

**GAO FIVE-YEAR UPDATE ON
WILDLAND FIRE AND FOREST
SERVICE/BUREAU OF LAND
MANAGEMENT ACCOMPLISH-
MENTS IN IMPLEMENTING
THE HEALTHY FORESTS RES-
TORATION ACT**

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FORESTS AND
FOREST HEALTH

OF THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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**OVERSIGHT HEARING ON GAO FIVE-YEAR UP-
DATE ON WILDLAND FIRE AND FOREST
SERVICE/BUREAU OF LAND MANAGEMENT
ACCOMPLISHMENTS IN IMPLEMENTING
THE HEALTHY FORESTS RESTORATION ACT**

**Thursday, February 17, 2005
U.S. House of Representatives
Subcommittee on Forests and Forest Health
Committee on Resources
Washington, D.C.**

The Subcommittee met, pursuant to notice, at 11:03 a.m., in Room 1324, Longworth House Office Building, Hon. Greg Walden [Chairman of the Subcommittee] presiding.

Present: Representatives Walden, Peterson, Tancredo, Hayworth, McMorris, Tom Udall, DeFazio, Inslee, and Mark Udall.

STATEMENT OF THE HONORABLE GREG WALDEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. WALDEN. The Subcommittee on Forest Health will come to order. The Subcommittee is meeting today to hear testimony on the Government Accountability Office Five-Year Update on Wildland Fire, and on the Forest Service and Bureau of Land Management Accomplishments in Implementing the Healthy Forest Restoration Act.

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

It is fitting that this Subcommittee's first full hearing in the 109th Congress focuses on the issue of hazardous fuels and its relationship to wildland fire. While this Subcommittee will take up many other important topics in the next two years, when it comes to the ecological integrity of our Federal forests, all other issues take a back seat. The enormity and severity of the problem and our ability to affect it will have more impact on wildlife habitat, water quality, air quality and community protection than frankly any other forest issue.

To explain the explosive nature of the problem, let me give you some forest growth statistics on our national forests. Total net growth is currently about 20 billion board feet per year, while total

mortality is approximately 10 billion board feet per year, and the annual harvest is less than 2 billion board feet per year. In other words, we are removing less than one-fifth of what is dying on our forests and less than one-tenth of what is growing. This is the 800-pound gorilla that is wreaking havoc on our national forests and why today we have approximately 190 million acres of Federal land at high risk of catastrophic fire. While some of you may have grown tired of our call to thin and treat our forests, let me tell you this: you haven't heard anything yet.

In 1999, at the request of the Subcommittee, the Government Accountability Office produced an analysis of catastrophic wildfire that stated, and I quote: "The most extensive and serious problem related to the health of national forests in the interior West is the overaccumulation of vegetation, and catastrophically destructive wildfires." This is the GAO making these comments, not us. The GAO's report in no small way helped to set the stage for many of the positive changes that have occurred in the five years following the release of that report, from the creation of the National Fire Plan in 2000 to the development of the 10-Year Comprehensive Wildfire Strategy guided by the Western Governors' Association, to the Bush Administration's Healthy Forest Initiative, to the 108th Congress's passage of the Healthy Forest Restoration Act, and to the quadrupling of funds spent by the agencies on hazardous fuels reduction and the resulting quadrupling of acreage treated—much has been done to address the problem.

This week, again at the request of this Subcommittee, the Government Accountability Office produced a five-year follow-up report, which recognized that much progress has been made in wildfire management, from prevention to suppression. The report confirms what we had hoped to hear and what many of us worked so hard to achieve as we developed and moved the Healthy Forest Restoration Act through the Congress two years ago.

But the GAO also confirms what many of us have seen and experienced recently as we visited Federal forests, that we have a lot more to do and a long way to go. So I have traveled around our national forests since passage of HFRA. I have found that while some forest units are aggressively implementing the law, others have hardly begun. The GAO's report corroborates those shortcomings, stating that a number of the agency's local fire management plans do not meet agency requirements. Particularly the GAO reported that an overarching cohesive strategy that identifies long-term options and needed funding requirements is still not in place. The Western Governors' Association, in its own November 2004 report and in written testimony submitted for this hearing, makes similar recommendations.

[The documents submitted for the record by the Western Governors' Association follows:]

Statement submitted for the record by The Honorable Janet Napolitano, Governor, State of Arizona, (WGA Vice-Chair and Forest Health Co-Lead), and The Honorable Dirk Kempthorne, Governor, State of Idaho, (Forest Health Co-Lead), on behalf of the Western Governors' Association

Thank you Chairman Walden, Congressman Inslee and other distinguished members of this Subcommittee for the opportunity to submit written testimony for today's hearing on wildfire and forest health. This statement is submitted on behalf

of the Western Governors' Association by Governor Janet Napolitano of Arizona, Vice-Chairman and co-lead Governor for forest health; and Governor Dirk Kempthorne of Idaho, co-lead Governor for forest health. WGA is an independent, non-partisan organization of Governors from 18 western states and three U.S.-Flag Islands in the Pacific. We appreciate this opportunity to present the collective views of the Western Governors.

With the 2005 wildfire season approaching, it is timely to review progress made during past five years on wildfire and forest health issues. As we look back, beginning in 2000 with the National Fire Plan under the Clinton Administration, proceeding to the Congressionally requested 10-Year Comprehensive Wildfire Strategy and its Implementation Plan (10-Year Strategy) guided by the WGA, and now to the Bush Administration's emphasis on the Healthy Forests Initiative and the bi-partisan passage of the Healthy Forests Restoration Act, it is clear that progress on wildfire and forest health issues rests on a strong foundation of bi-partisan cooperation.

As a result of this cooperation, significant progress has been made implementing the 10-Year Strategy: Hazardous fuel reduction acreages have increased, federal-level cooperation and coordination has been enhanced through the formation of the Wildland Fire Leadership Council, and the fire preparedness of many western communities is increasing through the development of Community Wildfire Protection Plans.

Yet, despite this important progress, after five years of concerted effort there are still hurdles facing our pursuit of the 10-Year Strategy goals. Additional commitment is needed. Federal agencies report that some 80-90 million federal acres alone remain at-risk of catastrophic wildfire. Wildland fire suppression costs have exceeded the \$1 billion mark in three of the last five years. Significant gaps remain in implementing the collaborative framework the 10-Year Strategy. Communities continue to struggle to build local capacity to develop and implement wildfire mitigation programs. And there is a need for a clarified vision of restoring fire-adapted ecosystems, including landscape contexts that emphasize the use of fire as a management tool. Addressing these important hurdles will require additional commitment of time, energy and funding.

Clearly there is still much work ahead of us. The three core principles of the 10-Year Strategy—collaboration at the local, regional and national levels; prioritization emphasizing the protection of communities and key watersheds; and creation of uniform and cost-effective measures of accountability—remain as important today as they were in August, 2001, when the Secretaries of Interior and Agriculture, Governors, and a diversity of stakeholders first agreed to the 10-Year Strategy in Coeur d'Alene, Idaho. Our nation's wildfire challenges will only be met with continued adherence to the 10-Year Strategy and integration of its principles into all our efforts to meet those challenges.

With this in mind, the WGA continues to pursue improvement of our wildfire and forest health response. In June of 2003, the WGA hosted a Forest Health Summit to spotlight forest health and wildfire issues. At the Summit, Governors heard from diverse interests who offered recommendations to the Governors on how to improve forest health. One of many items that resonated with Summit participants and the Governors was a call to review the 10-Year Strategy. WGA established a Forest Health Advisory Committee (FHAC) to pursue this call and other recommendations, as WGA continues working with all its partners on forest health issues.

Governors nominated forest health and wildfire stakeholders from across the spectrum of interested stakeholders for the FHAC to keep the Governors on the cutting edge of issues. The FHAC is comprised of more than fifty individuals from federal and state agencies, county elected officials, tribes, fire departments, conservation groups, industry, local communities and academia.

The FHAC is founded upon the principle of collaboration. It is certainly not always easy, but the results showcase the good things that come when people work on commonalities. The FHAC is an example of the Enlibra principles created by WGA. The FHAC lends itself well to the complex, cross-boundary nature of wildfire and forest health issues.

In November of 2004, the FHAC finalized its review entitled, "Report to the Western Governors on the Implementation of the 10-Year Comprehensive Strategy." The following month, the FHAC report was reviewed by WGA Governors at their December 2004 meeting. The FHAC report details significant progress over the past five years, thanks in large part to federal leadership and the professional staffs of the USDA Forest Service and the Department of the Interior fire bureaus.

It is clear that communities and the environment are safer as a result of these 10-Year Strategy efforts. Nonetheless, the report also lays out a comprehensive approach for continued improvement of our wildfire and forest health efforts. Some of

these items will need Congressional attention. To give you a better idea of the report's content, a number of items worth highlighting are detailed below. The entire FHAC report on the 10-Year Strategy is attached to this testimony.

10-Year Strategy Needs

A number of themes arose throughout the FHAC evaluation of the 10-Year Strategy. In particular, as we move forward in updating and improving our work under the 10-Year Strategy, there is a need for:

- Improved information sharing and monitoring of accomplishments and forest conditions to improve transparency. The better job we do at relaying results of our wildfire mitigation efforts, the more buy-in and understanding there will be from the public. To this end, continued emphasis on open, transparent and clear reporting and monitoring processes is essential.
- Committed long-term funding of the 10-Year Strategy. Drought and climate predictions do not portend favorably for avoiding catastrophic wildfire and the necessity of threat reductions over the next few decades. Committed long-term funding from all levels of government will be necessary to keep the hazardous conditions from endangering the public and unnecessarily risking our natural resources. The WGA forwarded 10-year federal funding projections developed by the National Association of State Foresters in a 2002 letter to Congress (<http://www.westgov.org/wga/testim/wildfire—approps—6—20—02.pdf>). These figures provide some broad guidance on the resources necessary to meet all of our stated goals.
- Landscape-level vision for restoration of forests. When working to restore forest health as a whole, the broadest possible vision is needed to address the interconnected nature of wildfire threats. Community, watershed and habitat protection are best achieved through landscape-level efforts.
- Promoting fire as a management tool. The scale and magnitude of the catastrophic wildfire threat is beyond the collective capabilities and budgets of all governments involved in this fight. Therefore it is important to use all the tools before us, including prescribed fire. We must earnestly pursue both wildland fire use and mechanical treatments as management tools for hazardous fuel reduction.
- Improved collaboration at all levels of government and in all 10-Year Strategy activities. As mentioned previously, the current wildland fire threat is larger than the current ability of government and their budgets. A recent Colorado State University study put direct and indirect losses to people and environment from the 2003 Hayman Fire at \$230 million, or alternatively nearly \$1,700/acre. In contrast, fuel reduction costs range from \$200-1500/acre, depending on proximity to homes and the wildland-urban interface. Facing costs such as this, if we are to see continued progress, it is paramount that we collaborate on suppression, fuel reduction, restoration and community assistance issues to maximize results.

The 10-Year Strategy can be broken down into five functional components; collaboration, wildfire suppression and preparedness, hazardous fuel reduction, ecosystem restoration, and community assistance. Below are notable details from the FHAC report, separated by topic.

Collaboration

Collaboration is seen by the WGA as the linchpin to our overall success. If federal, state, and local authorities and stakeholders do not approach wildland fire mitigation activities in a collaborative fashion, many efforts will struggle, and many more will end up at cross purposes and weakened results. Here are some actions to improve our collaborative efforts:

- We must do a better job of monitoring for collaboration. Currently there is limited monitoring of collaborative forest health and wildfire activities. The Wildland Fire Leadership Council (WFLC) recognized this and set out to develop a monitoring framework for collaboration. While still in development, WGA has contributed to this effort and believes adoption of national level collaboration indicators will help program, project, and land managers make better decisions in the field.
- Collaboration is not an easy concept to apply. Views on it differ. To build close working relationships, WGA will convene sub-regional workshops with federal support on forest health collaboration. The goal is to bring the collaboration concept to the folks on the ground by highlighting successful models of forest health project collaboration. The first workshop is scheduled for this Spring in Casper, Wyoming.

- The national level body for collaboration is the WFLC. Consisting of federal, state, tribal and county representatives, it is designed to include all governmental interests in decision-making. However, there is a need to establish a mechanism for more meaningful non-governmental stakeholder participation.
- Along with the theme of information sharing and monitoring, improved public access to information under the National Fire Plan Operations and Reporting System is important to improve the transparency of actions under the Healthy Forests Initiative and National Fire Plan.
- There is increased emphasis on forest health and wildfire protection planning. The advent of Community Wildfire Protection Plans demonstrate the need for development of web-based analytical tools that make GIS data and related mapping and modeling information available to local communities.

Suppression/Preparedness

As the most immediate of all 10-Year Strategy goals, the pursuit of improved suppression and preparedness response has been highly successful and has made the most progress of all the 10-Year Strategy goals. Nonetheless, additional improvements are noted in the FHAC report, with one deserving special mention here:

- The increasing costs of wildland fire suppression threatens to topple all the efforts of the National Fire Plan, 10-Year Strategy, Healthy Forests Initiative and Healthy Forests Restoration Act. With predicted worsening droughts, overstocked forests packed with fuel, and an expanding wildland-urban interface, the societal, economic and natural impacts and costs of wildfire will continue to worsen. And as noted earlier, federal suppression expenditures topped the \$1 billion mark three of the last five years. Such suppression costs may drain funding for other natural resource and land management programs in the federal budget.

Austere federal budget estimates make it more important than ever to pursue strategic containment of suppression costs. With forests, as with people, preventive medicine is the most cost efficient. Full implementation of the seven recommendations in the WFLC chartered and WGA chaired report, "Large Fire Suppression Costs: Strategies for Cost Management," has begun and needs to remain a priority (www.fireplan.gov/reports/2004/costmanagement.pdf). As per the report, true suppression expenditure savings will be achieved by focusing on strategic cost considerations, such as the seven report recommendations, not on tactical cost considerations, such as the apportionment of suppression costs between all involved jurisdictions.

Hazardous Fuel Reduction

The Healthy Forests Initiative has placed enormous emphasis on fuel reduction efforts to mitigate wildfire. With just over 4 million acres of lands being reported as treated by the federal agencies in 2004, we have seen results that give hope to reducing catastrophic wildfire threats. To continue this success, a number of next steps are presented in the FHAC report, with two being highlighted here:

- There has and will continue to be tremendous debate about where fuel treatments should be located on the landscape. To constructively aid these efforts, more emphasis should be placed on developing priorities collaboratively as outlined in the January 2003 Memorandum of Understanding between federal agencies, states and counties.
- Fire as a management tool for fuels reduction was a common and re-occurring theme of the FHAC report. The scale of the catastrophic wildfire situation requires efficient fuel treatment methods, to which more use of fire, to fight fire, should be pursued. One method to this objective is continued refinement of federal Fire Management Plans that prescribe suppression response and could be used to promote more wildland fire use.

Ecosystem Restoration

When the 10-Year Strategy was agreed to in 2001 and 2002, the state of affairs around ecosystem "restoration" was confusing at best. The terms restoration and rehabilitation have been, and are often used interchangeably, but do lead to entirely different outcomes on the ground. Now, with five years of experience, it is time to revisit the 10-Year Strategy and chart a more clear and understandable course for ecosystem restoration; a course that hopefully is clear on the differences between pre-fire restoration and post-fire rehabilitation. The WGA has already agreed to take up this mantle working with the WFLC to convene federal, state and stakeholder restoration and rehabilitation experts in a collaborative fashion to develop updated articulations of the restoration action items in the 10-Year Strategy.

Community Assistance

Whereas community assistance tends to be the most neglected of all 10-Year Strategy goals, it may very well be the most vital in terms of the long-term success of the National Fire Plan and Healthy Forests Initiative efforts. This is because it is the communities who must eventually take up the forest health/wildfire banner to make the needed on-the-ground changes happen. Without community assistance efforts, none of the other efforts will have lasting imprints on the ground.

One great example of community assistance, comes from the Healthy Forests Restoration Act. The HFRA codified the concept of Community Wildfire Protection Planning, a significant step that empowers local communities by engaging them on a peer-to-peer level with federal and state agencies in wildfire mitigation activities.

Yet there are still a number of improvements to be made, especially in terms of helping communities find the financial resources to engage in and contribute toward wildfire mitigation. Further attention is also needed in the realms of building community capacity, applying stewardship contracting authorities, improving grants and agreements, expanding small diameter utilization, and encouraging local wildfire codes. Congressional assistance will be needed to lift these items to the forefront of wildfire mitigation efforts and could very well define the success of all our efforts.

Conclusion

As a recap of the past five years, significant progress has been made that we need to recognize. This however does not mean we can now sit back and watch. One particularly ugly scenario involves the expanding wildfire suppression expenditures that could potentially drive more and more National Fire Plan activities. This becomes most apparent with the transferring of funds from other program accounts to cover growing suppression costs. This threatens to overwhelm and limit the land managers' and communities' ability to address wildfire threats proactively. Last year, Congress helped with a stop-gap, \$500 million suppression budgeting measure to head off more borrowing from other agency programs, but continued Congressional attention is needed to overcome this juggernaut of a problem.

So, significant efforts still lie ahead for Congress, the Administration, the Governors and the public. The WGA believes the FHAC report keeps all of us on the cutting edge of forest health and wildfire policy and we commend it to your attention.

Thank you again for this opportunity to submit written testimony and please know that the WGA stands ready to pursue the 10-Year Strategy goals and looks forward to working with Congress on these issues as debate and oversight continues.

WESTERN GOVERNORS' ASSOCIATION
FOREST HEALTH ADVISORY COMMITTEE
REPORT TO THE WESTERN GOVERNORS ON THE IMPLEMENTATION OF THE 10-YEAR
COMPREHENSIVE STRATEGY
NOVEMBER 2004

Background

The Western Governors' Association Forest Health Advisory Committee (FHAC) was established following WGA's Forest Health Summit in Missoula, Montana in June 2003. In WGA Policy Resolution 03-18, the Governors agreed with a recommendation generated at the Summit to form an advisory committee to assist WGA with forest health policy issues. Each Governor named persons from around the nation to the FHAC. FHAC members are listed at the end of this report.

The FHAC's first met in March 2004 in Reno, Nevada. The purpose of the meeting was to prioritize Summit recommendations and focus future FHAC work. One of the recommendations that came to the forefront was: Review Progress to Date on Implementation of the 10-Year Comprehensive Strategy and Develop Recommendations to Governors on New Action Items.

The 10-Year Strategy and its implementation plan (together "the 10-Year Strategy") were adopted by WGA, the Secretaries of Agriculture and the Interior and many others in 2001 and in 2002. The purpose of the 10-Year Strategy is to reduce the risk of wildland fire to communities and the environment. Millions of acres of forest and rangeland ecosystems are in poor ecological health and at an unacceptable risk of catastrophic wildfire, as well as insect and disease infestations. Drought conditions that have been impacting much of the West in recent years add to the threat.

The 10-Year Strategy establishes a collaborative framework for local, state, tribal and federal governments, along with non-governmental interests, to accomplish the following goals:

1. Improve Fire Prevention and Suppression;
2. Reduce Hazardous Fuels;
3. Restore Fire-Adapted Ecosystems; and,
4. Promote Community Assistance.

As of 2004, approximately 75 percent of the action items agreed to in the 10-Year Strategy are reportedly completed or in their final stages. In addition, significant related wildfire/forest health policy and legislative initiatives have recently been undertaken. For example, the Healthy Forests Restoration Act (HFRA) passed by the Congress in 2003 calls for using the 10-Year Strategy collaborative process to expedite hazardous fuel treatments on 20 million acres of federal lands.

In this policy context, the WGA FHAC believes it is timely to assess the 10-Year Strategy to determine if the work completed to date is meeting its goals and to consider if additional action items are needed to further the goals. The FHAC completed a survey on these points during the summer of 2004. A 14-page summary of the responses was prepared. The FHAC convened again in Tempe, Arizona in November 2004 to assemble this report, based on the survey results.

Overall Themes:

A number of themes arose throughout this evaluation that should be heeded as work proceeds on all four goals of the 10-Year Strategy:

- a need for information sharing and monitoring of accomplishments and forest conditions to improve transparency,
- a need for committed long-term funding of the 10-Year Strategy,
- the need for a landscape-level vision for restoration of forests,
- the importance of promoting fire as a management tool, and
- a strong call for improved collaboration at all levels of government and in all 10-Year Strategy activities as appropriate

COLLABORATIVE FRAMEWORK:

Given the importance of the collaborative process in accomplishing the goals of the 10-Year Strategy, the FHAC conducted an evaluation of the collaborative framework called for by the 10-Year Strategy. Findings are provided below, along with suggested next steps as a beginning toward furthering needed collaboration.

Summary of FHAC Survey Responses: The collaborative framework is not being used consistently at the local, state and national level as called for in the 10-Year Strategy. Most collaboration is occurring locally when an effective leader(s) emerges from within participating parties. Success is greatest when locals believe that they have a place at the table. Collaboration on project prioritization and implementation at the state / regional level is improving, but seems to be somewhat exclusive (“by invitation only”) and frequently is not broadly inclusive as agreed to in the 10-Year Strategy.

The primary mechanism for the national-level collaboration on all aspects of the 10-Year Strategy is the Wildland Fire Leadership Council (WFLC). While WFLC functions effectively for coordination among government entities, it does not provide for meaningful participation by non-federal stakeholders and tends to pre-determine outcomes prior to its meetings. The institution of new directives related to the Healthy Forests Initiative (HFI) and the Healthy Forests Restoration Act (HFRA) over the past year has made certain collaborative efforts more complicated. Further, the strong emphasis on fuels (Goal Two) under HFI/HFRA comes at the expense of other 10-Year Strategy goals, most notably restoration (Goal Three) and community assistance (Goal Four).

Priorities to Improve Collaboration:

- Highlighting successful collaborative efforts and establishing measures of success for each level of the 10-Year Strategy’s collaborative framework is an important first step in improving collaboration. Fuels reduction and forest ecosystem restoration projects should also report on their efforts in this regard. Use of the monitoring questions on collaboration provided by WGA to the WFLC would be a first step for measuring and improving success.
- Support the development and delivery of workshops on how to successfully and consistently implement the collaborative framework at local and state/regional levels.
- Establish a mechanism for more meaningful non-governmental stakeholder involvement in the WFLC. Suggestions to accomplish this include forming a comparable national team that addresses both governmental and non-governmental interests or by establishing a formal federal advisory committee.
- Seek federal, state, tribal and local resources to develop Community Wildfire Protection Plans (CWPPs) and provide for their implementation.

- Facilitate the development of web-based analytical tools that make GIS data and related mapping and modeling information available to local communities for wildfire protection planning.
- Improve National Fire Plan Operations and Reporting System (NFPORS) over the next two years. Improvements should:
 - allow portions of NFPORS to be used by the public and state/local governments;
 - capture and store project boundaries, not just project points;
 - permit appropriate non-federal entities to annually submit data for NFPORS; and,
 - track acres treated under CWPPs and illustrate where non-federal entities are playing key roles in hazardous fuels reduction treatments and/or forest ecosystem restoration.
- Develop incentives for agencies and landowners to plan forest health treatments across administrative boundaries and focus on innovative, landscape approaches.

GOAL ONE: Improve Fire Prevention and Suppression

Summary of FHAC Survey Responses: General agreement that good progress has been made on Goal One, but continued improvement is needed. There is an overall sense that suppression is still driving National Fire Plan activities and that borrowing funds from other agency accounts to cover growing suppression costs threatens to overwhelm and limit land manager and community ability to address wildfire threats proactively. Collaboration is still a challenge, with many feeling that the cooperative nature of multi-jurisdictional suppression response is beginning to fray. National level directives are making local/regional collaboration difficult.

Evaluation of the 10-Year Strategy Goal One Action Items:

- (G1A): Fire Preparedness Budgeting—Fire Planning Analysis (FPA) tool developed, but state and local resources should be integrated into FPA to capture a valid landscape-level budget picture of preparedness resources. Future runs of the FPA should strive to incorporate local resources and stakeholders.
- (G1B): Fire Leadership Training—Original intent to train all levels of decision makers in collaborative decision-making not met. Progress made, but room for improvement (consider evaluating collaborative, pre-fire decision-making during post-fire reviews).
- (G1C): Rural Fire Report—Report completed (www.stateforesters.org/pubs/FinalRuralFireReport.pdf), implementation needs to continue, especially in recognizing equivalent training and experience as Incident Command System qualified (i.e. red carded).
- (G1D): Minimum Impact Suppression Tactics (MIST)—Directive issued, (www.wildfirelessons.net/Library/Tools/NWCG-MIST-Directive-Attachment-1003.doc) concern over consistent implementation and if best science is available.
- (G1E): Fire Prevention Planning / Firewise Communities USA—Strong support and active encouragement for more promotion.
- (G1F): Reporting of Communities Protected—Success stories appear to be method of dissemination. Stories need to be ongoing. More consistency in reporting is needed as many efforts go unreported due to the lack of a formal reporting system.

Next Steps to Improve Fire Prevention and Suppression

- A. **Cost containment**—Wildfire suppression expenditure cost-containment measures should continue to be vigorously pursued. Full implementation of the recommendations in the WFLC chartered, “Large Fire Suppression Costs: Strategies for Cost Management,” report should occur. Wildland fire management budgets are continually driven by suppression expenditures, thus hindering the ability of policy makers and land managers to address hazardous fuel, restoration and community assistance efforts.
- B. **Prevention Incentives**—Continued focus on Firewise Communities and Community Wildfire Protection Plans needs to be the centerpiece of local engagement and involvement in wildfire prevention activities. Instead of rewarding those that have wildfires with additional budget and personnel, an incentive system should be in place to reward fire prevention work that results in fewer emergencies that require expenditures to protect communities from abnormally severe wildfires. Incentives are also needed to encourage agencies and landowners to engage with each other, allowing better planning across administrative boundaries and development of innovative landscape approaches.
- C. **Improve Local Fire Authority Response**—Methods include:

- 1) Examine the procedures and protocols for the efficient and expedited use of local resources in suppression activities;
- 2) Support alternative training methods targeting rural and volunteer responders as advised under the Rural Fire Report; and,
- 3) Develop a system to better engage underutilized suppression crews for mitigation work between dispatches, especially Native American crews.

GOAL TWO: Reduce Hazardous Fuels

Summary of FHAC Survey Responses: It was agreed much progress had been made on the hazardous fuels front. Some regions of the country expressed the sentiment that the federal government is still driving the Goal Two processes, with minimal ability of stakeholders to have a say in decisions and priorities. Clarity on how stakeholders can effectively participate in the federal planning process, particularly in incorporating non-federal concerns, is needed. Enhancing the collaborative selection of fuel treatment projects is also needed to improve implementation of Goal Two. A lack of understanding of the collaborative process, consistency in implementation and differing interpretation of fire regime / condition class (FRCC) were given as major stumbling blocks. Cumbersome budgeting processes, fuel target pressures and confusion of definitions impede working across jurisdictional boundaries. Community Wildfire Protection Plans (CWPPs) with an eye toward landscape, inter-agency, multi-party planning are seen as a partial solution.

Evaluation of 10-Year Strategy Goal Two Action Items:

- (G2-A) Cohesive Strategy “Cohesive Strategy needs to be finalized, released and applied.
- (G2-B) Fire Management Planning (FMPs)—All agree on the value of FMPs in order to reintroduce fire as a management tool on a landscape basis. Questions over national level commitment to their implementation were raised.
- (G2-C) Internet Clearinghouse for Fuels Assistance—Idea is strongly supported, but only spotty regional/state success to date. Very important to continue support.
- (G2-D) Fire Regime Condition Class—Agreement on need. The developing system is a good start. It needs to be ongoing and endeavor to be accessible by as many as practicable, with national guidance on interpretation and implementation. Needs to recognize/accept finer scale data where it exists and apply it across all lands.
- (G2-E) Fuel Reduction Project Selection Process—This action is key to the success of the 10-Year Strategy, with many feeling the collaborative prioritization process is not happening fully. More collaboration was experienced for projects on non-federal/tribal lands, than on federal lands. Differing treatment targets / budget cycles hinder coordination. Process needs alignment with landscape, inter-agency, multi-party planning and CWPPs project priorities where CWPPs apply.
- (G2-F) Assess policies/processes (HFI) “Lack of agreement on whether HFI is helping or hindering the 10-Year Strategy move forward. Pre-HFI assessments undertaken were not collaborative and there have been no concerted assessments of state regulations. If further assessments or changes are pursued, apply the 10-Year Strategy collaborative framework to evaluate / review processes (NEPA, ESA, HFI, states, etc.) to date.

Next Steps to Improve Reduction of Hazardous Fuels

- A. Fire Management Plans (FMPs)—Pursue policy adjustments that foster collaboration on FMP development, provide greater recognition of fire as a management tool, encourage alignment of FMPs with CWPPs and Land/Resource Management Plans and improve local-level monitoring of FMPs. Use collaborative framework to construct appropriately scaled review panels to evaluate FMPs.
- B. Greater Transparency—All levels of government should strive for transparency in fuel project selection by making data such as FRCC mapping, and out-year planning priorities available to the public in a timely manner. The Internet and other digital media provide good mechanisms for evaluating proposed projects for strategic placement.
- C. Fuels MOU—Provide guidance to the fuels MOU to help guide collaborative fuel project selection processes and structures.
- D. Project Prioritization—Through a state-level, multi-jurisdictional, collaborative body, priority should be given to projects that are an outcome of a CWPP as required by law. Assessment of risk and landscape management objectives should also be considered as priority factors in project selection.

- E. Pursue Cost Efficiencies—Pursue policies and actions that will support a utilization infrastructure in order to reduce treatment costs (e.g., large-scale stewardship contracting) and optimize benefits to communities. Consider a cost-efficiency criterion in fuel project selection processes.

