

**PROPOSED FISCAL YEAR 2008 BUDGET REQUEST  
FOR THE FOREST SERVICE**

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

FIRST SESSION

IN

CONSIDERATION OF THE PRESIDENT'S FISCAL YEAR 2008 BUDGET  
REQUEST FOR THE USDA FOREST SERVICE BUDGET

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FEBRUARY 28, 2007



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## **PROPOSED FISCAL YEAR 2008 BUDGET REQUEST FOR THE FOREST SERVICE**

**WEDNESDAY, FEBRUARY 28, 2007**

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

The committee met, pursuant to notice, at 9:45 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Jeff Bingaman, chairman, presiding.

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

The CHAIRMAN. Why don't we go ahead? I understand Senator Domenici has been held up in traffic but will be here very shortly and since we have several other members here, why don't we go ahead? I'll make a short statement and then we'll turn to our witnesses for comments, unless Senator Domenici arrives in time, or I'll turn to Larry if he has any kind of opening statement, of course.

Today, the committee will consider the President's fiscal year 2008 budget request for the Department of Agriculture's Forest Service. Witnesses are Under Secretary Mark Rey and the Forest Service Chief, Gail Kimball.

I'd like to particularly welcome Chief Kimball. This is her first hearing before the committee since she was appointed as the 16th Chief of the Forest Service on February 5. So we are very glad to have you here and we appreciate you adjusting your schedule.

It is Under Secretary Rey's sixth year of presenting the administration's budget. I think we are getting into more and more difficult problems as the years go by, at least from my perspective. Let me explain that a little bit.

The administration is proposing about a 9 percent, or \$450 million, cut from the Forest Service budget that was recently passed as part of the continuing resolution. That is the latest cut. When adjusted for inflation, the President's fiscal year 2008 request amounts to a 23 percent or \$1.4 billion cut from the Forest Service budget that the administration inherited in 2001.

During the same period, the Forest Service's costs for managing wildland fires has more than doubled, to \$1.5 billion. This committee held a hearing a month ago on controlling the escalating cost of wildfire management, and the implications of those rising costs are painfully apparent in this budget.

This budget would return the non-fire discretionary budget to 1996 levels, meaning large cuts in virtually every other program in

the Forest Service. If the wildland fire management portion of the budget continues to grow at the rate that it has grown in the previous 10 years, a rough calculation indicates that this obligation to fight fires will eat up the Forest Service's entire discretionary budget by 2030. In other words, if we do not make dramatic changes in how wildland fire management is budgeted, it will not be long before the Forest Service is simply the Fire Service.

It's very difficult to put together a reasonable budget when you don't have a reasonable amount of money to work with. Unfortunately, this budget does make the situation worse in my view. Despite the resounding opposition to similar proposals in last year's budget, the administration is again proposing to sell off national forests to fund a phase-out of the County Payments Program and to fully fund the Timber and related programs in the Pacific Northwest by cutting funds from other critical programs.

Not surprisingly, these proposals have met with the same opposition again this year that they did last year. I do fear, however, that they will once again be a distraction from the many other important problems with the budget.

Let me now turn to Senator Craig for any opening comment he has and I'll defer to Senator Domenici for his comments when he arrives. But why don't you go ahead, Senator Craig? Then we'll hear from the witnesses.

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

Senator CRAIG. Well, thank you very much, Mr. Chairman. Let me, too, welcome to the committee Mark Rey and especially Gail Kimball. Just a few moments ago, I said hello to her and offered her congratulations and condolences. And now you know why, Chief Kimball, I have offered you condolences. You've heard it from our ranking member and my comments certainly reflect his concerns as it relates to the overall Forest Service budget and what it doesn't have in it versus what it does.

Of course, I think all of us are frustrated, especially those who come from States where you are a very large landowner and we not only expect certain levels of performance out of the Forest Service; we expect certain levels of maintenance as it relates to the human activity on the land, trails—a combination of things. Also, I look at it and see that there is an \$80 million reduction in funding for the general preparedness coming out of one of the worst fire seasons on record. We are dry in the west again in many areas. The moisture is spotted at best. It's hard yet to predict what the coming season will be like. It is reasonable to predict that it probably would be similar to last year. Of course, firefighting remains not only a roar in the trees of the summertime, as it burns, but a great sucking sound out of our budgets here. There is an unwillingness of Congress to recognize what has happened to the Forest Service over the last decade, and that is the grand old cash cow of the Forest Service we took away, the Timber Sale Program that historically funded the U.S. Forest Service. I am frustrated by that. I said when it happened that I didn't think Congress would have the willingness to replace the moneys and we haven't. As a result of that, we are creating an orphan child of the U.S. Forest Service as it re-

lates to its ability to do what we think it ought to be doing on the land.

Having said that, this committee, this chairman and I are wrestling now with another orphan child and that is called the Secure Rural Schools Authorization. School districts and counties became dependent early on in the century for a certain percentage of the receipt of those timber sales. Then the Craig-Wyden bill offset that loss for a time and here we are once again, right in the middle of the political battle over that, in an effort to try to find money for some reasonable level of funding. The chairman has well said that what the administration has offered; I have in blunt terms said "It don't hunt." I didn't call it quite a dog but at least I said, "It don't hunt": in relation to what I think our country expects of its public land resource, and how we generally manage it or exchange it or we shape it, and also in relation to the needs of the moment versus the long term environmental values.

Those are all frustrations in that budget. Senator Domenici has just arrived. Our ranking member, let me close my comments, but I am growing increasingly frustrated that we, here in Congress, are starving—as is this administration—for an appropriate budget for the U.S. Forest Service. The impacts on my State grow in time as the resource becomes less healthy. That has to be a concern to my State and I think any forested State in the Nation. Thank you.

The CHAIRMAN. Before we hear from the witnesses, let me call on Senator Domenici for any opening statement that he would have. I made a short statement, and Senator Craig as well, but if you have any statement, we'd like to hear it.

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

Senator DOMENICI. Thank you, Mr. Chairman. I'll be very brief. Thank you for scheduling the hearing. I'd like to welcome Under Secretary of Natural Resources and the Environment, Mark Rey, and a new Chief of the Forest Service, Gail Kimbell. This is your first hearing, Gail, before this committee as Chief of the Forest Service and we appreciate your willingness to lead the Forest Service during this time. I am very hopeful that you will fully implement your predecessor's plan to reduce the costs of the Washington office and the regional offices by 25 percent so that funding can be shifted to the forests and districts where it is so desperately needed.

I do want to mention three issues that this project brings before us with some degree of concern. First, I'm increasingly concerned by the administration's decision to fund a bias called Arrow Preservation Trust, Senator Bingaman, with only \$850,000. Perhaps you already made that point?

The CHAIRMAN. I did not make that point, but go ahead.

Senator DOMENICI. This is inevitably penny-wise and pound-foolish. This level is unacceptable in my view. Congress and the administration passed the Caldara Preservation Trust Act and I think the members on my side both remember that. That was an enormous investment, \$100 million, to purchase it and put it in trust. It makes no sense to me that we would risk the success of this program because we are unwilling to provide \$4 or \$5 million

to provide several years to maintain this annual operation of Caldara. I don't know why it's done this way, but I tend to think that nobody cares that that's what happens. I understand that in the long run, the trust will need to become financially self-sufficient, but we are going to have to give them some time to accomplish that. It's my view that the administration is going to have to find ways to increase their budget when they buy Caldara until the trust gets up and running.

Second, I note the proposal adds a line item for firefighters' salaries—\$219.7 million, and reduces the preparedness by an additional \$90 million. I also note that your budget justification lacked any discussion on these two line items. I find this troubling and will have a number of questions about the fire preparedness.

I notice in the survey of Federal firefighters, that many are struggling and strongly considering getting out of the firefighting because they fear the liability they might face if investigated by the Office of Inspector General. Did you raise that issue, Senator Craig?

Senator CRAIG. No, I did not.

Senator DOMENICI. I didn't know. But I think you know that's a very big issue, and it's grown, and I hope this budget will maintain the 98 percent initial attack fire suppression success that you produced in the past. Although quite frankly, I don't see how you can do this with these things at the proposed levels.

Last, the 2008 budget proposal continues to include a proposal that failed to find much support on the Hill last year. I'm speaking about your proposal to sell land to pay for the Secure Rural Schools and Communities Self Determination Act. Your last proposal on funding of the Secure Rural Schools and Communities Self Determination Act will share half the revenue that is generated to propose conservation lands in States where these revenues are generated. I'm still skeptical that you will find sufficient support for this program when 75 percent of these payments go to Oregon, Washington and California.

Chairman Bingaman, I'll stop here and thank you for this hearing and I'm glad you called the hearing today.

[The prepared statement of Senator Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Thank you Mr. Chairman and Ranking Member Domenici.

I want to welcome Under Secretary Mark Rey and Chief Gail Kimbell—it is good to have you here for this annual hearing. And, congratulations on your new post Chief Kimbell.

Healthy forests are important to Colorado because they neighbor our communities, protect our watersheds, and provide many of Colorado's recreational opportunities. I am not convinced that the Forest Service is going to be able to maintain, let alone improve, our forests with a budget that is a 1.5% decrease from last year and a 7% decrease from 2001. I am disturbed that Colorado's region two is looking at a proposed 12.5% decrease this year.

In 2006, Colorado's eleven National Forests and two National Grasslands continued to grapple with the effects of drought and insect infestations. Thankfully, Colorado escaped the fire season with just one fire over 10,000 acres and a total of 41,000 acres burned. However, bark beetles continue to take advantage of dry conditions to run rampant, killing trees and further elevating the fire danger for this coming season. It is estimated that in 2006 around 5 million lodgepole pines on 645,000 acres were killed by mountain pine beetles. The widespread extent of this drought and infestation has alarmed many communities in Colorado, and I am alarmed too.



I am alarmed because there is a tremendous amount of hazardous fuel work to be done in Colorado. The Forest Service reports that 113 projects covering 280,000 acres of hazardous fuels treatments in Colorado have been approved through NEPA and are available for implementation pending funding. In fact, 65% of these treatments are located in the wildland-urban interface, and another 235,000 acres are being analyzed for approval.

Unfortunately, the Forest Service reports that it implemented just 73,662 acres of treatments in Fiscal Year 2006 due to funding limitations. I don't want to make the mistake of assessing progress based solely on acres treated, but it is clear to me that Colorado's hazardous fuel conditions are deteriorating faster than current funding is able to address.

A second important issue for Colorado was identified by former Chief Dale Bosworth. He named unmanaged recreation as one of the four threats facing our National Forests, but this budget cuts funding for recreation management by 9% (a 12% cut in region two). In Colorado, we have environmentalists working with off road vehicle groups on one of the few issues they agree upon—the need for better recreation management and funding, and I support that goal.

I look forward to hearing more about these, and other, provisions in the budget in your testimony. Again, thank you for being here.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much. Why don't we go ahead with Secretary Rey and then Chief Kimball, and hear their testimony, and then we'll have some questions. Secretary Rey, welcome.

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

Mr. REY. Chairman, members of the committee, thank you. I appreciate the opportunity to discuss the President's fiscal year 2008 budget for the Forest Service and I am pleased to join Gail Kimball here, the newly appointed Chief of the Forest Service, at her debut hearing before the committee today. Gail has served at all levels of the agency as a career civil servant, in a 30-plus year career in the Forest Service, including in many of the States that you represent.

I'll discuss three issues that relate to the 2008 budget. First I'll talk about changes to the wildland fire account and associated issues. Second, I'll talk about the re-authorization of secure rural schools legislation and then third, I'll speak very briefly about funding for the Pacific Northwest Forest Plan.

The 2008 budget proposes a total of \$1.9 billion for activities associated with wildland fire management, including a new appropriation for wildland firefighters and other cost-saving measures. The events of the 2006 fire season, as we described vividly in the January 30 hearing before this committee, make a compelling case for the strategic changes that we're proposing in the 2008 budget. Congress has repeatedly expressed concerns as recently as the January 30 hearing about rising fire suppression costs. Large fire costs are a persistent challenge for the agency and threaten to compromise the achievement levels of other critical mission areas.

In response, a number of key actions are underway in fiscal year 2007 and the 2008 budget request makes additional significant proposals. Our funding request for both the preparedness and the suppression accounts are tied to these reforms to help better control firefighting costs as a percentage of the overall budget.

Among the reforms that are being made in 2007 and in 2008 is that the 2008 budget reflects refinement of the concept of appro-

appropriate management response toward a risk-informed fire suppression approach. This approach provides risk-informed fire protection by introducing the concept of managing wildland fire in relationship to the risk that a specific incident proposed.

We are also implementing in 2007 that the Forest Service will designate an individual with access to a support team to provide oversight on fires of national significance and assistance to local units. He or she will collaborate with the Department of the Interior on Department of the Interior lands as an express measure to affect cost controls on large incidents, which comprise the largest portion of our suppression account costs.

Third, national resources, such as smoke jumpers, hot shot crews and helicopters, will be moved to areas and incidents based on predictive services and on planning levels as national shared resources. That should reduce the number of assets that are deployed initially, by deploying them more effectively across the board.

Fourth, aviation resources will be managed more effectively to reduce their high cost. A full time national helicopter coordinator will be selected to provide oversight for the assignment and positioning of helicopters. Helicopter management will be centralized as a national resource.

We will shift to more exclusive use versus call-when-needed contracts for helicopters to increase the aircraft hours available at a lower unit cost.

Finally, we will be making efforts to maintain our initial success attack while reducing the dependence on severity funding. The Forest Service will acquire lower thresholds for the approval of severity funding to be elevated for approval by the Chief. National shared resources will be pre-positioned, whenever possible, in geographic areas where the fire risk is greatest during the fire season.

Now let me talk about the Secure School and Community Self Determination Act, which we will talk about at greater length at tomorrow's hearing. That legislation was enacted to provide transitional assistance to rural communities affected by the decline in revenue from timber harvests on Federal lands. The last payment authorized by the Act was for fiscal year 2006 and was made in December 2006. The administration continues to be on record in support of a 1-year extension of the act with agreed-upon offsets as an interim step.

In addition, we are submitting the National Forest Land Conveyance for Rural Communities Act to authorize a 4-year extension of funding formally provided by the 2000 legislation. The legislation would also provide conservation funding for national forests and grasslands. Sale of identified national forest system lands would provide funding to replace that which the 2000 legislation provided.

Our proposal would authorize the Secretary to sell sufficient national forest land to fund an \$800 million account. Under the legislation, 50 percent of those receipts would be used as a funding source for the school payments and the other 50 percent would be used as a funding source from the States within which the land was sold, to be used for land acquisition and conservation purposes. Given the difference between the value of the lands we're selling and the lands we would acquire, we anticipate that we acquire twice as many acres under this proposal as we would sell, thereby

increasing—not decreasing—the net Federal estate, and doing so in a fashion faster than we can do it today under standard land exchange practices.

So if the concern over our proposal last year is that it would result in a reduction of Federal acres, we have listened and honestly met that concern by changing the proposal this year into a proposal that could fund land acquisition. This could result in increasing net Federal acres over what we start with and funding secure rural schools as part of the bargain. So I urge you, as we talk about this today and again tomorrow, to keep that change in mind.

Last, our 2008 budget proposal proposes full funding for the Pacific Northwest Forest Plan. As many of you know, that plan was developed by our predecessors in the Clinton Administration as a compromise, a compromise which reduced timber harvest levels in western Washington, western Oregon and northern California, from about 6 billion feet per year to about 1 billion feet per year. The provision of that 1 billion feet of timber was a commitment expressly made by our predecessors but never realized. As a consequence of the complexity of the plan, litigation was subsequently attendant to it. As a consequence of our efforts over the past 4 years, we have simplified the plan, overcome many of the legislation barriers to providing that raw material and are now proposing to redeem the commitment made by our predecessors to fully fund the implementation of that plan and to see those reduced timber harvest levels realized. The concomitant benefit of that in Oregon, Washington and northern California is that it will reduce the need for funding from other sources to support rural schools. So it has a double benefit, much like our proposal to fund rural schools has a double benefit.

With that, I will turn the microphone over to Chief Kimball.  
[The prepared statement of Mr. Rey follows:]

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

OVERVIEW

Mr. Chairman and members of the Committee, I appreciate the opportunity to discuss the President's fiscal year 2008 Budget for the Forest Service during today's hearing. I am pleased to join Gail Kimbell, newly appointed Chief of the Forest Service, at this hearing today.

I will discuss two issues that relate to the 2008 Budget. First, I will address changes in the Wildland Fire account and associated issues. I will next address the need to provide further transitional assistance to rural counties through the proposed National Forest Land Adjustment for Rural Communities Act.

WILDLAND FIRE

The 2008 Budget proposes a total of \$1.9 billion for activities associated with Wildland Fire Management, including a new appropriation for Wildland Fire Fighters. The events of the 2006 fire season make a compelling case for these strategic changes.

On the heels of Hurricane Katrina, the 2005 fire season flowed seamlessly into that of 2006—without the respite normally provided by winter precipitation. From November through April, extreme low humidity, persistent drought conditions, and winds contributed to the ignition of fires through Texas, Oklahoma, Colorado, Missouri, and New Mexico. By late July, the wildland fire fighting community had entered Preparedness Level 5—the highest level of fire activity, during which several geographic areas are experiencing simultaneous major incidents. During 2006 the Forest Service was at Preparedness Level 5 from late July through late September, without intermission. Although the 2006 fire season had one of the highest number

of fire starts in a single day (548), an extraordinary number of lightning-caused fires (over 16,000), and a record number of simultaneous large fires (affecting nearly every region in the country); it also resulted in significantly fewer dwellings and other structures destroyed—750 homes lost in 2006 as compared to more than 4,500 lost in 2003.

Despite many positive accomplishments, fire suppression expenditures topped \$1.5 billion in 2006. Moreover, the agency has spent over \$1 billion on fire suppression in 4 of the last 7 years. The increasing frequency of “billion dollar” fire-fighting years is driving up the 10 year average suppression cost figure, which is used to determine suppression funding levels. Congress has repeatedly expressed concerns about rising fire suppression costs. Large fire costs are a persistent challenge for the agency and threaten to compromise the achievement levels of other critical mission areas. In response, a number of key actions are underway in fiscal year 2007, and the 2008 Budget request makes additional significant proposals.

The most significant actions underway in 2007 include:

1. *From Appropriate Management Response to Risk-Informed Response.*—The Appropriate Management Response (AMR) was articulated in the 2001 update of the Federal Wildland Fire Management Policy. Further, the 2008 Budget reflects refinement of the concept of AMR toward a risk-informed fire suppression approach. This approach provides risk-informed fire protection by introducing the concept of managing wildland fire in relationship to the risk that the incident poses. If a wildland fire has potential benefits to natural resources and poses a relatively low risk to impact other valued assets, the fire would receive a lower intensity suppression effort. Conversely, if a fire incident is determined to pose high risk to property or community, high suppression efforts would be applied. The approach utilizes risk management and tools such as probability analysis and actuarial data to inform rigorous and systematic ways to reach decisions that allocate resources on the basis of risk posed by the wildfire and the strategy used by managers to address it. The Forest Service has developed a draft guidebook that presents a coherent strategy to implement this approach. DOI is reviewing this guidebook and will work with Forest Service on interagency implementation.

