

**Natural Resource Agenda--
Pathway to the Future**



United States
Department of
Agriculture

Forest
Service

Washington
Office

14th & Independence SW
P. O. Box 96090
Washington, DC 20090-6090

File Code: 1900

Date: March 2, 1998

Subject: Forest Service Natural Resource Agenda

To: Regional Foresters, Station Directors, Area Director, IITF Director,
Deputy Chiefs, and WO Staff

REPLY DUE: MARCH 13, 1998

This morning I presented the details of the Forest Service Natural Resource Agenda in a speech before Forest Service employees and retirees here in Washington. This agenda is the result of many hours spent with you, our employees and our constituents, listening, reading, discussing, and debating. Now, I am putting these ideas into action to focus and improve our ability to deliver on our mission of "Caring for the Land and Serving People." Please take time now to read the speech attached to this letter. I believe it accurately reflects our shared ideas and vision.

The agenda provides a vision for the long-term future of the Forest Service, and clearly identifies specific areas where we will give added emphasis now. These emphasis areas are watershed health and restoration, forest road policy reform, sustainable forest management, and recreation. Focusing our efforts and showing achievement in these areas is essential in gaining and maintaining public support for all of our programs. Building understanding and commitment to our future within our own work force is critical to our success in implementing this agenda.

Because I believe the agenda is an important contribution to public understanding and support for sound resource management, I ask that you communicate this speech and the ideas presented by the agenda to as wide an audience as possible both inside and outside the agency. I further ask that as you share the agenda, you carefully observe how people react. Are they supportive of the emphasis areas and the actions we propose? How do people want to participate with us in fulfilling the action items? Do our partners embrace the ideas? Do they have concerns, and what are they? As I visit Forest Service units this spring and summer, I look forward to hearing what you have learned and what your ideas are for ways to work together with our employees and our many partners in implementing the agenda.

I also ask that Regional Foresters, Station Directors, the Area Director, and the IITF Director collaboratively identify several on-the-ground projects in each Region where we are successfully implementing the ideas in the agenda. I ask that you make plans to visit these projects, and recognize Forest Service employees and their partners for the work they are doing. Please provide my office, attention Leslie Weldon, your schedule of visits, along with a short description of the project and your assessment of the value of my participation, or the participation of other senior Forest Service leadership in the visit by March 13. I and other members of Executive Team here in Washington intend to participate with you in a number of these visits.

By separate letter, I am forwarding the National Communication Plan for the Natural Resource Agenda. Please review this plan with your communication staffs and your leadership teams. Look for opportunities to implement actions called for in the plan. Do not wait for specific requests from Washington before taking action. Use the national plan as a guide for developing your own Regional, or Station communication effort around the agenda.



A lot of outstanding people assisted with the development of the Forest Service Natural Resource Agenda. I know it was difficult for these people, and their units to take on additional assignments or details on short notice. But I assure you the effort was worthwhile. I appreciate their hard work and your support of their efforts. Their hard work and diligence will pay handsome dividends for the agency.

Thank you for your continued support.

A handwritten signature in cursive script that reads "Mike Dombeck". The signature is written in black ink and is positioned above the printed name and title.

Michael P. Dombeck
Chief

Attachment



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Dear Colleague,

This morning I presented the details of the Forest Service Natural Resource Agenda to employees and retirees here in Washington. The agenda sets the future direction for the agency, as we head into the 21st Century. It calls for increased emphasis in four key areas: watershed health and restoration, forest road policy reform, sustainable forest management, and recreation. This agenda is the result of many hours spent with you, our leadership and our employees, listening, reading, discussing, and debating. Now, I am putting these ideas into action to focus and improve our ability to deliver on our mission of "Caring for the Land and Serving People." This speech is available to you now, through the internet at the Forest Service home page at the web address listed below. I encourage you to take a moment to review it. I believe it accurately reflects our shared ideas and vision.

As you read the speech, I think you will recognize some familiar themes. Partnerships, collaborative stewardship, accountability, and financial health continue to be the foundation of the agency's day-to-day operations. Combined with the four emphasis areas, the agenda is a powerful statement about the role the Forest Service will play in conserving and protecting our Nation's natural resources.

But the agenda is more than just a vision, it is also an implementation guide. In it I clearly lay out specific actions in each of the emphasis areas that are or will be part of the agency's budget requests over the next several years. While some actions will require congressional approval, others are entirely within the agency's authority. For those items requiring further collaboration with others, we will continue to seek concurrence. For those actions that are entirely within agency control, we will move ahead immediately.

Starting today and over the ensuing months, I encourage you to discuss the Agenda with your colleagues, and your friends. I look forward to hearing your ideas on ways we can work together to meet mutual goals by implementing the Agenda. To assist in understanding the agenda, I am establishing an internet site at www.fs.fed.us/news/agenda/. There you will find my speech, and as available, background papers, commonly asked questions and answers, and other items of interest.

I hope that as you have the opportunity to learn more about the agenda, you will begin to see the numerous opportunities it presents for us to work together on significant and needed projects. I look forward to sharing ideas with you soon.

Sincerely,

Michael P. Dombeck
Chief





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To: All Forest Service Employees

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As you read the speech, I think you will recognize some familiar themes. Partnerships, collaborative stewardship, accountability, and financial health continue to be the foundation of all that we do. Combined with the four emphasis areas, our agenda is a powerful statement about the role the Forest Service will play in conserving and protecting our Nation's natural resources.

The agenda is more than a vision for the future: It is also an implementation guide for what we do now. In it I clearly layout specific actions in each of the emphasis areas that are or will be part of our budget requests over the next several years. While some actions will require congressional approval, others are entirely within our authority. For those items requiring further collaboration with others, we will continue to seek concurrence. For those actions that are entirely within our control, we will move ahead immediately.

Starting today and over the ensuing months, I encourage you to discuss the agenda with your colleagues, your friends, and your neighbors. As I visit Forest Service units this spring and summer, I look forward to hearing your ideas on ways to work together with our many partners in implementing the agenda.

To assist in understanding the agenda, I will soon establish an internet site at www.fs.fed.us/news/agenda/. There you will find my speech, and, as they are available, background papers, commonly asked questions and answers, and other items of interest. I am confident that as you have the opportunity to learn more about the agenda, you will embrace it as I have.

Thank you for your continued support, and I hope to see you soon.

Michael P. Dombeck
Chief

Attachment





USDA Forest Service - Natural Resource Agenda Pathway to the Future

The USDA Forest Service has defined a Natural Resource Agenda consisting of four emphasis areas, which are focal points for Agency programs.

- Watershed Health and Restoration
- Sustainable Forest Management
- National Forest Roads
- Recreation

In order to accomplish this agenda, the Agency is focusing on several specific programs and initiatives. The following material provides a concise overview of key items. Each plays an important role in moving the Agency forward in one or more of the Natural Resource Agenda areas.

There's an old saying that "If you don't know where you are going, any path will take you there." Fortunately, the Natural Resource Agenda provides a clear sense of where the Agency is going and the key items addressed in this material are stepping stones in the path to get there. Together, they serve to transform the goals of the Natural Resource Agenda into reality.

USDA Forest Service--Natural Resource Agenda Pathway to the Future

Watershed Health and
Restoration

Sustainable Forest
Management

National Forest Roads

Recreation

Clean
Water
Action
Plan

Budget
Highlights

Forest
Roads

Forest
Planning
Regulations

Infra-
structure

Collaborative
Stewardship

Lands
Legacy
Initiative

Trust
Funds

Recreation
Fee
Demo.

Payment
to
States

Land
Health





Budget Highlights

The Forest Service's FY 2000 President's Budget request for discretionary appropriations totals \$2.7 billion. The President's Budget supports the Forest Service Natural Resource Agenda and is tiered directly to the Government Performance and Results Act Strategic Plan, which will ensure sustainable ecosystems, provide multiple benefits and ensure organization effectiveness.

Watershed Health & Restoration: +\$48.6 million

- Provide additional 963 miles of stream restoration or enhanced fish habitat.
- Provide additional 10,165 acres of soil and water resource improvements.
- Provide additional 4,590 acres of noxious weed treatment.

Sustainable Forest Management: +\$113.2 million

- An estimated 150,000 acres will be acquired through the Lands Legacy Initiative.
- Increases will focus on reducing resource losses and enhancing protection of the urban/wildland interface.

Roads: +\$22.6 million

- Increase the percent of system roads being maintained to full service level to 22% in support of the Clean Water Action Plan.

Recreation: +4.9 million

- Additional Recreation Demonstration Funds Available (\$25 million) to improve visitor experience and perform deferred maintenance. (Not part of appropriated funds).

