

Management's Discussion and Analysis

Mission Statement

The mission of the U.S. Department of Agriculture (USDA) Forest Service is to:

Sustain the health, diversity, and productivity of the Nation's forest and grasslands to meet the needs of present and future generations.

The Forest Service's commitment to land stewardship and public service is the framework within which the national forests and grasslands are managed.

Organizational Structure

In order to improve the efficiency and effectiveness of Forest Service program delivery, the agency requested (in 2002) and received approval in 2003 from USDA to reorganize into six deputy areas, each reporting directly to the Office of the Chief.

With this approval, the deputy areas are now Budget and Finance (B&F); Business Operations; Programs, Legislation, and Communication (PL&C); Research and Development (R&D); National Forest System (NFS); and State and Private Forestry (S&PF).

In the later sections of this Performance and Accountability Report pertaining to the financial statements and notes, the discussion revolves around "segments," rather than deputy areas. Deputy areas are administrative groupings while segments are constructs used to assess net costs. The segments are the NFS, S&PF, R&D, Fire, and Working Capital Fund (WCF). Some of the segment names are the same as those used for deputy areas, but the terms are not synonymous.

This administrative reorganization:

- Established the National Fire Program Staff.
- Established a Chief of Staff.
- Changed the reporting relationship of the Office of Communication to report to PL&C.
- Changed the reporting relationship of the Office of Civil Rights.
- Established the Budget and Finance Deputy Area.
- Established the Conservation Education Staff.
- Established the Urban and Community Forestry Staff.
- Merged the Forest Management Staff and the Range Management Staff.
- Merged the Wildlife, Fish, and Rare Plants Staff and the Watershed and Air Management Staff.

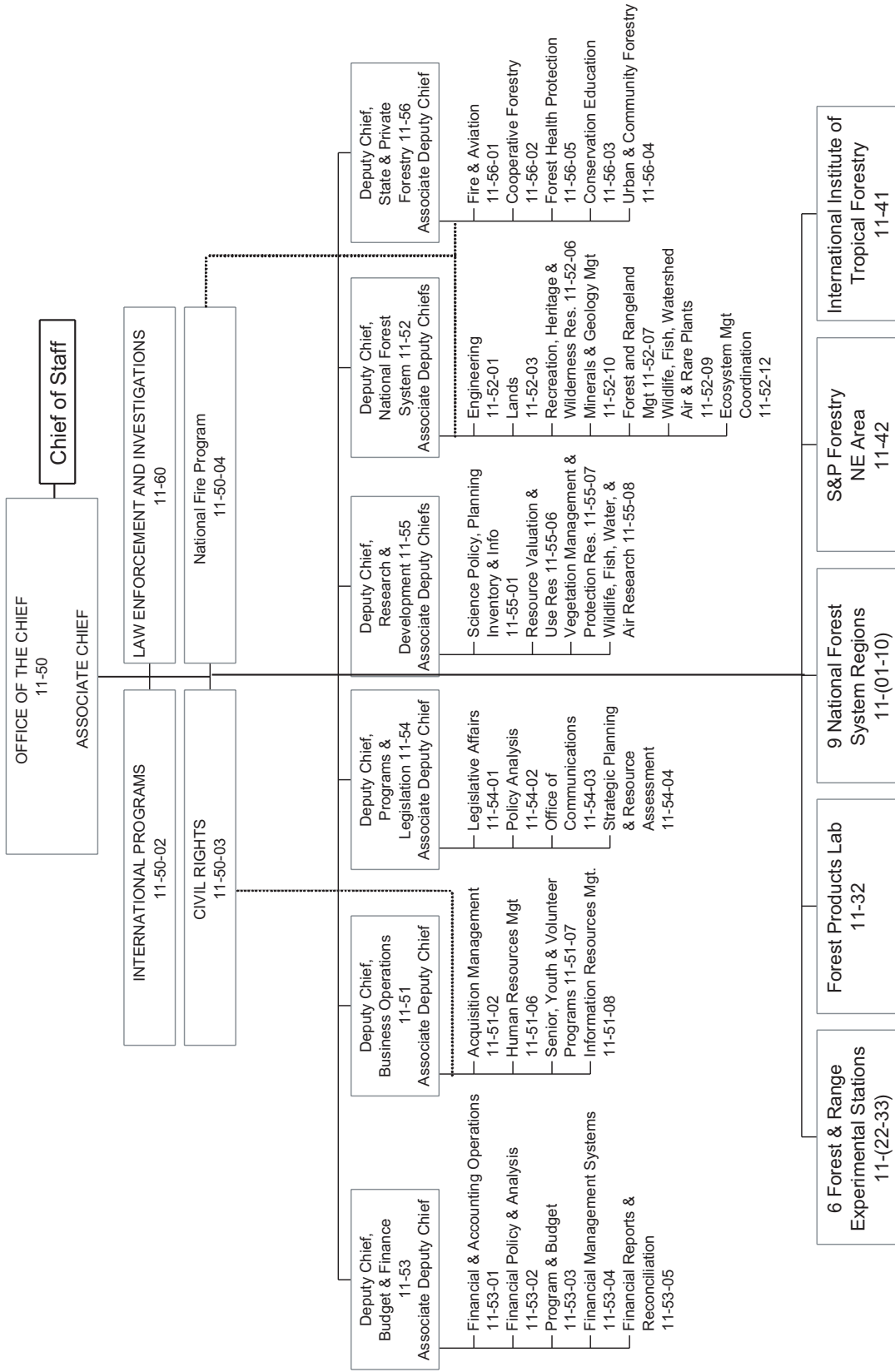
This improved organizational structure enables the Forest Service to be more agile and to adapt its program delivery to meet the natural resources focus and initiatives of the 21st century.

