

**Statement  
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USDA Forest Service  
Public Lands and Forests Subcommittee  
Committee on Energy and Natural Resources  
United States Senate  
On  
S. 2672 – Community-Based Forest and Public Lands Restoration Act**

**July 25, 2002**

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today. I am Thomas J. Mills, Deputy Chief, Business Operations, USDA Forest Service.

I am pleased to appear before you today to provide the views of the Department of Agriculture (USDA) on S. 2672, the “Community-Based Forest and Public Lands Restoration Act” introduced by the Chairman of the Energy and Natural Resources Committee, Senator Bingaman, and co-sponsored by Senator Craig, Senator Wyden and Senator Smith. While we do have serious reservations with the bill as drafted, USDA does support collaborative stewardship as envisioned under S. 2672.

Mr. Chairman, I would like to note for the record that the committee staff provided the Forest Service an opportunity to review and comment on a draft version of this legislation several weeks ago. A number of these technical comments on that draft bill are reflected in S. 2672. The Department believes we can continue that productive relationship and we are committed to work with you and the staff toward resolving our concerns with the bill.

S. 2672 addresses a legitimate issue: the necessity to connect with the small rural communities that are neighbors to national forests and other public lands and that are directly affected by the land management decisions made regarding those public lands. These communities are very important to our agencies. This is where our employees live, too. Our employees and their families are vitally interested in the economic and social well being of their communities.

We have much more than a parochial interest, however. To manage national forests and public lands effectively, three critical components are necessary. When one of these components is missing, it becomes extremely difficult to manage forests and public lands for all the range of amenities that the public demands.

First, there must be a healthy and resilient forest resource.

Second, the communities near these resources must be healthy and viable, economically and socially to assist the agencies in conducting the day-to-day stewardship.

Third, there must be a forest products and stewardship industry base to serve as the mechanism by which forest management activities are achieved.

Historically the forest products industry included many small operators. However, over the past several decades, we have seen the demise of many small forest products businesses, consolidations of many larger forest products companies, and loss of industry capacity in many regions. This loss in capacity translates directly into reduced ability to conduct the active management necessary to restore and maintain healthy forest resources.

Active land management is important to the success of the National Fire Plan. Hazardous fuels reduction in and around communities is critically important work, not just for resource protection and restoration but for community fire protection as well.

Public lands and rural communities also directly benefit from watershed improvements that create clean water and remove invasive weeds.

Earlier this year, Secretary Veneman and Secretary Norton joined with the Western Governors to endorse a 10-year comprehensive strategy to reduce the risk of wildfires. That strategy, and its Implementation Plan seek to promote community assistance, reduce fuels, and maintain and restore fire-adapted ecosystems by establishing a collaborative, performance-based framework that calls on local agency managers to work with states, tribes, local governments and citizens to carry out the plan.

S. 2672 could facilitate the development of mutually respectful collaborative relationships between communities, local, state and federal entities, and non-profit organizations, conservation organizations, and other groups who are interested in restoring the diversity and productivity of watersheds along the lines called for in the Plan. We have several general concerns with the bill, which I'll highlight with specific examples. We will provide the Subcommittee a comprehensive list of amendments for its consideration.

First, BLM and the Forest Service will work together to implement this bill if enacted. The two agencies work cooperatively on a range of activities. Our Service First initiative is an excellent example. The President's FY 2003 Budget included funding to complete 22 Service First collocations of Forest Service Bureau of Land Management (BLM) office by the end of 2005. I would note, however, that S. 2672 would require that both agencies have a role in designating and establishing the Restoration and Value-Added Centers, but the bill requires the Secretary of Agriculture to provide the annual funding to support the Restoration and Value-Added Centers' operating costs. Funding responsibility should be provided to both agencies.

Second, authority for the programs and related activities proposed in the legislation should be designated at the Department level, leaving the Secretary to delegate responsibility as appropriate.

