

Statement of
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Before the
House Committee on Appropriations, Subcommittee on Interior,
Environment, and Related Agencies
Concerning
President's Fiscal Year 2014 Proposed Budget for the USDA Forest Service
April 26, 2013

Mr. Chairman and Members of the Committee, thank you for inviting me here today to testify on the President's Budget request for the Forest Service for Fiscal Year (FY) 2014. I appreciate the support this subcommittee has shown for the Forest Service in the past, and I look forward to continuing to work together with Members of the Committee to ensure that stewardship of our Nation's forests and grasslands continues to meet the desires and expectations of the American people. I am confident that this budget will allow the Forest Service to meet this goal while demonstrating both fiscal restraint and efficient, cost-effective spending.

Our Nation can and should take steps to make Government more effective and more efficient in the 21st century. The FY 2014 budget that the President is proposing reflects the difficult choices we need to make to reduce spending while investing in long-term economic growth and job creation. To make the strategic investments needed to grow the economy while exercising fiscal restraint, this budget makes difficult tradeoffs between programs. It also reflects efficiency and improvements to reduce our administrative costs. It is designed to appropriately fund many of the programs that matter to Americans.

Value of the Forest Service

Our mission at the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. The mission includes helping Americans use and enjoy the lands and waters that belong to them as citizens of the United States. The Forest Service manages a system of national forests and grasslands on an area almost twice the size of California—193 million acres in 44 States and Puerto Rico. These lands entrusted to our care provide some of the richest resources and most breathtaking scenery in the Nation, as well as drinking water for millions of Americans.

As the Nation's leading forestry organization, we also serve Americans in other ways. The Forest Service was founded in 1905 to stop the degradation of watersheds and manage the lands for the benefit of all Americans. To that end, in addition to the National Forest System, agency programs support the sustainable stewardship of more than 600 million acres of forest land across the Nation, including 423 million acres of private forest land, 68 million acres of State forest land, 18 million acres of Tribal forests, and 100 million acres of urban and community forests.

In addition, we maintain the largest forestry research organization in the world, with more than a century of discoveries in such areas as wood and forest products, fire behavior and management, and sustainable forest management. In an age of global interconnectedness, we also support the sustainable stewardship of forests around the world; we have served people in more than 80 countries, which have direct benefits to the American forestry economy through marketing American forest products and invasive species prevention.

America's forests, grasslands, and other open spaces are integral to the social, ecological, and economic well-being of the Nation. The benefits from Forest Service programs and activities include jobs and economic activity, especially in rural areas where other sources of employment and economic growth might be few. In FY 2011, for example, the various activities on the National Forest System contributed over \$36 billion to America's gross domestic product, supporting nearly 450,000 jobs.

The most popular uses of the national forests and grasslands are associated with outdoor recreation. Our increasingly diverse visitor population engages in activities such as camping, picnicking, snowmobiling, cross-country skiing, equestrian use, firewood and forest product gathering, all-terrain vehicle riding, skiing, snowboarding, hunting, fishing, hiking, wildlife viewing, driving for pleasure, and visiting cultural sites and visitor centers. The national forests and grasslands attract about 166 million visits per year, supporting about 205,000 jobs and contributing \$13.6 billion to the Nation's gross domestic product each year. Fifty-five percent of our visitors engage in a strenuous physical activity, contributing to their health and well-being.

Noncommercial uses of forest and grasslands also provide vital benefits to the American people. For example, more than half of our Nation's freshwater flows from public and private forest land, and about 60 million Americans rely on drinking water that originates on the National Forest System. Forest Service land management, combined with Forest Service assistance to private landowners, helps protect the single greatest source of drinking water in the Nation.

The Forest Service's creation of jobs and economic opportunities is not limited to rural areas. Through Job Corps and other programs, we provide training and employment for America's urban youth, and we help veterans transition to civilian life. Our Urban and Community Forestry Program has also provided jobs and career-training opportunities for underemployed adults and at-risk youth through activities such as tree care and riparian corridor restoration.

