

**Statement of
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**Before the
Senate Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies**

Concerning

The President's Budget Request for the USDA Forest Service in Fiscal Year 2012

May 19, 2011

Mr. Chairman and members of the subcommittee, it is a privilege to be here today to discuss the President's Budget request for the Forest Service in fiscal year (FY) 2012. I appreciate the support this subcommittee has shown the Forest Service in the past, and I look forward to working together in the future to ensure that stewardship of our Nation's forests and grasslands continues to meet the desires and expectations of the American people. I am confident that this budget will allow the Forest Service to support this goal, while also reflecting our commitment to fiscal restraint and ensuring we are spending efficiently.

As the Secretary testified on March 10, 2011 in front of the Agriculture Subcommittee, we need to take some serious steps to reduce the deficit and reform government so that it's leaner and smarter for the 21st century. The FY 2012 budget USDA is proposing reflects the difficult choices we need to make to reduce the deficit while supporting targeted investments that are critical to long-term economic growth and job creation. To afford the strategic investments we need to grow the economy in the long term while also tackling the deficit, this budget makes difficult cuts to programs the Administration cares about. It also reflects savings from a number of efficiency improvements and other actions to streamline and reduce our administrative costs. It looks to properly manage deficit reduction while preserving the values that matter to Americans.

A healthy and prosperous America relies on healthy forests and grasslands and the benefits they provide: clean air and water, carbon storage, renewable energy, food and fiber, fertile soils, wildlife habitat, and recreation opportunities. The Forest Service delivers incredible value to the public by protecting and enhancing these benefits through forest health restoration, research, and financial and technical assistance to partners. Our national forests and grasslands help to sustain 224,000 jobs in rural areas and contribute an estimated \$14 billion to the Gross Domestic Product (GDP) each year through visitor spending alone.¹ In addition to managing 193 million acres on 155 national forests and 20 grasslands in 44 States and Puerto Rico, the Forest Service helps improve stewardship of lands outside the National Forest System. The agency partners with and provides technical assistance to other Federal agencies as well as Tribal, State and local governments; private landowners; and non-profit organizations for the betterment of the Nation's forests and grasslands. Furthermore, the agency is a leader in cutting-edge research on climate change, bioenergy, wildfire management, forest pests and diseases, ecological restoration and other conservation issues. The agency works to efficiently maximize limited resources and create a high return on investment for the American taxpayer.

¹ USDA Forest Service. National Visitor Use Monitoring Results. <http://www.fs.fed.us/recreation/programs/nvum/>

The FY 2012 President's Budget request for the Forest Service totals \$5.1 billion in discretionary appropriations, a \$178 million decrease from the annualized FY 2011 continuing resolution as shown in the published FY 2012 Budget Justification. This decrease is achieved through several program re-combinations that streamline operations and increase efficiency and through major reductions in programs, including Roads, Facilities and National Fire Plan programs and associated State and Private Forestry Programs. In addition, the FY 2012 budget includes \$44 million in targeted cost saving measures for the Forest Service through reduced travel and improved acquisition management procedures. These actions will allow us to focus limited resources on programs where we can achieve the greatest impact and that are of highest priority to the American people. Our budget priorities respond to the public's desire to make smart Federal investments that will allow us to pass on to future generations the beauty, wildlife, water and natural resources that we have today.

The FY 2012 budget for the Forest Service supports President Obama's America's Great Outdoors (AGO) initiative, the goals of the USDA's strategic plan, and Secretary Vilsack's "all-lands vision." It aims to maintain and enhance the resilience and productivity of America's forests through four funding priorities: **Enhancing Water Resources, Responding to Climate Change, Community-based Stewardship, and Jobs in Rural Communities.**

Climate change, severe wildfires, disease and pests have all contributed to declining forest health. With the current forest health crisis threatening the future of our forests, ecological restoration² is a key component to our FY 2012 strategy. We need to ensure that our forests are resilient in the face of future uncertainties. To most effectively address this forest health issue, we must work across landscapes and ecosystems, as well as across ownership boundaries. The Forest Service is plotting a course to build a forest restoration economy that would create jobs in rural areas, more actively involve local communities in caring for their land, and improve access to natural areas. Ensuring the sustainability of rural communities and increasing community collaboration in natural resources management are critical to the success of restoration efforts and the continued provision of goods and services from forest ecosystems. Finally, using forest biomass byproducts from ecological restoration activities as a source of renewable energy can help enhance U.S. energy security, economic opportunity, environmental quality, and global competitiveness. In FY 2012 we aim to strengthen biomass utilization efforts through our work with other agencies and our programs that encourage market development for woody biomass.

