

Statement of
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Before the
House Committee on Appropriations,
Subcommittee on Interior, Environment, and Related Agencies
Concerning
President's Fiscal Year 2015 Proposed Budget for the USDA Forest Service
April 2, 2014

Mr. Chairman and members of the Committee, thank you for inviting me here today to testify on the President's Budget request for the Forest Service for Fiscal Year (FY) 2015. I appreciate the support this subcommittee has shown for the Forest Service in the past, and in particular, thank you for your hard work on the FY 2014 Appropriations Act. When I testified before you last year, there were a number of important authorities, like stewardship contracting and good neighbor authority, which were set to soon expire. Thanks to the hard work of Congress on the 2014 Appropriations Act and the 2014 Farm Bill, we are in a much better position this year. I look forward to continuing to work together with members of the Committee to ensure that stewardship of our Nation's forests and grasslands continues to meet the desires and expectations of the American people. I am confident that this budget will allow the Forest Service to meet this goal while demonstrating fiscal restraint, efficiency, and cost-effective spending.

The FY 2015 President's Budget for the Forest Service focuses on three key areas: restoring resilient landscapes, building thriving communities, and managing wildland fires. It calls for a fundamental change in how wildfire suppression is funded. It proposes a new and fiscally responsible funding strategy for wildland fire, contributes to long-term economic growth, and continues our efforts to achieve the greatest benefits for the taxpayer at the least cost. This budget will enable us to more effectively reduce fire risk, manage landscapes more holistically, and increase resiliency of the Nation's forests and rangelands as well as the communities that border them.

The President's 2015 Budget also includes a separate, fully paid for \$56 billion Opportunity, Growth, and Security Initiative (OGS Initiative). The Initiative identifies additional discretionary investments that can spur economic progress, promote opportunity, and strengthen national security. The OGS Initiative includes funding for Forest Service programs. The OGS Initiative includes \$18 million for Research and Development and would focus on energy security and national economic stability while simultaneously addressing our conservation and restoration goals. In addition, the OGS Initiative includes \$61 million for Facilities and Trails to provide essential infrastructure maintenance and repair to sustain the benefits of existing infrastructure as domestic investments to grow our economy.

As part of the President's Opportunity, Growth, and Security Initiative and a permanent legislative proposal, the Forest Service would also have the opportunity to compete for

conservation and infrastructure project funding included within the Centennial initiative. The Centennial initiative supporting the 100th Anniversary of the National Park Service, features a competitive opportunity for the public land management bureaus within the Department of the Interior and the Forest Service to address conservation and infrastructure project needs. The program would be managed within Interior's Office of the Secretary in conjunction with the Department of Agriculture with clearly defined project criteria. The Administration proposes \$100 million for the National Park Service anniversary's Centennial Land Management Investment Fund, as part of the Opportunity, Growth and Security Initiative and \$100 million for conservation and infrastructure projects annually for three years as part of a separate legislative proposal.

The Opportunity, Growth, and Security Initiative also includes a \$1 billion Climate Resilience Fund. A portion of this funding source allows us to continue to invest in research to better understand the projected impacts of climate change and how we can better prepare our communities and infrastructure. The Fund would also serve to fund breakthroughs in technologies and resilient infrastructure development that will make us more resilient in the face of changing climate. The Fund proposal includes three Forest Service programs: an increase of \$50 million for State Fire Assistance Grants to increase the number of communities that are "Firewise" and the number of communities implementing building codes and building protection requirements, resulting in increased protection of communities, their residents and private property; an increase of \$50 million for IRR and Hazardous Fuels to enhance support for public lands managers to manage landscape and watershed planning for increased resilience and risk reduction; and an increased \$25 million for Urban and Community Forestry to maintain, restore and improve urban forests mitigating heat islands and other climate change impact.

Value of the Forest Service

Our mission at the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. The Forest Service manages a system of national forests and grasslands totaling 193 million acres in 44 States and Puerto Rico, an area almost twice the size of California. These lands entrusted to our care provide some of the richest resources and most breathtaking scenery in the Nation, are the source of drinking water for millions of Americans, and support hundreds of thousands of jobs. Thousands of communities across the Nation depend on the national forests for their social well-being and economic prosperity.

