FOREST SERVICE

Emerging Issues Highlight the Need to Address Persistent Management Challenges

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Natural Resources and Environment

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Emerging Issues Highlight the Need to Address Persistent Management Challenges

What GAO Found

While the Forest Service has made improvements in many areas GAO has reported on in recent years, certain management challenges persist—with the agency struggling to manage a worsening wildland fire problem and spiraling fire costs, collect data on its activities and their costs, and demonstrate financial and performance accountability to Congress and the public. Several emerging issues facing the agency underscore the urgency of addressing these challenges.

The Forest Service continues to lack strategies for using its wildland fire management funds effectively. In numerous reports over the past decade, GAO has highlighted the challenges the Forest Service faces in protecting the nation against the threat of wildland fires. While the agency has taken important steps to improve its wildland fire management, other key steps remain. Specifically, the agency needs to (1) develop a cohesive strategy laying out various potential long-term approaches for addressing wildland fire, the estimated costs associated with each approach, and the trade-offs involved; (2) establish clear goals and a strategy to help contain increasing wildland fire costs; (3) continue improving its processes for allocating funds and selecting projects to reduce potentially hazardous vegetation; and (4) take steps to improve its use of a new interagency budgeting and planning tool.

Program management suffers from lack of data on activities and costs. GAO’s work over the years points to a persistent shortcoming in the Forest Service’s management of its activities: the lack of adequate data on program activities and costs. This shortcoming spans multiple land management programs, including programs for selling timber and rehabilitating and reforesting lands that have been burned, as well as administrative functions such as the competitive sourcing program, which aims to increase competition between federal entities and private sector organizations. Inadequate data have hindered field managers in carrying out their duties and prevented the agency from understanding how much its activities are costing.

Financial and performance accountability have been inadequate. The Forest Service has struggled to implement adequate internal controls over its funds, generate accurate financial information, and provide clear measures of what it accomplishes with the appropriations it receives every year. GAO’s concerns about these issues date back to the 1990s but have yet to be fully addressed.

Several emerging issues underscore the need for the Forest Service to improve its management. The evolving effects of climate change, increasing development in and near wildlands, the aging of the federal workforce, and our nation’s long-term fiscal condition likely will have profound implications for the agency and magnify the urgency of addressing these challenges.

What GAO Recommends

GAO has made a number of recommendations intended to improve the Forest Service’s wildland fire management, strengthen its collection of data, and increase accountability. The Forest Service has taken steps to implement many of these recommendations—by, for example, improving its processes for allocating funds to reduce potentially hazardous vegetation, and issuing guidance to strengthen financial controls—but has been slow to take action on others.

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March 11, 2009
Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss management challenges facing the Forest Service. As the steward of millions of acres of national forest and grassland, the Forest Service, within the Department of Agriculture, is responsible for a wide array of programs to ensure access to and use of the natural resources within its lands while also ensuring adequate protection for those lands. Carrying out these often competing responsibilities has presented a daunting challenge to the agency, exacerbated by the increasing cost of wildland fires and the budgetary constraints necessitated by our nation's long-term fiscal outlook. In recent years we have issued numerous reports on a wide variety of the Forest Service’s activities. My testimony today includes findings from a number of those reports, focusing on management challenges in three key areas: (1) wildland fire management, (2) data on program activities and costs, and (3) financial and performance accountability. I will also discuss a number of emerging issues facing the Forest Service, which increase the importance of addressing these management challenges.

Background

The Forest Service manages about 193 million acres of land, encompassing 155 national forests and 20 national grasslands. Laws guiding the management of the forests require that the Forest Service manage its lands for various purposes—including recreation; rangeland; wilderness; and the protection of watersheds, fish, and wildlife—and to ensure that the agency’s management of the lands does not impair their long-term productivity. In managing its lands in accordance with these principles, the agency provides a variety of goods and services. Goods include timber, natural gas, oil, minerals, and range for livestock to graze. Watersheds on Forest Service lands provide drinking water to thousands of communities, and the national forests themselves offer recreational opportunities to the public, such as camping, hiking, and rafting.