2. *Forest Service Chief's Principal Representative.*—The Forest Service Chief will designate an individual with access to a support team to provide oversight on fires of national significance and assistance to local units and will collaborate with the DOI on DOI lands. The individual will be highly experienced in wildfire management, and the team will have knowledge and capability with decision-support tools. These changes will immediately provide for experienced decision-making that should reduce costs on large fires.

3. *National Shared Resources.*—National resources such as smoke jumpers, hot shot crews and helicopters will be moved to areas and incidents based on Predictive Services and on Planning Levels. This will create a more centralized and flexible management of these response resources. Funding and decision-making from the national level will ensure consistency across regions, flexibility in the assignment of resources and eliminate geographic concentration of resources that impose costs in both time and money.

4. *Aviation Resource Cost Management.*—Aviation resources will be managed more effectively to reduce their high cost. A full-time National helicopter coordinator will be selected to provide oversight for the assignment and positioning of helicopters. Helicopter management will be centralized as a national resource. The Forest Service will attempt to shift more to “exclusive use” versus “call when needed” contracts for helicopters. This will increase preparedness costs initially, but is expected to greatly reduce large fire suppression cost with potential saving of tens of millions of dollars per year. We will pursue longer term aviation contracts for all aviation resources with increased performance-based contracting. DOI also is pursuing strategies to reduce its costs.

5. *Initial Attack and Severity Funding.*—Efforts will be made to maintain our initial attack success while reducing the dependence on severity funding. The Forest Service will require lower thresholds for the approval of severity funding to be elevated for approval by the Chief National Shared Resources will be pre-positioned whenever possible in geographic areas where fire risk is the greatest during the fire season. The Forest Service and DOI agencies will continue to submit a coordinated severity request so as to not duplicate effort or expense.

In addition to the changes for 2007, the 2008 Budget proposes a separate appropriation for Wildland Firefighters. The Budget proposal moves funding for firefighters out of the Preparedness budget within Wildland Fire, and into a separate appropriation. There is no net program change as a result of this move. Importantly, this adds a higher degree of visibility and transparency to fire suppression activities

and provides \$220 million for hiring and training the 10,000 firefighters necessary to ensure a successful fire season.

The Wildland Fire account's Suppression line is funded at \$911 million, reflecting the updated 10-year average for total suppression costs as adjusted for inflation and includes indirect costs not charged to fire suppression in previous years but now required by Congress to be included in the account.

The Budget funds Fire Preparedness at \$349 million, which is a reduction of \$87 million as compared to the fiscal year 2007 estimate when considering the strategic shifts and creation of the new Wildland Firefighter account.

We expect that the management improvements implemented and underway will enable managers to be better prepared for wildfires; help managers to make better decisions during firefighting operations; and provide managers with the tools necessary to analyze, understand and manage fire suppression costs. While the factors of drought, fuels buildup in our forests and increasing development in fire prone areas have the potential to keep the number of incidents and total cost of wildfire suppression high for some time to come, we are confident in our strategy to address wildland fire suppression costs and are committed to action. We believe that the measures discussed today promise to expand efficiency and reduce suppression costs. We look forward to continued collaboration with our Federal, State, local, Tribal, and other non-Federal partners to address our shared goal of effectively managing wildfire suppression costs.

#### CONTINUING TRANSITIONAL SUPPORT TO RURAL COMMUNITIES THROUGH THE NATIONAL FOREST LAND ADJUSTMENT FOR RURAL COMMUNITIES ACT

The Secure Rural Schools and Community Self-Determination act of 2000 (SRS) (PL 106-393) was enacted to provide transitional assistance to rural counties affected by the decline in revenue from timber harvests in federal lands. Traditionally, these counties relied on a share of receipts from timber harvests to supplement local funding for school systems and roads. Funding from SRS has been used to support more than 4,400 rural schools and to help maintain county road systems. In addition SRS has authorized the establishment of over 55 Resource Advisory Committees (RAC) in 13 States, which has increased the level of interaction between the Forest Service, local governments, and citizens resulting in greater support and understanding of the agency's mission. RACs have implemented more than 4,500 resource projects on National Forests, Grasslands, and adjacent non-federal lands with a value from SRS funds and leveraged funds of more than \$292 million.

On September 30, 2006 the SRS authorization ended. The last payment under this authorization was made in December of 2006. The Administration continues to support a 1-year extension of the SRS Act with agreed-upon full offsets as an interim step. The Budget underscores the President's continuing commitment to states and counties impacted by the ongoing loss of receipts associated with lower timber harvests on Federal lands. The National Forest Land Adjustment for Rural Communities Act is included in the FY 2008 President's Budget to fund transition payments targeted to the areas of greatest need, and to provide counties additional time before payments are phased-out. Under the proposal, half of land sales proceeds will be available to offset county payments and half will be available for national forest acquisition or habitat improvement in the states in which lands are sold. Counties benefit from four additional years of payments, and states receive an environmental benefit from exchanging land with low environmental values for lands with high environmental value.

The National Forest Land Adjustment for Rural Communities Act would authorize a four-year extension of the funding formerly provided by SRS. The legislation would also provide conservation funding for National Forests and Grasslands. Sale of identified National Forest System lands—similar those lands described in the fiscal year 2007 budget proposal would provide funding to replace that which SRS had provided. Our new legislation differs from our previous proposal by including additional provisions which allow for land sale receipts to also be used for the acquisition of land for the National Forest System, conservation education, improved access to public lands, wildlife and fish habitat improvement, and coverage of administrative costs of land sales and acquisition activities.

This year's proposal addresses the concern that affected states would not receive financial benefit from the sale of federal lands within their borders. It does so by including a requirement that 50% of all land sale receipts be retained for conservation purposes within the State from which the receipts were derived.

The legislation would authorize the Secretary to sell excess national forest land or interests in land that the Secretary determines to be both eligible for disposal and in the public interest. These parcels meet criteria identified in existing forest

land management plans as potentially suitable for conveyance. Many of these lands are isolated from other contiguous National Forest System lands, and because of their location, size, or configuration are not efficiently managed as components of the National Forest System. Isolated tracts can be expensive to manage because of boundary management and encroachment resolution costs. The sales of these lands will not compromise the integrity of the National Forest System; instead, it will allow the agency to consolidate federal ownership and reduce management costs. Land sales would be limited to a list of lands identified by the Secretary. By selling lands that are inefficient to manage or have limited ecological value, and subsequently purchasing critical, environmentally sensitive lands; the Forest Service will maintain the integrity of the National Forest System, while funding payments under the Act in a fiscally responsible manner.

Our proposal would authorize the Secretary to sell sufficient National Forest land to fund an \$800 million dollar account. Under the legislation, 50 percent of receipts obtained from land sales would be used as a funding source to make SRS payments over a four year period with a gradual phase-out. The remaining 50 percent of receipts from land sales within a State would be used for conservation purposes.

Funds from the land sales account would supplement payments to the states from National Forest and BLM timber receipts. For administrative purposes, the Secretary of Agriculture would also make the supplemental payments from this account for the Bureau of Land Management. Timber receipts are expected to rise over the next five years, which will help offset the payment phase-out.

Finally, the legislation would authorize the establishment of a National Advisory Board to advise the Secretary on the land sales and the use of their proceeds. State governments will be encouraged to participate in formulating recommendations to the National Advisory Board for habitat improvement projects and land acquisition needs. By selling lands that are inefficient, isolated, or of limited-value and purchasing critical, environmentally sensitive lands, the Forest Service will maintain the integrity of the National Forest System while funding payments formerly provided by SRS.

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

**STATEMENT OF ABIGAIL KIMBALL, CHIEF, USDA  
FOREST SERVICE**

Ms. KIMBALL. Thank you, Mr. Chairman and I'll present an abbreviated version of my testimony and request that my full statement be entered into the record.

The CHAIRMAN. That will be done, as well as Secretary Rey's.

Ms. KIMBALL. Thank you. Mr. Chairman and members of the committee, it is a great privilege to be here today to discuss the President's budget for the Forest Service in fiscal year 2008. Let me also say, having been Chief of the Forest Service for almost a month, I am deeply honored to have this opportunity. I am joined today by Lenice Lago, who is our Budget Director for the U.S. Forest Service. Let me also express my appreciation in advance to you, Mr. Chairman, and members of the committee, for working with the Forest Service and me during this transition. I have worked for the Forest Service for over 30 years. I started as a seasonal employee, went on to serve as Forester, Planner, District Ranger, Forest Supervisor, Regional Forester and Associate Deputy Chief, among other positions. I've worked in Oregon, Washington, Alaska, Wyoming, Colorado, Montana and Idaho and in the Washington Office here in Washington, DC.

Equipped with these experiences, I am eager to lead the Forest Service into its second century of service and I am humbled by the duties entrusted in me as Chief.

In its second century of service, the Forest Service faces diverse challenges. These include restoring fire adapted forests to more resilient conditions, providing natural resource raw material to the

American public, providing sustainable recreation opportunities, mitigating the loss of open space, addressing the spread of invasive species, restoring watershed health and more, all during a period of rapid fragmentation, intensive development and landscape scale change.

These challenges occur at a time when our Nation is pursuing deficit reduction goals. The Forest Service is responding, adapting and modernizing in response to the complex and evolving environment in which we operate.

This budget request must be viewed in the larger context of the overall Federal budget in which is presented. Like other non-defense, domestic, discretionary programs, the Forest Service faces a constrained budget. The fiscal year 2008 President's budget request for the Forest Service is just over \$4.1 billion, which is approximately the same level of funding as fiscal year 2006 and a modest reduction below fiscal year 2007.

However, within that total are some important shifts. I'll briefly discuss three emphasis items and we can discuss other programs during the question and answer period.

Within wildland fire, we have increased the request for fire suppression by \$160 million over last year. This is due to the request for fire suppression being based on the 10-year rolling average cost of fire suppression and the fact that last year's fire season cost a record \$1.5 billion.

The 2008 budget responds to the escalating cost of fire by refining the concept of appropriate management response toward a risk-informed fire suppression approach. Under the risk-informed approach, wildland fire will be managed on a priority basis as determined by considering whether private property, infrastructure and human value is most at risk and which resource benefits are associated with the incident. We will increase decision support and new tools for this refined approach.

The 2008 budget maintains funding throughout the programs that support the Health Forest Initiative, including hazardous fuels, forest products and applied fire science and serve cultural research. At least 40 percent of hazardous fuels funding will be used on projects that contribute to the goal of improving condition class on at least 250,000 acres by the end of the fiscal year through the use of the Hazardous Fuel Reduction Act and the Healthy Forest Restoration Act and the Healthy Forest Initiative authorities. I thank you again for the authorities granted to us.

In addition, the budget supports a hazardous fuels reduction target of 3 million acres, a timber sales target of 3.5 billion board feet and fully funds the Northwest Forest Plan.

Law enforcement is also increased in this budget, recognizing the increase of violent activity and crime across the National Forest System, particularly along the Arizona border, in California with the drug trafficking organizations, and in other areas of the National Forest System. We've requested an increase of \$13 million.

In order to fund these high priority programs, the budget makes hard tradeoffs to other programs. Moreover, efficiencies gained through the centralization of business operations, planning rule revisions and renewed focus on collaborative management will help offset reductions under the fiscal year 2008 budget request.

Thank you for this opportunity to discuss the President's budget. I look forward to working with all of you to implement our fiscal year 2008 program and I'm happy to answer any questions you may have.

[The prepared statement of Ms. Kimball follows:]

PREPARED STATEMENT OF ABIGAIL KIMBELL, CHIEF, USDA FOREST SERVICE

Mr. Chairman and Members of the Committee, it is a great privilege to be here today to discuss the President's budget for the Forest Service in fiscal year 2008. Let me also say, having been Chief of the Forest Service for just a month, I am deeply honored to have this opportunity.

First, I want to express my gratitude to Secretary Johanns for his confidence in me, and to thank the dedicated, hard-working employees of the Forest Service for their support and encouragement. Let me also express my appreciation in advance to you Mr. Chairman and Members of the Committee for working with the Forest Service and me during this transition.

I will begin by saying a few words about myself and my long-time commitment to the Forest Service. I have worked in the Forest Service for more than 30 years. I started as a seasonal employee and went on to serve as Forester, Planner, District Ranger, Forest Supervisor, Regional Forester, and Associate Deputy Chief, among other positions. I have worked in Oregon, Washington, Colorado, Alaska, Wyoming, Montana, and Washington, DC. Equipped with these experiences, I am eager to lead the Forest Service into its second century of service, and am humbled by the duties entrusted in me as Chief.

For those new members who may be unfamiliar with our agency, the U.S. Forest Service works to sustain the health, diversity, and productivity of the Nation's 193 million acres of national forests and grasslands. We not only steward the National Forest System, but also provide states, Tribes, and private forest landowners with technical and financial assistance. Moreover, we are the world's largest forestry research organization.

In its second century of service, the Forest Service faces diverse challenges. These include restoring fire-adapted forests to more resilient conditions, providing natural resource raw materials to the American public, providing sustainable recreation opportunities, mitigating the loss of open space, addressing the spread of invasive species, restoring watershed health, and more—all during a period of rapid fragmentation, intensive development, and landscape-scale change. These challenges occur at a time when our nation is pursuing deficit reduction goals. The Forest Service is responding, adapting, and modernizing in response to the complex and evolving environment in which we operate.

Before I begin my testimony on the 2008 Budget however, I would like to reflect on Chief Bosworth's leadership and some of his many achievements during these past six years.

THE FOREST SERVICE UNDER CHIEF BOSWORTH

When Chief Bosworth took the helm of the Forest Service, the agency's finances were in disarray. The General Accountability Office had listed the Forest Service among agencies at high risk for waste, fraud, and abuse. Under Dale Bosworth's leadership, the agency progressed from being "in receivership," to achieving five consecutive clean audit opinions from the USDA Office of the Inspector General. Chief Bosworth reduced overhead costs, reorganized the Deputy areas by eliminating two Deputy Chief positions and reducing staff, and guided the agency through the centralization and reengineering of its business processes whose net cost reductions will approach \$100 million by fiscal year 2008. The Forest Service's improved business policies, processes, and organization have enhanced internal controls, eliminated duplication, and created accurate and complete financial data. Under the President's Healthy Forests Initiative, Chief Bosworth oversaw hazardous fuels reduction on more than 8.5 million acres. Further, the Chief responded with confidence and composure to such momentous challenges as September 11th; the Space Shuttle Columbia disaster; Hurricanes Katrina and Rita; and a period of wildland fire frequency and severity heretofore unprecedented in the modern era. Chief Bosworth skillfully ushered the Forest Service into the 21st Century's complex and demanding environment.



## FOREST SERVICE FISCAL YEAR 2008 BUDGET

This budget request must be viewed in the larger context of the overall federal budget in which it is presented. Like other non-defense domestic discretionary programs, the Forest Service faces a constrained budget. And the results of the Administration's policies on economic growth and fiscal restraint include cutting the deficit in half, three years sooner than originally predicted. The fiscal year 2008 President's Budget request for the Forest Service is \$4.127 billion, which is approximately the same level of funding as fiscal year 2006 and a modest reduction below fiscal year 2007. However, within that total are some important shifts: the budget makes important changes to the Wildland Fire account, maintains funding for Healthy Forests including the commitment to fully fund the Northwest Forest Plan to provide 800 million board feet of timber, and emphasizes public health and safety by proposing a significant increase in the Law Enforcement Operations budget. These increases are offset by reductions in other programs so that wider administration goals of supporting the Global War on Terror and sustaining the momentum of the economic recovery can continue. The President's Budget addresses reductions by continuing or implementing new cost saving measures and by enhancing efficiencies and streamlining management and organization.

*Wildland Fire.*—During the 2006 fire season the United States experienced more than 95,000 wildfire ignitions, and more than 9.9 million acres burned. Of those 9.9 million acres burned, approximately 5 million acres were on Federal lands and the balance on non-Federal lands. The Forest Service continued its excellent track record in protecting lives, property, and the environment. However, as occurred in 4 of the last 7 years, in 2006 the Forest Service spent over \$1 billion for suppression activities—a record \$1.5 billion. The increasing frequency of “billion dollar” fire-fighting years is driving up the 10 year average suppression cost figure, which is used to determine annual suppression funding levels.

The 2008 Budget responds to escalating fire costs in three important ways. First, the budget provides funding for suppression at the 10 year average level, adjusted for inflation. The 2008 Budget funds Suppression at \$911 million—a 23 percent increase over 2007 levels of \$741 million. Further, the 2008 Budget reflects refinement of the concept of “appropriate management response” toward a risk-informed fire suppression approach. Under the risk-informed approach, wildland fire will be managed on a priority basis as determined by considering private property, infrastructure, and human values most at-risk and resource benefits associated with the incident. In 2008 we will increase our decision support for this refined approach. New tools, including improved fire behavior monitoring and prediction, and costs and benefits of alternative suppression strategies will help managers decide how to respond to fires. In addition, the 2008 Budget pursues a more efficient and precise budget structure by establishing a separate account for “firefighter” expenditures. The 2008 Budget requests \$220 million for this new appropriation, which will fund salary and training for 10,000 firefighters and 67 type I hot shot crews.

*Healthy Forests.*—The Healthy Forests Initiative (HFI) was launched in 2002 to reduce administrative process delays to implementing projects, and Congress passed the Healthy Forests Restoration Act (HFRA) in 2003. The Act provides improved statutory processes for hazardous fuel reduction projects on certain types of at-risk National Forest System and Bureau of Land Management lands and also provides other authorities and direction to help reduce hazardous fuels and restore healthy forest and rangeland conditions on lands of all ownerships. The 2008 Budget maintains funding throughout the programs that support the Healthy Forests Initiative, including Hazardous Fuels, Forest Products, and applied Fire Science and Silvicultural Research. At least 40 percent of hazardous fuels funding will be used on projects that contribute to the goal of improving condition class on at least 250,000 acres by the end of the fiscal year through the use of HFRA and HFI authorities. In addition, the Budget supports a hazardous fuels reduction target of 3 million acres, a timber sales target of 3.5 billion board feet, and fully funds the Northwest Forest Plan, including a significant increase in Capital Improvement and Maintenance (Roads) to maintain the road infrastructure needed to support Northwest Forest Plan timber sales.