GOAL THREE: Restore Fire-Adapted Ecosystems

Summary of FHAC Survey Responses: There is overall agreement that implementation of Goal Three has been poor. In part, the reasons for this include: a) the compelling need for agencies and stakeholders to focus their full attention on Goals One and Two; and, b) confusion over the intent of Goal Three and of the terminology used therein. Goal Three was included in the 10-Year Strategy to represent the consensus among the parties that restoration is vital to improving forest health. However, the unclear intent and language in Goal Three of the 10-Year Strategy reflects the fact that in 2001-2002, there was not consensus about how to proceed with forest ecosystem restoration. The policy context in 2004, as the FHAC reviews the accomplishments to date, is considerably changed. Additional detail is needed now to create new and clearly defined action items for Goal Three. The FHAC looks to Western Governors for leadership to develop a restoration strategy that builds on the progress already achieved on Goals One and Two.

Evaluation of the 10-Year Strategy Goal Three Action Items

- (G3-A) Post-fire Rehabilitation Training—Training has been completed for federal land managers, but needs to be extended to state, private and other forest landowners/managers.
- (G3-B) Post-fire Rehab and Restoration Research—The action item did not differentiate between rehabilitation of burned areas and the restoration of forest ecosystems in both burned and unburned areas. There has been more progress on burned area rehabilitation than forest ecosystem restoration.
- (G3-C) Restoration Project Selection Process—Pivotal item for successful restoration efforts, but current efforts not meeting mandate. Progress would be positively influenced by the development of a clear implementation strategy as outlined below.

Next Steps to Improve Restoration of Fire-Adapted Ecosystems

WGA should convene a national working group of state and federal agency experts, as well as other partners, to develop and complete a new set of action items for Goal Three by Fall 2005. This effort should provide a conceptual framework for restoration and address planning, technical assistance, tools, and priority setting. Specific objectives for the Restoration Working Group could include the following:

- A) Define what is meant by “Restore Fire Adapted Ecosystems.” Using the goal statements and actions in both the 10-Year Strategy and Implementation Plan, define what is intended by “pre-fire restoration of fire-adapted ecosystems” and “post-fire rehabilitation and recovery of fire-adapted ecosystems.” Useful definitions and concepts can be found in reports such as “Guiding Principles for Forest Ecosystem Restoration and Community Protection” (Arizona Forest Health Advisory Council, Campbell et al.).
- B) Develop a new articulation of G3-B to clearly differentiate between forest ecosystem restoration and post-fire rehabilitation so that progress can be tracked for each item.
- C) Develop a new articulation for G3-C so that progress is made in developing a conceptual framework for forest ecosystem restoration, from which an implementation strategy for site-specific implementation can be derived and maintained. Both project and landscape scales have to be considered and local agreement on desired future conditions at the project level is an essential policy item. Beyond small-scale prescribed fire applications, this strategy needs to explore the reintroduction of ecosystem-scale fire into fire-dependent ecosystems.
- D) Consider how to promote reintroduction of natural fire regimes over the majority of forested areas as a strategy for improving forest health and reducing fire hazard and suppression costs. Investigate the removal and utilization of stems and biomass necessary to promote suitable desired future forest conditions and promote opportunities for local communities to benefit from restoration work, manufacturing and power generation.
- E) Consider how to encourage agency work on Land/Resource Management Plans and their associated Fire Management Plans that explore and promote wildland fire use. This should include consideration of adjacent communities, airsheds, EPA non-attainment areas, regional haze parameters and other recreational/quality of life issues.

- F) Consider how to evaluate all proposed land management actions with respect to whether they advance the goal of restoring fire-adapted ecosystems. Not all actions will, or should be targeted toward restoration, but actions that move away from restoration should only be carried out where there is a compelling need (e.g., thinning near wildland-urban interface in an area that would naturally be susceptible to stand-replacing fire) or legally binding objectives (e.g., protection of culturally-significant sites or habitat for endangered species).

GOAL FOUR: Promote Community Assistance

Summary of FHAC Survey Responses: Goal Four must be given the same emphasis Goals One and Two have received in order for its action items—and the 10-Year Strategy as a whole—to be accomplished. Significant advances have been made in sharing information on new technologies for small-diameter utilization (SDU), but communities often lack the capacity and infrastructure needed to successfully utilize them. Inadequate investment in related training and technical assistance, and a lack of financial incentives and funding for programs to enable SDU implementation have stalled progress.

Evaluation of 10-Year Strategy Goal Four Action Items

- (G4-A) Internet Clearinghouse for SDU Assistance—Site has good information on SDU options and available technical help. Lack of financing for SDU has stalled progress.
- (G4-B) Improve Procurement, Contracting, Grants and Agreements—Community/contractor capacity, local benefits, cost factors, merchantability standards, and use of grants and agreements all need more attention. There is an over-reliance on stewardship contracting as an implementation tool, given that there is not consistent contractor / agency ability and willingness to use this tool.
- (G4-C) Sustainable Livestock Practices & Wildfire—No progress apparent at this time. Because grazing effects are very site-specific, difficulties arise in determining when/where/how grazing practices increase or diminish wildfire risk.
- (G4-D) Local Fire Ordinances & Planning—Unclear on level of progress on this urgent issue. Action must occur primarily at the local level.
- (G4-E) Wildland-Urban Interface (WUI) Definition and Prioritization—Provisions in the Healthy Forests Restoration Act provide one approach to accomplish this goal through Community Wildfire Protection Plans (CWPPs). Maintaining local flexibility is critical.
- (G4-F) WUI Community List—Lists should be maintained, as needed, at the state level.
- (G4-G) Improve SDU Material Technical Assistance—Successful models exist, but assistance services are not widely available. Elimination of the Forest Service's Economic Action Program (EAP) worsens the situation.
- (G4-H) Firewise Promotion—The program is popular and successful. Firewise programs should be incorporated into CWPPs.

Next Steps to Improve Promotion of Community Assistance

- A. Building Local Implementation Capacity—Western governors should work to engage/convene a national process that includes federal agencies, Congressional representatives and stakeholders to secure support for forest-based economic development and local capacity to meet the goals of the 10-Year Strategy. Objectives of this effort should include:
 - 1) Developing an alternative to the EAP and other related authorities; and,
 - 2) Addressing critical weaknesses in community capacity that now significantly hamper accomplishment of Goals One, Two and Three.
- B. Stewardship Contracting Collaboration—To improve the effectiveness of stewardship contracting, the input of agency field and contracting personnel, communities, contractors, and others should be sought by the agencies to ensure training and technical assistance meet existing needs. Training should emphasize the use of the full range of stewardship authorities to carry out comprehensive forest ecosystem restoration projects, not just hazardous fuels reduction.
- C. Increased Use of Grants / Agreements—The Forest Service and BLM should make more use of grants and agreements to accomplish land management goals while simultaneously delivering community assistance.
- D. Small Diameter Material Utilization—Continued pursuit of consistent supply is needed to attract entrepreneurs and develop markets. Federal agencies need to improve their capacity to inventory and analyze (species, size, trees/acre, accessibility, etc.) small diameter material, establish realistic costs for its

removal, and revise merchantability guidelines as necessary to encourage SDU. Local capacity and potential community benefits should be fully considered when designing fuels reduction and restoration projects.

- E. Promote Local Wildfire Codes—The National Association of Counties, the National League of Cities and the WGA should work to make model fire plans and ordinances widely available as well as encourage states, counties and municipalities to adopt wildfire codes. These tools should be considered for integration with CWPPs.
- F. Engage Insurance Companies—The Wildland Fire Leadership Council should work actively with the insurance industry to encourage their greater involvement in implementation of the 10-Year Strategy, particularly in the context of local fuel management standards, general Firewise treatments and CWPP requirements relative to reducing structural ignitability.

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Dwight Atkinson, U.S. Environmental Protection Agency
Paul V. Beddoe, National Association of Counties
Thomas Brendler, National Network of Forest Practitioners
Stan Coloff, U.S. Geological Survey
Mike Long, Florida State Forester
Jim Mosher, North American Grouse Partnership
Jeff Hardesty, The Nature Conservancy

Mr. WALDEN. So the purpose of this hearing is to evaluate the GAO's recommendations in depth and to discuss next steps with the Department of Agriculture and the Department of Interior, while reviewing the important accomplishments that have been made thus far.

We will also hear from others on different aspects of the Healthy Forest Restoration Act implementation, from the needed implementation of all the titles of this law to the role and value of community wildfire protection plans.

It is my hope that when the GAO testifies again to this Subcommittee five years from now their report will say that our efforts in this Congress, with this Administration, in cooperation with states and other allies, have made the crucial difference between creating a healthy dynamic forest landscape to one that continues to be choked with too much growth, too much mortality and too many catastrophic wildfires.

[The prepared statement of Mr. Walden follows:]

**Statement of The Honorable Greg Walden, Chairman,
Subcommittee on Forests and Forest Health**

It is fitting that this Subcommittee's first full hearing in the 109th Congress focus on the issue of hazardous fuels and its relationship to wildland fire. While this Subcommittee will take up many other important topics in the next two years, when it comes to the ecological integrity of our federal forests all other issues must take a back seat. The enormity and severity of the problem, and our ability to affect it, will have more impact on wildlife habitat, water quality, air quality, and community protection than any other forest issue.

To explain the explosive nature of the problem let me give you some forest growth statistics on our national forests. Total net growth is currently about 20 billion board feet (bbf) per year, while total mortality is approximately 10 bbf, and the annual harvest is less than 2 bbf. In other words, we are removing less than one-fifth of what is dying on our forests and less than one-tenth of what is growing. This is the 800 pound gorilla that is wreaking havoc on our national forests and why, today, we have approximately 190 million acres of federal land at high risk of catastrophic fire. While some of you may have grown tired of our call to thin and treat our forests, let me tell you this: you ain't heard nothing yet.

In 1999, at the request of this Subcommittee, the Government Accountability Office produced an analysis of catastrophic wildfire, that stated: "the most extensive and serious problem related to the health of national forests in the interior West is the overaccumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable, and catastrophically destructive wildfires." The GAO's report, in no small way, helped to set the stage for many of the positive changes that have occurred in the five years following the release of that report—from the creation of the National Fire Plan, in 2000, to the development of the 10-Year Comprehensive Wildfire Strategy guided by the Western Governors' Association, to the Bush Administration's Healthy Forest Initiative, to the 108th Congress's passage of the Healthy Forests Restoration Act, to the quadrupling of funds spent by the agencies on hazardous fuels reduction and the resulting quadrupling of acres treated—much has been done to address the problem.

This week, again at the request of this Subcommittee, the GAO produced a five-year follow-up report, which recognized that much progress has been made in wildfire management, from prevention to suppression. The report confirms what we had

hoped to hear and what many of us worked so hard to achieve as we developed and moved the Healthy Forests Restoration Act.

But the GAO also confirms what many of us have seen and experienced recently as we've visited federal forests—that we have a lot more to do and a long way to go. As I've traveled around our national forests since passage of HFRA, I've found that while some forest units are aggressively implementing the law, others have hardly begun. The GAO's report corroborates these shortcomings, stating that a number of the agency's local fire management plans do not meet agency requirements. Particularly, the GAO reported that an overarching cohesive strategy, that identifies long-term options and needed funding requirements, is still not in place. The Western Governors' Association in its own November 2004 report, and in written testimony submitted for this hearing, makes similar recommendations.

The purpose of this hearing is to evaluate the GAO's recommendations in depth and to discuss next steps with the Department of Agriculture and the Department of Interior, while reviewing the important accomplishments that have been made thus far. We will also hear from others on different aspects of HFRA implementation, from the needed implementation of all the titles of this law, to the role and value of Community Wildfire Protection Plans.

It is my hope that when the GAO testifies again to this Subcommittee five years from now, their report will say that our efforts in this Congress, with this Administration, in cooperation with states and other allies, have made the crucial difference between creating a healthy, dynamic forest landscape, to one that continues to be choked with too much growth, too much mortality and too many catastrophic wildfires.

Mr. WALDEN. I now recognize my friend and colleague, Mr. Udall, the Ranking Minority Member, for an opening statement. Good morning and welcome.

STATEMENT OF THE HON. TOM UDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. TOM UDALL. Good morning, Chairman Walden, good to be here with you.

I appreciate this opportunity to hear the findings of the GAO's Five-Year Update on Wildland Fire, and the look into issues surrounding the Healthy Forest Restoration Act. While this GAO report finds that there has been progress in the area of wildland fire management, the report finds that the Forest Service and the Department of Interior still lack an overall cohesive strategy in dealing with wildland fire.

The report recommends that the Secretaries of Agriculture and Interior provide Congress with a plan outlining the critical steps and timeframes for completing a cohesive strategy, as well as identifying the options for funding wildland fire management.

I look forward to hearing from the agencies about where they are in the process of developing a cohesive strategy on wildland fire management.

I also point out that the GAO report states that the same request for a cohesive strategy was made of the agencies five years ago. As we look into the implementation of the Healthy Forest Restoration Act, I look forward to exploring the concerns raised by the Western Governors Association and others about a lack of adequate policy guidance in the area of collaboration.

Furthermore, with an eye to the Forest Service Fiscal Year 2006 budget, I hope to hear from our witnesses about their views on funding cuts to the State and private forest program that assists landowners in the estimated 85 percent of lands in the wildland-urban interface, which are state, tribal or private lands. I also look

forward to hearing from both agencies on the total number of acres being treated in the wildland-urban interface and how that will change in the future.

As we debated the Healthy Forest bill in the House, I stood with many of my colleagues in arguing that the money should follow the threat. Given the fiscal environment we face, it is just common sense to thin where there is the greatest risk of loss of property and life.

Another area I think we can take a closer look into is the growing awareness that for many thinning contractors Workers Compensation insurance premiums account for nearly 50 percent of their cost to reduce hazardous fuels.

Last, I believe we are being penny wise and pound foolish by cheating out our budget for forest thinning. Internal agency studies have indicated that the need for investment in forest thinning is multiple times more than the funding requested in the President's budget. We all know that the funding requested in the President's budget falls far short of the targets set in the Healthy Forest Restoration Act. My concern is that this lack of investment in thinning now just leads to higher suppression costs in the future. Initial runs of computer models have indicated this, and frankly, I think it is just common sense.

I think we will always be faced with a debate over whether trees are best left horizontal or vertical, but as I said yesterday, I look forward to working with Chairman Walden in a bipartisan way to find solutions. This GAO report provides some guidance on areas where we can work together.

Thank you, Mr. Chairman, and yield back.

Mr. WALDEN. Thank you, Mr. Udall, and I like your line about whether trees are horizontal or vertical. What we want is not black, but green.

I am now delighted to welcome to the Subcommittee, and give her an opportunity for an opening statement, a neighboring colleague to the north of Oregon in Washington, Cathy McMorris. Welcome.

STATEMENT OF THE HON. CATHY McMORRIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Ms. McMORRIS. Thank you, Mr. Chairman. I will simply say I am pleased to be here. I represent the area of Eastern Washington, home of the Colville National Forest and the Wenatchee National Forest, and some other lands that have certainly been impacted, and I want to make sure that we are doing everything possible to ensure that the trees stay green.

Mr. WALDEN. There we go. Thank you.

I now turn to my friend and colleague from Oregon, Mr. DeFazio, for opening remarks.

STATEMENT OF THE HON. PETER DeFAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. DeFAZIO. Thank you, Mr. Chairman. I am looking forward to the witnesses.

I believe today we will underline the need, the necessity to turn even more resources toward fuel reduction in the future, which will

both save lives, property, and ultimately, although there will be some initial costs, save the Federal Government the phenomenal amount of money that has been spent in recent years on fighting fires, and the other nice thing that comes from all of this is jobs, which is really important in my district and many other rural areas throughout the western United States that could be impacted. So I am looking forward to the testimony.

Mr. WALDEN. Thank you, Mr. DeFazio.

I would just tell the committee as well, as we did last year, I have sent a letter to the Chairman of the House Budget Committee dealing with the issue of trying to set aside funds in advance that could be drawn upon within the budget framework to fight fire. As you recall, we were successful last budget in getting \$500 million set up in a special account if you will that can be drawn upon so that they don't have to rob from some of the hazardous fuels accounts and other accounts if the fire season gets out of hand.

Fortunately, last year, not coincidental with my chairmanship of the Subcommittee on Forests and Forest Health, we had very few forest fires out in the west.

[Laughter.]

Mr. WALDEN. I don't know that I had anything to do with that, but clearly our committee was at its best.

Mr. Tancredo, we are just completing opening statements. Do you have any comments you would like to share before we go to the witnesses?

Mr. TANCREDO. How are you today?

Mr. WALDEN. I am excellent.

Mr. TANCREDO. No, I do not.

Mr. WALDEN. Thank you.

At this point I would like to introduce the witness on our first panel. Today we have Ms. Robin Nazzaro. I hope I pronounced that correctly. Director, Natural Resources and Environment for the U.S. Government Accountability Office.

I would like to remind our witness that under the rules you are asked to limit your oral statement to 10 minutes. You will have 10, the other witnesses will have 5. But of course your entire statement will appear in the record, and we certainly appreciate the work that you and your colleagues have done on this very informative report, which I have read in great detail. We welcome you here and thank you for your objective look at the problems that we face.

I now recognize Ms. Nazzaro for your testimony. And I understand you are joined by Chester Joy, is that correct?

Ms. NAZZARO. Yes.

Mr. WALDEN. And anyone else that you may want to identify.

Ms. NAZZARO. And Mr. Bixler will be running my slides for me.

Mr. WALDEN. Thank you, Mr. Bixler on slides.

STATEMENT OF ROBIN M. NAZZARO, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; ACCOMPANIED BY CHESTER JOY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Ms. NAZZARO. Thank you, Mr. Chairman and members of the Subcommittee. I am pleased to be here today to discuss the status

of the Federal Government's efforts to address our Nation's wildland fire problems.

As you can see from our first chart, the national trend in recent years of wildland fire threats to communities and ecosystems has been increasing. The average number of acres burned by wildland fires annually from 2000 to 2003 was 56 percent greater than the average amount burned annually during the 1990s. While an increase in wildland fires may often be necessary to restore ecosystems, some fires can also cause catastrophic damages to communities and ecosystems.

To illustrate this point, I have a short video with real-time footage that shows the importance of fuel reduction in minimizing such catastrophic damage. The first few scenes show a fire that is staying on the ground because there is relatively little vegetation to fuel the fire. In contrast, you will see the last two scenes are set in a forest area with dense vegetation. You will see how quickly a fire climbs to the crown, becoming very intense and fast moving.

[Video shown.]

Ms. NAZZARO. Here in the beginning—this was now the dense fire.

Mr. WALDEN. Where was this fire? Do you know?

Mr. JOY. This fire is test tracks in arboreal forests in Canada because they have to move it up there. They can't do this.

Ms. NAZZARO. Again, that was real time footage of how quickly it moved.

Our reviews over the last five years identified several weaknesses in the Federal Government's management response to wildland fires. Specifically we found that land management agencies lacked an effective national strategy to respond to wildland fires. Existing guidance was not specific enough for prioritizing fuel reduction projects. At the local level there were shortcomings in addressing wildland fire issues, including fire management plans, that as you noted did not meet agency requirements. The agencies lacked basic data on the amount and location of lands needing fuel reduction, and they lacked research on the effectiveness of fuel reduction methods. Further coordination among Federal entities and a collaboration with non-Federal entities was ineffective, and they had an ineffective system for accounting for expenditures and performance.

My testimony today summarizes the findings of our report to you, which was released Monday, that discuss the progress the Federal Government has made in addressing these issues and the key challenges it faces in developing and implementing a long-term Federal response to wildland fire problems.

In the past five years, the Forest Service and the land management agencies in the Department of the Interior have made important progress in each of these areas, and have put into place the basic components of a framework for managing and responding to the Nation's wildland fire problems. Specifically, the Federal Government has been formulating a comprehensive strategy known as the National Fire Plan, which is comprised of several strategic documents. These documents set forth a priority to protect communities near wildlands.

To address this priority the agencies, working with the States, identified a list of communities nationwide that are considered most at risk of wildland fire damage. Further, this priority has been emphasized by the enactment of the Healthy Forest Restoration Act, which directs that at least 50 percent of the amount of funds available for fuel reduction on Federal lands is to be allocated to these urban areas.

Significant improvement in data and research on wildland fires has also been made. In 2003 Agriculture and Interior approved funding for development of a geospatial data and modeling system called LANDFIRE to identify the extent and location of wildland fire threats and better target fuel reduction efforts. While LANDFIRE is not scheduled for national implementation until 2009, initial results have been promising.

Local fire management planning has also been strengthened. Completion of the agencies local fire management plans has been on an expedited schedule and are being prepared using an inter-agency template to ensure greater consistency in their content.

Other critical improvements have been made in coordination among Federal agencies and in collaboration with their non-Federal partners. In 2001 Agriculture and Interior jointly adopted a 10-year comprehensive strategy with the Western Governors Association. An implementation plan which was adopted in 2002, detailed goals, timelines and responsibilities.

Regarding performance measurement and monitoring, Federal agencies adopted a measure that will allow them to better determine the extent to which their fuel reduction efforts are directed toward the land with the most hazards. The agencies also made progress in developing a system to monitor their efforts. This information will help in determining the nature of the threats and the likely effectiveness of different actions taken to address threats.

In addition, the Forest Service and Interior appropriations for fuel reductions, preparedness and suppression have been increased substantially since 1999. As shown in the this slide, overall appropriations for both Forest service and Interior have nearly tripled in the past five years from about \$1 billion in 1999 to over \$2.7 billion in Fiscal Year 2004. More specifically, fuel reduction funding has quadrupled.

While the Federal Government has made important progress to date in developing a sound foundation for addressing the problem that wildfires are increasingly presenting, the agencies need to complete and refine a cohesive strategy that explicitly identifies the long-term options and related funding needed to reduce fuels on our national forests and rangelands, and to respond to the Nation's wildland fire threats.

However, to complete and begin implementing such a strategy the agencies must complete several tasks, each with its own challenges.

To finalize a cohesive strategy the agencies need to complete three ongoing initiatives: further development of data and modeling systems to more precisely identify wildland fire threats; updates of local fire management plans to include the latest wildland fire data and research; and assessments of the cost effectiveness and afford-

ability of fuel reduction options. I will briefly discuss each action that we see needs to be done in these areas.

Regarding the data and modeling system, in completing LANDFIRE the agencies need a consistent approach to assessing risks of wildland fires to ecosystem resources and an integrated approach to better manage and use information systems and data in making their wildland fire decisions. Moreover, the agencies will have to reexamine the LANDFIRE data and models before implementing them to assess how climate shifts may affect wildland fire risks.

Fire management plans will need to be updated with detailed nationally consistent LANDFIRE data as they become available, recent agency fire research on optimal location of fuel reduction treatments in relation to communities and the latest research findings on optimal design and arrangement of fuel reduction treatments.

Last, the agencies will need to complete several ongoing initiatives to assess the cost effectiveness and affordability of fuel reduction options. These initiatives include and initial interagency analysis of national fuel reduction options which need to be applied to a smaller geographic area to get more accurate estimates of long-term costs. The second initiative is a new budget allocation system based on cost effectiveness that is expected to take at least until 2007 to complete. The third effort is a new strategic wildland fire analysis effort that is expected to be completed this year. That also may help in identifying long-term costs and funding options.

In conclusion, there are a number of options, each involving different tradeoffs among risks and funding that need to be identified and better understood. This is the same message that we provided to you five years ago in calling for a cohesive strategy that identified the long-term options and related funding needed to reduce fuels on our national forests and rangelands, and to respond to the Nation's wildland fire threats.

The agencies and the Congress need such a strategy to help make decisions about effective and affordable long-term approaches for addressing problems that have been decades in the making and will take decades more to resolve.

We have recommended in our report that the Secretaries of Agriculture and the Interior provide the Congress, in time for its consideration of their Fiscal Year 2006 Wildland Fire Management Budgets, with a joint tactical plan that outlines the critical steps the agencies will take, together with related timeframes, to complete their cohesive strategy that would identify long-term options and funding needs.

Mr. Chairman, that concludes my testimony. I will be pleased to answer any questions that you or members of the Subcommittee may have at this time.

[The prepared statement of Ms. Nazzaro follows:]

**Statement of Robin M. Nazzaro, Director, Natural Resources and
Environment, U.S. Government Accountability Office**

WILDLAND FIRE MANAGEMENT

**FOREST SERVICE AND INTERIOR NEED TO SPECIFY STEPS AND A SCHEDULE FOR
IDENTIFYING LONG-TERM OPTIONS AND THEIR COSTS**

Why GAO Did This Study

Over the past two decades, the number of acres burned by wildland fires has surged, often threatening human lives, property, and ecosystems. Past management practices, including a concerted federal policy in the 20th century of suppressing fires to protect communities and ecosystem resources, unintentionally resulted in steady accumulation of dense vegetation that fuels large, intense, wildland fires. While such fires are normal in some ecosystems, in others they can cause catastrophic damage to resources as well as to communities near wildlands known as the wildland-urban interface.

GAO was asked to identify the (1) progress the federal government has made in responding to wildland fire threats and (2) challenges it will need to address within the next 5 years. This testimony is based primarily on GAO's report, *Wildland Fire Management: Important Progress Has Been Made, but Challenges Remain to Completing a Cohesive Strategy* (GAO-05-147), released on February 14, 2005.

What GAO Recommends

In its report and this testimony, GAO recommends that the Secretaries of Agriculture and the Interior provide the Congress with a plan outlining the critical steps and time frames for completing a cohesive strategy that identifies the options and funding needed to address wildland fire problems.

What GAO Found

Over the last 5 years, the Forest Service in the Department of Agriculture and land management agencies in the Department of the Interior, working with the Congress, have made important progress in responding to wildland fires. The agencies have adopted various national strategy documents addressing the need to reduce wildland fire risks; established a priority for protecting communities in the wildland-urban interface; and increased efforts and amounts of funding committed to addressing wildland fire problems, including preparedness, suppression, and fuel reduction on federal lands. In addition, the agencies have begun improving their data and research on wildland fire problems, made progress in developing long-needed fire management plans that identify actions for effectively addressing wildland fire threats at the local level, and improved federal interagency coordination and collaboration with nonfederal partners. The agencies also have strengthened overall accountability for their investments in wildland fire activities by establishing improved performance measures and a framework for monitoring results.

While the agencies have adopted various strategy documents to address the nation's wildland fire problems, none of these documents constitutes a cohesive strategy that explicitly identifies the long-term options and related funding needed to reduce fuels in national forests and rangelands and to respond to wildland fire threats. Both the agencies and the Congress need a comprehensive assessment of the fuel reduction options and related funding needs to determine the most effective and affordable long-term approach for addressing wildland fire problems. Completing a cohesive strategy that identifies long-term options and needed funding will require finishing several efforts now under way, each with its own challenges. The agencies will need to finish planned improvements in a key data and modeling system—LANDFIRE—to more precisely identify the extent and location of wildland fire threats and to better target fuel reduction efforts. In implementing LANDFIRE, the agencies will need more consistent approaches to assessing wildland fire risks, more integrated information systems, and better understanding of the role of climate in wildland fire. In addition, local fire management plans will need to be updated with data from LANDFIRE and from emerging agency research on more cost-effective approaches to reducing fuels. Completing a new system designed to identify the most cost-effective means for allocating fire management budget resources—Fire Program Analysis—may help to better identify long-term options and related funding needs. Without completing these tasks, the agencies will have difficulty determining the extent and location of wildland fire threats, targeting and coordinating their efforts and resources, and resolving wildland fire problems in the most timely and cost-effective manner over the long term.

A November 2004 report of the Western Governors' Association also called for completing a cohesive federal strategy to address wildland fire problems.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the status of the federal government's efforts to address our nation's wildland fire problems. The trend of increasing wildland fire threats to communities and ecosystems that we reported on 5 years ago has been continuing. The average number of acres burned by wildland fires annually from 2000 through 2003 was 56 percent greater than the average amount burned annually during the 1990s. Wildland fires are often necessary to restore ecosystems, but some fires also can cause catastrophic damages to communities and ecosystems. Experts believe that catastrophic damages from wildland fires probably will continue to increase until an adequate long-term federal response, coordinated with others, is implemented and has had time to take effect.

My testimony today summarizes the findings of our report released this week that discusses progress the federal government has made over the last 5 years and key challenges it faces in developing and implementing a long-term response to wildland fire problems.¹ This report is based primarily on over 25 reviews we conducted in recent years of federal wildland fire management that focused largely on the activities of the Forest Service within the Department of Agriculture and the land management agencies in the Department of the Interior, which together manage about 95 percent of all federal lands.

Summary

In the past 5 years, the federal government has made important progress in putting into place the basic components of a framework for managing and responding to the nation's wildland fire problems, including

- establishing a priority to protect communities near wildlands—the wildland-urban interface;
- increasing the amount of effort and funds available for addressing fire-related concerns, such as fuel reduction on federal lands;
- improving data and research on wildland fire, local fire management plans, interagency coordination, and collaboration with nonfederal partners; and
- refining performance measures and results monitoring for wildland fire management.

While this progress has been important, many challenges remain for addressing wildland fire problems in a timely and effective manner. Most notably, the land management agencies need to complete a cohesive strategy that identifies the long-term options and related funding needed for reducing fuels and responding to wildland fires when they occur. A recent Western Governors' Association report also called for completing such a cohesive federal strategy. The agencies and the Congress need such a strategy to make decisions about an effective and affordable long-term approach for addressing problems that have been decades in the making and will take decades more to resolve. However, completing and implementing such a strategy will require that the agencies complete several challenging tasks, including

- developing data systems needed to identify the extent, severity, and location of wildland fire threats to the nation's communities and ecosystems;
- updating local fire management plans to better specify the actions needed to effectively address these threats; and
- assessing the cost-effectiveness and affordability of options for reducing fuels.

We are recommending that the Secretaries of Agriculture and the Interior provide the Congress, in time for its consideration of the agencies' Fiscal Year 2006 wildland fire management budgets, with a joint tactical plan outlining the critical steps the agencies will take, together with related time frames, to complete a cohesive strategy that identifies long-term options and needed funding for reducing and maintaining fuels at acceptable levels and responding to the nation's wildland fire problems.