1See the list of related GAO products at the end of this statement. We conducted our work in accordance with all sections of GAO’s Quality Assurance Framework that were relevant to the objectives of each engagement. The framework requires that we plan and perform each engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analyses conducted, provided a reasonable basis for the findings and conclusions in each report.
In recent years, appropriations for the Forest Service have totaled about $5 billion annually, with wildland fire management activities—such as reducing potentially flammable vegetation, preparing for and fighting fires, and rehabilitating burned lands—consuming a substantial portion of the agency’s budget. The Forest Service employs about 30,000 people and operates hundreds of regional, forest, and ranger district offices nationwide.

Over the past decade, we and others have identified numerous management challenges facing the Forest Service and made many recommendations to improve the agency and its programs. While the agency has improved some areas, progress has been lacking in other key areas, and management challenges remain. Addressing these challenges is becoming more pressing in the face of certain emerging issues.

Perhaps the most daunting challenge facing the Forest Service is the dramatic worsening of our nation’s wildland fire problem over the past decade. The average annual acreage burned by wildland fires has increased by about 70 percent since the 1990s, while the Forest Service’s wildland fire-related appropriations have more than doubled in that time, from about $1 billion in fiscal year 1999 to almost $2.2 billion in fiscal year 2007, representing over 40 percent of the agency’s total 2007 appropriations. As we have previously reported, a number of factors have contributed to worsening fire seasons and increased firefighting expenditures, including an accumulation of fuels due to past land management practices; drought and other stresses, in part related to climate change; and an increase in human development in or near wildlands. The Forest Service shares responsibility for wildland fire management with four agencies of the Department of the Interior (Interior)—the Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, and National Park Service.

Since 1999, we have issued numerous reports calling for various improvements in the Forest Service’s approach to wildland fire management. Most recently, we have focused on four primary steps we believe the agency, in conjunction with Interior, needs to take to better understand the extent of, and address, the nation’s wildland fire problems...
and to help contain rising federal expenditures for responding to wildland fires. Specifically, we have called on the Forest Service to:

- **Develop a cohesive strategy that identifies options and associated funding to reduce potentially hazardous vegetation and address wildland fire problems.** Despite our repeated calls for a cohesive wildland fire strategy, the Forest Service has yet to develop one. In 1999, to address the problem of excess fuels and their potential to increase the severity of wildland fires and cost of suppression efforts, we recommended that a cohesive strategy be developed to identify the available long-term options for reducing fuels and the associated funding requirements. By laying out various potential approaches for addressing wildland fire, the estimated costs associated with each approach, and the trade-offs involved, such a strategy would help Congress and the agencies make informed decisions about effective and affordable long-term approaches to addressing the nation’s wildland fire problems. Six years later, in 2005, we reiterated the need for a cohesive strategy and broadened our recommendation’s focus to better address the interrelated nature of fuel reduction efforts and wildland fire response. The Forest Service, along with the other wildland fire agencies, has generally agreed that such a strategy is necessary but has yet to develop one. In January 2009, agency officials told us they were working to create such a cohesive strategy, although they had no estimate of when the strategy would be completed.

- **Establish clear goals and a strategy to help contain wildland fire costs.** In 2007 and 2008, we reported that the Forest Service was taking a number of steps intended to help contain wildland fire costs, including improving its decision-support tools for helping officials select strategies for fighting wildland fires, but that the agency had not clearly defined its cost-containment goals or developed a strategy for achieving those goals—

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3We are currently reviewing recent Forest Service and Interior actions to address our past findings related to wildland fire management and expect to issue a report later this year.


steps that are fundamental to sound program management. Forest Service officials identified several documents they argue provide clearly defined goals and objectives that make up the agency’s strategy to contain costs. In our view, however, these documents lack the clarity and specificity needed by officials in the field to help manage and contain wildland fire costs, and we therefore continue to believe that our recommendations in this area, if effectively implemented, would help the Forest Service better manage its cost-containment efforts and improve its ability to contain wildland fire costs.