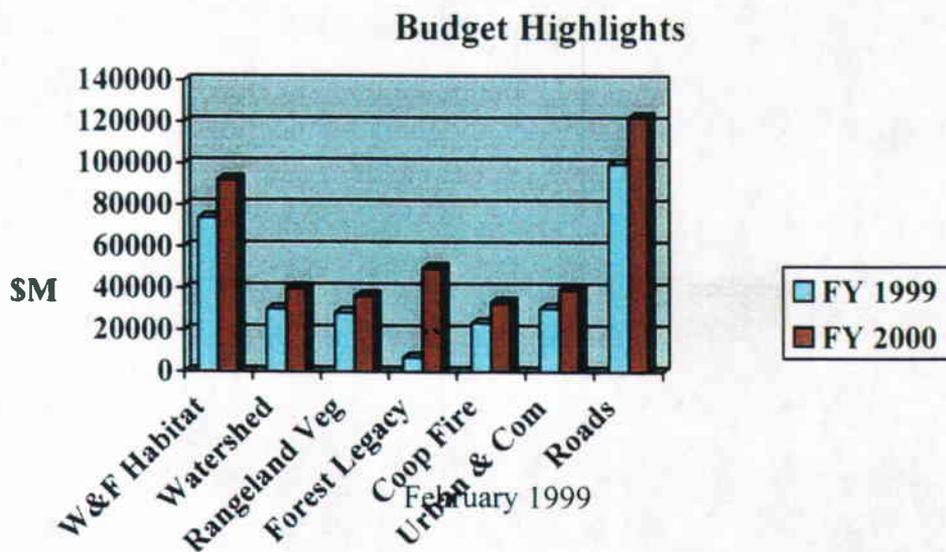


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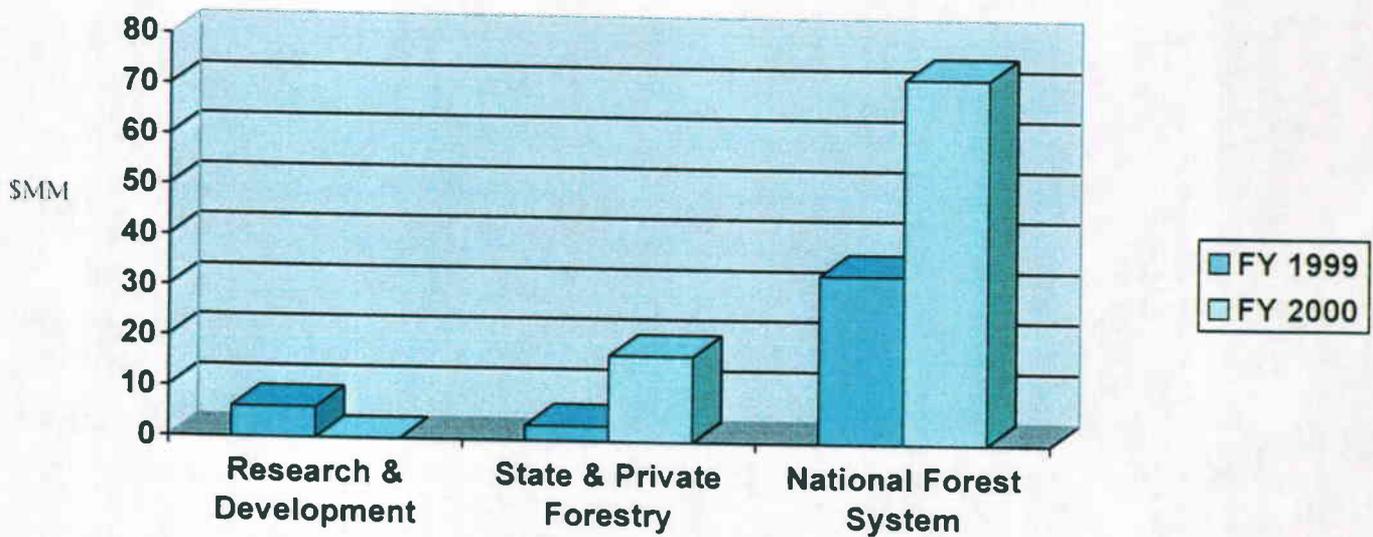
Clean Water Action Plan

The USDA Forest Service is a key player in the Federal Clean Water Action Plan. The Clean Water Action Plan directs federal agencies to manage federal lands on a priority watershed basis and to work cooperatively with states and tribes in determining priority watersheds where protection and improvement programs will be focused.

Action Plan Objectives

- Protect public health
- Enhance natural resource stewardship
- Address polluted runoff
- Improve public involvement

Annual Funding Increases



Annual Funding Increases

Year	R&D (SMM)	S&PF (SMM)	NFS (SMM)
FY 1999	6	3	33.3
FY 2000	0	17	72.4

USDA Forest Service Accomplishments in FY 1998

- Restored 1,837 miles of streams.
- Completed environmental restoration work on 1,400 miles of roads.
- Decommissioned 2,099 miles of roads.
- Improved soil and water resources on 38,497 acres.
- Worked with 8 other federal agencies to develop an agreement to assist states, tribes, and local governments to develop and implement safe drinking water plans.
- Worked with 6 other federal agencies to draft a Unified Federal Policy to enhance watershed management for protection of water quality and health of aquatic ecosystems on federal lands.

What's Ahead?

- Continued on-the-ground restoration and improvement activities.
- Implementation of Unified Federal Policy.
- Restoration of watersheds impacted by abandoned mines.



Lands Legacy Initiative

The USDA Forest Service is participating in the Lands Legacy Initiative.

FY 2000 Budget

The Forest Service FY 2000 budget proposal focuses \$218 million on the Lands Legacy Initiative:

- \$50 million for the Forest Legacy Program;
- \$118 million for Lands Acquisition Program;
- \$40 million for Urban and Community Forestry; and
- \$10 million for Smartgrowth activities through the Stewardship Incentive Program.

Forest Legacy Program

In partnership with interested states, this program protects environmentally important lands threatened by encroaching development. Acquisitions and conservation easements in high-priority areas counteract increasing patterns of forest fragmentation, maintaining critical habitat for threatened species in a non-regulatory manner and improving water quality and quantity cost-effectively. The working character of the land can be sustained, while assuring future generations the same healthy and productive forests.

Forest Legacy Program

Acres Protected 1999	Acres Protected 2000
9,000	150,000

Land Acquisition Program

Funded through the Land and Water Conservation Fund, this program focuses on building and protecting the National Forest System for future generations. The lands identified for acquisition contain important resources and serve as critical building blocks in protecting sensitive ecosystems and providing a quality outdoor recreation experience. Many of the priority acquisitions are located near urban populations and congressional designated areas such as National Recreation Areas, Wild and Scenic Rivers and Wilderness Areas.



Urban and Community Forestry

This program protects and enhances precious forest resources in towns and cities, where 80% of the nation's population resides. The activities will generate important economic benefits, minimizing heat sinks and related energy costs, reducing airborne pollution and stormwater flooding and increasing urban recreation opportunities. More than a quarter of all communities in the country participate in the program. And, more than 2.5 million hours of volunteer efforts will be leveraged through this program, showing just one of the many ways it contributes to stronger, healthy communities.

The Smartgrowth Initiative

This initiative--delivered through the Stewardship Incentive Program--establishes a green trust partnership enabling communities and underserved groups to protect and invest in open space, limit sprawl and enhance air and water quality protection. Through a revolving loan program, funding will promote responsible land-use policies and patterns and transform underproducing forest lands into healthy, productive forests.

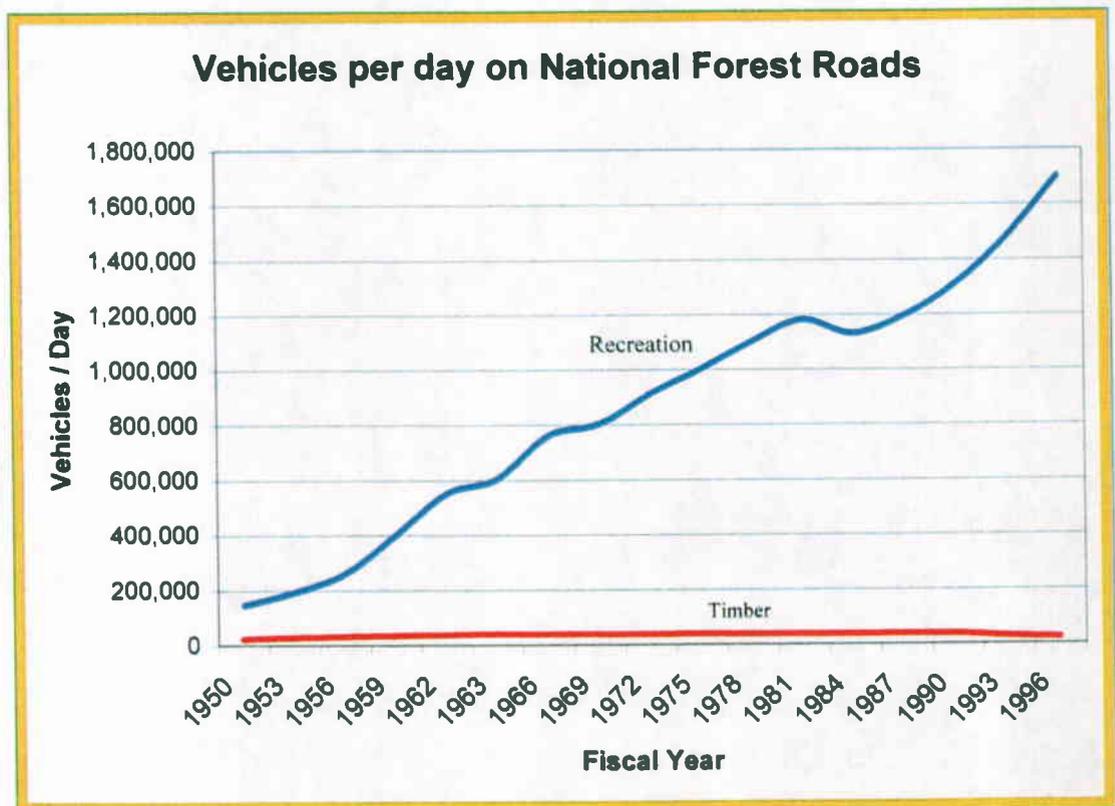


Forest Roads

The USDA Forest Service administers a vast transportation system (approximately 380,000 miles of road) which is in a deteriorated condition and does not meet today's environmental and safety standards.

Vehicle use is increasing and predominantly recreation oriented.

- Recreation use now accounts for more than 90% of the total traffic on primary roads.
- USDA Forest Service is the #1 provider of dispersed recreation.

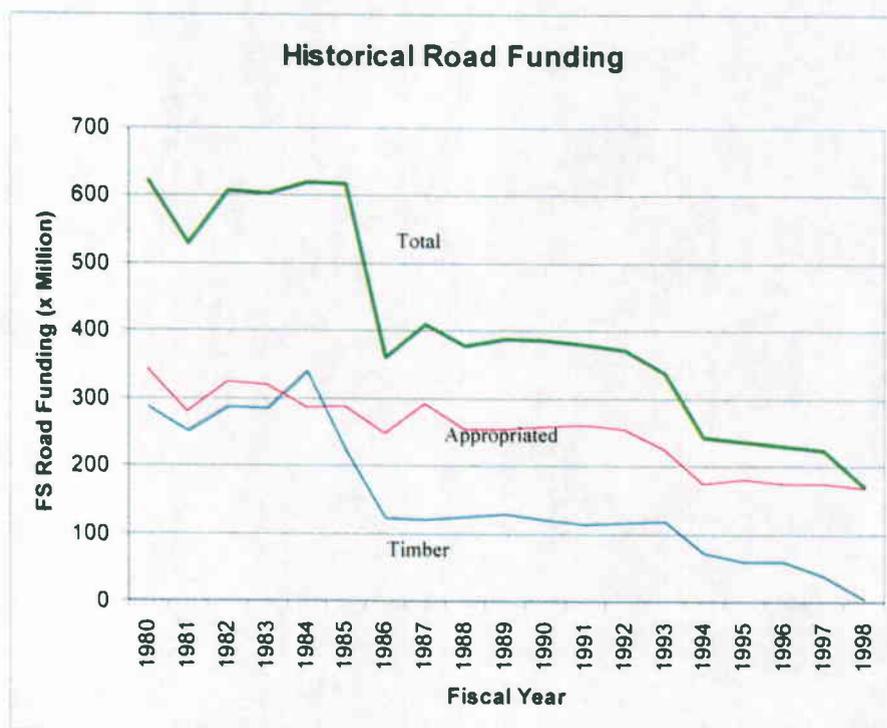




Road funding is not meeting critical needs

As per the Report to Congress on Roads Backlog:

- Annual maintenance needs ¹
 - \$197 million - critical needs (immediate threat to health and safety, resources, and mission)
 - \$568 million - total needs
- Deferred maintenance and capital improvement backlog ²
 - \$8.4 billion



¹ The FY 2000 budget level of \$122 million is 20-25% of annual needs. Previously the agency estimated that this would meet 40% of annual needs. Reduction occurred due to deteriorating conditions, escalating backlog, and because field surveys not previously available have now been conducted.