Since our founding in 1905, as the Nation's leading forestry organization, we continue to serve Americans by supporting the sustainable stewardship of more than 600 million acres of non-Federal forest land across the Nation, including 423 million acres of private forest land, 69 million acres of State forest land, 18 million acres of Tribal forests, and over 100 million acres of urban and community forests. This commitment to sustainable forest management helps Americans use their lands while caring for them in ways that benefit them, their families, their communities, and the entire Nation.

We also maintain the largest forestry research organization in the world, with more than a century of discoveries in wood and forest products, fire behavior and management, and sustainable forest management. We are pursuing cutting-edge research in nanotechnology and green building materials, expanding markets for woody biomass. Land managers across the

Nation use the results of our research to conserve forests, ensuring continuation of a full range of benefits for future generations.

America's forests, grasslands, and other open spaces are integral to the social, ecological, and economic well-being of the Nation. They play a vital role in providing public benefits such as clean air, clean water, mineral and energy production, and fertile soils for supporting timber, forage, carbon storage, food and fiber, fish and wildlife habitat, along with myriad opportunities for outdoor recreation. The Forest Service provides a valuable service to the public by restoring and improving forest, grassland, and watershed health; by producing new knowledge through our research; and by providing financial and technical assistance to partners, including private forest landowners.

The benefits from Forest Service programs and activities include jobs and economic activity. Jobs and economic benefits stem not only from public use of the national forests and grasslands, but also from Forest Service management activities and infrastructure investments. We complete an economic analysis that calculated activities on the National Forest System contributed over \$36 billion to America's gross domestic product, and supported nearly 450,000 jobs during FY 2011.

Through our Job Corps and other programs including the 21st Century Conservation Service Corps, we provide training and employment for America's youth, and we help veterans transition to civilian life. Our Urban and Community Forestry Program has provided jobs and career-training opportunities for underemployed adults and at-risk youth.

The Forest Service routinely leverages taxpayer funds by engaging partners who contribute to investments in land management projects and activities. In FY 2013, for example, we entered into more than 8,200 grants and agreements with partners who made a total of about \$540 million in cash and noncash contributions. Combined with our own contribution of nearly \$730 million, the total value of these partnerships was over \$1.27 billion.

Other noncommercial uses provide crucial benefits and services to the American people. Many Tribal members use the national forests and grasslands for hunting, fishing, and gathering wild foods and other materials for personal use. They also use sacred sites on NFS lands for ritual and spiritual purposes.

National forests and grasslands attract about 160 million visits annually, and 55 percent of those visitors engage in strenuous physical activities. Based on studies showing that outdoor activities contribute to improved health and increased fitness, the availability of the Nation's forests and grasslands to all Americans provide other tangible benefits. In addition, since more than 83 percent of Americans live in metropolitan areas where opportunities to experience nature are often reduced, the Forest Service has developed an array of programs designed to get people into the woods, especially children. Each year, we reach an average of more than 5 million people with conservation education programs.

Challenges to Conservation

Our Nation's forest and grassland resources continue to be at risk due to drought, uncharacteristically severe wildfire behavior, invasive species, and outbreaks of insects and disease. Although biodiversity remains high on national forests and grasslands, habitat

degradation and invasive species pose serious threats to 27 percent of all forest-associated plants and animals, a total of 4,005 species.

The spread of homes and communities into wildfire-prone areas is an increasing management challenge. From 2000 to 2030, the United States could see substantial increases in housing density on 44 million acres of private forest lands nationwide, an area larger than North and South Carolina combined. More than 70,000 communities are now at risk from wildfire, and less than 15,000 have community wildfire protection plans.

This same growth and development is also reducing America's forest habitat and fragmenting what remains. From 2010 to 2060, the United States is predicted to lose up to 31 million acres of forested lands, an area larger than Pennsylvania.

Forest Service scientists predict that fire seasons could return to levels not seen since the 1940s, exceeding 12 to 15 million acres annually. Highlighting these concerns, for the first time since the 1950s, more than 7 million acres burned nationwide in 2000 and more than 9 million acres burned in 2012. In 2013, the largest fire ever recorded in the Sierra Nevada occurred, and a devastating blaze in Arizona killed 19 highly experienced firefighters.

