

Committee on Resources

Subcommittee on Forests & Forest Health

Witness Testimony

STATEMENT OF THE

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UNDER SECRETARY

NATURAL RESOURCES AND ENVIRONMENT

U.S. DEPARTMENT OF AGRICULTURE

Before the

HOUSE

COMMITTEE ON RESOURCES

SUBCOMMITTEE ON FORESTS AND FOREST HEALTH

FOREST SERVICE FISCAL YEAR 2000 BUDGET

February 23, 1999

Madam Chairman, Congressman Smith, Members of the Committee, thank you for the opportunity to appear before you today to discuss the Forest Service's proposed budget for Fiscal Year 2000.

I would like to present a brief overview of our budget request and highlight some of the priorities we've identified in terms of three broad areas. Chief Dombeck will address these and other areas in greater detail. The three areas I want to highlight are; 1) the priorities of the President and the Department of Agriculture in managing the rich natural resources of this nation's forest and range lands; 2) the Forest Service priorities under the leadership of Chief Dombeck to implement the service's Natural Resource Agenda; and 3) the emphasis being placed on the Forest Service to be accountable to Congress and the American people for its performance and use of federal funds.

Last year when I testified before several committees, including this one, I stated that despite the contentious debates on several Forest Service management issues, Congress and the Administration have more agreement than we do disagreement. Despite the differences regarding budget priorities and several environmental riders which were part of the fiscal year 1999 appropriations debate, we worked together and developed a bill which helped the Forest Service move forward towards improved forest and ecological health and sustainability. I continue to believe we have common interests, and greater agreement than disagreement, although I'm sure we will be involved in tough debate again over this year's budget.

First, a brief overview. This budget proposes an overall increase in discretionary appropriations of 6.5 percent. The budget includes a healthy emphasis on the basic programs necessary for managing the agency's 192 million acres, which include a \$30 billion infrastructure, 383,000 miles of road, 74,000 authorized land uses, 23,000 developed recreation sites, and uncounted dispersed recreation sites. In addition, the budget proposes a substantial increase of \$37.2 million to enhance the agency's leading role in forest and rangeland research. Finally, the budget proposes major increases in State and Private Forestry programs, which is a key element of the President's initiatives.

President and Department Priorities

Let me turn now to the important priorities of this Administration. As you know, the President has proposed several

initiatives in the fiscal year 2000 budget including two that were first initiated as part of the fiscal year 1999 budget. Principally, the President's goal in fiscal year 2000 is to develop Forest Service programs that help assure that all the nation's lands, not just National Forest lands, provide clean water for the taps of faucets, open spaces and expanded recreation opportunities for rural and urban residents alike, and improved sustainability of products, wildlife, and biodiversity on healthy public and private lands.

Thus, the President has proposed the Lands Legacy Initiative, the largest one year investment ever in the preservation of America's lands, and the continuation of the Clean Water Action plan to continue to focus on priority watersheds where protection and improvement programs are so desperately needed.

Madam Chairman, I believe the Lands Legacy Initiative is bold and essential for America as we enter the new millennium. This \$1 billion program, which includes \$217.6 million in Forest Service funding, will focus on working with states, tribes, local governments, and willing private partners to protect great places, conserve open space for recreation and wildlife, and to preserve forests, farmlands, and coastal areas. Currently, 30 million people live within an hour drive of national forest land. As the President noted in his State of the Union address, 7,000 acres of farmland and open space are lost every day. The number of tracts of forestland of 50 acres or less doubled from 1978 to 1994 as our landscape was carved into smaller pieces. Access to, and the health of, these lands is diminishing as a result of this fragmentation. To address these serious concerns, the President's budget proposes to significantly increase funding of the agency's State and Private Forestry Programs, with an increase of \$80 million or 48% over fiscal year 1999. With this increase we will focus on promoting the retention of open space and smart growth that will provide conservation opportunities and experiences for many additional millions of Americans.

The Forest Service is the national expert at providing recreation to the public through family oriented recreation such the Sunday drive, weekend camping trip, short family hike, or week long backpack or rafting trips. The Lands Legacy initiative, through emphasis on State and Private Programs and increased Land Acquisitions promotes this type of recreational access as well promoting the availability of clean water, healthy watersheds, and open space. The national forests are the watersheds for more than 902 communities in 33 states. Many millions of additional people depend on water provided from other forested lands. Through emphasis on state and private partnerships, which promote smart growth acquisitions and easements, more Americans will be assured of long term access to public land and the clean water it provides.

The fiscal year 2000 budget contains several additional initiatives that are important to note.

As was proposed last year, the Administration again intends to forward legislation that will stabilize payments to states. I believe it is essential to provide these payments through a process that does not link the output of forest products to the education of our rural school children or the quality of the roads used by their parents. If enacted, the legislation will result in long term predictability of payments that the states and counties of America need.