Background

Wildland fire triggered by lightning is a normal, inevitable, and necessary ecological process that nature uses to periodically remove excess undergrowth, small trees, and vegetation to renew ecosystem productivity. However, various human land use and management practices, including several decades of fire suppression activities, have reduced the normal frequency of wildland fires in many forest and rangeland ecosystems and have resulted in abnormally dense and continuous accumulations of vegetation that can fuel uncharacteristically large and intense wildland fires. Such large intense fires increasingly threaten catastrophic ecosystem damage and also increasingly threaten human lives, health, property, and infrastructure in the

¹ GAO, Wildland Fire Management: Important Progress Has Been Made, but Challenges Remain to Completing a Cohesive Strategy, GAO-05-147 (Washington, D.C.: Jan. 14, 2005).

wildland-urban interface. Federal researchers estimate that vegetative conditions that can fuel such fires exist on approximately 190 million acres—or more than 40 percent—of federal lands in the contiguous United States but could vary from 90 million to 200 million acres, and that these conditions also exist on many nonfederal lands.

Our reviews over the last 5 years identified several weaknesses in the federal government's management response to wildland fire issues. These weaknesses included the lack of a national strategy that addressed the likely high costs of needed fuel reduction efforts and the need to prioritize these efforts. Our reviews also found shortcomings in federal implementation at the local level, where over half of all federal land management units' fire management plans did not meet agency requirements designed to restore fire's natural role in ecosystems consistent with human health and safety. These plans are intended to identify needed local fuel reduction, preparedness, suppression, and rehabilitation actions. The agencies also lacked basic data, such as the amount and location of lands needing fuel reduction, and research on the effectiveness of different fuel reduction methods on which to base their fire management plans and specific project decisions. Furthermore, coordination among federal agencies and collaboration between these agencies and nonfederal entities were ineffective. This kind of cooperation is needed because wildland fire is a shared problem that transcends land ownership and administrative boundaries. Finally, we found that better accountability for federal expenditures and performance in wildland fire management was needed. Agencies were unable to assess the extent to which they were reducing wildland fire risks or to establish meaningful fuel reduction performance measures, as well as to determine the cost-effectiveness of these efforts, because they lacked both monitoring data and sufficient data on the location of lands at high risk of catastrophic fires to know the effects of their actions. As a result, their performance measures created incentives to reduce fuels on all acres, as opposed to focusing on high-risk acres.

Because of these weaknesses, and because experts said that wildland fire problems could take decades to resolve, we said that a cohesive, long-term, federal wildland fire management strategy was needed. We said that this cohesive strategy needed to focus on identifying options for reducing fuels over the long term in order to decrease future wildland fire risks and related costs. We also said that the strategy should identify the costs associated with those different fuel reduction options over time, so that the Congress could make cost-effective, strategic funding decisions.

Important Progress Has Been Made in Addressing Federal Wildland Fire Management Problems over the Last 5 Years

The federal government has made important progress over the last 5 years in improving its management of wildland fire. Nationally it has established strategic priorities and increased resources for implementing these priorities. Locally, it has enhanced data and research, planning, coordination, and collaboration with other parties. With regard to accountability, it has improved performance measures and established a monitoring framework.

Progress in National Strategy: Priorities Have Been Clarified and Funding Has Been Increased for Identified Needs

Over the last 5 years, the federal government has been formulating a national strategy known as the National Fire Plan, composed of several strategic documents that set forth a priority to reduce wildland fire risks to communities. Similarly, the recently enacted Healthy Forests Restoration Act of 2003 directs that at least 50 percent of funding for fuel reduction projects authorized under the Act be allocated to wildland-urban interface areas. While we have raised concerns about the way the agencies have defined these areas and the specificity of their prioritization guidance, we believe that the act's clarification of the community protection priority provides a good starting point for identifying and prioritizing funding needs. Similarly, in contrast to Fiscal Year 1999, when we reported that the Forest Service had not requested increased funding to meet the growing fuel reduction needs it had identified, fuel reduction funding for both the Forest Service and Interior quadrupled by Fiscal Year 2004. The Congress, in the Healthy Forests Restoration Act, also authorized \$760 million per year to be appropriated for hazardous fuels reduction activities, including projects for reducing fuels on up to 20 million acres of land. Moreover, appropriations for both agencies' overall wildland fire management activities, including preparedness, suppression and rehabilitation, have nearly tripled, from about \$1 billion in Fiscal Year 1999 to over \$2.7 billion in Fiscal Year 2004.

Progress in Local Implementation: Data and Research, Fire Management Planning, and Coordination and Collaboration Have Been Strengthened

The agencies have strengthened local wildland fire management implementation by making significant improvements in federal data and research on wildland fire over the past 5 years, including an initial mapping of fuel hazards nationwide. Additionally, in 2003, the agencies approved funding for development of a geospatial data and modeling system, called LANDFIRE, to map wildland fire hazards with greater precision and uniformity. LANDFIRE—estimated to cost \$40 million and scheduled for nationwide implementation in 2009—will enable comparisons of conditions between different field locations nationwide, thus permitting better identification of the nature and magnitude of wildland fire risks confronting different community and ecosystem resources, such as residential and commercial structures, species habitat, air and water quality, and soils.

The agencies also have improved local fire management planning by adopting and executing an expedited schedule to complete plans for all land units that had not been in compliance with agency requirements. The agencies also adopted a common interagency template for preparing plans to ensure greater consistency in their contents.

Coordination among federal agencies and their collaboration with nonfederal partners, critical to effective implementation at the local level, also has been improved. In 2001, as a result of congressional direction, the agencies jointly formulated a 10-Year Comprehensive Strategy with the Western Governors' Association to involve the states as full partners in their efforts. An implementation plan adopted by the agencies in 2002 details goals, time lines, and responsibilities of the different parties for a wide range of activities, including collaboration at the local level to identify fuel reduction priorities in different areas. Also in 2002, the agencies established an interagency body, the Wildland Fire Leadership Council, composed of senior Agriculture and Interior officials and nonfederal representatives, to improve coordination of their activities with each other and nonfederal parties.

Progress in Accountability: Better Performance Measures and a Results Monitoring Framework Have Been Developed

Accountability for the results the federal government achieves from its investments in wildland fire management activities also has been strengthened. The agencies have adopted a performance measure that identifies the amount of acres moved from high-hazard to low-hazard fuel conditions, replacing a performance measure for fuel reductions that measured only the total acres of fuel reductions and created an incentive to treat less costly acres rather than the acres that presented the greatest hazards. Additionally, in 2004, to have a better baseline for measuring progress, the Wildland Fire Leadership Council approved a nationwide framework for monitoring the effects of wildland fire. While an implementation plan is still needed for this framework, it nonetheless represents a critical step toward enhancing wildland fire management accountability.

Agencies Face Several Challenges to Completing a Long-Needed Cohesive Strategy for Reducing Fuels and Responding to Wildland Fire Problems

While the federal government has made important progress over the past 5 years in addressing wildland fire, a number of challenges still must be met to complete development of a cohesive strategy that explicitly identifies available long-term options and funding needed to reduce fuels on the nation's forests and rangelands. Without such a strategy, the Congress will not have an informed understanding of when, how, and at what cost wildland fire problems can be brought under control. None of the strategic documents adopted by the agencies to date have identified these options and related funding needs, and the agencies have yet to delineate a plan or schedule for doing so. To identify these options and funding needs, the agencies will have to address several challenging tasks related to their data systems, fire management plans, and assessing the cost-effectiveness and affordability of different options for reducing fuels.

Completing and Implementing the LANDFIRE System Is Essential to Identifying and Addressing Wildland Fire Threats

The agencies face several challenges to completing and implementing LANDFIRE, so that they can more precisely identify the extent and location of wildland fire threats and better target fuel reduction efforts. These challenges include using LANDFIRE to better reconcile the effects of fuel reduction activities with the agencies' other stewardship responsibilities for protecting ecosystem resources, such as air, water, soils, and species habitat, which fuel reduction efforts can adversely affect. The agencies also need LANDFIRE to help them better measure and assess

their performance. For example, the data produced by LANDFIRE will help them devise a separate performance measure for maintaining conditions on low-hazard lands to ensure that their conditions do not deteriorate to more hazardous conditions while funding is being focused on lands with high-hazard conditions.

In implementing LANDFIRE, however, the agencies will have to overcome the challenges presented by the current lack of a consistent approach to assessing the risks of wildland fires to ecosystem resources as well as the lack of an integrated, strategic, and unified approach to managing and using information systems and data, including those such as LANDFIRE, in wildland fire decision making. Currently, software, data standards, equipment, and training vary among the agencies and field units in ways that hamper needed sharing and consistent application of the data. Also, LANDFIRE data and models may need to be revised to take into account recent research findings that suggest part of the increase in wildland fire in recent years has been caused by a shift in climate patterns. This research also suggests that these new climate patterns may continue for decades, resulting in further increases in the amount of wildland fire. Thus, the nature, extent, and geographical distribution of hazards initially identified in LANDFIRE, as well as the costs for addressing them, may have to be reassessed.

Fire Management Plans Will Need to Be Updated with Latest Data and Research on Wildland Fire

The agencies will need to update their local fire management plans when more detailed, nationally consistent LANDFIRE data become available. The plans will also have to be updated to incorporate recent agency fire research on approaches to more effectively address wildland fire threats. For example, a 2002 interagency analysis found that protecting wildland-urban interface communities more effectively—as well as more cost-effectively—might require locating a higher proportion of fuel reduction projects outside of the wildland-urban interface than currently envisioned, so that fires originating in the wildlands do not become too large to suppress by the time they arrive at the interface. Moreover, other agency research suggests that placing fuel reduction treatments in specific geometric patterns may, for the same cost, provide protection for up to three times as many community and ecosystem resources as do other approaches, such as placing fuel breaks around communities and ecosystems resources. Timely updating of fire management plans with the latest research findings on optimal design and location of treatments also will be critical to the effectiveness and cost-effectiveness of these plans. The Forest Service indicated that this updating could occur during annual reviews of fire management plans to determine whether any changes to them may be needed.

Ongoing Efforts to Assess the Cost-Effectiveness and Affordability of Fuel Reduction Options Need to Be Completed

Completing the LANDFIRE data and modeling system and updating fire management plans should enable the agencies to formulate a range of options for reducing fuels. However, to identify optimal and affordable choices among these options, the agencies will have to complete certain cost-effectiveness analysis efforts they currently have under way. These efforts include an initial 2002 interagency analysis of options and costs for reducing fuels, congressionally-directed improvements to their budget allocation systems, and a new strategic analysis framework that considers affordability.

The Interagency Analysis of Options and Costs: In 2002, a team of Forest Service and Interior experts produced an estimate of the funds needed to implement eight different fuel reduction options for protecting communities and ecosystems across the nation over the next century. Their analysis also considered the impacts of fuels reduction activities on future costs for other principal wildland fire management activities, such as preparedness, suppression, and rehabilitation, if fuels were not reduced. The team concluded that the option that would result in reducing the risks to communities and ecosystems across the nation could require an approximate tripling of current fuel reduction funding to about \$1.4 billion for an initial period of a few years. These initially higher costs would decline after fuels had been reduced enough to use less expensive controlled burning methods in many areas and more fires could be suppressed at lower cost, with total wildland fire management costs, as well as risks, being reduced after 15 years. Alternatively, the team said that not making a substantial short-term investment using a landscape focus could increase both costs and risks to communities and ecosystems in the long term. More recently, however, Interior has said that the costs and time required to reverse current increasing risks may be less when other vegetation management activities—such as timber harvesting and habitat improvements—are considered that were not

included in the interagency team's original assessment but also can influence wildland fire.

The cost of the 2002 interagency team's option that reduced risks to communities and ecosystems over the long term is consistent with a June 2002 National Association of State Foresters' projection of the funding needed to implement the 10-Year Comprehensive Strategy developed by the agencies and the Western Governors' Association the previous year. The state foresters projected a need for steady increases in fuel reduction funding up to a level of about \$1.1 billion by Fiscal Year 2011. This is somewhat less than that of the interagency team's estimate, but still about 2-1/2 times current levels.

The state foresters projected a need for fuel reduction funding increases that was somewhat less than that of the interagency team's estimate, but still up to about 2-1/2 times current levels, or over \$1.1 billion annually.

The interagency team of experts who prepared the 2002 analysis of options and associated costs said their estimates of long-term costs could only be considered an approximation because the data used for their national-level analysis were not sufficiently detailed. They said a more accurate estimate of the long-term federal costs and consequences of different options nationwide would require applying this national analysis framework in smaller geographic areas using more detailed data, such as that produced by LANDFIRE, and then aggregating these smaller-scale results.

The New Budget Allocation System: Agency officials told us that a tool for applying this interagency analysis at a smaller geographic scale for aggregation nationally may be another management system under development—the Fire Program Analysis system. This system, being developed in response to congressional committee direction to improve budget allocation tools, is designed to identify the most cost-effective allocations of annual preparedness funding for implementing agency field units' local fire management plans. Eventually, the Fire Program Analysis system, being initially implemented in 2005, will use LANDFIRE data and provide a smaller geographical scale for analyses of fuel reduction options and thus, like LANDFIRE, will be critical for updating fire management plans. Officials said that this preparedness budget allocation system—when integrated with an additional component now being considered for allocating annual fuel reduction funding—could be instrumental in identifying the most cost-effective long-term levels, mixes, and scheduling of these two wildland fire management activities. Completely developing the Fire Program Analysis system, including the fuel reduction funding component, is expected to cost about \$40 million and take until at least 2007 and perhaps until 2009.

The New Strategic Analysis Effort: In May 2004, Agriculture and Interior began the initial phase of a wildland fire strategic planning effort that also might contribute to identifying long-term options and needed funding for reducing fuels and responding to the nation's wildland fire problems. This effort—the Quadrennial Fire and Fuels Review—is intended to result in an overall federal interagency strategic planning document for wildland fire management and risk reduction and to provide a blueprint for developing affordable and integrated fire preparedness, fuels reduction, and fire suppression programs. Because of this effort's consideration of affordability, it may provide a useful framework for developing a cohesive strategy that includes identifying long-term options and related funding needs. The preliminary planning, analysis, and internal review phases of this effort are currently being completed and an initial report is expected in March 2005.

The improvements in data, modeling, and fire behavior research that the agencies have under way, together with the new cost-effectiveness focus of the Fire Program Analysis system to support local fire management plans, represent important tools that the agencies can begin to use now to provide the Congress with initial and successively more accurate assessments of long-term fuel reduction options and related funding needs. Moreover, a more transparent process of interagency analysis in framing these options and their costs will permit better identification and resolution of differing assumptions, approaches, and values. This transparency provides the best assurance of accuracy and consensus among differing estimates, such as those of the interagency team and the National Association of State Foresters.

A Recent Western Governors' Association Report Is Consistent with GAO's Findings and Recommendation

In November 2004, the Western Governors' Association issued a report prepared by its Forest Health Advisory Committee that assessed implementation of the 10-Year Comprehensive Strategy, which the association had jointly devised with the

agencies in 2001.² Although the association's report had a different scope than our review, its findings and recommendations are, nonetheless, generally consistent with ours about the progress made by the federal government and the challenges it faces over the next 5 years. In particular, it recommends, as we do, completion of a long-term federal cohesive strategy for reducing fuels. It also cites the need for continued efforts to improve, among other things, data on hazardous fuels, fire management plans, the Fire Program Analysis system, and cost-effectiveness in fuel reductions—all challenges we have emphasized today.

Conclusions

The progress made by the federal government over the last 5 years has provided a sound foundation for addressing the problems that wildland fire will increasingly present to communities, ecosystems, and federal budgetary resources over the next few years and decades. But, as yet, there is no clear single answer about how best to address these problems in either the short or long term. Instead, there are different options, each needing further development to understand the trade-offs among the risks and funding involved. The Congress needs to understand these options and tradeoffs in order to make informed policy and appropriations decisions on this 21st century challenge.

This is the same message we provided to this subcommittee 5 years ago in calling for a cohesive strategy that identified options and funding needs. But it still has not been completed. While the agencies are now in a better position to do so, they must build on the progress made to date by completing data and modeling efforts underway, updating their fire management plans with the results of these data efforts and ongoing research, and following through on recent cost-effectiveness and affordability initiatives. However, time is running out. Further delay in completing a strategy that cohesively integrates these activities to identify options and related funding needs will only result in increased long-term risks to communities, ecosystems, and federal budgetary resources.

Recommendation for Executive Action

Because there is an increasingly urgent need for a cohesive federal strategy that identifies long-term options and related funding needs for reducing fuels, we have recommended that the Secretaries of Agriculture and the Interior provide the Congress, in time for its consideration of the agencies' Fiscal Year 2006 wildland fire management budgets, with a joint tactical plan outlining the critical steps the agencies will take, together with related time frames, to complete such a cohesive strategy.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have at this time.

GAO Contacts and Staff Acknowledgments

For further information about this testimony, please contact me at (202) 512-3841 or at nazzaror@gao.gov. Jonathan Altshul, David P. Bixler, Barry T. Hill, Richard Johnson, and Chester Joy made key contributions to this statement.

Mr. WALDEN. Ms. Nazzaro, thank you, and I commend you for coming in 16 seconds early too.

[Laughter.]

Mr. WALDEN. A very helpful presentation.

I would just point out for our committee members, you each should have a document that looks similar to this that is a report of the fuels treatment accomplishments for each State, in theory the State in which you reside, and so for Fiscal Year 2004. So you will have some good information there broken out by agency type, whether it is the Bureau of Indian Affairs, BLM, Fish and Wildlife Service, National Parks Service and U.S. Forest Service, and the way that the treatments occurred and whether it was in a wildland-urban interface or not.

²Report to the Western Governors on the Implementation of the 10-Year Comprehensive Strategy, Western Governors' Association Forest Health Advisory Committee (Denver, 2004).

Then also we have provided for you a healthy forest report. This is information from the U.S. Forest Service which we have requested on a—did you say weekly basis or monthly basis—a monthly report on the initiatives being taken to make our forests healthier and our communities more secure.

So I would draw your attention to both of those documents which you should have before you.

I have a couple of questions I would like to pose to you, and then we will go for questions from the other committee members. Ms. Nazzaro, do you know the status of the 2002 Interagency Options Study concerning funding levels?

Ms. NAZZARO. No, we do not.

Mr. WALDEN. So you don't know whether it has been adopted or not?

Ms. NAZZARO. No, we do not know that.

Mr. WALDEN. Can you describe that for me, what you do know about it, if anything?

Mr. JOY. Mr. Chairman?

Mr. WALDEN. Is your mike on by the way?

Mr. JOY. I am sorry. Mr. Chairman, the agency study has been on the websites, et cetera, and it was intended to be an interagency cohesive strategy document to support that. It has not yet been released by the agency. And in response to our report, one of the things they mentioned was there were some adjustments in the numbers that might have to be taken into account because of other activities not funded by the fuel account, but had some effects. But it is by far and away, obviously, the most comprehensive study that outlines options and cost.

Mr. WALDEN. I commend what has happened over the last five years, a quadrupling of the monies for fuel reduction is certainly a major step forward. I think all of us who are involved in this issue, as I think most of us on this Subcommittee certainly have been over the years, know that with the streamlined process we anticipate there will be additional demands for funding to be able to work through more projects because we should see more projects come on line, so I think we are all cognizant of the need for more money and also the budgetary constraints in which we find ourselves. But I concur with my colleagues that we are best putting our money in an investment that reduces the threat of fire and increases the health of our forests than wail until damage is done.

Since your report in 1999 you state that important progress has been made. Is there any reason for you to believe that in another five years you won't also find some significant process, or have you found reluctance among the agencies to move forward? I understand they have indicated an inability to comply with what you have recommended with to their '06 budget and some difficulty there.

Ms. NAZZARO. On that last point there may have been a misunderstanding though as to were we asking for the cohesive strategy that we had initially recommended five years, that that be completed in time for the '06 budget. Rather, what we are talking about is a tactical plan that would give you, if you will, the who, what, where, when is this cohesive strategy actually going to be developed. We have not seen any reluctance on the agency part, and

as we have mentioned, we have seen significant progress and would expect significant progress to continue. However, we do see some significant challenges for them as well, as we pointed out.

Mr. WALDEN. In your testimony you indicate a need for more cost effective approaches to reducing fuels, and obviously we agree with that, being stewards of the taxpayers' purse. I have heard some complaints that little mechanical thinning is taking place, which is more expensive, and that prescribed fire is currently the number one tool for reducing fuel loads. Isn't it true that some of the highest priority areas though, such as the wildland-urban interface, are indeed the most expensive to treat because we need to do it mechanically? How do we deal with this problem?

Ms. NAZZARO. At this point our recommendation is to set priorities. If they would develop the various options and then look at the available funding or funding needs, at least we would know that we are funding, you know, the optimal areas and we are appropriately using the funding that is available.

Mr. JOY. Mr. Chairman, I might also add, as we said in 1999, essentially what you said there, some of the highest priority areas are obviously wildland-urban interface. There you have to use mechanical. So there is going to be a need to not always use the cheapest method but it is not very effective to have a town burn.

But at the same time, one of the things about the numbers that you need to understand is that for many, many years in the Southeastern part of the United States, burning, controlled burning has been used across wide areas and will continue to be because they can more safely do it than they can in the dry west. So part of the imbalance in the figures is that essentially you will see a lot of controlled burning because of the southeast. But on the other hand, in the interior west, where you represent, obviously there is going to have to be mechanical around towns.

Mr. WALDEN. And I guess that is one of the issues I intend to continue to pursue because just a raw acreage number may not speak to the quality of work being done. It may, but where you can burn, for example, as you have indicated, and accomplish a lot in some areas of the country, we can burn in the West too, but it may not be where we most need to do the work. So somehow we have to make sure this is balance, and clearly we have the experts to achieve that.

Ms. NAZZARO. And that brings attention to where we were talking about the appropriate measurement for success as to what had they accomplished. Just talking about the total number of acres burned is not adequate. You need to know how many of the most hazardous acres have been reduced to less hazardous conditions.

Mr. WALDEN. And how those were determined.

Mr. JOY. Mr. Chairman, if I might add one more thing about that because I think it is so on point, what you have raised about this choice business. Although it is more expensive to necessarily have to do mechanical around the wildland-urban interface, the fact of the matter is that the cost of the firefighting in that area to protect that is going to also be massively more expensive. So even though it may cost more as investment to reduce fuels there, you are going to be saving a very high investment in what we are going to throw out to stop that there.

Another thing I would add, and that is I think the distinction by what we meant be a cohesive strategy, is it is based on cost effectiveness in terms of what it is, the expenditure you have to make to prevent the other expenditures.

Mr. WALDEN. Right. That was Mr. DeFazio's point.

Mr. JOY. And over time it is making the investment now so that you don't have to do it later. It is both time and place, the cost effectiveness. That is what we mean by cohesive and how it is different than say the 10-year comprehensive strategy.

Mr. WALDEN. I thank you very much.

I now turn to my colleague, Mr. Udall, for questions.

Mr. TOM UDALL. Thank you, Mr. Chairman.

Following up on what you just specifically said, how are we doing when you look at the big numbers? The numbers in your report are very large in terms of acreage of fuel-treated areas. Do you have any conclusions in terms of how we are doing on what you just talked about?

Ms. NAZZARO. In looking at the total number of acres doesn't present the right picture. The agencies talk about reducing the number of acres, but what we really would like to see is a discussion of how many of the higher hazardous acres have been, if you will, corrected and are now in the less hazardous range. So at this point we have not verified or validated any of their numbers. We have not gone out to look at any of these sites. So I couldn't tell you the accuracy of their data.

Mr. TOM UDALL. Do you think that would be a helpful thing at this point, or is the most important thing this cohesive strategy and the tactical plan?

Ms. NAZZARO. That clearly is, long-term, the best approach, so that you know exactly what we are dealing with, what options are available to us and what the potential costs could be, and then if we are limited by funds, that we are applying the funds appropriately.

Mr. JOY. Mr. Udall, and in fairness also, it should be noted that the number that you are looking at, say in the budget that talk about total number of acres?

Mr. TOM UDALL. Yes.

Mr. JOY. One of the things we note in the report, the agencies have adopted a new way of counting that is not reflected in those yet. The GPRA measures for performance for fuel reduction are moving, instead of to just gross acreage numbers, to acres that have been moved from a hazardous condition to a less hazardous condition, so there may be a little catch up here in the actual reporting. I would imagine next year you will be getting the types of numbers that Ms. Nazzaro was speaking about.

Mr. TOM UDALL. On page 10 of your testimony you say that this is the same message that we provided to this Subcommittee five years ago in calling for a cohesive strategy that identified options and funding means, but it is still not being completed. I understand there is a little bit of disagreement here on whether you are calling in '06 for the cohesive strategy to be in place or whether you are calling for a tactical plan that will put the cohesive strategy in place. I mean, what kind of timetable do you think we are looking

at and do you recommend in terms of getting the cohesive strategy in place and operating?

Mr. JOY. Mr. Chairman, if the question is, should it be five years from now, well, I would suppose everybody would hope that would be the case, but I guess the point of our recommendation is not so much that there is a point in time that we should all wait for. We already have the 2002 analysis which needs some adjustment. There are a lot of things that can be done now to begin to frame that picture from the bottom up. I guess what I am saying is if you take that as a first approximation, then the question begins, OK, how does it play out in the local areas, to the fire management plans now? That should be something that should be updated, but again, as Ms. Nazzaro said, we are not calling for that to be done by the 2006 budget. We are just saying, tell us the schedule for developing it, because five years ago we said to do it, and here we are now. There wasn't sort of a schedule laid out. Maybe if we had a schedule for doing it, then it will be a more sort of transparent focus process.

Mr. TOM UDALL. Wouldn't a year be a reasonable amount of time to come up with a strategy?

Mr. JOY. An initial approximation? Well, as I say, they already have an initial approximation with the 2002 one, but of course that needs some refinement.

Mr. TOM UDALL. Thank you, Mr. Chairman.

Mr. WALDEN. Thank you, Mr. Udall.

Mr. Hayworth?

Mr. HAYWORTH. Thank you, Mr. Chairman.

Welcome, Ms. Nazzaro. I apologize, we have concurrent meetings in Ways and Means today so I am a little late and could not personally hear your testimony.

As I have reflected on the questioning of my colleagues, perhaps this isn't so much an interrogative as just a restatement of some of the challenges we are facing. We are oft accused of inventing a bureaucratic bogeyman, but one of the challenges we confront is so often it seems while our forest burn—and I realize there have been a variety of folks who step in ostensibly for the right reasons and are able to get injunctions at the last nanosecond, at the eleventh hour to prevent thinning projects somehow, the misguided notion that by not having forest thinning we are actually saving the forest, and we have seen what has happened with the destruction that has been wreaked in the State of Arizona and elsewhere in the West. And of course we moved for it here with the help of the Administration, and at long last passed a Healthy Forest Initiative.

I guess the challenge that we need to look at is we are dealing with accountability. When we become prisoners of a process and bureaucratic inertia sets in to where in examining what the process will be, we will have a meeting now to decide next Thursday when the third meeting will be, and then perhaps we can come to some sort of decision in terms of the process, it doesn't do any good for anybody.

I know we are going to have your best efforts, but it would be my hope because so obviously there needs to a framework of accountability and a way to see how results are measured, and as we move forward with this, I would think that—I heard my colleague

from New Mexico talk about a year's time. We have to get through another fire season. We have real challenges. We probably needed this stuff a year ago yesterday, even before passing this. That was then, this is now.

I guess what I am trying to say is can we get this done stat? Can we move forward much more quickly? Because when we are dealing with—as we heard in the testimony, when you take a look at—luckily, Show Low, Arizona was averted in the Rodeo-Chediski fire, but when you look at what has happened, the effects of these fires on towns in the west, for all intents and purposes, they become like a war zone. Is there a sense of urgency to understand that domestically we are basically dealing with these forests in the aftermath in a war zone, and will we see that type of mentality, get it done stat brought to these projects?

Ms. NAZZARO. I don't want to appear glib in an answer, but I would suggest you ask the agency those questions as to what they could realistically do in what kind of a timeframe.

Mr. HAYWORTH. Well, let me ask then in terms of the standards, all glibness aside, are you satisfied that best efforts are being followed, that we are seeing the translation of what the intent of the Congress was to bureaucratic regulation? Is it your perception that within the agencies that things are moving along at an adequate clip?

Ms. NAZZARO. They are making progress toward this cohesive strategy. We did not look at the process actually to see if there are problems, that maybe they are doing some things wrong or some things that are right should be done more. We did not assess process, so I don't know that I can give a fair answer to that.

Mr. HAYWORTH. Thank you for your time.

Mr. WALDEN. Thank you.

The Chair recognizes the gentleman from the Fourth District of Oregon, Mr. DeFazio.

Mr. DEFAZIO. Thank you, Mr. Chairman.

When I look at your report, page 15, it says, "The team concluded reducing the risk to communities and ecosystems across the Nation could require an approximate tripling of current fuel reduction funding to about \$1.4 billion for an initial period of a few years."

As I look at the budget this year, BLM and Forest Service comes to about \$492 million, which is approximately a third of that. So where are we getting spending at one-third of that level? Are we keeping up with the increase of fuel loads? Are we getting ahead of it, or are we falling behind?

Mr. JOY. Congressman DeFazio, I think the study says that at that level, or at least at the level that was being spent in 2002, we are probably falling behind. But the issue here is—and that is really why the importance of options—the reason for that is there is a good chance we will never do everything, and so it involves making choices. Congressman Hayworth's point, for instance, about this being a war footing is sort of like trying to figure out where it is you can make some progress. You have to make some choices.

We are not in a position to say that the 2002 interagency analysis is correct because we didn't examine it, and we want to make very clear we are not saying that any given level is the right one or wrong one. Clearly, the conclusion of that report is that more

has to be done. But let's suppose that there is X amount of money. The question is always going to be, what is the best set of options to spend that money?

Mr. DEFAZIO. Right.

Mr. JOY. And that is the framework. I wish I could be more direct in an answer to you, but you understand we are not—

Mr. DEFAZIO. No, no, I understand.