² This years estimated backlog is \$8.4 billion. Reduction from previous estimate occurred due to recent field inventory as requested by Congress. This was first comprehensive effort to identify needs in decades (complete inventory on 2% random sample - accuracy plus/minus 20%.)



- **Short Term Actions**

- Issue interim roads rule
- Gather public input
- Pursue restoration of roads to prevent environmental degradation
- Eliminate purchaser credit
- Identify roads eligible for Highway Trust Funding

- **Long-Term Strategy**

- Issue new roads policy
- Build partnerships with federal, state, and local agencies
- Become a Public Roads Agency to qualify for Highway Trust Funding

- **Accountability**

- Implement INFRA (corporate data base for infrastructure)
- Prepare annual report of deferred maintenance needs
- Utilize GPRA (Government Performance and Results Act)
- Develop a business plan for road management



Final Interim Rule

The final interim rule was published in the Federal Register on February 12, 1999. The final interim rule temporarily suspends decision making regarding road construction and reconstruction in many unroaded areas within the National Forest System.

Why Do We Need A Temporary Suspension?

- To give the Forest Service time to develop a long term transportation policy.
- To allow protection of socially important and ecologically valuable unroaded areas while a long a term policy is being developed.
- The Forest Service road maintenance appropriation in FY 1999 is only 18% of the total need. Therefore it is fiscally and environmentally irresponsible to continue to build roads that can't be cared for.
- To enable the Agency, Congress and the American people to engage in a more constructive dialogue about the purposes and values of national forests and the development of a long-term road policy.

Public Comment (January to March 1998)

- 31 open houses
- Estimated 2,300 people attended
- Approximately 1,800 comments
- Over 53,000 letters, cards, e-mails, etc.

Public comments are categorized into one of the following:

1. Need for and purpose of the interim rule
2. Compliance with laws and regulations
3. Social and economic consequences
4. Environmental consequences
5. Public participation
6. Suggested revisions to the proposed interim rule

Agency Action

Road construction and reconstruction will be suspended for up to 18 months in the following areas:

- Remaining unroaded portions of RARE II areas
- Forest plan inventoried unroaded areas
- National Forest System unroaded areas of more than 1,000 acres contiguous to RARE II areas and forest plan inventoried roadless areas.
- unroaded areas of 1,000 acres or more contiguous to Wild components of the Wild and Scenic River System.
- Unroaded areas of 1,000 acres or more contiguous to unroaded portions of other Federal lands larger than 5,000 acres.

Exemptions to the suspension

- Unroaded areas encompassed by land and resource management plans revised since January 1, 1996.
- Unroaded areas encompassed by land and resource management plan amendments or revisions resulting from multi-Federal agency coordination using current available science and based on an eco-regional assessment.
- Roads in unroaded areas where the roads are needed for public safety, to ensure access provided by statute, treaty, to address impending threats of flood, fire, or other catastrophic event, or pursuant to reserved or outstanding private rights.
- The final interim rule does not suspend or modify any existing permit, contract or other instrument authorizing the occupancy and use of National Forest System land.
- The rule specifically does not apply to road construction or reconstruction associated with the multi-Federal agency Yellowstone Pipeline project.

Estimated Impacts:

- Estimated 170 to 260 million board feet of timber reduced over the 18 month suspension. Less than 5% of planned sales.
- Estimated 270 to 420 direct timber jobs per year lost over 3 years.
- Estimated \$6 to \$8 million loss of payments-to-States.



Revision of Forest Planning Regulations

The Committee of Scientists' recommendations on forest planning will soon be released and draft regulations will follow.

Background

In December 1997, the Secretary of Agriculture, Dan Glickman, convened an interdisciplinary committee of 13 scientists to evaluate Forest Service land and resource management planning. The committee met in several cities throughout the nation. It heard from Forest Service employees, representatives of tribes, state and local governments, representatives from other federal agencies and members of the public. Participants shared their concerns and offered their ideas to improve Forest Service natural resource planning and management of national forests and grasslands.

Committee of Scientists' Role

- Identifying improvements and suggesting a long-range planning framework suited to accomplish sound resource management within established environmental laws and the mission of the Forest Service.
- Providing technical advice and material to consider in the Forest Service Natural Resource Agenda.
- Suggesting improved coordination with federal, state and local government agencies, as well as tribal governments.
- Encouraging that all uses of national forests and grasslands conserve the basic soil, plant, and water resources and that these resources remain healthy and capable of renewal for generations to come.

What's Ahead?

- The committee's landmark report is expected in late February. (A draft report is now available to the public on the world wide web.)
- When the committee's report is finalized, the Forest Service will complete preparation of the proposed planning regulations. It is anticipated that a manual and handbook will accompany, or soon follow, the proposed planning regulations. Both of these are expected to be ready for public review and comment in April or May.



Land Health Performance Measures

The USDA Forest Service is developing Land Health performance measures linked to a simplified budget structure and accounting information.

Key Forest Service Actions Completed or Underway:

- Identify an integrated set of land health performance measures linked to strategic goals and outcomes;
- Assess the current availability and cost of information needed to implement these measures; and
- Develop definitions, units of measure, protocols and standards for collecting, evaluating and reporting.

These measures of agency performance will continue to evolve as the agency learns more about the land, our ability to measure certain types of information, and the cost-effectiveness of collecting new data.

Budget Structure Reform

The Forest Service has identified a simpler, more effective budget structure that provides a more direct link to its integrated long-term and annual performance measures. This budget structure proposal is focused around changes to some of the agency's discretionary appropriations which could be implemented as early as FY 2000. A series of actions have also been identified to improve accountability and use of funds in the agency's permanent appropriations and trust funds. Proposed changes to discretionary accounts are:

- Create a **Public Asset Protection & Management** appropriation (proposed in the FY 2000 President's Budget);
- Restructure the **National Forest System** appropriation to better reflect the integrated nature of agency work to maintain and improve the health of the land and provide increased flexibility and improved accountability by reducing the number of budget (and expanded) budget line items, including General Administration, among others.



The Forest Service is serious about being accountable for its performance. Significant changes are needed in the way the agency manages its financial and performance information. New outcome-based performance measures for Land Health and Service to People will move us in the right direction and are implementable under any budget structure.

However, to achieve the expected level of financial and performance accountability envisioned both by the agency and its customers, it is imperative that adjustments be made to our budget structure as soon as possible. The agency will continue to discuss accountability and proposed budget structure changes with the Congress, Administration and the public.



Trust Funds

The USDA Forest Service will propose to discontinue funding indirect programs and activities with trust funds in order to improve accountability and assure funds are available to accomplish planned work on the ground.

Background

Trust fund-based spending has been in use since the implementation of the Knutson-Vandenburg Act of 1930. Subsequent programs have provided additional trust funds including Brush Disposal, Cooperative Work-Other and Salvage Sales. The Forest Service has historically financed significant portions of its organizational costs and indirect expenses through timber-related trust funds, but recognizes that this approach is not sustainable.

There is a widely shared public perception that management of both the Agency's major trust funds and its indirect costs are in need of reform. The Forest Service has also been criticized for failing to account accurately for spending from the trust funds and for failing to make this information available to its stakeholders.

Proposed Solutions

- Make Agency funding mechanisms more transparent and subject to public scrutiny.
- Improve disclosure of Agency programs, spending and management choices.
- Boost Forest Service accountability--through accounting reforms, land-based performance measures and other ways.
- Ensure that the incentives driving management on the ground reflect land-health goals.
- Find a sustainable basis for funding Forest Service programs, including operational costs and long-term investments in the health of the land.

Administrative Actions For FY 1999 and FY 2000

- Transfer funding requirements for indirect expenses from trust funds.
- Fully disclose indirect expense and trust fund expenditure information to Congress and the public.
- Increase accountability of Forest Service managers for indirect costs and the use of the trust funds.
- Increase flexibility in funding priority needs from the KV Fund



Payments to States

Legislation is being developed to provide stable and permanent payments to states for the benefit of schools and roads through a formula payment from the General Fund of the Treasury. This will end having payments linked to unpredictable, but generally declining, commodity receipt collections.

Background

Under the 25% Fund Act of 1908, 25% of most Forest Service receipts are paid to states for distribution to the counties where National Forest System lands are located for financing public roads and schools. Historically, the main source of these receipts has been from the sale of timber on national forests. Declining timber sales have caused payments made under the 1908 Act to fall from \$361 million in 1989 to \$229 million in 1998—a decline of \$132 million.

Recommended Changes

A final proposal is expected to be sent to Congress in March. Under consideration are the following potential changes:

- A formula payment to those states receiving payments under the 25% Fund Act of 1908.
- A payment equal to 76% of the average annual payment from the three highest years during the period FY 1986 through FY 1995 or the actual 1998 payment, whichever is greater. This payment will not exceed the FY 1998 payment by more than 25%.

Key Features of the Recommended Changes

Permanent, indefinite appropriation:

Annual payments would automatically be made from the General Fund of the Treasury, not subject to the annual appropriations process.

Stabilized funding level:

Payments won't be reduced as a result of declining revenue collections.



States will be held harmless:

No state would receive a payment lower than the payment received in 1998.

Special Payment Guarantee Replacement:

The special payment guarantee for counties affected by the northern spotted owl decisions would be repealed and permanently replaced with the new formula. The payment would not decline as in the current special payment guarantee formula.



Stewardship Contracting

In order to promote collaborative stewardship, the USDA Forest Service is conducting Stewardship Demonstration Pilot projects and is also proposing a new program--Forest Ecosystem Restoration and Improvement.

Stewardship Demonstration Pilots

- Twenty-two projects were approved by Congress for FY 1999 and 6 new ones are being planned, primarily in Region 1.
- Pilot programs will test an array of new procedures for accomplishing needed resource management work, including the exchange of goods for services, retention of receipts, designation of timber by prescription and the use of State Foresters as federal agents.

