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FOREST SERVICE**Issues Relating to Its
Decisionmaking Process**

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Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our ongoing review for you and other requesters of the decisionmaking process used by the Department of Agriculture's Forest Service in carrying out its mission. By law, the Forest Service is to manage its lands for multiple uses, including timber, livestock forage, recreation, fish and wildlife, wilderness, and water supply. In doing so, the Forest Service is expected to sustain undiminished the lands' productivity for future generations while providing for high levels of these uses.

To meet its legislative mandate, the Forest Service uses a decisionmaking process that includes (1) developing management plans, commonly called forest plans, for forests or for groups of small, adjacent forests and (2) reaching project-level decisions for implementing these plans for such activities as timber harvests, livestock grazing, recreational development, and habitat improvement. Some project decisions are challenged through the agency's administrative appeals process and the federal courts by parties seeking to delay, modify, or stop a project with which they disagree. Some in the Congress and the agency believe that the Forest Service could reduce the costs and increase the efficiency of its decisionmaking process and improve its service to the public while still meeting its basic legislative mandate.

As agreed, our testimony today provides preliminary observations on the basis of the information that we have gathered to date on (1) issues relating to developing forest plans and reaching project-level decisions and (2) actions taken or proposed to address these issues. As further agreed, we will complete a thorough analysis of the Forest Service's decisionmaking process and issue a report later this year that will include conclusions and recommendations, if any, that we may have.

In summary, Mr. Chairman, the information that we have gathered to date suggests the following:

-- Although current forest plans include goals, related objectives, and schedules for implementing the objectives over 10 to 15 years, the Forest Service often has not been able to achieve the objectives during the periods covered by the plans because so many variables affect the outcomes of its decisions. These variables, many of which are beyond the agency's ability to control, include changing natural conditions and funding, as well as new requirements and information. The Forest Service has proposed removing from its forest plans objectives for goods and services, such as wood for lumber, forage for livestock, or opportunities for recreation. It has also proposed removing schedules for producing goods and services and implementing desired conditions for resources, such as soils and vegetation.

However, without measurable objectives and/or implementation schedules, the public cannot form reasonable expectations about the health of forests over time or about the future availability of forest uses. Some Forest Service officials believe that providing some degree of certainty may require, among other things, shorter planning periods and closer links between plans and funding.

-- Much of the time and resources spent in reaching project-level decisions are used to conduct extensive, complex analyses of the projects' environmental impacts. The Forest Service has conducted these analyses in order to comply with environmental laws and to avoid or prevail against challenges to the agency's compliance with these laws at the project level. However, a re-engineering team established by the agency has identified what it believes are inefficiencies within the process, such as attempts to address issues that transcend the geographical boundaries of a project, and has made recommendations that it believes will reduce costs and improve timeliness. The Forest Service is currently evaluating these and other actions, including better monitoring and evaluation, that it believes could make the process more efficient, reduce the number of appeals and litigation, and increase the number of challenges successfully defended by the agency.

-- Many Forest Service officials are concerned about the workability of the agency's current statutory framework, which they believe may be making all levels of agency decisionmaking increasingly difficult in two ways. First, they believe that it is sometimes difficult to reconcile differences among the standards and procedures in laws and regulations, such as those protecting air and water quality and wildlife. Reconciliation is further complicated by the fragmentation of authority for these laws among several federal agencies and the states, which sometimes disagree on whether or how these requirements can best be met, thus delaying decisionmaking. Second, they believe that laws relating to the agency's mission provide little guidance on how to balance competing uses or ensure their sustainability. Some Forest Service officials believe that the Congress may need to establish a commission to address differences among statutory requirements and clarify how the agency is to balance competing uses and ensure their sustainability.

BACKGROUND

The Forest Service, created in 1905, manages about 192 million acres of land that include about one-fifth of the nation's forest lands. The Organic Administration Act of 1897 and the Multiple Use-Sustained Yield Act of 1960 guide the management of these lands. The Forest Service is to manage its lands under the

principles of multiple-use and sustained-yield to meet the diverse needs of people.

The Congress mandated forest plans in the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976 (NFMA). NFMA provides guidance for forest planning by delineating a procedure to be followed in developing and periodically revising or amending forest plans. Under this act and implementing regulations, the Forest Service is to, among other things, (1) involve the public in the planning process, (2) recognize wilderness as a use of the forests, (3) maintain diversity of plant and animal communities (biological diversity), (4) monitor and assess the effects of its management practices on the lands' productivity, and (5) ensure a sustained yield of timber and identify how a forest might meet its share of a national timber target and regional timber target allocation.