Mr. JOY. But we have to have a framework.

Mr. DEFAZIO. So basically with proper planning, prioritization, targeting, we could for several years spend productively, cost effectively, about three times what we are spending?

Mr. JOY. That is that report's initial observation or initial assessment. We think that is why it is an important one to serve as the baseline.

Mr. DEFAZIO. Just focusing on the wildland-urban interface, you pointed out that it is more expensive to operate there. But there is one principal reason for that. It is more labor intensive, obviously, selective removal of understory, removal of brush, those sorts of things. But if we look at a cost/benefit ratio in terms of cost avoided, in terms of firefighting in or near urban areas or even isolated dwellings that are in the interface that are surrounded by forest, and also the beneficial effects of employment, has anybody studied that or quantified that in any way to show what the cost/benefit ratio is or what the employment impacts are in these rural areas, many of which are depressed in my State and other States, by spending money doing the mechanical work in the urban wildland-urban interface?

Ms. NAZZARO. No. The answer to that is no, but the logic, the argument you make seems very solid.

Mr. DEFAZIO. Maybe do you think it would be useful as part of that targeting process to have those as factors? When the agencies are looking at how to target, wouldn't it be useful to use those factors, what the potential avoided cost is in terms of major fire events proximate to dwellings in those areas?

Ms. NAZZARO. Definitely.

Mr. DEFAZIO. And also the employment effect?

Mr. JOY. That is what the 2002 analysis did on a national scale, except it didn't get into quite some of the economic ones, and their point was that that same analysis to be more accurate has to be brought down to the more local level where you can get those kinds of numbers, and then aggregate it up to get a more accurate. That is essentially the starting point of that.

Mr. DEFAZIO. So that is something to ask the agencies again, are they moving in that direction? Are they doing that sort of analysis. Because to me—it is hard with these gross numbers to know, because there are so many varying situations even within just my State. When I look here, it looks like we spend—in terms of acreage, we are doing an awful lot of mechanical in other than wildland-urban interface. But with these gross numbers I don't know what that means where it is.

But we had a fire in Greg's district along Century Drive there in Central Oregon where—it is one of the most startling examples of a lost opportunity because if you drive along, you can see where you had these big ponderosas were torched because there were lad-

der fuels right next to them which were trees that should have been thinned out that were substantial in size, 30, 40 feet high, but they allowed crown fire to happen and killed the larger trees that would have and have historically survived. Thank you.

Thank you, Mr. Chairman.

Mr. WALDEN. Thank you, Mr. DeFazio.

Mr. Peterson, do you have any questions for the panel?

Mr. PETERSON. No.

Mr. WALDEN. Mr. Inslee, do you have any questions for the GAO representatives?

Mr. INSLEE. I do. Thank you, Mr. Chair.

I am sorry I haven't been able to hear your testimony. I will read it. I just want your comments on the wildland-urban interface, and I just briefly picked up that it looked like less than half of the expenditures are in the wildland-urban interface even within Federal ownership. Is that accurate and is there any changes coming in that regard, or what could you tell us about that?

Ms. NAZZARO. These are numbers that the agency reported, and we did not get behind any of the numbers to determine accuracy. I mentioned that earlier, that we did not go in and verify or validate any of the data that they gave us. It may be more appropriate for you to ask the agency how accurate they are or what direction they are moving.

Mr. INSLEE. Is there anything in your report about sort of the thinking of the agency in that distribution model? In other words, they felt statutorily compelled to be at 50/50 or they were unable to do a different allocation that they wanted to, any findings in that regard?

Ms. NAZZARO. That isn't something that we pursued with them, but the overall priority has been determined to be these communities that are near, that are in the urban interface as you mention, and that has been set as a priority and certainly I would expect that they would be increasingly focusing on that area.

Mr. INSLEE. Thank you.

Mr. WALDEN. Is that it, Mr. Inslee?

Mr. INSLEE. Yes, thank you.

Mr. WALDEN. Staff indicates to me that in Fiscal Year 2004 about 62 percent of the funds were spent in the wildland-urban interface. We will hear from the agency to further deal with that. Obviously, they need to follow our statutory guidelines.

We want to thank this panel very much. Thank you and your colleagues for the work you have done on this report. It is invaluable information as we pursue this together to make our forests healthier and safer. Thank you for being with us. By the way, obviously, the hearing will stay open, the record, for 10 days, so if committee members who are here or not here have additional questions, they will be able to submit those and get answers.

Now I would like to introduce our second panel. On Panel II we have The Honorable Rebecca Watson, Assistant Secretary for Land and Minerals Management, U.S. Department of the Interior; and The Honorable Mark Rey, Under Secretary for Natural Resources and Environment at the U.S. Department of Agriculture.

Let me remind our witnesses that under our committee rules you are asked to limit your statements to five minutes, and of course your entire statement will appear in the record.

I would now like to recognize Ms. Watson if you are ready for your statement. Thank you for being with us, and thank you for all the work you do in the agency.

**STATEMENT OF REBECCA WATSON, ASSISTANT SECRETARY
FOR LAND AND MINERALS MANAGEMENT, U.S. DEPARTMENT
OF THE INTERIOR**

Ms. WATSON. Thank you. Good morning, Mr. Chairman and members of the committee.

I am Rebecca Watson, Assistant Secretary for Land and Minerals Management at the Department of the Interior. I appreciate having the opportunity to discuss the Bureau of Land Management's implementation of the Healthy Forest Restoration Act.

The Department of Interior is working aggressively to use the tools provided by the President's Healthy Forest Initiative and the Healthy Forest Restoration Act to reduce hazardous fuels. The Bureau of Land Management was fortunate to be provided stewardship contracting authority through the Omnibus Appropriations Act for Fiscal Year 2003. The BLM is matching up the best tools with project needs to get hazardous fuels work done.

Within months of HFRA's passage the Forest Service and BLM issued a joint implementation guide for field offices. I personally led a satellite broadcast mandatory training session for all BLM field offices on these new authorities. I wanted to emphasize the importance of these tools, encourage our people to use these tools so they would use the right tools to get the work done.

I think one of the most innovative tools Congress has provided is stewardship contracting. It allows us to enter into long term goods for service contracts up to 10 years that not only result in improved land health but also encourages infrastructure investment. This investment can turn forest slash into bio-energy. By the end of 2005, only our second year of implementation, the BLM will have used the stewardship contracts for more than 90 projects, and produced more than 30,000 tons of biomass energy.

In this first photo, it is Canyon City, Oregon, where BLM has entered into a stewardship contract at Little Canyon Mountain. The photo on the left is Canyon City in 1898. The photo on the right is from 2002. The forest condition in 1898 was primarily open forest on the upper reaches of the mountain. Today, about 100 years later, the forest is densely colonized areas that were once open and created the classic wildland-urban interface. In the middle of the 2002 photo you can see pine trees with red needles that have been killed by pine bark beetles.

The second photo shows a closeup of the understory vegetation, thick Doug fir with few pine trees. The project was designed to remove the ladder fuels and open up the crowns to reduce the potential for crown fires. The reduced density will also improve stand resistance to beetles. The photo on the right shows the stand after treatment. The project is in its first year of a 10-year contract that will ultimately treat 1,850 acres and exchange nearly \$120,000 worth of saw timber for the work.

The next photo. The project at Little Canyon Mountain was developed in a collaborative framework with the BLM. Mr. Chairman, you might recognize this photo.

Mr. WALDEN. I was going to commend you on not only your photography but your choice of locations.

Ms. WATSON. Well, you know, we see a handsome guy, we have to include him there.

The next project is in Medford, Oregon.

Mr. WALDEN. Another splendid location I might add.

[Laughter.]

Ms. WATSON. I know, it is rather shameless. But this one, I actually just reviewed this week at the Department of Interior we are reviewing these stewardship contracts at my level in the first year to make sure they are on target, and this one is one that really did strike me. These landowners in this area had looked at their own land, they had done fuels treatment in their land, but right in the middle was a landlocked parcel of BLM land and there was no access for BLM in there without permission of landowners. They came to the BLM and they said, "We want to treat your land. It is a fire hazard to our land." So they have presented a stewardship contract. They are going to go in there. It is going to produce some posts and poles, firewood and some saw logs, and the BLM finds this will cut the cost of the project in half. So it came right out of the community for us.

The next photo. This project gets at some of the issues that were raised earlier, and this is the potential for commercial biomass. This is a forest project in Alturas, California. This is management, restoration of sagebrush steppe getting rid of western juniper.

This is a fire regime condition class 3. It is an area I visited last year. Again, it is a community focused project in Susanville, California. They want to clear 400,000 acres of juniper. They are going to provide 5.2 million tons of biomass to a nearby biomass power plant. Biomass has a huge potential to help us take what would otherwise be a cost and turn it into an economic opportunity for communities in the West.

Another opportunity, again in Oregon, is the Warm Springs Tribe. We are working with the Confederated tribes of the Warm Spring in Oregon to develop a plant that will use biomass from both BLM and Forest Service lands. The Deschutes County Conservation District is part of this effort. It is going to create 75 new jobs and preserve 135 jobs at the tribe's sawmill. I would add that the National Association of Conservation Districts is a strong partner with Department of Ag and Department of Interior in providing education on the potential of biomass. We signed an MOU with them. We have provided them funding, and they are working with us to educate folks in this area.

Photo No. 5 is Klamath Falls, showing again how we can utilize juniper. There is other uses for this material that we take off the forest. Then I want to skip to the next photo, and next one.

And this is LANDFIRE we heard discussed earlier in the testimony. This shows how we can use LANDFIRE. It is a tool not only to help us target how we spend our money, but it also helps us fight fires more intelligently. This showed where the predicted fire was in red, and then the actual fire is in purple. This was a proto-

type. It was used in my home State of Montana to help them fight the Rampage fire. This allowed them to move their resources over there and fight the fire more quickly and more efficiently, more cost effectively.

Next slide. This is in a King River study area in Sierra National Forest in California and it shows a different use for LANDFIRE, and again it gets to the idea of how can we use our dollars more effectively? How can we target what acres we want to treat? And this shows predicted fire behavior. This shows where fire would move more easily, and that shows in the red. The thickest lines represent the highest risk for fire movement. Knowing these potential pathways, land managers could plan strategic fuels treatment, shown in green, so they could place those where they could best slow the spread of fires. In this example these fuel treatments could reduce the burn area by some 45 percent.

The last photograph. That is a fire whirl. These can buildup hundreds of feet high and crash down, igniting large areas. Predictive fuels modeling with fire behavior and weather modeling can help us understand where conditions can create this devilish dance. LANDFIRE is a vital tool for identifying and mitigating risk, identifying community wildfire protection plans.

I think the Bureau of Land Management and Forest Service have made significant improvements in reducing the risk of catastrophic wildfire as the GAO recognized in its excellent report. There is always room for improvement and more work, and we appreciate the GAO's focus on what we can do to move forward, and we are eager to do so with your cooperation and theirs.

With that, I will conclude my remarks.

[The prepared statement of Ms. Watson follows:]

Statement of Rebecca Watson, Assistant Secretary for Land and Minerals Management, U.S. Department of the Interior

Thank you for the opportunity to testify on the U.S. Department of the Interior's progress toward implementing the Healthy Forests Restoration Act (HFRA) [P.L.108-148]. I am Rebecca Watson, Assistant Secretary of the Interior for Land and Minerals Management. The testimony of my colleague, Mark Rey, Under Secretary for Natural Resources and Environment at the Agriculture Department, addresses implementation of HFRA by the U.S.D.A. Forest Service. My statement will address the implementation of HFRA by the Bureau of Land Management (BLM).

The authorities of the HFRA build upon, and work in conjunction with, other programs, including the President's Healthy Forests Initiative (HFI), the National Fire Plan, and stewardship contracting under the 2003 Omnibus Appropriations Act, to reduce the threat of wildland fires and restore the health of our public lands.

Implementation of Healthy Forests Initiative

The HFRA complements administrative reforms developed and implemented since the President announced the HFI in August 2002. These administrative reforms facilitate hazardous fuels treatment and restoration projects on Federal land, including:

- Two new categorical exclusions under the National Environmental Policy Act (NEPA) to facilitate implementation of fuels treatment projects and post-fire rehabilitation activities that do not have significant environmental effects;
- Streamlined consultation procedures for threatened and endangered species with the U.S. Fish and Wildlife Service and National Marine Fisheries Service for National Fire Plan projects;
- Improved direction from the Council on Environmental Quality (CEQ) on conducting environmental assessments under NEPA;
- Improved procedures for administrative appeals of proposed agency actions; and
- Publication of a Federal Register Notice for wood biomass removal in all service contracts.

Stewardship Contracting

The BLM and the Forest Service were authorized under the FY 2003 Omnibus Appropriations Act (Section 323 of P.L. 108-7) to use stewardship contracting to reduce hazardous fuels and restore forest and rangeland health. Stewardship contracts allow private companies, tribes, non-profit organizations, and others to retain forest and rangeland products in exchange for performing services to improve forest and rangeland health. This authority allows Federal land management agencies to achieve important land health goals. Long-term contracts (up to 10 years) foster a public/private partnership by giving those who undertake stewardship contracts the security to invest in equipment and infrastructure that will enable them to harvest or productively use the biomass generated from these stewardship services to make products or to produce biomass energy.

By the end of FY 2005, the BLM will have used stewardship contracting authority for over 90 projects to restore forest health and treat fuels on approximately 40,000 acres of public land. For example, the forested areas near Canyon City, a community of 700 residents in central Oregon, experienced significant mountain pinebeetle infestation mortality. In response, in 2004 the BLM issued a 10-year stewardship contract to reduce fuels, improve forest health, and reduce soil erosion on nearly 1,850 acres of public land. Under the stewardship contract, the BLM will exchange approximately \$120,000 of small diameter sawtimber (2.5 million board feet) for fuels reduction services and other restoration activities.

BLM's Implementation of HFRA

Since HFRA was signed into law in December 2003, the BLM and Forest Service have developed procedures and guidance for the use of this new authority on projects to reduce the risk of severe wildland fire and restore forest and rangeland health, including:

- Issuing an interim field guide in February 2004 that was jointly prepared by the BLM and the Forest Service to assist Federal land managers in better understanding the requirements for implementation of the HFRA;
- Developing a variety of educational and training tools for agency employees on HFI and HFRA, stewardship projects, Endangered Species Act counterpart regulations, and biomass programs;
- Applying these new tools (such as categorical exclusions, HFRA, and CEQ guidelines on environmental assessments) in 2005 in planning nearly half of all new fuels treatment projects, an increase of approximately 85 percent over FY 2004;
- Certifying 413 BLM staff to use the new counterpart regulations for consultation on threatened and endangered species; and
- Issuing a variety of materials on the HFI and HFRA that are available to the public on the Internet at the website: www.healthyforests.gov.

Implementation of Specific Titles of HFRA

Title I—Hazardous Fuels Reduction on Federal Lands

The HFRA provides for the collaborative development and expedited environmental analysis of authorized projects on public lands managed by the BLM that are at risk of catastrophic wildland fire. The HFRA authorizes expedited action on public lands: located in wildland-urban interface (WUI) areas; identified as condition class 3 (high fire frequency) where there are at-risk municipal water supplies; where threatened and endangered species or their habitats are at-risk of catastrophic fire and fuels treatments can reduce those risks; and where windthrow, insect infestation, or disease epidemics threaten the forest or rangeland resources.

The HFRA builds on community and resource protection activities carried out under the National Fire Plan, and encourages local communities to work with Federal agencies to develop Community Wildfire Protection Plans. These plans assist local communities, as well as State, Federal, and Tribal cooperators to clarify and refine priorities, roles and responsibilities in the protection of life, property, and critical infrastructure in the WUI. The BLM has developed guidance and conducted workshops on the roles and responsibilities of the BLM in the development of Community Wildfire Protection Plans. Thus far in FY 2005, the Department has assisted 140 communities in completing their Community Wildfire Protection Plans. Several counties in western Oregon have used funds available under Title III of the Secure Rural Schools and Community Self-Determination Act (P.L.106-393) to begin the fuels assessments and Geographic Information Systems data collection needed for these plans, and have recommended Title II funding for projects to implement them.

The BLM began using the HFRA authorities in FY 2004 to expedite the planning of new hazardous fuels reduction projects. Using HFRA authorities in FY 2004, the BLM undertook fuels reduction activities on some 1,500 acres and used HFRA in

planning for out-year fuels reduction projects. The BLM plans to use HFRA on some 9,000 acres of treatments to be implemented in FY 2005, and will use HFRA in planning approximately 20 fuels projects in FY 2005 and FY 2006.

In order to assist land managers in identifying areas at risk due to the accumulation of hazardous fuels and to help prioritize hazardous fuels reduction projects, the Department of the Interior and the Forest Service are implementing a wildland vegetation mapping project known as "LANDFIRE." The LANDFIRE project is a six-year, \$40 million interagency partnership sponsored by the Wildland Fire Leadership Council. When complete, LANDFIRE will allow us to target those critical acres for fuels treatment that will provide the maximum protection to communities and other important resources identified by communities. LANDFIRE will generate consistent, comprehensive, standardized, landscape-scale maps and data describing vegetation, fire, and fuels characteristics across the United States. It will provide spatial data and predictive models needed by land and fire managers to prioritize, evaluate, plan, complete, and monitor fuel treatment and restoration projects. Additionally, LANDFIRE will improve hazardous fuels treatment coordination between agencies and support implementation of the National Fire Plan and the HFRA.

We believe that this capability is a vital tool for identifying and mitigating risks identified in Community Wildfire Protection Plans. The agencies are evaluating the use of prototype LANDFIRE data in helping land managers and local communities collaboratively select fuels treatment projects for FY 2006.

Title II—Utilization of Wood Biomass

Wood biomass is predominantly the by-product of hazardous fuels removal projects that reduce the risk of wildland fire and improve forest health. In June 2003, the Secretary of the Interior joined the Secretaries of Agriculture and Energy in signing a Memorandum of Understanding (MOU) that commits the Departments to support the utilization of wood biomass by-products from restoration and fuels treatment projects wherever ecologically, economically, and legally appropriate, and consistent with locally developed land management plans.

Early in 2004, Secretary Norton charged the Department and its agencies with development of a coordinated biomass implementation strategy. Interior agencies were directed to implement the interagency MOU by April 2004. Under this direction, and using the authorities provided in the HFI, the National Fire Plan, stewardship contracting, and the HFRA, the BLM implemented its strategy for increasing biomass utilization from BLM-managed lands. Stewardship contracts alone produced nearly 30,000 tons of biomass in 2004, the first full year the BLM had this authority.

A key provision in the MOU requires the BLM to encourage the sustainable development and stabilization of wood biomass utilization markets. Tamarisk and juniper removal is a priority and offers a real opportunity to develop new biomass projects. To that end, we are working closely with the Forest Service's Forest Products Lab in Madison, Wisconsin. The BLM also is working to increase its use of bio-based products, such as in mulch used to stabilize soils following wildfire or in signs. In addition, the Department has several projects in which local field offices are working with nearby communities to increase biomass utilization. For example, in Oregon, the Bureau of Indian Affairs has funded a study for the Confederated Tribes of the Warm Springs to determine the feasibility of generating power from available biomass, partially from BLM and Forest Service lands. Finally, as noted earlier, the Department has issued an Interim Final Rule to allow the option for biomass removal in land management service contracts wherever ecologically appropriate and in accordance with the law (60 FR 52607-52609). This will provide easier access to Federal biomass supplies while we prepare the Final Rule.

Outlook

The authorities for expedited agency decision-making provided by the HFI, stewardship contracting, and the HFRA, are helping the BLM to expedite important projects to treat hazardous fuels, restore fire-adapted ecosystems, restore healthy conditions to public forests and rangelands, and reduce the threat of catastrophic wildland fire to at-risk communities. While the BLM is using the HFRA to conduct fuels treatment projects, much work remains. The BLM's field offices will continue to learn from their experiences in implementing and seeking the most effective ways to use all of the important authorities provided by the Congress for Healthy Forests.

Conclusion

The BLM and Forest Service are achieving significant improvements in the health of the public forests and rangelands. The agencies will continue to work in partnership with other Federal agencies, as well as State, local, and Tribal governments,

to accomplish additional fuels reduction and restoration projects. We appreciate your support. I would be glad to answer any questions.

Mr. WALDEN. Thank you. Thank you, Ms. Watson. We appreciate it, and I appreciate you highlighting 3 of the 20 counties in my district, work you are doing there.

Mr. Rey, welcome. We are delighted to have you here and we welcome your testimony.

**STATEMENT OF MARK REY, UNDER SECRETARY FOR
NATIONAL RESOURCES AND THE ENVIRONMENT, U.S.
DEPARTMENT OF AGRICULTURE**

Mr. REY. Thank you, Mr. Chairman. And thank you for the opportunity to testify on the Administration's progress in implementing the Healthy Forest Restoration Act. I also want to thank you and the members of this Subcommittee for your role in the passage of the legislation and your continuing support for our implementation efforts.

The President's Healthy Forest Initiative includes both the Healthy Forest Restoration Act and administrative reforms that have given Federal agencies new tools to reduce the risk of severe wildland fires and restore forest and rangeland health.

The entirety of my statement for the record addresses the various components of the hazardous fuel reduction program. The Forest Service and the Department of the Interior agencies accomplished 4.2 million acres of hazardous fuel reduction during 2004, including 2.4 million acres in the wildland-urban interface, and exceeded our program goals.

So far in 2005, about 919,000 acres have been treated. A more complete accounting of our accomplishments in 2004 can be found in the Healthy Forest Report located on the Internet at www.HealthyForests.gov.

I agree with the discussion in the previous panel that the more important measure is not gross acres but right acres, and as you will see in my prepared statement, in 2005 97 percent of the acres treated are priority acres, either acres within the wildland-urban interface or acres at high risk outside the wildland-urban interface agreed to as priority during the collaborative process outlined in the National Fire Plan. So we are moving toward treating a significant supermajority of the right acres first.

I also want to point out that in Fiscal Year 2006 the President's budget provides for more than 867 million proposed for a variety of activities that will enable the departments to continue our efforts to prevent the risk of catastrophic wildfires and restore forest and rangeland health. We expect these efforts to include utilizing the new legislative and administrative tools provided under the Healthy Forest Initiative.

Another important and related action is the authority provided by Congress to expand the use of stewardship contracting by the Forest Service and the Bureau of Land Management under the Omnibus Appropriations Act for Fiscal Year 2003. The Forest Service awarded 162 stewardship contracts and agreements between Fiscal Years 1999 and 2004. 114 of these have been awarded in the last two years alone.

We anticipate the use of this tool is likely to increase with the release of four integrated resource contracts specifically designated for stewardship contracting and with the enactment of the Tribal Forest Protection Act, which also was enacted by this committee's leadership last year.

As a result of two workshops held with the Intertribal Timber Council, we are now receiving proposals from a wide range of tribes to treat agency lands adjacent to tribal lands, using tribal resources and authorities for that purpose.

The balance of my statement chronicles our progress in implementing each of the titles of the Healthy Forest Restoration Act. What I would like to do before we turn to questions and answers is use a few graphics to show you the progress made to date.

In Chart 1, you can see the acres of hazardous fuels treated that have been treated from Fiscal Year 2000 through 2005, to date. The pink is in non-WUI acres, the blue is in wildland-urban interface acres, and as you can see, over the last couple of years wildland-urban interface acres have increased as a proportion of the whole. Our progress to date in 2005 is significant inasmuch as we haven't entered the primary operating season for 2005 yet to date.

If you want to look at the next chart for 2004, what you can see is that in 2004 58 percent of the acres treated were wildland-urban interface acres, 42 percent were non-wildland-urban interface acres, and that includes, as I said earlier, a number of high priority acres such as municipal watersheds which are typically not found in the wildland-urban interface. This is a breakdown of acres treated. If we were to break down dollars expended, it would be skewed even more heavily to the wildland-urban interface because the average per acre cost of treatment in the wildland-urban interface is generally higher.

The next chart shows the breakdown between acres treated using hazardous fuels dollars and acres—that would be the blue—and acres treated using other appropriated accounts that result in treatments that reduce wildfire risk on other high priority lands. And as you can see, other program accounts are making a significant contribution to implementation of the Healthy Forest Initiative and the Healthy Forest Restoration Act with 28 percent of the total being funded through those accounts.

The next chart shows you our progress to date from both the Forest Service and the Department of the Interior, breaking down that progress between wildland-urban interface acres and non-wildland-urban interface acres, and as you can see, we are still in excess of 50 percent in wildland-urban interface acres. Typically, early acres, that is, acres early in the operating season, tend toward non-wildland-urban interface acres because they tend heavily to spring burning acres in the Southeast, which are typically not within the wildland-urban interface to the same percentage and degree as mechanical acres are as we get later into the season.

As far as the breakdown between prescribed fire and mechanical acres, the next chart will show you that for Fiscal Year 2005 to date. As you can see, this early in the season a supermajority of the acres treated are through prescribed burning. That will change as the season progresses and as we get later into the season and

into the operating season, particularly in the west where we are going to be using a heavier percentage of mechanical acres.

So with that, that is quite an overview of our progress to date from 2000, and for 2005 to date. I would be happy to respond to any of your questions.

[The prepared statement of Mr. Rey follows:]

Statement of Mark Rey, Under Secretary for Natural Resources and the Environment, U.S. Department of Agriculture

INTRODUCTION

Mr. Chairman. Thank you for the opportunity to testify on the Administration's progress in implementing the Healthy Forests Restoration Act of 2003 (HFRA). This important piece of legislation received bipartisan support in both houses of Congress and was signed into law by President Bush on December 3, 2003. I want to thank you and the members of this subcommittee for your role in the passage of the legislation and in your continuing support for our implementation efforts.

THE HEALTHY FORESTS INITIATIVE

The President's Healthy Forests Initiative (HFI) includes both the HFRA and administrative reforms that give federal agencies tools to reduce the risk of severe wildland fires and restore forest and rangeland health. The Act recognizes that critical fuels treatment and forest and rangeland restoration projects have been unnecessarily delayed by administrative procedures. This delay puts rural communities and critical ecological resources at substantial risk from severe wildland fire.

The HFRA complements administrative reforms that were put into place previously. These reforms help expedite hazardous fuel treatments and ecological restoration projects on federal land and have been successfully implemented.

My statement will address the various components of the hazardous fuel reduction program. First I want to state that the Forest Service and the Department of the Interior (DOI) agencies accomplished 4.2 million acres of hazardous fuel reduction for 2004, including 2.4 million acres in the Wildland Urban Interface (WUI), and exceeded our program goals. So far, in FY 2005 about 919,000 acres have been treated. A more complete accounting of our accomplishments in 2004 can be found in the Healthy Forests Report located on the internet at www.HealthyForests.gov. I also want to point out that in the FY2006 President's Budget more than \$867 million have been proposed for a variety of activities that will enable the departments to continue our efforts to prevent the risk of catastrophic wildfires and restore forest and rangeland health.

We expect these efforts to include utilizing the new legislative and administrative tools provided under the Healthy Forests Initiative. The new administrative tools include:

- Developed a new categorical exclusion under the National Environmental Policy Act (NEPA) to facilitate implementation of hazardous fuels treatment projects having minor environmental effects; we plan to use this exclusion on 950 treatments in FY 2005;
- Finalized Counterpart Regulations for Endangered Species Section 7 consultation on National Fire Plan projects issued by the Fish and Wildlife Service and National Marine Fisheries Service; this has streamlined Section 7 consultations on these projects. The Forest Service has entered into Alternative Consultation Agreements with the services. Those agreements called for development of a training and certification process which is now in place. Over 650 Forest Service employees have been certified under that process;
- Five pilot projects that applied new direction from the Council on Environmental Quality (CEQ) on conducting environmental assessments under NEPA were completed and the Forest Service is working with the Bureau of Land Management and CEQ to assess the results of the process; and
- The 2003 amendments to the Forest Service administrative appeals regulations expanded the categories where emergency determinations can be used in order to expedite project operations. (36 C.F.R. 215.10) That authority has been employed in several cases to protect the government's interest in salvage timber projects, where the value of dead or dying timber, such as in the aftermath of a fire, diminishes over time. In three cases, the Department has prevailed, thus far, against efforts to halt operations. In two of those cases, the Ninth Circuit also declined to issue preliminary relief.

Another important and related action is the authority provided by Congress to expand the use of stewardship contracting by the Forest Service (FS) and the Bureau

of Land Management (BLM) under the Omnibus Appropriations Act for Fiscal Year 2003 (Section 323 of P.L. 108-7). The Forest Service awarded 162 stewardship contracts and agreements between Fiscal Years 1999 and 2004, 114 of these in the last two years alone. We anticipate the use of this tool is likely to increase with the release of four integrated resource contracts specifically designed for stewardship contracting, and with the enactment of the Tribal Forest Protection Act. As a result of two workshops held with the Intertribal Timber Council we are now receiving proposals to treat agency lands adjacent to tribal lands.

PROGRESS MADE ON IMPLEMENTING HFRA

In the time since Congress passed HFRA, the Departments have taken a number of actions to implement each title of the Act including:

Title I — Hazardous Fuels Reduction on Federal Lands

HFRA provides for the collaborative development and expedited environmental analysis of authorized projects, a pre-decisional Forest Service administrative review process, and other measures on National Forest System and BLM lands that are at-risk of catastrophic fire. HFRA focuses attention on four types of federal land: the wildland-urban interfaces of at-risk communities, at-risk municipal water supplies, land where threatened and endangered species or their habitats are at-risk of catastrophic fire and where fuels treatment can reduce those risks, and land where windthrow, or insect or disease epidemics threaten an ecosystem component or forest and rangeland resources.