Proposed Program: Forest Ecosystem Restoration and Improvement

- Will be proposed in FY 2000 with a budget request of \$15 million.
- Designed to accomplish vegetation management and other related work--other than timber production--that contributes to restoring and improving the health, diversity and productivity of the land.
- Would not include any work that can be accomplished using a timber sale contract.
- Would offer opportunities to employ workers from local communities to accomplish needed work through the use of service contracts.
- Activities would be focused in areas where the restoration of forest ecosystem health is a priority.

Activities Under the Proposed Program

- Removal of competing vegetation to ensure survival and to promote improved vigor, to regulate vegetation density and species composition, to reduce fire risk from fuel ladders and to alter stand structure;
- Forest management in the urban-wildland interface;
- Riparian area restoration; and
- Planting and maintaining native plants.



Infrastructure Deferred Maintenance

The findings of the Forest Service comprehensive inventory and report of deferred maintenance backlog raised grave concerns on the condition of the infrastructure. The picture is one of serious deterioration and a growing backlog.

Background

Congress provided direction to the Forest Service that "future budget justifications should include clear presentation of the deferred maintenance backlog problem and program, including accomplishments and needs: this should use similar methodology and definitions as the Department of the Interior so the Committee can best evaluate priorities among the bureaus funded by the Act." The Forest Service accomplished this for FY 2000.

FY 2000 Program Needs for Infrastructure (Direct Costs Only)

Definition of Needs	Total Infrastructure Needs
Annual maintenance is the work performed to maintain serviceability, or repair failures during the year in which they occur.	\$916.8 Million
Deferred maintenance is maintenance that was not performed when it should have been or when it was scheduled and which, thereafter, was put off or delayed for a future period.	\$8.2 Billion
Capital improvement is the construction, installation, or assembly of a new fixed asset, or the significant alteration, expansion, or extension of an existing fixed asset to accommodate change of purpose.	\$4.6 Billion

Snapshot of Current Assets

Administrative Facilities

- Over 25,000 buildings
- More than 60 percent exceed design life
- Over \$3.5 billion replacement value

Trails

- 133,000 miles of trails
- Trails are designed for:
 - Hiking
 - Biking
 - Horseback riding
 - Snowmobiling
 - Cross country skiing

Dams

- 1,200 dams
- Half built before 1961
- Maintenance by benefiting function

Heritage Assets

- Examples include:
 - Historic structures
 - Museum collections
 - Old mining and logging camps
 - Prehistoric artifacts
- Roughly 270,000 assets

Watershed Improvements

- Include structures that protect soils, stream channels, water quality, riparian areas, and wetlands
- Many installed by Civilian Conservation Corps in 1930's

Roads and Bridges

- 380,000 total miles of roads
- 80,000 miles of roads for passenger cars
- 7,190 bridges

Recreation Facilities

- Over 23,000 facilities
- Capacity of 2.1 million visitors/day
- Roughly 87 million visitors a year
- Examples include:
 - Campgrounds
 - Picnic areas
 - Swimming beaches
 - Trailheads
 - Overlooks
 - Visitor centers

Range Management

- Examples include:
 - Fences
 - Water developments
 - Livestock trails
- Annual maintenance of \$2.7 million annually by permit
- Most improvements over 30 years old.

Wildlife and Fish

Examples include:

- In-stream fish habitat structures
- Anadromous fish passes
- Road gates for wildlife
- Pond enclosures
- Angler/hunter access facilities



Recreational Fee Demonstration Program

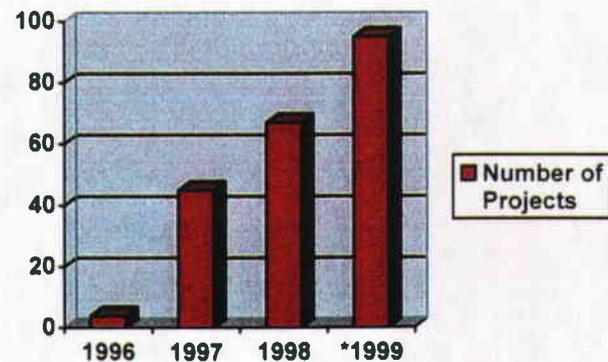
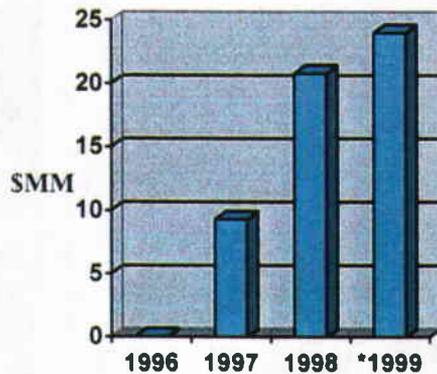
This has proven to be a highly successful program that merits authorization to continue on a permanent basis.

Recreational Fee Demonstration Program

- Established as a test in 1996 and recently extended through FY 2001.
- Includes the USDA Forest Service, National Park Service, U.S. Fish and Wildlife Service, and Bureau of Land Management.
- Allows fee collections to be returned for use at the site from which collected.

Cost and Revenue Trends

- Fee collection revenue under the program has substantially increased.
- Fee collection costs dropped from 45% of gross revenues in the first year of implementation to 17% in FY '98.



*Estimated



Other Signs of Success

- Program has allowed agency to maintain and/or improve the quality and safety of recreation facilities, reduce deferred maintenance backlog, and provide improved visitor services.
- Visitation has increased at recreation fee demonstration sites.
- Public acceptance is increasing--most visitors accept paying fees if the majority of the fee is returned to the local site and visible results are evident quickly.
- Coordination and collaboration is increasing among the four participating agencies.
- There was a favorable GAO audit of the program in November 1998.

Recommendations for the Future

- ***Make the program permanent***--Permanent authority would allow the agencies to make long-term plans for fee implementation and recreation development.
- ***Continue to provide for flexibility***--The flexibility of the program has been one of its greatest strengths, allowing a variety of approaches for local conditions.
- ***Preserve base-level appropriations***--Preserve the added value of the program by not offsetting appropriations with fee receipts, which would undermine local public support and agency incentives.
- ***Provide for a national interagency pass***--A national pass system for annual passes will help defray the public's confusion over the proliferation of recreation passes.
- ***Maintain program incentives***--Managers and public benefit by fees from the program being returned to the unit and/or location where they are collected.

February 2, 1999

U.S. Department of Agriculture

Forest Service

Overview

of

FY 2000 President's Budget



USDA Forest Service Fiscal Year 2000 President's Budget Overview

Management of the nation's forests affects all Americans:

- A majority of the population of the United States is conveniently able to access National Forest System land which covers 191.8 million acres of forests and grasslands that provide clean water, wildlife and fish species, and healthy ecological systems. National Forest System lands contain an infrastructure valued at more than \$30 billion which supports recreation as well as important commodity production activities including timber, grazing and mining. Approximately 859 million annual visits occur on the National Forests utilizing over 383,000 miles of roads. The National Forests are America's backyard for recreation.
- One of the world's leading forest and rangeland research programs is operated by the Forest Service, and is an integral part of natural resource policy development and implementation. Research programs are actively involved in global climate change, clean water programs, and large scale ecosystem studies.
- Forest Service State and Private Forestry programs provide non-regulatory support and assistance to the vast state, private and tribal lands throughout the United States.
- The Wildland Fire Management program emphasizes preparedness and suppression operations.

The Forest Service's FY 2000 President's Budget request for discretionary appropriations totals \$2.7 billion, approximately \$61 million (or 2.3 percent) more than the FY 1999 enacted budget. The total reflects legislative proposals designed to save \$111 million.

The President's Budget supports the Forest Service Natural Resource Agenda and is tiered directly to the Government Performance and Results Act Strategic Plan which will ensure sustainable ecosystems, provide multiple benefits, and ensure organization effectiveness. The budget also includes funds for a number of Initiatives and special funding priorities to enhance programs in the areas of environmental conservation and research. These include:

- Clean Water Action Plan
- Lands Legacy Initiative
- Climate Change Technology Initiative
- Global Change Initiative
- Integrated Science for Ecosystem Challenges

The FY 2000 budget proposes a new Appropriation, Public Asset and Protection Management, to streamline the Reconstruction/Construction Appropriation, and including some elements of the current NFS Appropriation. In addition, the budget reflects Administration legislative proposals related to Timber Fair Market Value - Sealed Bids; Stabilization of Payments to States; Land Use Rental Fee Retention; Timber Sale Preparation User Fees; Concession Reform - Visitor Facilities Improvement Program; and Special Forest Products Fees.

Three-Year Summary of Appropriations (\$ in Thousands)

02/02/99

	FY 1998 FINAL APPROP	2/ FY 1999 ENACTED TO DATE	1/ & 2/ FY 2000 President's BUDGET
Forest and Rangeland Research	\$187,797	\$197,444	\$234,644
State and Private Forestry	161,177	170,722	251,922
Emergency Supplemental--S&PF	48,000	0	0
International Forestry	{3,500}	{3,500}	{3,500}
National Forest System	1,347,283	1,298,570	1,281,509
Emergency Supplemental--NFS	10,461	0	0
Wildland Fire Management	584,559	560,176	560,730
Emergency Supplemental--Wildland Fire Mgmt.	2,000	0	0
Reconstruction and Construction	166,015	297,352	0
Public Asset Protection and Mgmt. 1/	0	0	371,080
Land Acquisition	54,255	119,197	119,279
Title V - Priority Land Acquisitions	167,000	0	0
Range Betterment Fund	3,811	3,300	3,300
Mgt. of Federal Lands for Subsistence	0	3,000	0
Other Appropriations	92	92	92
Subtotal -- Discretionary Appropriations 2/	2,732,450	2,649,853	2,822,556
Permanent Appropriations: Working Funds	260,209	253,566	210,212
Permanent Appropriations: Payment Funds	250,303	249,483	235,935
Cooperative Work -- Trust Fund	231,885	220,046	183,946
Reforestation Trust Fund	30,000	30,000	30,000
Subtotal -- Mandatory Appropriations	772,397	753,095	660,093
Grand Total -- Forest Service Appropriations	\$3,504,847	\$3,402,948	\$3,482,649
TOTAL FTEs	33,539	34,030	34,526

1/ Proposed new appropriation would replace the Reconstruction/Construction Appropriation and add some elements of the current NFS Appropriation.

2/ The Administration will propose legislation that reduces Discretionary Appropriations in FY 2000 by \$111,000,000.

