

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

Concerning

The President's Budget Request for the USDA Forest Service in Fiscal Year 2011

February 25, 2010

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) 2011. I appreciate the support this subcommittee has shown the Forest Service in the past, and I look forward to collaborating in the future to provide more of the things the American people want and need from our Nation's forests and grasslands. I am confident that this budget will enable the Forest Service to do just that.

Our Nation's forests and grasslands, both public and private, are social, economic, and environmental assets. They provide many ecosystem services on which society relies, including clean water, scenic beauty, outdoor recreation, fish and wildlife habitat, natural resource jobs, forest products, renewable energy, carbon sequestration, and more. In pursuit of these and other services, the Forest Service manages 193 million acres on 155 national forests and 20 grasslands. In addition, to help improve stewardship of lands outside the National Forest System, the agency partners with and provides technical assistance to a range of other Federal agencies as well as State, local, and Tribal governments, private landowners, and nonprofit organizations. The agency also engages in cutting-edge research on climate change, wildfires, forest pests and diseases, ecological restoration, and a range of other conservation issues.

The Budget reflects the President's priorities and Secretary of Agriculture Tom Vilsack's vision for restoring and enhancing the resilience and productivity of America's forests. In accordance with our mission of sustaining the health, diversity, and productivity of the nation's forests and grasslands, the Forest Service is taking an all-lands approach, working across boundaries and ownerships to address the critical issues facing our Nation's forest and grassland ecosystems on a landscape scale. Further, the budget proposes to integrate Forest Service programs in a new way that will better position the agency to tackle long-standing and urgent forest health, wildlife, forest restoration, and community vitality needs.

The President's Budget request for the Forest Service for FY11 totals \$5.38 billion in discretionary appropriations, a \$61 million increase over the FY10 enacted level. The Budget reflects a new and significant shift in the way the agency will address forest management on National Forest System (NFS) lands. The President's Budget focuses Forest Service resources to support more watershed and ecosystem improvement efforts based upon a variety of management actions, including mechanical removal of timber, road decommissioning, and

wildlife habitat improvement. The Budget adopts an ecosystem-based approach to forest management that focuses on enhancing forest and watershed resiliency, preventing the loss of large carbon sinks, and maintaining jobs. To address the need to protect forest resources and wildlife habitat in an era of global climate change, the Budget establishes a pilot program for long-term, landscape scale restoration activities that emphasize resiliency, health, and sustainable economic development.

Ecological Restoration

In FY 2011, the Forest Service will work to meet the challenge of restoring healthy, resilient ecosystems capable of delivering the ecosystem services that Americans depend upon, especially clean and abundant water. The Administration proposes restructuring the Forest Service budget as a key step that will allow us to focus more on high priority restoration work. The new budget line item, Integrated Resource Restoration, will combine the Forest Products, Vegetation and Watershed Management, and Wildlife and Fisheries Management budget line items. The FY 2011 budget proposes \$694 million for Integrated Resource Restoration work under this line item.

We believe this new line item better reflects much of the current work we do and, even more importantly, better forecasts the future direction we need to take to achieve ecological restoration work. The agency will integrate traditional timber activities predominately within the context of larger restoration objectives, focusing on priority watersheds in most need of stewardship and restoration work, pursuing forest products when they support watershed, wildlife, and restoration goals. We will also greatly expand the use of the stewardship contracting authority to meet restoration objectives and build in longer-term contracting certainty for communities and the private sector to invest in the kind of forest restoration infrastructure we will need to achieve these objectives.

The new budget line item consists of three activities: \$604 million for Restoration and Management of Ecosystems, \$40 million for the Collaborative Forest Landscape Restoration Act (CFLRA), and \$50 million for Priority Watersheds and Job Stabilization. Projects under the second two will be selected through a national competitive process and are discussed below. The \$604 million for Restoration and Management of Ecosystems will be allocated in part based on the number of smaller watersheds (6th level hydrological unit codes, which average 10,000 acres) in critical need of restoration, while a substantial portion of the funds will be used to fund restoration activities across the National Forest System. This will allow National Forests to focus local projects on improving watershed condition while continuing to carryout critical, ongoing ecological restoration work. While we have not worked out the specifics for allocating these funds, I am convinced that this multi-pronged approach will improve our ability to achieve restoration and watershed improvement at various scales – from landscape level work under the nationally selected projects under CFLRA and the Priority Watersheds initiatives to work within individual NFS watersheds in need of critical restoration – while allowing the Forest Service to place greater focus on improving watersheds without forgoing critical ongoing restoration efforts. We look forward to working with the subcommittee as we explore the best way to allocate these funds.