Restoring fire dependent ecosystems is the long-term solution to reducing the harmful effects of catastrophic wildfire. The 10 Year Implementation Plan continues to guide the agencies' priorities, and we are placing our resources where we have the greatest risk, the most capability, and highest efficiency. We know it is not possible to treat all the acres in need; our goal is to treat the right acres in the right place at the right time. Forest Service Chief, Dale Bosworth, and DOI Assistant Secretary Lynn Scarlett issued joint national direction to establish a collaborative process for prioritization and selection of fuels treatment projects. This direction is consistent with the performance measures established in the 10-Year Implementation Plan. Specifically, we monitor the number of acres treated that are in the WUI or outside the WUI in condition classes 2 or 3 in fire regimes 1, 2 or 3, and are identified as high priority through collaboration consistent with the Implementation Plan. In FY 2005, 97% of Forest Service proposed treatments are in these high priority areas.

Fire Management Plans have been completed for 99 percent of the National Forests and National Grasslands. These plans follow an interagency format, which provides an increased level of consistency among federal agencies, facilitating local collaboration and increased accomplishment on fuel treatment projects. Many of these new plans have enabled wildland fire use for the first time or have substantially increased the area where wildland fire use can be implemented. Increasing wildland fire use will result in increases in inexpensive fire use treatments in many areas.

The LANDFIRE project is a multi-partner ecosystem and fuel assessment mapping project. It is designed to map and model vegetation, fire, and fuel characteristics for the United States. The objective is to provide consistent, nation-wide spatial data and predictive models needed by land and fire managers to evaluate, prioritize, plan, complete, and monitor fuel treatment and restoration projects. Two prototypes, in Montana and Utah, will be completed this spring. A rapid assessment of fire regime condition class at the mid scale is expected to be completed this year. We expect national delivery of LANDFIRE products to occur over the next 5 years with the western United States due in 2006. These data will help agencies focus where the risk is the greatest.

The HFRA encourages the development of Community Wildfire Protection Plans to improve the strategic value of fuels treatments in and around the WUI. Our partners, the National Association of State Foresters, the Society of American Foresters, the National Association of Counties, and the Western Governor's Association have prepared guidance for at-risk communities on how they might prepare a Community Wildfire Protection Plan (CWPP). The state foresters are leading the efforts to organize communities to draft CWPP's and report over 600 plans completed across the nation. For example, in Northeastern Oregon the Oregon Department of Forestry is providing staff to facilitate and document the development of CWPPs in partnership with the county commissioners. The Forest Service and other federal agencies provide technical support in fuels assessment, mapping and fire behavior modeling.

Title II — Utilization of Woody Biomass

Title II provides authority to help overcome barriers to the production and use of woody biomass material produced on fuels reduction and forest restoration projects. Title II contains three focus areas: it amends the Biomass Research and Development Act of 2000 to provide for research on woody biomass production and treatment; it amends the authority for the Rural Revitalization Through Forestry program by providing for cooperation with the Forest Service Forest Products Laboratory, and State and Private Forestry programs to accelerate adoption of biomass technologies and market activities; and it authorizes federal grants to facilities using biomass for wood-based products to help offset the cost of the biomass.

The Departments of Agriculture, the Interior, and Energy have signed a memorandum of understanding that lays the groundwork for the interagency biomass committee to implement biomass projects. The FY 2004 grant solicitation process under the Biomass Research and Development Act was modified to incorporate Section 201. This action generated a significant increase in the number of woody biomass related proposals received. USDA awarded over \$6 million in 2004 as part of a joint biomass research and development initiative with the Department of Energy.

The Forest Service has new provisions in some timber sale, service, and stewardship contracts that allow contractors the option to remove woody biomass by-products from land management activities. This option, where ecologically appropriate, will provide economic and social benefits by creating jobs and conserving natural resources. Removal or use of woody biomass will reduce smoke and emissions from prescribed and natural fires, preserve landfill capacities, and reduce the threat of catastrophic wildfires to communities and utilities.

The Forest Service, Forest Products Laboratory published a request for proposals in the Federal Register on February 10, 2005, looking for creative solutions to address the nationwide challenge in dealing with low-value material removed from hazardous fuel reduction efforts. Up to \$4.4 million will be available in 2005 to help improve utilization of, and create markets for small-diameter material and low-valued trees removed from hazardous fuel reduction activities. These funds are targeted to help communities, entrepreneurs, and others turn residues from hazardous fuel reduction projects into marketable forest products and/or energy products. The President's FY 2006 Budget includes a \$10 million request for capital improvements in our Forest Products Lab, which has been a world leader in developing innovative products made from wood and other forest materials.

Title III — Watershed Forestry Assistance

Title III authorizes the Forest Service to provide technical, financial and related assistance to private forest landowners aimed at expanding their forest stewardship capacities and to address watershed issues on non-Federal forested land and potentially forested land. Title III also directs the Secretary to provide technical, financial and related assistance to Indian tribes to expand tribal stewardship capabilities to address watershed issues.

The Forest Service, working with State forestry agency personnel and Tribal members, has developed separate draft guidelines to implement the State and Tribal Watershed Forestry Assistance programs. These draft guidelines will be published in the Federal Register for public comment this summer.

Title IV — Insect Infestations and Related Diseases

Title IV directs the Forest Service and U.S. Geological Survey to establish an accelerated program to plan, conduct, and promote systematic information gathering on insect pests, and the diseases associated with them. This information will assist land managers in the development of treatments and strategies to improve forest health; to disseminate the results of such information and to carry out the program in cooperation with scientists from colleges and universities including forestry schools, governmental agencies and private and industrial landowners.

The Secretaries of Agriculture and the Interior announced during the Forest Health Conference in Little Rock, Arkansas last summer the formation of a series of partnerships to help implement the HFRA in the southern United States. Among these are Forest Service partnerships with southern universities and state forestry agencies to conduct two landscape scale applied research projects on the Ozark-St. Francis National Forest to address infestations of the southern pine beetle and red oak borer, which threaten forest health in the region. The study plans for these two projects have now been developed and peer reviewed and the public involvement phase will be completed in March. Another applied silvicultural assessment study plan for reducing mortality from gypsy moth and oak decline on the Daniel Boone National Forest is nearing completion. The Forest Service also has two projects on

Hemlock Woolly Adelgid in North Carolina and on the genetic diversity of Western White Pine.

Title V — The Healthy Forest Reserve Program

Title V directs USDA to establish a program for private landowners to promote the recovery of threatened and endangered species, improve biodiversity and enhance carbon sequestration. Title V authorizes the Secretary of Agriculture to acquire 30-year or 99-year easements (not to exceed 99 years), or utilize 10-year cost-share agreements on qualifying lands. The Secretary may enroll up to two million acres depending on appropriations. Title V also contains provisions allowing the Secretary to make safe harbor or similar assurances to landowners who enroll land in the program and whose conservation activities result in a net conservation benefit for listed, candidate, or other species.

The USDA Natural Resources Conservation Service (NRCS) has been designated to administer the Healthy Forest Reserve Program in coordination with the Forest Service, Fish and Wildlife Service, and the National Marine Fisheries Service, and is in the process of drafting rules to implement the title.

Title VI — Forest Inventory/Monitoring and Early Warning Systems

Title VI directs the Secretary of Agriculture to carry out a program to monitor forest stands on some National Forest System lands and private lands to improve detection of and response to environmental threats.

The Forest Service announced in October, 2004 a national strategy to prevent and control the threat of invasive species and non-native plants in the United States. The strategy focuses on four key elements: preventing invasive species from entering the country; finding new infestations before they spread; containing and reducing existing infestations and restoring native habitats and ecosystems. The strategy will rely on "The Early Warning System for Forest Health Threats in the United States," developed as part of HFRA, which describes for the first time, in one place, the nation's system for identifying and responding to forest health threats, including web sites to obtain further information.

The Forest Service also conducted a rapid detection pilot survey of invasive bark beetles in 10 port cities in FY 2004 and has increased the number of surveyed sites to 40 in FY 2005. Based upon early detection results from FY 2004, we are initiating a rapid response to an orthotomicus beetle found in California which will include more extensive trapping and delimiting of this potentially destructive non-native pest.

Additionally, the Forest Service is establishing two threat assessment centers in Prineville, OR and Asheville, NC to develop use oriented technology and cutting edge research on invasive species. These centers will develop predictive models that integrate all of the threats to forest health such as insects, pathogens, fire, air pollution and weather. Results will help prioritize where treatments should occur and the ecological, environmental and social costs of not doing necessary treatments.

OUTLOOK FOR FUTURE IMPLEMENTATION OF HFRA

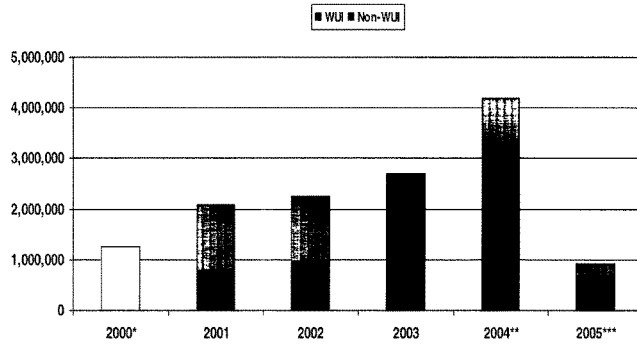
We expect to continue to make headway into treating hazardous fuels to restore fire adapted ecosystems and to help make communities safer. Although we recognize that HFI and HFRA authorities are helping to restore healthy forest and rangeland ecosystems we have much work ahead of us. We need to solve the problem that much of the woody material removed in fuels treatment projects is below merchantable size and is very expensive to treat. We need to improve the public's understanding that it is appropriate to do mechanical treatment that removes merchantable trees. What is important is that we are leaving a healthier, more resilient forest on the landscape.

We need continued bipartisan congressional support of these hazardous fuels reduction efforts, and need to expand our capacity to treat more with less, using biomass utilization, stewardship contracting, and other activities. Homeowners need to continue to take responsibility for treating hazardous fuels on their own lands by taking action through the FIREWISE program, which helps people who live or vacation in fire-prone areas educate themselves about wildland fire protection. Homeowners can learn how to protect their homes with a survivable space and how to landscape their yard with fire resistant materials.

CONCLUSION

Mr. Chairman, the new authorities are proving to be very helpful in our efforts to make significant improvements to the health of this country's forests and rangelands. We will continue to work with our other Federal, State, Tribal and local partners to accomplish this. We appreciate your support. I would be happy to answer any questions the committee members may have.

Acres of Hazardous Fuels Treated 2000-2005 (to date)
 Department of the Interior and Department of Agriculture



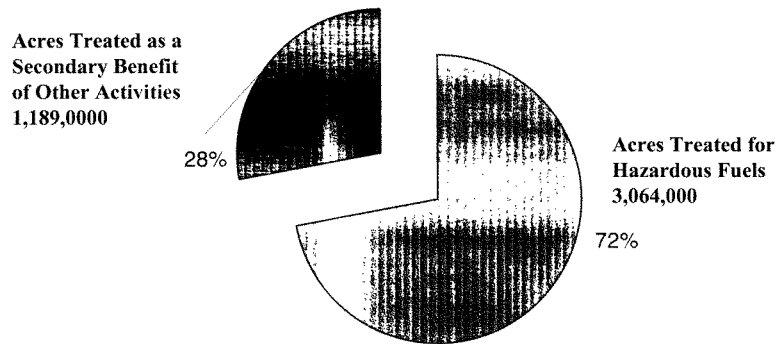
* FY 2000 data was not aggregated by WUI vs. non-WUI treatments.

** FY 2004 acres include treatments from other land management activities.

*** FY 2005 acres treated as of 2/15/2005.

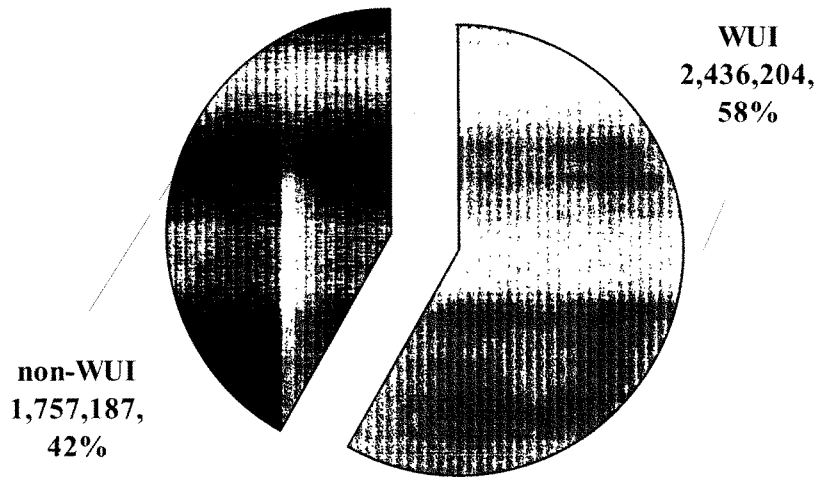
FY 2004 Acres of Hazardous Fuels And Land Condition Treatments

Department of Agriculture and Department of the Interior



FY 2004 Hazardous Fuels Program WUI/non-WUI Distribution

Department of the Interior and Department of Agriculture



Hazardous Fuels and Land Condition Treatments FY 2005 to date

Department of the Interior and Department of Agriculture

	Acres treated under Hazardous Fuels Appropriations		Acres Treated w/ a Secondary Benefit	Total FY 05 Acres Treated
	Prescribed Fire	Mechanical & Other		
FS	375,000	40,000	59,000	474,000
DOI	208,000	116,000	121,000	445,000
Total	583,000	156,000	180,000	919,000

As of February 15, 2005

2005 Hazardous Fuel Acres and Land Condition Treatments Accomplished to Date

Department of the Interior and Department of Agriculture

Agency	WUI	Non-WUI	Total
Forest Service	343,000	131,000	474,000
Department of the Interior	131,000	314,000	445,000
Totals	474,000	445,000	919,000

As of February 15, 2005

UNITED STATES DEPARTMENT OF AGRICULTURE
and
UNITED STATES DEPARTMENT OF THE INTERIOR
Healthy Forests Initiative

(Dollars in Thousands)

	<u>FY 2004</u> <u>enacted</u>	<u>FY 2005</u> <u>enacted^{2/}</u>	<u>FY 2006</u> <u>President's</u> <u>Budget</u>
Department of the Interior^{1/}			
Hazardous Fuels Reduction.....	\$183,896	\$201,409	\$211,220
Joint Fire Science Program.....	3,951	3,945	3,000
Forest Management.....	44,277	49,197	51,296
Vegetation & Watershed.....	8,143	9,304	9,407
Wildlife & Fish.....	9,843	12,560	15,044
Rangeland Management.....	23,375	23,059	23,059
DOI Total.....	273,485	299,474	313,026
Forest Service			
<i>Research.....</i>	19,000	19,285	21,100
<i>State & Private Forestry:</i>			
Forest Health Management.....	5,030	5,573	3,000
State Fire Assistance.....	7,500	14,443	19,120
State Fire Assistance-Emergency.....			
Supplemental for Southern California.....	10,000	0	0
Economic Action Programs.....	1,000	0	0
<i>National Forest System:</i>			
Forest Products.....	39,988	54,640	69,000
Vegetation & Watershed.....	48,710	56,884	76,600
Wildlife & Fish.....	13,649	17,170	17,900
Stewardship Contracting.....	0	32,400	54,000
<i>Wildland Fire Management:</i>			
Hazardous Fuels ^{3/}	233,480	262,511	281,000
Southern California Earmark - Haz Fuels.....	24,852	30,000	
National Fire Plan R&D.....	11,000	14,339	8,400
Joint Fire Sciences.....	4,000	3,944	4,000
FS Total.....	418,209	511,189	554,120
Grand Total.....	691,694	810,663	867,146
Acres treated for Hazardous Fuels Reduction (000):			
Department of Interior - Hazardous Fuels Reduction.....	1,261	1,068 ^{4/}	1,054 ^{4/}
Accomplish with Other Funds.....	370	425	425
Forest Service - Hazardous Fuels Reduction.....	1,803	1,800	1,800
Accomplish With Other Funds ^{5/}	758	700	1,000
Total.....	4,192	3,993	4,279

1/ Department of the Interior (DOI) budget figures were extrapolated from the existing DOI budget structure to fit the categorical format of this table.

2/ FY 2005 enacted figures (vs. the FY 2005 President's Budget) for the Forest Service are proportional to the difference between the figures presented in the FY 2004 President's Budget and the enacted allocations.

3/ FY 2004 and FY 2005 hazardous fuels figures include supplementals for So. California fuels treatments.

4/ Department of the Interior's target hazardous fuels accomplishments do not include acres that are treated as a secondary benefit of other land management activities.

5/ Forest Service FY 2006 target for Hazardous Fuels Reduction accomplished with other funds includes acres treated as a secondary benefit to other management activities (800,000 acres), and acres receiving a residual benefit beyond the footprint of hazardous fuel and other vegetation treatments (200,000 acres).

February 2, 2005

Mr. WALDEN. Thank you, Mr. Rey. One of the questions that came up in our hearing—it seems like a week ago, but I think it was yesterday—on biofuels, was the notion that the stewardship contracts at 10 years simply are not long enough for those who

would like to participate or join in the process to be able to purchase the equipment and know they will have a steady supply and a guarantee to enter into creation of new biomass facilities.

Have you looked at the option of maybe having us extend those contracts out, say, to 20 years or something, to really gin up this market and to create certainty for private sector investment? Is that something that you are hearing, or a concern that is being raised?

Mr. REY. I have not heard that concern, but it is a logical concern to be raised depending on the size of the capital investment that is being considered in order to use low value material. The larger the capital investment required, the longer the amortization schedule that the investor would like. The longer contract provides them to engage a lender in negotiating a longer amortization schedule for whatever loans and investments thereafter get to be made. So it is logical that a longer contract term would be beneficial in that regard.

On the other hand, both the General Services Administration and the Office of Management Budget are very wary of the Government signing on to long-term contracts in that that increases the uncertainty associated with what the Government is committing as well as any downstream liability if circumstances on the ground change, so that is a balance that has to be struck.

We have had some 10-year contracts issue in the past year, and those have resulted in some new investments and new infrastructure that have occurred, and so we have had some investors who have been willing to do that.

Mr. WALDEN. Would it work to give you the authority to go up to 20 years but not mandate that they be 20, to give flexibility then in certain circumstances?

Mr. REY. Sure. It would give us more flexibility. We would have to put a lot more reopeners for a lot more contingencies in a contract of that length, and you could only tell for certain whether that is helpful once we actually completed a contract negotiation with an individual contractor.

Mr. WALDEN. Let me move on. I have a couple other questions in the time that remains. One of them, as you know, Mr. Rey, I have talked to you personally about and have a real commitment to managing the HFRA acreage at the—I want to know forest by forest how HFRA is being utilized, if it is. Do you have the ability to hold your local line officers accountable for using the new authorities in HFRA at that level and then being able to report back to the committee? Because I also want to know is it working or not, or are they stumbling into problems that we need to address, or are they not using it, or are they using it fully?

Mr. REY. I think the short answer is they are using it generally very well. We do have the ability and are holding them accountable to it, and we do have the ability to report on their progress on a forest by forest basis, and I have a printout that I will submit for the committee's record for the hearing today on progress to date on each national forest.

Mr. WALDEN. Thank you.

Mr. REY. What you will find when you look at the printout is about what you would expect, that is, the majority of forests are

using the new authorities, both HFRA and HFI authorities. There are a few forests that haven't gotten to it yet. Those are forests that by and large have circumstances that don't necessarily make this as high a priority, or specific tools as useful in their circumstances, and as you would guess, those are mostly forests in the Northeast.

Mr. WALDEN. I have two more questions in a minute 20, so I will try and keep them brief. Under HFRA Title I projects, do you have any idea how many of those are being litigated and how that compares to fuels reduction projects that are non-HFRA?

Mr. REY. We haven't been implementing HFRA projects long enough to get a good sample set to know whether they are going to be litigated any more or less frequently than other projects, and that is because we did the first generation of HFRA projects last summer. They are moving to completion now. The appeals process is completed. Now litigation is going to start. A few of them have been litigated to be sure, but I don't think we have enough data to make a comparison between those and—

Mr. WALDEN. But you are finding less litigation under HFRA or more?

Mr. REY. Still too early to say. I would say about the same. I would say that generally speaking, the rate of challenges of fuels projects has been increasing to some extent, but our success rate in defending them has been increasing as well.

Mr. WALDEN. One final question because I know it is one many of us on this Subcommittee were involved in last year, and that is the issue of firefighting and especially the issue of the air tankers. I have recently seen in the press some Western Governors have expressed their interest as well. Can you just give us a brief update maybe, each on you, on the air tanker and firefighting process we see unfolding for this summer?

Mr. REY. I think the first thing to note is that last year, with a limited number of large air tankers for a portion of the year, our success rate at extinguishing fires at initial attack was superior to 2003. In 2003 we succeeded in extinguishing 98.3 percent of all ignitions on initial attack. Last year we succeeded in extinguishing 99 percent of all ignitions on initial attack. That success in extinguishing 70 additional fires—that is what it amounts to, 70 additional fires that did not escape—saved us on the average \$22 million in fire suppression costs.

So our projections about the success of a modified fleet with a heavier reliance on helicopters and single-engine tankers appears to have been well founded.

Now, that having been said, there is, as we have said in hearings before, still a role for the large fixed-wing air tankers, and we have RFPs out already to begin to contract with them for this year. In response to the initial RFP we will be putting in the air we believe nine P-3 Orions. That is the one model that we have established operational life limits for. We have ongoing studies to try to establish—I think we will succeed in establishing operational life limits for the P-2Vs and the DC4s, 6s and 7s. That work will be completed on or about June 1st. Once it is completed, we will review each of those other aircraft and return those aircraft that are within their operational life limit to the fleet and stand down

other aviation assets like helicopters that are more expensive to operate.

One of the other things we found this year is that as a consequence of the conflict over the aging fixed-wing air tanker fleet, our helicopter contractors are beginning to adjust their equipment and technologies to improve the efficiencies of large heli-tankers and type 1 helicopters such that through new technological developments they have increased their range and effectiveness.

So we are pretty confident, actually I should say we are very confident that however the review of the remaining fixed-wing air tankers turns out, we will field an adequate aerial operation to continue the rate of success that we have enjoyed so far.

Mr. WALDEN. Ms. Watson, do you have any comment on that?

Ms. WATSON. No, I don't really have anything to add because we work very closely with the Forest Service on air tankers.

Mr. WALDEN. All right. Thank you very much.

I now turn to my colleague, Mr. Udall.

Mr. TOM UDALL. Thank you, Mr. Chairman.

Under Secretary Rey, we all appreciate the tight budgets we face, and while the Forest Service is devoting more funding to hazardous fuels reduction, it falls far short of what was authorized in the Healthy Forest bill and what has been identified as short-term needs by the agencies. When this issue has been raised, your response has typically been that the streamlining of environmental review and new stewardship contracting authority would reduce the cost of thinning projects, allowing the agency to cover more acres with less money.

With these stewardship contracts, in particular goods-for-service contracts, will employers be obligated to pay the prevailing wage as required under Davis-Bacon and the Service Contract Act?

Mr. REY. Where there is a prevailing wage for these kinds of activities under Davis-Bacon, the Federal Service Contract Act will require that the contractors pay those. There are some instances where the activities that are being contracted for do not have a prevailing wage under Davis-Bacon, and so the Service Contract Act would not apply.

I would also, however—

Mr. TOM UDALL. Where would those areas be?

Mr. REY. Those will be—it won't be geographic so much as functional. There are some land management functions which do not have a Davis-Bacon prevailing wage established for them, some of the general contracting functions. But for others, including the ones that are most common, there is a Davis-Bacon prevailing wage, and that would be required in these contracts.

I do, however, want to take slight issue with the proposition that we have failed to fully fund the Healthy Forest Restoration Act. The authorization in Title I of the Act calls for \$760 million in authorization to carry out, one, activities authorized under the Title, and two, other hazardous fuel reduction activities of the Secretary, including making grants to States, local governments, Indian tribes and other eligible recipients for activities authorized by law.

As we put together the Fiscal Year 2005 budget, as we often do when Congress enacts new legislation, we put together a cross-cut of what the Department of Interior and what the Forest Service

were spending for all of the activities described in this authorization. And in 2005 we requested a total of \$761 million or thereabouts. This year we are requesting—an appropriation, I am sorry—of 867 million. So whether this is enough or not enough, or too much or too little, or in the right places or the wrong places, is a discussion we can and will have probably at this hearing and during your budget oversight hearing, but we have provided a responsible response to the authorization level of the Healthy Forest Restoration Act is something I think that we have done.

Mr. TOM UDALL. You talked a little bit about tribes in your testimony. A study by the Center for Watershed and Company Health by the University of Oregon, I believe, found that the Native American tribes needed increased access to training, to funding, resources and technical assistance for fire protection and fuels reduction. What is the Forest Service doing to improve getting these resources to Native American tribes?

Mr. REY. We are working with the tribes now through the authorization provided in the Tribal Forest Protection Act that the committee passed last summer to begin to work with tribes to design fuels reduction projects in areas of joint tribal and Federal ownership. Part and parcel of that is going to be to work with the tribes to design the project to retain tribal members and contractors to do the work and to train them to do the work as we go forward.

Ms. WATSON. I would add that we also had a series of training meetings throughout Indian country in about three or four different places, in Spokane, in New Mexico, and then there was a recent one in California, to train tribes in biomass utilization. This is a strong interest of theirs that combines the interest in taking care of their timberlands at the same time as providing a source of renewable energy. So that is another training effort that Interior, Agriculture Department and BIA have worked on together.

Mr. TOM UDALL. Thank you, Mr. Chairman.

Mr. PETERSON. [Presiding] The gentleman from Arizona is recognized.

Mr. HAYWORTH. Thank you, Mr. Chairman.

Ms. Watson, Mr. Rey, thanks for coming.

I am glad to see my friend from Pennsylvania in the chair. I was going to address my remarks to the gentleman from Oregon.

And Ms. Watson, I thought it was rather ingenious to bring those projects that happened to be in Oregon. I, as you might suspect, have a little more interest in Arizona, and I wonder if you could elucidate more on the status of work there.

Ms. WATSON. I don't have any specific examples on Arizona.

Mr. HAYWORTH. Oh, gee, well—

Ms. WATSON. I am sorry.

Mr. HAYWORTH. That is OK. Actually, Mr. Chairman, I have a good report from today's Arizona Republic, and I have it right here. A new wildfire plan calls for thinning and burning higher density stands of ponderosa pine and smaller vegetation spread across thousands of acres of the Kaibab National Forest. The plan is primarily a blueprint for what could happen if the State or Federal Government were to award funds under the Federal Healthy Forest Restoration Act. The plan's drafters, which include the City

of William, several fire districts and the State Land Department. The proposal reaches across almost 250,000 acres of primarily public land.

So there is a little good news I can add from the home State paper if you will, and of course look forward in writing, we will get some more projects there.

But I wanted to thank you. I know Mr. Rey always keeps up with the projects around.

Ms. WATSON. They manage a little bit more land in your State than my agency does.

Mr. HAYWORTH. A little bit more land, yes. Indeed.

Mr. REY. What you will see in the spreadsheet that I am giving you for each national forest is that all of the national forests in Arizona have a number of projects under way. Probably the most significant, in addition to the one that you mentioned on the Coconino is the large-scale landscape-scale stewardship contract that was signed on the Apache-Sitgreaves National Forest last October to treat about 150,000 acres over a 10-year period. That is one of the contracts with a long time span that is resulting in some increased infrastructure investment to utilize the low value material that is being produced to treat those acres, which are for the most part acres that have been identified and selected through community based fire protection plans within the wildland-urban interface for the towns of Show Low and the nearby communities.

Mr. HAYWORTH. Speaking of Show Low, and in the wake of the Rodeo-Chediski fire, now several years ago, and as Co-Chair of the Native American Caucus, I was pleased to hear about the efforts made with the various tribes, because what we learned in Rodeo-Chediski as the fire approached Show Low, really the treatment done by the White Mountain Apaches knocked down that fire. The treatment there on their tribal lands, in stark contrast to where we had seen by injunction and other edicts a failure to see the same type of treatment carried out on non-reservation lands, the contrast could not have been greater. So I am hearted to hear, and as you offered in your testimony, the involvement of the tribes and coordination from your respective agencies with the tribes.

A couple of things that transpired here, and perhaps it is more philosophy of government, my friend from New Mexico asked about Davis-Bacon and prevailing wages. When we are trying to summon and make dollars go further and stretch things, are Davis-Bacon requirements, such as they exist, an impediment or is there a way to estimate the cost involved vis-a-vis what work is really done? In other words, however noble the intent of Davis-Bacon legislation may be, does it eat up resources that could otherwise be used in—

Mr. REY. I don't think we have seen it to be an impediment so far. In those categories where the Department of Labor has developed prevailing wages under Davis-Bacon, particularly general construction categories, you are competing in a broad wage pool for workers. You are not going to get very far, I don't think, trying to shave off the rate that you would pay because you are just going to be competing against other sector contractors for that.

Now, much of the land improvement work that goes into these stewardship contracts involves things that the Department of Labor hasn't established a prevailing wage for, so Davis-Bacon

doesn't apply. But where there is a prevailing wage, I don't think it has been a great impediment to us.

Mr. HAYWORTH. Good. Thank you for the insight there, and again, I appreciate very much your testimony.

Mr. Chairman, I yield back.

Mr. PETERSON. Thank you.

Mr. DeFazio from Oregon?

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Rey, I am just curious in looking at the data provided, the Healthy Forests Report, December 6. The total utilization was—you said you were going to give us the forest by forest breakdown on the utilization of HFRA. I appreciate that and I will look forward to that, but I am curious. There were 107 projects where it was used for EA and EIS authority. How many projects total were conducted last year? That is probably about, is that 10 percent or less of the projects?

Mr. REY. That is about 10 percent.

Mr. DEFAZIO. OK, because I was looking at the acreage. That is about 10 percent of the acreage.

Mr. REY. That is about right, and you will see as we go on an increasing percentage consumed by HFRA and HFI authorities.

Mr. DEFAZIO. But obviously then, 90 percent of the projects which didn't utilize the EA and EIS exemptions were still able to go forward?