Summary of Receipts

	FY 1998 Final	FY 1999 Enacted	FY 2000 Estimate
NATIONAL FOREST FUND:			
Power	\$2,423	\$2,200	\$2,400
Minerals	2,100	2,000	2,000
Land Uses	9,070	12,000	15,000
Timber	204,780	198,900	186,530
Grazing	6,314	6,350	6,350
Recreation, Admission and User Fees	42,827	44,000	43,000
Subtotal, National Forest Fund	267,514	265,450	255,280
NATIONAL GRASSLANDS AND UTILIZATION:			
Minerals	22,023	23,000	23,000
Grazing	676	615	615
Other	316	450	450
Subtotal, National Grasslands	23,015	24,065	24,065
Timber Sale Area Betterment (K-V)	114,151	135,060	127,750
Timber Purchaser Road Credits	38,974	34,250	21,370
Timber Salvage Sales	136,551	144,300	133,800
Subtotal, amount subject to payments to States and Counties 1/	580,205	603,125	562,265
Subtotal - Receipts	580,205	603,125	562,265
Brush Disposal	23,340	25,900	23,100
Cooperative Contributions	45,469	50,000	50,000
All Other	39,839	45,772	32,372
Total Forest Service Receipts	688,853	724,797	667,737
Power Licenses on Public Domain Land 2/	20,000	20,000	20,000
Mineral Leases on Public Domain Lands 2/	120,000	130,000	130,000
Mineral Leases on Acquired Lands 2/	16,000	16,000	16,000
Oregon and California Grant Lands 3/	10,900	10,900	10,900
Total revenues generated from lands managed by the Forest Service	\$855,753	\$901,697	\$844,637

1/ The Administration will propose legislation that would replace current receipt sharing payments (25 Percent Fund) with a stable, guaranteed level of payments consistent with the guaranteed payments "Payments to States, Northern Spotted Owl Guarantee."

2/ Represents non-cash receipts from NFS lands deposited directly to DOI and Dept. of Energy.

3/ Represents Forest Service receipts transferred to DOI from special Oregon and California Grant Lands account.

FY 2000 INITIATIVES & SPECIAL FUNDING PRIORITIES

The Forest Service FY 2000 President's Budget supports a number of initiatives and special funding priorities to enhance programs in the areas of clean water, research, and land protection.

- Clean Water Action Plan: The Clean Water Action Plan directs Federal agencies to manage Federal lands on a priority watershed basis and to work cooperatively with States and Tribes in determining priority watersheds where protection and improvement programs will be focused.
- Lands Legacy Initiative: This initiative highlights the Administration's commitment to making new tools available, and working with states, tribes, local governments and private partners to protect great places; to conserve open space for recreation and wildlife habitat; and to preserve forest, farmlands, and coastal areas. A large portion of the Initiative is funded through the Land and Water Conservation Fund. The "Great Places" component focuses on federal land acquisition, while the "Green Spaces/Smart Growth" component emphasizes conservation grants, and public/private partnerships and technical and funding assistance programs.
- Climate Change Technology Initiative: This initiative will focus on research to develop methods for reducing emissions and increasing the carbon sequestration and fiber production capability of forests.
- Global Change Initiative: This initiative is focused on research to assess and manage short-term and long-term changes in climate on forest health and productivity. Research is aimed at inventory and monitoring of carbon release and storage; prediction and management of climate and disturbance processes; and carbon cycle modeling.
- Integrated Science for Ecosystem Challenges: This priority research work addresses science and technology needs related to ecological systems. For the Forest Service, funds are directed toward management of non-native invasive species (\$5 million), ecosystem productivity (\$5 million), and Forest Inventory Analysis (FIA - \$2 million) and Forest Health Monitoring (FHM - \$2 million).

The tables on the following pages show the additional funds proposed in the Forest Service FY 2000 Budget to support the above Initiatives.

See Tables -- Next 3 Pages

Funding for Presidential Initiatives
 FY 2000 President's Budget

Lands Legacy Initiative

	FY 1999 Total Enacted	FY 2000		LANDS LEGACY INITIATIVE L&WCF Funds			TOTAL INITIATIVE
		Pres. Budget	Change From FY 1999	Great Places	Green Spaces/ Smart Growth	Other Program Funds	
S&PF-Stewardship Incentives Program	0	15,000	15,000		10,000	0	10,000
S&PF-Forest Legacy Program	7,012	50,012	43,000		43,000	7,012	50,012
S&PF Urban & Community Forestry	30,540	39,540	9,000		9,000	30,540	39,540
Land & Water Conservation Fund	117,918	118,000	82	118,000	0	0	118,000
Forest Service-Subtotal	155,470	222,552	67,082	118,000	62,000	37,552	217,552
USDA-Natural Res. Conserv. Service					50,000	0	50,000
USDA--Total				118,000	112,000	37,552	267,552

Research Related Initiatives & Special Funding Priorities

Forest Service Research and Development Initiative	FY 1999 Total Enacted	FY 2000 Pres. Budget	Change From FY 1999
Global Change Program	16,900	22,900	6,000
Climate Change Technology Initiative	0	6,000	6,000 1/
Integrated Science for Ecosystem Challenges (ISEC):			
Invasive Species, Biodiversity, and Species Decline	30,133	35,133	5,000
Habitat Conservatio and Ecosystem Productivity	108,757	113,757	5,000
Information Mgmt and Integrated Assessments	37,876	41,876	4,000
ISEC--Subtotal	176,766	190,766	14,000
TOTAL	193,666	219,666	26,000

1/ includes \$3 million from the Presidential Initiative and \$3 million from other Research funds.

Clean Water Action Plan

	FY 1999		FY 2000		
	Total Enacted	CWAP Component	Pres. Budget	Change From FY 1999	CWAP Component
Research	197,444	6,000	234,644	37,200	0
S&PF-Forest Stewardship	28,830	3,000	28,830	0	2,000
S&PF-Stewardship Incentives Program	0	0	15,000	15,000	15,000 1/
NFS-Land Management Planning	40,000	0	50,000	10,000	10,000
NFS-Inventory & Monitoring	80,714	0	88,114	7,400	7,400
NFS-Inland Fisheries Habitat Management	19,017	0	26,017	7,000	7,000
NFS-Anadromous Fisheries Habitat Mgmt	22,714	0	29,114	6,400	6,400
NFS-Rangeland Vegetation Management	28,533	8,000	36,533	8,000	8,000
NFS-Soil, Water, & Air Operations	25,932	0	26,932	1,000	1,000
NFS-Watershed Improvements	30,165	8,000	40,165	10,000	10,000
Road Maintenance & Decommissioning	99,884	9,300	122,484	22,600	22,600
Road Reconstruction	98,009	8,000	96,468	(1,541)	0
USDA--Total	671,242	42,300	794,301	123,059	89,400

1/ \$10 million from this program also contributes to the Lands Legacy Initiative (Smart Growth).

**THE NATURAL RESOURCE AGENDA:
COMPARISONS OF FY 1998 & 1999 FINAL AND FY 2000 PRESIDENT'S BUDGET**

The Natural Resource Agenda Emphasis Areas * <i>(all dollars in thousands)</i>	FY 1998 Final Appropriation	FY 1999 Final Appropriation	Compared to FY 1998 Final		FY 2000 President's Budget	Compared to FY 1999 Final	
			Funding Change	Percent Change		Funding Change	Percent Change
Restore Degraded Upland Ecosystems							
Wildlife Habitat Management	31,263	32,097	834	2.7%	37,097	5,000	15.6%
Grazing Management	27,540	28,517	977	3.5%	28,517	0	0.0%
Forestland Vegetation Mgt	65,765	58,300	(7,465)	-11.4%	58,300	0	0.0%
Watershed Improvements	25,584	30,165	4,581	17.9%	40,165	10,000	33.2%
Wildland Fire, Fuels Treatment	50,000	65,000	15,000	30.0%	65,000	0	0.0%
Restore Degraded Riparian Areas							
Inland Fisheries Habitat Mgt	17,787	19,017	1,230	6.9%	26,017	7,000	36.8%
Anad. Fisheries Habitat Mgt	22,021	22,714	693	3.1%	29,114	6,400	28.2%
Prevent Exotics from Spreading							
Rangeland Vegetation Mgt	17,807	28,533	10,726	60.2%	36,533	8,000	28.0%
Forest Health, Federal Lands	36,690	37,325	635	1.7%	40,325	3,000	8.0%
Forest Health, Coop Lands	16,800	17,200	400	2.4%	21,400	4,200	24.4%
Conserve & Recover TE&S Species							
TE&S Species Habitat Mgt	25,763	26,548	785	3.0%	31,548	5,000	18.8%
WATERSHED HEALTH & RESTORATION	337,020	365,416	28,396	8%	414,016	48,600	13.3%
Timely & Accurate Resource Information							
Forest/Rangeland Research	187,944	197,444	9,500	5.1%	234,644	37,200	18.8%
Maintain Healthy/Productive Forestlands							
Forest Stewardship	23,880	28,830	4,950	20.7%	28,830	0	0.0%
Stewardship Incentives	6,500	0	(6,500)	-100.0%	15,000	15,000	
Help Communities Restore Watersheds							
Urban/Community Forestry	26,750	30,540	3,790	14.2%	39,540	9,000	29.5%
Economic Action Programs	11,465	17,305	5,840	50.9%	16,305	(1,000)	-5.8%
Cooperative Fire Protection	20,152	23,510	3,358	16.7%	33,510	10,000	42.5%
Forest Legacy	4,000	7,012	3,012	75.3%	50,012	43,000	613.2%
SUSTAINABLE FOREST MANAGEMENT	280,691	304,641	23,950	8.5%	417,841	113,200	37.2%
NATIONAL FOREST ROAD SYSTEM **	84,974	99,884	14,910	17.5%	122,484	22,600	22.6%
RECREATION ***	277,378	293,105	15,727	5.7%	297,595	4,490	1.5%
NATURAL RESOURCE AGENDA TOTALS	980,063	1,063,046	82,983	8.5%	1,251,936	188,890	17.8%

* Categories taken from references in Agenda background papers, FY 2000 Program Budget Instructions, Budget Highlights for Deputy Secretary Rominger, and proposed Land & Water Restoration Fund.

** Road obliteration, decommissioning, and stabilization.

*** Includes Recreation, Wilderness and Heritage Resource Management; Recreation Facility and Trail Maintenance and Re/Construction, and the 10% Fund.



Tongass National Forest in Alaska

The Tongass National Forest--the largest national forest at 17 million acres--is being managed under a revised land and resource management plan (revised plan) that was approved in 1997. The Record of Decision approving the revised plan has been appealed to the USDA Forest Service Chief by more than 30 parties.