*Law Enforcement Operations.*—The 2008 Budget proposes a \$13 million increase in Law Enforcement Operations. Recent years have seen a significant increase in crime on National Forests, causing resource impacts and increasing risks to public and employee safety. Agency law enforcement officers are increasingly responding to violent crimes, including rape, homicide, domestic disputes, assault, robbery, drug manufacturing and trafficking, and other serious felony crimes. In addition, law enforcement officers routinely respond to traffic accidents, search and rescue, medical or emergency assistance, hazardous materials spills, domestic terrorist activity,

large group events and gang activity. In addition to reducing the impacts on natural resources and avoiding the associated costs of restoration, the requested funding increase will enable the Forest Service to maintain public and employee security and reduce illegal occupancy of National Forests.

In order to fund these high priority programs, the Budget makes hard tradeoffs to other programs. Moreover, efficiencies gained through the centralization of Business Operations, Planning Rule revisions, and renewed focus on collaborative management will help offset reductions under the fiscal year 2008 Budget request. In fiscal year 2008 and fiscal year 2009, the agency will further its efforts to optimize organizational efficiency by restructuring leadership and program management functions at its National and Regional Offices. In order to provide additional funding for on-the-ground performance, many headquarters and regional activities will be consolidated on a centralized basis, and appropriate program management functions will be zoned across multiple regions. The Forest Service will realize personnel cost decreases of approximately 25 percent in National and Regional Office operations by the end of fiscal year 2009. An executive Steering team, led by Eastern Regional Forester Randy Moore, has been appointed to oversee the reorganization effort.

I will now discuss program changes of the Research, State and Private Forestry, National Forest System, Capital Improvement and Maintenance, and Land Acquisition accounts.

#### FOREST & RANGELAND RESEARCH

The Forest Service Research Program is a globally recognized leader at exploring the fundamental ecological, biological, social, and economic questions and issues challenging natural resource management and conservation in the modern era. Not only do Forest Service research efforts inform Forest Service management, conservation, education, and outreach activities; but importantly, our Research programs inform the conservation activities of the global community.

The 2008 Budget funds Research at \$263 million. This is a 7 percent decrease from the 2007 funding estimate of \$280 million. The budget eliminates funding for un-requested Congressional earmarks and employs investment criteria to ensure alignment between research projects and strategic priorities. Funding priorities within the request include continued research to improve large fire decision support, particularly with respect to improving managers' ability to predict probability of fire occurrence and spread related to values at risk, long-term integrated planning, successful collaboration with communities, and further development of improved tools for integrated risk analysis. The invasive species program area includes new funding for research on biological control of invasive weeds. To help meet the Nation's energy needs there is an increase of \$1.3 million to enhance research on wood-based bio-fuels development and conversion processes, bio-refinery applications, energy efficient housing, and processing and manufacturing energy reduction, life cycle analysis of wood, and marketing analysis for energy and bio-based products. The 2008 Budget also retains support for Forest Inventory and Analysis, which is of great importance in the context of tracking today's dramatic ecological changes and their effects on forest resources.

Forest Service Research and Development has focused on strengthening the conformance of its research program with the President's Management Agenda criteria for Federal research agencies: quality, relevance and performance. Research has identified 7 Strategic Program Areas (SPA), and developed strategic plans for each one. Further, Research plans to conduct national external panel reviews of each SPA, as well as reviews of each Research Station's alignment with the SPAs. These include periodic peer review and evaluation of all scientist positions through the Research Panel Process, peer review of proposed study plans and manuscripts for publication, and periodic updating of station quality assurance and quality control plans. During 2006, a restructuring of the Research headquarters staff was initiated to improve responsiveness, quality, relevance, performance and efficiency.

#### STATE & PRIVATE FORESTRY

The State and Private Forestry program is a critical component of the Forest Service's conservation mission in that it connects the agency's research and federal public lands-based programs to those of states and private individuals and entities. State and Private Forestry programs work across boundaries to conserve forested landscapes and open spaces, and protect the ecological services they provide. State and Private Forestry programs assist successful conservation of the nation's natural resources by enhancing cooperation between individuals, non-governmental organizations, states, and the federal government.

The 2008 Budget funds State and Private Forestry at \$203 million, an 11 percent decrease from 2007 funding levels of \$229 million. Funding will be focused on priority activities in the Forest Health and Cooperative Fire programs.

The Forest Health program will receive more than \$90 million and provide for treatments of invasive and native pests on more than 600,000 acres of priority forest and rangelands. When combined with funds received under the National Fire Plan, the total acreage will increase by almost one-third and will yield close to 800,000 acres of treatments. Attention will be placed on priority pests such as the southern pine beetle, the western bark beetle and slowing the spread of gypsy moth. In fiscal year 2008, the Forest Health program will emphasize increased early survey and monitoring efforts against invasive species. These activities are important and integral to the overall program—increasing the agency's ability to prevent and detect problems early is a more cost-effective way to deal with invasives than treatments after wide spread infestations have occurred.

The Cooperative Fire program will receive more than \$42 million and will help more than 9,800 communities protect themselves from disastrous wildland fires. The majority of funds allow the Forest Service to provide financial assistance to state and local fire agencies, which in turn use the grant monies to develop and implement cooperative wildland fire preparedness programs and conduct hazardous fuel treatments around communities. A very successful program funded under the Cooperative Fire activity is Firewise, which emphasizes individual responsibility for fire hazard mitigation on community and private property. The program provides education and support to community leaders, and assistance with mitigating wildland fire hazards around structures. Moreover, the program leverages \$4 dollars in local matching funds for every federal dollar spent, allowing the program to assist more communities.

Finally, more than \$66 million in the State and Private Forestry program will fund priority Cooperative Forestry programs including the Forest Legacy Program, which will receive \$29 million. These funds will be used on 14 projects and which are expected to conserve 97,000 acres of important forest resources. To date, more than 1.4 million acres of environmentally important private lands have been protected through the Forest Legacy Program and with more than 429 million acres of the Nation's forest held in private ownership this program continues to be important to prevent critical forest lands from being converted or fragmented.

The balance of funding in the Cooperative Forestry program will fund Forest Stewardship and Urban and Community Forestry activities. All State and Private programs will focus on national goals to produce public benefit outcomes. State-developed resource plans will identify priority response to national goals. This approach is designed to connect with all ownerships in a collective effort to achieve healthy forest objectives and protect human communities from wildland fire.

#### NATIONAL FOREST SYSTEM APPROPRIATIONS

The National Forest System account provides funds for the stewardship and management of National Forests and Grasslands. The 2008 Budget requests \$1.344 billion for this account, which is a net programmatic reduction of \$67 million or 5 percent from the fiscal year 2007 estimate. This decrease from prior year levels reflects greater efficiencies gained through organizational restructuring of leadership and program management functions at the National and Regional Offices. In order to provide additional funding for on-the-ground performance, many headquarters and regional activities will be consolidated on a centralized basis, and appropriate program management functions will be zoned across multiple regions. Moreover, efficiencies gained through the centralization of Business Operations, Planning Rule revisions, and renewed focus on collaborative management will help offset reductions under the fiscal year 2008 Budget.

As discussed previously, the fiscal year 2008 Budget supports full funding for the Northwest Forest Plan and emphasizes public safety. Specifically, the National Forest System 2008 Budget proposes \$319 million for Forest Products, an increase of 5 percent. Funds allow for the continued full implementation of the Northwest Forest Plan and support an overall timber sales target of 3.5 billion board feet, including 800 million board feet from the Northwest Forest Plan. The Budget also proposes an increase of \$13 million to Law Enforcement for a total of \$124 million. The increased funding will be used to hire, train, and equip 47 new law enforcement officers and special agents. Increased visibility of law enforcement will improve public and employee safety and address foreign drug trafficking organizations on the National Forests.

The 2008 Budget proposes to hold funding in Grazing Management at prior year levels for a total of \$47 million. Maintaining this level will enable the Agency to

comply with the Rescissions Act of 1995 by completing the backlog of NEPA-based environmental analysis.

Funds are available to other programs in the National Forest System account to address highest priority needs. The 2008 Budget proposes funding for Land Management Planning at \$53 million, a decrease of 6 percent. Funds will be used to support work to complete 16 Land Management Plan revisions and continue work of another 16 plan revisions, all of which are being developed using the new Planning Rule. The fiscal year 2008 Budget also proposes \$146 million for Inventory and Monitoring programs, a decrease of 10 percent. Funds will focus on forest plan monitoring and establishing Environmental Management Systems on 50 National Forest units, which completes the requirement of the 2005 Planning Rule. Environmental Management Systems are a comprehensive approach to improving the management of environmental issues and performance on individual units.

The 2008 Budget proposes funding for Recreation, Heritage, and Wilderness at \$231 million, a decrease of 9 percent. In fiscal year 2008, the agency will continue to emphasize implementation of the travel management rule in order to address issues of unmanaged recreation, visitor safety and resource protection. By fiscal year end, the agency will have 48 percent of National Forest System lands covered by travel plans. Program funds will permit continued operation of recreation sites, although some reduction in seasons and hours for visitor information services may occur in some locations. National Forests are currently undertaking a process to analyze their recreation facilities and evaluate the future needs of the recreating public. The process, the Recreation Site Facility Master Planning, is an analysis tool, to encourage dialogue amongst a variety of interested communities on the changing demands for recreation facilities on national forests and what options may exist to respond to those changes.

The recreation program will continue to strengthen relationships with private, volunteer-based, and nonprofit organizations to ensure some capacity levels are maintained and more particular to make programs and services relevant to youth in diverse and underserved populations.

The fiscal year 2008 President's Budget requests \$71 million for Minerals and Geology Management program, a decrease of 14 percent. The energy component of the program will focus on increasing opportunities for environmentally sensitive development and supply of oil and gas, coal, and geothermal resources from Federal lands in support of the Energy Policy Act of 2005. Funding levels to support environmental compliance and environmental restoration will continue at prior year levels to ensure required audits are continued and to focus on cleaning up publicly accessible abandoned mines and other contaminated sites in high priority watersheds.

The budget also proposes funding for Wildlife and Fisheries Management at \$118 million, a decrease of 8 percent, and for Vegetation and Watershed Management at \$154 million, a program decrease of 12 percent. Focus in the wildlife and fisheries program will be on improving fish and aquatic passage, recovery of the Columbia basin salmon, and on-going recovery efforts of other species including the Bighorn Sheep.

In addition to efficiencies garnered through organizational alignment and greater use of the new Planning Rule, the Forest Service will continue to achieve efficiencies by centralizing Business Operations, utilizing email and video conferencing to lower travel costs, realigning the Agency, and will see these efficiencies and reduced costs continue over time. The net result is to maintain our foremost commitment to the land and focus funding on where the work gets done.

#### CAPITAL IMPROVEMENT & MAINTENANCE

The Capital Improvement & Maintenance Program provides for, and maintains, the infrastructure for many Forest Service programs including; the transportation networks upon which many of our management operations, projects, and users depend; the recreational infrastructure, including trails that serve many diverse populations; and facilities that house Forest Service employees.

The 2008 Budget funds Capital Improvement & Maintenance at \$422.5 million, a net programmatic increase of \$15 million. To support the goal of selling 3.5 billion board feet of timber, the 2008 Budget requests an additional \$17 million for Road Improvement and Maintenance. In addition to this request, the Forest Service will continue to receive revenues from sites conveyed under authorities provided by the Facility Realignment and Enhancement Act, which has to date provided \$34 million in receipts to convey unneeded administrative sites and retain the proceeds for building maintenance, rehabilitation, and construction.

## LAND ACQUISITION

Land covered by urban areas has more than doubled over the last 40 years, and more than 44 million acres of private forests are at-risk of being developed by 2030. The Land Acquisition account enables the Forest Service to perennially stay abreast of, and act upon, the changing land-use patterns, demographic trends, and ecological changes. The Land Acquisition program allows us to pursue landscape connectivity, by purchasing in-holdings and keystone habitat parcels, and to manage the national forests as ecosystems rather than simply as real estate.

The 2008 Budget funds Land Acquisitions at \$16.99 million. This includes \$8 million to purchase land and \$7.7 million for acquisition management. The funding will allow us to move forward with 7 high priority acquisitions. The funding request continues a trend of declining budgets for land acquisition. However, the Budget also contains a legislative proposal that permits the Forest Service to retain upwards of \$400 million in land sales for acquisition of national forest lands. The parcels to be sold have already been identified as suitable for sale or exchange because they are isolated or inefficient to manage. Lands with high environmental value will not be offered for sale, while acquisitions would focus on parcels that enhance the environmental integrity of our National Forests. Given the importance of maintaining assets already in federal ownership, the Budget strikes a good balance with the need to acquire and preserve special places.

## CONCLUSION

Priority forest management issues such as reducing hazardous fuels in the Wildland Urban Interface and prevention of property destruction by catastrophic wildfires will be increasingly integrated with other pressing policy issues, including sequestering carbon, preserving open space, improving watershed health, and other mission-driven goals. We are addressing the costs of wildland fire suppression to mitigate constraints on other Forest Service programs. Our risk-based suppression approach and Healthy Forests Initiative fuels reduction work—much like our Business Operations centralization and collaborative management efforts—will reap tremendous mid- and long-term efficiencies in the contexts of agency budgets and reducing risk to human communities posed by wildland fire. The 2008 Budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities. The 2008 Budget also responds to the national need for deficit reduction while preparing the Forest Service for a new, more collaborative, era of natural resource management. With this Budget, the Forest Service will continue to identify and support more efficient and effective methods of pursuing its mission. This will be accomplished through increased collaboration, the use of legislative authorities, expanded program efficiencies, and improved organizational and financial management. Through these efforts the Forest Service will continue to sustain the health and productivity of the Nation's forests and grasslands.

Thank you for this opportunity to discuss the President's Budget. I look forward to working with you to implement our fiscal year 2008 program, and I'm happy to answer any questions that you may have.

The CHAIRMAN. Thank you very much. We'll just do 5-minute rounds. Let me start and ask about an issue that Senator Domenici raised in his opening statement. This is on the funding for the Valles Caldana. Under the continuing resolution that we just passed, the administration has broad discretion as to what level of funding it is going to provide in the remainder of 2007 for the Valles Caldana. Have you settled on what level of funding is going to be provided, Secretary Rey?

Mr. REY. Yeah, we met with some of the officers of the trust and they asked for \$3.5 million and that's what we're going to fund them at.

The CHAIRMAN. Three point five million dollars, he indicated, and we appreciate that. A concern that I have is I think the one Senator Domenici also expressed, and that is that in the 2008 budget, which we've been given, the request is for \$850,000. The \$3.5 million is a much more realistic figure for what is needed in order to maintain that size property and do what is needed there. Why is

it that the administration is proposing that kind of a major cut in 2008?

Mr. REY. That's actually not a cut from our 2007 President's request. I think we requested about that level, give or take a few thousand dollars in 2007. The slight decrease from 2007 request is a reflection of the fact that they've been able to increase their receipts slightly.

Generally speaking, we're eager to see the trustees work toward making good on the commitment to eventually become self-sustaining. We think that objective is benefited by the dialog we will have with you during the appropriations process. They have made some progress, to their credit. They've fallen behind in some areas, in some cases, for reasons that are not wholly their fault. They're making less money on hunting today than the Dunigan family made when the Dunigans owned this as private land. That's because the State of New Mexico, Department of Fish and Game stepped in upon the change of the land status and limited the number of high- end hunting permits that the trust could provide, arguing that these were now public lands and that they were therefore, more subject to the limitations that the State Fish and Game agency wanted to impose.

Now, that's great if you are a New Mexico resident. It means that you have access to more trophy elk than you did before when these were private lands, where public hunting was regulated by a lottery system that the Dunigans controlled at a higher premium. But it means that the trust is actually making less money now, not more than was the case under—when the land was privately owned. We look at what the trust is spending per acre today, to manage these lands as compared to the surrounding national forest. The trust is spending \$42.30 per acre to manage these lands. The national forest surrounding it is spending an average of \$17.87 per acre to manage these lands and we're picking up all their fire suppression costs.

So the progress that was envisioned in the original legislation is very slow in coming and I fear it probably won't come at all unless we have these kinds of conversations during the appropriations process. I'm hopeful that the trust is successful because I don't frankly want to have to assume the full responsibility of managing this land if it's not. But at least right now, their progress has been significant toward hitting that long-term goal.

Now maybe we ought to reassess that and maybe that goal was unrealistic. Maybe we ought to manage this more like we do the Presidio Trust, which is a separate line in the Interior and related agencies' budget, not coming out of the budget at any of the other Interior agencies. Then let the trust stand on its own before Congress without us as an intermediary, saying what they are doing is good, bad or indifferent—because frankly, our role is not to do that. It's just to point out that we are where we're at.

The CHAIRMAN. Let me just ask one more question because my time is just about expired here. Regarding county payments, your proposal is to phaseout the program over 4 years, as I understand your testimony.

Mr. REY. It would be over 5 years, if you add 2007 into the mix—2007 through 2011.

The CHAIRMAN. OK. And the proposal is that total funding for the program would be reduced about 30 percent in 2008 from 2007 levels?

Mr. REY. A little—that's about right. We can talk about the—

The CHAIRMAN. Another 30 percent in 2009, then 20 percent the following year and about 10 percent the last year, is that it?

Mr. REY. That's about the glide path we proposed, but that's something we would be happy to work with you on.

The CHAIRMAN. Why is it your view that the program should be phased out?

Mr. REY. Well, the program that was initially drafted in 2000 was a transition measure, a transitory measure to give the counties time to adjust to the change in the economies of many of these western States associated with the reduction of the Timber Sale Program and the increase in other activities. Six years later, some counties have made the transition and many haven't. When we introduced our proposal last year, what we said was, we thought that an additional one-time re-authorization was justified to assist where the transition hadn't been completed, but we are keen in seeing that transition eventually be completed. We're turning to the original 1908 agreement where we shared a quarter of our gross receipts with the counties, whatever those receipts are, as a result of our management.

The CHAIRMAN. Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman. Mr. Rey, I think the discussion we've had with reference to Valles Caldana is good. I think sooner or later, we're going to have to have a sit-down with the State of New Mexico's appropriate officials and talk about such things as a limitation on fees from hunting, the restriction that is being imposed under current interpretation of the statute and see what we can do. There is no question that we have good seasons and bad ones for elk hunting but this ranch, if in the hands of the private sector, would yield far more money than we're able to have garnered because of interpretation of the limitations imposed by this State statute.

Now, the other reason they need some money to get going is that it's a beautiful place but Congress has determined that the public ought to use it as compared with the forest, if you just had the Forest Service up there. I mean, it's a big piece of Forest Service property. In the meantime, though, whoever's running it has to determine what to give the people so they can use it. Interestingly enough, some of that costs some money. Roads, buildings and the like—there's no question that people want to see that place, be on it and use it. When the trust has very little money, it can offer little or no amenities to make money.