Beyond the Washington Office and reporting directly to the Office of the Chief are:

- Six forest and range experimental stations.
- The Forest Products Lab in Madison, WI.
- S&PF in the Northeastern Area.
- International Institute of Tropical Forestry at the University of Puerto Rico, Agricultural Experimental Station.
- Nine NFS regions.

U.S. Department of Agriculture

FOREST SERVICE



Supersedes 1997 Organizational Chart

Our Focus on Existing Priorities

In FY 2003, the Forest Service defined what it saw as the four greatest threats to the health of the Nation's national forests and grasslands: fire and fuels, invasive species, loss of open space, and unmanaged recreation. To successfully address these threats, the Forest Service must also ensure that its business and financial practices meet the highest standards.

The FY 2003 priorities, including the four threats noted above, have been addressed under the four main goals of the Forest Service's 2000 Strategic Plan. The following discussion describes the interrelationships among these four threats. For FY 2003, the Forest Service focused on the following priorities.

Goal 1—Ecosystem Health

Fire and Fuels

Long-standing fire suppression practices have resulted in dense undergrowth buildup in some forests, depleting the health and resiliency of forests and grasslands to fire and pests. This buildup of fuels can become a tinder box even under such natural conditions as drought or extreme fire seasons. These buildups of fuels, along with the relatively recent and rapid conversion of forests and ranchlands to "ranchettes" and subdivisions, have resulted in a loss of lives and homes.

Invasive Species

Many catastrophic wildfires, especially those in proximity to urban forests, are the effects of several complex interactions among natural systems and human-made systems. Other fire and forest management practices have altered the species composition and distribution within forests and grasslands, making these systems more susceptible to insect attack and invasive species. This susceptibility often also results in an unnatural buildup of fuels from dead and dying vegetation.

Unmanaged Recreation

In an increasingly urbanized landscape across the Nation, more people are spending their leisure time camping, hiking, or doing other recreational activities. Increasingly, motorized off-highway vehicles (OHVs) are a part of the recreation experience, with the numbers of OHV users rising from 19.4 million in 1982-1983 to 27.9 million in 1994-1995. In 2000-2001, the number of participants was 37.2 million, which shows nearly a doubling of use since 1982-1983. Such overuse not only degrades habitat but also heightens the risk of wildfires, especially during periods of drought. The Forest Service has been working with the public to manage this issue and provide the recreation experience valued by the public.

The Forest Service has focused on several other important actions to address its ecosystem health goals. To

mitigate future catastrophic wildland fires, the Forest Service is working to improve its ability to assess, prevent, manage, and restore the contributors to this problem, including invasive species, buildup of fuels, unmanaged recreation, and the conflicting uses of forested lands on or near the wildland-urban interface areas in, or near, forested lands where Americans build their homes. Recognizing how these four threats are interrelated, Forest Service leadership and scientists can help managers, partners, and the American people minimize unintended outcomes to natural and human communities.

In FY 2003, using more than \$226 million budgeted for hazardous fuels treatments, the Forest Service treated approximately 1.4 million acres, almost half of which were in the wildland-urban interface. The agency projects that it will be able to treat hazardous fuels on a similar number of acres in FY 2004.

In FY 2003, Congress enacted the stewardship contracting authority of the Forest Service (included in the FY 2003 Omnibus Appropriations Act). In addition, the Healthy Forests Restoration Act, H.R. 1904, was approved by the House in May and reported by the Senate Agriculture Committee in July 2003.

To effectively address the scope of President Bush's Healthy Forests Initiative, the Forest Service is focused on:

- Implementing the Healthy Forests Initiative to improve the condition of the Nation's forests and grasslands.
- Continuing implementation of the 10-Year Comprehensive Strategy of the National Fire Plan (NFP) with 20 Western States and other Federal agencies to reduce wildland fire risks to communities and the environment.
- Detecting, preventing, and controlling the increasing threat of insects, disease, and noxious weeds, including those classified as invasive species, to enhance the integrity and viability of forest, grassland, and aquatic ecosystems.
- Predicting and managing the cumulative effects of different land uses, while reducing the disturbance of conflicting uses encountered with changes in housing and population density adjacent to the national forests and grasslands.
- Assessing the new uses and monitoring the increased levels of existing use of OHVs, as well as preventing or controlling their effects, which

include the spread of invasive weeds, erosion of fragile soils, destruction to vegetation, and damage to riparian areas and species.

Further details on the Healthy Forests Initiative are located at <http://www.whitehouse.gov/infocus/healthyforests/toc.html>.

The Forest Service continued its efforts on a new National Forest Management Act Planning Rule and final directives for planning guidance (to be released by USDA in FY 2004). The new rule and directives raise the bar on environmental analysis, provide the highest level of protection for animal and plant species, and include meaningful public involvement and use expert-based science that is nationally and internationally recognized.

The Forest Service also addressed Roadless Rule revisions that are intended to improve implementation and better involve affected individuals and State governments.

In addition, the Forest Service has been working to amend the Sierra Nevada Framework, covering 11.5 million acres of NFS lands in California to improve the framework's flexibility and compatibility with other important programs, including fire and fuels management, grazing, and recreation.

Goal 2—Multiple Benefits to People

A significant unintended outcome of the unnaturally extreme wildland fires was the depletion of funds appropriated for wildland fire suppression in FY 2002, and again in FY 2003. In both years, the agency transferred funds from nonwildland fire management program accounts to the wildland fire suppression account to pay for suppression costs. These transfers of funds for fire suppression have far-reaching impacts not only on the Forest Service, but also on agency partners and cooperators, including universities, organizations, States, tribes, and communities. Numerous activities and projects designed to manage the forests and grasslands or to assist State or private landowners with managing their lands are delayed or completely forgone as a consequence of these transfers.