Our four key funding priorities highlight how we as an agency are continually working to ensure that we are responding to the needs of the American public.

Enhancing Water Resources

One of the most important services that the American people receive from forested landscapes is the provision of clean and abundant drinking water. An adequate supply of clean water is integral to the health and prosperity of the United States. Over half of the Nation's freshwater supply

² By restoration, we mean the process of assisting the recovery of resilience and the capacity of a system to adapt to change if the environment where the system exists has been degraded, damaged, or destroyed. Ecological restoration focuses on reestablishing ecosystem functions by modifying or managing the composition, structural arrangement, and processes necessary to make a terrestrial and aquatic ecosystem sustainable and resilient under current and future conditions.

originates on public and private forest lands, and is the source of drinking water for more than 200 million people. The National Forest System (NFS) alone provides fresh water to approximately 66 million people, or one in five Americans. In addition, healthy rivers, lakes and streams are crucial to sustaining aquatic life, supporting terrestrial ecosystems, and providing high-quality recreation opportunities. Maintaining an adequate supply of clean water will be one of the biggest challenges of the 21st century as our forests and communities continue to deal with climate change, severe wildfires, invasive pests, severe storm events, and development pressures.

In order to maximize USDA's investments, the Forest Service in collaboration with the Natural Resources Conservation Service (NRCS) and Farm Services Agency (FSA) has been working to identify and implement high-impact targeted practices that are expected to have the greatest impact on protecting water resources. The agencies expect to treat over 6 million acres in priority landscapes by the end of FY 2011. These priority areas include targeted acreage on national forests and private working lands in the Chesapeake Bay Basin, Great Lakes, Mississippi River Basin/Gulf of Mexico, and California Bay Delta/Sierras. The agencies are working towards developing more meaningful performance measures as part of this effort.

The Integrated Resource Restoration (IRR) budget line item, first proposed in the FY 2011 budget request, will allow us to effectively integrate interdisciplinary restoration treatments that will protect and improve our water resources. The FY 2011 budget request proposed to combine the Forest Products, Vegetation and Watershed Management, and Wildlife and Fisheries Management budget line items and the Collaborative Forest Landscape Restoration Program from previous years. In addition to these programs, Legacy Roads and Trails, road decommissioning, and post-fire Rehabilitation and Restoration have also been added to IRR for the FY 2012 request. Moreover, the portion of hazardous fuels management funding work outside the wildland urban interface (WUI) has also been added to IRR for the FY 2012 request as the agency works toward restoring historic fire regimes on the non-WUI portion of NFS lands. Restoration projects require the integration of various stewardship activities. Thus, combining these programs will allow us to use resources more efficiently and will also create the vehicle that will allow the Forest Service to move toward restoring watersheds as a top priority. A new Watershed Condition Framework will be used to evaluate improvements in watershed health using a national standard and provide clear accountability for the IRR program area. Specifically, we are proposing an \$80 million Priority Watershed and Job Stabilization initiative that will use the Watershed Condition Framework, State Forest Assessments, project costs, and input from local communities to prioritize projects to fund to make progress toward improving watershed condition class. Proposed projects will be developed by the Forest Service and will come from the Action Plans created for the priority watersheds identified as part of the Watershed Condition Framework. We will also continue to use some of our established targeted measures, as well as continue to track outcomes related to past measures. FY 2012 restoration projects will maintain and improve water quality and watershed function, improve fish and wildlife habitat, and integrate forest products production into stewardship and watershed restoration activities.

Responding to Climate Change

Climate change is occurring at an increasing rate and jeopardizes the benefits that the public receives from America's forests and grasslands, including clean air and water, forest products, and recreational opportunities. Many of the management challenges that we have faced over the past decades have been exacerbated by climate change, including catastrophic wildfires, changing water regimes, insect infestations, and disease. In FY 2012, the Forest Service will

continue to focus on incorporating climate change adaptation into multiple program areas, which includes making ecosystems more resistant to climate-related stressors, increasing ecosystem resilience to disturbance driven by climate change, and facilitating landscape-scale ecological transitions in response to changing environmental conditions. This priority is again tightly tied to restoration and our IRR budget line item. Restoring key functions and processes characteristic of healthy, resilient ecosystems allows them to withstand future stressors and uncertainties. Examples of IRR projects include decommissioning roads to reduce the risk of erosion from severe storms, reducing fuels outside the WUI to reduce the risk that severe wildfire will damage resources near important watersheds or critical habitat, and reforestation to stabilize critical watersheds and soils impacted by natural events and to increase long-term carbon sequestration capacity.