We also engage a wide range of partners who contribute to investments in land management projects and activities. In FY 2012, we entered into more than 7,700 grants and agreements with partners who contributed a total of about \$535 million in cash and non-cash (in-kind) contributions. Combined with our own contribution of nearly \$779 million, the total value of these partnerships was over \$1.3 billion. The growing value of grants and agreements demonstrates the increasing importance of partnerships in fulfilling the Forest Service mission.

Forest landowners of all kinds benefit from our forest-related research, as does anyone who buys products made from wood. For example, Forest Service scientists have developed a free software application that helps people identify invasive plants and provides control recommendations. Our research and development bring all kinds of benefits to the American people, improving their quality of life.

More than 50 percent of the Nation’s forests—over 420 million acres—are privately owned. Working with the State Foresters, we help State forest managers and private forest landowners manage America’s working forests sustainably. Through our Forest Health Management program, for example, we monitor and assess forest health conditions on all lands nationwide, both public and private, tracking outbreaks of insects and disease and providing funds for treating areas at risk.

In February 2011, President Barack Obama launched the America’s Great Outdoors Initiative, setting forth a comprehensive agenda for conservation and outdoor recreation in the 21st century. The initiative challenges the American people to work together to find lasting conservation solutions, based on the premise that protecting America’s natural heritage is a goal shared by all. In tandem with the President’s initiative, Secretary of Agriculture Tom Vilsack outlined an all-lands vision for conservation. He called for partnerships and collaboration to reach shared goals for restoring healthy, resilient forested landscapes across all landownerships nationwide.

Our FY 2014 budget request is accordingly designed to help us work with partners across borders and boundaries to invest in America’s green infrastructure at a landscape scale. Our focus on landscape-scale conservation dovetails with broader Administration priorities, including the President’s America’s Great Outdoors initiative, the Secretary’s “all-lands” vision, and the Department of Agriculture’s priority goal of enhancing water resources. Our goal at the Forest Service is to ensure the ability of our Nation’s forests and grasslands to deliver a full range of jobs and benefits, both now and for generations to come.

Challenges to Conservation

Our Nation’s ability to protect its forest and grassland resources is now at risk due to drought, invasive species, and uncharacteristically severe wildfires and outbreaks of insects and diseases. Such stresses and disturbances are affecting America’s forests, grasslands, and watersheds on an unprecedented scale. Twenty-seven percent of all forest-associated plants and animals in the United States, a total of 4,005 species, are at risk of extinction. Habitat degradation is the main reason—affecting 85 percent of all imperiled species. Many species are also threatened by nonnative invasive species, which affect 49 percent of all imperiled species.

Although biodiversity is exceptionally high on the national forests and grasslands, habitat degradation and invasive species remain serious threats. We estimate that watershed functionality is impaired or at risk on 48 percent of the watersheds on National Forest System lands. Severe outbreaks of western forest pests have affected 32 million acres on the national forests alone. Between 65 and 82 million acres are in need of fuels and forest health treatments—up to 42 percent of the entire National Forest System.

Part of the problem is severe drought, resulting in extreme fire weather, very large fires and longer fire seasons. Since 2000, at least 10 States have had their largest fires on record, and some have had their records broken more than once. In 2000, for the first time since the 1950s, more than seven million acres burned nationwide; and in 2012, more than nine million acres burned.

The spread of homes and communities into areas prone to wildfire is an increasing management challenge. From 2000 to 2030, we expect to see substantial increases in housing density on 44 million acres of private forest land nationwide, an area larger than North and South Carolina

combined. More than 70,000 communities are now at risk from wildfire, and less than 15,000 have a community wildfire protection plan or an equivalent plan.

A growing proportion of the Forest Service budget has been needed for fire-related activities of all kinds. In FY 1991, for example, fire-related activities accounted for about 13 percent of our total budget; by FY 2012, it was 40 percent. That has left a smaller amount of funding for nonfire purposes (watersheds, wildlife, recreation, and other benefits and services). With increasingly limited funding, we need to approach our work differently.

Budget Request and Focus Areas

The FY 2014 President's Budget request is designed to meet the challenges we face. The President's proposed overall budget for discretionary funding for the Forest Service in FY 2014 is \$4.9 billion. It shifts \$62 million from key programs to meet the requirement to fund the 10-year rolling average of fire suppression costs.

