

**Statement of  
Under Secretary Mark Rey  
United States Department of Agriculture**

**Before**

**SENATE COMMITTEE on APPROPRIATIONS  
SUBCOMMITTEE on INTERIOR, ENVIRONMENT AND RELATED AGENCIES**

**Concerning**

**FOREST SERVICE  
FISCAL YEAR 2009 BUDGET**

*April 1, 2008*

## **Overview**

Madam Chairman and members of the Subcommittee, I appreciate the opportunity to discuss the President's fiscal year 2009 Budget for the Forest Service during today's hearing. I am pleased to join Forest Service Chief Gail Kimbell at this hearing today.

In my testimony, I will discuss three issues that relate to the 2009 Budget. First, I will address Wildland Fire programs and management reforms. Next, I will address the need to provide four years of further transitional assistance to rural counties that received benefits under Secure Rural Schools and Self-Determination Act of 2000. Finally, I will discuss the redesign of Forest Service State and Private Forestry programs and related Federal investments proposed in the 2008 Farm Bill.

## **Wildland Fire**

The 2009 budget proposes a total of \$1.977 billion for Wildland Fire Management programs, including \$994 million for Suppression, \$588 million for Preparedness, \$297 million for Hazardous Fuel Reduction, and continued funding for other National Fire Plan activities. Additionally, the Forest Service is adopting significant management reforms to ensure equitable fire suppression cost sharing between Federal and other firefighting entities, fully implement risk-informed Appropriate Management Response, and enact cost containment accountability throughout Wildland Fire programs.

The 2007 fire season illustrated the continued success of the Forest Service fire organization, but also the challenges we face. Fires in recent years have become larger and more difficult to control due to a variety of factors, including climate change, historic fire suppression efforts resulting in increased density of hazard fuels, and expansion of residences in the wildland urban interface (WUI). As a result, fire activity in 2007 was above normal by many

standards. Across all jurisdictions, wildland fires totaled more than 78,000 incidents burning over 9 million acres. Thirteen different fires burned over 100,000 acres each, and the nation was in Preparedness Level 5 for 33 days– the highest level of fire activity during which several geographic areas are experiencing simultaneous major incidents. Despite more fires than in 2006 and a 49% increase in acres burned, the cost of suppressing Forest Service fires was \$127 million lower in 2007 due to aggressive implementation of Appropriate Management Response and other cost containment measures.

The Southern California fires at the end of the 2007 fire season further exemplified the successful coordination and risk mitigation activities that have made the Forest Service fire organization a model the world over. Compared to similar events in 2003, the 2007 fires had more fire starts (271 compared to 213) and more large fires that escaped initial attack (20 compared to 14), yet much less resulting damage. Only 65 percent as many acres were burned, 60 percent as many structures were destroyed, 60 percent as many firefighters were injured, and 40 percent as many civilian fatalities occurred compared to 2003. Improvements are attributable to pre-positioning efforts, investments in hazardous fuels treatments and community capacity, and coordination with other Federal, State, and local entities.

In spite of these signs of success, the 2007 fire season still resulted in nearly \$1.4 billion of expenditures on fire suppression. As application of Federal firefighting resources on both Federal and non-Federal land has grown, annual suppression expenditures escalate, as does the 10-year average of annual fire suppression expenditures, which determines the program's budget request. The 2009 Fire Suppression request is \$994 million, over \$250 million higher than it was just two years ago, and nearly \$150 million more than the current enacted level. The total Wildland Fire Management program, including continued focus on the National Fire Plan, makes up over 48 percent of the Agency's discretionary budget request. The Forest Service is adopting substantive management reforms to mitigate this cost trend.

In FY 2009, the Wildland Fire Management program will continue to improve performance through attention to policy, training, oversight, decision support tools, and after action performance analysis. Management policy is set at the national level, and provides clear guidance for the role of Federal firefighters in the Wildland Urban Interface. Management policy also provides strategies of Appropriate Management Response, expectations concerning national shared resources and aviation resource cost management, and limitations to Severity funding. Mandatory training keeps Agency administrators up to date on national policy. During an incident, the Chief's Principal Representative provides oversight, while decision support tools such as RAVAR and FSPro offer the incident commander information on fire spread probability, resource values at risk, and historic costs for similar fires. After action reviews, including use of the Stratified Cost Index, provide lessons and best practices to include in subsequent updates to management policy. This performance improvement process resulted in lower than projected suppression expenditures in 2007, and will enable the Agency to maintain Fire Preparedness resources within a \$588 million program budget, a decrease of \$77 million from 2008.