• **Continue to improve its processes for allocating fuel reduction funds and selecting fuel reduction projects.** Also in 2007 and 2008, we reported on several shortcomings in the Forest Service’s processes for allocating fuel reduction funds to field units and selecting fuel reduction projects, shortcomings that limited the agency’s ability to ensure that funds are directed where they will reduce risk most effectively. The Forest Service has taken steps to improve its processes for allocating fuel reduction funds, including the use of a newly developed computer model to assist in making allocation decisions, rather than relying primarily on historical funding patterns and professional judgment. The agency is also taking steps to improve the information it uses in allocating funds and selecting projects—including information on wildland fire risk and fuel treatment effectiveness—and to clarify the relative importance of the various factors it considers when making allocation decisions. We believe the Forest Service must continue these efforts so that it can more effectively use its limited fuel reduction dollars.

• **Take steps to improve its use of a new interagency budgeting and planning tool.** In 2008, we reported on the Forest Service’s and Interior’s development of a new planning tool known as fire program analysis, or FPA. FPA was intended, among other things, to allow the agencies to analyze potential combinations of firefighting assets, and potential

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strategies for reducing fuels and fighting fires, to determine the most cost-effective mix of assets and strategies. While recognizing that FPA represents a significant step forward and shows promise in achieving certain of its objectives, we believe the agencies' approach to FPA's development hampers the tool in meeting other key objectives. First, FPA has but limited ability to project the effects of different levels of fuel reduction treatments and firefighting strategies over time, depriving agency officials of information that could help them analyze the long-term impact of changes in their approach to wildland fire management. Second, FPA, as the agencies have developed it, cannot identify the most cost-effective mix and location of firefighting assets for a given budget. Rather, it analyzes a limited number of combinations of assets and strategies to identify the most cost-effective among them. The Forest Service is now beginning to use FPA to help develop its fiscal year 2011 budget request. We made a number of recommendations designed to enhance FPA and the agencies' ability to use it, and the Forest Service—in conjunction with Interior—has identified several steps it is considering taking to do so. It is not yet clear how successful these steps will be, however—and, further, the steps the agencies have outlined do not address all the shortcomings we identified. We continue to believe that agency improvements are essential if the full potential of FPA is to be realized.

In addition to these issues, we have also reported on the Forest Service’s difficulties funding fire suppression activities within its appropriated wildland fire budget; in many years, the agency has transferred money from other Forest Service programs to pay suppression costs. We reported in 2004 that such transfers between programs had caused projects to be delayed or canceled, strained relationships among land managers at different agencies, and created management disruptions within the Forest Service, and we recommended several measures to minimize the impacts of funding transfers and to improve the estimates on which the agencies base their wildland fire budgeting requests. Nevertheless, fire-related funding transfers continue, occurring in fiscal years 2006, 2007, and 2008—with the Forest Service transferring $400 million from other programs in fiscal year 2008 alone.

As we have reported previously, FPA is critical to developing a cohesive strategy. See, for example, GAO, Wildland Fire Management: Update on Federal Agency Efforts to Develop a Cohesive Strategy to Address Wildland Fire Threats, GAO-06-671R (Washington, D.C.: May 1, 2006).

Long-standing data problems have plagued the Forest Service, hampering its ability to manage its programs and account for its costs and reflecting deep-rooted and persistent shortcomings in the agency’s management of its activities. Without complete and accurate data, the agency has difficulty carrying out tasks that are intrinsic to its land management responsibilities—including recognizing and setting priorities for needed work, tracking activities, and understanding the true costs of its operations. Further, without an effective managerial cost-accounting system, the agency will have difficulty monitoring revenue and spending levels and making informed decisions about future funding needs. We have made numerous recommendations aimed at the Forest Service’s data shortcomings regarding both activities and costs.