Other legislative initiatives are important aspects of this budget, including proposals to maximize return to the government for authorized uses of national forest land to improve forest visitor experiences. The President also will propose legislation which requires purchasers who harvest timber and special forest products from national forests, pay fair market value for these products and a greater share of the costs of managing these programs, thus reducing the use of appropriations.

Natural Resource Agenda

The President's initiatives are fully compatible with the aggressive program initiated by Chief Dombeck last March which established the Natural Resource Agenda. I am proud to support this four point program which focuses agency attention on watershed protection and restoration, sustainable forest management, the forest service road system, and the critical recreation program.

This budget strongly supports the Natural Resource Agenda with significant funding increases. Wildlife, grazing, fire, fisheries, and other programs increase by \$48.6 million to support watershed health and restoration. Increased funding contained in this budget is essential for restoring and protecting watershed health.

A second element of the agenda promotes sustainable forest management. With proposed budget increases of \$113.2 million, programs such as Forest and Rangeland Research, in addition to the State and Private programs I have already mentioned, will engage coalitions among communities, conservationists, industry, and all levels of government to collaborate and integrate management of national forest lands with those practices on state, tribal, local and non-industrial private lands in order to promote long term land health.

Management of the national forest road system is a third component of the Natural Resource Agenda. With a funding increase of \$22.6 million, this road system, which is expansive enough to circle the globe more than 15 times, will receive critically needed funds for maintenance.

As you know, Secretary Glickman recently announced a new interim rule for road management. While this issue is very contentious, all of us can agree that the national forest road system is critical to land health and is essential to meet the recreation and livelihood of millions of Americans. Simply put, I strongly support Chief Dombeck in his effort to significantly reduce new road building until we are better able to manage the road system we presently have. The President's budget will provide increased funds for road maintenance and allow the Forest Service to implement road management plans for America's long term access and land health needs.

Lastly, as part of the Natural Resource Agenda, the President's budget continues to provide strong emphasis on recreation. The Forest Service is the largest supplier of recreation in the United States. We are pleased with the emphasis Congress has also shown in promoting recreation. The Recreation Fee Demonstration Program is one such example, and a resounding success. Through this program, we have improved facilities and the visitor's experiences at fee sites. However, I want to emphasize that 95% of recreational experiences on the national forests involve use of non-fee dispersed sites. The President's budget continues to emphasize this area of recreational use through appropriated funds. I strongly encourage your continued support of these appropriations in order to continue quality experiences for those who use the forests for highly dispersed activities, and who are either unable to pay for use of these sites, are not close to fee sites, or who desire to recreate in the undeveloped non-fee areas of the national forests.

Also in support of the Natural Resource Agenda, I want to note that the Committee of Scientists, commissioned by the Secretary to review land and resource management planning processes, are soon to release their landmark report. Shortly thereafter the Forest Service will complete preparation of proposed land management planning regulations which will guide future revisions to land management plans. These regulations are long overdue. I am confident when implemented these regulations will result in a long-range planning framework suited to accomplish sound resource management in accordance with environmental laws and the mission of the Forest Service.

Forest Service Accountability

The success of the Natural Resource Agenda and the initiatives proposed by the President are critical to long term health and conservation of the national forests and the nation's state, local, and nonindustrial private lands. Effective Forest Service leadership is what will facilitate these long term successes. However, leadership will not be successful if the Forest Service does not aggressively address what can only be described as severe lapses in its financial management and overall performance accountability. As you know, the agency's financial health, decision making, and overall accountability has been scrutinized and extensively criticized in more than 20 studies initiated by Congress, the Department, and internally.

Let me say, I have no doubt the Forest Service has got the message! Through reorganization and placement of professionals in top leadership positions, the agency has placed the financial management role in a position that assures attention and oversight in equal stature and priority to its natural resources management agenda. While I believe it is important for Congress to actively perform its oversight of the agency's financial condition, I believe it is also important to ask for some degree of patience. The agency's books and records took a decade or more to turn sour. It will take at least the rest of fiscal year 1999 to implement a new general ledger and at least through fiscal year 2000 to receive a clean financial opinion.

Meanwhile, it is clear the Forest Service is taking action to improve. This includes paying detailed attention to management of indirect costs, restructuring the process for charging overhead to permanent and trust funds, and actively working on implementing performance measures consistent with the Results Act, which should ultimately lead

to proposals for a revised budget structure that reflects the integrated nature of work it accomplishes on the ground.

Madam Chairman, in my testimony today I have discussed important Presidential initiatives, the Natural Resource Agenda, and progress being made to improve agency accountability in relation to the fiscal year 2000 budget. These three areas represent important areas of change for the Forest Service as we approach the next century. I am confident that with your support we can work together to build a Forest Service program that accomplishes long term land health objectives, delivers clean water, provides quality access, assures diverse recreational opportunities for greater numbers of Americans, and continues providing strong livelihoods for communities for generations to come.

Thank you for the opportunity to address you. I would be pleased to answer any questions you may have.

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