In FY 2002, approximately \$1 billion was transferred from agency nonwildland fire management programs to support wildland firefighting efforts. Congress appropriated \$636 million in FY 2003, specifically to restore those transferred funds.

In FY 2003, the Forest Service again needed to transfer funds from nonwildland fire management accounts. Specifically, monies were taken from the following 12 programs:

- Land Acquisition.
- Capital Improvement and Maintenance.

- WCF.
- NFS (vegetation management and fish and wildlife habitat).
- S&PF (providing forest health technical and financial assistance to communities, nonindustrial private landowners, States, and other Federal agencies).
- R&D (developing and transferring new technology).
- Salvage Sale Fund.
- Timber-Purchaser-Elect.
- Knutson Vandenburg.
- Brush Disposal.
- Recreation Fee Demo.
- Forest Land Enhancement Program (FLEP).

By the end of FY 2003, the amount transferred was \$695 million, resulting in numerous nonwildland fire management projects and activities being cancelled or postponed.

Healthier forests, the intended outcome of the Healthy Forests Initiative, could greatly reduce the *potential* for catastrophic wildland fires, which, in turn should reduce fire suppression costs dramatically. However, aggressive national wildland fire management efforts may only control costs up to a point as the extent of the wildland-urban interface continues to expand. Also, the current buildup of hazardous fuel on Federal and non-Federal lands may be occurring at two or three times the level of treatment.

In FY 2003, the Forest Service developed and implemented a strategy for cost containment on large wildfires. This strategy incorporates the action items of the Chief's Incident Accountability Report, reinforcing the need for additional, highly skilled incident business advisors on all Type I incidents, as well as Type II incidents with the potential to be of high cost. When incidents exceed \$12 to \$15 million, a support staff is assigned to the incident to ensure application of appropriate financial skills in fire business management, contracting or procurement, and fire operations.

The Forest Service continued to work with the U.S. Department of the Interior to improve overall efficiency to meet all the expectations of the Northwest Forest Plan, covering more than 24 million acres of public lands. Two new amendments to the plan will be completed in FY 2004: one to clarify language in the Aquatic Conservation Strategy, and the other to change the Survey and Manage program.

Goal 3—Scientific and Technical Assistance

In 2003, the Forest Service priorities related to scientific and technical assistance included activities connected to the Healthy Forest Initiative; Invasive Species, including Sudden Oak Death; Forest Inventory and Analysis (FIA); and Global Climate Change.

Healthy Forests Initiative

Fire exclusion, insect and disease infestations, invasive species, and other factors have added greatly to the challenge of maintaining and improving forest health and sustainability. Forest Service R&D developed a wide range of knowledge and tools to improve the ability of forest and rangeland managers to reintroduce fire to a more natural role; improve the cost-effectiveness of mechanical fuel management treatments; control introduced plants, insects, and diseases; and keep native insect and disease losses to an acceptable level. These tools will assist land managers in prioritizing vegetation and fuel treatments, in planning and executing prescribed burns and insect and disease management, and in managing wildfires more effectively.

Invasive Species

Invasive species are the single greatest threat to forest and rangeland health, resulting in economic losses caused by natural resource impacts and increased control and restoration costs. Emerging issues, such as the Sudden Oak Death epidemic in California, present a national threat. Effective management of invasive species requires a scientific and operational response from the Forest Service, integrated with public and private partners. Forest Service R&D funds support work on invasive plants and pathogen and invasive aquatic and terrestrial vertebrates and invertebrates.

Forest Inventory and Analysis

FIA is the Nation's continuous forest census, the number one source of current information on status and trends in America's forest resources. Products include estimates and maps of forest cover and change; rates of forest growth, harvest, and mortality; descriptions of forest structure and species composition; and data on forest soils, vegetative diversity, and fuel loads.

Program customers include State forestry agencies, Federal and State policymakers, corporations and consultants, researchers, environmental organizations, land managers, media, and anyone interested in reliable, current forest data.

Common applications of FIA data include State-level assessments of forest sustainability, maps of fire fuel loads and risk, carbon budgets and sequestration opportunities, assessments of forest health, and estimates of timber consumption and supply.

Global Climate Change

The Nation's forests are significant carbon sinks that are critical to increasing terrestrial carbon sequestration. Forest Service R&D is developing improved moni-

toring, analysis and projection, and management systems to understand, mitigate, and capitalize on climate change. Active forest management can enhance carbon sequestration by increasing the removal rate of CO₂ from the atmosphere and storing carbon in the mass of the woody parts (biomass) on dead or alive trees, shrubs, or bushes, soil, and litter. Advances in forest management systems and technologies improve the ability to capture and allocate carbon in forests and wood products.

Goal 4—Effective Public Service

A major priority in FY 2003 was improving the Forest Service's business and financial operations, including the initiatives of the President's Management Agenda (PMA). Under the PMA, the agency continues to implement competitive sourcing and business process reengineering through the A-76 process. Please refer to the section titled *President's Management Initiatives* for detailed Forest Service accomplishments.

Also, in an effort to develop excellence in its future leadership, the Forest Service initiated activities and goals related to leadership development and succession planning.

The Forest Service revised its 5-year strategic plan in the Strategic Plan for Fiscal Years 2004-2008, which focuses on outcomes to achieve sustainable resource management and which addresses the four key threats mentioned above. This update sets agency goals and objectives from 2004 through 2008. As a subset of this document, a strategic plan for the entire Business Operations program was developed that describes performance expectations for all administrative staffs and programs.