Several additional wildfire management reforms are based on recommendations of a USDA Office of Inspector General report that examined large fire suppression costs. The report documented inequitable apportionment of fire protection responsibilities between Federal and

local entities in residential areas that abut national forests. In response, the Forest Service is renegotiating master protection agreements to clarify roles and ensure equitable and appropriate allocation of wildland urban interface firefighting costs between the agreement parties. Additionally, the Forest Service will implement a science-based methodology to encourage the cost-effective practice of using unplanned wildfires to reduce hazardous fuels when appropriate.

We expect that the management improvements implemented and underway will make managers better prepared for wildfires; facilitate better decision making during firefighting operations; and provide the tools necessary to analyze, understand and manage fire suppression costs. While the factors of drought, fuels build-up 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 Extension of Secure Rural Schools Payments**

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. The Forest Service has distributed more than \$2.5 billion dollars under this legislation since 2001 to assist counties in maintaining and improving local schools and roads. Of this amount, \$213 million dollars have been used by RACs to implement more than 4400 resource projects on national forests and grasslands and adjacent non-Federal lands.

Though the Secure Rural Schools Act expired in 2006, Congress extended payments for a seventh year under Public Law 110-28. The final year of payments were made in December 2007, and included distribution of more than \$389 million in Forest Service revenue to 41 states and Puerto Rico for improvements to public schools, roads and stewardship projects.

The 2009 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 Budget includes a legislative proposal that provides \$200 million above the current baseline for a four-year extension of USDA and Department of the Interior forest county safety net payments, which will be targeted to the most affected areas, capped, adjusted downward each year, and phased out. For administrative convenience, USDA will

make the payments on behalf of both agencies. Offsets for the Administration's proposal are provided within the topline of the President's Budget throughout the Department of Agriculture and elsewhere. For the 2008 payment (to be made in 2009), the Administration continues to be prepared to work with Congress to identify mutually agreeable offsets.

## **State and Private Forestry Program Redesign**

The 2009 budget focuses resources on national forest and grassland responsibilities, but it also reflects a redesigned State and Private Forestry program approach. .

The State and Private Forestry program connects the Agency's research and public lands-based programs to those of States and private individuals and entities. Through a coordinated effort in management, protection, conservation education, and resource use, State and Private Forestry programs help facilitate sound stewardship across lands of all ownerships on a landscape scale, while maintaining the flexibility for individual forest landowners to pursue their objectives.

In FY 2007, the Forest Service and the National Association of State Foresters agreed to redesign State and Private Forestry. The intent of the redesign is to focus and prioritize resources to better shape and influence forest land use on a scale and in a way that optimizes public benefits from trees and forests for current and future generations. The foundation for the redesign approach is a national assessment of conditions, trends, and opportunities relevant to forests of all ownerships. The initial phase of national implementation has begun, including a new competitive process for a portion of S&PF funds. The Forest Service has committed to monitor implementation of the redesign approach, facilitate an annual review, and implement changes as needed.

As a result, the Forest Service will prioritize work using the best available technology and information focused on three national themes: 1) Conserve working forest landscapes; 2) Protect forests from harm; and 3) Enhance benefits from trees and forests. Comprehensive assessments will be conducted at the state and national levels to identify conditions, threats, and ecosystem services. The assessments will then be used to integrate program delivery with partners through a variety of tools and approaches and ensure appropriate skills and organizational structures are in place to support priority work.

In addition, funding is proposed in the 2008 Farm Bill for purposes and activities similar to those supported by State and Private Forestry programs. The Conservation, Forestry, and Energy titles of the Farm Bill authorizes nearly \$10 billion in incentives to States, local governments, and nonindustrial private forest landowners to pursue conservation, forest restoration, and biomass energy. The products and process of State and Private Forestry redesign have helped focus collaborative efforts around important national priorities which will also receive significant attention and support in the 2008 Farm Bill.

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

**Statement of**  
**Abigail Kimbell**  
**Chief, USDA Forest Service**

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Madam Chairman and members of the Subcommittee, it is a great privilege to be here today to discuss the President's budget for the Forest Service in fiscal year 2009. One year ago, sitting here before you discussing the fiscal year 2008 budget was one of my first public acts as Chief of the Forest Service. I am grateful for the support this committee has shown the Forest Service, and over the past year I have been able to see firsthand many of the issues raised by its members. I look forward to our dialogue today.