In response to the challenges we face, we are focusing our efforts on three key areas: restoring ecosystems; strengthening communities while providing jobs; and managing wildland fires. In these tough economic times, our proposed budget balances spending on priorities in each of these three focus areas against measures to decrease costs. Through strategic partnerships, we will continue to leverage our funds to accomplish more work, yielding more benefits for the people we serve while also sustaining forest and grassland ecosystems for future generations.

Restoring Ecosystems

Our approach to ecological degradation is to accelerate ecological restoration. The Forest Service is restoring the ability of forest and grassland ecosystems to resist climate-related stresses, recover from climate-related disturbances, and continue to deliver the values and benefits that Americans want and need. Reforestation, habitat enhancements, invasive species control, hazardous fuels treatments, and other measures can help to make an ecosystem more resilient and more capable of delivering benefits, such as protecting water supplies and supporting native fish and wildlife. Our budget request for FY 2014 is specifically designed to support integrated restoration efforts across the Forest Service.

Through **Integrated Resource Restoration**, land managers are accelerating the pace of restoration and job creation, in part by using the Forest Service's Watershed Condition Framework to identify high-priority watersheds for treatment. Managers use Integrated Resource Restoration to integrate activities such as hazardous fuels reduction, road decommissioning, and removal of barriers to fish passage. Outcomes include reducing risk from fire, insects, and diseases; maintaining clean drinking water for communities; and supporting more local jobs and economic opportunities. For example, in FY 2012 through our overall efforts we treated almost 2.6 million acres to sustain or restore watershed function and resilience. Under the pilot program, through restoration activities we treated almost 800,000 acres. We propose fully implementing Integrated Resource Restoration across the Forest Service in FY 2014.

The growing need for restoration-related work and investments on the National Forest System is providing jobs and community benefits. The ***Collaborative Forest Landscape Restoration Program*** was created in 2009 to restore high-priority forested landscapes, improve forest health, promote job stability, create a reliable wood supply, and reduce firefighting costs across the

United States. After the program was created, the Secretary of Agriculture evaluated collaboratively developed project proposals, selecting 20 large-scale projects for 10-year funding, along with three additional high-priority projects for funding from other sources. They support an array of restoration activities, including reducing hazardous fuels, restoring watershed function and resilience, and improving forest vegetation and wildlife habitat. Continued implementation of these projects is a high priority in our FY 2014 budget request. For example, the 23 projects under this program have created or maintained approximately 7,500 jobs over the last two years and generated almost \$272 million in labor income. They have also reduced the danger of fire on more than 600,000 acres near communities and enhanced clean water supplies by remediating or decommissioning 6,000 miles of roads.

The Forest Service is creating partnerships across the country to help protect water by reducing the risk of fire in municipal watersheds that provide communities with water for drinking and other uses, such as irrigation, fisheries, and recreation. To help leverage our funding, we are proposing a new program for ***Restoration Partnerships*** in FY 2014. The program will foster some of the most advanced public-private partnership initiatives in the Federal government, leveraging new outside resources to support the Forest Service's restoration efforts. Most funding under the new program will go to support cost-share projects that will be competed for at the national level to attract matching financial support from partners.

Another Forest Service program with a restoration emphasis is ***Forest Health Management***. Under the program, we conduct risk mapping and surveys to identify the areas at greatest risk from insects and disease, including invasive species such as emerald ash borer and white pine blister rust. In identifying the areas at greatest risk and deciding on how to respond, we work with the States, in part by utilizing the State Forest Action Plans to help inform response decisions.

The Forest Service is finalizing directives for implementing the new National Forest System Land Management ***Planning Rule*** governing how land management plans are written for the national forests and grasslands. Half of all units on the National Forest System have plans that are more than 15 years old. Successful forest plan revisions are key to meeting the Forest Service's contemporary land management challenges. The new 2012 Planning Rule will help land managers focus on collaborative watershed restoration while promoting jobs and economic opportunities in rural communities.