Highlights of the Revised Plan

- Restricts logging activity on all of the lands protected by the Tongass Timber Reform Act of 1990.
- Reduces the allowable sale quantity (ASQ) from 520 mmbf to 267 mmbf--about half of the original plan's ASQ.
- Ensures that 84 % of the old-growth areas remain after 100 years of implementing the revised plan.
- Allocates 14 million acres of the forest to natural setting Land Use Designations (LUDs), which do not allow timber harvesting.
- Schedules 670,000 acres for timber harvest in the next 100 years, which includes about 200,000 acres that are currently young- or second-growth.
- Includes a set of standards and guidelines that provide for healthy habitats for salmon and other fish. (The final Environmental Impact Statement (EIS) predicts no significant decline in salmon, other finfish, or invertebrate habitat capability from implementation of the plan.)
- Protects 86 percent of the high-value deer winter range and 83 percent of deer habitat capability. (The final EIS indicates that deer habitat capabilities in several portions of the forest may not be adequate to sustain the current levels of deer harvest.)

Status of Tongass Appeals

- The Chief is reviewing the merits, or soundness, of the appeal issues and whether the land management plan is the appropriate level for a particular appeal issue.
- The Chief is also reviewing the record as it relates to the appeal issues to determine if the revised plan was developed in accordance with pertinent law, regulation, and policy.



Budget

- FY 1999 appropriations earmarked \$12.5 million to prepare additional timber volume through the public environmental review process.
- The Forest Service made no special funding request for the Tongass in either FY 1999 or FY 2000. Funding for the Tongass is part of the Regional allocation, which covers both the Alaska national forests, the Chugach and the Tongass National Forest.
- The Southeast Alaska Community Economic Revitalization Team was developed to help timber-dependent communities make a transition to a more diverse economy.



Interior Columbia Basin Ecosystem Management Project

Background

In 1994, the USDA Forest Service and BLM initiated an ecosystem management project for the lands they administer within the Interior Columbia River Basin. The project includes a scientific assessment, which was released in 1996. Two draft environmental impact statements (EIS)--displaying potential management alternatives for approximately 76 million acres of public land--were released for public review in June 1997. There was an 11-month public comment period for the draft EIS documents. More than 83,000 comment letters were received and processed during the comment period.

Status

- On October 9, Secretary Babbitt and Secretary Glickman sent a letter to members of Congress outlining the project's plan to prepare a supplemental draft EIS, put it out for public comment, analyze the comments, and publish a final EIS before signing a Record of Decision.
- The supplemental draft EIS will focus on four major region-wide issues: aquatic, terrestrial, landscape health and social and economic needs.
- The current timeline for the project is to issue the supplemental draft EIS in September, followed by a 90-day public comment period.
- The final EIS would be developed between November and March 2000 and released the last week of March 2000.
- The estimated cost of completing the project in FY 2000 is \$3,927,000 for the Forest Service and \$1,845,000 for the BLM (costs are FY 1999 estimates).
- Implementation is expected to begin in the third or fourth quarter of FY 2000.



Sierra Nevada Framework

The USDA Forest Service is developing a comprehensive strategy for managing the 11 national forests in the Sierra Nevada of California.

Framework Objectives

- Restore, develop and maintain desired conditions in Sierra Nevada ecosystems.
- Use best science available on the ecosystems in the Sierra Nevada as a foundation for planning and management.
- Use an open planning process to improve working relationships among the Forest Service, other agencies, tribes, local governments, interest groups and individuals.
- Make a long-term commitment to engage the public in the future management of the Sierra Nevada national forests.
- Amend 11 National Forest Land Management Plans in the Sierra Nevada.
- A Notice of Intent (NOI) to prepare Environmental Impact Statement for Sierra Nevada Framework was published on November 20, 1998 and it received over 2,500 public comments on the Sierra Framework.
- The Environmental Impact Statement (EIS) will address the following issues identified in the NOI:
 - Old forest ecosystems and associated species
 - Aquatic, riparian, and meadow ecosystems
 - Fire and fuels
 - Noxious weeds
 - Lower westside hardwood forest ecosystems
- Sierra Nevada Framework EIS will be coordinated with the EIS for the Herger-Feinstein Quincy Library Group Pilot Project.
- Upon completion of the Sierra Nevada Framework EIS, by late summer of 1999 FY 2000 funds will be directed toward implementation, which will likely include changes in forest management, intensified monitoring, analysis of watershed conditions and new research and development efforts.

NATURAL RESOURCE AGENDA
Pathway to the Future

ADDENDA

- I. Protecting and Restoring a Nation's Land Health Legacy**
Speech by Mike Dombeck, Chief, 2/3/99

- II. Forest Service Financial Accountability**
Agency efforts to restore financial health and accountability

- III. Law Enforcement and Investigations**
National Law Enforcement and Investigations Information

Protecting and Restoring a Nation's Land Health Legacy

Mike Dombeck, Chief of the United States Forest Service
Missoula, Montana
February 3, 1999

Introduction

A few months ago, I met with the senior leadership of the Forest Service at Grey Towers, the home of Gifford Pinchot. Surrounded by so much history and tradition, it was impossible not to be impressed by 100 years of Pinchot's rich legacy.

How will the decisions we make on the land today influence what we are remembered for one hundred years from now? That should be the question that guides every decision we make. What made Pinchot's young Forest Service unique was a set of conservation values that were not necessarily popular but were always made in the long-term interest of land health. For decades, the Forest Service followed those conservation values and argued, for example, against wasteful clearcutting practices that devastated the watersheds of the Appalachians, and northeastern and Great Lakes area forests.

Following World War II, another set of values came to the forefront - helping to fulfill the national dream of providing families with single family homes - good and important values. Our timber harvests escalated for nearly a quarter of a century. Along the way, social values changed. Many people ceased viewing national forests and grasslands as a warehouse of *outputs* to be brought to market and instead began assigning greater value to the positive *outcomes* of forest management. Wildlife and fish habitat, recreation, and clean water, wilderness, and cultural and spiritual values became more and more important as national goals.

The result is that today, we often find ourselves caught in the middle between competing interests. Some look to Congress to "fix" our organic mandate. Others push to limit the number of citizen appeals. Still others ask courts to resolve land use policies through litigation. Too often we find ourselves waiting for someone else to resolve our issues for us.

The fact is that the roadless areas, wilderness, recreation and old growth issues of today are no different than the 100-year old debate over clearcutting. Our obligation is to exercise leadership over the most vital conservation issues of our generation.

Over time, our leadership capacity to assist those who manage the more than 500 million acres of forests outside of the national forest system has diminished. Our greatest value to society in the future will be to bring people together on the land and to provide technical assistance and scientific information to states, private landowners, and other nations of the world.

Consider, we are spending about two billion dollars per year managing 191 million acres of national forest yet contributing only about \$200 million toward the 500 million acres of state managed and privately-owned forests. Are our best efforts as conservation leaders spent trying to build roads in roadless areas? Or, in helping a wealthy nation to protect and restore its natural resource wealth through

research, technical assistance, and providing international examples of ecologically sustainable forest and grassland management?

As the President noted in his State of the Union address, 7,000 acres of farmland and open space are lost every day. The number of tracts of forestland of 50 acres or less doubled from 1978-1994. In other words, as we lose open space, forest tract size is diminished, and the land's health is compromised. These facts sound a clarion call to action.

Pinchot himself said, "we must everywhere always prefer results to routine." No support exists for a process-oriented and labor intensive bureaucracy. History is replete with agencies and businesses that could not, or would not, adjust to changing times and consequently became obsolete. The giants such as Pinchot, Leopold, Bob Marshall, Carson, and Arthur Carhart set another far higher, far more memorable, and far more forward thinking standard - helping communities develop a more harmonious relationship with the land and water that sustain us. Our challenge is to measure up to their legacy.

We are making progress.

- We articulated and are implementing a common sense and science-based natural resource agenda.
- Our financial management reforms are on track and we have greatly reduced our long-standing backlog of civil rights complaints.
- The Committee of Scientists recommendations on draft planning regulations will soon be released and draft regulations will follow.
- Our interim roadless proposal will soon be finalized and we are developing a long-term forest roads' policy.

We must accelerate the pace. Society demands clean water, species conservation, more outdoor recreation opportunities, conservation education, eradication of non-native invasive species, landowner and community assistance programs, and new research and technologies on forest inventory and analysis, wood conservation and more efficient wood utilization.

Incentives and Challenges

Our challenge today is to ensure that the incentives that drive all aspects of our programs promote ecological sustainability. We have proposals, and a few successes that, with the funding of Congress, will help ensure that future forest management decisions are driven by the long-term interests of the land and the people that depend on it. For example:

- Last year, Congress acted on our proposal to eliminate what was widely perceived as a subsidy and more importantly eliminated the incentive to build new roads in order to finance our road reconstruction backlog - clearly an unsustainable approach.

We must bring greater accountability, more public scrutiny, and transparency to all our processes. For example, we are financing a significant percentage of our costs through timber related "trust funds" that are not subject to annual appropriations or public scrutiny. Given that timber production on national forests has declined by 70% in less than a decade, such an approach is unsustainable. This year, we will begin to implement administrative reforms to our trust funds while we consider more permanent legislative solutions. For example, we propose to revise the definition of salvage to reduce if not eliminate "associated green" timber often taken in salvage sales.

Historically, the agency's success was often measured, and consequently funded, by outputs from the national forest system such as board feet of timber produced or the amount of grazing on forests and grasslands. This year we will develop and begin to implement new land health performance measures that evaluate such things as clean water, wildlife and fish habitat, forest ecosystem health, and soil productivity and stability. We will still track traditional outputs of goods and services but they *will be accomplished within the ecological sideboards imposed by land health*. These new measures will be consistent with international sustainability criteria and integrated into employee evaluations, budget development, forest planning, and agency priorities and accountability.

For the second year, we will propose to Congress separating timber harvest on national forests from the funds that counties receive to maintain schools and roads. Why should the richest country in the nation finance the education of rural schoolchildren on the back of a controversial federal timber program? Collaborative stewardship implies an obligation to help provide communities with economic diversity and resiliency so they are not dependent on the results of litigation, the whims of nature or unrelated social values to educate their children and pave their roads.

The Committee of Scientists will issue their final recommendations on forest planning soon. I expect that they will suggest that we:

1. Focus our planning efforts on the long-term sustainability of watersheds, forests, and grasslands and the ecological, economic, and social benefits they can provide.
2. More effectively link forest planning to budget and funding priorities.
3. Practice collaborative stewardship through use of diverse and balanced advisory groups and adaptive management through monitoring.