I can report to you that the state of the Forest Service is sound. The Agency continues to sustain and restore the national forests and grasslands. Our researchers continue to push the frontiers of knowledge, and thirteen have been recognized by the Nobel Prize panel for their efforts. Our partnerships with other Federal agencies, states, communities, and tribes have broadened and deepened, as together, we have faced growing threats from fire and other disturbances. The outstanding competence and professionalism of our employees is admired by forestry organizations around the world. Entering the second century of service, the Forest Service can reflect with pride on its accomplishments.

Yet for all these achievements, the Forest Service faces significant issues, and can do better. The issues are every bit as challenging as those faced by our predecessors. America's

population will likely increase by 50 percent in the next 50 years, and pressures on the land will increase and change. In an era of globalization, the world is shrinking, jobs are growing more complex, and the value of forests and grasslands is greater than ever.

Among the challenges and opportunities facing our Agency, three themes stand out in particular: climate change, water issues, and the loss of connection to nature, especially for kids. I truly believe that history will judge my leadership of the Forest Service by how well we as an Agency respond to these challenges, and the 2009 budget is crafted with that in mind.

The fiscal year (FY) 2009 Forest Service budget request totals \$4.109 billion in discretionary appropriations, an 8 percent decrease from the FY 2008 enacted level. The President's Budget reflects our Nation's highest priorities, including supporting our troops, strengthening our homeland security, and promoting sustained economic growth. The Administration's pro-growth economic policies, coupled with spending restraint, are key to keeping us on track to continue to reduce the deficit in the coming years.

Within the framework of the Agency's 2007-2012 Strategic Plan and the themes I've laid out, the Forest Service budget for 2009 focuses on core responsibilities, maintaining program effectiveness, and addressing on-going management challenges. The 2009 budget aligns Forest Service spending to reinforce the Agency's commitment to caring for the 193 million acres of national forests and grasslands, and providing for the highest priority activities that can demonstrate performance in a transparent manner.

### **Wildland Fire Management**

The responsibility to protect people and property from wildfire is one the Forest Service performs professionally and honorably. Fires in recent years have become larger and more difficult to control due to a variety of factors, including climate change, historic fire management practices resulting in an increased density of hazardous fuels, and residential developments expanding in the wildland urban interface (WUI). As application of Federal firefighting resources on both Federal and non-Federal land has grown, these costs escalate,

and so too does the 10 year average of annual fire suppression expenditures, which determines the program's budget request. The 2009 Fire Suppression request is \$994 million, over \$250 million higher than it was just two years ago, and nearly \$150 million more than the current enacted level. The total Wildland Fire Management program, including the National Fire Plan, makes up over 48 percent of the Agency's discretionary budget request. The Forest Service is adopting substantive management reforms to mitigate this cost trend.

Several wildfire management reforms are based on recommendations of USDA Office of Inspector General report that examined large-fire suppression costs. The report documented inequitable apportionment of fire protection responsibilities between Federal and local entities in residential areas that abut national forests. In response, the Forest Service is renegotiating master protection agreements to clarify roles and ensure equitable and appropriate allocation of wildland urban interface firefighting costs between the agreement parties. Additionally, the Forest Service will implement a science-based methodology to encourage the cost-effective use of unplanned wildfires to reduce hazardous fuels when appropriate.

In FY 2009, the Wildland Fire Management program will continue to improve performance through attention to policy, training, oversight, decision support tools, and after action performance analysis. Management policy is set at the national level, and provides clear guidance for the role of Federal firefighters in the Wildland Urban Interface and the strategies of Appropriate Management Response (AMR). Mandatory training keeps Agency administrators up to date on national policy. During an incident, the Chief's Principle Representative provides oversight, while decision support tools such as Rapid Assessment of Values at Risk (RAVAR) and Fire Spread Probability (FSPro) offer the incident commander information on fire spread probability, resource values at risk, and historic costs for similar fires. After action reviews, including use of the Stratified Cost Index (SCI), provide lessons and best practices to include in subsequent updates to management policy. This performance improvement process will enable the Agency to maintain Fire Preparedness resources within a \$588 million program budget, a decrease of \$77 million from 2008.