Budget Request and Focus Areas

To meet the challenges ahead, the Forest Service is focusing in three key areas: restoring resilient landscapes, building thriving communities, and managing wildland fires. We continue to implement cultural initiatives and cost savings measures focused on achieving a safer, more inclusive, and more efficient organization. To help us achieve these goals, the President's proposed overall budget for discretionary funding for the Forest Service in FY 2015 is \$4.77 billion. The Budget also proposes a new and fiscally responsible funding strategy for wildland fire that recognizes that catastrophic wildland fires should be considered disasters, funded in part by additional budget authority provided through a budget cap adjustment for wildland fire suppression. Combined with the funding for fire suppression in the discretionary request, this strategy will fully fund estimated wildfire suppression funding needs.

Restoring Resilient Landscapes

Our approach to addressing ecological degradation is to embark on efforts that support ecological restoration allowing for healthier more resilient ecosystems. In cooperation with our partners across shared landscapes, we continue to ensure that the Nation's forests and grasslands retain their ability to deliver the social, economic, and ecological values and benefits that Americans want and need now and for generations to come.

In February 2011, President Obama launched the America's Great Outdoors Initiative, setting forth a comprehensive agenda for conservation and outdoor recreation in the 21st century. In tandem with the President's initiative, Secretary of Agriculture Vilsack outlined an All Lands vision for conservation calling for partnerships and collaboration to reach shared goals for restoring healthy, resilient forested landscapes across all landownerships nationwide. In response, the Forest Service has launched an initiative to accelerate restoration across shared landscapes. The Accelerated Restoration Initiative builds on Integrated Resource Restoration (IRR), the Collaborative Forest Landscape Restoration Program (CFLRP), the 2012 planning rule, and other restoration-related programs and initiatives to pick up the pace of ecological

restoration while creating more jobs in rural communities. Our collaborative, holistic approach to restoring forest and grassland health relies on the State Forest Action Plans and the Forest Service's own Watershed Condition Framework to identify high-priority areas for restoration treatments.

In FY 2012, Congress authorized the Forest Service to pilot test the combination of multiple budget line items into a single line item for IRR. By combining funds from five budget line items we can better integrate and align watershed protection and restoration into all aspects of our management. In FY 2013, our integrated approach restored almost over 2,533,000 acres of forest and grassland, decommissioned 1,490 miles of roads, and restored 4,168 miles of stream habitat substantially improving conditions across 12 entire watersheds across the NFS. Given the success demonstrated in the three pilot regions, we propose fully implementing IRR across the entire Forest Service in FY 2015. We propose a national IRR budget of \$820 million. Investing in IRR in FY 2015 is expected to result in 2,700,000 watershed acres treated, 3.1 billion board feet of timber volume sold, approximately 2,000 miles of road decommissioned, and 3,262 miles of stream habitat restored or enhanced. An estimated 26 watersheds will be restored to a higher condition class in FY 2015.

CFLRP was created in 2009 to help restore high-priority forested landscapes, improve forest health, promote job stability, create a reliable wood supply, and to reduce firefighting risks across the United States. The Secretary of Agriculture selected 23 large-scale projects for 10-year funding. Although the projects are mostly on NFS land, the collaborative nature of the program ties communities to local forest landscapes, engaging them in the work needed to restore the surrounding landscapes and watersheds. We propose to increase authorization for this successful collaborative program in the FY 2015 President's Budget. We propose to increase the program authorization to \$80 million and are requesting \$60 million in FY 2015 to continue implementation of the current 23 projects and for inclusion of additional projects. All of the existing projects are on track to meet their 10-year goals, and to date, more than 588,461 acres of wildlife habitat have been improved, while generating 814 million board feet of timber and 1.9 million green tons of biomass for energy production and other uses.