In concert with the President's America's Great Outdoors Initiative and Secretary Vilsack's all-lands vision for conservation, the Forest Service has launched an initiative to accelerate restoration across shared landscapes. The ***Accelerated Restoration Initiative*** builds on Integrated Resource Restoration, the Collaborative Forest Landscape Restoration Program, the Watershed Condition Framework, the 2012 Planning Rule, and other restoration-related programs and initiatives to increase the pace of ecological restoration while creating more jobs in rural communities.

The Forest Service is supporting accelerated restoration through our programs in ***Research and Development***. We have seven high-priority research areas, including Watershed Management and Restoration, which is designed to support our focus on protecting and enhancing water resources. In our Bioenergy and Biobased Products research area, we are developing technology to sustainably produce woody biomass and convert it into liquid fuels, chemicals, and other high-value products. In partnership with the wood products industry, we are also developing science

to commercialize nanocellulosic technologies to generate new high-value products such as durable composites and paper that is stronger and lighter. This will revolutionize technology to create new jobs and revenues and help restore America's economy through industrial development and expansion.

We are also pursuing longer term strategic research. For example, sustainable forest management is predicated on decades of data on forest conditions collected through our Forest Inventory and Analysis program. We conduct long-term research in such areas as forest disturbances, the effects of climate change, fire and fuels, invasive species, wildlife and fish, and resource management and use to meet local needs. In all of our research, we are committed to delivering new knowledge and technologies to support sustainable forest and grassland management.

Strengthening Communities and Providing Jobs

Our FY 2014 budget request emphasizes the role that communities play in sustaining the forests and grasslands around them and the benefits they provide. Working with State and local partners, we are focusing on landscape-scale outcomes through cross-boundary actions including forestry projects identified through the State forest Action Plans. Accordingly, we propose building on our State and Private Forestry Deputy Area Redesign initiative through a new program called ***Landscape Scale Restoration***. Our new program will capitalize on the State Forest Action Plans to target the forested areas most in need of restoration treatments while leveraging partner funds.

We also work with the States through our ***Forest Legacy Program*** to identify forests critical for wildlife habitat and rural jobs. Through the program, we provide working forests with permanent protection by purchasing conservation easements from willing private landowners.

In a similar vein, and supporting the President's America's Great Outdoors initiative, our ***Land Acquisition*** program is designed to protect critical ecosystems and prevent habitat fragmentation by acquiring inholdings on the National Forest System and other lands where we can improve public access. We are working in collaboration with the Department of the Interior to leverage our joint investments by coordinating our efforts to protect intact, functioning ecosystems across entire landscapes. We propose transferring \$177 million in discretionary and mandatory funding from the Land and Water Conservation Fund to support these goals.

The Forest Service also engages urban communities in protecting and restoring America's 100 million acres of urban and community forests. For example, we are working with 10 other Federal agencies in the ***Urban Waters Federal Partnership***, designed to restore watersheds in urban areas. Through our ***Urban and Community Forestry*** program, we are benefiting communities by helping them to plant trees, especially through demonstration projects. Through our ***Conservation Education*** programs, we are engaging millions of children and their families in outdoor experiences.

In addition, we are helping communities acquire local landscapes for public recreation and watershed benefits through our ***Community Forestry and Open Space*** program. Our goal is to help create a Nation of citizen stewards committed to restoring the forests around them to health.

Our community focus supports the President's America's Great Outdoors initiative to achieve landscape-scale restoration objectives, connect more people to the outdoors, and support opportunities for outdoor recreation while providing jobs and income for rural communities.

Building on existing partnerships, establishing a 21st century Conservation Corps will help us to increase the number of work and training opportunities for young people and veterans through high-priority conservation and restoration work on public lands. To engage communities in conserving the lands around them, the Forest Service is building public-private partnerships that leverage new resources to support the Forest Service's restoration goals. Our new ***Restoration Partnerships*** program features national competitive grants to support local restoration projects, with matching funds from partners.

We are also building public-private partnerships through our ***Sustainable Recreation Framework***. Many economic opportunities and other community benefits generated on the national forests and grasslands are associated with outdoor recreation. Through the Sustainable Recreation Framework, we are engaging communities to protect and increase recreational access as well as jobs, benefits, and opportunities associated with outdoor recreation.