A Forest Service priority to integrate budget, finance, and performance accountability has led to the development of a Performance Accountability System (PAS). In FY 2003, the agency assessed existing processes and systems related to budget, performance, and accountability and began an effort to develop a consolidated set of activities linking strategic plan objectives and performance measures from the updated Strategic Plan to program and budget formulation, execution, and reporting. In its initial stages of development, the PAS is scheduled for full implementation in 2006, beginning with budget formulation, and will be used in 2005 for budget execution and reporting. A pilot project is currently underway in Region 10 (Alaska) to develop a set of operational level measures to support budget and strategic plan integration.

On the basis of its successes in reducing the size of the national office and increasing cost effectiveness, the Forest Service sent additional funding to the field for on-the-ground projects and programs.

Forest Service leadership is fully committed to all aspects of the agency's Civil Rights program and to the quality of work life for all of its employees. In 2003, special areas of emphasis have been in Equal Employment Opportunity (EEO) Complaint Processing and Improved Workforce Diversity.

In EEO Complaint Processing, the Forest Service:

- Maintained the resolution rate of informal complaints at about 52 percent with a 36-percent Alternative Dispute Resolution (ADR) rate in the EEO informal process and a 54 percent resolution rate using traditional counseling.
- Cut the number of formal complaints filed from 207 in FY 02 to 149 in FY 03.
- Conducted a survey to ensure guidance of going to good faith ADR except in rare circumstances.
- Streamlined processing—including Forest Service field Civil Rights directors' involvement in complaint resolution and coordination—of complaints after studying the roles and responsibilities of Civil Rights, Human Resource Management, and ADR.
- Submitted 96 percent of the EEO counselor reports to the USDA Civil Rights Staff on time.
- Decreased the per capita rate of formal complaints to .4 percent, which is .2 percent below the USDA's .6 percent average.
- Demonstrated increasing accountability in the area of Civil Rights as shown in quarterly complaint leadership reports issued to Forest Service leadership from the Associate Chief and Deputy Chief of Business Operations.
- Decreased the number of informal complaints from 534 to 462.

In Improved Workforce Diversity, the Forest Service:

- Increased its diversity, outreach, and performance indicators; and funding has been reallocated based on sound measurements.
- Modified the Forest Service Chief's Workforce Advisory Group (CWAG) charter to include diversity presentations and studies conducted; diversity measurements are now underway with leadership to communicate and aggressively focus on hiring in FY 2004.
- Developed and distributed the Forest Service Affirmative Employment Plan to Forest Service leadership.
- Addressed reasonable accommodations in presentations with USDA at three regional sites and the Washington Office. Also, drafted a standard operating procedure. Ongoing work includes developing a civil rights database and designing a Train-the-Trainer module with the Office of Personnel Management.
- Retained only 15 program complaints in the Forest Service inventory with more than 212 million visitors annually to national forests.
- Implemented the \$1.6 million National Civil Rights Capacity Building Program, which consisted of \$1.1 million to the Historically Black Colleges and Universities program, \$100,000 to Tribal Colleges and Universities, \$335,000 to Hispanic-Serving Institutions, and \$35,000 to Asian Pacific communities outreach program.
- Employed 24 USDA 1890 Scholars enrolled in 12 Historically Black Colleges and Universities, and employed 24 interns from the Hispanic Association of Colleges and Universities.

Our Focus on New Priorities

While many of the programs and activities mentioned in this report will be carried over to FY 2004 as priorities, several new areas of focus are on the horizon.

The Forest Service Strategic Plan for 2004-2008 sets goals and objectives for the agency that will be in effect from 2004 through 2008. Each of the goals (highlighted below) discussed in the update include performance measures that will be tracked to measure the annual results. Baselines, when available, provide a benchmark to evaluate Forest Service performance.

In 2004, the Forest Service will continue to actively address four threats:

- Fires and fuels.
- Invasive species.
- Loss of open space.
- Unmanaged recreation.

Agency priorities from 2004 through 2008 will be viewed in light of the following goals and their expected outcomes.

Goal 1—Reduce the risk from catastrophic wildland fire

Restore the health of the Nation's forests and grasslands to increase resilience to the effects of wildland fire.

Goal 1 is recognized for priority attention by Forest Service leadership, partially because catastrophic fires compromise human safety and life and often result in significant private property loss, have huge economic impacts, damage forests and habitat, and compromise the health of the ecosystem.

FY 2003 was the third consecutive year that the Forest Service transferred funds from discretionary accounts to pay for the costs of wildland fire suppression. In FY 2002, the Forest Service transferred \$919 million from nonwildland fire management accounts to cover the costs of fire suppression and, in FY 2003, \$695 million was transferred from nonwildland fire accounts. These transfers resulted in cumulative multiple impacts including the cancellation or postponement of numerous projects on NFS lands; cooperative projects with States, communities, and other partners; and research activities. In many cases the projects and research postponed or cancelled were designed to reduce the risk of wildland fires to communities and the environment.

The agency is committed to working with the Administration and Congress to implement a long-

term solution to pay for the costs of fire suppression. Such a solution must encompass appropriate incentives to reduce the cost of fire suppression and also to avoid the disruptive process of making transfers from other accounts. In addition, the agency will continue its focus on reducing the root causes of costly and catastrophic wildfires by emphasizing the treatment of hazardous fuels and restoration of watersheds.

Goal 2—Reduce the impacts from invasive species

Restore the health of the Nation's forests and grasslands to be resilient to the effects of invasive insects, pathogens, plants, and pests.