To gain efficiencies in our planning efforts, the Forest Service is moving forward with implementing a new land management planning rule. The new rule requires an integrated approach to forest plan preparation and multilevel monitoring of outcomes that allows for adaptive management, improved project implementation, and facilitated landscape scale restoration. We are also working to be more efficient in our environmental analyses under the National Environmental Policy Act (NEPA) through development of three restoration-related categorical exclusions promoting hydrologic, aquatic, and landscape restoration approved in 2013. Other investments in "Electronic Management of NEPA" (eMNEPA) have significantly reduced administrative costs; we estimate that we save approximately \$17 million each year because of these investments. Collectively, these efforts will help land managers to focus on collaborative watershed restoration efforts that also promote jobs and economic opportunities in rural communities.

Building Thriving Communities

The Forest Service works to build thriving communities across the Nation by helping urban communities reconnect with the outdoors, by expanding the benefits that both rural and urban residents get from outdoor recreation, and by providing communities with the many economic

benefits that result from sustainable multiple-use management of the national forests and grasslands.

Through our Recreation, Wilderness and Heritage program, we are dedicated to serving tens of millions of recreation visitors each year. Rural communities rely on the landscapes around them for hunting, fishing, and various amenities; the places they live are vital to their identity and social well-being. We maintain these landscapes for the character, settings, and sense of place that people have come to expect, such as popular trail corridors and viewsheds.

In support of the President's America's Great Outdoors Initiative and the First Lady's "Let's Move" initiative, we are implementing a Framework for Sustainable Recreation. The framework is designed to ensure that people of all ages and from every socioeconomic background have opportunities to visit their national forests and grasslands—and, if they wish, to contribute through volunteer service. We focus on sustaining recreational and heritage-related activities on the National Forest System for generations to come. That includes maintaining and rehabilitating historic buildings and other heritage assets for public use, such as campgrounds and other historic facilities built by the Civilian Conservation Corps.

A significant portion of our budget to sustain operations for outdoor recreation—roughly 20 percent—comes from fees collected under the Federal Lands Recreation Enhancement Act (FLREA), of the fees collected, 95 percent are locally reinvested to maintain and restore the facilities and services for outdoor recreation that people want and need. We propose permanent authority for the FLREA while clarifying its provisions and providing more consistency among agencies. This is an interagency proposal with the Department of the Interior.

For decades, the Forest Service has focused on protecting and restoring critical forested landscapes, not only on the national forests, but also on non-Federal lands. All 50 States and Puerto Rico prepared comprehensive State Forest Action Plans identifying the forested landscapes most in need of protection and restoration. Based on the State plans, the Forest Service has been working with State and other partners to tailor our programs accordingly, applying our limited resources to the most critical landscapes.

In FY 2014, we began building on our successful State and Private Forestry Redesign initiative through a new program called Landscape Scale Restoration. The program allows States to continue pursuing innovative, landscape-scale projects across the Forest Health Management, State Fire Assistance, Forest Stewardship, and Urban and Community Forestry programs without the limitation of a specific mix of program funding. The program is designed to capitalize on the State Forest Action Plans to target the forested areas most in need of restoration treatments while leveraging partner funds. We propose funding the new program at almost \$24 million.

We are also using the State Forest Action Plans to identify and conserve forests critical for wildlife habitat and rural jobs through our Forest Legacy Program. Working through the States, we provide working forests with permanent protection by purchasing conservation easements from willing private landowners. As of February 2014, the Forest Legacy Program had protected more than 2.36 million acres of critical working forests, benefiting rural Americans in 42 States and Puerto Rico.

We propose \$53 million in discretionary funding for Forest Legacy and \$47 million in mandatory funds, from the Land and Water Conservation Fund (LWCF), for a total of \$100

million. The increase is a key component of the President's America's Great Outdoors Initiative to conserve critical landscapes and reconnect Americans to the outdoors through reauthorizing the LWCF as fully mandatory funds in FY 2016.

In a similar vein, our Land Acquisition Program is designed to protect critical ecosystems and prevent habitat fragmentation. In accordance with the President's America's Great Outdoors Initiative, we worked with the Department of the Interior to establish a Federal interagency Collaborative Landscape Planning Program, designed to leverage our joint investments and coordinate our efforts to protect intact, functioning ecosystems across entire landscapes. Land acquisitions are a proven value for the taxpayer, making it easier and less expensive for people to access their public lands—and easier and less expensive for the Forest Service to manage and restore the lands entrusted to our care. An analysis by The Trust for Public Land showed that every \$1 invested in Federal land acquisition returns \$4 to the taxpayer; taking returns beyond 10 years into account, the benefits are even greater.