Our associated ***Trails*** program designates trails for multiple uses, consistent with our travel management rule, while building partnerships in trail stewardship. Our ***Roads*** program is designed to maintain forest roads and bridges to protect public safety and water quality while meeting access needs for both resource stewardship and the recreating public. Our ***Facilities*** program promotes the safe and energy-efficient use of agency infrastructure while emphasizing cost-effectiveness and a smaller environmental footprint through the use of green building techniques and materials.

Managing Wildland Fires

Our restoration efforts are partly in response to growing fire season severity, one of the greatest challenges facing the Forest Service. We continue to suppress in initial attack at very small sizes up to 98 percent of the fires we fight. However, the few fires that escape initial attack tend to get much larger much faster. Extreme fire behavior has become far more common. Firefighters are largely limited to protecting certain points around homes and communities.

In 2009, Congress passed the Federal Land Assistance, Management, and Enhancement (FLAME) Act, calling on Federal land managers to develop a joint wildland fire management strategy. Working with the Department of the Interior, the Forest Service took the opportunity to involve the entire wildland fire community in developing a joint long-term National Cohesive Wildland Fire Management Strategy.

This strategy is the product of a collaborative effort between wildland fire organizations, land managers, and policy making officials representing Federal, State and local governments, Tribal interests, and nongovernmental organizations that builds on the successes of the National Fire Plan and other foundational documents. Phase I was completed in 2011 and outlines the national strategy to address wildland fire issues across the Nation. Phase II was completed in 2012 and provides a risk based framework for evaluating local, regional, and national alternatives for wildfire response and preparedness at a mix of different temporal and geographic scales.

Our new strategy has three components:

1. ***Restoring fire-adapted ecosystems.*** More than a thousand postfire assessments show that fuels and forest health treatments are effective in reducing wildfire severity. Accordingly, our fuels treatments have grown; from 2001 to 2011, the Forest Service treated about 27.6

million acres, an area larger than Virginia. We focus our treatments on high-priority areas in the wildland/urban interface, particularly near communities that are taking steps to become safer from wildfire, such as adopting the national Firewise program or developing community wildfire protection plans.

2. *Building fire-adapted human communities.* With more than 70,000 communities at risk from wildfire, the Forest Service is working through cross-jurisdictional partnerships to help communities become safer from wildfires, for example by developing community wildfire protection plans. Through the Firewise program, the number of designated Firewise communities—communities able to survive a wildfire without outside intervention—rose from 400 in 2008 to more than 700 in 2012.
3. *Responding appropriately to wildfire.* Most of America’s landscapes are adapted to fire; wildland fire plays a natural and beneficial role in many forest types. Where suppression is needed to protect homes and property, we focus on deploying the right resources in the right place at the right time. Using decision support tools, fire managers are making risk-based assessments to decide when and where to suppress a fire—and when and where to use fire to achieve management goals for long-term ecosystem health and resilience.

Hazardous fuels reduction is an important part of protecting communities and infrastructure in the wildland/urban interface, and the materials removed can often be utilized as biofuels. Our **Hazardous Fuels** program therefore supports grants and other forms of assistance for wood-to-energy initiatives. We fund business plans and feasibility studies that help make a project more competitive for other sources of funding; we provide technical assistance to support project development or improve air quality, and we help develop financially viable approaches for building and sustaining facilities that convert wood to energy.

In FY 2014, the Forest Service will work with municipal water providers and electrical service utilities to leverage our funds for fuels and forest health treatments. For example, our new **Restoration Partnerships** program will support public-private partnerships for investing in projects to protect water supplies on the Colorado Front Range and elsewhere. Our Hazardous Fuels program complements activities conducted through **Integrated Resource Restoration** and the **Collaborative Forest Landscape Restoration Program** to reduce fuels, protect communities, and restore forested landscapes. Contracted services for fuels reduction provides jobs, as do the forest products and woody biomass utilization activities that result from fuels reduction and removal.