Collaborative Forest Landscape Restoration Fund

The FY11 President's Budget requests \$40 million to fund ecosystem restoration under the Forest Landscape Restoration Act of 2009, the maximum amount authorized under the Act. Restoration treatments will focus on reducing the risk of catastrophic wildfire, improving watershed conditions, and building resilience to climate change on large landscapes greater than 50,000 acres. Through the Collaborative Forest Landscape Restoration Program, the Forest Service will use federal funding to leverage local resources, engaging partners in collaborative restoration efforts on a landscape scale. Potential projects will be developed and proposed through multi-stakeholder collaborative planning, and will be selected by the Secretary of Agriculture, as advised by a Federal Advisory Committee. Proposals must have a substantially complete restoration strategy, be primarily composed of National Forest System land, and be on lands accessible by wood-processing infrastructure. The \$50 million priority watersheds initiative and the CFLRF will provide perfect complement to each other within the Integrated Resource Restoration line item, enabling the agency to target management to the diversity of landscape, forest, and community needs. In FY11, the Forest Service would fund 10 projects at \$4 million each through CFLRF. No more than two proposals will be selected for funding in any one Region of the NFS.

Priority Watersheds and Job Stabilization

Perhaps the most important service that Americans get from wildland ecosystems has to do with a basic human need: water. Nearly 53 percent of the Nation's freshwater supply originates on public and private forest lands, and more than 200 million people rely for their daily drinking water on forests and grasslands. Watersheds in good health provide good water quality, and watersheds that deliver plentiful supplies of pure, clean water also deliver a full range of other services that people need—soil protection, carbon storage, wildlife habitat, opportunities for outdoor recreation, and more.

In FY 2011, the Forest Service proposes to invest \$50 million under the new Integrated Resource Restoration program in Priority Watersheds and Job Stabilization. Under this initiative, the agency will assess the health of all of its watersheds, carry out forest restoration in national priority watersheds, and then focus on job creation by utilizing stewardship contracts and putting youth to work in rural areas. This initiative complements the work to be accomplished under the Collaborative Forest Landscape Restoration Fund (CFLRF). These watersheds will be identified and prioritized using State Forest Assessments, watershed conditions, costs and input from local communities. Projects will be selected in areas greater than 10,000 acres. Through this process, the Forest Service will work collaboratively to maintain or improve water quality and watershed function, improve habitat for fish and wildlife, and create local jobs in forest-based communities.

Attached to the end of this statement is a list of the 12 indicators that we plan on using to assess the health of our watersheds under this initiative. Fire regime condition class and percent vegetative cover are two examples. These Watershed Condition Indicators are diagnostic indicators of the health and trend of various biological, chemical, and physical components of aquatic systems and associated terrestrial uplands. The indicators represent the processes or

mechanisms by which management actions can potentially affect watersheds, the species which inhabit them, and their riparian functions and ecological processes.

This initiative will yield the following results by the end of FY 2011.

- Funding for projects that will improve the watershed condition class of approximately 100 NFS watersheds that are important to the public.
- Approximately 20 ten-year stewardship contracts offered in targeted areas around the Country that would provide a steady supply of forest products.
- Over 1,000 jobs created, including a focus on jobs for youth in rural areas.
- A map depicting the condition of the National Forest System's approximately 12,000 highest priority watersheds at the start of FY 2011.
- A map depicting the locations and approximate quantities of the biomass that NFS intends to make available over the next ten years.
- Experience with an alternative to litigation through the piloting of a new Appeals process.

Responding to Climate Change

Broad scientific consensus confirms that global climate change is real and that the impacts are altering forests and grasslands, increasing the frequency of disturbance events and diminishing the ecosystem services they provide. Some of the most urgent forest and grassland management problems of the past 20 years— wildfires, changing water regimes, and expanding forest insect infestations—have been driven, in part, by a changing climate; future impacts are likely to be even more severe.¹ Because America's forests and grasslands are vital to our nation, the Forest Service program of work in FY11 will focus on making ecosystems more resistant to climate-related stresses and more resilient to changing conditions. Helping ecosystems adapt to both current and future climates will ensure that they continue to provide the ecosystem services that Americans want and need, including sequestration of the heat-trapping gases that are the main cause of global warming.