Goal 2 is recognized for priority attention by Forest Service leadership, in part, because invasive species, many of which have no natural predators, are spreading at an alarming rate and are having catastrophic impacts on economies, native species survival, and habitat. Economically, invasive species cost the United States about \$137 billion per year in total economic damages and associated control costs. Scientists estimate that invasives contribute to the decline of up to half of all endangered species. Invasives are the single greatest cause of loss of biodiversity in the United States.

Goal 3—Provide outdoor recreation opportunities

Provide high-quality outdoor recreational opportunities in forests and grasslands, while sustaining natural resources to meet the Nation's recreation demands.

This goal is recognized for priority attention by Forest Service leadership, partially because of the overuse of the land, especially by OHVs. A near doubling of OHV use from 1982 to 2001 has resulted in damage to wetlands and wetland species, severe soil erosion, spread of invasive weeds, and increased susceptibility to fire in times of drought. In addition, this heavy use is destroying values that recreational opportunities should provide.

Goal 4—Help meet energy resource needs

Contribute to meet the Nation's need for energy.

This goal is recognized for priority attention by Forest Service leadership because the Nation's forests and grasslands play a significant role in meeting the need for the production and transmission of energy.

Goal 5—Improve watershed condition

Increase the number of forest and grassland watersheds in fully functional hydrologic condition.

This goal is recognized for priority attention by Forest Service leadership because a significant number of municipalities and Forest Service facilities currently depend on NFS watersheds for their public water supplies. Sustaining functional watershed conditions over time maintains the productive capacity of the Nation's land and water.

Goal 6—Conduct Mission-related work in addition to that which supports the Agency's goals

Conduct research and other mission-related work to fulfill statutory stewardship and assistance requirements.

An example of mission-related work that supports the Forest Service's goals is the effort to reduce the loss of open space. Large tracts of undeveloped land are critical to the health of the Nation's wildlife, forests, and water supply. A reduction in the number of acres in large tracts of land can result in less forest and range products and outdoor recreation opportunities. To learn more about this problem, the Forest Service has conducted regional assessments, such as the Southern Forest Assessment, Northern Forest Lands Study, and the New York/New Jersey Highlands Study. These studies show the condition of the land given the current situation. The Forest Service employs a variety of programs and processes to determine the effect loss of open space has on the natural environment, as well as the effect it may have on humans. Through its Cooperative Forestry Program and National Forest Landownership Adjustment plans, the Forest Service is working to consolidate large tracts of land and to reduce potential user conflicts associated with loss of open space.

Another priority area under Goal 6 is Civil Rights. In FY 2004, Forest Service leadership will remain fully committed to all aspects of the agency's Civil Rights program and to the quality of work-life for all of its employees. Special focus continues to be placed on EEO Complaint Processing and Improved Workforce Diversity.

For EEO Complaint Processing, the Forest Service will:

- Establish a mechanism to track ADR attempts in the formal EEO complaints process.
- Ensure that the timeliness of traditional counseling process (up to 90 days) is within regulatory requirements 95 percent of the time.
- Ensure that the timeliness of the ADR and Early Intervention Program process (within the informal EEO process, which is 90 days) is within regulatory requirements 90 percent of the time.
- Ensure that the timeliness of informal EEO counseling reports is met within 90 to 95 percent of the time (within 10 days of Department request).
- Make sure the per capita rate for formal complaints is maintained at 0.29 percent of the workforce.

- Ensure the timeliness of formal complaints by establishing baseline measures for timely processing of formal complaints at every stage over which the Forest Service has cognizance to comply with regulatory requirements. Examples of such stages include investigation, investigation review, election, and processing of records to the Equal Employment Opportunity Commission.
- Collaborate among Forest Service Civil Rights, ADR and Early Intervention Program, and Human Resources Management to develop data elements and processing tools that measure ADR usage throughout the complaint process, using a centralized complaints database.
- Train and transfer complaints resolution and investigation coordination to Forest Service Civil Rights directors in the regions, stations, and areas.
- Provide oversight for and implement class settlement agreements. Focus on improving the database and decreasing reprisal complaints.
- Properly manage any delegation from USDA concerning complaints acceptance, investigation, and coordination.

The Forest Service plans to work with USDA to help meet agency goals. For example, in the area of EEO Complaint Processing the agency has the following three priorities: (1) work with transitioning delegations in an efficient and effective manner, considering more than just the investigation process; (2) measure timeliness of USDA processing to increase efficiency and effectiveness; and (3) increase resources to expedite final agency decisions.

The Forest Service has set the following goals for FY 2004 regarding Improved Workforce Diversity:

- Work toward 50 percent of the statistical comparisons reflecting positive trends in the diversity representation of the Forest Service. Statistical comparisons include professional, administrative, technical, gender, ethnicity, and targeted disability, student trainees, high grade levels (GS 13-15, Senior Executive Service), and forest supervisors, deputy forest supervisors, and district rangers.
- Develop and distribute top leadership diversity presentations, quarterly diversity leadership reports and proposed scorecard-type measurements for leadership in diversity.
- Implement EEOC MD-715. (Management Directive regarding Model Agency Title 7 Rehabilitation Act Programs.)
- Conduct trend analysis and/or studies in special emphasis program areas.

In the area of Improved Workforce Diversity, the agency will work with USDA to issue the following six priorities:

- Timely advice on MD-715, especially regarding affirmative employment.
- Clear, measurable goals on disability and/or targeted disability hiring (in concert with MD-715).
- Guidance on the No Fear Act and what is expected of agencies.
- Clear guidance and expectations on USDA 1890 liaisons and conduct a meeting with current liaisons.
- Guidance on expectations and compliance reviews of Title VI.
- A schedule of reports in advance that are expected annually.