The Forest Service has developed a Roadmap for Responding to Climate Change in order to guide the agency in achieving its climate change goals. The Roadmap focuses on three kinds of activities: 1) assessing current risks, vulnerabilities, policies, and gaps in knowledge; 2) engaging internal and external partners in seeking solutions; and 3) managing for resilience, in ecosystems as well as in human communities. The agency has implemented a scorecard to measure progress made by each national forest and grassland. The scorecard assesses agency capacity, partnerships and education, adaptation, mitigation, and sustainable consumption.

Our commitment to responding to climate change is underscored in the proposed Planning Rule, published for comment in the Federal Register on February 14, 2011. The Forest Service will begin to operate under the proposed Planning Rule in FY 2012 after it is finalized, emphasizing citizen collaboration and an all-lands approach to management planning, ecosystem restoration, and climate change mitigation. A new budget line item, Land Management Planning, Assessment and Monitoring, has been proposed for FY 2012. Combining the previous line items Land Management Planning and Inventory & Monitoring highlights the clear tie between gathering information through monitoring and making management planning decisions. This combination better aligns program funding with the objectives of the proposed Planning Rule, ensuring that planning, monitoring, and conducting assessments are coordinated more efficiently across the landscape.

Our climate change research program will continue to help clarify how climate change is expected to affect our ecosystems and the services they provide and to inform decision-makers as they evaluate policy options. With two decades of climate change research, the USFS is the authority on how forest and range management can be modified to address the challenges of global change.

Community-based Stewardship

Working with local communities is critical to the success of restoration efforts and increasing ecosystem resilience across the landscape. Increasing collaboration with stakeholders can move conservation efforts from a scale of thousands of acres to hundreds of thousands of acres. Most importantly, working together with stakeholders from project planning to implementation helps build citizen support for ecosystem restoration projects. The importance of getting citizens and communities more connected and involved with the outdoors has been emphasized in AGO. AGO seeks to empower citizens, community groups, and local, State and Tribal governments to share in the stewardship responsibility for protecting, improving, and accessing natural areas and their resources, with the end result of a healthy, vibrant outdoor legacy for generations to come.

The agency is committed to achieving greater community-based stewardship in pursuit of resilient forests as outlined in the America's Great Outdoors Report. The FY 2012 budget strategically allocates resources to support exemplary local stewardship models and to catalyze new partnerships and innovations. The Forest Service will work towards the goals of AGO through multiple program areas.

Building on the sentiments of the American people, the AGO initiative seeks to maximize use of the Land and Water Conservation Fund (LWCF), which directs a portion of revenue from offshore oil and gas leases to conservation projects. The LWCF funds the Forest Service's Forest Legacy and Land Acquisition programs and provides local communities the opportunity to cost-share the conservation of priority forest land. The FY 2012 budget request funds LWCF at the fully authorized amount, which constitutes an increase of \$59 million for the Forest Legacy program and an increase of \$26 million for the Land Acquisition program from the FY 2011 annualized continuing resolution. Forest Legacy works with States, private landowners, and other conservation partners to protect environmentally critical forests threatened by land conversion through conservation easements. Project funding is based on a nationally competitive process. To date, the Forest Legacy program has leveraged more than \$630 million in non-Federal matching funds to conserve over 2 million acres of non-Federal forest land. In FY 2012, 48 projects have been proposed for funding in 38 states. Forest Legacy projects keep working forests working, which keeps jobs in rural areas. Forest Legacy projects also provide public access to recreation in many areas. Land Acquisition supports a similar function. Its primary focus is on land acquisitions and donations on land adjacent to national forests, which typically help fill in holes and consolidate land ownership, making management easier and more cost-effective. In FY 2012, 38 nationally prioritized lands have been proposed for funding. Recreation on national forest lands results in a boost to local economies and the creation of jobs. This budget request includes an increase of \$5.4 million for Recreation in support of AGO.

Protecting land that borders NFS lands and acquiring inholdings abates the impacts of development. For over a century, the American people have invested in protecting forests and grasslands across the U.S. to maintain and improve water quality, reduce wildfire risk, create recreational opportunities and enhance fish and wildlife habitat. By fully funding LWCF, our budget will continue our historic investments, limiting forest fragmentation, which can be detrimental to these benefits that we have worked so hard to maintain and enhance. In addition to LWCF, we also have other tools to increase our management efficiency and become better neighbors with our adjacent landowners and will use these as well. I would like to also draw the subcommittee's attention to the pilot land exchange program proposed in the landownership management budget line item, which will accentuate the benefits of consolidated land tenure on one of our National Grasslands.