The existing direction in Sec 5 (d)(2) for Regional Foresters and State Bureau of Land Management Directors to issue requests for proposals to create Restoration and Value-Added Centers could result in a disjointed collection of Centers. What is needed is a cohesive network of centers that can better serve the intended purposes of providing integrated technical assistance to rural communities and disseminating on-the-ground “best practices” to other Centers and by extension, to other rural communities.

Third, there are several overly prescriptive requirements contained in S. 2672 that should be amended to reserve administrative discretion for the Secretary.

For example, Sec. 4(d) would require the Secretaries to hire additional outreach specialists, grants and agreements specialists and contract specialists to implement this bill. Such direction is inconsistent with the government-wide goals to improve federal management that are encompassed in the President’s Management Agenda, which the Forest Service is committed to supporting.

In that regard, the Forest Service has developed a workforce-restructuring plan that includes significant management reforms to improve service to citizens and increase administrative efficiencies. The plan addresses: (1) reducing organizational layers, (2) reducing the time it takes to make decisions, (3) reducing the number of managers, (4) increasing supervisory span of control, and (5) ensuring accountability, and redirecting resources to direct service delivery and outreach positions.

The Forest Service also plans to increase the use of competitive sourcing for agency commercial activities and performance-based service contracting. Such competitive sourcing initiatives could be effectively used to implement the provisions of this bill. If workforce restructuring or competitive sourcing, in the agency’s view, represents a more efficient way to meet need for contracting, grants or agreement specialists, the agencies should have the discretion to pursue the option that would result in the improved service being provided to rural communities at the least cost.

We're not waiting to improve our services to rural communities. The Chief of the Forest Service has recently charted a Partnership Re-engineering Team of field and Washington Office staff that is working now to simplify the agency's internal partnership tools and processes. We expect to have revised processes in place early in 2003. A particular focus of that effort is going to be the administration of contracts, cooperative agreements, grants and other partnership instruments.

Finally, we are extremely concerned with the requirements in Sec. 6(a) that would limit competition for a wide range of activities to the specific categories of listed entities.

As an example, the bill's existing mandates appear to ignore the Forest Service's current Memorandum of Understanding with the Small Business Administration (SBA) for special salvage timber sales, known as SSTs. Those sales are targeted for businesses with less than 25 persons. It is also unclear how other the agency's other small business programs, which include both timber and procurement contracts, would be affected by the bill's mandates.

In addition, Sec. 6(a) could be interpreted to apply literally to all contracts and agreements entered into by the agencies, not just those associated with the restoration activities conducted pursuant to the bill, which we hope is the intent. As written, the bill language could reach agency-wide contracts for computer equipment or other information technology.

Even if the intent of the bill is to impose the limit on contracts and agreements for restoration projects, it is still highly problematic. Since the limitation is on a dollar basis, it may be difficult to offset 1 or 2 large contracts with entities that do not meet the standards with contracts with entities that do meet the bill's requirements. Many Western communities have few organizations that meet the requirements described in Sec. 6. The work of the agencies could be seriously impacted if there are not enough of these organizations in specific areas to attain the total values proscribed in the bill. Achieving

the plan of work agreed to with Western Governors under the National Fire Plan would be seriously compromised.

Mr. Chairman, we would like to propose several additions to S. 2672.

We concur with BLM that Congress should provide both agencies permanent stewardship contracting authority along the lines currently provided only to the Forest Service under annual appropriations law. The pilot projects are testing a number of new contractual and financial authorities that provide the Forest Service additional tools to achieve land management goals, including fuels reduction activities, that meet local and rural community needs. We believe the contractual and financial authorities being testing will demonstrate improved work efficiencies and the significant potential stewardship contracting holds for increased local participation, collaboration and investments in our land management activities.

In closing, Mr. Chairman, the Forest Service knows we need to develop and maintain effective, consistent relationships with the local rural communities who are our neighbors just as we know there is a vital need to restore and maintain healthy forests. Communities are looking to public land management agencies to better integrate local concerns with the agencies' planning so that they can work collaboratively towards healthier ecosystems and healthier rural communities.

This concludes my remarks on S. 2672. I will be happy to answer any questions the committee may have on this bill.