In recent years we have identified several land management programs for which the Forest Service lacks sufficient data, keeping the agency from effectively overseeing its activities and understanding whether it is using its appropriated dollars most efficiently. For example, in 2005, we reported on data problems in the Forest Service’s program for reforestation—the planting and natural regeneration of trees—and treatments to improve timber stands, such as thinning trees and removing competing vegetation. Reforestation and subsequent timber stand improvement are critical to restoring and improving the health of our national forests after timber harvests—but the agency lacked sufficiently reliable data to accurately quantify its specific needs, establish priorities among treatments, or estimate a budget. A year later we reported on a similar shortfall in the agency’s program for rehabilitating and restoring lands unlikely to recover on their own after wildland fires, noting that the agency lacked nationwide data on the amount of needed rehabilitation and restoration work it had completed for recent wildland fires. And in 2008, we reported that the Forest Service did not maintain complete nationwide data on its use of stewardship contracting authority, under which the agency can trade goods (such as timber) for services (such as thinning forests or rangelands) that it would otherwise pay for with appropriated dollars, and

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can enter into stewardship contracts lasting up to 10 years.\textsuperscript{13} Although the Forest Service had recently updated its timber sale accounting system to include certain data on stewardship contracts, other data—such as the value of products sold and services procured through agreements rather than contracts\textsuperscript{14}—were not systematically collected or were incomplete.

Data on the Costs of Forest Service Activities Are Likewise Incomplete

In addition to data on its activities, the Forest Service also lacks complete data on their costs. In 2006, we reported that the agency did not have a managerial cost-accounting system in place with which it could routinely analyze cost information.\textsuperscript{15} Managerial cost accounting, rather than measuring only the cost of “inputs” such as labor and materials, integrates financial and nonfinancial data, such as the number of hours worked or number of acres treated, to measure the cost of outputs and the activities that produce them. Such an approach allows managers to routinely analyze cost information and use it in making decisions about agency operations and permits a focus on managing costs rather than simply managing budgets. Such information is crucial for the Forest Service, as for all federal agencies, to make difficult funding decisions in this era of limited budgets and competing program priorities. In 2012, the Department of Agriculture is scheduled to replace its current Foundation Financial Information System with a new Financial Management Modernization Initiative system. The new system is expected to incorporate managerial cost-accounting capabilities, but the department has delegated responsibility for implementation of managerial cost accounting to its component agencies. The Forest Service’s Chief Financial Officer stated at the time of our 2006 review that implementation of a managerial cost-accounting system would not be a priority until outstanding financial


\textsuperscript{14}Contracts are used to purchase goods and services for the direct benefit of the government or to sell government property, such as timber, and are mutually binding legal relationships obligating the seller to furnish supplies or services and the buyer to pay for them. In contrast, agreements are typically used to transfer a thing of value to a state or local government, or other recipient, to carry out a public purpose—often for projects that are for the mutual interest and benefit of the government and a cooperating organization such as a nonprofit organization or a state or local government.

reporting issues had been resolved and that reliable and timely financial
information was necessary before pushing to develop managerial cost-
accounting information. Without a managerial cost-accounting system,
however, the Forest Service will continue to have difficulty developing
realistic and useful budgets and related cost-benefit analyses of its
activities—essential tools for present and future land management
activities.

In addition to its shortcomings in accounting for its overall costs, the
Forest Service’s shortcomings in tracking of the costs associated with its
timber sales program—such as obligations and expenditures for personnel
and equipment—have been the subject of several of our previous reports.
In 2001 we reported that serious accounting and financial reporting
deficiencies precluded an accurate determination of the total costs
associated with the timber sales program and, in fact, rendered the
agency’s cost information unreliable. In 2003, we reported that it was
unclear how accurately the agency would be able to report on the actual
costs of individual work activities. And more recently, in 2007, we
reported that the Forest Service tracks the funds it spends on timber sales
in a way that does not provide the detail that many field managers, such as
district rangers and national forest supervisors, said they need in order to
make management decisions—for example, deciding how to allocate or
redirect resources among sales. The agency does not track timber sales-
related obligation or expenditure data by individual sale but rather
aggregates these data by the programs that fund the sales. Neither does it
track obligations and expenditures at the ranger district level, where
timber sales are generally carried out, but tracks them instead at the
national forest level—making it more difficult and resource intensive for
field managers to oversee activities occurring in their units.