The last of the 123 forest plans covering all 155 forests in the National Forest System was approved in 1995, and the first plans, approved in the early 1980s, are due for revision. The plans identify (1) different management areas or "zones" within a forest where one or more uses will be permitted for up to 15 years and (2) standards and guidelines for protecting the environment. Forest plans are implemented by identifying, analyzing, and undertaking specific projects, which must be consistent with the plans' standards and guidelines.

In developing forest plans and reaching project-level decisions, the Forest Service must comply with the requirements of the National Environmental Policy Act (NEPA). NEPA and its implementing regulations specify the procedures for integrating environmental considerations into an agency's decisionmaking. They require federal agencies to prepare environmental impact statements to ensure that significant environmental impacts will not be overlooked or understated before the government makes a commitment to a proposed major federal action. Implementing regulations provide that, when an agency is not sure about the impacts of a proposed action, it may undertake an environmental assessment to determine whether an environmental impact statement is necessary. The regulations also provide for categorical exclusions from the requirements for a NEPA analysis for actions with no or minor environmental impacts. Forest plans and projects must also comply with the requirements of numerous environmental statutes, including the Endangered Species Act, the Clean Water Act, and the Clean Air Act.

ISSUES RELATING TO DEVELOPING FOREST PLANS

The Forest Service estimates that over the last 19 years it has spent about \$250 million, or more than \$13 million annually, developing forest plans. More recent plans for forests in the Pacific Northwest cost between \$5 million and \$8 million. Forest

plans generally take from 3 to 10 years to complete and explain how the forests will be managed for 10 to 15 years.

A current forest plan includes goals, related objectives, and schedules for implementing the objectives over the period covered by the plan. Goals, objectives, and implementation schedules are included both for resources, such as soils and vegetation, and for goods and services, such as wood for lumber, forage for livestock, or opportunities for recreation. However, the Forest Service has often not been able to achieve the objectives during the planning periods because so many variables affect the outcomes of its decisions. These variables, many of which are beyond the agency's ability to control, include (1) changing natural conditions (e.g., drought, insects and disease, and wildfires), (2) new requirements imposed after the plans are approved (e.g., species listed as endangered or threatened or timber harvesting methods changed in response to increased environmental restrictions), (3) new information (e.g., the results of project-level NEPA analyses and monitoring and evaluation), and (4) annual appropriations (e.g., some plans were developed without considering likely funding levels, and annual appropriations have not always matched funding assumptions in plans).

The Forest Service suggested, in an April 1995 proposal for revising its NFMA regulations,¹ that it remove from the plans the objectives for goods and services. In addition, it would no longer include schedules for producing goods and services or for implementing desired resource conditions. Instead, it would display and periodically update predicted ranges both of goods and services and of resource conditions in an appendix to the forest plans. However, the appendix would not limit nor compel any action by the agency.

Without measurable objectives and/or implementation schedules, the public cannot form reasonable expectations about the health of forests over time or about the future availability of forest uses. For example, companies and communities dependent on Forest Service lands cannot use the forest plans to plan or develop long-range investment strategies. In addition, under the Government Performance and Results Act of 1993, the Congress expects specific results for a given funding level and actual results are to be compared with established goals and objectives beginning with fiscal year 1999.

In a 1992 report,² the Office of Technology Assessment (OTA) stated that, to improve forest planning under NFMA, the Congress

¹60 Federal Register Part II (Apr. 13, 1995).

²Forest Service Planning: Accommodating Uses, Producing Outputs, and Sustaining Ecosystems (OTA-F-505, Washington, D.C.: Feb. 1992).

could require the Forest Service to specify targets for all uses in its forest plans. However, Forest Service officials caution that if the agency is to provide increased certainty in its forest plans, other changes will be needed to reduce the influence of the variables that currently affect its ability to accurately predict the outcomes of its plans. For example, some officials believe that the time required to develop forest plans may have to be shortened, since plans that take up to 10 years to complete can be outdated by the time they are approved. The periods covered by plans may also have to be shortened from the current 10 to 15 years to 3 to 5 years to reduce the influence of some of the variables that are beyond the agency's ability to control. In addition, plans may have to be more closely linked to budgeting, and funding may have to be provided for the duration of the shortened planning period. Monitoring and evaluation may also have to be improved to identify the effects of decisions made in the forest plans.