Now we really do appreciate your coming down on the side of \$3.5, which was the amount we had appropriated. That was about to disappear because of the fiasco that we've had here, is that correct? So we weren't too far off when they came down with a \$3.5, as what they need to move ahead.

Now I'll move to one other question of prior liability. Secretary, at our last hearing at the end of January, you and I spoke about two or three things Congress could do legislatively to address the issue of liability insurance for wildland firefighters. At that time,

you committed to getting us some concepts in legislative language regarding this issue. When can we expect these concepts and legislative language from you, if some are forthcoming?

Mr. REY. In response to the drafting request that your staff made, we should be able to get something to you before the end of the week.

Senator DOMENICI. And sir, can we talk about what it is going to look like?

Mr. REY. It will be very straightforward. It will be designed to address the two things that we talked about at the January 30 hearing. First to extend the eligibility for our Federal firefighters to buy liability insurance at a specified rate that other first responders can acquire it, so that they are insured for liability purposes. Then second, to separate our internal fire investigations—which are accident investigations designed to learn from, for future safety purposes—from the existing investigation that is required by the statute passed by the committee two Congresses ago by our Inspector General, which could subject anybody involved in the investigation to criminal sanctions. So what we propose in that second change is to do something very comparable to the way the military runs its accident investigations, and separating the two, so that cooperating with the accident investigation doesn't automatically expose you to criminal liability.

Senator DOMENICI. I want to thank you and you get that language ready—what will it do to that issue of insuring and making insurance available to firefighters? Would you just talk a minute for the record?

Mr. REY. Sure. I think the ability to purchase insurance will alleviate the concern of many of our rank and file supervisors that they are exposed to liability on their own, with no protection. The second change won't necessarily reassure our firefighters, but it will allow us to conduct accident investigations in an open fashion and try to get as much information as possible to discern the cause of an accident. If there is a remedy, we can apply that remedy later and do that in a way that doesn't make that information immediately accessible to a separate, independent investigator, who by statute is bound to turn his investigatory work over to a U.S. attorney if he sees any evidence of criminal negligence. The reason in the 2002 legislation to have a separate investigation by our Inspector General was to ensure that there was an independent investigation in every instance of fire fatality. Interestingly, that didn't apply to the Department of the Interior or the States; just the Forest Service. But be that as it may, that was a reflection on the fact that there was some uneasiness that the Forest Service's internal investigation would be sufficiently independent. Well, if that's the case, then there shouldn't be any reasonable objection to letting us insulate the information acquired in that internal investigation from a potential criminal charge. Failing to do that causes everyone who is going to be interrogated either by RIG or interviewed in our internal investigation or both, to assume that they are both the same and to decide that as individuals, they should apply the same standard of prudence in both cases and not say anything unless they are advised by an attorney to cooperate. That's not an unreasonable position to take if you're facing criminal liability for a



decision that you make or witness in the call of duty under extreme circumstances. But if that stands unchanged, it will impede the quality of our accident investigations and inhibit our ability to get people to speak freely about what exactly happened, so that we have a basis for evaluating whether it's a problem that can be fixed.

The CHAIRMAN. Senator Salazar.

Senator SALAZAR. Thank you very much, Chairman Bingaman and Ranking Member Domenici, for holding this hearing. Let me just start out by saying first to you, Chief Kimball, congratulations on being the Chief and knowing and recognizing that you are the first female Chief of the Forest Service in our history. I think it is an important milestone, so my congratulations to you. And welcome back, Under Secretary Rey.

Let me just make a comment, and then I have two questions, and we'll use up my 5 minutes in that way. First of all, I think for most of us who sit on this committee, with the exception of probably Vermont, the Federal Government really is a big dog in our State. And I look at Colorado—we have 11 national forests and two national grasslands. Twenty percent of my State is owned by the Federal Government and the Forest Service, so these are issues which I think those of us in the West, regardless of our party, are very interested in. We recognize the huge impact that your land holdings have on our States, so when we're explaining taxes or other kinds of issues that are being discussed here, they'll always be incredibly important for all of us.

My first question to you has to do with funding. First, overall, and then second, with respect to Region 2. I don't frankly understand how it is that we can move forward with the continued decline in funding for the Forest Service in the way that we have. When you look at the numbers that I have, it appears that we are doing a \$64.5 million reduction from last year's budget, from the President's budget overall. When you compare the President's budget to fiscal year 2001, some 6 years ago, it's a 7 percent reduction. And yet for the last 2 years that I've sat on this Committee, I've heard the great concerns that we're not funding the Forest Service adequately. When you look at the region—U.S. Forest Service Region 2, from which we have a number of colleagues on this Committee: Colorado, Wyoming, South Dakota, Nebraska and Kansas—the number in that budget is decreased by 12.5 percent. That's a \$28 million decrease in fiscal year 2007—a \$28 million decrease. So my question is: With the decreases and the trajectory, how is it, Chief Kimball and Under Secretary Rey, that you can do your job? That's the first question. I'd like Chief Kimball to go first and then Under Secretary Rey.

The second question that I have for you is the proposed sale of public lands. Again, you address that briefly in your opening comments, Under Secretary Rey, but I'd like to know what is different from the proposal this year than last year, that would allow a different kind of sentiment? You heard loud and clear from my Republican and Democratic colleagues on this committee, that that was absolutely the wrong way to go.

So Chief Kimball, why don't you take a minute and then Under Secretary Rey, you take a minute.

Ms. KIMBALL. All the regions will experience a shift in budget in this 2008 budget, given what is happening with fire suppression and the whole wildland fire accounting line in our 2008 budget. Certainly the fire year we had in 2006 has a tremendous impact on what is available then, to be distributed to the national forests across the country. In 2002, I did have the privilege of serving as the Forest Supervisor on the Big Horn National Forest in Wyoming and on the Pike in San Isabel in Colorado and Kansas and I'm very aware of the budget disparities that have been historical amongst the regions. We've made quite some effort, actually, to be moving dollars to Region 2, to address some different things like the Front Range Fuels Project there in Colorado, certainly addressing the Timber Program on the Black Hills National Forest and others. We're undertaking some efforts nationally to reduce the size of our Washington office and regional offices. We're re-looking at how we provide overhead, how we provide—

Senator SALAZAR. Let me just say, I look forward to working with you on those issues because I think all of my colleagues in Region 2 and especially I feel this way. I feel like we have been kind of the orphan region of the U.S. Forest Service and I want to see how we can get that reversed.

Under Secretary Rey.

Mr. REY. Sure. With respect to the budget, let me make a couple of quick observations. First, we are in a tight budget environment. Many of the reductions that you see there are offset by efficiencies, with probably one glaring exception, and that is the amount of budget that fire suppression is consuming overall. And we're willing to work with the Congress to look for alternative ways to fund fire suppression. In 2003, we proposed an alternative of a governmentwide emergency contingency account and I think as far as we're concerned, that offer is still on the table.

Second observation on budget is that in all of our USDA agencies, our 2008 budget was prepared in conjunction with our farm bill proposal and as we get into specific budget lines, where there is overlap between the two, I'd be happy to talk with the committee about some of the proposals that we're making to increase funding in mandatory funding areas that in part or in total, are going to offset some decreases.

Now, with regard to secure rural schools—

Senator SALAZAR. My time is up and I appreciate those comments and I look forward to working with you on those issues. Additionally, just keep it on your mind and also Chief Kimball's mind before the committee, this bark beetle problem that has infested a million acres now in Colorado and has spread into Wyoming and Idaho and a whole host of other places. It is going to be a continuing huge issue for me and I look forward to working with you on those issues. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Craig.

Senator CRAIG. Thank you, Mr. Chairman. I will let you pick up on the secure rural schools comment you were making and try to put it into the context of that which you proposed. I'm listening, but I'm struggling with the idea that we're going to sell capitol assets for the purpose of funding an ongoing annualized expense. I understand you figure you can gain net greater acreage. Walk us

through that a little more so we better understand it, and secondarily, the question will then come, are you assuming you can get to a full-blown Northwest Forest Plan without appeals and being locked up in the court again by the environmental community? Have you bullet-proofed yourself there so we can get to those kind of receipts? Then third, when fire suppression costs go from 21 percent of the budget in 2000 to 45 percent of the budget today, Chief, that's a reality that we have to grasp a hold of. The both of you respond to that set of questions.

Mr. REY. Okay, let's start with Secure Rural Schools. In our proposal last year, I think we heard three major categories of objections. First, it was a bad idea to sell capitol assets to fund ongoing expenses; second, it was a bad idea generally, to sell Federal lands because Federal lands are sacrosanct; and third, there was an equity associated with where the Federal lands were being sold versus where the schools were being funded. They weren't the same in every State.

So we listened hard to those three objections and our proposal now is to sell Federal lands—a reduced inventory. We did have public comment on the complete inventory of lands and some people chose to offer broad comments on my parentage or other broader matters, but other people actually looked at specific tracts and said back when we did the inventory and the review, a red cockaded woodpecker hadn't moved into that tract, and now it has, and we didn't account for that. And they were right. So we dropped about 27,000 acres off the inventory of eligible tracts to put forward in the proposal this year.

But we also suggested that when we sold these lands, we would use half the money to fund the schools and the other half to fund land acquisition or other conservation purposes, proportionately to where the lands were sold. So if we sell 2 million acres of Federal land in Mississippi—\$2 million worth of Federal land in Mississippi, \$1 million of that will go to the schools, \$1 million of it will go back to acquire land in Mississippi.

Now, the land that we typically acquire to add to the National Forest System is over—looking at the history of our exchange program, land that is economically less valuable and environmentally more valuable. Conversely, the land that we convey is economically more valuable and ecologically less valuable. Over the past 5 years, in our normal exchange process, we have acquired 3 acres for every acre that we have conveyed. So under our proposal, if we raise \$800 million from selling land and take \$400 million of that and buy land, we will be buying 3 acres for every acre that we conveyed and that will result in probably about a 2 to 1 increase in overall Federal acreage of lands that are more ecologically valuable by their nature and therefore more suitable for inclusion in the National Forest System. And we will do that faster than we can do it through an exchange because an exchange requires that we find somebody who has the land we want and wants the land we have or some third party to broker the effort, in a very tortious and time-consuming process.

So if the concern was, as many people said, that selling Federal land is a bad idea, the answer is, first we exchange in and out of ownerships all the time. Second, the land we're going to buy is

more valuable as well as a larger land base than the land we're going to sell.

Now as far as selling capitol assets to fund ongoing expenses, in this proposal, we're selling capitol assets to buy more desirable capitol assets and funding what we believe is an important one-time extension of the program, to help the counties adjust.

Ms. KIMBALL. On the Northwest Forest Plan, Region 6 and Region 5 have made tremendous progress between 2001 and 2006 in increasing their program through the resolution of quite a number of lawsuits, through quite a bit of public involvement, work with collaborative groups and in gaining support for the needed vegetative management work that is part of the Northwest Forest Plan. So our intent here in fully funding the Northwest Forest Plan is to address those things where we have been successful over the last 5 years and hopefully to continue that.

Senator CRAIG. Sure. I spoke to fire but my time is up. I'll come back on the second round. Thank you.

The CHAIRMAN. Senator Tester.

Senator TESTER. Thank you, Mr. Chairman. The meeting tomorrow is going to be interesting, dealing with the Secure Rural Schools Program. I'm not on that subcommittee but I will tell you that I don't know if you can sell land of low environmental value and buy land at environmental value and be able to triple your assets. I'll trust that that's correct but it doesn't make a lot of sense to me. I don't want to get into this because there is a lot of other issues and it's already been dealt with.

Chief Kimball, it's very, very good to see you here. This is a great position for you. You've got a tremendous amount of respect from the work that you've already done and the work you've done in Montana, and I really appreciate you here at this table, as well as the other folks that are testifying.

As we deal with cuts to the Recreation, Wilderness and Heritage program of about \$29 million, the Rocky Mountain West, as you well know, is probably the fastest growing region in the country. We've got people that are moving there for recreational opportunities primarily and as I see it, this budget would diminish access and recreational opportunities by potentially closing campgrounds and offering fewer services. Could you address that issue?

Ms. KIMBALL. This budget—I have every faith this budget will not do what many may fear. But what this budget will do will cause us to have to focus our energies on some different things, like what we're doing with travel management planning, and we're doing quite a bit of that in Montana, with being able to identify trails, trail systems, working very collaboratively with public groups to be able to identify where uses can be combined and where uses may need to be separate, and hopefully to gain a lot of public support in that process.

We are also going through a recreation facilities master planning and you and I had a brief moment to talk about that in the hallway. With recreation facilities master planning, first what we've done is taken an inventory of the facilities we have. We are also taking note of the different demands being made on the National Forests—four different recreation facilities in the public involvement process that we're taking on with all of those forests. The

nine forests' representatives in Montana will be visiting with different user groups, with the communities, and talking about opportunities for partnering on some of those different facilities. But there is no intent to close access to the National Forests.

Senator TESTER. Do you anticipate there will be a closing? I know there is no intent but we're talking about a \$29 million reduction, and I hear you talking about consolidation. I think that's good—efficiency is great. Do you anticipate there will be any closing of campsites or any diminishment of people being allowed access?

Ms. KIMBALL. I do not expect any diminishment of people being allowed access. I do expect we will close very inefficient campgrounds in some places that get very low visitation. I expect that the thinking will be increasing the size of some campgrounds where there is greater demand and higher visitation.

Senator TESTER. What kind of numbers of potential campground closings are you talking about? How many?

Ms. KIMBALL. We have not yet begun the public involvement process, or that is just starting now, so I can't give you any numbers for campground closure.

Senator TESTER. OK, thank you. I want to jump to another one very quickly. It deals with invasive species—noxious weeds, leafy spurge—all those bad weeds out there that tend to take over all lands, public and private. I see that there is a reduction of a couple different line items, potentially a lot of money—\$20 million. By the way, I understand reductions. I mean, when you're talking about a \$8.6 trillion debt in this country and \$2 billion a week going out for a war in Iraq, I understand the pressure you guys are under.

So I applaud that. But we've got resources here in this country. Invasive weeds are taking over our forests. I see a reduction here. Can you tell me how you can do more with less? Because there is more demand now than there was 10 years ago, a lot more than there was 20 years ago.

Mr. REY. I think that invasives—that's one of the areas where you're seeing a substantial increased commitment in our farm bill proposal. In the conservation and forestry title of the farm bill, we fund a substantial amount of invasives reduction work through the Environmental Quality Incentive Program. We're proposing to increase that program by about \$420 million a year over the authorized 10-year life of the farm bill proposal, and that money will be available to private as well as Federal landowners for invasives control.

Senator TESTER. Mr. Chairman, are we dealing with two budgets here? Is this the Forest Service budget? Or is there another budget for the Forest Service besides this one?

Mr. REY. I think what I said a little—right after my introductory remarks is that in the 2008 cycle, all of our USDA agency budgets were developed in conjunction with our farm bill proposal because many USDA agencies—in fact, most of them, enjoy both discretionary appropriations dollars in the annual appropriations as well as support for mandatory program dollars in the farm bill. So what we tried to do in some cases is balance our priorities to achieve the most efficient way to deliver programs.

Senator TESTER. Is it possible to get how much money the Forest Service spent last year on invasive species, what the successes were and how much money you're going to spend this year, with the farm program?

Mr. REY. Sure. I would add that the increment of farm bill—

Senator TESTER. Yes, I'd like that, because I need to compare apples with apples. I'm kind of new to this process and need to know if there is other stuff going on. The last thing is—I'm out of time, but I just want to make a comment. You guys don't have to answer it.

This budget is a bit confusing anyway but I'll take the blame for that. But there are issues in here that deal with fire suppression that were split up within this budget. Quite frankly, we didn't get any sort of idea of what's going on here until about a half hour ago, 20 minutes before this meeting started, because when I started firing questions, my guy who knows a lot more about this than I do, couldn't answer the questions because there was not a response. I would hope that in future meetings, we get information a lot quicker than this, because I can't ask good questions if I don't have good information. Thank you.

Mr. REY. We'll endeavor to do that and we'd be happy to come up and visit with you to sort of go through this stuff.

Senator TESTER. Thank you very much.

The CHAIRMAN. Senator Thomas.

Senator THOMAS. Thank you, Mr. Chairman and welcome to all of you on the panel. The Forest Service is a great addition to Wyoming and we're very involved. Chief, according to our papers here, it looks like a reduction of 2,100 and 27 equivalent staff positions. How do you deal with that?

Ms. KIMBALL. Well, the budget does reflect a reduction in full time equivalencies. There are a number of different ways that we'll be addressing that. We haven't started into a comprehensive process of that yet, beyond what we're doing with the Washington office and regional office restructuring, where we're looking at reducing the costs of those two levels of the organization by 25 percent by the end of fiscal year 2009. So we've—

Senator THOMAS. How many would that be, roughly?

Ms. KIMBALL. We don't know that yet. There are currently about 3,000 positions that serve at the Washington Office and regional office levels in the agency, so we'd be looking at a 25 percent reduction in cost, not necessarily in positions. At the same time, every region and every station has been examining costs, out-year programs and potential efficiencies and the different ways of doing business. Every region, every research station has been identifying new organizations as they've worked through that, taking advantage of new technologies. So there is not a specific plan in place to arrive at exactly that number but certainly as things become more solid—

Senator THOMAS. How many are there in total employees in the Department?

Ms. KIMBALL. There are approximately 35,000 employees who work for the U.S. Forest Service.

Senator THOMAS. So you've had 2,000 extras.

Ms. KIMBALL. No. Certainly we've not. The public has much greater demands for those 35,000 people, and I think every district ranger in the system would tell me that they could use more.

Senator THOMAS. I suppose. Mark, I want to follow up a little bit. You indicate that you can sell land for three times as much as you buy it for. I don't quite understand that.

Mr. REY. The lands that we sell are generally isolated, smaller tracts with higher development value. So the per acre value of those lands has been historically higher than the lands we acquire. The lands we acquire tend to be more remote, sometimes larger tracts with higher ecological values, which is why we want them, but oftentimes, complications are associated with whether they could ever be developed for a higher use. So if you appraise those lands—and our exchanges are always value-for-value exchanges—when you appraise those lands, the lands that we have been conveying—trading out of—have been, on the average, on an acre basis, three times more valuable than the lands we've been acquiring for subsequent development purposes.

Senator THOMAS. Chief, do you think you're going to have adequate funding to monitor the recovery and de-listing of endangered species, such as grizzly bears and wolves, which have taken years and years to de-list?

Ms. KIMBALL. Well, there are multi-agency responsibilities, and certainly we work closely with the States and the U.S. Fish and Wildlife Service. There will be some challenges in combining all those budgets and all those efforts to provide that kind of monitoring, but we're talking about those things right now.

Senator THOMAS. Are you inclined to want to seek to be able to do it more quickly than you have in the past?