The President's Budget will go a long way in supporting and reinforcing the importance of managing forests and grasslands to respond and adapt to changing climate. Our new Integrated Resource Restoration line item is built partially around the notion that we need to adapt to climate change and will provide an outlet for implementation of forest level climate action plans. Further, I'd like to draw your attention to a very small but significant \$2 million investment in Urban and Community forests that will result in significant and direct climate benefits by planting trees in the right places in our communities to help sequester carbon and reduce heating and cooling costs. This cost-share program will make use of a prioritization system to maximize the tons of carbon removed from the atmosphere per federal dollar spent.

¹ Backlund, P.; Janetos, A; Schimel, D., lead authors. 2008. *The effects of climate change on agriculture, land resources, water resources, and biodiversity in the United States*. Final report, synthesis and assessment product 4.3. A report by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research, Washington, DC. 342 p.

Fuels and Forest Health Treatments

During the average fire season from 2000 to 2009, about 1.3 million acres under Forest Service protection have burned. Communities expanding into the wildland/urban interface (WUI) are compounding the challenges of suppressing wildfire and highlighting the need to focus treatments in the WUI. The Forest Service has a major role to play in reducing the threat of wildfire to homes and communities by reducing hazardous fuels and restoring forest and grassland health.

In FY11, the Forest Service will direct \$349 million to reducing hazardous fuels, treating 1.6 million acres in the WUI. The agency will focus areas for treatment in partnership with communities using their community wildfire protection plans (CWPP), resulting in a doubling of the acres to be treated in areas identified in CWPPs over what is planned for FY 2010. This intense focus on the WUI is part of the initiative to responsibly budget for fires. Fires in the interface present the greatest risk to communities and firefighters, are the most expensive, and are the most complex to suppress. By treating high-priority areas in the WUI, the Forest Service will reduce the threat of large wildfires and increase the effectiveness of suppression actions, thereby protecting communities, reducing risks to firefighters and the public, and lowering the costs of large wildfires.

Fire Suppression and Preparedness

The FY11 President's Budget request continues to reflect the Presidential urgency to responsibly budget for wildfire. It provides \$2.4 billion for managing wildland fire, including a more accurate accounting of preparedness costs while continuing full funding of the 10-year average for suppression costs. To enhance accountability for fire suppression, the budget proposes managing fire suppression by establishing three separate accounts. All fire suppression costs would be paid out of the fire suppression account, initially funded at \$595 million. This level would cover the costs of initial and smaller extended attack operations consistent with our target of maintaining a 98 percent success rate. In addition, the budget requests \$291 million for the FLAME account. Funds from this account would be available for larger, more complex fires that escape initial attack. The budget outlines a new approach to risk management and fire spending accountability, including the process for FLAME funds availability, requiring a formal risk decision by the Secretary of Agriculture before funds can be transferred from FLAME into the suppression account.

In addition to fully covering the anticipated suppression costs, \$282 million is proposed for a Presidential Wildland Fire Contingency Reserve. These funds would be available if the Nation experiences an exceptional fire season and the Forest Service anticipates exhausting the amounts appropriated for both the suppression and FLAME funds. The Presidential Contingency account reduces the risk that the Forest Service would need to borrow from other programs to pay for the costs of fire suppression. In such an event, increased accountability for fire spending requires a Presidential Declaration certifying the Forest Service is operating in an effective and accountable manner with all funds previously released before Contingency Funds would be made available. The FLAME and Presidential Contingency accounts complement each other in providing a

higher level of accountability for fire spending and reducing the risk that funds will need to be transferred from other mission critical programs to support the costs of fire suppression.

I would like to thank the members of this subcommittee and their colleagues for the work they put in this past year in crafting and passing legislation for the FLAME Wildfire Suppression Reserve Fund for the Forest Service. In the past, large fire seasons have resulted in funding transfers from other Forest Service accounts to the detriment of critical Forest Service work. Funding of the FLAME Wildfire Suppression Reserve Fund and the Presidential Wildland Fire Contingency Reserve in the FY11 budget will enable critical Forest Service activities to proceed, including fuels and forest health treatments in the wildland-urban interface (WUI).

The FY11 budget also contains a significant change by realigning Preparedness and Suppression funding, shifting readiness costs from the Suppression account into Preparedness. This structure provides better transparency by realigning costs that were shifted into the Suppression account beginning in FY 2005. Consistent with congressional direction, these program readiness costs have been moved back into the Preparedness with no net change in resource availability from FY10. In sum, the President's Budget will promote safe, effective, and accountable outcomes from investments made in managing fire on a landscape scale.