The President's FY 2015 budget proposes \$51 million in discretionary funding for our Federal Land Acquisition program and almost \$76.7 million in mandatory funding from the LWCF, for a combined total of \$127.7 million. These mandatory funds are part of the President's proposed LWCF reauthorization with fully mandatory funds starting in FY 2016.

Working with the Department of the Interior, we propose to permanently authorize annual mandatory funding, without further appropriation or fiscal year limitation for the Departments of the Interior and Agriculture LWCF programs beginning in fiscal year 2015. Starting in 2016, \$900 million annually in permanent funds would be available. During the transition to full permanent funding in 2015, the budget proposes \$900 million in total LWCF funding, comprised of \$550 million in permanent and \$350 million discretionary funds.

Another legislative proposal listed in our FY 2015 budget is an amendment to the Small Tracts Act to provide land conveyance authority for small parcels, less than 40 acres, to help resolve encroachments or trespasses. Proceeds from the sale of National Forest System lands under this proposed authority would be collected under the Sisk Act and used for future acquisitions and/or enhancement of existing public lands.

We are also helping communities use their wood resources for renewable energy. Through the Forest Service's Woody Biomass Utilization Grants Program, we are funding grants to develop community wood-to-energy plans and to acquire or upgrade wood-based energy systems and in FY 2013, State and Private Forestry awarded ten biomass grant awards totaling almost \$2.5 million to small businesses and community groups. In an interagency effort with the Rural Utilities Service, Rural Housing Service, and Rural Business-Cooperative Service within USDA Rural Development and the Farm Service Agency, the USDA Wood to Energy Initiative synergistically facilitates achievement of the cooperating agencies' goals. The Forest Service leverages its small amount of grant funds with the Rural Development's grant and loan programs by providing subject matter expertise and technical assistance in the early stages of project development, so the proponents can successfully compete for Rural Development's loans and grants. Our goal is lower energy bills, greater rural prosperity, and better environmental outcomes overall.

Better environmental outcomes result, in part, from removing woody materials to restore healthy, resilient forested landscapes. Many of the materials we remove have little or no market value,

and by finding new uses for them through our Research and Development Programs, we can get more work done, producing more jobs and community benefits. Our Bioenergy and Biobased Products Research Program is leading the way in researching wood-based energy and products. Through discoveries made at our Forest Products Lab, woody biomass can now be used to develop cross-laminated timber for building components such as floors, walls, ceilings, and more. Completed projects have included the use of cross-laminated panels for 10-story high-rise buildings.

Over 83 percent of America's citizens now live in urban areas. For most Americans, their main experience of the outdoors comes from their local tree-lined streets, greenways, and parks, not to mention their own backyards. Fortunately, America has over 100 million acres of urban forests, an area the size of California. Through our Urban and Community Forestry Program, the Forest Service has benefited more than 7,000 communities, home to 196 million Americans, helping people reap the benefits they get from trees, including energy conservation, flood and pollution control, climate change mitigation, and open spaces for improved quality of life.

We are expanding our work with cities such as New York, Philadelphia, and Los Angeles, working with an array of partners in the Urban Waters Federal Partnership to restore watersheds in urban areas. We are also helping communities acquire local landscapes for public recreation and watershed benefits through our Community Forest and Open Space Conservation Program, which is funded at \$1.7 million in the FY 2015 President's Budget. Our goal is to help create a Nation of citizen-stewards committed to conserving their local forests and restoring them to health for all the benefits they get from them.

Our community focus supports the President's America's Great Outdoors Initiative to achieve landscape-scale restoration objectives, connect more people to the outdoors, and support opportunities for outdoor recreation while providing jobs and income for rural communities. Building on existing partnerships, we have established a 21st Century Conservation Service Corps to help us increase the number of work and training opportunities for young people and veterans while accomplishing high-priority conservation and restoration work on public lands.