Ms. KIMBALL. On a budget kind of basis?

Senator THOMAS. Well, I'm talking about the end result. The budget may have something to do with it.

Mr. REY. I don't think the process or the progress toward de-listing species has been budget restricted. I think the process has been lengthened by the need to convince anybody that wants to challenge a de-listing decision and subsequently convince the courts in the aftermath of that challenge that the de-listing decision was justified.

Senator THOMAS. Well, we need to find some ways. I don't think the courts have held it up much on grizzlies but it's gone on for years and years. Wolves are a little different matter.

Secretary, it's a little hard for some of us to accept the idea that \$70 million will fully fund the Northwest Plan, while at the same time funds are out for all the rest of the plans. How do you justify that?

Mr. REY. Well, what we propose in the 2008 budget is to keep most of the other regions level, in some cases increasing slightly. Now, we won't know the final result of that until we actually start the allocation process after the Interior appropriations bill passes. But there is no intent to penalize some other region in the interest of fully funding the Northwest Forest.

Senator THOMAS. Well, I hope that's the case, but when your overall budget is down and you increase one area by \$70 million,

it's a little hard to understand that you're not going to have to take it away from somewhere else.

Mr. REY. Well, in this case, we may have taken it away from other priorities, but not other regions in this particular account.

Senator THOMAS. Well, we'll be staying with you on that. Thank you very much.

The CHAIRMAN. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman and Chief Kimball, let me join in welcoming you as well. It's great to see more trail-blazing in the western part of the country. Secretary Rey, let me start with you and a question about where we are with respect to forestry policy, generally; that's where I'd like to start. I've been involved in the only two major forestry bills that have been enacted in the last 20 years—the County Payment legislation and the Forest Health legislation—and both of them were intensely bipartisan efforts. I'd like to continue that. Now, bipartisanship pretty much blew up last session in terms of the Secure Rural Schools on the land sales effort. We couldn't get a single Republican Senator to say they were going to put any effort into it and obviously today, we're not exactly seeing Republican U.S. Senators tripping over themselves to come out for this year's version of the land sales proposal as well. So I'd like to get bipartisanship back on track here and I know what I do when I want to get something bipartisan done. I go over to the other side of the aisle and I say, "What do you need? And here's what I'm interested in," and we go back and forth. I mean, what is your sense of how the administration wants to try to get bipartisanship back on track in the forestry area?

Mr. REY. Well, in regard to this particular issue, we've worked with staff on both sides of the aisle over the course of last year, to evaluate the opportunity to look at other offsets to fund this reauthorization. Unfortunately, that search was unsuccessful, but it has been our willingness to continue to do that. We stated when we made our proposal last year that we were willing to work with Members of Congress on both sides of the aisle to look at options for funding this.

I think we've redeemed that commitment in the discussions that we had during the course of the year. I think your staff would probably validate that and that's a commitment that still exists today. It's a commitment that is reflected in how we've modified the proposal. If somebody wants to say that they are philosophically opposed to selling Federal land and that that's a dead letter and it can never happen, I guess my observation is: No. 1, then you're essentially opposing what has been happening on a fairly routine basis for the last 60 or so years, because we do trade land. We do buy land. We do sell land. We continually adjust the Federal estate to get the best lands that have national environmental significance into Federal protection and we continually convey lands.

Senator Reid had a bill last session that conveyed public land out of public ownership as part of an overall conservation package. So I mean, I think the first thing I'd say, if you are philosophically opposed to that, that it's just incomprehensible that you'd even contemplate such a proposal, that's sort of running contrary to what the history of this has been. The second thing I guess I'd say is, OK. I can accept that. People have strong philosophical positions



on a lot of things. So then if that's your philosophy, you probably would have some alternatives, and if there are alternatives, we're happy to look at them. We haven't rejected any alternatives. We didn't reject the alternative that U.S. Senator Baucus put forward. Unfortunately, the Congress didn't adopt it.

Senator WYDEN. We were waiting, of course, for some comment from the administration that it would be supported, and it clearly was a good idea because the administration used the money for tax cuts. So we did put off the alternatives and we'll continue to try to find bipartisan common ground. I think we'll see again, that Republicans are not going to embrace your land sales proposal and I hope that you'll be interested in looking at other approaches.

Chief Kimball, let me ask you one question, since you're getting started and obviously you are thrown into the debate immediately. We have a pretty serious difference of opinion with respect to funding the forest health legislation. We felt very strongly that it was very important to get \$760 million because we wanted to do prevention, and the whole point of the effort was to try to get serious in the prevention area, so you wouldn't just be dealing with these conflagrations down the road.

The administration consistently sends up proposals that are about a half or less of what we had agreed, in our bipartisan basis, was needed. Now, each time I go through this math, I end up more baffled as to how the administration adds up the numbers. But since you're the new Chief, I want to give you a chance in my first discussion with you, to tell me how your numbers add up to the \$760 million a year commitment on forest health, and I'd like to hear your answer to how those numbers add up to \$760 million.

Ms. KIMBALL. Well, in fact, when you add up the Department of Interior and the Forest Service efforts together for healthy forests, the total that appeared in the 2007 budget was just over \$900 million. I'd be happy to sit down with you and go over those numbers.

Senator WYDEN. Why don't you do it now? Go ahead. Let's do it now.

Ms. KIMBALL. You're sure?

Senator WYDEN. Please.

Ms. KIMBALL. These numbers are—it's a long list.

Senator WYDEN. Why don't you just give me how it gets to \$760 million.

Ms. KIMBALL. Department of the Interior was \$302 million and the Forest Service was \$610 million for a total of \$912 million and last year, there were 4 million acres treated, a combination of Department of the Interior and U.S. Forest Service. This year, we anticipate 4.3 million to be treated in 2007, and then 4.4 million in 2008.

Senator WYDEN. That's not what we hear on the ground and what we hear from the various national forests. This is your first appearance, and I think it is only appropriate for you to have a chance to review your math, but I can tell you, out in the field, people don't see those dollars.

Ms. KIMBALL. Well, having just come in from the field, I think there are a lot of efforts going on across the country. I know specifically in the Northern Region, we are working very hard on a strategy for treating forests for more resilient, healthier forests and we

were looking at leveraging dollars amongst the different budget line items, and in the different programs so that our timber program, wildlife habitat manipulation, hazardous fuel reduction programs, and watershed treatment programs all worked in concert to not only complete the specified objectives that come with those different dollars but also to accomplish hazardous fuel reduction. So I think there is a tremendous effort in the field to leverage dollars and to use dollars more effectively, more efficiently.

Mr. REY. In the interests of bipartisanship, Senator Wyden, I think you're sort of selling your accomplishments short. I think both of the pieces of the legislation that you had a role in co-authoring have been successes by any measure. The Secure Rural Schools legislation provided a substantial amount of funding to counties to help make the transition to a more diversified economy, and many of them in your State have. Many of them haven't. Those are the ones we have to work together to see if we can help in the next iteration of this legislation. The Resource Advisory Committees that that legislation authorized have been a stunning success. The Healthy Forest Restoration Act has resulted in the treatment, over the last 5 years—by the end of this year, close to 25 million acres of at-risk Federal lands, four times more acres on the average than we were treating in the 1990's, an area the size of the State of Ohio.

So I think the fact that you invested time in developing those bipartisan solutions is reflected in the fact that both of those statutes have been successful.

Senator WYDEN. My time is up. I just note the profound difference between those pieces of legislation and what we're dealing with now. With Secure Rural Schools, there is a widespread Republican support. Now with respect to selling off lands, there has not been a single Republican United States Senator willing to embrace that proposal. That's the difference. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Sanders.

Senator SANDERS. Thank you, Mr. Chairman, and I regard it as an awesome responsibility to be representing solely the entire eastern part of the United States of America. But I'll take on that responsibility, and I don't want to embarrass my western friends, so we won't mention where next year's capital Christmas tree is coming from. We won't tell them.

[Laughter.]

Ms. KIMBALL. It's from a very special National Forest.

Senator SANDERS. Thank you both for being here. My questions deal with the Green Mountain National Forest. As both of you know, last year, the Green Mountain National Forest adopted a new forest plan and I want to compliment the work done by the staff. You guys did a very, very good job and we enjoyed working with you. There was a whole lot of public participation in it, and while there was difference of opinion, I think it ended up working out well.

Bottom line though, is that any plan is only as good as its implementation. For more than 10 years, the harvest rate at the Green Mountain National Forest has been at less than 10 percent of the allowable sale quantity, causing a great concern for our resource-dependent rural communities. The curtailing of the timber harvest

has much to do with the shortage of staffing capacity in the Forest Service to administer the Timber Program. It also involves the larger issue of fully funding the Forest Management Plan.

So my question to you is: how are we going to address that very serious economic problem in Vermont? How are we going to raise the level of timber harvesting above 10 percent? Chief Kimball?

Ms. KIMBALL. And I have to admit, I don't have very detailed information about the Timber Program on the Green Mountain National Forest, despite the fact that I'm also a Vermonter. But I will work on getting on that information and I'd be happy to visit with you.

Senator SANDERS. Yeah, I would look forward to having—

Mr. REY. If I could just add—

Senator SANDERS. Yeah.

Mr. REY. One of the problems that the Green Mountain experienced in the late 1990's and the early part of this decade, very similar to a number of the other Eastern National Forests, is we had litigation over the protection of the Indiana bat, a threatened or endangered species.

Senator SANDERS. I'd like to go to my second question. Thank you. The second question is again very specific and you may not have the answer in front of you but I would like to talk to you about it in the office. There is an acquisition backlog at the Green Mountain National Forest; an additional \$1 million was programmed to help address acquisition priorities in the fiscal year 2007 Interior appropriations bill, but unfortunately it was not included in the continuing resolution. I want to bring to your attention a very important land conservation project in the Green Mountain National Forest that depends upon this final \$1 million—not a lot of money. In order to be completed, the landowner has been very patient over several years while funding was sought. Can I count on the Forest Service to fund the land acquisition account in fiscal year 2007 and in particular, allocate \$1 million to the Green Mountain National Forest for the completion of the Broad Brook property? The Broad Brook property is what we're talking about. Additionally, will you work within the proposed budget to ensure that high priority acquisitions within the Green Mountain National Forest, such as the Broad Brook property, are completed in fiscal year 2008? Do you have any information on that, Chief?

Ms. KIMBALL. We're just looking through that now. Give me a moment, please. Apparently there has been a tremendous amount of work done to date, but I need to understand more about the current situation on those two specific items.

Senator SANDERS. Okay. Congratulations, by the way, on your appointment.

Ms. KIMBALL. Thank you, Senator.

Senator SANDERS. We'll give you a ring and if you can come in, we'll bring some people in that know more than I do about it, and we can see how we can go forward, okay?

Ms. KIMBALL. Right. Thank you.

Senator SANDERS. Mr. Chairman, thanks very much.

The CHAIRMAN. Thank you very much, and thank all the witnesses for being here. I think it has been a useful hearing. We will adjourn and have another hearing later on. Thanks.

Ms. KIMBALL. Thank you, Senator.  
[Whereupon, at 11:03 a.m., the hearing was adjourned.]

## APPENDIX

### RESPONSES TO ADDITIONAL QUESTIONS

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#### RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM SENATOR BINGAMAN

*Question 1.* When Chief Bosworth retired he was quoted as advising Forest Service staff that that “the biggest challenge will be the effect of climate change on the natural resources in our care.” Do you agree that climate change presents the biggest challenge to the Forest Service? If not, what do you think is the biggest challenge?

Answer. We agree that effects of climate change will increasingly be a great challenge to our natural resources. Even now, the moderate climate change measured to date, has affected natural resources by coupling with and acting upon wildfires, insect infestations, and invasive species in the West, and with insect infestations and air pollutants in the East and in certain regions such as southern California. As future climate change increases in amount, it appears it will increasingly impact natural resources, but always in concert with these other stresses. It is the interactions among the stresses which will always be the greatest challenge for managing the natural resources in our care.

*Question 2.* In your testimony, you mentioned that the Forest Service progressed from being “in receivership, to achieving five clean audit opinions with enhanced internal controls . . . And accurate and complete financial data” under the leadership of Chief Bosworth.

According to the Inspector General, “Forest Service performance management remains one of the Department of Agriculture’s most serious management challenges.” In 2003, the GAO reported that “the Forest Service has made little real progress in resolving its long-standing performance accountability problems and, based on the status of its current efforts, remains years away from implementing a credible performance accountability system.”

Will you make improving performance accountability a priority? What are your plans to address these problems?

Answer. Yes, As stated in Chief Kimbell’s testimony on February 28, 2007, under previous Chief Dale Bosworth’s leadership, the agency progressed from being “in receivership,” to achieving five consecutive clean audit opinions from the USDA Office of the Inspector General (FY 2002-FY 2006). Chief Bosworth reduced overhead costs, reorganized the Deputy areas by eliminating two Deputy Chief positions and reducing staff, and guided the agency through the centralization and reengineering of its business processes—whose net cost reductions will approach \$100 million by fiscal year 2008. The Forest Service’s improved business policies, processes, and organization have enhanced internal controls, eliminated duplication, and created accurate and complete financial data.

The agency has made significant progress in resolving performance accountability issues identified in the 2003 GAO report. The agency has implemented a Performance and Accountability System that provides management the means to track budget and performance results at all levels of the organization. Performance indicators from numerous electronic systems are now integrated to provide a single system of record. Effective FY 2007, all employee performance standards are tied directly to one or more goals and objectives of the agency’s strategic plan. In addition, Senior Executive Service employee performance standards are tied directly to delivery of agency performance objectives. Beginning last fiscal year, the agency instituted field performance accountability reviews, completing 4 in FY 2006 and has 4 scheduled for FY 2007. Finally, the agency is addressing business rules for accomplishment recording/reporting that have caused many of the inconsistencies reported by IG and GAO.

*Question 3.* Do you believe that the relative funding requested by the President for Wildland Firefighters and Preparedness is the most efficient level? Do you be-

lieve that greater efficiency would result from moving some funding from the Wildland Firefighters account to the Preparedness account or vice versa?

Answer. The FY 2008 President’s budget request will provide an efficient level of funds and resources for implementation of the program put forth in the President’s Budget. The agency does not use the term “most efficient level” as it relates funding or staffing.

By establishing the Wildland Firefighters appropriation, the budget would ensure a stable number of firefighters and supports the Forest Service transition to a risk-evaluation and informed performance and accountability system.

RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM SENATOR MARIA CANTWELL

WILDLAND FIRE BUDGET

*Question 4.* Mr. Rey, I asked you the following questions at the January 30, 2007 hearing on wildfire suppression costs and have yet to hear your response: What specific amount of money was spent on wildland firefighter training activities nationally in the last fiscal year? Can you please provide the specific amount of money spent on wildland firefighter training activities for each of the 10 Forest Service regions and in Washington state in the last fiscal year? How does these figures compare to 2001?

Answer. The approximate amount of money spent on wildfire training during FY 2006 will be similar to the \$29.5 million we have spent on training for each of the past several years. Approximately \$7.1 million is spent in support of Regional and National Suppression and Fire Use Academies, and Training Centers. The cost for regional and local fire training is approximately \$22.4 million.

The number of Forest Service fire personnel that are in the State of Washington (FS Region 6 in the table below represents Washington and Oregon) is 1,760. The annual cost of training Forest Service personnel in Washington State was approximately \$1,310,000 in FY 2006.

APPROXIMATE FY 2006 ALLOCATION OF WILDFIRE TRAINING DOLLARS BY REGION

Region	Fire Personnel	Training Funding (Actual Dollars)
1 .....	3,529	\$2,621,000
2 .....	2,050	\$1,523,000
3 .....	2,858	\$2,128,000
4 .....	3,149	\$2,352,000
5 .....	6,446	\$4,794,000
6 .....	5,465	\$4,077,000
8 .....	3,760	\$2,800,000
9 .....	2,442	\$1,814,000
10 .....	399	\$291,000
Total .....	30,100	\$22,400,000

These figures have fluctuated only slightly with the number of new hires each year, and remain essentially the same since 2001.

*Question 5.* The indictment of a Washington firefighter for his role in the deaths of four firefighters from the Thirtymile fire in 2001 may lead to challenges in retaining and recruiting wildland firefighters. Can you please describe what efforts the Forest Service is undertaking to retain and recruit firefighters, particularly for leadership positions?

Answer. We have a good success rate of filling positions and on an annual basis receive multiple applicants for the vast majority of our vacant positions. However, almost all of our leadership positions are filled by individuals already working for the Forest Service, Interior agencies or State partners that have wildfire suppression responsibilities. We have continued vigorous support for the highly successful development and delivery of a leadership curriculum that is required at a variety of stages as individuals progress upward within the incident response organization.

*Question 6.* The FY08 budget notes that the Forest Service will “examine the feasibility and implement as appropriate” a process to account for wildfires that contribute to attainment of desired ecological and natural resource conditions. What is

the agency's timeline for completing these tasks? Will they provide a report to the Committee on their progress and announce publicly when they have made these important changes?

Answer. The agency is currently working with its Federal wildland fire management partners in an attempt to reach agreement on modifying the current Federal Wildland Fire Management Policy to allow accomplishment and reporting of fuel reductions during wildfire suppression activities. Currently the review and modification of policies to allow reporting of hazardous fuel reductions that meet forest plan objectives, regardless of the method under which it was accomplished, is estimated for completion by spring of 2007. These discussions are on-going internally and with interagency cooperators. An exact timeframe is unknown at this time but will occur within FY 2008. We can provide periodic updates that would describe current actions.

*Question 7.* The FY08 budget introduces a new line item, a Wildland Firefighter appropriation. The budget notes that establishing this single account for professional wildland firefighters will "enhance performance, improve accountability, and provide greater efficiency in managing wildland fires." Please explain in more detail how this new account will achieve these goals.

Answer. The Wildland Firefighter account will help stabilize the number of firefighters by reducing funding uncertainties from year to year. This will result in less personnel turnover providing for enhanced firefighter skills through experience and long term training. This stable and skilled workforce will ensure a more professional and efficient workforce and program.

*Question 8.* The FY08 budget continues a downward trend in funding for community fire protection programs. Critical programs such as State and Volunteer Fire Assistance put scarce dollars where they are needed most "in and around communities" but under the President's Budget these programs continue to struggle to simply keep up with inflation. This budget proposes they be reduced to \$85.1 million, an 8 percent cut from the FY2006 level of \$92.4 million. While this represents a needed increase from the Administration's drastic 25 percent cuts in the FY2007 Budget proposal, these programs were woefully underfunded to begin with and these proposed reductions still mean a continued decline in community fire assistance funds that are critical to at-risk communities. How will the Forest Service ensure effective partnerships with at-risk communities when community assistance funding is underfunded and continues to decline?