Taken together, these efforts will demonstrate to Congress and the American people the imperative of making investments in the land. Investments that may not yield year end profits but whose dividends will be plain when:

- A citizen of Salt Lake City, Los Angeles, or Missoula turns on their tap and drinks clean water from a National Forest;
- A parent in Vermont takes her daughter fishing on the Green Mountain National Forest.
- A small mill operator in Montana sends twice as much wood fiber to market from a single tree due to Forest Service research and development; and
- A private landowner in Illinois bequeaths to his children 20 acres of healthy, diverse and productive forestland through forest legacy conservation easements.

Watershed Protection and Restoration

The cleanest and largest amount of surface water runoff in the nation comes from forested landscapes. Mindful of this fact, a year or so ago, Jay Cravens, a retired Forest Service employee offered me some advice. He said, "Mike, just take care of soil and water and everything else will be OK." That sage counsel guides our approach to watershed management.

Multiple use does not mean we should do everything on every acre simply because we can. We must

protect the last best places and restore the rest. Many areas are simply not appropriate for certain activities, such as hard rock mining. For many years, Congress has been unable to reach consensus on updating the 1872 Mining Law. Their inaction does not, however, diminish our responsibility to use the best science to protect the most scenic, the most diverse, the most special places. One such place is the Rocky Mountain Front.

I have asked the Secretary of Interior to withdraw the Rocky Mountain Front from hard rock mining for two years while we evaluate the long-term future of the area in an open and public process.

The Forest Service has a long and storied history of working to protect the incredible fish, wildlife, cultural, and scenic resources of this area. From Bob Marshall's efforts to protect the wilderness memorialized by his name to Gloria Flora's decision last year to prohibit oil and gas leasing in the area, I intend to continue that tradition.

The Rocky Mountain Front, is only one of the hundreds of thousands of great places under our care and supervision. Within the next five years, over 65% of our forest plans, representing over 150 million acres of land, are scheduled for revision. In keeping with Clean Water Action Plan commitments, likely recommendations from the Committee of Scientists, and consistent with our mandates from the Organic Act through the Clean Water and Safe Drinking Water acts, watershed health and restoration will be the overriding priority in all future forest plan revisions.

Forest Service managed lands truly are the headwaters of America, supplying river systems, and recharging aquifers. They contain riparian, wetland, and coastal areas that are essential for the nation's water supply and prosperity. Our forested landscapes contain the coolest and cleanest water in the nation. We must protect these precious resources. Future forest plans will develop strategies and document how we will:

- Maintain and restore watershed function, including flow regimes, to provide for a wide variety of benefits from fishing, to groundwater recharge, to drinking water.
- Conduct assessments that will characterize current condition and help make informed decisions about management activities, protection objectives, and restoration potential.
- Provide for the protection, maintenance and recovery of native aquatic and riparian dependent species and prevent the introduction and spread of non-native species.
- Monitor to ensure we accomplish our objectives in the most cost-effective manner, adapt management to changing conditions, and validate our assumptions over time.
- Include the best science and research, local communities, partners, tribal governments, states, and other interested citizens in collaborative watershed restoration and management, and
- Provide opportunities to link social and economic benefits to communities through restoration strategies.

All future forest plans will prioritize specific watersheds for protection and restoration. Accomplishing these priorities will be linked to annual budget requests and employee performance evaluations. We will develop priorities of protection and restoration based upon:

- Past disturbance history. Emphasis will be given to protecting undisturbed watersheds and roadless areas and integrating these areas into watershed plans to protect and restore the integrity of watersheds.
- Water quality and other water-related objectives.

- Restoration potential and sensitivity to disturbance.
- Biological diversity of native plants, fish, and animals and special designations such as Wild and Scenic Rivers.
- Recovery of threatened, endangered, or other sensitive species.
- Potential to leverage restoration funds, partnerships, and the opportunity to work with interested and willing American Indian tribes, communities, adjacent land managers, and owners.

Sustainable Forest and Grassland Management

In the State of the Union, President Clinton announced new initiatives to protect open space, benefit urban forests, and improve the quality of life for the 80% of Americans living in urban and suburban areas. The Forest Service will play an essential role in their accomplishment.

With proposed increases to our budget, we plan to:

- Collaborate with state foresters and others to develop conservation and stewardship plans for an additional 740,000 acres of non-industrial private forestland.
- Help states protect an estimated 135,000 additional acres of forestland through acquisitions and conservation easements. Emphasis will be given to protecting critical areas such as in the Northern Forest of Maine, New Hampshire, Vermont, New York, and Massachusetts. This unbroken woodland landscape presents unique opportunities to protect habitat *and* traditional uses.
- Acquire environmentally sensitive lands through the Land and Water Conservation Fund.
- Include nearly 800 more communities in efforts to conserve urban and community forests. In addition, 300,000 more hours of conservation training will be provided to local communities. Approximately one million more hours of volunteer assistance will be generated above 1999 estimates.

Even as we extend the benefits of conservation to the millions of Americans who do not live adjacent to national forests and grasslands, we must recognize the changing face of our national forest management and the benefits and challenges that follow.

The emphasis of our forest management continues to shift from commodity timber sales to management activities to meet stewardship objectives. For example, in FY 1989 "green" timber sales made up primarily of saw log dimension wood, comprised 80% of our timber program. Today, such sales represent just over half of our program. Additionally, the amount of wood fiber harvested from national forests has fallen by 70% in less than a decade.

These changes demonstrate our responsiveness to shifting social values, public demand, and our evolving understanding of how to best manage for ecological sustainability. As we strive to manage healthier, diverse, and more productive forests, the focus on our forest management program - as measured in short term financial losses or profits - becomes less meaningful as a measure of agency performance.

Providing a steady supply of wood fiber remains an important multiple use goal of the Forest Service. Some would ignore increasing rates of national wood consumption and argue for a "zero-cut" approach to managing forests. Until we stop importing wood to meet the nation's demands from countries with more lax environmental restrictions than ours, I think this position both irresponsible and misguided. Forest Service research will expand efforts to improve wood recycling, conservation, and increased

wood utilization. National Forests themselves should be a model for ecologically sustainable forest management. The more timber harvest contributes to ecological sustainability, the more predictable timber outputs will be.

Our understanding of sustainability and sustained yield have changed over time. Today, we recognize that if we do not harvest trees in an ecologically sustainable manner we may not have forests in the future. For example, thinning of the under-story to reduce fuels, restore forest function, and improve forest ecosystem health is often a far more effective way to maintain stability for local communities dependent on timber harvest than are controversial harvests of old growth in areas where such stands are scarce.

In the future, research and monitoring information will be essential to validating our assumptions about how ecological systems respond to management activities.

- We are requesting funding to increase by 75 million the number of acres of forestland nationwide covered by forest health detection monitoring by the year 2000. This will keep us on a pace to complete national inventory of all forest types by the year 2003.
- Increases proposed to our research budget will result in the agency producing a comprehensive peer-reviewed report by the year 2000 on how forest management activities can restore watersheds and fish and wildlife habitat, re-establish forest stand structure, reduce the risk of unnaturally occurring catastrophic fires, and otherwise restore ecological integrity.

We will protect the basic soil, water, and biotic resources of our forests and accelerate the restoration of forest and rangeland ecosystem integrity. To help accomplish these objectives, our proposed 2000 budget requests funding to:

- Improve an additional 38,000 acres of terrestrial habitat, 7,000 acres of lake and approximately 1,100 miles of stream habitat.
- Restore over 100,000 acres of aspen stands resulting in better habitat for big game species, upland game birds, and resident and migratory birds.
- Work with state fish and wildlife agencies and others to complete an additional 31 conservation strategies for sensitive fish, plants, and wildlife such as the Canada lynx and the Westslope Cutthroat trout. We will also assist federal regulatory agencies to complete at least seven additional recovery plans for threatened and endangered species.
- Slow the spread of invasive non-native species of fish, plants, and wildlife while increasing prevention efforts.
- Continue to employ fire as a tool to meet integrated resource and societal objectives across landscapes. Since 1995, we have more than doubled fuel treatment acres - from 541,000 to 1.4 million. We will accelerate the mapping of high-risk areas, treatment schedules, and rate of treatment with priority given to:
 1. High-risk wildland/urban interface areas where homes and personal property are at risk.
 2. Threatened and endangered species conservation and recovery.
 3. Accumulated fuels within and adjacent to wilderness areas, and
 4. Areas that help to lower long-term costs of suppressing wildfires.

As we seek to restore forest and grassland integrity and return them to their natural range of variability, new tools are needed.

Stewardship contracting authority will help managers more efficiently accomplish restoration needs through forest management. Our challenge will be to avoid financing restoration on the back of timber harvest.

Our budget proposes funding forest health restoration for activities that cannot be accomplished through traditional timber sales such as road maintenance or obliteration, thinning of overly dense forests in the urban-wildland interface, and riparian area restoration. We must be willing to make investments in land health that may not yield short-term profit but will result in long-term ecological dividends.

Recreation

The natural resource agenda highlights the strategic importance of recreation as a priority for the agency. Increasingly, outdoor recreation is the way an urbanized society interacts with the natural world. In 1997, national forests accommodated more than 40% of all outdoor recreation use on public lands in the United States.

An estimated 75% of the nation's recreation takes place within a quarter mile of a river, lake, or coast. Our job is to try to meet people's demands in a manner that does not impair the health, diversity, and productivity of our land and waters.

Our recreation strategy focuses on providing customer service and opportunities for all people. As part of that strategy we are using new technologies to assist in trip planning, expanded interpretative services, and seamless delivery of the myriad outdoor recreation opportunities that help families to reconnect with each other while they connect to the land that sustains them. We will strengthen our relationships with communities adjacent to forests so that they may more fully reap the economic benefits of tourism and recreation.

The outdoor recreation industry and other recreation user groups are approaching a crossroads. I liken recreation to the timber industry twenty years ago. Who would have thought that timber harvests across the national forest system would decline by 70% in less than a decade? It is my belief that if we agree to abide by some basic principles, the recreation community can avoid what happened to the timber industry.

- Nothing should ever compromise public ownership of public lands.
- Our overriding objective must be to maintain the health, diversity, and productivity of our lands and waters - recreation use must occur within those ecological sideboards.
- Outdoor recreation is a wonderful way to educate our children about the wonders of nature and the imperative of treating and stewarding the land with respect.

In the end, recreation use - all uses of national forests and grasslands are about limits. Talking about limits to growth is very difficult for such a prosperous culture as ours. We are a nation of optimism, where we attempt to use technology and wealth to find solutions to resource dilemmas. Unfortunately, such growth even with the best technology often carries consequences.