## **Healthy Forests**

The FY 2009 Forest Service budget focuses resources on maximizing the effectiveness of core national forest and grassland programs. Implementation of the Healthy Forests Initiative and the Northwest Forest Plan are key initiatives which receive increased or similar levels of funding compared to FY 2008 enacted—Forest Products is requested at \$323 million, Hazardous Fuels at \$297 million, and Vegetation & Watershed Management at \$165 million. These investments will yield over 4.9 million CCF (2.5 BBF) of timber volume sold, including 1.6 million CCF (0.8 BBF) of timber volume offered from full implementation of the Northwest Forest Plan. Other priority program outputs include establishing or improving over 2 million acres of forest and rangeland vegetation, and 1.5 million acres of hazardous fuel reduction with an additional 800,000 acres of treatments accomplished by other land management activities to reduce fire risk. Capital Improvement and Maintenance of Roads is requested at \$227 million to provide the necessary infrastructure to support priority program activities and manage the roads system on national forest lands.

## **Organizational Efficiency & Transformation**

The Forest Service is continuing its restructuring process that will improve its organizational structure and maximize resources available for on-the-ground mission delivery. Our current organizational structure, designed in the 1950s, does not take advantage of the communication technologies and integrated operating systems available in today's business environment. By the end of FY 2009, the Forest Service will reduce operating costs by approximately 25 percent in the regional offices, the national headquarters, and the Northeastern Area. This will result in a higher proportion of funds going to the field and an organizational structure better equipped to meet the natural resource management challenges of the 21<sup>st</sup> century.

## **Recognizing Integrated Program and Partnership Accomplishments**

Another strategy to ensure maximum on-the-ground achievements relates to accomplishment tracking. In FY 2008 the Forest Service is changing reporting rules to incorporate accomplishments achieved through integration between program areas and/or partnerships with external groups. This change is designed to shift from a program-by-program approach to one that aligns programs and partner organizations to achieve multiple goals. By changing

how accomplishments are counted, the Agency hopes to change how managers plan and implement their work, increase incentives for working with partners, and ensure maximum value per dollar of Federal expenditure.

I will now discuss the program budget requests for 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 developing scientific information and technologies that address the ecological, biological, social, and economic issues challenging natural resource management and conservation in the modern era. Approximately 500 Forest Service scientists conduct this research at 67 sites located throughout the United States. The 2009 Budget funds Research at \$263 million. This is equal to the 2008 President's budget, and an 8 percent decrease from the enacted level of \$286 million. The budget eliminates funding for Congressional earmarks, employs investment criteria to align research projects with strategic priorities, and retains support of the Forest Inventory and Analysis program at \$62.3 million.

Forest Service Research & Development is a world leader on the global climate change issue. Thirteen Forest Service scientists participated in the Intergovernmental Panel on Climate Change (IPCC), which shared the 2007 Nobel Peace Prize with former Vice President Al Gore.

The FY 2009 budget includes \$31 million for research on how climate change, air and water pollution, land use, and extreme events affect forest and rangeland sustainability and the associated benefits they provide to society. In addition, the program prioritizes research in the areas of Resource Management and Use (\$79 million), Invasive Species (\$30 million), and Wildland Fire and Fuels (\$23 million).

### **State & Private Forestry**

The State and Private Forestry program connects the Agency's research and public lands-based programs to those of states and private individuals and entities. Through a coordinated effort in management, protection, conservation education, and resource use, State and Private Forestry programs help facilitate sound stewardship across lands of all ownerships on a landscape scale, while maintaining the flexibility for individual forest landowners to pursue their objectives.

In FY 2007, the Forest Service collaborated with the National Association of State Foresters to redesign the focus, priorities and delivery of the Agency's State and Private Forestry programs. As a result, the Forest Service will prioritize work using the best available technology and information, focusing on three national themes: 1) Conserve working forest landscapes; 2) Protect forests from harm; and 3) Enhance benefits from trees and forests. Comprehensive assessments will be conducted at the state and national levels to identify conditions, threats, and ecosystem services. The assessments will then be used to integrate program delivery with partners and ensure appropriate skills and organizational structures are in place to support priority work.

The 2009 Budget funds State and Private Forestry at \$110 million, a decrease of 58 percent from the 2008 enacted level. Forest Health programs, including those funded under the National Fire Plan, will receive almost \$80 million and treat over 450,000 forest and rangeland acres for invasive and native pests with a focus on early detection, evaluation, and monitoring of new invasive species, such as the Sirex wood wasp, emerald ash borer, and sudden oak death. Cooperative Fire programs, including those funded under the National Fire Plan, will receive nearly \$75 million and assist over 18,000 communities through grants to state and local fire agencies. In addition, \$25 million will fund the Forest Stewardship, Forest Legacy, Urban & Community Forestry and International Forestry programs.