Answer. In the State and Private Forestry appropriation, the program is up over \$3 million. In the Wildland Fire Management appropriation, when the earmarks are eliminated, the decrease is slight.

The Administration's budget proposal for State and local fire assistance is formulated to balance different areas of necessary Wildland Fire Management work, and is based on the priority of Cooperative Fire Protection among all discretionary programs in government.

We value these partnerships and will continue to work with the States to assist them in carrying out their programs with the potential for a reduced budget.

*Question 9.* A critical community capacity-building program, the Economic Action Program, has again been eliminated in the FY08 budget proposal. EAP helps ensure that forest-dependent communities can be full partners with the federal government in restoring forest ecosystems through grants and technical assistance to build restoration-based businesses, develop and implement collaborative planning and monitoring, and leverage private sector dollars. How does the Forest Service intend to fulfill these goals without EAP?

Answer. The agency encourages Forest Service employees to provide technical assistance to rural communities when requested regardless of the budget the account they might be paid from. State and Private Forestry Cooperative Fire Protection and Forest Health Management programs will be able to provide financial assistance to rural communities through the State Foresters.

#### HFI IMPLEMENTATION

*Question 10a.* Difficulties in prioritizing hazardous fuels projects continue to be a problem. The USDA IG recently reported that the Forest Service lacks an adequate prioritization system to ensure that the most important fuel reduction projects are funded first. This conclusion echoes past findings by the OIG and GAO. The Healthy Forests Restoration Act (HFRA) requires that federal land management agencies consider the priorities of local communities, as expressed in a CWPP, as they develop and implement forest management and hazardous fuel reduction projects. However, it is unclear how well priorities identified in CWPPs are being incorporated into federal fuel reduction projects and funding for hazardous fuels re-

duction continues to rise (it is increased by about 4% over FY06 in this year's budget). This raises a number of questions.

What will the Forest Service do to rectify this on-going problem prioritizing hazardous fuels projects? How will they ensure they are prioritizing using proven practices to protect high-risk communities?

Answer. The LANDFIRE Rapid Assessment has produced maps and models of potential natural vegetation groups, reference fire regimes, and fire regime condition class for the conterminous United States. The LANDFIRE Rapid Assessment data can be used for national- to regional-scale strategic planning, broad ecological assessments, and resource allocation. More locally, the highest priority areas for fuel treatments continue to be those wildland urban interface zones adjacent to communities where partnerships between the agency, State, and local government and community stakeholders are strong and hazardous fuels mitigation efforts will successfully mitigate the effects of wildfire.

The Forest Service initiated a new prioritization process for FY 2007. The Forest Service and DOI are currently working to develop a common approach for the prioritization of hazardous fuels mitigation projects for FY 2008 allocation decisions. The current system relies on nationally-consistent, scientifically-credible, geospatially-referenced data to help rank Forest Service Regions according to priority. Prioritization factors currently included in the system are: wildfire potential, wildland-urban interface acres, timber values at risk, municipal watersheds, overall ecosystem vulnerability, program efficiency and effectiveness, and restoration opportunities.

Most importantly, this system is a decision support model and does not replace management discretion. The system is currently designed to evaluate Regions for prioritization and is being modified to provide the same analysis capabilities to assist Regions in prioritizing fuels treatments. Individual project selection will continue to be at the discretion of local line officers in coordination with other Federal, State, and local agencies with particular emphasis on projects associated with Community Wildfire Protection Plans.

*Question 10b.* The Forest Service continues to use "acres treated" as a measure of success in hazardous fuels treatment. This is problematic because not all acres are "equal", i.e. the agency treats "easy" acres first. Also, this is not a measure of risk reduced. The agency attempts to quantify risk by using condition class, another measure with known flaws. Condition class measures only show current vegetation differs from historical vegetation, it says nothing about how those differences affect fire behavior or risk. Why does the agency continue to use these measures when they do not provide the information needed to measure success?

Answer. We are continuing to develop and implement analysis tools for landscape design to maximize the effectiveness of fuels treatments while meeting a variety of integrated resource objectives to restore healthy forests. The agency's annual fuel treatment program is a mix of projects that not only reduce wildfire risk to communities, but also protect, restore, and maintain forest and grasslands. The costs associated with these treatments vary and it is not correct to assume we treat the easiest acre first. The information associated with condition class is relevant for vegetative conditions and is based on the best available data and technology. Through adoption of the December 2006 update to the 10 Year Strategy Implementation Plan, the agency has adopted new performance measures that incorporate outcome goals. Improvements in quantifying risk through condition class and other means will occur as the effects of fuels and vegetation treatments are calibrated and validated by field practitioners and will improve our capability to define success through these new measures.

#### POST-FIRE RESPONSE PRIORITIES

*Question 11a.* Proactive community fire protection work is often pushed aside when a wildfire burns in the National Forest System. All available staff and financial resources typically are shifted to fighting the fire itself, the recovery efforts after the fire, and the subsequent post-fire "salvage" harvests to follow. As a result, planning and implementation of fuels reduction projects that protect communities are delayed for months or years, our National Forest System has a growing backlog of such projects, and communities are at higher risk for future wildfire, thus perpetuating the problem.

How many community fire protection projects and associated acres have been postponed in order to facilitate salvage harvests over the past 6 years? (SPF)

Answer. While the agency does not collect or maintain data specific to this question generally the resources, skills and funding needed to prepare and administer salvage sales are not the same set as those needed to conduct non-salvage related



fuel hazard reduction projects. The two activities do not compete with each other. Decisions to pursue salvage opportunities are at the discretion of local line officers and every attempt is made to prioritize and achieve hazardous fuel and restoration objectives through salvage sale activities.

*Question 11b.* How many of these project areas subsequently burned before they could be treated? (SPF)

Answer. This information is not available at the national level. The agency is working to map planned hazardous fuel reduction treatments, but the priority remains on developing a national map of completed treatments. In addition, the U.S. Geological Survey has recently completed improvements to their burn severity mapping program.

*Question 11c.* How much money was lost or gained by the Forest Service in these related salvage efforts? (NFS)

Answer. The agency does not maintain cost or revenue records specific to salvage sales that are undertaken in lieu of community protection or fuel hazard reduction projects. Nor does the agency collect data regarding salvage sales located in areas where fuel hazard reduction projects were planned—but did not occur prior to an occurrence of wildfire.

*Question 11d.* How can the Forest Service create a dedicated funding source to maintain proactive green projects in order to reduce long-term community fire risks? (SPF)

Answer. Specific Forest Service budget line items in the National Forest System and Wildland Fire Management appropriations are used to carry-out projects that reduce hazardous fuels and improve community protection from wildland fire. However, current authorities allow the agency to transfer any funds available to the Forest Service for fire fighting, emergency rehabilitation, and fire preparedness due to severe burning conditions when previously appropriated wildfire suppression funds have been exhausted. The Forest Service is committed to reducing hazardous fuel in areas that can provide for improved community protection from wildland fire. The FY 2008 President's Budget estimates over 75 percent of the total hazardous fuel reduction program will be used for wildland-urban interface activities. In addition the use of stewardship contracting to enhance community protection is being emphasized.

#### NORTHWEST FOREST PLAN

*Question 12.* The Northwest Forest Plan is a multi-agency, scientifically credible, based plan which has provided a blueprint to federal agencies for how to manage the public lands in western Washington, Oregon, and Northern California. Current Administration efforts, especially the current direction for revising the BLM resource management plans and current directions for maintaining critical habitat designations are likely to undermine the scientific and legal foundation for the Plan. Currently, much of the responsibility for providing wildlife and salmon habitat and protection of the ancient forest ecosystem rests on federal lands.

If the scientific framework and credibility of the Northwest Forest Plan is weakened by reducing protections as currently allowed by the Northwest Forest Plan, what type of impact might that have on privately owned forests? Specifically, how would undercutting the scientific assumptions (substantial federal land protection) built into Habitat Conservation Plans impact private forest land and State managed forest land management?

Answer. The Forest Service has no proposals to modify the protections incorporated into these plans. The question as framed could best be addressed by the Bureau of Land Management. Habitat Conservation Plans are prepared by the U.S. Fish and Wildlife Service to address how private landowners conserve listed species. This question should be addressed by that agency.

#### RECREATION

*Question 13a.* The Forest Service is currently conducting a review of its recreation facilities and has begun advocating for shutting down campsites and closing cabins due to funding shortfalls. Recreation is the largest use of the National Forest System, and further increasing with loss of open space and increasing population. However, the proposed budget for FY08 included \$27.4 million decrease in appropriations from FY06.

How many recreational facilities is the Forest Service estimating closing?

Answer. The Forest Service has not identified specific site closures that will be affected by the FY 2008 budget reduction. The agency is currently undergoing a review of its recreation facilities through the Recreation Site Facility Master Planning (RS-FMP) process. RS-FMP will result in a higher quality, more efficiently managed

developed recreation program where the facilities reflect visitor desires and use. Funding levels are not the only factor of this analysis. Many factors are considered in evaluating each developed recreation site and through RS-FMP national forests examine their recreation facilities and evaluate how they might operate and maintain existing structures at desired quality standards. Involvement of the local public, surrounding communities and each national forest's recreation visitors is a critical and essential component of the RS-FMP process.

*Question 13b.* How is the Forest Service going to address the recreation shortfalls?

Answer. The proposed reduction in funds may result in shortened seasons at some developed and dispersed recreation sites; reduced hours for visitor information services with minimal staffing at some sites; processing new special use permit applications would be limited; restoration and adaptive reuse of heritage properties for interpretation, recreation, and tourism will occur at reduced levels; and a limited number of wilderness rangers will be available to provide visitor information and education. However, recreation resources will continue to be directed towards efforts that maximize program delivery, including strengthening partnerships which are vital to accomplishing stewardship work on the ground. Facility master planning also helps each national forest align their developed recreation sites with the unique characteristics of the forest, projected recreation demand, visitor expectations, and revenue.

#### ROADLESS AREAS

*Question 14.* Mr. Rey, the Bush Administration has spent six years trying to overturn the 2001 Clinton Administration Roadless Rule. As you know, the most recent legal ruling in this costly legal saga has been to reinstate the 2001 Rule. Will the Bush Administration finally end its divisive efforts to overturn this broadly popular Rule? Is the Forest Service planning on taking any further action on the state petitions it has received to date? Please update me on the state of the Forest Service's road maintenance backlog, including an estimation of its overall cost and an explanation of how these figures were derived. How has the Forest Service's road maintenance backlog changed from 2001 until today?

Answer. The 2001 Roadless Area Conservation Rule (RACR) called for protection through prohibitions on timber harvesting and road construction and reconstruction on approximately 58.5 million acres, or roughly one-third, of all National Forest System (NFS) lands. Ten lawsuits have been filed against RACR. While the RACR was in and out of effect by court ruling, the Forest Service issued interim directives for the continued protection of roadless areas. The last of these interim directives will expire on July 16, 2007. In the court case *Alaska v. USDA*, the Government negotiated a settlement with the State of Alaska which led to an amendment to the RACR. This amendment exempts approximately 9.3 million roadless area acres on the Tongass National Forest from the rule. Therefore, approximately 47.2 million acres of NFS lands are currently being protected under the RACR.

The RACR was enjoined by the U.S. District Court for the District of Wyoming on July 14, 2003. An appeal on this ruling was made moot by the 10th Circuit Court of Appeals because the Government issued a new rule for roadless area protection on May 13, 2005. This new rule, the State Petitions for Inventoried Roadless Area Management (State Petitions Rule), allowed governors to petition the Secretary of Agriculture to promulgate regulations for establishing management requirements for all or any portion of NFS inventoried roadless areas within that State or territory. The Secretary received petitions from California, Idaho, New Mexico, North and South Carolina, and Virginia. On September 20, 2006, the U.S. District Court for the Northern District of California enjoined the State Petitions Rule and reinstated the RACR with the Alaska exemption. All Department and Forest Service activities are in compliance with this ruling. In response, the State of Wyoming, on September 22, 2006, filed a motion with the U.S. District Court for the District of Wyoming which basically requests another injunction on the RACR. A hearing on this motion is scheduled for April 18, 2007. Additionally, on April 5, 2007, the Government appealed the District Court decision on the State Petitions Rule to the 9th Circuit Court of Appeals.

Subsequent to the injunction on the State Petitions Rule, the administration informed those States that had previously filed under the rule, that they could file a similar petition under the Administrative Procedure Act (APA) at (5 U.S.C. 553(e)) and Department of Agriculture regulations at 7 CFR 1.28. The States of California, New Mexico, North and South Carolina, and Virginia have not filed a petition under the APA. Therefore, the Forest Service has taken no further actions with these States on their petitions.

Idaho Governor James Risch on October 5, 2006, resubmitted his petition under the APA. The Forest Service signed a memorandum of understanding (MOU) with the State and is currently working with the State of Idaho on a State-specific rule. The rulemaking is based upon the submitted petition with clarifications made by Governor Risch during his November 29, 2006 presentation to the Roadless Area Conservation National Advisory Committee (RACNAC). A proposed rule and supporting draft environmental impact statement are expected later this year for public review and comment. Current Idaho Governor C.L. "Butch" Otter supports the petition.

Colorado Governor Bill Owens, on November 13, 2006, also submitted a petition under the APA. At the request of Governor Bill Ritter, the administration has waited for his approval before proceeding with the RACNAC's and Department's review of the petition. On April 11, 2007, Governor Ritter informed Under Secretary Mark Rey that he was willing to go forward with the petition submitted by Governor Owens with amendments. However before going forward, he requested interim protections for the identified roadless areas and Colorado's right to withdraw its petition if the rulemaking is unacceptable to the State. If the State of Colorado continues with its petition and it is accepted by the Secretary, the Forest Service will sign an MOU with the State of Colorado and work on a State-specific rule based on the Colorado petition.

The Forest Service continues to believe that the best approach for finding the appropriate level of protection of these important lands is through State Governors petitioning through the Administrative Procedure Act process, or by the State Petitions Rule if it is reinstated by the courts. This is the policy we are currently following.

RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM  
SENATOR SANDERS

*Question 15.* The Green Mountain National Forest (GMNF) has taken a leading role in restoration of the Battenkill River in Vermont and New York for many years, with funds directly appropriated for that purpose. The Battenkill work has involved many partners and has been a great outreach opportunity for the Forest Service in southern Vermont. What is the intention and capacity of the Forest Service to continue this important work?

Answer. The FY 2008 President's Budget does not include the earmark provided in FY 2006. The FY 2008 President's Budget relative to the FY 2007 enacted budget, decreases the wildlife and fisheries habitat management budget by -\$10.9 million (-9%).

This program level will provide funds for high priority treatments; however, unit specific allocations have not been determined at this time.

*Question 16.* Bromley Ski area in Vermont has proposed a land exchange with the Forest Service. The main trail groups and other interested parties in Vermont are supportive but the proposal has not moved forward, pending legislation affecting the disposition of proceeds from the project. Meanwhile, there has been no progress on the lengthy review process that would actually get the ball rolling. Will the U.S. Forest Service commence the environmental review of this project as soon as possible, understanding that completion of the transfer may require legislation?

Answer. The Forest Service is ready to move ahead with the exchange. However while the Federal land has been identified at Bromley Ski Area, the non-Federal land to balance the exchange has yet to be identified. Without a compliment of private lands to balance the loss of Federal land at Bromley Ski Area, the Forest Service cannot move forward with the environmental analysis. The agency is currently working with citizen groups, the trail community and community leaders to gather support and identify privately held parcels that would meet both community needs as well as environmental concerns.

*Question 17.* The New England Wilderness Act of 2006 established the Moosalamoo National Recreation Area (NRA). There are more than 70 miles of trails within the NRA in need of work, and many more trails throughout the GMNF. Will there be sufficient resources to get the new NRA in good shape quickly without draining resources from other important trails work in GMNF?

Answer. The trail mileage in the Moosalamoo National Recreation Area (NRA) represents less than 10 percent of the total trail mileage on the Green Mountain and Finger Lakes National Forest. Though the Forest Service is very supportive of the Moosalamoo area, diverting limited trail funding to the Moosalamoo NRA can only be achieved by reducing funds needed for the remainder of the Forest. Outside the Moosalamoo NRA is significant trail mileage on the Appalachian National Scenic Trail, the North Country National Scenic Trail (located in New York State) and

the White Rocks National Recreation Area that are also in need of additional trail funding.

*Question 18.* The August 18, 2006 issue of Science, one of the most prestigious scientific journals, included a piece written by scientists from the Scripps Institution of Oceanography and from the U.S. Geological Survey, titled “Warming and Earlier Spring Increase Western U.S. Forest Wildfire Activity.” I am sure you have read it. To quote one of the authors of the paper, “The increase in large wildfires appears to be another part of a chain of reactions to climate warming.” Given that fire-related costs are taking up an increasing amount of the Forest Service budget, with the Administration having proposed that 45 percent of the FY 2008 budget be for this purpose, what direction has the Administration issued regarding the need to address climate change in land and resource management plans?

*Answer.* To date, we have issued no specific direction on the need to address climate change in land management plans. The agency has initiated several studies on this topic and is considering available options. One of these options is associated with the U.S. Climate Change Science Program (CCSP) (<http://www.climatechange.gov/>), of which the Department of Agriculture is a partner. The CCSP creates Synthesis and Assessment Products (SAP), which respond to the CCSP highest priority research, observation, and decision support needs. Currently under draft is SAP 4.4, titled, “Preliminary Review of Adaptation Options for Climate-Sensitive Ecosystems and Resources.” One chapter of SAP 4.4 focuses on the national forests. Other chapters include National Parks, National Wildlife Refuges, National Estuary Program, Wild and Scenic Rivers, and Marine Protected Areas. For the national forests chapter, management options are reviewed for adapting to climate change on national forests. Also, the characteristics of ecosystems and adaptation responses are identified that would help promote successful strategic guidance in land management plans.

RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM  
SENATOR WYDEN

HEALTHY FORESTS

*Question 19.* As discussed in the hearing, please identify each account that contains the fuels treatment spending as authorized under the Healthy Forest Restoration Act and the amount of funding requested in that account.