The President's Management Initiatives

The Forest Service's efforts to improve agency management and performance have been a part of the agency's long-term goals for many years. In 2001, the PMA became a major focus for the Federal Government, complementing many of the efforts undertaken by the Forest Service. With this renewed focus, the Forest Service developed the *Forest Service Strategy for Improving Organizational Efficiency* (June 2002), which addressed all five PMA initiatives. Throughout FY 2003, the Forest Service continued the implementation of the Organizational Efficiency Strategy's 21 plans, which were developed and approved by agency leadership to address the PMA initiatives.

Performance and Budget Integration

Designing and Implementing a Performance Accountability System

In December 2002, the Forest Service began the process of designing a performance accountability process and system in order to better track agency performance and to more efficiently and effectively complete the Performance and Accountability Report, as required by the Government Performance and Results Act (GPRA). A Forest Service Executive Steering Team provided direction and oversight for this effort, using technical support from an Integrated Project Team.

The assessment, released in July 2003, recommends a single solution to deliver an integrated performance accountability process and management system. The proposed solution must be consistent with Forest Service's E-Gov Enterprise Architecture Project, the Budget and Performance Integration Initiative, Office of Management and Budget's (OMB) Federal Enterprise Architecture Performance Reference Model and Business Reference Model, and the USDA Performance Management Guidance for 2002. This accountability not only supports the *integration of budget and performance* information, but also improves tracking efficiencies and begins tracking agency effectiveness as outcomes of Forest Service decisionmaking.

The PAS will enable Forest Service leadership to develop results-oriented management objectives that are aligned with the agency's mission and a means by which to measure the intended results through performance measures. The PAS will bring more accurate and timely annual and quarterly performance reporting, improve leadership's ability to communicate priorities, and provide managers with a tool to identify risks or consequences to any tradeoffs in program delivery.

The PAS will provide the field with a means to develop programs of work and budget requests that are aligned with these management objectives through a mix of activities tied to local priorities and capabilities.

A prototype for PAS was designed to demonstrate the recommended solution architecture to agency leadership in July 2003, using data and information from Region 10 (Alaska). A contract was let that produced the system architecture in September 2003. This architecture defines a system that will be operational for the FY 2005 budget execution and FY 2006 formulation.

At the project level, Forest Service launched a project work-planning tool—*WorkPlan*—in May 2003. *WorkPlan* offers a consistent approach to project planning and tracking across the agency, replacing several variations of an older tool—used since the 1980s.

The PAS and *WorkPlan* will bridge the gaps among the legacy tracking and reporting systems, becoming the integration mechanisms to plan, implement, track, and report Forest Service activities.

Improved Financial Management

Improved financial management is essential for the Forest Service and the agency is fully committed to improving the agency's business and accounting processes and systems. The Forest Service recognizes that some legacy financial systems, such as the feeder systems to Foundation Financial Information System (FFIS), do not meet requirements for Federal financial management. These systems need to be replaced or eliminated. This effort, led by the USDA, will continue for several years, and will require a significant amount of agency resources to complete. The Integrated Acquisition System (IAS) is one such example. This system replaces older, noncompliant procurement systems, while providing full accounting and reporting for Forest Service procurement actions.

To sustain the momentum of an unqualified audit opinion for FY 2003, the Forest Service is committed to—

- Fully training qualified employees in financial management policy and accounting standards.
- Making available the status and information about agency financial operations through a variety of reporting tools.
- Enforcing all current critical financial management policies and procedures.

- Expanding the availability of computer-based financial systems to meet agency requirements.
- Addressing and correcting all material weaknesses and reportable conditions.

Financial Systems

In 2000, the Forest Service implemented FFIS, a U.S. Standard General Ledger-based financial management system that complies with Federal financial requirements. In 2001, the agency implemented the Budget Formulation and Execution System (BFES). But to reconcile 2002 material weaknesses, certain financial management policies and business practices are being updated to sustain improvements for all agency accounts, including property managed by the Forest Service. Reconciliation teams are also being used to continue to improve the data integrity within the agency's accounting system.

By implementing these financial systems and adhering to the GPRA, the agency is moving forward with the development of integrated processes and systems that provide needed systemic linkages among the formulation of budgets, the accomplishment of work on the ground, and the associated cost of the work.

Indirect Costs and Reducing Fixed-to-Variable Cost Ratio

The Forest Service's National Leadership Team will lead the agency in developing alternatives and implementing a plan to reduce indirect costs as a percentage of the total agency budget. Through this effort the agency will improve its fixed-to-variable cost ratio resulting in increased budgetary flexibility.

Baselines for fixed-to-variable cost ratios were established for all Forest Service units for FY 2002.

Strategic Management of Human Capital

The Annual Workforce Planning process continues, involving both field-level and agencywide analysis of attrition and retirement trends, hiring projections, diversity profiles, and competency needs. This resulted in the release of a Workforce Plan Addendum in March 2003.

The agency continues to implement its 5-year strategy to meet mission-critical skills gaps as identified in the Workforce Plan. The National Recruitment Council coordinates implementation of this strategy in the field and at headquarters, while a senior-level workforce advisory group provides leadership for the process.

From a corporate training perspective, the Forest Service continues the marketing and deployment of a national *New Employee Orientation* program, resulting in attendance by over 1,000 employees in two sessions. The framework design of a career-planning database is now completed. Enhancement to a service-

wide Web-based training tracking system continues into FY 2004.

The Leadership Success component of the Human Capital Initiative, comprising a five-tiered program for developing leadership competencies at all levels of the organization, has been designed and approved. A program manager has been chosen to lead the Leadership Success Program, and work on a Senior Leaders program has begun. Information on Leadership Success from most of the regional offices is now available on the agency's Intranet.