ISSUES RELATING TO REACHING PROJECT-LEVEL DECISIONS

The Forest Service estimates that it spends more than \$250 million each year conducting environmental analyses and preparing about 20,000 environmental documents to support project-level decisions--consuming about 18 percent of the funds available to manage the National Forest System and an estimated 30 percent of its field units' staff resources. According to the Forest Service, it has conducted extensive, complex analyses in order to comply with NEPA and other environmental laws and to avoid or prevail against challenges to its compliance with these laws at the project level. The agency receives over 1,200 administrative appeals to project-level decisions annually. About 20 to 30 new lawsuits are filed each year involving various Forest Service decisions and environmental law compliance.

According to a re-engineering team, consisting primarily of regional and forest-level personnel and tasked by the Forest Service with designing a new process for conducting project-level environmental analyses, the process has become time consuming and costly.³ For example, according to the re-engineering team, the Forest Service sometimes (1) attempts to address issues that transcend the geographical boundaries of a project, (2) analyzes the effects of actions by others or over which it may have little or no discretion, (3) undertakes environmental assessments for decisions that could be categorically excluded from environmental analysis, and (4) develops alternatives for noncontroversial decisions over which there is little disagreement.

The team noted that, conversely, the agency does not identify issues that should be analyzed in forest plans, multi-forest assessments, or multi-agency efforts, such as the effects of

³Final Report of Recommendations: Project-Level Analysis Re-Engineering Team (Nov. 17, 1995).

forests' fragmentation on migratory birds, bears, and other wildlife in need of large-scale habitats. Absent these broader-scale analyses, the team noted, forest officials continually reanalyze issues in project-level analyses that should have been analyzed and resolved in forest plans or in environmental studies of broader scope. According to the team, the agency also needs to (1) maintain a centralized system of comparable environmental information that is useful and easily accessible to project officials and (2) eliminate redundant analyses by focusing on what is new and using existing analyses to support new decisions when possible.

Moreover, while believing that appeals and litigation are legitimate ways for the Forest Service to resolve substantive conflicts and support its NEPA policy, the re-engineering team recommended amending the current law and regulations to limit appeals to the parties who participate in the decisionmaking process and to the concerns that are raised in reaching a decision. By establishing participation as a condition for appealing a decision, this change might not only limit appeals but also increase public participation in the Forest Service's decisionmaking.

In addition, Forest Service officials have told us that some effects cannot be adequately determined in advance of a project-level decision because of uncertainty or costs. For example, in analyzing the effects of a timber sale on the environment, the agency is required by NEPA regulations to assess the cumulative impacts of that sale on such resources as water, wildlife, and soils when these impacts are added to those of other past, present, and reasonably foreseeable future timber sales and other activities occurring on both federal and nonfederal lands. Because of the uncertainty and costs involved in attempting to assess these cumulative impacts, some Forest Service officials believe that, for some projects, monitoring and evaluation could be more efficient and effective than environmental analyses. However, in the competition for scarce resources, the agency has historically given lower priority to monitoring than to environmental analysis.

The Forest Service is currently evaluating the findings and recommendations that the re-engineering team believes could improve timeliness and reduce costs initially by 10 to 15 percent and by 30 to 40 percent over time. The agency is also considering or testing other actions that it believes could make its project-level environmental analysis process more efficient, reduce the number of appeals and litigation, and increase the number of challenges successfully defended by the agency. These actions include (1) improving the monitoring and evaluation of decisions, (2) analyzing issues at the appropriate scale, and (3) streamlining the environmental analysis process for livestock grazing.

ISSUES RELATING TO ALL LEVELS OF FOREST SERVICE DECISIONMAKING

Many Forest Service officials are also concerned about the workability of the agency's current statutory framework which they believe may be making all levels of the agency's decisionmaking increasingly difficult in two ways.

Differences Among Laws and Regulations

First, Forest Service policy and planning officials believe that it is sometimes difficult to reconcile differences among the standards and procedures in laws and regulations. They believe that reconciliation is further complicated by the fragmentation of authority for these laws among several federal agencies and the states.

For example, the health of some national forests has deteriorated, in part because federal policy formerly required the suppression of all fires on federal lands.⁴ Attempts to exclude fire from these lands could lead to major unnatural changes in vegetation and wildlife and contribute to uncontrollable wildfires as a result of an accumulation of fuels. Such changes would be contrary to the requirements of NFMA. In an April 1995 report,⁵ the Congressional Research Service stated that oftentimes salvage timber sales and prescribed burning need to be used in combination to achieve the desired goal of improving a forest's health. However, the minimum standards for air quality required under the Clean Air Act may at times prohibit these activities by limiting "the timing, location, and amount of prescribed burning that can occur." Forest Service officials agree and note that the minimum standards for water quality required under the Clean Water Act and the conservation of species listed as endangered or threatened under the Endangered Species Act also can limit the timing, location, and amount of prescribed burning that can occur, since soils from burned areas wash into streams, modifying species' habitats.