Managing Wildland Fires

The Administration has worked this year to analyze and develop a strategy to address catastrophic fire risk. The Budget calls for a change in how wildfire suppression is funded in order to reduce fire risk, to more holistically manage landscapes, and to increase the resiliency of the Nation's forests and rangelands and the communities that surround them. The cost of suppression has grown from 13 percent of the agency's budget just 10 years ago to over 40 percent in 2014. This increase in the cost of wildland fire suppression is subsuming the agency's budget and jeopardizing its ability to implement its full mission. The growth in the frequency, size, and severity of fires in recent years; along with the continual expansion of the wildland urban interface (WUI) have all increased the risks of catastrophic fires to life and property. Collectively these factors have resulted in suppression costs that exceeded amounts provided in annual appropriations requiring us to transfer funds from other programs to cover costs. This shift in funding is creating a loss in momentum for critical restoration and other resource programs as fire transfers deplete the budget by up to \$500 million annually.

The FY 2015 Budget proposes a new funding strategy that recognizes the negative effects of funding fire suppression as we have historically. The budget proposes funding catastrophic

wildland fires similar to other disasters. Funded in part by additional budget authority provided through a budget cap adjustment for wildfire suppression, the budget proposes discretionary funding for wildland fire suppression at a level equal to 70 percent of the estimated 10-year average suppression costs, which reflects the level of spending associated with suppression of 99 percent of wildfires. In addition, the budget includes up to \$954 million to be available under a disaster funding cap adjustment to meet suppression needs above the base appropriation. This proposed funding level includes 30 percent of the 10-year average of fire suppression costs and the difference to the upper limit of the 90th percentile range forecast for suppression costs for FY 2015. This additional funding would be accessed with Secretarial declaration of need or imminent depletion of appropriated discretionary funds. This strategy provides increased certainty in addressing growing fire suppression needs, better safeguards non-suppression programs from transfers that diminish their effectiveness, and allows us to stabilize and invest in programs that more effectively restore forested landscapes, treat forests for the increasing effects of climate change, and prepare communities in the WUI for future wildfires.

Our evolving approach to managing wildland fire is integral to meeting our goals of safety, landscape-scale restoration, cross-boundary landscape conservation, and risk management. We continue to learn more about wildland fire, and we continue to apply what we learn through fire and risk management science in partnership with States, communities, and other Federal agencies. We strive to maximize our response capabilities and to support community efforts to reduce the threat of wildfire and increase ecosystem resilience. The agency has made great progress in its continued focus on risk-based decision-making when responding to wildfires, and in 2015 will continue this important work to better inform decision makers on the risks and trade-offs associated with wildfire management decisions. The Budget also furthers efforts to focus hazardous fuels treatments on 1.4 million WUI acres focused on high priority areas identified in Community Wildfire Protection Plans.

Through our Hazardous Fuels Program, the Forest Service controls fuels by removing buildups of dead vegetation and by thinning overly dense forests that can be hazardous to lives, homes, communities, and wildland resources. From FY 2001 to FY 2013, the Forest Service treated about 33 million acres, an area larger than Mississippi. For FY 2015, we propose \$358.6 million for our Hazardous Fuels program. We also propose performing non-WUI Hazardous Fuels work within the IRR line item in order to accomplish work more efficiently. With more than 70,000 communities in the WUI at risk from wildfire, the Forest Service is working through cross-jurisdictional partnerships to help communities become safer from wildfires. Through the Firewise program, the number of designated Firewise communities rose from 400 in FY 2008 to nearly 1,000 in FY 2013.

Our Hazardous Fuels program is also designed to help firefighters manage wildfires safely and effectively, and where appropriate, to use fire for resource benefits. Our Preparedness program is designed to help us protect lives, property, and wildland resources through an appropriate, risk-based response to wildfires. Preparedness has proven its worth; Fire Program Analysis, a strategic management tool, shows that every \$1.00 subtracted from preparedness funding adds \$1.70 to suppression costs because more fires escape to become large and large fires are more expensive to suppress. Unless we maintain an adequate level of preparedness, we risk substantial increases in overall fire management costs.