A Knowledge Management Working Group, chartered by the Chief, met for a 1-week session in June 2003 to strategize how to improve systems for the creation and capture of employees' knowledge, with the capability to then share it throughout the agency. This resulted in the formation of a specific subcommittee on capturing employee knowledge and the defining of its roles: benchmarking, with other agencies and contractors, the methods for capturing employees' knowledge and developing a comprehensive proposal for capturing Forest Service employees' knowledge.

Competitive Sourcing

The Forest Service identified four functions for study, with a goal of completing studies for over 3,000 full-time equivalent (FTEs) positions by end of FY 2003. In total, there were 171 separate studies. The studies for Content Analysis, Maintenance, and Computer Help-Desk functions have been successfully completed. The study of IT Infrastructure, which is a single study, has been extended until the spring of 2004 due to the size and complexity of the study; hence, these 1,200 FTEs, along with three smaller maintenance studies that were not completed (144 FTEs) cannot be credited towards the FY 2003 goal. In short, we completed studies of 2,350 FTEs in FY 2003. The uncompleted study FTEs will count toward the agency's cumulative Competitive Sourcing goals in FY 2004.

The delay of the four individual studies was due to the extensive time required to develop a performance work statement, or PWS, which is the backbone of Competitive Sourcing competitions. The PWS is used as the basis for contractor bids and government proposals for performing the required work. The source selection decisions for the two R-5 maintenance studies are expected in December 2003, and decisions for the R-10 Trails and the IT studies are expected in April 2004. The Chief Financial Officer's (CFO) staff is expected to undergo a formal competitive sourcing competition in FY 2004. As such, the CFO has begun Business Process Reengineering studies designed to improve efficiency, financial processes, and cost effectiveness.

Also, a Competitive Sourcing Program Office was created and funded for eight FTEs. Only five of the positions are filled.

It is too early to estimate the savings as a result of the studies.

Expanded Electronic Government (e-Gov)

The Forest Service has detailed its strategy to use technology to improve efficiency and public service in

the recently approved Forest Service e-Government Strategy and Roadmap.

The agency made substantial progress in creating the infrastructure and starting the business case analysis process for several projects including Recreation One-Stop, environmental planning records, streamlining the permit process, and online citizen transactions, as required by the Government Paperwork Elimination Act.

Management Controls, Systems, and Compliance with Laws or Regulations

Management Controls

The *Federal Managers' Financial Integrity Act* (FMFIA) requires agencies to provide an assurance statement that Federal programs are operated efficiently and effectively and to provide reasonable assurance that obligations and costs comply with applicable laws and regulations; Federal assets are safeguarded against fraud, waste, and mismanagement; and transactions are accounted for and properly recorded.

Within the Forest Service, the Chief; deputy chiefs; regional foresters; and directors for the research stations, Northeastern Area Office, Forest Products Lab, Job Corps, and the International Institute of Tropical Forestry are responsible for ensuring that their programs are operating efficiently, effectively, and in compliance with relevant laws and that financial management systems conform to applicable laws, standards, principles, and related requirements.

The USDA goal is to eliminate material deficiencies by the end of FY 2004. In conjunction with the Office of Inspector General (OIG), Forest Service management is working aggressively to determine the root causes of material deficiencies and moving quickly to remedy them. The Forest Service's management controls program ensures compliance with FMFIA, and with OMB Circulars A-123, *Management Accountability and Control* and A-127 *Financial Management Systems*, except for the weakness identified below.

In FY 2003, Forest Service reduced the number of material deficiencies. The following FMFIA material deficiencies have been fully corrected or reassessed and determined to be no longer material.

The Forest Service's goal for FY 2004 is to eliminate the remaining deficiency, Internal Control Weakness: Overall Financial Management (FS-03-01), by year end.

Financial Systems

Under the *Federal Financial Management Improvement Act* (FFMIA), agencies are required to report whether financial management systems substantially comply with the Federal financial management systems requirements, Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. If an agency is not in compliance with the FFMIA, a remediation plan is required to bring the agency's financial management systems into substantial compliance.

The following are areas of FFMIA noncompliance in the Forest Service:

- The Forest Service systems (PONTIUS, PRCH, EMIS, PROP, INFRA, Central, ATSA, and PAY-CHECK7) are not compliant with Federal Financial Management System requirements.
- Forest Service revenue collections from certain business processes are not recognized as revenue when earned.
- The Forest Service used improper accounting for Budgetary Resources in special and nonrevolving trust funds.
- The Forest Service had other accounting errors and lack of budgetary/proprietary synchronization.

Since the publication of the FY 2003 financial statements, the remediation plan is in the process of being completed; therefore, it does not appear in this report.

Number and Title of Material Deficiency	Year Identified	Status
FS 91-02: Adequacy of Financial Systems	1989	Downgraded
FS 92-01: Administration of Lands Special Use Permits	1992	Downgraded
FS 00-01: Performance Reporting	2000	Downgraded
FS 01-01: Timber Sale Environmental Analysis	2001	Downgraded
FS 03-02: Systems Nonconformance	2003	Reassigned to USDA

Material Deficiency Description	Corrective Actions Remaining To Be Taken	Year Identified	Estimated Completion Date
FS-03-1 Internal Control Weakness: Overall financial management controls not adequate. Source: OIG Audit No. 08401-1-FM	Issue new policy requiring supervisory review of property transactions and to improve capitalization controls. Finalize the process to certify payroll.	FY 2003	FY 2004

Followup to the Inspector General's Recommendations

Definitions Used in the USDA Forest Service's Audit Process	
Audit Followup	A process used to ensure prompt and responsive action is taken once management decision has been reached on recommendations contained in final audit reports.
DC	A disallowed cost is a questioned cost that management sustains or agrees is not chargeable to the Government.
FTBU	Funds to be put to better use are funds that OIG has recommended could be used more efficiently if management took actions to implement and complete the recommendation, including: <ul style="list-style-type: none"> • Reductions in outlays • A deobligation of funds from programs or operations • A withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds • Costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee • An avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements • Any other savings, which are specifically identified
Management Decision	Management's evaluation of the audit findings and recommendations and the issuance of a final decision by management concerning its response to the findings and recommendations, including necessary actions and an estimated completion date.
Outstanding Audits/ Audit Recommendations	Audits and audits recommendations remaining unresolved 1 year or more past the management decision date.
Reportable Audit	Audits with management decision, but without final action 1 or more years past the management decision date.