Our budget request for FY 2014, taking the **Suppression** and **FLAME** line items together, fully covers the 10-year rolling average of annual amounts spent on suppression. Taken together with the **Preparedness** line item, our budget request reflects our emphasis on assessing strategic risks and improving operational decision-making for responding to wildland fires, including using fire, where appropriate, for resource benefits. Our efforts are expected to result in more effective and efficient use of Forest Service resources as well as the resources of our partners.

Airtankers are a critical part of an appropriate response to wildfire, but the Forest Service’s fleet of large airtankers is old, with an average age of more than 50 years. The cost of maintaining them is growing, as are the risks associated with using them. The Forest Service is implementing a **Large Airtanker Modernization Strategy** to replace our aging fleet with next-generation airtankers. Our FY 2014 budget request includes \$50 million to pay for the increased costs of

modernizing the firefighting airtanker fleet. This is in addition to the \$24 million requested in the FY 2013 budget for a total of \$74 million proposed over the last two years to further enhance the agency's ability to fight wildland fire.

Cost Savings

Since 2011, the Forest Service has conducted more than a thousand postfire assessments in areas where wildfires burned into previously treated sites. In 94 percent of the cases, our fuels and forest health treatments were determined to have changed fire behavior and/or helped firefighters control the fire.

The Forest Service is also taking steps in other areas to cut our operating costs. For example:

- Taking advantage of new technologies, we have streamlined and centralized our financial, information technology, and human resources operations to gain efficiencies and reduce costs. We will continue to work together with other USDA agencies under the Blueprint for Stronger Services to develop strategies for key business areas to provide efficiencies.
- For the same reasons, we have integrated work across our deputy areas for National Forest System, State and Private Forestry, and Research and Development. For example, all three deputy areas have collaborated to develop the Southern Forest Futures project – the first comprehensive analysis of the future of Southern forests over the next 50 years.
- In FY 2012, we began implementing a new Planning Rule that will reduce the length of time it takes to revise management plans, saving costs. We are also saving costs by streamlining our environmental review process under the National Environmental Policy Act.
- We are implementing measures to achieve \$100 million in cost pool savings in FY 2013 and FY 2014 combined.
- We have adopted new public-private partnership strategies for leveraging restoration funding. For example, over 10 years the Collaborative Forest Landscape Restoration Program is expected to leverage \$152.3 million in partner funding, about 62 cents for every Federal dollar spent.
- We also signed an agreement to use municipal funds to restore fire-damaged national forest land in the municipal watershed of Denver, Colorado. Over five years, Denver Water is matching the Forest Service's own \$16.5 million investment in watershed restoration. We have signed similar agreements with Santa Fe, New Mexico, and with other cities on the Front Range in Colorado, including Aurora and Colorado Springs.
- We are proposing a number of changes in our budget line items for FY 2014 to better integrate accomplishments, to increase efficiencies in administration, and to make our program delivery more transparent. For example, combining the State and Volunteer Fire Assistance programs under Wildland Fire Management will improve program management, reduce administrative complexity, and will assist with improved performance management.
- In accordance with sustainability and efficiency mandates, we are working to reduce our environmental footprint. We are acquiring more energy-efficient vehicles and using the latest technologies to reduce our greenhouse gas emissions and cut our electricity and natural gas costs at facilities.

Future Outlook

Our budget request focuses accordingly on America's highest priorities for restoring ecosystems, strengthening communities and providing jobs, and managing wildland fire. We are developing a kind of land and resource management that efficiently and effectively addresses the growing extent and magnitude of the challenges we face, as well as the mix of values and benefits that Americans expect from their forests and grasslands. We will continue to lead the way in improving our administrative operations for greater efficiency and effectiveness in mission delivery. Our research will continue to solve complex problems by creating innovative science and technology for the protection, sustainable management, and use of all forests, both public and private, for the benefit of the American people. Moreover, we are working ever more effectively to optimize our response to cross-cutting issues by integrating our programs and activities.

The key to future success is to work through partnerships and collaboration. Our budget priorities highlight the need to strengthen service through cooperation, collaboration, and public-private partnerships that leverage our investments to reach shared goals. Through this approach, we can accomplish more work while also providing more benefits for all Americans, for the sake of generations to come. This concludes my testimony, Mr. Chairman. I would be happy to answer any questions that you or the Committee Members have for me.