Airtankers are a critical part of our response to wildfire. Their use plays a crucial role in keeping some fires small and greatly assists in controlling the large fires. Accordingly, we are

implementing a Large Airtanker Modernization Strategy to replace our aging fleet with next-generation airtankers. Our strategy, reflected in our budget request, would fund both the older aircraft still in operation and the next-generation airtankers currently under contract. It would also cover required cancellation fees and the C-130 Hercules aircraft transferred by the U.S. Coast Guard.

Safety and Inclusion

In addition to our focus on restoring resilient landscapes, building thriving communities, and managing wildland fire, we continue our agency efforts to become a safer, more diverse, and more inclusive organization.

Accomplishing our work often takes us into high-risk environments. For that reason, for several years now, we have undertaken a learning journey to become a safer organization. Every one of our employees has taken training to become more attuned to safety issues and the need to manage personal risk. As part of this effort, safety means recognizing the risk and managing it appropriately. Our goal is to become a zero-fatality organization through a constant, relentless focus on safety.

Recognizing that more than 83 percent of Americans live in metropolitan areas, the Forest Service is outreaching to urban and underserved communities to introduce more people to opportunities to get outdoors, to participate in NFS land management, and to engage in conservation work in their own communities. Part of this inclusiveness is creating new opportunities to come into contact with and to hiring individuals from various backgrounds that might not otherwise be exposed to other Forest Service programs.

Cost Savings

The Forest Service is committed to achieving the greatest benefits for the taxpayer at the least cost. Mindful of the need for savings, we have taken steps to cut operating costs. Taking advantage of new technologies, we have streamlined and centralized our financial, information technology, and human resources operations to gain efficiencies and save costs. We continue to work with other USDA agencies under the Blueprint for Stronger Service to develop strategies for greater efficiencies in key business areas. In FY 2013, we saved millions of dollars through additional measures to promote efficiencies, ranging from an \$800,000 annual savings through consolidation of local telephone service accounts to right-sizing our existing Microsoft software licenses, which yielded over \$4 million in savings in FY 2013. In FY 2013, we also instituted measures that will yield \$100 million in cost pool savings by FY 2015.

Another cost saving highlight is the Forest Service completion of the design and construction for the renovation of the Yates Building on schedule, and within budget. On January 13, 2014, following completion of the renovation, all 762 Washington Office located employees apart from International Programs were finally located in the same building. Beside these benefits, this move is expected to save \$5 million annually in leasing costs.

Future Outlook

For more than a century, the Forest Service has served the American people by making sure that their forests and grasslands deliver a full range of values and benefits. America receives

enormous value from our programs and activities, including hundreds of thousands of jobs and annual contributions to the economy worth many times more than our entire annual discretionary budget. Especially in these tough economic times, Americans benefit tremendously from investing in Forest Service programs and activities.

Now we are facing some of the greatest challenges in our history. Invasive species, climate change effects, regional drought and watershed degradation, fuel buildups and severe wildfires, habitat fragmentation and loss of open space, and devastating outbreaks of insects and disease all threaten the ability of America's forests and grasslands to continue delivering the ecosystem services that Americans want and need. In response, the Forest Service is increasing the pace and scale of ecological restoration. We are working to create healthy, resilient forest and grassland ecosystems capable of sustaining and delivering clean air and water, habitat for wildlife, opportunities for outdoor recreation, and many other benefits.

Our budget request focuses on the public's highest priorities for restoring resilient landscapes, building thriving communities, and safely managing wildland fire while providing an effective emergency response. Our requested budget will enable us to address the growing extent and magnitude of our management challenges and the mix of values and benefits that the public expects from the national forests and grasslands. We will continue to lead the way in improving our administrative operations for greater efficiency and effectiveness in mission delivery. Our research will continue to solve complex problems by creating innovative science and technology for the protection, sustainable management, and use of all forests, both public and private, for the benefit of the American people. Moreover, we are working ever more effectively to optimize our response to cross-cutting issues by integrating our programs and activities.

We can achieve these priorities through partnerships and collaboration. Our budget priorities highlight the need to strengthen service through cooperation, collaboration, and public-private partnerships that leverage our investments to reach shared goals. Through strategic partnerships, we can accomplish more work while also yielding more benefits for all Americans, for the sake of all generations to come.

This concludes my testimony, Mr. Chairman. I would be happy to answer any questions that you or the Committee Members have for me.