Thriving Rural Communities

The Secretary's vision for 2010 and beyond calls for building a forest restoration economy that generates green jobs and rural prosperity. In FY11, the Forest Service will continue to develop new ways of bringing jobs and economic activity to rural communities. The agency will build on 2 years of funding and project success under the American Recovery and Reinvestment Act (ARRA) of 2009. ARRA projects bring jobs and economic stimulus to areas hit hardest by the national recession, including many forest-based communities. For example, the ARRA-funded Huron Fuels Reduction project in northeastern Michigan has brought \$3.9 million to an area hit hard by the economic recession, and created over 50 jobs on fuels reduction crews for unemployed or underemployed members of the local communities. Many ARRA projects address high-priority forestry needs, such as fuels and forest health treatments and biomass utilization. Our involvement has helped to stimulate collaborative efforts related to restoration, climate change, fire and fuels, and landscape-scale conservation.

The Forest Service will also play an important role in providing expertise to landowners in forest-based communities to help sustain the economic viability of forest stewardship. In addition, an increased focus on restoration, particularly in priority watersheds, will lead to the creation of more jobs in forest-based communities to carry out this high-priority work.

Conclusion

The President's Budget request for FY 2011 addresses the stresses and disturbances, partly caused by climate change, that pose challenges to the health of America's forests and grasslands. We will respond with treatments to priority watersheds identified in a science-based approach and restore their health to enhance their capacity in delivering ecosystem services that Americans

want and need. Our restoration treatments will be on a landscape scale, taking an all-lands approach looking across landownership boundaries to solve problems to conservation based on collaboration with State, Tribal, local, private, and other Federal stakeholders to achieve mutual goals. The Forest Service stands ready, working in tandem with other USDA agencies through this budget, to bring health to our forests and enhance the economic vitality of communities. The budget request does not include any funding for any new road construction, allowing us to focus on maintaining existing high-clearance and closed roads. We are using the Travel Management Planning process to guide our efforts in right-sizing the Agency's road system. The President's Budget for the USDA Forest Service also contains funding for many other important items, such \$50 million for the Legacy Roads program to help improve water quality and stream conditions, and an increase in the recreation budget that will help rural economies while creating opportunities to reconnect people to forest lands. I look forward to sharing more with you about the budget and working with you to see many of those budget proposals take shape.

Thank you for your time, and I look forward to answering your questions.

Attachment 1: 12 Core Watershed Condition Indicators

AQUATIC PHYSICAL INDICATORS	
1. Water Quality Condition	This indicator addresses the expressed alteration of physical, biological, or chemical impacts to water quality.
2. Water Quantity (Flow regime) Condition	This indicator addresses changes to the natural flow regime with respect to the magnitude, duration, or timing of natural streamflows hydrograph.
3. Stream and Habitat Condition	This indicator addresses stream channel and aquatic habitat condition with respect to habitat fragmentation, aquatic organism passage, wood, streambank stability, channel geometry, and floodplain connectivity.
AQUATIC BIOLOGICAL INDICATORS	
4. Aquatic Biota Condition	This indicator addresses the distribution, structure, and density of native and introduced aquatic fauna.
5. Riparian Vegetation Condition	This indicator addresses the proper functioning condition of riparian vegetation along streams and water bodies.
TERRESTRIAL PHYSICAL INDICATORS	
6. Road and Trail Condition	This indicator addresses the altered hydrologic and sediment regime changes due to the density, location, distribution, and maintenance of the road network.
7. Soil Condition	This indicator addresses alteration to natural soil condition, including erosion, nutrients, productivity, and physical, chemical, and biological characteristics.
TERRESTRIAL BIOLOGICAL INDICATORS	
8. Fire Effects and Regime Condition	This indicator addresses the potential for altered hydrologic and sediment regimes due to vegetation departures from historical ranges of variability.
9. Forest Cover Condition	This indicator addresses the presence/absence of forest cover on lands classified as forest lands and the need to reestablish or restore forest cover.
10. Rangeland, Grassland, and Open Area Condition	This indicator addresses the vegetative condition of rangelands, grasslands, and open areas.
11. Terrestrial Non-native Invasive Species Condition	This indicator addresses potential impacts to soil and water resources due to terrestrial non-native invasive species.
12. Forest Health Condition	This indicator addresses the condition of forest mortality due to major insects and diseases outbreaks and air pollution.