16GAO, Financial Management: Annual Costs of Forest Service’s Timber Sales Program

17GAO, Forest Service: Little Progress on Performance Accountability Likely Unless

18GAO, Federal Timber Sales: Forest Service Could Improve Efficiency of Field-Level
Timber Sales Management by Maintaining More Detailed Data, GAO-07-764 (Washington,
D.C.: June 27, 2007).

19Within the Forest Service’s appropriations, there are several programs, or “budget line
items,” related to timber sales; most sales are funded through the Forest Products program.
Limited cost data also hampered the agency’s implementation of the competitive-sourcing program, as we reported in 2008. Competitive sourcing is aimed at promoting competition between federal entities and the private sector by comparing the public and private costs of performing certain activities (typically those performed in both government and the commercial marketplace, such as information technology, maintenance and property management, and logistics) and determining who should perform those activities. Although Congress had limited the funds the Forest Service could spend on competitive-sourcing activities, we found that for fiscal years 2004 through 2006, the Forest Service lacked sufficiently complete and reliable cost data to determine whether it had exceeded these congressional spending limitations. Additionally, the Forest Service did not consider certain costs in calculating competitive-sourcing savings and as a result could not provide Congress with an accurate measure of the savings produced by its competitive-sourcing program during this time. We recommended that the agency take several actions to improve its management of the program. The program’s future, however, now appears uncertain.

Over the years, the Forest Service has struggled to provide adequate financial and performance accountability. Regarding financial accountability, the agency has had shortcomings in its internal controls and has had difficulty generating accurate financial information. Regarding its performance, the agency has not always been able to provide Congress and the public with a clear understanding of what its 30,000 employees accomplish with the approximately $5 billion the agency receives every year.


\[21\] An omnibus appropriations bill for 2009, H.R. 1105, § 414, provides that “None of the funds made available by this or any other Act may be used in fiscal year 2009 for competitive sourcing studies and any related activities involving Forest Service personnel.” A similar provision appeared in the Consolidated Appropriations Act for fiscal year 2008, Pub. L. No.110-161, § 415, 121 Stat. 2148 (2007).
Financial Accountability Concerns Include Internal Control Weaknesses

Our long-standing concerns over the Forest Service’s financial accountability resulted in our including the agency in our High-Risk Series from 1999 through 2004, citing, among other issues, “a continuing pattern of unfavorable conclusions about the Forest Service’s financial statements.” We also had concerns about internal control weaknesses within the agency; in a 2003 report, we noted that internal control weaknesses in the Forest Service’s purchase card program—under which purchase cards are issued to federal employees to make official government purchases—left the agency vulnerable to, and in some cases resulted in, improper, wasteful, or questionable purchases. Subsequently, in a 2008 report, we noted that internal control weaknesses continued and that from 2000 through 2006 a Forest Service employee had embezzled over $642,000 from the Forest Service’s national fire suppression budget.

Another area where we have raised concerns about the agency’s internal controls is in the Recreational Fee Demonstration Program, under which the Forest Service and other agencies can collect fees for using agency sites, including entrance fees for basic admission to an area and user fees for specific activities such as camping or boat launching. We reported in 2006 that the Forest Service not only lacked adequate controls and accounting procedures over collected recreation fees, but also lacked effective guidance even for establishing such controls. The agency has since updated its policies and procedures for handling collected recreation fees, although we have not evaluated their implementation.