According to Forest Service officials, the agency's decisionmaking process is further complicated by the fragmentation of authority for these laws among the Forest Service, the Department of the Interior's Fish and Wildlife Service, the Department of Commerce's National Marine Fisheries Service, the Environmental Protection Agency, and the U.S. Army Corps of Engineers, as well as the states. These agencies sometimes disagree on whether or how the requirements of these statutes can best be met in a forest plan or project, and they have difficulty

⁴Federal Fire Management: Limited Progress in Restarting the Prescribed Fire Program (GAO/RCED-91-42, Dec. 5, 1990).

⁵Forest Health: Overview, CRS Report for Congress (95-548 ENR, Apr. 28, 1995).

resolving these disagreements, thus delaying decisionmaking. According to officials in the federal agencies with whom we spoke, these disagreements often stem from differing evaluations of environmental impacts that cannot be reconciled before a decision is reached because of uncertainty or costs. The differing evaluations tend to reflect the agencies' disparate missions and responsibilities. The officials believe that the need to resolve these disagreements quickly constitutes another reason to rely more on monitoring and evaluation of prior decisions to help guide future decisions on similar projects.

In November 1995, an interagency task force, chaired by the Council on Environmental Quality in the Executive Office of the President, cited differences in statutory requirements and insufficient interagency coordination as concerns but made no recommendations for changes in statutes or regulations. Rather, it recommended that the agencies work together to address these concerns.⁶ About this same time, the Forest Service forwarded to the Secretary of Agriculture an analysis of the different requirements. This analysis is still under review within the Department. Additionally, the Forest Service and other federal agencies have signed various memoranda of agreement to improve coordination. However, not enough time has passed to evaluate the effects of these actions.

Some Forest Service officials, including the Chief, believe that a commission may need to be established, similar to the Public Land Law Review Commission established in 1964, to thoroughly review the numerous procedural and environmental laws and implementing regulations. This commission was tasked with conducting a thorough investigation of federal land management and reporting its findings to the President and the Congress.

Conflicting Uses

Many Forest Service officials believe that laws relating to the agency's mission provide little guidance on how to balance competing uses or ensure their sustainability. Until recently, the Forest Service met its legislative mandates by separating competing uses. For example, timber harvesting was forbidden in wilderness areas, was secondary to other uses, such as recreation or wildlife, in other areas, and was the dominant use in still other areas. However, growing demands for forest resources, as well as activities occurring outside forest boundaries, have made conflicts among competing uses increasingly difficult to resolve or mitigate. In particular, sustaining wildlife as required under NFMA, especially protecting endangered and threatened species as required by the Endangered Species Act, has increasingly collided with other

⁶The Ecosystem Approach: Healthy Ecosystems and Sustainable Economies, Volume II-Implementation Issues, Report of the Interagency Ecosystem Management Task Force (Nov. 1995).

uses. For example, in the Pacific Northwest, a court imposed a moratorium on timber harvesting on federal lands to protect old-growth forest habitat. In addition, as we noted in an August 1994 report,⁷ many agency officials, scientists, and natural resource policy analysts believe that maintaining or restoring wildlife and their physical environment is critical to sustaining other uses on Forest Service lands.

In its April 1995 proposal for revising its NFMA regulations, the Forest Service suggests a new process that it believes will better identify and harmonize the habitat needs of different plant and animal species and help reduce some of the conflicts between wildlife and other uses. However, some Forest Service officials do not believe that these conflicts will lessen substantially in the near future. These conflicts among competing uses have led some within the agency to suggest that the Congress clarify how the agency is to balance competing uses and ensure their sustainability.

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In summary Mr. Chairman, I want to point out that I have touched only briefly on some of the issues relating to the Forest Service's decisionmaking process. We will, in the coming months, more fully evaluate these and other issues and try to better understand how they relate to one another. However, one fact is already apparent to us even at this early stage of our work: Because the process is extremely complex and the issues surrounding it are interrelated, there is no quick fix or simple solution. Rather, such a complex and interconnected process requires a systematic and comprehensive approach.

Mr. Chairman, this concludes my statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

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⁷Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/RCED-94-111, Aug. 16, 1994).



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