In FY 2012 the Forest Service will commence implementation of the 2008 Farm Bill's Community Forest and Open Space Conservation Program. This program provides eligible Tribal governments, local governments, and qualified non-profit organizations cost-share grants for creating community forests through fee-simple acquisition. This budget request includes an increase of \$4.5 million for the Community Forest and Open Space Program. These forests will be able to provide public access and recreational opportunities, as well as protection of vital water supplies and wildlife habitat, demonstration sites for private forest landowners, and financial and community benefits from sustainable management.

The Forest Service will continue to expand community engagement in restoration efforts on National Forest System land through the Collaborative Forest Landscape Restoration Program (CFLR). Under the IRR budget line item, CFLR will provide for the continued implementation of the ten long-term projects selected in FY 2010 and will provide for the selection of additional long-term projects. CFLR projects are proposed through multi-stakeholder collaborative planning at a local level, and priorities are suggested by a Federal Advisory Committee. In 2010, CFLR funded 10 community restoration projects in Idaho, California, Colorado, Arizona, New Mexico, Montana, Washington, Oregon, and Florida.

Conservation education and volunteer opportunities will be a priority for the Forest Service as we implement AGO recommendations. We already have a variety of programs that have successfully connected youth to the outdoors, and we will continue to find opportunities for engaging youth in conservation efforts in FY 2012. The Lake Tahoe Generation Green program works with local community groups to engage at-risk high-school students in outdoor leadership and forest management activities. The Kids in the Woods program at the Apache-Sitgreaves National Forest is another example of a successful locally-based outdoor education program that has taught over 5,000 participants about a wide range of topics, including invasive species, water conservation, and responsible off-road vehicle use. The Chugach Children's Forest in Alaska connects village, rural and inner-city youth with a nearby national forest, while motivating local District Rangers to work alongside community officials and school superintendents, integrating community youth challenges with outdoor solutions. Volunteer opportunities will also expand across the Forest Service, including wilderness stewardship, trail clearing, restoration of historic structures, and campground host duties.

Finally, the proposed Planning Rule establishes a framework that emphasizes a collaborative approach to land management planning, assessment, and monitoring. The Forest Service will work with the public, Tribes and other partners to develop, revise and amend land management plans, conduct assessments and develop and implement monitoring programs. Collaborative approaches build citizen support in identifying needs, establishing desired conditions, crafting alternatives for future management, and identifying information and monitoring needs.

These are but a few examples of initiatives in the budget that exemplify the importance of community-based stewardship.

Jobs in Rural Communities

In August 2009 in Seattle, WA, Secretary Vilsack spoke of the need for a "shared vision" that not only focuses on forest conservation, but also on supporting a forest economy that creates jobs and vibrant rural communities. The Forest Service is not only committed to providing benefits to the American people in the form of clean air and water, fish and wildlife habitat, timber, and recreation opportunities, but also in the form of jobs and sustainable rural communities.

Forests and grasslands are an important source of employment and rural development. More than 2.5 million Americans have forest-related jobs in fields ranging from ecological restoration to outdoor recreation services to the forest products industry.³ The Forest Service provides service contracts for many types of activities including tree planting, timber harvesting, noxious weed control, culvert replacement, and road reconstruction. Recreation on national forest lands also

³ USDA, Forest Service. 2010. Draft National Report on Sustainable Forests. <http://www.fs.fed.us/research/sustain/>

bolsters local economies and creates jobs. We need to build a forest restoration economy, an economy built on the Secretary's forest restoration vision that inspires and brings together support for people playing, recreating and working in the woods.

Over the past year the Forest Service has worked to create and retain jobs in rural communities through the American Recovery and Reinvestment Act (ARRA) of 2009. The Forest Service received funding for two programs. Capital Improvement and Maintenance received funds to restore infrastructure that supports public, administrative, and recreation uses, while minimizing impacts to ecosystem stability and conditions. In addition, Wildland Fire Management received funds to protect communities from large fires and to contribute to the restoration of fire-adapted landscapes. Final completion of all ARRA projects is expected to occur in the next two fiscal years. However, the agency will continue to have a jobs focus. Job creation and rural development will be a priority in FY 2012.