Wild places and natural areas are of increasing importance to a society that can afford to protect them. We are all too familiar with the battle between protection and development. The writer, T.H. Watkins recently said, "in natural regions, as in public libraries, we should not be allowed to do everything we can merely because we can do it." A decade ago, the timber program on national forests ran up against a buzz saw of changing social and environmental values in the Pacific Northwest. And just as surely as a river will find its flood plain, social values will prevail in such debates.

Most Americans value public lands for the sense of open space, wildness and naturalness they provide, clean air and water, and wildlife and fish. Other uses, whether they are ski developments, mountain biking trails, or off road vehicles have a place in our multiple use framework. But that place is reached only after we ensure that such activities do not, and will not, impair the productive capacity of the land. That is the essence of our recreation strategy.

Representing nearly 20% of the National Forest System and over 60% of the entire Wilderness Preservation System in the lower 48 states, the Forest Service's wilderness legacy is a crown jewel. When you consider the contributions of former agency employees' Bob Marshall, Arthur Carhart, and Aldo Leopold it would not be an overstatement to say that the Forest Service practically invented the wilderness concept.

In recent years, I have become concerned that our national commitment to the Wilderness Act has diminished and the resources to protect and manage the wilderness have not kept pace with our needs. Five years ago, my predecessor Jack Ward Thomas asked the question, "when I think of wilderness, I wonder who will be the next ones to step up, lead, and sacrifice for this precious resource? Who will see that the Wilderness doesn't get inched away from us, one compromise at a time?"

Jack, we are taking up your challenge. I am pleased to announce two specific actions to lend greater emphasis to our wilderness management.

- First, I am re-instituting the national-wilderness field advisory group to provide senior agency leadership with recommendations for preserving and protecting our rich wilderness legacy.
- Second, our wilderness portfolio should embody an even broader array of lands - from prairie to old growth forest. We will use our forest plan revision process over the next four to five years to better manage existing and identify potential new wilderness areas.

Roads

Our interim suspension of road construction in roadless areas will be finalized very soon. We should now turn our attention to the issue of how we will manage our existing forest road system over the long-term. That does not mean that after the road construction suspension expires we will simply resume road construction into these areas. It is my expectation that in the future, we will rarely build new roads into roadless areas, and if we do, it will be in order to accomplish broader ecological objectives.

A personal source of frustration is that few people or interest groups are focussed on the issue of our existing road system as opposed to the roadless area issue. Yet if we care about restoring the ecological fabric of the landscape, the health of our watersheds, we must address already roaded areas.

Many roadless areas have become refugia - areas of high biotic integrity where remnant populations of many native species persist. The irony is that roadless areas are historically among the *least biologically*

productive portions of the landscape - typically higher elevation with steep slopes, unstable soils, and often areas of low productivity.

If we ever hope to reconnect the tattered fabric of individual watersheds to an entire landscape, we must look to the areas along valley bottoms and main stem rivers - in other words, the already roaded areas.

With roads that could encircle the globe many times over, our road system is largely complete. Our challenge is to shrink the system considerably while still providing for efficient and safe public access in a manner that protects the land's health. Over the next 18 months or so, we will develop a long-term road policy with three primary objectives:

- Develop new analytical tools to help managers determine where, when, or if to build new roads.
- Aggressively decommission old, unneeded, unauthorized, and other roads that contribute to environmental degradation.
- Selectively upgrade certain roads to help meet changing use patterns on forests and grasslands.

It is my expectation that the long-term road policy will significantly limit, if not eliminate costly new road construction in sensitive areas that can cause erosion, imperil rare species, or fragment habitat. We will also move aggressively to close, obliterate, or otherwise decommission unauthorized and unneeded roads. We will need the help of Congress to maintain needed roads while decommissioning the others.

I expect decisions about local roads to be made by local managers working with local people and others who use or care about our road system. Recognizing that forest roads are often the backbone of the rural transportation network, we will obviously continue to provide access to and through forests. The fact, however, is that we simply cannot afford our existing road system. New information documents that we have a reconstruction and maintenance backlog of approximately \$8.5 billion. Just our *annual* road maintenance is approximately \$500-600 million per year. Moreover, we have found that *only* 18% of our road system is maintained to our own standards. This is unacceptable.

We will not delay in taking immediate action to stabilize or decommission roads that pose public safety or environmental problems. With proposed funding from Congress, we will:

- Increase by 50% from 1998, the miles of road we decommission or stabilize in FY 2000.
- Increase the percentage of forest roads maintained to standard from 18% to 24%.

Conclusion

It seems appropriate to close with the well quoted, but not often enough listened to, words of Aldo Leopold. "Examine each [land use] question in terms of what is ethically right, as well as what is economically expedient. A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends to otherwise." In this the 50th anniversary of Aldo Leopold's seminal work, *A Sand County Almanac*, let us recommit ourselves to an invigorated national land ethic.

- An ethic that recognizes that we cannot meet the needs of people without first securing the health, diversity, and productivity of our lands and waters.
- An ethic that understands the need to reconnect our communities - both urban and rural - to the

lands and waters that sustain them.

- An ethic that respects that the choices we make today influence the legacy that we bequeath to our children and their children's children.

Submitted by: Alan Polk

Contact: Chris Wood

Modified: 2/3/98

Forest Service Financial Accountability

The USDA Forest Service has received a "high risk" designation by the General Accounting Office as a result of unreliable financial statements and an inability to account for assets and expenditures.

Forest Service Action

Intense efforts are underway to implement sound financial management through:

- Finance and accounting processes that are integrated and customer-focused
- Development of systems that provide:
 - timely information
 - integrated management information
 - credible analysis
- Development of tools:
 - clear, effective nation-wide policy
 - quality assurance
 - simple budget structure linked to performance measures

Establishment of a Chief Financial Officer Organization

The Forest Service has established a Deputy Chief/Chief Financial Officer organization to bring financial management under professional business management leadership. Employees in the organization will have the skills necessary to deliver on processes, systems, and tools.

USDA Forest Service CFO Organization





Foundation Financial Information System

As an essential first step, the Forest Service is in the process of implementing the Foundation Financial Information System (FFIS) nationwide, scheduled for October 1, 1999. FFIS is a fully-compliant, commercial, off-the-shelf financial management and accounting system purchased by the Office of the Chief Financial Officer to address long-standing and significant weaknesses in the current accounting system. The Office of Inspector General's (OIG) audits of the Department's financial statements and NFC's internal control structure disclosed that the existing accounting system was not in compliance with applicable accounting standards, controls were weak, and the system could not provide the financial information to financial managers.

Key Forest Service Actions Completed or Underway:

- Implemented FFIS pilot in two regions and one research station
 - Alaska and Pacific Northwest Regions
 - Pacific Northwest Station
- Established dedicated FFIS project implementation team
- Developed integrated project plan; further defining timeframes and resources
- Completed prototype of new financial management framework for budgeting and allocating costs
- Evaluating current business processes in light of new financial management framework
- Developing strategies for: conversion, communication, training, and reporting

Goals:

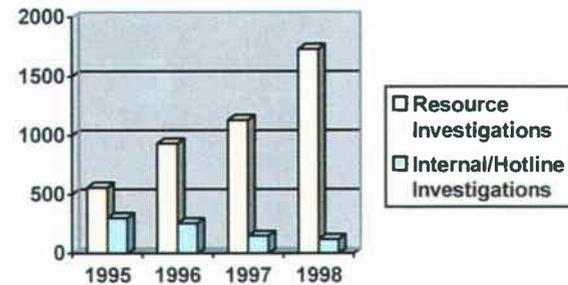
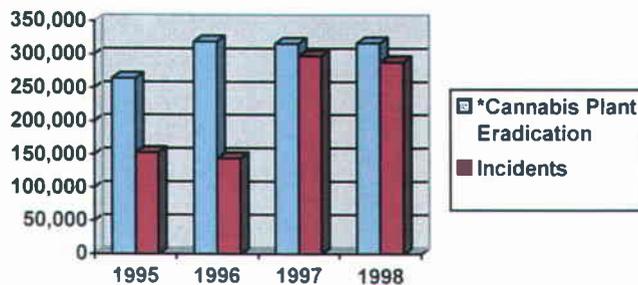
FFIS will be fully operational by October 1, 1999
The Forest Service will receive a "clean" financial opinion based on fiscal year 2000 statements.

LAW ENFORCEMENT AND INVESTIGATIONS

The primary mission of the USDA Forest Service, Law Enforcement and Investigations (LE&I) staff is to protect the public, employees, natural resources, and other property under the jurisdiction of the Forest Service. This mission is accomplished by applying the common sense crime prevention elements of education, engineering, and enforcement.

Criminal Activity on NFS Lands is Increasing

Law Enforcement Statistics FY 95-98



*Statistics rounded.

Impacts of Criminal Activity on the Natural Resource Agenda

- Recreation
 - Security is important to the public. Criminal activities such as personal assault, gang activity, and theft of property negatively impact visitor experiences.
 - Damage to and theft of recreation facilities decreases public enjoyment and diverts limited recreation dollars.
- Sustainable Forests and Grasslands
 - Theft and unauthorized use can damage natural resources and property and sometimes cause irreversible impacts on sustainability. (In one timber theft case, a defendant stole 50 seven hundred year old western red cedars that were habitat to two endangered species).



- Water
 - Toxic chemicals used in illicit labs and marijuana gardens leach into soil and waterways causing negative impacts to vegetation, wildlife, and drinking water.
- Roads
 - Enforcing rules and regulations on National Forest System roads helps to ensure a safe environment for the public and employees and protects natural resources and roadway facilities.

Accomplishments FY98

- 1,731 resource investigations conducted
- 288,370 incidents reported, of which:
 - 23,018 were violation notices
 - 58,180 were warning notices
- 337,513 cannabis plants eradicated from 3,935 sites
- Three significant timber theft convictions with over \$440,000 in restitution paid to the Forest Service for on-the-ground site rehabilitation.
- Entered into 693 cooperative agreements with state and county law enforcement agencies for patrol and drug enforcement activities.

Staffing and Budget

	FY 94	FY 95	FY 96	FY 97	FY 98	FY99
Uniformed Enforcement Officers*	455	485	481	466	476	460
Special Agents	181	162	154	140	137	130
NFLE (\$MM)	64	63.5	59.6	59.6	64	66.3

* Each law enforcement officer is responsible for approximately 650 square miles.

Future Projections

The Forest Service is expecting one billion visitor days per year. With this increase in users criminal activity will increase. Security for the public and employees and protection of the natural resources are key factors in support of the Natural Resource Agenda.