

Testimony

**Statement of
Fred Norbury
Associate Deputy Chief for National Forest System
U.S.D.A. Forest Service**

Before

**THE HOUSE COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES**

Concerning

**The Forest Service Fiscal Year 2008 Budget for the
Minerals and Geology Program**

February 27, 2007

Overview

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to discuss the President's fiscal year 2008 Budget for the Forest Service's Minerals and Geology programs. I am pleased to be here with you today.

Forest Service fiscal year 2008 Budget

The Forest Service's fiscal year 2008 Budget request must be viewed in the larger context of the overall federal budget in which it is presented. Like other non-defense domestic discretionary programs, the Forest Service faces a constrained budget. And the results of the Administration's policies on economic growth and fiscal restraint include cutting the deficit in half, three years sooner than originally predicted. The fiscal year 2008 President's Budget request for the Forest Service is \$4.127 billion, which is approximately the same level of funding as fiscal year 2006 and a modest reduction below fiscal year 2007. However, within that total are some important shifts: the budget makes important changes to the Wildland Fire account, maintains funding for Healthy Forests including a commitment to fully fund the Northwest Forest Plan, and emphasizes public health and safety by proposing a significant increase in the Law Enforcement Operations budget.

In order to fund these high priority programs, the Budget makes hard tradeoffs to other programs. Moreover, efficiencies gained through the centralization of Business Operations, Planning Rule revisions, and renewed focus on collaborative management will help offset reductions under the fiscal year 2008 Budget request. In fiscal year 2008 and fiscal year 2009, the agency will further its efforts to optimize organizational efficiency by restructuring leadership and program management functions at its National and Regional Offices. In order to

provide additional funding for on-the-ground performance, many headquarters and regional activities will be consolidated on a centralized basis, and appropriate program management functions will be zoned across multiple regions. The Forest Service will realize personnel cost decreases of approximately 25 percent in National and Regional Office operations by the end of fiscal year 2009. An executive Steering team, led by Eastern Regional Forester Randy Moore, has been appointed to oversee the reorganization effort.

These and other efficiencies are reflected in the request. Today I will provide an overview of the FY 2008 proposed budget and program for the Minerals and Geology Management and a summary of accomplishments.

Minerals and Geology Management Program and Budget

The fiscal year 2008 President's Budget requests \$71 million for the Minerals and Geology Management program. This decrease from prior year levels reflects greater efficiencies and supports the agency's increased emphasis on administration of operations to ensure the protection of surface resources, supports continued implementation of the National Energy Plan and Energy Policy Act of 2005, and funds environmental compliance and environmental restoration programs at levels similar to prior years to continue the focus on cleanup of abandoned mines and other contaminated sites.

In general, the Minerals and Geology Management program is responsible for the management of energy and non-energy mineral commodities which includes processing proposals and administering approved operations. Program responsibilities also include the protection of groundwater, paleontologic and geologic resources, and restoration of hazardous waste sites within the 193 million acres of National Forest System lands. The value of mineral production from National Forest System lands typically exceeds \$2 billion per year yielding over \$125 million in revenues to the U.S. Treasury. National Forest System lands are the single largest source of municipal water supply providing over 66 million people with safe drinking water. Estimates also state that there are over 2,000 abandoned and inactive mines on National Forest System lands requiring some type of cleanup.

The energy component of the Minerals and Geology program continues to emphasize the implementation of the National Energy Plan and the Energy Policy Act of 2005. Funding for the energy program will focus on opportunities for development and supply of oil and gas, coal, and geothermal resources from Federal lands. Specifically the 2008 Budget identifies \$15 million for activities authorized by the Act.

The Environmental Compliance and Protection and Abandoned Mine Lands (ECAP/AML) programs consists of three major funding areas: 1) cleanup and restoration of NFS lands impacted by hazardous materials and/or mining activities; 2) mitigation of safety hazards associated with inactive/abandoned mine lands; and 3: environmental compliance audits of Forest Service operations, facilities, and permitted activities. The FY 2008 Budget will support environmental audits that will be conducted at 33 administrative units and mitigation of over 470 physical safety hazardous such as open shafts and adits. The agency will continue to emphasize cost recovery from potentially responsible parties and partnership opportunities with state,

federal, and private organizations to mitigate safety hazards and cleanup of abandoned mines and other sites that pose the greatest risk to human health.

The locatable or “hardrock” mineral program provides for approval and administration of operations on National Forest System lands under the General Mining Law. There are approximately 90,000 mining claims on National Forest Systems land. Operations range in size and complexity from major underground and open pit platinum-palladium, gold, silver or copper mines producing millions of dollars in value, to small, individual hand tool or suction dredging activities occurring on a seasonal basis. The salable mineral program involves approximately 8,000 mineral material sale contracts and permits. These provide mineral materials such as sand, gravel and other construction material for industrial mineral uses. In total, the FY 2008 Budget supports the processing of more than 6700 mineral applications and administering almost 12,000 mineral operations.

Forest Service Accomplishments

The Forest Service has been highly successful at implementing actions authorized by the Energy Policy Act of 2005. The Forest Service and Department of the Interior agencies have entered into an interagency Memorandum of Understanding that has improved energy permit coordination on Federal lands and included the assignment of personnel to pilot project offices. The Forest Service is participating in four of the pilot project offices, which are located in areas with a high volume of development and project proposals. Project processing timelines have been shortened substantially, as a result of the efficiencies realized by having multi-agency personnel involved in the approval of operations who are working out of a single office. The agency has also worked closely with the BLM on the revision of the Oil and Gas Onshore Order No.1.

Accomplishments in the Environmental Compliance and Protection and Abandoned Mine Land program for 2006 included:

- 346 dangerous safety hazards at 70 abandoned mine sites in 12 states were eliminated with appropriated funds and State partners’ funding.
- 77 site characterization and enforcement activities: 11 cleanup plans; and 38 cleanups were completed with appropriated funds and Department of Agriculture Central Hazardous Materials Management funds.
- 7 environmental compliance audits were conducted by the National Environmental Audit Team.
- The agency recovered nearly \$3,000,000 in past costs and \$3,000,000 to cover future costs associated with cleanup of abandoned and other sites affected by hazardous materials from support received by the Department of Agriculture Office of General Counsel Pollution Control Team.

The Minerals and Geology Management program has designed and is beginning to implement new national databases that will accurately track and report accomplishments. This will enhance program performance by providing consistent, accurate and timely information. Additionally, the

Agency revised guidance to comply with the Clean Water Act for locatable mineral operations; thereby ensuring mining operations meet water quality requirements.

Conclusion

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