One of the highlights of the IRR budget line item is creating job opportunities in rural areas. Creating job opportunities through landscape-scale restoration projects is a key component of the Priority Watersheds and Job Stabilization Initiative under IRR. Stewardship contracts and agreements will be a significant method for carrying out restoration efforts, and attention will be given to new and emerging markets for the wood removed during restoration activities, as well as the traditional uses for these products. Building a forest restoration economy will create new jobs in rural communities and help diversify the forest products industry to support the sustainability of local communities and the forest contractor infrastructure needed to perform restoration work. Also, we are working to further build a forest restoration economy around wood utilization by targeting grants to assist small businesses. Since 2005, the Woody Biomass Utilization Grant Program has awarded a total of \$30.6 million to 123 grant recipients in 21 States, including small businesses, non-profit organizations, Tribes, and State agencies, to further innovations in the wood products sector that lend to job creation.

The Forest Service has also invested in job creation for youth through Job Corps, a partnership with the Department of Labor. This program helps people ages 16 through 24 improve the quality of their lives through technical and academic career training. With Department of Labor funding, we operate 28 Job Corps Civilian Conservation Centers across the country that provide approximately 6,200 students per year with the skills they need to become employable and independent so that they can find meaningful jobs or further education. In March 2010, Secretary Vilsack unveiled a green Job Corps Curriculum that will help train underserved youth for jobs in the emerging green economy using national forests and grasslands as training sites for solar, wind and biomass energy demonstrations.

America's Great Outdoors hopes to build on the success of programs like Job Corps by creating a 21st Century Conservation Service Corps program that will remove barriers to employment and improve career pathways to jobs in natural resource conservation. This includes use of the Public Lands Corps Healthy Forests Restoration Act of 2005, which expanded youth service opportunities while addressing important conservation and societal objectives. The Forest Service has a long-standing commitment to recruiting employees that contribute to workforce diversity; providing opportunities for disadvantaged youth to pursue natural resource careers; and creating the next generation of land conservationists. The Forest Service will expand on AGO Goal A (to develop conservation jobs and service opportunities that protect and restore America's natural resources) through the Youth Conservation Corps (YCC). This summer employment program aims to accomplish needed conservation work on public lands, provides

gainful employment for 15- through 18-year olds from diverse backgrounds, and develops in them an understanding and appreciation of the Nation's natural environment and heritage.

To continue supporting the communities that we work in, the FY 2012 President's Budget proposes a five-year reauthorization of the Secure Rural Schools Act, named Payments to Communities, and includes \$328 million of discretionary funding for FY 2012. This Act provides annual payments to counties for schools and roads, forest restoration/protection, and fire assistance. The proposal modifies the existing framework to emphasize enhancing forest ecosystems, improving land health and water quality, and increasing economic development activities. The Administration is open to working with Congress to fund either through discretionary or mandatory appropriations.

Wildland Fire Management

The FY 2012 budget request continues to reflect the President's commitment to responsibly budget for wildfires, ensuring fire management resources are used in a cost effective manner in high priority areas. The 10-year average of suppression costs is fully funded, and the allocations between Preparedness and Suppression funds have been adjusted to ensure that readiness needs are fully funded for this fiscal year. The budget request includes a two-tier system for fire suppression. The Suppression account will be the primary source of funding for responding to wildfires, covering the costs of initial and smaller extended attack operations. The FLAME reserve account will provide better accounting of funds to cover fires escaping initial attack that are large and complex, as it did last year. This system ensures that funds are available to fight fires without diverting funds from other critical Forest Service programs and activities.

Conclusion

This President's budget request for FY 2012 takes a comprehensive, all-lands approach to conservation that addresses the challenges that our forests and grassland currently face, while also taking into consideration the need to reduce spending and to find the most efficient way to do our work.

The future of our country's forests and the valuable ecosystem services they provide depend on our ability to manage for an uncertain climate and uncertain economic market. This means landscape-level restoration, working across ownership boundaries, relying upon a foundation of strong science to guide decisions, and collaborating with Tribal, State, local, private, and other Federal stakeholders to achieve common goals. A comprehensive approach to restoring unhealthy ecosystems will help make our forests more resilient to stressors and disturbances related to climate change and protect our vital water resources. At the same time, we can significantly contribute to economic recovery and job support by building a forest restoration economy. Greater involvement of citizens and communities is key to successfully implementing restoration efforts at large geographic scales. Our vision in creating healthy landscapes not only includes creating healthy ecosystems, but also creating healthy, thriving communities around our Nation's forests and grasslands and providing jobs in rural areas. The FY 2012 budget request highlights these priorities.

I look forward to sharing more with you about our FY 2012 priorities and working with you in shaping the proposals laid out in this budget. Thank you for your time and attention, and I look forward to answering any questions you may have.