*Answer.* The agency cannot provide specific fuels treatment funding as FY 2008 projects have not been finalized as of this time. The FY 2008 President’s budget for the Healthy Forests Initiative includes hazardous fuels project funding requested in FY 2008 as well as other supporting funding as follows:

FY 2008 HEALTHY FORESTS INITIATIVE—FOREST SERVICE

[Dollars Amounts in Thousands]

Program	FY 2008 Budget
Research .....	\$28,000
State & Private Forestry:	
Forest Health Management .....	\$15,000
State Fire Assistance .....	\$27,500
National Forest System:	
Forest Products .....	\$78,691
Vegetation & Watershed .....	\$65,524
Wildlife & Fish .....	\$15,295
Stewardship Contracting <sup>1</sup> .....	\$71,000
Wildland Fire Management:	
Hazardous Fuels <sup>2</sup> .....	\$291,583
National Fire Plan R&D .....	\$13,000
Joint Fire Sciences .....	\$4,000
Forest Service Total Funding .....	\$609,593
Acres treated for Hazardous Fuels Reduction:	
Forest Service—Hazardous Fuels Funds:	
Acres Treated Inside WUI .....	1,500
Acres Treated Outside WUI .....	300

FY 2008 HEALTHY FORESTS INITIATIVE—FOREST SERVICE—Continued

[Dollars Amounts in Thousands]

Program	FY 2008 Budget
Accomplish With Other Funds <sup>2</sup> .....	1,150
FS Total Acres Treated .....	2,950

<sup>1</sup> Accomplishments from large Stewardship Contracts (>100,000 acres) are reported in the year in which task orders are issued for the work, rather than the entire scope of the contract.

<sup>2</sup> Forest Service FY 2008 targets for Hazardous Fuels Reduction accomplished with other funds include acres treated as a secondary benefit to other land management activities, and estimated acres treated through: Wildland Fire Use events, Hazard Mitigation Grants awarded under the State Fire Assistance program, and activities of the Southern Nevada Public Lands Management Act.

COMMUNITY ASSISTANCE PROGRAMS

*Question 20a.* The Administration continues to ask for and expect more of our states and local communities, yet the Administration keeps cutting the tools to help them be successful partners in forest health, fire protection and economic development. This year's budget proposes cuts to State and Volunteer Fire Assistance and zeroes out the Economic Action Program (EAP)—key programs that provide specifically targeted funding for forest communities. These proposed reductions mean a continued decline in community fire assistance funds that are critical to at-risk communities. How will the Forest Service ensure effective partnerships with at-risk communities when community assistance funding is under-funded and continues to decline?

Answer. The Budget recognizes the primacy of State, local, and volunteer fire departments in wildland fire management on non-Federal lands. The Forest Service values these partnerships and will continue to work with the States to assist them in carrying out their programs with a reduced budget. The Administration's budget proposal for State and local fire assistance is formulated to balance different areas of necessary Wildland Fire Management work, and is based on the priority of Cooperative Fire Protection among all discretionary programs.

The Administration values its role in working with at-risk communities. Through expanded partnerships with State Foresters, universities, and other Federal and State agencies, many more entities are being encouraged to support economic development opportunities in rural communities. USDA Rural Development has a vast array of community assistance programs that are available for local business and community projects. The Forest Service continues to encourage USDA Rural Development to extend its program and services to meet the growing demand of local communities.

*Question 20b.* The EAP program helps ensure that forest-dependent communities can be full partners with the federal government in restoring forest ecosystems through grants and technical assistance to build restoration-based businesses, develop and implement collaborative planning and monitoring, and leverage private sector dollars. How does the Forest Service intend to fulfill these goals without EAP?

Answer. The agency encourages Forest Service employees to provide technical assistance to rural communities when requested regardless of the budget the account they might be paid from. Specifically, the Wyden Amendment (Public Law 109-54, Section 434) authorizes the Forest Service to enter into cooperative agreements to benefit resources within watersheds on National Forest System lands. Agreements may be with willing Federal, Tribal, State, and local governments, private and non-profit entities, and landowners to conduct activities on public or private lands for the following purposes:

- Protection, restoration, and enhancement of fish and wildlife habitat and other resources,
- Reduction of risk for natural disaster where public safety is threatened, or
- A combination of both.

Additionally, State and Private Forestry Cooperative Fire Protection and Forest Health Management programs will be able to provide financial assistance to rural communities through the State Foresters.

Alternative programs exist through USDA Rural Development and State and Private Forestry for rural community assistance other than Economic Action.

FOREST AND RANGELAND RESEARCH

*Question 21a.* Funding for research on reducing the risk from wildlands fires, one of the most critical problems facing the Forest Service, is being cut 6%. Funding to reduce the impacts of invasive species, another critical problem, is being cut by 17%. You are proposing to cut the research staff by 173 FTEs or almost 10%. This is on top of a cut of the 36 scientists that you are making this year.

Answer. Yes, except that the 36 Scientists are included in the 173 FTEs.

*Question 21b.* One of the few research programs that have funding increases is in the energy resources area, but this brings total funding for this program to just over \$13 million. That's a tiny fraction of the \$400 million that USDA is asking for energy initiatives overall. Why aren't more resources being devoted to making forests and the forest products industry part of the energy solution at USDA?

Answer. FS R&D is working to overcome supply, sustainability, and costs barriers for bioenergy, biofuels, and bioproducts. There is an opportunity to use fuel treatments, forest residues, small-stems, and energy crops to supply the feedstocks. We are addressing biomass management, harvest, and transportation issues to ensure low cost, sustainable supplies. Work is also increasing in hybrid poplar and other species to accelerate growth and survival rates for plantation feedstock production. Work at the Forest Products Laboratory has led to a recent patent on a new micro-organism capable of metabolizing 5-carbon sugars, the absence of which have posed the biggest obstacles to converting wood to ethanol as efficiently as corn to ethanol. On going R&D efforts at the Forest Products Laboratory has been focused on improving the efficiency of the ethanol conversion process which will facilitate new technology deployment and product profitability. The Forest Inventory and Analysis program has been instrumental along with other Research modeling techniques to increase the accuracy estimating volumes and locations of hazardous fuels that are close to industrial sites capable of converting woody biomass to energy.

REALIGNMENT

*Question 22.* Realignment: In a memorandum dated January 21, 2007, from Chief Dale Bosworth to Regional Foresters and Others and entitled "Forest Service Realignment" (file code 1200) (attached), the Chief ordered a 25% cut in operating costs for the Washington Office (WO) and Regional Offices (ROs) by FY2009 (FY2006 baseline). So as to be able to assess just how much money is to be saved by such measures, what was the actual amount of money spent to operate the WO and each RO in FY2006?

Answer. The Forest Service has committed to reducing personnel operating costs at the Washington Office and Regional Offices by 25% by the end of Fiscal Year 2009. The baseline Fiscal Year 2006 personnel operating costs we are currently validating are as follows:

	Amount
Region 1 .....	\$22,456,606
Region 2 .....	21,263,549
Region 3 .....	25,345,279
Region 4 .....	27,432,683
Region 5 .....	25,753,153
Region 6 .....	43,581,711
Region 8 .....	29,727,094
Region 9 .....	9,971,947
Region 10 .....	18,870,638
WO .....	137,827,455
<b>TOTAL .....</b>	<b>362,230,114</b>

RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM  
SENATOR SALAZAR

FIRE

*Question 23.* The proposed budget cuts State & Volunteer Fire Assistance by 8%. These programs are important to local communities. How do you explain these cuts to local communities?

Answer. The Budget recognizes the primacy of State, local, and volunteer fire departments in wildland fire management on non-Federal lands. The Administration's budget proposal for State and local fire assistance is formulated to balance different

areas of necessary Wildland Fire Management work and is based on the priority of State & Volunteer Fire Assistance among all discretionary programs in the agency and government-wide.

The FY 2008 President's budget includes an increase of 3% for State Fire Assistance over FY 2007. Volunteer fire assistance is proposed for a 56% increase over FY 2007.

#### BARK BEETLES

*Question 24.* Chief Kimbell, In 2006 Chief Bosworth allocated funds from the Chiefs Reserve Fund to work in Colorado to reduce the threat of wildfire. I'd like to encourage you to consider using any appropriated reserve funds in Colorado for the same purpose in 2007. Is that something you will consider?

Answer. Yes.

*Question 25.* Chief Kimbell, have you finalized the FY 2007 allocations to the regions? I am especially interested to know that accounts whose work touches on mitigating the effects of the bark beetle infestation are adequately funded. Will you commit to me to review the region 2 allocations including hazardous fuels reduction, forest products, and fire preparedness to ensure they are as robust as possible?

Answer. Yes. The FY 2007 final budget allocations for every region have been established to ensure that the total funding from the combined Forest Products, Salvage Sale Fund, Knutson-Vandenberg Fund (using expanded authority for regional treatments), and Hazardous Fuels budget line items is not less than the FY 2006 final budget allocation in these budget line items for each region.

#### LAND SALES PROPOSAL

*Question 26.* The President's proposal to sell off 300,000 acres to generate \$800 million has not received a warm welcome in Colorado. I continue to oppose this approach. What type of public input was received from individuals, organizations, and local governments prior to re-submitting this proposal?

Answer. Last year during the public comment period the Forest Service received over 103,000 comments from hand written, email, and form letters, as well as telephone calls and individual letters, on the list of potentially eligible land parcels identified through the public screening. These comments, which were very specific to being both against and in support of the proposal, helped the agency in identifying issues related to specific parcels of land. Based on the analysis of these comments, the original list of potentially eligible land parcels was reduced to approximately 274,000 acres from 301,000 acres, resulting in the removal of 242 parcels from the sale list. Within this amount, 16 parcels totaling 1,500 acres were removed from the Colorado list.

#### RECREATION

*Question 27.* Region No. 2, whose forests provide recreation to approximately 32 million people every year, receives the lowest recreation, heritage and wilderness funding per visit out of any FS region (\$0.60 per visit as compared to \$1.06 per visit for Region 1 in the Northern Rockies). In Colorado a unique group of conservationists, off road vehicle enthusiasts, and sportsmen have come together to ask the USFS to boost recreation funding in region 2 to implement travel/rec management plans. At the same time, we are reading in the papers about recreational facility closings and new recreation fees.

How do you square that with the \$27.4 million decrease for Recreation in the FY08 Budget Request?

Answer. The FY 2008 President's budget proposal is a balanced attempt to meet the demands of all program areas within the National Forest System under a constrained budget. In striking this balance, the agency will focus on directing available resources towards meeting long-term strategic goals and providing increased support to programs that advance sustainable resource management, which includes providing outdoor recreational opportunities. Although funding allocations to the field are not fully determined in advance of appropriations the agency will continue to emphasize distributing funds in areas that maximize recreation delivery, including the Rocky Mountain Region (Region 2), and address the highest priority efforts that provide services to the public and strengthen partnerships which are vital to accomplishing stewardship work on the ground.

The Forest Service has not identified specific site closures that will be affected by the FY 2008 budget reduction. The agency is currently undergoing a review of its recreation facilities through the Recreation Site Facility Master Planning (RS-FMP) process that will result in a higher quality, more efficiently managed developed recreation program where the facilities reflect visitor desires and use. Many of the

Forest Service's developed recreation sites were built 30-50 years ago. Since then, visitor preferences and demographics have changed. Some sites no longer serve projected recreation demand; some facilities are in poor shape and do not meet visitors' expectations. Facility master planning helps each national forest align their developed recreation sites with the unique characteristics of the forest, projected recreation demand, visitor expectations, and revenue. Involvement of the local public, surrounding communities and each national forest's recreation visitors is a critical and essential component of the RS-FMP process and for any proposal to charge new or change any existing recreation fees.

RESPONSES OF THE DEPARTMENT OF AGRICULTURE TO QUESTIONS FROM  
SENATOR DOMENICI

FIRE PREPAREDNESS

*Question 28.* The FY 2008 budget proposes to reduce the fire preparedness funding level in two ways. First, it proposes to establish an account to pay the salaries of the wildland fire fighters and, next, it proposes to reduce funding for fire preparedness by approximately \$90 million below the FY 2006 appropriated level.

Undersecretary Rey, you are proposing a separate line item for wildland fire fighters salaries—can you explain why that is needed?

Answer. The new appropriation addresses the complexity associated with wildland fire and other hazards by providing funding specifically for 10,010 professional wildland firefighters. The separate account ensures a stable number of firefighters and complements the Forest Service's transition to a risk-informed performance-based system; it enhances performance, improves accountability, and provides greater efficiency in managing wildland fires and supporting all-hazard responses.

*Question 29.* If funded at the level of \$219.7 million that you have requested, how many fire fighters will be hired?

Answer. The agency plans to have 10,010 firefighters in FY 2008.

*Question 30.* How much funding did you expend on fire fighters salaries in FY 2006 and how many fire fighters did you hire?

Answer. In FY 2006 we did not specifically track firefighter salaries; implementation of the wildland Firefighter Appropriation in FY 2008 will provide this capability. In FY 2006, we had approximately 9,550 firefighters.

*Question 31.* You have also requested approximately a \$90 million reduction for wildland preparedness beyond pulling the fire fighter salaries from this line item. What will be the results of this reduction? That is, will we see reductions in fire fighting equipment or in the amount and quality of training?

Answer.

Resource	FY 2007 Planned	FY 2008 Planned	No. Change
Firefighters .....	10,010	10,010	
Interagency Hot Shot Crews .....	67	67	
Engines .....	950	726	(224)
Heavy Equipment—(Bulldozers & water tenders) .....	215	167	(48)
Aircraft (contracted):			
T1, 2, 3 Regional Helicopters .....	84	65	(19)
National T2 Helicopters .....	7	5	(2)
National Type 1 Helicopters .....	15	8	(7)
National Airtankers .....	20	12	(8)
National Lead Planes .....	12	3	(9)
Jet—Crew Transport .....	1	0	(1)
Prevention Technicians .....	399	277	(122)
Smokejumpers .....	277	190	(87)

The transition to a risk informed performance based system, Appropriate Management Response (AMR) and improved incentives, such as including acres burned at less than severe levels toward attainment of healthy forests treatment goals, will require fewer traditional suppression resources. The agency will prioritize resources to the areas where the highest risk exists. Additionally, if the fire season is projected to be severe, preparedness resources will be replenished.

The quality of training will not be diminished; reprioritizing existing resources and personnel will ensure the continuation of quality training. In addition, where appropriate, savings identified through implementation of efficiencies such as the



potential reduction of Geographical Coordination Centers and consolidation of fire facilities will be used to enhance training.

*Question 32.* How will this affect the agency's ability to put out fires during initial attacks?

Chief Kimball, let me begin by congratulating you and your staff on the improvement in performance criteria in this year's budget justification. While other improvements are needed, I can see an effort is being made to make these performance measures more meaningful.

Answer. Based on strategies outlined in the FY 2008 President's Budget and highlighted in the answer to question No. 31, the Forest Service anticipates a 2 to 5 percent decrease in the number of wildfires suppressed during initial attack, which would be consistent with our transition to a risk informed performance based system. The use risk-informed management will reduce costs compared to a full-suppression strategy and secure desirable environmental outcomes without compromising cost containment objectives. New decision tools and management controls will allow managers to make more informed decisions relative to risk and resources.

*Question 33.* I see from a February 21st Yakima Herald-Republic news article that 23 percent of 3,300 fire fighters who participated in a survey would decline to serve as an incident commander, and 36 percent of those surveyed indicated they would decline fire fighting assignments this next summer as a result of the recent involuntary manslaughter charges resulting from the Thirtymile Fire case.

Are you familiar with this survey which was done by the International Association of Wildland Fire Fighters?

Answer. Yes. We have monitored the results and are assessing what the survey may tell us. Unfortunately, the legal action has caused concern within the entire firefighting community, including our interagency cooperators. We would be remiss not to have empathy for any firefighter in this situation. However, our highly trained special resources such as smokejumpers and hot-shots crews still remain highly sought after positions for motivated firefighters.

*Question 34.* How much credence do you put into this survey?

Answer. We do not know the methodology and margin of error for this survey but we have to accept the survey for what it was—an opportunity for firefighters to speak out on issues, much like they did in the federally sponsored "Fire Fighter Safety Awareness Study" TriData study—conducted in 1997, in which over a thousand firefighters surveyed provided feedback on improving the wildland fire community as well as improving conditions for firefighters out in the field. Wildland firefighters maintain a close-spirited esprit d'corps and we expect the majority of our highly experienced and skilled firefighters to return.

*Question 35.* Can Incident Commander or other key fire organization personnel purchase liability insurance to protect themselves from these kinds of investigations? If so what would it cost the Forest Service to provide such coverage?

Answer. Personnel in supervisory positions may purchase liability insurance if they choose. In cases as described above, the agency will pay for one half of the cost of the insurance premium. Other personnel may purchase liability insurance if they choose as well but are currently required to cover the full cost of the premiums. Liability insurance does not protect a person from being the subject of a legal investigation. Nor does it preclude personnel from being questioned during the course of a legal investigation. Professional Liability insurance provides protection against claims that the policyholder becomes legally obligated to pay as a result of an error or omission in his or her professional work. The purpose of our safety investigation is to determine the true causal factors of an accident and extract lessons learned to prevent death, injuries, or future accidents. Should it be determined that the fear of being liable is a barrier to fielding firefighters, an appropriate mitigation would be pursued.

If the agency were to help provide liability insurance coverage for approximately 8,000 employees it is estimated that it would cost the Forest Service \$1.2 million dollars per year.

*Question 36.* Have you done any checking of your employees to see if they are serious about stepping away from fire fighting this summer and beyond?

Answer. We are open to receiving feedback from all of our employees. We have noted a few instances of personnel not renewing specific qualifications but we have not determined what the cause is in each specific situation. In the case of wildland firefighters, at the height of one busy summer day, 25,000 firefighters and support personnel can be working on fires. We would expect our fire managers at local, regional, and national levels to report upwards if they were observing trends with firefighters and support personnel indicating they would not be taking assignments.

*Question 37.* What will you do if 23 percent of your Incident Commanders do decline to serve this summer?

Answer. We will not be able to estimate the impact until all of our temporary employees return to work and their 2007 qualification cards are updated and distributed. We believe the long term impacts will be substantially less than was indicated by the recent International Association of Wildland Firefighters polling of firefighters. Regardless of any impact, we will continue to place only qualified individuals on incidents.

*Question 38.* I would like you to provide this Committee with a cost-benefit analysis of what would happen to your ability to successfully fight fires and your costs of fighting fires if 25% of your Incident Commanders and 36% of you part-time fire organization members called it quits when it comes to fire fighting. Then compare that to the cost of providing liability insurance or a legislative waiver that will offer these fire fighters the legal support needed to defend themselves from such charges.

Answer. Conducting a cost benefit analysis on our ability to successfully fight fires and the costs thereof, with the reductions you mentioned, is not possible since the potential losses from future fire events are not known. Should our capability to manage incidents become diminished, the agency will pursue appropriate mitigations to remedy the situation.

INVASIVE SPECIES

*Question 39.* Chief Kimball, you've listed the following Strategic Goals and proposed the following budget changes:

- Reduce Wildfire Risk—\$1.9 billion; 5.7 percent increase;
- Reduce Invasive species—\$117.8 million; 41 percent decrease from FY 2006 levels;
- Provide Recreation Opportunity—\$760 million; slight decrease;
- Help meet Energy Needs—\$102 million; 5 percent decrease;
- Improve Watersheds—\$983 million; 8 percent decline; and
- Other Forest Service Programs—\$741 million; nearly a 30 percent decrease.