Mr. REY. Eventually. Those projects—

Mr. DEFAZIO. Will you be able to show us, say, date first proposed? I mean will you be able to give us some sort of a chart on that that will show?

Mr. REY. Yes. As we get a larger data base of HFRA and HFI projects, one of the things we will want to show you is whether the HFRA and HFI authorities have shortened timeframes to bring a project to completion. I think by this time next year we will have a data base large enough to be meaningful. Right now it is so small I think it may be unrevealing insofar as the number of projects are concerned.

Remember, most of the projects that were carried out in 2004 were projects that were designed in 2003 or 2002 or 2001, well before HFI and HFRA were even in existence.

Mr. DEFAZIO. Right. You heard the previous panel and the discussion that they felt with proper planning prioritization we could productively spend larger sums, up to 1.4 billion a year for a number of years to try and get ahead of the problem, and they said the kind of expenditure levels they think maybe we are keeping even or falling behind in terms of fuel accumulation. I know you have your OMB masters probably listening, but can you comment on that?

Mr. REY. Yes. I think whether my OMB masters are listening or not is probably not that important because there is a merit to this. The merit is that we have to do three things in order to be successful in attacking this problem.

First is we have to establish clear priorities of what the right treatment, the right time and the right place is and agree on that. And second, we have to be able to reduce our unit costs for doing

these treatments. And then third, we have to continue to increase our investment in this area.

The first of those, as the GAO also indicated, is something we are now completing, and as a result of the confusion between what they were suggesting and what they meant, which they clarified, I think we will be easily in a position within the next couple weeks to give you a timeframe for when we are going to complete the cohesive strategy and the underlying LANDFIRE and forest planning analysis components that have to go into that cohesive strategy.

I think what you will see in that timeline is that we agree with GAO that that is important to submit as part of the budget request and something that we can submit as part of the 2007 budget request. Once we have that completed, then we will know that we are treating the right acres in the right place in the right time.

Second, with another year's experience, we are going to know what our unit costs are looking like. One area in particular that we have to continue to look at is why are mechanical treatments in the wildland-urban interface still so expensive? If everyone agrees that the wildland-urban interface should be treated, then arguably we ought to be able to look at our planning and analysis costs and begin to step back from some of those in the interest of getting more of that treated.

Mr. DEFAZIO. If I could, we are about to run out of time. You pointed out though that the early attack, suppression activities had tremendous cost/benefit ratio or savings this year. I am very supportive of early attack efforts. Are you going to develop any measures similar in terms of potential avoided costs in determining where to prioritize the money, wildland-urban interface versus more distant resource protection?

Mr. REY. We can develop avoided costs from the standpoint of our firefighting costs, and that is what I gave you with that \$22 million savings. The avoided costs we can't give you because it would purely speculative, are damages associated with fires and escape.

Mr. DEFAZIO. One other, and I realize my time has expired, but in terms of the fleet, there are two follow-ups I would like to hear and we don't necessarily have time now, but if you could follow up. I know last year we were looking at the potential for an expanded fixed-wing fleet with some potential retirement of P-3s where we did have military—they had been with one entity and we did have service records. I would like to understand where we are in that.

The other thing is I met some people from Evergreen in Oregon last weekend, and they are completing certification testing of a 747 tanker, which obviously would—you are not going to be flying it up narrow canyons, but it could have some applicability in certain areas, and I would also be curious what discussions are ongoing there, whether they will be eligible to contract or not with you. So perhaps you could follow up, have your staff or something follow up at my office afterwards.

Mr. REY. Sure.

Mr. DEFAZIO. And then finally, Mr. Chairman, if I could, I have yet not figured how to be in more than one place at a time, despite my tenure in Congress. I want to apologize in advance to the next panel, and particularly to Ms. Tucker from my home town of

Springfield, because I do have to go to another meeting, and I will miss her testimony, but she met with my staff and I will be kept apprised of what other issues she raises.

Thank you.

Mr. WALDEN. [Presiding.] Thank you. Thanks for those questions. I would be interested, too, as well. I think all of the committee members were on the questions Mr. DeFazio raised.

Just a heads up. We do have a third panel, and we are expecting votes any time, and I am led to believe there may be as many as four—four or five.

Mr. Peterson?

Mr. PETERSON. Thank you. I would like to welcome both of you and thank you for your participation today. I especially want to thank Mark for your trip to the ANF recently. It was appreciated. Communities were happy to see someone from your level come and view the Allegheny National Forest and its particular needs.

I know you have tried to realize the Healthy Forest Initiative to assist. In 2003, the last two years, I mean, the problems in the East are much different than the problems in the West. It is a hardwood forest—basically, cherry, oak and maple are the major species—predominantly cherry on ANF, very high concentration, and we've had now two of the wettest seasons maybe on record. And our water table is as high as I've ever seen it. I mean, our rivers are running bank full most of the time, streams bank full, and we just keep getting rain. In fact, last week we lost most of our snowpack, and so there is water everywhere.

But the vulnerability of a hardwood forest is—especially the cherry—is these trees are approaching 90 to 100 years in age. They don't live to be 1,000 years old. They don't live to be 500 years old. This is a tree that matures maybe 90 to 100 years and then starts to deteriorate. And what we are finding with the very shallow root structure of a cherry tree, when it is as wet as it is, they are very vulnerable at just tipping over. And then, right now, if we would get heavy wins, we would have a lot more of the Allegheny National Forest on the ground. We have a lot of it on the ground from 2003, and I guess our frustration has been is what we need to do to somehow, in the future, be able to harvest that that ends up on the ground because I know of one cherry tree on private land that blew down that netted \$29,000. Cherries bring in about \$3 a board foot, and this was a tree that had four veneer, high-quality veneer logs in it, which is very unusual, it is an exception, but it is not uncommon to have logs worth many thousands of dollars. So it is a high-value forest. It is our resources lying on the ground being consumed by the insects rather than—

Do we need a special initiative for Eastern hardwood forests that are a whole different species?

Mr. REY. Well, what we attempted to do in spring of 2004, in response to the 2003 blow-down, was to look at whether we could use some of the categorical exclusions that were developed in the spring of 2003, under the Healthy Forests Initiative, to do some of the treatments on the Allegheny.

We did work with the Fish and Wildlife Service to vet and resolve some Endangered Species Act concerns involving the Indiana bat and I think succeeded in modifying the treatments that we

were going to do to resolve their concerns and thereafter use the categorical exclusions. Unfortunately, the use of those categorical exclusions and the projects that were scheduled to be carried out under them are now in litigation, and we will have to do our best to justify our approach and to prevail in the litigation.

Unfortunately, this is one of those cases where the likelihood is, by the time the litigation is complete, our victory will be pyrrhic because, as you indicate, the value of particularly veneer-quality cherry deteriorates once the material is on the ground and particularly once the insects begin to work it over. So I doubt, by the time that we move these trees, if the courts agree with us in the utilization of this authority, that we will be getting \$5 a board foot for the quality of material that we are going to extract, and that is unfortunate because that is a waste of a valuable resource that would have been a substitute in the general market for tropical hardwoods because that is what cherry basically is. It is a high-quality veneer that is used in the same application as mahogany, teak and all of the other things that are being pulled out of the Amazon Basin or any other part of the world in the tropics where forest management is not practiced with the kind of sensitivity that we do it, but that is the way it is.

If we win this lawsuit, then we will sustain our position, and perhaps if you have another blow-down this winter, which is probably likely, given the amount of rain that you have had, it will not take winds much in excess of about 25 miles an hour to start knocking down trees. Perhaps we will be able to do a better job on this year's blow-down, but that is the sense of it.

Beyond that, given the authorities that we have, that looked to be the best mix available, but you have correctly identified a fairly generic problem on that forest, which is that the age class of the forest is reaching the age at which cherry begins to deteriorate. It is a predominantly cherry forest. It will not be 20 or 30 years from now a predominantly cherry forest. Left to its own devices, it will change over to maple or, on the drier sites, oak because that would be the natural progression of things.

Mr. PETERSON. We have had trouble regenerating oak. Oak is not generated as well. That has been one of our problems. The original forest was beach and hemlock. Unfortunately, we are losing our beach as we speak. With the beach bark disease, we are just basically losing our beach. So I do not know what it will end up being, a lot of it very, species not very desirable. It has been very frustrating to the communities that—and I guess the value of it as a Federal Government that could be receiving funds to further fund the treatment in the West. I mean, it is a very valuable resource and to just not be able to take those dollars and put them in the Treasury doesn't make a lot of sense. Nobody really wins, in my view, but we appreciate your personal attention to it and look forward to working with you.

Mr. REY. With all due respect to your Western colleagues, the Allegheny National Forest has the most valuable trees in the system because of the value of high-quality, of veneer-quality cherry, and it becomes something that we can use on a sustainable basis to replace teak or mahogany.

Mr. PETERSON. That is right. Thank you.

Mr. WALDEN. Clearly, he has forgotten we, also, have oversight over his budget. A 25-mile-an-hour wind, where I am from, is hardly noticed. It is a breeze in the Columbia Gorge.

Mr. Udall, you are our final questioner.

Mr. MARK UDALL. Thank you, Mr. Chairman. I apologize for being late. I know this is some important testimony, and I want to welcome both of you here today. Mr. Rey, I do have to note that Mr. Walden and I are much more comfortable up here asking you the questions, unlike the situation in which we found ourselves three weeks ago, where you were asking us the questions.

More seriously, that was a very well-attended, as you know, and I think important event, commemorating 100 years of the Forest Service.

Mr. REY. Thank you both for participating.

Mr. MARK UDALL. I am not sure everybody in my family appreciated seeing us on C-SPAN over and over again, but our timing was right.

I am going to be brief because I know the next panel has some important information to share with us, so I had one question I wanted to direct to both of you.

We are going to hear in the next panel from Dr. Gregory, Lisa Gregory, who is a Coloradan, and who works on these issues for the Wilderness Society. And she says that a budget line item for collaboration would help in implementing that part of the new law. What, Ms. Watson and Mr. Rey, do you think of that proposal?

Ms. WATSON. Well, I just got back from a day-and-a-half in New Mexico meeting with NGO's, including a colleague of the next witness from the Wilderness Society, and others speaking about collaboration and what we can do better, and we left that meeting considerably more optimistic on how we can improve our collaborative process in the National Fire Plan.

Some specific items we agreed to were taking a look at our performance measures, to improve those, to enhance collaboration, looking at the WFLC meetings that we have—the Wildland Fire Leadership Council—to open those up, make those more transparent. And I think that there are some things that we can do.

In my remarks, I likened collaboration to it is another form of communication, and we know in our own marriages and in our work relationships that communication is always a problem, and it is something that needs constant nurturing and a constant attention. And I think here we have built a good process the GAO identified in its report that we have really improved the collaborative relationship, but we need to do better. And we left that meeting committed to doing better. I had a number of folks come up to me afterwards from the NGO community feeling that they had been heard and that things would improve. So that would be my response.

Mr. MARK UDALL. Your sense, then, it would be helpful to at least consider a line item that focuses on collaboration so that we—

Ms. WATSON. I think more it is a focus of folk's attention, I think, performance measures. I don't know that a line item would be the appropriate way to do it. I think performance measures, where individual Federal employees' performance is measured on their attention to collaboration might be a better motivator, honestly. I

think that is a better way to do it. And at the SES level, at the DOI, our top managers are managed and rewarded on their collaboration of their attention to “Four C’s,” and I think that motivates individual folks. And if we could bring that down to field-level staff, in the context of the National Fire Plan, I think that would work.

Mr. REY. What we could do for the Subcommittee is just ask our program people to parse out what they think we are spending on collaborative activities and submit that to you for the record so you get a sense of what the investment has been.

But the Forest Service as well, we do establish a priority on collaboration in the selection of projects. That is one of the guides that we use to select priority projects, is there a collaborative mechanism that the project came forward from. It is also something that we put into performance reviews for senior managers, and it is something that we provide a reward structure for when it is done successfully.

Mr. WALDEN. Well, a follow-on to Mr. Rey and Ms. Watson would be to make the suggestion that you have a single point of contact in each agency to look at collaborative opportunities, and it sounds, in part, you are already doing that, but maybe that is another idea to put in the mix.

I know when I travel in the mountainous regions in my district, which are not insignificant, representing Clear Creek, and Grand, and Eagle and Summit, as well as Gilpin Counties—half the ski areas, for example, in Colorado are in my district—in those subdivisions that are now tucked away in a lot of these mountain areas, there is immense interest in those groups moving ahead with the kind of support that might be available to them. And anything we can do to continue and encourage that, I would urge you to take a look at. I know it is a part of collaborations, and what we are talking about is working with groups that have the expertise like the Wilderness Society, but this is another form of collaboration as well.

Thank you, and I look forward to working with you on this important issue as it unfolds.

Mr. WALDEN. Thank you. I want to thank our panel for not only your work within the agencies, I know it is difficult, but you are making great progress, but also for your work with this committee, and we look forward to continuing this conversation on this and other issues affecting the health of our forests and range lands. We have a lot of work to do, we are doing a lot of work, but there is obviously more. So thank you very much.

We will now move on to our third panel and hopefully at least get the testimony from our panelists before they call us for votes. Our third panel, we have James Cummins, Executive Director of the Mississippi Fish and Wildlife Foundation; Lena Tucker, Society of American Foresters from the great State of Oregon; and Lisa Dale Gregory from The Wilderness Society.

Let us go ahead and at least start on testimony. If you can go ahead and take your seats, we will start with Mr. Cummins.

Welcome. That bell you heard, that terrible buzzing sound, means we are going to have to go for votes. Perhaps we can get through at least your testimony, if not, perhaps, one other.

Go ahead.

**STATEMENT OF JAMES L. CUMMINS, EXECUTIVE DIRECTOR,
MISSISSIPPI FISH AND WILDLIFE FOUNDATION**

Mr. CUMMINS. Chairman Walden, Ranking Member Udall, and members of the committee, I certainly appreciate the opportunity to be here today and speak to you on behalf of the Healthy Forests Restoration Act and, specifically, on one of the titles that deals with private lands.

We have worked hard in assisting Congress in passing this legislation, and, Chairman Walden, we certainly appreciate your efforts, and many of us in the conservation community are very glad with what you have done for the Healthy Forests Restoration Act.

Mr. WALDEN. We couldn't have done it without your help.

Thank you.

Mr. CUMMINS. Thank you.

I am here today as a certified fisheries biologist, a certified wildlife biologist, as well as a private landowner. I spent last weekend doing some controlled burning on our own family's land that has been in our family since 1833.

In the Southeast, healthy forests comprise much more than just forest management and fire prevention on public lands. According to the Forest Service, nationwide public forests comprise 42 percent of our land mass, and private forests comprise 58 percent. Private forests, also, provide 89 percent of our Nation's timber harvest, and the South alone provides 60 percent of this, making it the largest producer of timber of any other country in the world. And while our Nation depends so heavily on these private forests for wood products, we also depend on them to provide many other services, such as Habitat for Threatened and Endangered Species and carbon sequestration.

We expect a lot from private forest landowners, but we rarely think about how they can afford to continue to provide these services. It is a cost that usually can only be recovered through selling timber or divesting of land. And while this may be possible for some landowners, many small-and medium-sized ones find it impossible to provide this habitat in these other services. It is for these reasons that the Healthy Forest Restoration Act included Title V, the Healthy Forest Reserve Program.

It is estimated that private lands provide 90 percent of our Nation's listed species. And as I came in the door this morning, I saw three panels outside listing the 1,264 species that are found here in the U.S.

Nationwide, the South has the largest percentage of these listed species. Eight of the top ten States and territories with the most listings are in the South. They include Alabama, Florida, Georgia, North Carolina, Tennessee, Texas, Virginia and Puerto Rico. There are many rare forest ecosystems that exist largely on private lands, and they require financial incentives for restoration. The States with the greatest forest ecosystem laws are Florida, California, Hawaii, Georgia, North Carolina, Texas, South Carolina, Virginia, Alabama and Tennessee. You may notice that this almost mirrors the list with the most listed species.

To give you a good example of what I am referring to, across the Southern Coastal Plain, the longleaf pine ecosystem once covered approximately 80 million acres. Now, it covers only 3, and this ecosystem is one of the most diverse ecosystems in North America, with over 20 federally listed species. Each of you should have a copy of our Longleaf Pine Management Handbook, and it will give you a practical example of how the Healthy Forests Reserve Program should work.

Many years ago, in 1934, Aldo Leopold, who is regarded as the Father of Wildlife Management, stated, "Conservation will ultimately boil down to rewarding the private landowner who conserves the public interests." The Healthy Forests Reserve Program does just that. It combines some of the most successful components of programs like the Conservation and Wetland Reserve Program that this Congress has passed, and they help pay and provide incentives to landowners for habitat restoration.

I am pleased to see that the Natural Resources Conservation Service will administer the Healthy Forests Reserve Program. Forest Service, Fish and Wildlife Service and NOAA Fisheries will, also, be involved. NRCS has strong outreach capabilities in all of the States, especially in those with the greatest forest ecosystem laws. There is an office in almost every county or parish, and they are very experienced in delivering private land conservation programs.

Eligible lands for this program include designated forest types that contain candidate threatened or endangered species that can be recovered and can be recovered is a very key component. They, also, include a safe harbor agreement, a type of agreement that was pioneered by some of my good friends at Environmental Defense that will help protect landowners once the agreement has ended.

The program will be promoted to private landowners. Contracts will be awarded to the highest-ranking applications, and then an easement payment of up to 99 years will then be paid based on the appraised value of that easement. The restoration plan will then be developed and implemented. It may include a variety of things, such as tree plantings, prescribed burning, removal of fish barriers, placement of fish screens and eradication of invasive species, to name a few.

For Fiscal Year 2005 and 2006, it was suggested that \$25 million be incorporated in the President's budget for a pilot project. The project would have focused on recovering the gopher tortoise in the longleaf pine ecosystem and also focused on salmonids in the Pacific Northwest, specifically the Umpqua cutthroat. Many other conservation organizations were very disappointed to learn that no funds were included in the Healthy Forests Reserve Program in the President's budget in either year.

For the record, I am providing a letter from 47 conservation organizations and 10 U.S. Senators demonstrating the need for funding this very valuable program. I would like to request that this Subcommittee support at least a pilot program. You might consider one on private lands around military bases to assist in recovering species that impair training operations, while, also, reducing base encroachment.

This type of proactive approach that the Healthy Forest Reserve Program offers, when funded, will help remove species of our Nation from their respective lists. It will, also, aid a species before it is listed, making it unnecessary to do so. Working with private property owners and enabling them to conserve habitat on their property is the kind of proactive strategy that can head off a regulatory crisis, while improving the environment and providing opportunities for economic growth. It represents the best mechanism to increase landowner participation, reduce conflicts and optimize the environmental benefits of the Healthy Forests Restoration Act.

Mr. Chairman and Ranking Member Udall, this concludes my remarks. I will be glad to respond to any questions that either you or other members may have.

Thank you for the opportunity to be here.

[The prepared statement of Mr. Cummins follows:]

**Statement of James L. Cummins, Executive Director,
Mississippi Fish and Wildlife Foundation**

“Conservation will ultimately boil down to rewarding the private landowner who conserves the public interest.”

ALDO LEOPOLD, CONSERVATION ECONOMICS, 1934

Chairman Walden, Ranking Member Udall, Members of the Committee, thank you for the opportunity to appear before you today to speak on the Healthy Forest Restoration Act (HFRA), specifically one of the titles that concerns private lands. We worked hard to pass this legislation. Many of you have spent a lot of time on it as well and a lot of us in the conservation community appreciate it.

I am James L. Cummins, Executive Director of the Mississippi Fish and Wildlife Foundation. I am a certified fisheries biologist, a certified wildlife biologist and a private landowner. Our family's 140 acres has been in the family since 1833, during that time it has undergone many changes from cotton to cattle/corn to timber/wildlife today. Some of our more significant accomplishments include conceptualization of the Wildlife Habitat Incentives Program, helping pass the Grassland Reserve Program and developing many of the components of the Wetland Reserve Program. Regarding public lands, we worked to develop the Holt Collier and Theodore Roosevelt National Wildlife Refuges as well as the Sky Lake Wildlife Management Area, which contains the largest stand of ancient cypress in the world.

Background

Healthy forests comprise more than just forest management and fire prevention on public lands. According to the USDA Forest Service (USFS), nationwide, public forestlands comprise 317 million acres (42.38%) and private forestlands comprise 431 million acres (57.62%), predominantly in the eastern United States. And although in many ways these private lands are a model for achieving healthy forests through active management for multiple uses, it is also important to recognize the challenges to maintaining and improving the health of these privately owned forests.

Private forests provide approximately 89% of the nation's timber harvest. According to the latest data from the USDA Forest Service, specifically the Southern Forest Resource Assessment, nationwide, the South alone provides 60% of the nation's timber supply, making it the largest producer of timber compared to any country in the world. Furthermore, more board feet of timber are annually harvested from the National Forests in Mississippi than all of the National Forests in the Pacific Northwest combined. Although many factors affect these seemingly lopsided statistics, the primary reason that private forests produce so much timber is that they are being actively managed.

And while our nation depends so heavily on these private forests to produce the thousands of wood products we need every day, we are also depending on these same forests to provide many other services that benefit society, for most of which landowners never receive compensation. These free services to society include producing oxygen, sequestering carbon dioxide, filtering air and water, providing fish and wildlife habitat, including that for threatened and endangered species, improving the aesthetic beauty of the natural landscape and providing opportunities for recreation and solitude, just to name a few.

We as a nation have come to expect all of this from private forest landowners while rarely giving thought to how they can afford to provide these services “free of charge,” when these services cost landowners. It is a cost that can only be recovered through the selling of timber, or by divesting of the land. In other words, we depend on private forest landowners to invest in land and timber management activities, often with a 50 to 100 year investment time frame, in hopes that the eventual timber value will be sufficient to offset the cost of owning and managing the land.

And while this may be possible for some private landowners, many small and medium-sized landowners continue to find it difficult, if not impossible, to invest in active and sustainable management of healthy forests over such a long time. Add to this the uncertainty of regulations that might limit land management options, as well as the misinformed, but ever-increasing, campaign against the use of wood products, and it is easy to see why more and more private forest landowners are choosing to divest of their lands. These lands are rapidly being developed and broken into smaller units that cannot sustain many of the benefits and services society depends on from these lands. It is for these reasons that the Healthy Forest Restoration Act included Title V, the Healthy Forest Reserve Program, to address various concerns on private forestlands.

While private forest lands are generally in better condition than public lands, according to the Southern Forest Resource Assessment, there are substantial opportunities to reach out to the Nation’s private, forest landowners with incentives that will assist them in better protecting and managing these resources.

It is estimated that private lands provide habitat for 90% of our Nation’s endangered species. The South has the largest percentage of listed species in the nation. For example, eight of the top ten states/territories with the most listings are in the South; they include: Alabama (115), Florida (111), Georgia (66), North Carolina (63), Tennessee (96), Texas (91), Virginia (71) and Puerto Rico (75). Mississippi has 38.

The Endangered Species Act (ESA) has been effective in preventing some species from becoming extinct; however, it can be significantly improved by incorporating new recovery efforts. As long as the status quo of not increasing habitat, therefore not increasing populations, is maintained, the full recovery and delisting of populations of many species will not happen.

Landowners need the encouragement, financial support and backing of federal and state governments to undertake projects to restore rare forests and the declining, threatened and endangered species they support. Incentive-based programs provide the basic operating framework to accomplish this objective. When funded, the Healthy Forests Reserve Program (HFRP) will encourage the formation of constructive and cooperative alliances with federal and state agencies to implement fish, wildlife and forest conservation on private lands. It represents the best mechanism to increase forest landowner participation, reduce landowner conflicts and thereby optimize environmental benefits of the HFRA.

There are many rare forest ecosystems in the United States that exist largely on private lands that require active forest management for their restoration and will require substantial financial incentives for their ultimate restoration and conservation. Examples include the once great longleaf pine forest of the southern coastal plain, fire-maintained, natural southern pine forests, southwestern riparian forests, Hawaiian dry forests, Southern Appalachian spruce-fir forests, mature Eastern deciduous forests, California riparian forests, old-growth forests of the Pacific Northwest, mature red and white pine forests of the Great Lake states, fire-maintained ponderosa pine forests and southern forested wetlands.

The states with the greatest risk of forest ecosystem loss are Florida, California, Hawaii, Georgia, North Carolina, Texas, South Carolina, Virginia, Alabama and Tennessee. This list almost mirrors that of the states with the most listed species.

For example, across the southern coastal plain, the longleaf pine ecosystem once covered some 74-92 million acres from southern Virginia to central Florida and west to eastern Texas. Each of you should have a copy of a handbook that we prepared in partnership with the U.S. Fish and Wildlife Service. It will provide you a practical example of how the HFRP should work. Longleaf pine currently covers less than 3 million acres, much of which is highly degraded. The longleaf pine ecosystem is characterized by open-canopied stands and is one of the most biologically diverse temperate forest ecosystems in North America. Over 20 federally-listed species (candidate, threatened, endangered) inhabit the longleaf pine ecosystem. The longleaf pine ecosystem also makes significant contributions to biodiversity and carbon sequestration. Moreover, longleaf pine produces superior solid wood products, including saw timber, utility poles and other high value products.

The restoration and enhancement of degraded forest ecosystems to conditions as close to natural is emphasized through the creation of the HFRP. The HFRP’s phi-

losophy is to work proactively with private landowners for the mutual benefit of declining Federal trust species and the interests of the landowners involved.

An Incentive-Based Approach

The Conservation (CRP) and Wetland (WRP) Reserve programs pay property owners for implementing conservation practices. Many conservation groups consider them the most broadly popular and successful conservation programs ever passed by Congress. Waterfowl populations and many other birds have increased due to these programs. These programs are demonstrating that wildlife population declines are reversible by habitat restoration. They have also stimulated rural development through increased expenditures for wildlife-associated recreation, which further stewardship and improve rural economies.

These types of habitat restoration approaches, and those that include cost-share for conservation practices like the Wildlife Habitat Incentives Program and the Partners for Fish and Wildlife Program, present an opportunity to solve many problems associated with the recovery of threatened and endangered species in a manner that will maintain a strong economy and respect private property rights. The approach described herein will help make the Endangered Species Act (ESA) more effective.

Habitat for threatened and endangered species, improving biodiversity, slowing urban and military base encroachment and sequestering carbon can all be accomplished by encouraging property owners, through financial assistance, to develop and maintain conservation programs that meet national and international standards. The current Farm Bill does not provide enough incentives to allow for significant population recovery. Problems exist with CRP due to its limited enrollment period (10-15 years) and problems that could occur after the contract expires. This is a key to meeting the Nation's international commitments and better safeguarding the Nation's heritage in fish and wildlife.

While there are now programs under the ESA that address rare species before they are listed under the law, more needs to be done to keep species off the list by acting early and proactively. The HFRP should concentrate on improving forests, therefore a species' habitat, before the species reaches a threatened or endangered status (i.e., rare, peripheral and special concern).

Administration and Implementation

I am pleased to see that the Natural Resources Conservation Service (NRCS) will administer the HFRP. Since the NRCS currently has strong outreach capabilities in all of the states with the greatest forest ecosystem loss (an office in almost every county/parish) and are very experienced in delivering private land conservation programs, they will be very effective and efficient in delivering the HFRP. The USFS should assist the NRCS in administering and implementing the program. Other appropriate state and federal agencies and non-profit organizations may be consulted with in carrying out the HFRP as the legislation allows.

The NRCS and the USFS, in coordination with the U.S. Fish and Wildlife Service (USFWS) and the National Oceanic and Atmospheric Administration's (NOAA) Fisheries Division, shall describe and define forest ecosystems and the associated species targeted to recover. Both the USFWS and the NOAA will be in a position to provide constructive solutions to aiding in recovery efforts.

The NRCS and the USFS should promote the program to private landowners. Other appropriate state and federal agencies and non-profit organizations may also conduct outreach activities at their expense. As authorized, NRCS may employ technical service providers as it does with the conservation provisions of the 2002 Farm Bill.

Interested landowners should make application at a local NRCS or USFS office. Ranking criteria for each state and forest ecosystem of concern should be developed through a committee similar in function as the State Technical Committee. All applications should be scored and ranked. Contracts should be awarded to the highest-ranking applications for each state.

The USFWS, USFS and NOAA should aid the NRCS in providing technical assistance and developing restoration plans. A State fish and wildlife agency, State forestry agency, State environmental quality agency or any other State or non-profit conservation agency/organization could assist in providing the technical assistance for the development and implementation of a restoration plan or financial assistance to aid in the cost-share. The restoration plan should maximize the environmental benefits per dollar expended.

Landowners can voluntarily sell development rights to their forestland. Eligible lands for this program includes designated forest types that contain federally-listed threatened or endangered species or a designated candidate species and that can be

managed through a safe harbor agreement, candidate conservation agreement with assurances or similar, voluntary incentive-based programs. NRCS should conduct an appraisal of these rights as it does with the Wetland and Grassland Reserve programs.

To participate in the program, landowners should enter into forest restoration agreements with the NRCS to carry out activities appropriate to their property, forest types and restoration needs of the species to be recovered. Agreement terms will be 10-years, 30-years or 99-years in duration and should provide landowners with maintenance payments for such activities as prescribed fire, natural regeneration, planning, restoration and other activities. Landowners will receive cost-share assistance for the activities.

For each forest type, the NRCS, USFS, USFWS and NOAA should develop a series of stewardship activities that could qualify as eligible forest restoration activities. Each forest type would have a unique series of activities. For example, eligible activities for the longleaf ecosystem might include planting longleaf pine on former longleaf sites, use of prescribed fire, hardwood control, restoration of native vegetation, control of invasive species, natural regeneration planning or other activities.

Where landowners are undertaking stewardship activities that directly benefit endangered and/or threatened species and where the USFWS determines that such activities will result in a net conservation benefit for the species, the USFWS will provide safe harbor assurances through Section 10(a)(1)(A) or Section 7 of the ESA that ensure that landowners will not be subject to additional regulation as a result of their stewardship commitments.