We removed the Forest Service from our high-risk list in 2005 in response to its efforts to resolve many of the financial management problems we identified. Nevertheless, the agency continues to struggle with financial accountability. In 2007, the Department of Agriculture’s Inspector General

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2GAO, Forest Service Purchase Cards: Internal Control Weaknesses Resulted in Instances of Improper, Wasteful, and Questionable Purchases, GAO-03-786 (Washington, D.C.: Aug. 11, 2003).


reported that significant deficiencies existed in the Forest Service’s ability to produce accurate financial information; in 2008, the Inspector General reported that certain deficiencies had been corrected but that others remained—including the agency’s failure to comply with the Federal Financial Management Improvement Act of 1996.

Performance Accountability Shortcomings Are Long-standing and Persistent

As with financial accountability, our concerns about the Forest Service’s performance accountability shortcomings date back over a decade. In 2003 we reported that the agency had made little real progress in resolving its long-standing performance accountability problems—which included its inability to link planning, budgeting, and results reporting—and was years away from implementing a credible performance accountability system. We concluded that the agency was essentially in the same position it had been in more than a decade earlier—studying how it might achieve performance accountability. We recommended that the agency appoint a senior executive with decision-making authority and responsibility for developing a comprehensive plan to ensure the timely implementation of an effective performance accountability system and that the agency report annually to Congress on its progress in implementing such a system. While the agency responded that it would follow our recommendations, problems persisted; in our 2007 survey of federal managers’ use of performance information in management decision making, the Forest Service scored lowest of 29 federal agencies.

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28The Federal Financial Management Improvement Act of 1996 requires that agencies implement and maintain financial management systems that substantially comply with (1) federal financial management system requirements, (2) federal accounting standards, and (3) the U.S. Government Standard General Ledger. The act also requires GAO to report annually on the agencies’ implementation of it; see, for example, GAO, Financial Management: Persistent Financial Management Systems Issues Remain for Many CFO Act Agencies, GAO-08-1018 (Washington, D.C.: Sept. 30, 2008).

29GAO-03-503.
and components we surveyed in six of nine key management activities.\textsuperscript{30} Equally troubling are our survey findings related to leadership commitment to results-oriented management, which we have identified as perhaps the single most important element in successfully implementing organizational change. In our survey, we asked federal managers about their views on agency leadership’s commitment to using performance information to guide decision making. Only 21 percent of Forest Service managers we surveyed agreed that their agency’s leadership demonstrated such a commitment to a great or very great extent, compared with 50 percent of their counterparts in the rest of the federal government.

More recent work by the Department of Agriculture’s Inspector General noted that the Forest Service continues to need improvements in its management controls to effectively manage resources, measure progress toward goals and objectives, and accurately report accomplishments. In fact, in 2008—only 7 months ago, and more than 5 years after our 2003 report on the problem—the Inspector General echoed our earlier findings, stating, “Some of these issues have been reported in multiple reports for over a decade, but their solutions are still in the study and evaluation process by [the Forest Service].”\textsuperscript{31}

Several emerging issues are likely to have profound implications for the agency, complicating its management responsibilities and underscoring the importance of addressing the management challenges we have highlighted so that the agency is well positioned to meet these new issues. Among the most significant:

**Climate change.** In August 2007, we reported that according to experts, federal land and water resources are vulnerable to a wide range of effects from climate change, some of which are already occurring.\textsuperscript{32} These effects include, among others, (1) physical effects, such as droughts, floods,
glacial melting, and sea level rise; (2) biological effects, such as increases in insect and disease infestations, shifts in species distribution, and changes in the timing of natural events; and (3) economic and social effects, such as adverse impacts on tourism, infrastructure, fishing, and other resource uses. These effects are also likely to lead to increased wildland fire activity. We noted that federal resource managers, including those at the Forest Service, had not yet made climate change a high priority and recommended that the Secretary of Agriculture (along with Interior and the Department of Commerce) develop clear, written communication to resource managers that explains how managers are expected to address the effects of climate change, identifies how managers are to obtain any site-specific information that may be necessary, and reflects best practices shared among the relevant agencies. The Forest Service has since issued guidance on incorporating climate change information in land management planning activities.