Does a 41 percent decrease in funding mean that you have thrown in the towel on invasive species? What will be the impact of this dramatic reduction?

Answer. The Forest Service is not abandoning the fight against invasive species. Budget constraints require the agency to focus program priorities very carefully and difficult decisions had to be made. In FY 2008 there is more attention on early detection and rapid response toward new forest insect and pathogen invaders and this emphasis should save funds in the long term.

GENERAL FUNDING REDUCTIONS

*Question 40.* I am concerned by the amount of reduction proposed for all of the other Forest Service programs. A 30% reduction in all of the rest of the programs is significant, and I want to understand what other steps can be taken to lessen the impact of such a large decrease in funding?

Answer. The Forest Service is undertaking a number of actions to redirect funding to field units, one of which is the Business Operations Transformation Program (BOTP) that is centralizing, streamlining, and reengineering: Information Technology (IT), Financial Management (FM) and Human Capital (HC) services. The purpose of the program is to 1) improve efficiency of service, 2) reduce indirect costs, and 3) focus on improving the ability of Forest Service employees to meet the agency mission. The program has been implemented over the last three years and in FY 2008 will realize a net cost reduction of \$86.3 million. These are funds that can be redirected to field units to improve the ability of the Forest Service to meet the agency land and resource management mission.

[In Millions of Dollars]

BOTP Total	FY 2007 Planned	FY 2008 Planned
Original Organization .....	318.6	326.0
Redesigned Organization .....	234.1	239.7
Implementation Cost .....	19.8	(1)
Net Cost Reduction .....	64.7	86.3

<sup>1</sup>Not applicable.

Second, competitive sourcing studies completed since FY 2003 have resulted in the following savings and cost reductions:

*Through FY 2005: \$20.2 Million*

- \$65 thousand—R6 Olympic NF Roads Maintenance (8 FTEs) (8 Months)
- \$1.6 million—R5 Fleet Maintenance (59 FTEs) (7 Months)
- \$998 thousand—R5 Roads Maintenance (66 FTEs) (15 Months)
- \$16.8 million—IT Infrastructure (1,200 FTEs) (11 Months)—Reduction of 292 FTE by 9/05

*In FY 2006: \$19.6 Million*

- \$62 thousand—R6 Olympic NF Roads Maintenance
- \$844 thousand—R5 Fleet Maintenance. Savings reported through April only. Contract terminated 05/06.
- \$241 thousand—R5 Roads Maintenance. Savings adjusted due to effect of fewer than planned projects due to lower than anticipated budget.
- \$18.4 million—IT Infrastructure.

Finally, the agency has convened a National Transformation Management Team to evaluate and redesign the Washington and Regional Office organizational structure. The goal of this team is to reduce operating costs by 25 percent by the end of FY 2009. The effort will include the National Forest System, State and Private Forestry program areas, as well as components of Business Operations and Research and Development and result in an agency that maximizes capabilities and efficiencies, realigns fragmented organizations, and eliminates duplicate efforts by the Washington Office, regions, stations, and the Northeast Area. Project milestones include an approved Transformation Design Plan with organizational development phases. These phases include data collection, analysis, concepts and design, projected cost savings, and proposed migration plans to new organizations between March 2008 and September 2009.

*Question 41a.* Could you provide the Committee with an estimate of how much of the discretionary budget is consumed by salaries, benefits, and travel for each of the following work areas: Research, State and Private, National Forest Systems; and the national fire plan.

Answer.

FY 2006 OBLIGATIONS BY MAJOR BUDGET OBJECT GROUPING

Fund	OBLIG	SALARY	BENEFITS	TRAVEL	OTHER
Research .....	\$307,213	\$150,648	\$43,708	\$13,388	\$99,469
Percentage .....	100.00	49.04	14.23	4.36	32.38
State & Private Forestry .....	\$391,206	\$52,476	\$14,569	\$6,421	\$317,740
Percentage .....	100.00	13.41	3.72	1.64	81.22
National Forest System .....	\$1,469,100	\$668,825	\$214,440	\$48,211	\$537,624
Percentage .....	100.00	45.53	14.60	3.28	36.60
Wildland Fire Management .....	\$2,434,679	\$745,761	\$220,067	\$71,577	\$1,397,273
Percentage .....	100.00	30.63	9.04	2.94	57.39
Capital Improvement & Maintenance .....	\$454,975	\$147,988	\$48,882	\$8,867	\$249,238
Percentage .....	100.00	32.53	10.74	1.95	54.78
Land Acquisition .....	\$87,532	\$6,195	\$1,756	\$382	\$79,199
Percentage .....	100.00	7.08	2.01	0.44	90.48

Note.—Total obligations may be \$1—\$2 million different from amount of Direct Obligations shown in the FY 2008 President's Budget Appendix due to rounding.

Obligations are those of appropriated budget authority only.

1. State and Private Forestry does not include \$5 million in Forest Land Enhancement Program (FLEP) obligation.

2. Land Acquisition does not include \$1.2 million in obligations from Acquisition of Lands to Complete Land Exchanges and Acquisitions—Special Acts.

Obligations for National Fire Plan funds transferred from Wildland Fire are recorded in the Appropriation to which they are transferred.

- Fire Research obligations are recorded in Research.
- Restoration obligations are recorded in National Forest System.
- NFP State Fire Assistance, Volunteer Fire Assistance, Forest Health Management Fed and Coop Lands are recorded in State and Private Forestry.

*Question 41a.* Could you provide the Committee with an estimate of how much of the discretionary budget is expended at the following line levels: the Washington Office; the Regional Offices; the Forest Supervisors Offices; the District Offices; and the Research Stations.

Answer.

FY 2006 YEAR END BUDGET AUTHORITY ANALYSIS (INCLUDING CARRYOVER AND RECEIPTS)

Region/Unit	Unit Name	Total	Percent Ex-pended at Local Level
<b>REGION 1:</b>			
0102	BEAVERHEAD-DEERLODGE .....	18,969,913	0.30
0103	BITTERROOT .....	13,930,500	0.22
0104	IDAHO PANHANDLE .....	35,827,759	0.56
0105	CLEARWATER .....	19,434,497	0.30
0108	CUSTER .....	9,722,924	0.15
0110	FLATHEAD .....	23,410,183	0.37
0111	GALLATIN .....	16,190,039	0.25
0112	HELENA .....	12,746,040	0.20
0114	KOOTENAI .....	27,715,199	0.43
0115	LEWIS AND CLARK .....	11,937,513	0.19
0116	LOLO .....	23,189,726	0.36
0117	NEZPERCE .....	21,141,554	0.33
0118	DAKOTA PRAIRIE GRASSLANDS .....	9,517,862	0.15
0152	AERIAL FIRE DEPOT .....	11,847,060	0.19
0156	R1 REGIONAL OFFICE .....	79,945,857	1.25
0198	CENTRALLY ADMINISTERED REGIONAL PROJECTS.	14,089,556	0.22
<b>REGIONAL TOTAL .....</b>		<b>349,616,182</b>	<b>5.46</b>
<b>Forests Total .....</b>		<b>243,733,709</b>	

FY 2006 YEAR END BUDGET AUTHORITY ANALYSIS (INCLUDING  
CARRYOVER AND RECEIPTS)—Continued

Region/Unit	Unit Name	Total	Percent Ex- pended at Local Level
<b>REGION 2:</b>			
0202	BIGHORN .....	10,504,639	0.16
0203	BLACK HILLS .....	36,872,272	0.58
0204	GRAND MESA-UNC-GUNN .....	19,508,300	0.30
0206	MEDICINE BOW/ROUTT .....	24,603,500	0.38
0207	NEBRASKA .....	8,342,100	0.13
0209	RIO GRANDE .....	10,915,858	0.17
0210	ARAPAHO-ROOSEVELT .....	24,443,800	0.38
0212	PIKE-SAN ISABEL .....	28,497,456	0.45
0213	SAN JUAN .....	19,645,075	0.31
0214	SHOSHONE .....	12,218,949	0.19
0215	WHITE RIVER .....	18,314,600	0.29
0231	R2 REGIONAL OFFICE .....	59,438,090	0.93
0298	CENTRALLY ADMINISTERED RE- REGIONAL PROJECTS.	8,576,761	0.13
REGIONAL TOTAL .....		281,881,400	4.40
Forests Total .....		213,866,549	
<b>REGION 3:</b>			
0301	APACHE-SITGREAVES NF .....	26,993,030	0.42
0302	CARSON NF .....	15,197,808	0.24
0303	CIBOLA NF .....	18,228,730	0.28
0304	COCONINO NF .....	32,832,723	0.51
0305	CORONADO .....	22,027,581	0.34
0306	GILA .....	21,128,278	0.33
0307	KAIBAB .....	13,840,536	0.22
0308	LINCOLN .....	15,486,910	0.24
0309	PRESCOTT .....	14,716,731	0.23
0310	SANTA FE .....	22,025,249	0.34
0312	TONTO .....	28,007,080	0.44
0316	R3 REGIONAL OFFICE .....	49,809,595	0.78
0398	CENTRALLY ADMINISTERED RE- REGIONAL PROJECTS.	4,191,258	0.07
REGIONAL TOTAL .....		284,485,509	4.44
Forests Total .....		230,484,656	
<b>REGION 4:</b>			
0401	ASHLEY .....	14,037,776	0.22
0402	BOISE .....	31,079,504	0.49
0403	BRIDGER-TETON .....	17,253,656	0.27
0407	DIXIE .....	18,214,046	0.28
0408	FISHLAKE .....	14,783,919	0.23
0410	MANTI-LASAL .....	11,486,563	0.18
0412	PAYETTE .....	25,091,197	0.39
0413	SALMON-CHALLIS .....	22,374,951	0.35
0414	SAWTOOTH .....	17,717,120	0.28
0415	CARIBOU-TARGHEE .....	22,780,016	0.36
0417	HUMBOLDT-TOIYABE .....	34,390,989	0.54
0418	UINTA .....	13,585,190	0.21
0419	WASATCH-CACHE .....	20,615,134	0.32
0460	R4 REGIONAL OFFICE .....	50,952,436	0.80
0498	CENTRALLY ADMINISTERED RE- REGIONAL PROJECTS.	13,522,315	0.21
REGIONAL TOTAL .....		327,884,812	5.12

FY 2006 YEAR END BUDGET AUTHORITY ANALYSIS (INCLUDING  
CARRYOVER AND RECEIPTS)—Continued

Region/Unit	Unit Name	Total	Percent Ex- pend ed at Local Level
Forests Total .....		263,410,061	
REGION 5:			
0501	ANGELES .....	36,342,097	0.57
0502	CLEVELAND .....	22,660,322	0.35
0503	ELDORADO .....	23,084,367	0.36
0504	INYO .....	17,000,222	0.27
0505	KLAMATH .....	26,113,093	0.41
0506	LASSEN .....	29,708,855	0.46
0507	LOS PADRES .....	24,905,302	0.39
0508	MENDOCINO .....	15,796,234	0.25
0509	MODOC .....	14,593,304	0.23
0510	SIX RIVERS .....	19,052,710	0.30
0511	PLUMAS .....	34,821,288	0.54
0512	SAN BERNARDINO .....	50,934,462	0.80
0513	SEQUOIA .....	23,725,486	0.37
0514	SHASTA TRINITY .....	38,394,470	0.60
0515	SIERRA .....	23,207,341	0.36
0516	STANISLAUS .....	27,565,269	0.43
0517	TAHOE .....	25,674,727	0.40
0519	LAKE TAHOE BASIN MGMT UNIT .....	49,744,289	0.78
0520	R5 REGIONAL OFFICE .....	115,489,121	1.80
0598	CENTRALLY ADMINISTERED RE- GIONAL PROJECTS.	14,557,846	0.23
REGIONAL TOTAL .....		633,370,805	9.89
Forests Total .....		503,323,838	
REGION 6:			
0601	DESCHUTES .....	41,103,482	0.64
0602	FREMONT-WINEMA .....	34,647,183	0.54
0603	GIFFORD PINCHOT .....	19,994,914	0.31
0604	MALHEUR .....	22,111,226	0.35
0605	MT BAKER-SNOQUALMIE .....	19,768,143	0.31
0606	MT HOOD .....	19,867,094	0.31
0607	OCHOCO .....	12,601,451	0.20
0609	OLYMPIC .....	15,344,886	0.24
0610	ROGUE RIVER-SISKIYOU .....	39,168,236	0.61
0612	SIUSLAW .....	17,132,398	0.27
0614	UMATILLA .....	21,567,957	0.34
0615	UMPQUA .....	24,659,843	0.39
0616	WALLOWA WHITMAN .....	26,097,837	0.41
0617	OKANOGAN-WENATCHEE .....	42,558,212	0.66
0618	WILLAMETTE .....	33,369,074	0.52
0621	COLVILLE .....	15,302,353	0.24
0622	COLUMBIA RIVER GORGE NAT AREA ..	6,146,207	0.10
0627	R6 REGIONAL OFFICE .....	94,522,752	1.48
0698	CENTRALLY ADMINISTERED RE- GIONAL PROJECTS.	546,970	0.01
REGIONAL TOTAL .....		506,510,218	7.91
Forests Total .....		411,440,496	

FY 2006 YEAR END BUDGET AUTHORITY ANALYSIS (INCLUDING  
CARRYOVER AND RECEIPTS)—Continued

Region/Unit	Unit Name	Total	Percent Ex- pended at Local Level
REGION 8:			
0801	NFS IN ALABAMA .....	17,062,834	0.27
0802	DANIEL BOONE .....	14,049,374	0.22
0803	CHATT-OCONEE .....	15,324,282	0.24
0804	CHEROKEE .....	19,854,635	0.31
0805	NFS IN FLORIDA .....	24,489,540	0.38
0806	KISATCHIE .....	19,553,650	0.31
0807	NFS IN MISSISSIPPI .....	72,517,257	1.13
0808	GEORGE WASHINGTON/JEFFERSON .....	24,176,720	0.38
0809	OUACHITA .....	34,661,318	0.54
0810	OZARK-ST FRANCIS .....	23,147,077	0.36
0811	NFS IN NORTH CAROLINA .....	51,061,912	0.80
0812	FRANCIS MARION & SUMTER .....	19,763,891	0.31
0813	NFS IN TEXAS .....	33,274,486	0.52
0816	CARIBBEAN .....	4,451,004	0.07
0860	LAND BETWEEN THE LAKES NRA .....	12,948,984	0.20
0820	R8 REGIONAL PROJECTS/SERVICES .....	138,691,136	2.17
0836	SAVANNAH RIVER FORESTS STATION .....	174,605	0.00
0898	CENTRALLY ADMINISTERED RE- GIONAL PROJECTS.	25,421,180	0.40
REGIONAL TOTAL .....		550,623,885	8.60
Forests Total .....		386,336,964	
REGION 9:			
0903	CHIPPEWA .....	11,281,803	0.18
0904	HURON MANISTEE .....	17,747,609	0.28
0905	MARK TWAIN .....	18,297,382	0.29
0907	OTTAWA .....	11,894,982	0.19
0908	SHAWNEE .....	7,176,489	0.11
0909	SUPERIOR .....	28,752,589	0.45
0910	HIAWATHA .....	12,940,694	0.20
0912	HOOSIER .....	5,941,722	0.09
0913	CHEQUAMEGON-NICOLET .....	27,756,423	0.43
0914	WAYNE .....	8,911,260	0.14
0915	MIDEWIN NATL TALLGRASS PRAIRIE ..	7,027,124	0.11
0919	ALLEGHENY .....	15,828,276	0.25
0920	GREEN MOUNTAIN/FINGER LAKES .....	10,100,053	0.16
0921	MONONGAHELA .....	15,515,919	0.24
0922	WHITE MOUNTAIN .....	12,665,877	0.20
0901	R9 REGIONAL OFFICE .....	59,888,801	0.94
0998	CENTRALLY ADMINISTERED RE- GIONAL PROJECTS.	4,024,091	0.06
REGIONAL TOTAL .....		275,751,094	4.31
Forests Total .....		211,838,202	
REGION 10:			
1004	CHUGACH .....	25,836,665	0.40
1005	TONGASS .....	80,840,901	1.26
1001	R10 REGIONAL OFFICE .....	44,907,743	0.70
1098	CENTRALLY ADMINISTERED RE- GIONAL PROJECTS.	6,042,912	0.09
REGIONAL TOTAL .....		157,628,221	2.46



FY 2006 YEAR END BUDGET AUTHORITY ANALYSIS (INCLUDING  
CARRYOVER AND RECEIPTS)—Continued

Region/Unit	Unit Name	Total	Percent Ex- pended at Local Level
	Forests Total .....	106,677,566	
<b>OTHER UNITS:</b>			
1111	FOREST PRODUCTS LAB .....	31,928,040	0.50
1201	INTERNATIONAL INSTITUTE OF TROPICAL FORESTRY.	9,592,582	0.15
2216	ROCKY MOUNTAIN RESEARCH STATION.	81,873,458	1.28
2313	NORTH CENTRAL RESEARCH STATION	28,069,327	0.44
2423	NORTH EAST RESEARCH STATION .....	41,582,426	0.65
2442	NORTHEASTERN AREA .....	108,672,587	1.70
2619	PACIFIC NORTHWEST RESEARCH STATION.	54,641,731	0.85
2721	PACIFIC SOUTHWEST RESEARCH STATION.	33,703,382	0.53
3301	SOUTHERN RESEARCH STATION .....	68,694,576	1.07
	Research Stations and Area Total .....	458,758,109	
13 Total	WO & DETACHED UNITS .....	376,098,882	5.87
14 & 15	NATIONAL UNALLOCATED (e.g. PAYMENTS TO STATES, USDA WCF & ASSESSMENTS, CHIEF'S EMERGENCY FUND, SUPPRESSION, LAND ACQUISITION, EXCESS KV, OWCP & UCI PAYMENTS).	1,594,247,337	24.90
	Other Misc. Direct Obligations .....	246,961,996	3.86
25	ALBUQUERQUE SERVICE CENTER .....	358,044,550	5.59
	<b>GRAND TOTAL .....</b>	<b>6,401,863,000</b>	<b>100</b>
	Forests total .....	2,571,112,041	

Note to OMB.—Financial obligations are not reported at the ranger district level except for unique "job codes" otherwise they are reported at the national forest level. Unique job codes were set up for Congressional earmark projects on districts This statement will be remove for transmittal to the Subcommittee.

*Question 42.* As I mentioned I am happy to see that you're making efforts to reduce the costs of the Washington Office and Regional Offices by 25% by the end of Fiscal Year 2009.

As your team develops alternatives, would you keep the Committee and my staff up to date on what alternative is being considered and which programs those funds will be shifted to?

Answer. Yes, we plan to keep your Committee and your staff, as well as other stakeholders informed about the organizational alternatives being considered.