Practices/Activities

The practices of the HFRP should include, but should not be limited to: fencing for habitat protection; prescribed burning, restoration of wildlife habitat and corridors; forest stand improvement to include site preparation, tree planting, direct seeding, firebreaks, release and site preparation for natural regeneration, installation of water control structures in forested wetlands to provide beneficial habitat for wetland wildlife; installation/construction of nesting structures; restoration of hydrology; removal of barriers for aquatic species; establishment, management, maintenance, enhancement and restoration of grassed waterways and riparian areas; stream bank stabilization; installation of in stream deflectors; placement of fish screens; control or eradication of invasive exotic or competing animal and plant species; restoration of rivers and streams; removal of fish barriers; placement of fish screens; installation of low water weirs and in stream deflectors; fencing for habitat protection; augmentation of flows; best management practices and other activities approved by the Secretaries.

Other Contributions

On February 15, 2002, the Administration announced the Climate Change Initiative, which includes carbon sequestration. Carbon sequestration is designed to meet the carbon-offset objectives of companies by reducing greenhouse gases. The HFRP can positively impact clean air and can be used to restore natural ecosystems through biodiversity restoration and have other positive environmental impacts such as reducing water pollution. There should be an emphasis on reforestation and forest management efforts so that it is done in a manner that both sequesters carbon and at the same time encourages biodiversity. By doing so, the United States can achieve benefits in other national and international commitments. To date, the U.S. Department of Interior has been a leader in working with energy companies to reforest lands of the USFWS in a biodiverse manner. The Southeast and the Pacific Northwest are the two most effective areas in North America for the sequestration of carbon.

With the strong concern by the public about forestry being conducted in a sterile, monoculture fashion, the HFRP should have a strong commitment to restoring and sustaining natural ecosystems that are in a state of crisis. Of course, there should be flexibility to customize projects to meet a geographic need. The HFRP can be conducted in a manner that sustainable resource management is done in a manner that is profitable and at the same time encourages biodiversity. By doing so, the United States can achieve benefits in other national and international commitments. The United States and Central American Heads of Government signed the Central American-United States of America Joint Accord (CONCAUSA) on December 10, 1994. The original agreement covered cooperation under action plans in four major areas: conservation of biodiversity, sound use of energy, environmental legislation and sustainable economic development. On June 7, 2001, the United States and its Central American partners signed an expanded and renewed CONCAUSA, adding disaster relief and climate change as new areas for cooperation. Biodiversity will

promote such public benefits as improved water quality, reduced soil erosion, fish and wildlife habitat, restoring habitat for declining, threatened and endangered species and outdoor recreation. These improved environmental assets will be quantifiable and may be marketable, thus providing an additional economic incentive to continue environmental enhancement and further improve rural economies.

One of the most significant factors affecting our landscape is the continued break-up of family-owned forestlands. Family-owned forestlands are affected by changing economics and the increasing tax burden on property owners. Passing on family forestland to the next generation is a time-honored tradition. This occurs near both urban and suburban areas and near military bases. As the demand for specialized training, such as training that occurs in total darkness, the greater the need to maintain buffers around bases. The HFRP can be utilized to limit incompatible land use or to recovery species to preclude restrictions for threatened and endangered species that might otherwise interfere with military operations.

Budget/Appropriations

For Fiscal Year 2005, it was suggested that \$25 million be incorporated in the President's Budget for the Healthy Forest Initiative for a pilot HFRP project. The pilot program would have focused on recovering the gopher tortoise in the longleaf pine ecosystem of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas and Virginia (\$18 million). Restoring longleaf pine will accomplish this. There is a great opportunity to recover this species in less than 10 years. The pilot program would also emphasize recovery of one or more salmonids in the Pacific Northwest through forest restoration (\$7 million). The Umpqua cutthroat and the Northern coast coho were two proposed target species (Oregon). I and many other conservation organizations were very disappointed to learn that no funds were included in the HFRP in the President's Budget. To demonstrate support, I am providing a letter from 47 conservation organizations and 10 U.S. Senators demonstrating the need for funding the HFRP. Please include those letters as part of the record.

I request that this Subcommittee support at least a pilot program. You might consider one around military bases to assist in recovering species that impair military training operations while also reducing encroachment onto lands adjacent to the base. The HFRP is not only very much needed, but it does not duplicate other federal programs.

Summary

The type of proactive approach that the HFRP offers, when funded, will help remove the threatened and endangered species of our nation from their respective list. It will also aid a species before it reaches a status of endangered or threatened, making it unnecessary to list a species. Working with private property owners and enabling them to conserve habitat on their property is the kind of proactive strategy that can head off regulatory crises, while improving the environment and providing opportunities for economic development.

As this full Committee considers modernizing and updating the Endangered Species Act, I urge you work with your colleagues to fund the HFRP and work with the House Agriculture Committee to utilize the conservation provisions of the Farm Bill to assist in recovery. Furthermore, any legislation should include a strong invasive species control and threatened and endangered species recovery utilizing incentives, including tax-based ones, for private landowners to voluntarily participate. I think you will find that both industry and conservation groups in my part of the world will help implement conservation measures to avoid listings, recover species that are listed and do this in a manner that we work with private landowners versus against them.

Landowners in the South, and particularly Mississippi, have done a very good job of conservation of habitat for all species, no matter whether they are listed under the Act or not.

Mr. Chairman and Ranking Member Udall, this concludes my remarks. I will glad to respond to any questions that either of you or other members of the Committee may have.

Thank you.

Mr. WALDEN. Thank you, and we will be following up with the appropriate individuals to make sure that all titles of the Healthy Forests Restoration Act are utilized appropriately, recognizing our

budget constraints on all titles, but there should be more than nothing.

Mr. CUMMINS. Thank you.

Mr. WALDEN. We will work on that.

Ms. Tucker, thank you for being here. Why don't we go ahead and take your testimony, and then I think we will have to cut it off because we have about eight minutes before we have to be over voting, and then we will come back. My apologies.

Please go ahead and start.

STATEMENT OF LENA TUCKER, OREGON SOCIETY OF AMERICAN FORESTERS STATE CHAIR ELECT AND DISTRICT FORESTER, OREGON DEPARTMENT OF FORESTRY, SPRINGFIELD, OREGON

Ms. TUCKER. Mr. Chairman and members of the Subcommittee, thank you for inviting me to testify on the progress of Community Wildfire Protection Plan development implementation in Oregon and the many opportunities and challenges for professional foresters that this process presents.

For the record, my name is Lena Tucker. I am currently a district forester in the South Cascade District of the Oregon Department of Forestry. My district provides fire protection and forestry technical assistance on approximately one million acres of private and public forest land in the Cascade foothills, in the Southern Willamette Valley. I am here today as a professional forester, representing the Society of American Foresters, the Nation's largest professional society for foresters. The over 15,000 members of SAF around the country are committed to sound stewardship of our forest resources through sustainable forest management.

Community wildfire protection planning presents great opportunities for professional foresters to help communities become better prepared to address wildfire threats and, at the same time, help educate communities and private landowners about the need to address other forest management issues through a landscape level planning approach. This is why last year SAF joined with the National Association of State Foresters, the National Association of Counties, the Western Governors' Association and the Communities Committee to develop and distribute a guidebook designed to help communities put together these plans in compliance with the guidelines in the Healthy Forests Restoration Act.

To date, over 6,000 copies of the handbook have been distributed to Governors, State and local Government leaders, professional foresters, interested citizens across the country and in Canada. We estimate that Community Wildfire Protection Plans have been developed for over 600 communities around the country and, to date, you will note that I have just counted about 64 Community Wildfire Protection Plans now in Oregon. So, from your visit a year ago, Mr. Walden, we have really got on the ball and got some things going there.

Mr. WALDEN. Congratulations.

Ms. TUCKER. I am excited about that.

Working with CWPP's community fire planning under the National Fire Plan for several years now, I have witnessed some really extraordinary, unprecedented opportunities that the process

creates, just valuable opportunities for communities, allowing them to identify their own local priorities for community protection and resource management and economic benefits.

My experience with the Oregon Department of Forestry and National Fire Plan implementation has helped shape my perspective on the usefulness of CWPPs. And while working in the Eastern Oregon Area Office in Prineville, from 2001 to 2004, I was charged with developing an implementation plan for our Department's use of Fire Plan grant funding. Foresters utilize the National Fire Plan funding to start fuels reduction projects and high-risk, wildland-urban interface areas in Central Oregon, Southeast Oregon and Southwest Oregon. These individual treatments around homes in high-risk areas were linked together to provide community fuel breaks around subdivisions.

In many areas, like Sumpter, Canyon City near John Day, Crescent, Gilchrist, Sisters, just to name a few, Federal agencies or Federal partners were able to complete fuels treatments on the outskirts of the high-risk communities. Over time, the strategic mitigation projects in the interface, combined with landscape-level treatments on adjacent Federal lands will help restore the declining forest health in areas of Oregon.

I would like to show you a couple of slides.

The first one. This is near Bend, Oregon, the Fall River estates. This community got on board with fuels treatment probably about a year-and-a-half ago, a cluster of homes surrounded by BLM and Forest Service lands.

Next slide.

This is treatment, again, kind of on the boundary line outside of Fall River Estates. This is shown probably into the Federal lands, where the Federal agencies were able to actually do some fuels mitigation treatments.

Next slide.

Again, before fuels treatment on Federal lands. You can see just the density of brush, ladder fuels, a lot of ladder fuels in this lodge pole pine stand.

Mr. WALDEN. You know, I hate to do this to you, but we are now under five minutes, and I was never a star athlete, by any stretch of the imagination. So what I may do, and I apologize, but it is the course of the voting around here, if you could hold the rest of your testimony—because I would really like to be able to see these slides, and I am kind of it right now—and then we will resume and allow you to finish your comments, and then we will go to Ms. Gregory so we can hear hers as well.

Now, here is the good news for you. You have time to get lunch because we have two 15-minute votes, two 5-minute votes, a 10-minute motion to recommit. So we are looking at probably about an hour in legislative time. So that is what I would anticipate is 50 minutes to an hour we will be back here to startup and, again, I apologize for interrupting you.

Ms. TUCKER. Not a problem. We can do that.

Mr. WALDEN. We have to do what we have to do. We are in recess.

[Recess from 12:55 p.m. to 1:55 p.m.]

Mr. WALDEN. I am calling the Subcommittee back to order. We timed that pretty close to what I thought it would be—wasn't it five till? I apologize for the interruption. I hope you all got refreshed while we were over voting.

Lena, why don't you return to where you were and talk about the slides that you are showing us there, some of the work, which I have seen, by the way, on the ground—not necessarily specifically there, but I have been on a couple of those forestry tours and pretty impressive the good work that is being done to make that forest healthier.

So I am going to turn it back over to you. Go ahead and take whatever time you need to finish up, and then we will go on to Lisa.

Ms. TUCKER. Thank you, Mr. Chairman. I will just kind of summarize these couple of slides here, and then I will go into my summary, and we will be done.

Back to this particular area, which is in Fall River Estates, south of Bend. This is kind of a before fuels treatment project on the Deschutes National Forest there. It would be adjacent to Fall River Estates. There is, also, BLM land adjacent to Fall River Estates, and this is a case where the community was doing fuels treatment within their community and started working with the Federal agencies there to see if the Federal agencies could do their fuels work right next to the community. And planning, everything worked out right, and they were able to do fuels treatment. This is a before. You can see the debris and the ladder fuels.

The next slide will show the same photo point cleaned up. Give us a little bit of time, and rain, and snowpack, and then there will be herbs, and forbes, and wild flowers.

Mr. WALDEN. So that is the same location as the prior slide?

Ms. TUCKER. It is the exact, same location. You can just see that the ladder fuels have been reduced. It is thinned out a little bit. This is a lodgepole pine stand. Again, the ground is looking a little bare, but given some time there will be no native plants coming back into there.

The next slide.

This is probably one of my favorite projects. This did happen before HFRA and Community Wildfire Plans, but it is a great example of a community getting together and working on creating defensible space around their homes. This is in Sumpter, Oregon, between Baker City and John Day. And so this shows a cabin there—you know, the big, old large pines. They created defensible space around the cabin.

And the next slide, you will see a fence line. Now, to the right of the fence line is that cabin and the private land and to the left and out into the landscape is national forest. Here is a case where the ranger district there was able to put their fuels treatment money right adjacent to this community near Sumpter and do thinning, mechanical treatment, and treatment, hand piling.

And I believe the next picture is a prescribed fire that they were able to do in there as well. So, again, great collaboration on the part of the community and the Federal partners there.

I believe that is all I have for pictures.

Just to sum this up, I would like to say that community wildfire protection planning is very much a work in progress, and it is going to take time and leadership from everybody who is involved—Congress, all levels of Government, professional foresters, as well as concerned stakeholders and citizens. Maintaining a consistent level of funding and technical assistance for hazardous fuels reduction projects through HFRA or the National Fire Plan is integral to helping communities be successful in carrying out their newly developed CWPPs. That is really what we want. We want to help communities help themselves.

A commitment must be made to allow communities and stakeholders easy access to the information and resources they need to develop their Community Wildfire Protection Plans. They are not going to do it if we make it too difficult for them. We need to keep it simple.

A concerted nationwide effort needs to be made to help make these resources available to the low-capacity communities, those communities who do not always have the resources or the expertise available to start a collaborative planning effort, and Sumpter could be one of those communities. I mean, they are small. They are away from a lot of the services the bigger towns receive.

Congress and the Administration also need to support monitoring and evaluation efforts. How can we assess the success of the process and enable the application of lessons learned here? We could apply them to other areas of forest management.

Building on the concepts in HFRA, we, as a Nation, need to continuously seek opportunities to work across ownership boundaries in partnership with all landowners, manage our forests comprehensively and in a timely manner. I mean, the fuels issue is real. It is here. It is now. It is today. We need to deal with it in a timely manner.

Community Wildfire Protection Plans begin to create this comprehensive strategic approach, and we urge similar partnerships and collaborations for forest management and restoration across the country. We are looking, again, at the bottom-up approach—communities getting out there, defining what is unique to their community, what is important, what their values are.

Thank you for the opportunity to testify today, and I would be happy to answer any questions.

[The prepared statement of Ms. Tucker follows:]

Statement of Lena Tucker, Oregon Society of American Foresters State Chair Elect and District Forester, Oregon Department of Forestry, Representing the Society of American Foresters

Mr. Chairman and members of the Subcommittee, Thank you for inviting me to testify on the progress of Community Wildfire Protection Plan (CWPP) development and implementation in Oregon and the opportunities and challenges for professional foresters this process presents. I am currently a District Forester in the South Cascade District of the Oregon Department of Forestry. My district provides fire protection and forestry technical assistance on approximately 1 million acres of private and public forest land in the Cascade foothills, in the Southern Willamette Valley. I'm here today as a professional forester representing the Society of American Foresters (SAF), the nation's largest professional society for foresters in the world. The over 15,000 members of SAF around the country and throughout the world are committed to sound stewardship of our forest resources through sustainable forest management.

Community Wildfire Protection planning presents great opportunities for professional foresters to help communities become better prepared to address wildfire threats and at the same time, help educate communities and private landowners about the need to address other forest management issues through a landscape planning approach. This is why, last year, SAF joined with the National Association of State Foresters (NASF), the National Association of Counties (NACO), the Western Governors' Association (WGA), and the Communities Committee, to develop and distribute a handbook designed to help communities put together these plans in compliance with the guidelines in the Healthy Forests Restoration Act.

To date, over 6,000 copies of the Handbook have been distributed to governors, state and local government leaders, professional foresters, and interested citizens across the country and in Canada. Numerous workshops have been held to help community leaders put together these plans, with foresters and other planning experts providing guidance to help them through this process. We estimate that community wildfire protection plans have been developed for over 600 communities around the country. This represents a significant change in thinking about wildfires that involves the communities and the people that live in and around our forests and are most at risk from wildfires.

Benefits of CWPP Process

Working with CWPPs and community fire planning under the National Fire Plan for several years now, I've witnessed the unprecedented opportunities this process creates. Below are some general observations of how CWPPs have improved the way we help communities reduce their risk from wildfires:

- CWPPs are offering many valuable opportunities to communities, allowing them to identify local priorities for community protection and resource management.
- HFRA is complimentary to the development of CWPPs as communities can use local priorities for fuels mitigation to shape management decisions on public lands surrounding them.
- ODF, federal partners, county partners, fire departments, and extension foresters are encouraging CWPP development and helping to facilitate local discussions about fire protection issues.
- Communities are taking ownership in development of CWPPs and utilizing federal and state agency technical assistance in fuels mitigation strategy, structural risk mitigation, and landscape level forest health treatments.
- CWPPs ultimately belong to the community and reflect the local discussions of a diverse range of interest groups. Collaboration is a key component to the success of CWPP development.
- Stakeholder surveys are a useful tool in assessing a community's ideas on the issues and actions needed to improve overall wildfire safety in the wildland-urban interface. This also actively engages stakeholders in the process of CWPP development.
- The Preparing a Community Wildfire Protection Plan template developed by NASF, SAF, WGA, NACO, and the Communities Committee is being used extensively by communities in Oregon as they develop local CWPPs.
- The Preparing a Community Wildfire Protection Plan template meets HFRA requirements, provides concise, step by step instructions and provides opportunities for public involvement through public meetings. This is a good template for communities to use if they want to meet HFRA requirements and they are in a county that has already done the FEMA wildfire chapter.
- Most importantly, the CWPP process is allowing foresters to do their job, applying the proven practices of silviculture to ultimately achieve forest health and other forest management goals on both public and private lands. The CWPP process is facilitating fuels reduction and forest health treatments across the landscape and helping to meet the goals of HFRA and the Healthy Forests Initiative.

CWPP Success stories from Oregon

To demonstrate the above observations, I'd like to share some specific examples where CWPPs helped communities deal with often controversial issues and in the end, helped better protect themselves for fire risk and better manage their forested landscape.

My experience while working with the Oregon Department of Forestry (ODF) on National Fire Plan implementation has helped shape my perspective on the usefulness of CWPPs. While working in the Eastern Oregon Area ODF office from 2001-2004, I was charged with developing an implementation plan for the Department's use of National Fire Plan grant funding. Foresters with the Oregon Department of Forestry utilized NFP grant funding to start fuels reduction projects in high

risk wildland-urban interface areas in Central Oregon, South East Oregon and South West Oregon. Individual treatments around homes in high risk areas were linked together to provide community fuel breaks around subdivisions. In many areas (Sumpter, Canyon City, Crescent, Gilchrist, Sisters to name a few) federal agencies were able to complete fuels treatments on the outskirts of high risk communities. Over time, these strategic mitigation projects in the interface combined with landscape level treatments on adjacent federal lands will help restore declining forest health in areas of Oregon.

Today, foresters are assisting the public and communities with preparing Community Wildfire Protection Plans to further increase the effectiveness of creating defensible space around homes as well as treating the larger forest landscape. The collaborative efforts of foresters from the federal and state agencies, rural fire departments, private landowners, local governmental agencies, volunteer organizations, and concerned citizens who live in the wildland-urban interface have resulted in the development of approximately 64 CWPPs throughout Oregon.

From Southwest Oregon (Jackson and Josephine Counties): “Fuels treatment and fire prevention efforts are all around us. It is a great time to get people involved. The big fires of 2002 and 2003 have brought fire protection into our living rooms. As a result, little groups are springing up everywhere and are receiving education and assistance to help them understand what they can do to create defensible space in their communities; they are providing a lot of energy to the CWPP effort. In some cases we are seeing projects accomplished even when grant money isn’t available. People are now spreading out, away from their homes, and modifying fuels beyond the immediate defensible space area. Success is not just the development of a document; it is the connections that those in the forestry/fire professions are making with non traditional partners in their communities.”

From Northeast Oregon: “What we have gained from this experience is something you can’t capture in a written document. We have enlightened the public about our roles (all agencies) in wildfire protection and what they (the public) can do to help themselves. The public understands what fuels reduction means and how collaborative efforts with all the agencies can help to reduce the risk of fire in the interface and at the same time increase the resiliency of the forests in which they live. It is difficult to report the success of community planning efforts B you can’t measure the public’s appreciation of the efforts that foresters and fire experts have put into helping them create defensible space around their homes and working towards longer term forest health improvements.”

From the Crescent/Gilchrist area: “Our CWPP steering group received a wonderful compliment from the private sector in one of our high risk, high priority areas. They were proud to be involved with a group that is so well represented by ALL agencies and interests, even industrial timber land owners. They couldn’t believe that so many people have come together to give so many volunteer hours for the cause of Community Wildfire Protection.”

From Lane County in the Southern Willamette Valley: “In Lane County an extensive working structure has been established for developing a county-wide CWPP. The plan development process involves bringing together local, state and federal fire agencies as well as public and private landowners to contribute to the plan content. Local fuel reduction strategies and public outreach programs already in place will be identified and documented as well as opportunities for implementing new ones.

On a smaller scale, the Oregon Department of Forestry is working with rural fire departments, foresters from Willamette National Forest, and community officials to develop individual CWPPs for the Upper McKenzie River area and the Oakridge/West Fir communities. These smaller scale CWPPs will specifically target the wildland-urban interface fuels treatment needs on private land as well as identifying key fuels treatments on adjacent federal land. USFS officials are working collaboratively with state foresters and stakeholders in the communities to identify key issues, and concerns on wildfire risk that exists on federal lands. The extent that the Willamette National Forest can obtain funding for fuels management projects adjacent to these communities, will ultimately demonstrate that the goals of HFRA and the CWPP process are being met.”

Recommendations

Community Wildfire Protection Planning is still very much a work in progress and will take time and leadership from all involved, including Congress, all levels of government, professional foresters, and concerned stakeholders to make it successful. Maintaining a consistent level of funding and technical assistance for hazardous fuel reductions projects through HFRA or the NFP is integral to helping communities be successful in carrying out their newly developed CWPPs.

A commitment must be made to allow communities and stakeholders easy access to the information and resources they need to develop CWPPs. The Oregon Department of Forestry is taking the lead in developing a website where CWPP templates, examples, grant opportunities, risk assessment information, and technical assistance contact information would be readily available for communities starting the CWPP process. A concerted, nation-wide effort needs to be made to make these resources available to low-capacity communities who don't always have the resources or expertise available to start a collaborative planning effort.

The Pacific Northwest Region National Fire Plan Strategy Team is a partnership consisting of representatives from agencies or organizations in Oregon and Washington that have a role in implementing the National Fire Plan. This team of professionals has a key role in providing technical assistance to help communities build capacity; implement and provide oversight to the Healthy Forest Restoration Act; work with state and county governments to ensure community interests and needs are taken into account when funding NFP projects; and promoting regional and local level collaboration. This Team will help in getting the needed information and resources to communities in the PNW region. A similar approach could be taken in other areas.

In addition to this, Congress and the Administration need to support monitoring and evaluation efforts of the CWPP process to assess the success of the process and enable application of lessons learned to other areas of forest management.

While SAF is supportive of the increased emphasis through HFRA and the Healthy Forests Initiative on forest health and wildfire risk reduction, there is still a need for greater reforms within the federal agencies to address the need for better, more comprehensive management and restoration of our forests. Building on the concepts in HFRA, we, as a nation, need to continuously seek opportunities to work across ownership boundaries, in partnership with all landowners, to manage our forests comprehensively. CWPPs begin to create this comprehensive approach, and we urge similar partnerships and collaborations for forest management and restoration across the country, not just in fire-prone forests.

Thank you for the opportunity to testify today. I'm happy to answer any questions you might have.

Mr. WALDEN. Thank you very much. We will get to those in a moment.

Lisa, thank you for being here. Sorry to delay your testimony, but we are delighted that you were able to stick around for it, and we look forward to it.

Thank you.

STATEMENT OF LISA DALE GREGORY, PH.D., NATURAL RESOURCE POLICY FELLOW, ECOLOGY AND ECONOMICS RESEARCH DEPARTMENT, ON BEHALF OF THE WILDERNESS SOCIETY, DENVER, COLORADO

Ms. GREGORY. Thank you, Mr. Chairman, for the opportunity to testify. I am Lisa Gregory. I am with the Wilderness Society in our Four Corners Office in Denver, Colorado. I am here to talk to you primarily about recent research done by the Wilderness Society that highlights several significant obstacles with the implementation of the National Fire Plan. And since these problems are related to funding protocols and the use of performance measures, they are also equally matters of concern for the implementation of HFRA.

In my testimony, today, I would like to highlight three of these areas of concern: hazardous fuels reduction, collaboration, and agency accountability. The research is primarily about the Forest Service.

In relation to hazardous fuels, my research project was tracing Forest Service funding from the appropriations process down to the Washington office, to Region 2, which is the Rocky Mountain Re-

gion, down to two national forests along the front range. And I, also, traced the money as it went to the Colorado State Forest Service and from there to State and private entities as needed.

There were several results that came out of this following the money that are relevant and interesting. The first one that I will talk about is the huge difference in the cost per acre to treat fuels on two national forests that are adjacent to one another, in very similar terrain, with very similar amounts of wildland-urban interface. They were able to burn, as opposed to mechanically thin, roughly, the same proportion, and yet on one forest the cost per acre was more than double that of another forest.

Explanations for this are varied, and it maybe suggests the need to conduct a little bit more research into factors that influence costs because it doesn't have to do necessarily only with terrain or type of treatment. And that example shows that there are other factors that might be worth exploring as we seek to stretch our dollars to accomplish work.

Mr. WALDEN. Can I interrupt you? Did you say that each forest burned rather than mechanical?

Ms. GREGORY. Approximately, the same proportion.

Mr. WALDEN. I was trying to figure out if one did mechanical and one did burning.

Ms. GREGORY. They did, proportionately, about the same.

Mr. WALDEN. So it was similar sort of treatment methods.

Ms. GREGORY. Yes, they were very similar.

Mr. WALDEN. Thank you.

Ms. GREGORY. So the costs should have been very similar, and they weren't. So there is something else at play there.

One forest was able, as a result, to accomplish nearly three times the work with just about 60 percent more funding. So maybe there is something that forest is doing right that we could then copy and emulate in other forests.

The second result that I would like to discuss of following the money, when I followed the State and private line items through the Colorado State Forest Service, and we have heard this today in the testimony from others, that there is, undoubtedly, insufficient money that is being made available to protect communities. Other research suggests that up to 85 percent of the land at risk is located on private land, and yet the Fiscal Year 2006 budget that just came out allocates 3 percent of fire money to those lands. So there is a disconnect there, and that again is worthy of attention.

A second component of the research that I would like to highlight is collaboration, and this was raised by Mr. Udall earlier. The Wilderness Society is very supportive of the collaborative approach as a way to build consensus on fuels reduction and other forest management. It is happening, but it is happening very unevenly across the country. And the reasons for such an uneven success with collaboration come down to three things: there is little or no funding for the effort, there are not very good performance measures used to encourage managers to use a collaborative process, and the national guidance is very weak, and there is a great deal of confusion out there. In particular, many forest managers are confused about the difference between interagency coordination and commu-

nity collaboration. And so the numbers that are being reported are mixed and don't necessarily accurately reflect genuine collaboration on the ground.

The third component of my testimony is the need for greater accountability within the Forest Service. This has long been reported, especially by the GAO, in terms of fiscal accountability. My research confirmed that. Following the money was a Herculean task within the Forest Service. And I, also, found similar types of reporting and accountability problems in the reporting of performance measures. For example, we see, and we have heard all day today, number of acres treated, and that is being used as a benchmark of success of the implementation of HFRA. Many of these acres have been double- or even triple-counted. So, for example, a single acre may be thinned one year, then burned the next year, and then we come back the third year and monitor and clean it up, and each year that acre gets reported as treated, so that the total number of acres treated doesn't adequately reflect the percentage of lands that have actually been improved. And there are several other examples in my written testimony that speak to the accounting and reporting difficulties.

I see that I am nearly out of time, and that does somewhat—

Mr. WALDEN. Go ahead and finish.

Ms. GREGORY. That is OK. Those are my three major remarks, the points that I wanted to make. We believe that the implementation success of HFRA really depends on cleaning up some of these protocols, reporting procedures and funding misallocations.

Thank you.

[The prepared statement of Ms. Gregory follows:]

**Statement of Lisa Dale Gregory, Ph.D., The Wilderness Society,
Denver, Colorado**

INTRODUCTION

We appreciate this opportunity to testify on the implementation of the Healthy Forests Restoration Act (P.L. 108-148). HFRA remains a controversial law. However, this testimony will not address areas of concern related to environmental procedures and safeguards. Instead, The Wilderness Society welcomes this opportunity to discuss three substantive areas of broad agreement: HFRA's attention to community protection, its emphasis on collaborative processes, and the need for improved performance measures and reporting procedures if these objectives are to be achieved.

A forthcoming report from The Wilderness Society, entitled *Following the Money: The National Fire Plan, Performance Measures, and Funding in the USDA Forest Service*¹, offers empirical data tracing appropriated money as it moves through the Forest Service system and ultimately enables work on the ground. The report also traces performance measures and explores the role of incentives embodied there. Although HFRA is not formally considered part of the National Fire Plan, certainly the legislation was designed within the context of fire management and is intended to reduce risks to communities. As such, the research behind our report is both relevant and important for better understanding the challenges facing effective implementation of HFRA. In particular, we would like to identify three major problems in the implementation of HFRA and the National Fire Plan:

- Funding for hazardous fuels reduction is overshadowed by the many problems associated with suppression spending. Additionally, within the hazardous fuels program funding disproportionately favors federal land, even though fire does not obey ownership boundaries. For communities to be made truly safe, substantially more funding must be devoted to the State & Private Forestry line within the Wildland Fire budget.

¹An executive summary of this report is enclosed. The final report will be posted on The Wilderness Society's web page (www.wilderness.org) by the end of March.