### **National Forest System**

The National Forest System account provides funds for the stewardship and management of national forests and grasslands. The 2009 Budget requests \$1.345 billion for this account, which is equal to the 2008 President's Budget request, but a decrease of \$125 million or 9

percent from the enacted level. This budget level reflects successful implementation of the organizational efficiency & transformation efforts which will direct a higher proportion of funds to on-the-ground mission-critical work.

The 2009 budget includes a legislative proposal authorizing five Ecosystems Services Demonstration Projects that will bring new partners together with the Forest Service in a broad effort to advance market-based conservation. States, local governments, tribes or non-profit organizations will have the opportunity to provide up to \$10 million of funds or in-kind services for activities that restore, enhance, and protect ecosystem function on National Forest System lands. The projects will also introduce and refine methodologies that may be used in potential or emerging markets to quantify and value ecosystem services related to clean water, carbon sequestration and other critical benefits.

Other important National Forest System programs are increased in the FY 2009 budget. As mentioned earlier, the fiscal year 2009 budget supports full funding for the Northwest Forest Plan within the \$323 million for Forest Products. Land Management Planning funding is proposed at \$53 million, an 8 percent increase from the 2008 enacted level. The additional funds will focus on implementation of the revised Planning Rule, acceleration of work on 35 planned Land Management Plan (LMP) amendments that respond to energy corridor decisions, and completion of 18 LMP revisions currently scheduled for FY 2009.

A number of National Forest System programs will be maintained at the FY 2008 President's Budget level including, \$146 million for Inventory and Monitoring programs to facilitate efficient implementation of the 2008 Planning Rule, which establishes Environmental Management Systems on each NFS unit. The Recreation, Heritage, and Wilderness programs are proposed at \$237 million, which will enable completion of travel management plans for 86 percent of National Forest System lands and Recreation Facility Analyses on 74 percent of national forests by the end of FY 2009. Wildlife & Fish Management, funded at \$118 million, will focus on continued partnerships with states, non-governmental organizations and tribes to actively manage wildlife and fisheries habitat for the benefit of the 36 million people that visit national forests and grasslands annually to hunt, fish, or view wildlife. The \$47

million funding request for Grazing Management will support effective management of rangeland resources on approximately 90 million acres of NFS lands and compliance with the Rescissions Act schedule for completed grazing allotments. The \$115 million request for Law Enforcement Operations, a \$17 million decrease, will be focused on combating drug-trafficking organizations along the southwest and northern borders, responding to emergency and life-threatening situations, and conducting arson investigations.

### **Capital Improvement & Maintenance**

The Capital Improvement & Maintenance Program maintains the infrastructure for many Forest Service programs, including the transportation networks necessary for management and visitor access; the recreational infrastructure, including trails that serve many diverse populations; and facilities that house Forest Service employees. The 2009 Budget funds Capital Improvement & Maintenance at \$406 million, a decrease of \$69 million from the enacted level, which included a \$25 million one-time transfer from the Purchaser Election Program. The \$120 million proposed in Facilities funding will support maintenance of approximately 22,500 facilities and capital improvement of 34 facilities in FY 2009. The \$227 million Roads program includes maintenance of more than 70,000 miles, reconstruction and capital improvement of 2,000 miles, and decommissioning of approximately 600 miles of Forest Service roads. 17,300 miles of trails will be maintained and 700 miles relocated or constructed with the \$50 million Trails request. Legacy Roads & Trails, established by Congress in 2008, is not included in the budget.

### **Conclusion**

I present this budget within a management environment that demands more than dollars to ensure organizational success. The budget supports national priorities of deficit reduction, maintains a safe and effective fire suppression organization, and maintains other high priority programs. Just as importantly, it proposes an ecosystem services approach to on-the-ground work in partnership with key stakeholders to protect watersheds, enhance economic and social values, and improve biodiversity. Combined with State & Private Forestry redesign, Wildland Fire Management reforms, and organizational management transformation, this suite of initiatives will enable the Forest Service to continue to deliver outstanding science

and effectively manage the resources of the national forests and grasslands while adapting to the challenges of the coming decades.