virtually all of them are in-holdings that are usually closely surrounded by national forest system lands.

Mr. OTTER. Are these generally pursued under a willing buyer-willing seller agreement?

Mr. BOSWORTH. Almost always. There may be a few cases where we are looking for rights of way or something like that that may not be quite so willing. But the land acquisition purchases, they are not situations that I can think of right now. I want to say that has never happened, but I can't think of circumstances right now that are not willing buyer-willing seller.

Mr. OTTER. Sometimes the seller becomes willing because he can't do anything else with his land because of the existence of that species that you were talking about, potentially endangered or some other activity that is limiting to the land.

I certainly have been helpful from time to time in my short time in Congress in working between the Forest Service and private landowners that were willing sellers. But mostly they became willing sellers because there were a lot of other things that they wanted to do to the land that they couldn't.

Finally, with the land acquisition as a whole, one of the things that I am really concerned about, especially in a State like Idaho, is that to the extent—and let me just take one country in Idaho, Valley County—only 8 percent of Valley County is private ground. To the extent that one more acre is bought there, that school system loses the local infrastructure of the cities and the counties, all of the services that are provided for the counties have less of a tax base.

I would be in hopes that, especially for counties that say 50 percent or 75 percent—50 percent I would prefer—areas, States with 50 percent, is that we do something to trade land within that county if we possibly can to make something more accessible for establishing a tax base because we are losing the better part of our school systems. We are losing the better part of local law enforcement.

The only base of revenues that those local folks have is that land. Every time you folks buy an acre you take another acre off of our tax roles.

Mr. BOSWORTH. In most cases land exchanges are the preferable way to round out the in-holdings and to meet other people's needs. Even with land exchanges, since we do that on a value for value basis, sometimes there are occasions where the piece of land that we are exchanging, that we are giving up, is more expensive because it is near a community or something like that.

So, it may be five acres that we are exchanging for 50,000 acres of land. So, we are acquiring more acres than what we are giving up although the value is equal.

Mr. OTTER. The problem of it is the Forest Service is not paying your tax bill in the first place. If I have an acre of Weyerhaeuser ground or Boise Cascade or Plum Creek or Potlatch or any of the other folks that own massive amounts of forested ground in Idaho, their average payment into the local coffers is \$8.80. The max that the Forest Service has ever paid is less than \$.80.

Mr. BOSWORTH. The Payments to States that was passed by Congress and signed into law hopefully will be helpful to many of these rural counties that depend on some of the national forest revenues to at least be more assured of what the dollars are that they are

going to get. I think 76 percent of the counties have elected to switch from the historic payment system to the full payment amount under that public law.

Mr. OTTER. I thank you, Mr. Chairman, and I generously yield back the balance of my time.

Mr. PETERSON. We are so thankful.

The only thing I would say about what you just mentioned is that if PILT is an example that after five or 6 years we pay half of the authorized amount for this program, as PILT has done historically, then these people won't get what they need.

So, the history of the Federal Government payments in lieu of taxes is deplorable in my view. It is just awful. That is not your fault.

But dealing with the question the gentleman just raised, I just happen to have a bill in my hand called The Good Neighbor Act. It says that if 50 percent of a county is owned by the four Federal agencies that to buy more land in that county they must sell land, but with an exception. The exception is from 50 percent to 66 percent that they must hold a hearing in the county affected. They must give notice to the county, State and Federal elected officials and the Governor must approve.

Now from 66 percent up, that is where they own two-thirds of it, the county elected officials must approve and the Governor must approve and the hearing process must go ahead.

So, it is a process where there is an exception to selling some if you buy some, but it puts the decision back at the local level from 50 to 66 percent with the Governor and 66 and up with the county officials. So, is this a process that seems to make some sense?

Mr. BOSWORTH. Well, I won't want to commit myself to it without having a chance to really examine it carefully.

Mr. PETERSON. It is pretty simple.

Mr. BOSWORTH. There is no question that it is a problem for some of these counties that do have a very high proportion of the country in Federal ownership. We do want to be good neighbors. I have to look at that more carefully to really know.

Mr. PETERSON. We will get you a copy of it. It is pretty simple. It is not legalese. It is straightforward.

Is there a long-term plan addressing all the tasks that need to be completed in order to achieve financial accountability?

Mr. BOSWORTH. We do have a long-term. But we have a plan to achieve a clean financial audit and to clean up our financial management system. That is a very, very high priority. We have to get our accounting house, our financial house in order. We completed this year the second year of operating under a fully compliant financial system. We call it FFIS. It is the Foundation Financial Information or Implementation System. I can't give you exact words. But that is a system we have been operating on now for 2 years. We know that we have some problems with some of the feeder systems that work into that. We are working on that with the department and trying to correct those feeder systems.

We implemented an agency-wide strategy for valuing our real property. Making sure that we have good real property information and documentation of that information is critical to getting a clean financial audit.

We are developing and implementing a field-based budget formulation system which we refer to as BES and we are making progress in our cash reconciliation process which is another area that we have been short on in the past several years.

So, my hope and expectation, in fact my full expectation is that we will be able to achieve a clean audit on Fiscal Year 2002.

Mr. PETERSON. What are the plans and the timeline for linking budget formulation to agency goals?

Mr. BOSWORTH. Well, we have our agency strategic plan. That strategic plan lays out what our goals are. We develop our annual performance plan and there are budgets. Our budget proposals are linked to our annual performance plans. We are in the process of trying to make sure from top to bottom that that is all aligned. I don't believe that it has been aligned as well in the past as what it needs to be and we are working on that.

Do you want to add somebody to that, Hank?

Mr. KASHDAN. We have actually experimented. In Fiscal Year 2003 we tried to develop an annual performance plan that would help the field in formulating its budget. We critiqued that process and have now actually outlined the process for 2004. Where we will incorporate our annual performance goals right within the budget submission to the department, to be reflected in the President's budget. So, we actually think we are making some very good headway to integrating performance directly into the presentation of the budget that ties back to the strategic plan.

Mr. PETERSON. When will you have a planning rule in place?

Mr. BOSWORTH. Well, we have a planning rule in place now. It was developed in 1982. Then we have an updated planning rule that was January 2001. We have some concerns about that planning rule and we have been working on a new planning rule that uses the same concepts of a science-based collaboration and sustainability.

What we are trying to do is simplify it, get it down to fewer pages, frankly, and to make it affordable. Something where we can actually get a forest plan completed in a reasonable period of time, rather than taking 10 years to develop a 15-year plan.

The expectation is to have a draft rule go out for public comment probably in April and then we would have a 60-day comment period and hopefully we would be able to come out with a final rule late this year.

Mr. PETERSON. If Congress provides funds for the economic action program and stewardship incentive program, does the agency have the capacity to implement?

Mr. BOSWORTH. If Congress were to decide to fund the economic action program, you bet we would be able to implement it. We have a lot of skills in doing that. We have been very successful in the past in implementing economic action programs and we would do a very good job of it.

Mr. PETERSON. Well, I would like to thank you, Chief Dale Bosworth, Sally Collins and Hank Kashdan, your support team, for coming before us today and candidly answering our questions.

I also want to thank the members of the committee and member who have staffs who are still here who have additional questions

for the witnesses, we ask you to furnish them in writing. The hearing record will be held open for 10 days for those responses.

Mr. BOSWORTH. Thank you.

Mr. OTTER. Thank you.

Mr. PETERSON. If there is no further business before the Subcommittee, the Chairman again thanks the members of the Subcommittee and our witnesses.

This Subcommittee stands adjourned.

[Whereupon, at 6:03 p.m., the Subcommittee was adjourned.]