- Despite policy guidance to utilize a collaborative process, neither funding nor the incentives created from performance measurement support this practice. As a result, fire managers are ill-equipped to establish the recommended long-term collaborative relationships with stakeholders.
- Reporting practices are deeply flawed in the Forest Service. Our research shows that cost per acre estimates are very difficult to predict with accuracy, publicized hazardous fuels treatment numbers are exaggerated, and the degree of success reported for collaboration is simply impossible. Public trust depends on improved agency accountability.

BACKGROUND

Our analysis of Forest Service funding and performance measures begins with the assumption that the allocation of federal money within the agency reflects national and political priorities. In other words, the distribution of scarce resources to carefully chosen public land management programs is purposeful—not random—and based on strategy-setting at a number of levels within the government. The use of performance measures as a tool to enhance accountability and data collection at the field level is designed as a way for money to be directly tied to outputs; that is, through the use of this mechanism the public should be able to track what it got for its tax money, the executive managers should be empowered to redirect funds to places in greatest need, and accountability ought to be improved at every level of the agency. Perhaps most importantly, performance measures function as powerful incentives for agency behavior. It is impossible to understand the flow of money from the Washington Office downward without also tracing accomplishments as they are reported upward.

Empirical data in the report, used for illustration in this testimony, comes from Fiscal Year 2003 (FY03), since that is the most recent year with complete and final data. In particular, data was obtained from the Washington Office of the USFS, Rocky Mountain Region 2 and two National Forests in Colorado, the Arapaho-Roosevelt and the Pike/San Isabel. The Colorado State Forest Service provided state-level information. Other sources of data include federal budget documents, reports from the Government Accountability Office (GAO), extensive interviews of agency staff and outside experts, and a comprehensive review of the literature.

IMPLEMENTATION CHALLENGES FOR HFRA

This testimony responds primarily to Title I of HFRA, the section that seeks to expedite processes for vegetation treatments on and adjacent to federal lands. Two critical implementation challenges stand out: achieving the desired hazardous fuels reduction treatment acres, and creating legitimate collaborative processes to expedite those outputs. For each of those categories, I will discuss funding issues and the role of performance measures.

I. Outputs: Acres Treated for Hazardous Fuels Reduction

A. Funding

As this committee is certainly aware, the biggest problem plaguing effective funding of long-term wildland fire management goals is the cycle of suppression appropriations, over-spending, borrowing, and partial repayment. With suppression funding accounting for approximately 70% of all Wildland Fire Program (Title IV of the Forest Service's budget) dollars spent, many have identified it as a primary source of concern. Current incentives do not encourage cost savings, and fire managers on the ground have something of a "blank check mentality". For example, in FY03, which was a relatively mild fire year, the FS was appropriated a total of \$351.9 million for suppression, including Congressionally authorized emergency appropriation funds. Still, suppression expenditures for that year were \$1,023 million, leaving a \$671.1 million shortfall which was covered only by transferring money out of other National Forest accounts. As the GAO noted in a recent report, when money is transferred out of other fire accounts, projects are frequently delayed or cancelled. Since HFRA does not authorize suppression-immune accounts, the suppression borrowing pattern is likely to interfere with HFRA-related hazardous fuels reduction money reaching the ground.

Secondly, effective planning requires realistic cost estimates for the work, but the current method for estimating costs is deeply flawed. Most cost estimates are given in a cost per acre format, even though costs in the southeast are vastly different from those in the west. Estimates in the literature range from \$31-\$2500, making any average essentially meaningless. Even two forests located along Colorado's Front Range, the Arapaho-Roosevelt (ARNF) and the Pike/San Isabel (PSI), show highly variable costs. In FY03, the ARNF was allocated approximately \$3.6 million for hazardous fuels reduction treatments; they treated nearly 5,000 acres, 87% of them in the Wildland-Urban Interface (WUI), and were able to use prescribed burn-

ing for 63% of the work. By contrast, the PSI got \$5.8 million (60% more than the ARNF), treated 18,869 acres (280% more than the ARNF) with similar WUI and prescribed burning percentages as the ARNF. The bottom line of these wildly different outputs is that it cost the ARNF \$736.74 per acre, more than double the \$311.14 it cost the PSI. As a result, the two neighboring forests are able to accomplish a vastly different amount of work with only slightly different pots of money.

Explanations for this disparity have been many and varied. Some insiders have suggested that the use of discrete dollars was more efficient in the PSI for administrative reasons, specifically the hiring of more new field staff instead of planners. Others interpret the results to be the inevitable result of the somewhat different terrain within each forest's boundaries. This explanation is based both on the PSI's perceived ability to treat larger areas at one time, and its harvesting of greater value product to help offset costs. Whatever the reason, these two forests are located in very similar forest types, have extensive Wildland-Urban Interface areas, and are able to burn as opposed to mechanically treat approximately the same proportion of acres; the difference in cost/acre highlights the tremendous variability in costs and accomplishments even within a limited geographic area. More research must be devoted to understanding the factors that influence costs, and thereby increase the agency's ability to accomplish more work with limited funds.

Finally, effective implementation of HFRA will be hampered by the limited funding devoted to the State & Private Forestry line. In 2001, federal planners identified 11,376 "communities at risk" (66 FR 751-777) as an indication of the extent of the land ownership problem facing fire managers. Since fire doesn't recognize ownership boundaries, private land must be integrated into landscape-scale problem definition and fire management planning. State forest officials therefore have a fundamental role to play in ensuring that public fire managers work across ownership lines. The development of cooperative management relationships to achieve these goals is of utmost importance, and the passage of money from the federal level to the state is a critical building block toward that end.

HFRA policy and implementation documents clearly state the critical importance of working across administrative boundaries, but those words simply cannot be matched by action unless funding backs intention. Policy objectives are only as meaningful as the resources assigned to support them. Federal reluctance to take responsibility for private actions is in many ways understandable, as it is rooted in American attitudes concerning private property; still, skyrocketing suppression expenditures suggest that taxpayers already foot the bill for private landowners who haven't taken the necessary steps to protect their properties. Funding hazardous fuels reduction exclusively on federal lands is incomplete and will ultimately undermine program success. The President's FY06 budget actually decreases funding allocated to State & Private Forestry, reducing it to a mere 3% of total money in the Wildland Fire Program. The Forest Service estimates that 59 million private acres in the "community protection zone" are at high risk, but the agency is powerless to address fuel treatment needs there with such limited funds. Increasing HFRA funding to state and private entities will go a long way toward communicating commitment, reducing fire risk and building capacity to bridge the public-private divide.

B. Performance Measures

To improve tracking of progress toward policy goals, the 1993 Government Performance Results Act (GPRA) requires federal agencies to integrate performance measures into their strategic plans. In the case of HFRA, the desired fire-related outcomes mirror those in policy documents in the National Fire Plan: "to reduce the risks of damage to communities, municipal water supplies and federal lands from catastrophic wildfire." But measuring risk reduction is complex and long-term; indeed, most outcomes, like the ones quoted above, tend to be programmatic and large-scale and, necessarily, difficult to assess. Outputs, on the other hand, are incremental steps toward outcomes; for example, if the outcome is reduced risk from fire, one output is "number of acres treated for hazardous fuels reduction." The implicit assumption, of course, is that the measurable output is an acceptable indicator of progress toward an un-measurable outcome. But The Wilderness Society's research suggests that, in fact, fire program outputs and outcomes rarely line up well.

Linking annual outputs to long-term outcomes is exceedingly challenging in any policy-making area. The many intervening variables between agency inputs and long-term outcomes are commonly called the "black box" of policy making. That is, differentiating the impact of one policy from other natural and planned phenomena that also have an impact is often impossible. In the case of land management, there are additional layers of complexity. For example, the desired outcomes themselves are oftentimes invisible; identifying "forest health", for example, has eluded scientific consensus in part because there are simply too many variables at play. Furthermore, the time horizon for ecological outcomes is oftentimes so long (decades,

generations, centuries) that annual outputs are rendered distant contributors. In short, ecological realities lend unique problems to land management agencies' attempts to implement GPRA.

The way the Forest Service currently measures hazardous fuels treatments is flawed. The measurement and reporting of acres treated has become something of a hallmark for demonstrating HFRA success to audiences both within the agency and to the public. Forests report the number of acres they treat, and track these acres both by method of treatment (prescribed fire or mechanical means) and location (priority Wildland-Urban Interface, or "other"). This measure is intended to demonstrate increased activity on public lands, more active management, and a concerted effort to reduce the risk from fire. The assumption is that reducing fuels will reduce fire risk, but this assumption is an excellent example of the confusion between outputs and outcomes. Does reducing fuels equal decreasing fire risk? An exhaustive search of the scientific literature reveals a scant number of studies on the topic, none of them conclusive. It is likely that reducing fuels is but one factor that contributes to landscape-scale, long-term effective fire management. Other program components, including fire use in appropriate locations and enhanced cooperation by private landowners, are equally critical for success. Still, the "acres treated" measure is widely used and is considered the primary proxy for assessing success in the highly funded (and highly publicized) hazardous fuels component of the fire program.

One way that the inclusion of performance measures influences activity on the ground is through incentives. Since so many key functions of the Forest Service's work defy easy quantification, managers operating under a system where their success is indicated by performance targets are drawn to performing those tasks that produce measurable outputs rather than those tasks that might be more important yet less tangible. Any agency that depends on a limited number of measures to define its ability to meet target goals will go to great lengths to demonstrate success. For performance measures to guide fire management effectively, they must be understood not merely as reporting tools for work that has already been completed, but as incentives to influence what work will get done in the first place. Likewise, policy-makers should bear in mind that a manager who chooses to perform a given activity, like fuels reduction, does so only by also choosing not to perform other necessary work that is either less well funded or less easily captured by performance measures. The opportunity costs of incentive-driven behavior are real. Performance measures must be constantly reviewed and adjusted to produce the best results.

Lastly, this heavy reliance on performance measures as indicators of HFRA implementation success places a lot of pressure on managers to report their work consistently and accurately so that it may be included in national level totals and reported to the American public. Research conducted by GAO, Forest Service employees, and The Wilderness Society comes to identical conclusions: the agency is still struggling to measure and report with necessary rigor. Prominent among the many data collection problems is the protocol whereby forests report acres as "treated" when they go under contract, not when the acres have actually been burned or thinned according to prescription. Defenders of this practice point out that it is the job of the USFS to develop contracts and negotiate with private entities to get the work done, not necessarily to do the work themselves. Once a parcel of land has successfully gone under contract, the money is placed in an "obligated" category and considered effectively spent in that fiscal year despite the many months or years that will likely transpire before the actual work is complete and payment is made.

For example, in FY03 the Arapaho-Roosevelt reported having treated 4,957 acres. However, of those, 1,505 (30%) were merely contracted to outside entities. Nearly 2/3 of the work was accomplished internally and therefore verified as completed; the rest of the work was almost certainly not done by the end of the fiscal year, but since the contract administration for the job was, it was recorded as complete. These practices may make sense administratively but are quite misleading for the public. In Washington DC, acreage numbers are consolidated and loudly reported as annual accomplishments; these accomplishments are then used to tout success and justify continued funding for the program. For example, to demonstrate the success of the Healthy Forests Initiative in treating hazardous fuels, the Washington Office announced that the agency had treated 335,000 acres in 2004, and of those 126,300 were in the high-priority WUI. If the above 30% rate is consistent throughout the agency, then in fact only 234,500 acres were actually treated that year.

Other data collection habits are equally problematic. For example, forests track acres treated by location, type of treatment, and more recently have also begun to record fire regime and condition class changes. In many cases, acres get counted twice or even three times. A single WUI acre might be thinned one year, burned the next, and contribute to a landscape-scale condition class change. Most readers

of the data would easily conclude that three times as much terrain had actually been treated, since the treatment of that single acre would appear in several columns over two different years. If the agency seeks to improve public trust and strengthen accountability within its own ranks, then reporting practices must be tightened.

II. Collaboration (Process)

Direction for the Forest Service's use of collaboration in the implementation of HFRA comes specifically from the 10-year Comprehensive Strategy Implementation Plan. Facilitated by the Western Governors Association and created by a stakeholder group in 2000, the Strategy was the first place to codify the term "collaboration" in a formal policy document. In that piece, the authors include collaboration not only in the title, but in the short list of "core principles." The framework for collaboration presented there stresses the importance of communication "across public and private lands, administrative boundaries, geographic regions, and areas of interest" and reminds readers that "successful implementation will include stakeholder groups with broad representation."

The 2001 Federal Wildland Fire Management Policy, often considered to be the backbone of the National Fire Plan, also weighs in on collaboration. The Policy notes that "uneven collaboration" has contributed to unsuccessful implementation of the 1995 Fire Policy. Likewise, the Government Performance and Results Act, the law that guides agency planners to integrate performance measurement into its strategy, requires "consultation" with stakeholders. Similar guidance on process is present in each of the policy documents associated with the National Fire Plan. There is widespread consensus that an inclusive collaborative process is integral to the implementation of HFRA and essential for its success.

A. Funding

If collaboration is so prominently featured in policy documents, one might expect there to be a line item in the budget to support the enactment of this ideal. At the very least, the agency's commitment to collaboration should be visible in investments in capacity-building. Unfortunately, this is not the case. The USFS's National Partnership Office has one employee, reflecting less than wholehearted financial support for the development of better collaborative tools. This Partnership Office Director reports that at the national level, interagency cooperation is strong and thriving like never before. These relationships, though, are more "partnerships", characterized by the building of coalitions among entities with similar interests. Building inter-agency relationships is absolutely critical, and these recent cooperative efforts are worthy of accolades.

True collaboration, however, is the building of coalitions among entities who often harbor different interests and objectives. At the local level, there are some collaborative success stories. Forests in many areas regularly foster long-term advisory panels consisting of local citizens. HFRA asks communities to prepare "Community Wildfire Protection Plans," thereby bolstering opportunities to connect local governments, fire planners, and interested citizens. Stewardship Contracting also encourages this kind of group formation in its "multi-party monitoring" requirement, a provision that encourages the formation of stakeholder groups to help determine where, when, and how projects will be conducted. These developments, too, have the full support of The Wilderness Society and represent significant progress in the implementation of the collaborative ideal.

One missing link is regional level collaboration. The gap is significant and represents a missed opportunity to engage regional interest groups and citizens at the ecologically important landscape-scale. A rare example of progress in this arena comes from an example close to my home: Colorado's Front Range Fuels Treatment Partnership was hailed last year by Montana governor Judy Martz as "the best example [in the state] of cross-jurisdictional collaboration, planning and implementation on forest health."

At all levels, agency planners are torn between investing limited dollars on collaboration efforts or spending them on treating acres. Citizens are burdened by the time and resources needed to maintain community organizations dealing with fire. Perhaps most critically, the preparation of Community Wildfire Protection Plans is outside the capacity of many low-income communities; as a result, the land management agencies implicitly prioritize the protection of more well-to-do areas that are able to furnish their own funding to support this type of planning. For collaboration to succeed, financial support must back the policy ideals.

B. Performance Measures

The 10-Year Implementation Plan tried to provide land managers with guidance by matching its stated goals with performance measures. However, measuring collaboration is elusive and the Plan offers nothing specific to guide participants. There

is only one performance measure which even comes close to assessing collaboration success: Goal 4, to “promote community assistance” seeks to improve community capacity and suggests counting the “% of communities at-risk that initiate volunteer and community funded efforts.”

The current wildland fire management program offers scant opportunities to assess managers’ success at establishing lasting collaborative processes. It may be argued that collaboration is not an end in itself, and instead should be seen as a way to achieve more substantive work which is then measured. But one of the unfortunate results of this gap in performance measurement is a fire management administration that is understandably reluctant to invest in such an expensive and time consuming activity as collaboration. Performance measures thus function as powerful incentives for decision-making, in this case by omission. Agency personnel will respond to incentives by directing limited resources toward places where efforts will be recognized and away from places where investments are invisible.

Recently released performance data for the USFS presents some confusing data on this issue. Under Goal #1 of its long-term Strategic Plan, to “reduce the risk from catastrophic wildfire”, the agency lists the following performance measure: “Number of acres of hazardous fuels treated in the wildland-urban interface and percent identified as high priority through collaboration consistent with the 10-Year Comprehensive Strategy Implementation Plan.” As discussed in this testimony, the Implementation Plan directs planners to include all manner of stakeholders, including community groups as well as state, local and national government entities. In response to this measure, the USFS reports that in 2002 (their baseline year) they had nothing short of 100% success at meeting this collaboration target. Is the agency truly claiming that every one of the 764,367 acres they treated that year was identified as high-priority through collaboration? This cannot be true. Copious evidence suggests that gaps in collaboration implementation are widespread. To publish inaccurate data is to compromise trust-building and hamper implementation success. After all, if current collaborative efforts are achieving 100% of desired targets, then there is no room for improvement.

In sum, the lack of funding for collaboration, lack of national-level guidance, and lack of effective performance measures all contribute to incomplete implementation of the collaboration ideal.

CONCLUSIONS

With funding for hazardous fuels reduction already unstable due to overflowing suppression spending, it is perhaps not surprising that there isn’t money left to support the inclusion of private landowners at risk and the development of better collaborative processes. But such funding must be made available if HFRA’s policy ideals are to be implemented.

Funding streams are rightly matched with accountability structures like performance measures. Indeed, incentives are nearly always embedded in policy direction. Those who develop such incentives must re-double their efforts to tighten the link between what is being encouraged, the opportunity costs of those management actions, and the overall policy goals. The first step is to identify which measures work and then eliminate those that are either not being tracked successfully or result in undesirable outputs. From there, policy makers can craft new measures to better capture the wide variety of activities under the fire management umbrella, carefully monitor how well they are working, and continue to update them indefinitely. Too much tinkering will result in measures that are not comparable across years, and to the degree possible consistency should be sought. As measures are tightened, agency planners must rigorously keep in mind the difference between outputs and outcomes. The difference between the two speaks to the need for more funding devoted to research that can help support links between individual projects at the forest level and over-arching land management objectives. Separating the two will also help agency communicators better reach both internal and external audiences, and thereby build trust with the public.

It is unlikely that any magic bullet will effectively remedy the reporting difficulties that continue to plague the USFS’s implementation of performance measures. Performance measures simply do not work if they are not accurately tracked and reported; improving accountability is only feasible if results are consistently and accurately communicated to a variety of audiences.

To improve the chances of HFRA implementation success, adjustments need to be made not to the policy documents themselves, but to the implementation guidance and many supporting protocols. So many factors that contribute to our current wildland fire “problem” are largely beyond federal control: drought in the west, climate change, development in the Wildland-Urban Interface, and decisions made by private landowners who live in risk-prone areas. Targeting process (collaboration)

and outputs (acres treated) are two things we can influence. Reform of the supporting governance structures, including funding streams and incentives created through performance measurement, will go a long way toward realizing the potential of HFRA to protect communities from the risks of wildfire.

Mr. WALDEN. Thank you. I want to commend you on your testimony. Our staff has reviewed it in depth, and I have seen it and intend to read it more carefully on the flight to Oregon tonight, but it is very thorough and very helpful. You caught some things that, frankly, we wish we would have caught. I have to tell you, though, that I spent my freshman term on the Ag Committee. We had the Forest Service before us. That was in 1999. The General Accounting Office came in and made a presentation about the accounting system failures within the Forest Service, and I will always remember they said, "It is so bad we couldn't finish the project," and that it is as if Region 6 had a specialized piece of John Deere equipment, and they loaned it to Region 2. Region 2 counted it once, and Region 6 counted it twice.

I mean, it was one of those, just a mess. And I remember saying, "Is anybody held accountable?" when the chief of the Forest Service, then chief—I think it was Mike Dombeck was there—"Anybody held accountable?"

"Well—"

"Anybody been reprimanded?"

"No."

"Anybody been fired?"

"No." And I had just come off five years on a community bank board where, you know, you are regulated, and I was on the Audit Committee a while, and it just astounded me that our books were in that bad of shape. They would take their receivables against their—it was like their payments against their receivables. It was like you took your checkbook and just sort of ran an average of how far you thought you were off and applied it to the whole thing. I mean, it was that—these are statements out of the GAO.

Since then, though, these agencies have brought in some of the best accounting minds on the planet, hopefully, and they have made a lot of progress. What you have identified indicates there is more to be done, but if you think what you found is bad—

Ms. GREGORY. I can confirm that some of the problems still exist.

Mr. WALDEN.—you would still be looking for the first blank check, if you had started five or six years ago on this. So we appreciate the work you have done on it. You have raised some very valid points—some I have raised about how are we counting those acres treated? And I, also, recognize that part of a treatment regime may require multiple processes over years.

Ms. GREGORY. Absolutely.

Mr. WALDEN. But then we need to ID that and understand what we are counting and what we are not.

Ms. GREGORY. That is exactly right.

Mr. WALDEN. So I appreciate that and the collaborative approach information is very helpful as well. I put together, after this Act was passed, as Lena can tell you, three community forums in each region in my district down in Medford, in Central Oregon, and then up in Eastern Oregon, to bring together, you know, the people who

I thought would be, initially, at least putting this together—the agencies, the local Governments, and then had open public forums to tell them let us get after this. It is a really important tool you have been given to locally pull everybody in and try and write a plan that works and give the agencies some guidance. You live there, recreate there, let us try and get it right.

So, anyway, I appreciate your comments and, obviously, those of our other two witnesses.

Mr. Cummins, as the House Resources Committee considers modernizing and updating the Endangered Species Act, which is somewhat off-topic, but not really, do you have any suggestions for us? As you know, there are some broad-based interests now in taking a look at how we can make it work better than it works today. You mentioned I think the posters outside there.

I think you need to turn your microphone on, though, so that the rest of the world can hear you.

Mr. CUMMINS. My accent is bad enough.

[Laughter.]

Mr. CUMMINS. The Healthy Forests Restoration Act has really kind of set the table, especially with Title V. And in terms of recommendations, you mentioned you were on the House Agriculture committee, in your time serving on that committee, there are a lot of different programs, Conservation Reserve, Wetlands Reserve, Grasslands Reserve. Those programs can be tweaked, and not a lot, to provide some pretty significant benefits to T&E species. So I would encourage you to work with your colleagues on House Ag.

I would, also, encourage you to look at one problem that is not addressed that much are invasive species, and whether you are in the West or the Southeast or New England, we have a tremendous amount of problems looking at incentives and especially through the tax code, utilizing tax credits, tax credits that can be transferred from one landowner to another. That way it doesn't penalize a small landowner. Those are different types of things that I think will all certainly aid in recovery and really help strengthen and update the Endangered Species Act.

Mr. WALDEN. I appreciate that, and I appreciate your reference to the invasive species. A number of us on this committee, in working with Senator Craig, passed some legislation. I was astounded to learn we are losing about 4,500 acres I think a day to invasive species, noxious weeds that are taking over our rangelands, and clogging our little streams. I mean, Purple Loosestrife is a beautiful little blooming plant until you realize it has choked every stream in your neighborhood and destroyed them. And so we have a lot of work to do there.

Mr. CUMMINS. Cogan grass is a very damaging invasive species that occurs in the Southern Coastal Plain, and it is really damaging a lot of our forest lands, either Louisiana Pacific, International Paper, et cetera. So we are seeing a lot of that in the South.

Mr. WALDEN. As you know, the Healthy Forests Restoration Act caps its provisions after we have treated 20 million acres. There are estimates of up to 190 million acres of Federal forest lands that need some sort of restorative work or subject to catastrophic fire or disease or whatever. I would just be curious, in the little time

I have left here, what you all think about that limit and whether, as we move forward, that is something we should consider expanding.

Is there any scientific reason to keep a lid on it at 20 million acres, when most will tell you it is significantly more than that?

Mr. Cummins?

Mr. CUMMINS. Well, if I have cancer, I want all of it gone, and I think we need to work toward treating the acres that need treating no matter what the cap is, and I don't think we should restrict ourselves either based on a certain acreage limit. Let us restrict ourselves based on the limit of the problem.

Mr. WALDEN. Ms. Tucker?

Ms. TUCKER. I think it is hard to arbitrarily set a limit on what you should treat. Really, we should look at priorities, and what we are doing now is prioritizing those high-risk areas next to the urban interface, and from there we work out into areas that strategically make sense to treat for the fuels load out there. It is kind of like how do you set the fuel break around the community? Is it a quarter of a mile, is it a half a mile?

Mr. WALDEN. Right.

Ms. TUCKER. In the face of the Biscuit fire, where fire managers out there saw it move nine miles in one day, you know, a quarter of a mile might not cut it for a fuel break or as to how far you go out there, so you just have to look at the fuel loading, the terrain, the weather, what is happening in a specific area and make a site-specific plan for it.

Mr. WALDEN. It sounds like that wouldn't even be a fire pause let alone a fire break.

Ms. Gregory, what is your view on that?

Ms. GREGORY. Before we go beyond 200 million acres, I think we—

Mr. WALDEN. It is 20 million.

Ms. GREGORY. Sorry—20 million.

Mr. WALDEN. If you would like to limit it at 200, we might cut a deal right here and now.

Ms. GREGORY. Before the limits of the act, as it exists, I think we need to focus more of the money into the wildland-urban interface by getting that money to communities as they need protection. We are so far from meeting those goals, the existing goals, that I think it is a difficult proposition to consider a real one.

Mr. WALDEN. But would the fact that a true collaborative approach takes time—

Ms. GREGORY. Yes.

Mr. WALDEN. I mean, I would hate to bump up against it. We are going to wait for money no matter what, I think, in this process. There is never enough no matter what program you are talking about. Certainly, this is expensive, but saves us long term. I guess that is why I am starting to think forward saying, you know, it wouldn't take us that long to figure out 20 million acres, four or five years, maybe, and collaborative approaches and appeals can take that.

Ms. GREGORY. Well, as Ms. Tucker suggested, 600 communities she said have completed their Community Wildfire Protection Plans out of an estimated 11,000 communities at risk. So the need

there is tremendous, and the Federal support in the form of funding isn't there, and it is certainly slowing some communities down. So I would recommend that the money go toward those needs first.

Mr. WALDEN. So not lift the cap yet.

Ms. GREGORY. Not yet, no.

Mr. WALDEN. All right. I have exceeded my time.

My generous colleague, Mr. Udall?

Mr. TOM UDALL. Thank you, Mr. Chairman. I very much appreciate having the panel here today.

Ms. Gregory, you talked a bit about collaboration, and we all, I think from the West, understand the importance of it. And I think you mentioned that there were problems as far as policy guidance. Could you flesh that out a little bit more and how you think we could improve in that area?

Ms. GREGORY. Yes, I could. Thank you for the question.

There is a great deal of confusion, as I mentioned, between inter-agency coordination and true community collaboration, as described in the 10-year Comprehensive Strategy Implementation Plan, which is what is referenced in HFRA as the guiding definition of collaboration.

I am very perplexed by a statistic that I read in the Forest Service Strategic Plan and I heard repeated here today by Mr. Rey that he suggested that 97 percent, the strategic plan actually says 100 percent of acres that were treated were done so—were identified as a priority under a collaborative process. That seems, to me, to be simply impossible that we have 100-percent collaboration success at this point. If we did, it would seem there is no room for improvement, and I think everybody agrees that there is, in fact, a great deal of room to better institute a collaborative process at all levels, particularly the local and regional levels of organization. To do that, we need to back our calls for that with both funding and guidance.

So, for example, the National Partnership Office here in Washington has one full-time employee. From what I understand, there are maybe two regional offices with half-time employees devoted to better understanding and implementing collaborative process. We can certainly do better than that, and there are communities trying to develop protection plans. There are regional level bodies that could certainly use the support and guidance of somebody with some expertise in what collaboration is and how to do it well.

Mr. TOM UDALL. So one of your recommendations would be to increase the number of personnel that actually work on forest collaboration.

Ms. GREGORY. That would be great.

Mr. TOM UDALL. Because you are talking about very small numbers right now.

Ms. GREGORY. If we had one person in every regional office, we would be looking at, what, nine people? And that would give a point person in every region for groups that needed some assistance or support. That would be a big step.

Mr. TOM UDALL. In your opinion, does the Fiscal Year 2006 budget reflect progress in the areas that you recommend, such as State and private forestry?

Ms. GREGORY. No. As a matter of fact, the funding for State and private forestry has moved in the opposite direction. For the last five years, the average State and private forestry has represented about 7.5 percent of money allocated to wildland fire management. In the 2006 budget, it is down to 3 percent. So we are actually giving less money to communities where the need is greatest. And I think, as you said in your opening remarks, the money should follow the threat.

Mr. TOM UDALL. Could you just outline for us a little bit the size and the magnitude of the threat that there is on State and private land compared to, say, on Federal land?

Ms. GREGORY. I think the numbers are a little bit uneven, depending on the source, but absolutely everybody agrees. The Forest Service's own data suggests that maybe 40 percent of land at risk are on private land. Research done by The Wilderness Society suggests it is much higher than that. In any case, it is disproportionately underfunded compared to the amount of money going toward treating hazardous fuels on Federal lands.

I strongly believe that unless we better empower communities to be partners in that effort, we won't solve the fire challenge that is facing us, and we won't effectively reduce risks to communities.

Mr. TOM UDALL. Great.

Mr. Chairman, thank you, and I think this has been a very productive hearing today, and I appreciate it.

Thank you.

Mr. WALDEN. Thank you. I appreciate your participation in it—

Mr. TOM UDALL. I thank the witnesses on the third panel.

Mr. WALDEN.—and that of our witnesses as well, all of our witnesses. Obviously, the record will stay open in case any of the other Members who couldn't come back or stay with us all day have questions, and we appreciate your responses to those. We appreciate the research you all have done and your counsel and guidance in this.

I, also, want to recognize Richard Cook, who is with us today. He is a Fellow from the U.S. Forest Service helping out the Committee. This is his first hearing, so we appreciate his help.

And it was, also, Megan's first hearing, I am told, for the Minority, and we appreciate the great job she did.

So thanks for being here. We appreciate all of the input. We have a lot of work to do, and we will, in this Committee, I intend to run a fairly aggressive operation to deal with these problems. That is our job and our responsibility, and I think together we can continue to find good solutions that will work for our forests and our future.

With that, the Subcommittee is adjourned.

[Whereupon, at 2:20 p.m., the Subcommittee was adjourned.]