**Increased human settlement in or near wildlands.** Rapid development in the outlying fringe of metropolitan areas and in rural areas is increasing the size of the wildland-urban interface, defined as the area where structures and other human development meet or intermingle with undeveloped wildland. Experts estimate that almost 60 percent of all new housing units built in the 1990s were located in the wildland-urban interface and that this growth trend continues. They also estimate that more than 30 percent of housing units overall are located in the wildland-urban interface, including about 44 million homes in the lower 48 states, and that the interface covers about 9 percent of the nation’s land.\(^{33}\) This development has significant implications for wildland fire management because it places more structures at risk from wildland fire at the same time that it increases the complexity and cost of wildland fire suppression. Other land management challenges result as well; for example, as we reported in 2008, private subdivisions may seek access across public lands via roads that were not designed for public use, complicating agency management of those lands.\(^{34}\) And researchers have also noted that the wildland-urban interface is an area of widespread habitat fragmentation.

\(^{33}\)In addition to housing, other types of infrastructure are located in the wildland-urban interface, including power lines, oil and gas wells, and campgrounds and other recreation facilities.

introduction of invasive species, and biodiversity loss, further adding to the agency’s land management challenges.

The aging of the federal workforce. Earlier this year we reported on the looming challenge facing federal agencies as retirements of federal workers threaten to leave critical gaps in leadership and institutional knowledge. In fact, we reported that about one-third of federal career employees on board at the end of fiscal year 2007 were eligible to retire by 2012, a trend especially pronounced among the agencies’ executives and supervisors—with nearly two-thirds of career executives projected to be eligible for retirement by 2012. Facing such a potential exodus of its most experienced employees, the Forest Service—like other federal agencies—will need to focus on strategic workforce planning to help forecast who might retire, when they might retire, and the impact of their retirement on the agency’s mission and, using this information, develop appropriate strategies to address workforce gaps.

Our nation’s long-term fiscal condition. We have reported that our nation, facing large and growing structural deficits, is on an unsustainable long-term fiscal path. As a result, all federal agencies may be called upon to carry out their responsibilities with static or even shrinking budgets over the long term—making it especially important that the Forest Service address the challenges we have identified and ensure that it is spending its limited budget effectively and efficiently. Effective and efficient spending will also be critical in the short term, as the agency identifies projects to undertake with funds provided under the American Recovery and Reinvestment Act of 2009.

Mr. Chairman, these issues are not new. In fact, not only are we repeating many of the same issues we have brought up over the years, but some of our concerns date back well over a decade. The Forest Service’s mission is, without question, a difficult one: managing millions of acres of diverse lands for often competing purposes while ensuring that current uses do


36See, for example, GAO, Long-Term Fiscal Outlook: Long-Term Federal Fiscal Challenge Driven Primarily by Health Care, GAO-08-912T (Washington, D.C.: June 17, 2008).

not impair long-term productivity. This is an enormous and complex task, and we do not seek to minimize its difficulty. Nevertheless, the repetitive and persistent nature of the shortcomings we and others have surfaced over the years points to the Forest Service’s failure to fully resolve—perhaps even to fully grasp—its problems. Absent better data, better internal controls and accountability, and a more strategic approach to wildland fire, the agency cannot hope to improve upon its performance—and may ultimately be unable to respond effectively to the new challenges it faces. If, on the other hand, the Forest Service is to face these challenges head-on, it will require a sustained commitment by agency leadership to rooting out and resolving the agency’s long-standing problems. As a new administration takes office and begins to chart the agency’s course, it will be important for Congress and the Forest Service to remain vigilant in focusing on these issues.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have at this time.

For further information about this testimony, please contact me at (202) 512-3841 or nazzaror@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Key contributors to this testimony include Steve Gaty, Assistant Director; David P. Bixler; Arthur W. Brouk; Andrea Wamstad Brown; Ellen W. Chu; Laura Craig; Elizabeth Curda; Jonathan Dent; Charles T. Egan; Barry Grinnell; Richard P. Johnson; and Jack Warner.
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### Program and Cost Data


### Financial and Performance Accountability


Emerging Issues


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