Reportable Audit Statistics

Reportable audits are classified as being in one of three categories:

- Audits that are without final action, but for which corrective action is continuing as planned and deemed to be on schedule
- Audits behind schedule that have missed their original estimated completion dates
- Audits for which all administrative actions have been completed and the only action remaining is the collection of disallowed costs.

Outstanding OIG Audits

The Forest Service's number of outstanding audits has continued to increase over the past few years. In January 2003, the agency had 32 outstanding OIG audits that represented 155 open audit recommendations. Thus, the agency determined it needed to take an aggressive approach towards closing these audits/audit recommendations by the end of FY 2003. Although the Forest Service did not close as many audits as planned, the agency has made significant progress towards closing many of the audit recommendations. As of fiscal year end, the agency has officially closed 7 of these audits, representing 71 audit recommendations. In September, two audits representing 17 audit recommendations were added to the inventory. The plan for FY 2004 is to resolve all remaining outstanding audits by fiscal year end. See the table on page 20 for a listing of the outstanding and the status regarding their closure.

Audits on Schedule			Audits Behind Schedule			Audits Under Collection		
No.	DC(\$)	FTBU(\$)	No.	DC(\$)	FTBU(\$)	No.	DC(\$)	FTBU(\$)
1	2,500,000	–	25	1,350,000	70,269,210	–	–	–

Explanations for Inspector General (OIG) Audits Behind Schedule				
Audit Number	Audit Title	Date Issued	Estimated Completion Date	FTBU (\$)
Pending System Development, Implementation, or Enhancement				
08001-1-HQ	Forest Service Implementation of GPRA	6/28/2000	03/31/2005	—
Pending Issuance of Policy/Guidance				
08001-2-HQ	Review of Forest Service Security over Aircraft and Aircraft Facilities	03/29/2001	03/31/2004	—
08002-2-SF	Valuation of Lands Acquired in Congressionally Designated Areas	11/28/2000	11/28/2003	—
08003-2-SF	Humboldt/Toiyabe National Forest Land Adjustment Program	08/05/1998	11/28/2003	27,900,000
08003-5-SF	Land Acquisition and Urban Lot Management	12/15/2000	12/31/2003	10,329,300
08003-6-SF	Zephyr Cove Land Exchange	07/14/2000	11/28/2003	18,700,000
08099-6-SF	Security Over USDA IT Resources	03/27/2001	12/31/2003	—
08099-37-AT	FY 1991 Financial Statement Audit	09/30/1993	09/30/2003	—
08099-42-AT	FY 1992 Financial Statement Audit	11/16/1993	09/30/2003	—
08401-4-AT	FY 1995 Financial Statement Audit	05/18/2001	12/31/2003	—
08401-7-AT	FY 1997 Financial Statement Audit	05/18/2001	09/30/2003	—
08601-7-SF	Controls over Research	09/15/1995	11/28/2003	5,024,245
08601-27-SF	National Land Ownership Adjustment Team	03/28/2002	11/28/2003	—
08801-3-AT	Real and Personal Property Issues	05/18/2001	09/30/2003	—
08801-6-SF	Forest Service Land Adjustment Program San Bernadino National Forest and South Zone	01/19/2000	11/28/2003	—
Pending Receipt and/or Processing of Final Action Documentation				
08017-4-SF	Termination Settlement Proposal – Bodenhamer, Inc.	04/29/2001	09/30/2003	—
08401-9-AT	FY 1999 Financial Statement Audit	05/18/2001	09/30/2003	—
08601-4-AT	Forest Service Wildlife and Fisheries Management	09/17/1996	09/30/2003	148,049
08601-25-SF	Working Capital Fund Enterprise	08/29/2001	09/30/2003	2,600,000
08801-3-SF	Review of the Confidential Financial Disclosure System	06/16/2000	09/30/2003	—
Pending Results of Request for Change in Management Decision				
08099-9-TE	Challenge Cost Share Program	06/22/2001	09/30/2003	—
08401-1-AT	FY 1994 Financial Statement Audit	01/09/1996	10/31/2003	—
08401-8-AT	FY 1998 Financial Statement Audit	05/18/2001	09/30/2003	—
Pending Issuance of Policy/Guidance and External Action is Required				
08601-1-AT	Hazardous Waste at Active and Abandoned Mines	03/29/1996	12/31/2003	1,950,000
External Action Is Required				
08601-5-SF	Graduated Rate Fee System	04/08/1997	09/30/2005	3,617,616
08801-4-TE	Forest Service Collection on Royalties on Oil and Gas Production	08/09/1999	11/28/2003	—

Major Management Challenges and Program Risks

The following tables list the agency's accomplishments or planned actions for goals that were unmet for management challenges and program risks identified by Government Accounting Office (GAO) and OIG in FY 2003.

Major Management Challenges/ Program Risks	FY 2003 Accomplishments	FY 2004 and FY 2005 Planned Actions and/or Performance Measures
Management and Program Delivery Issues		
<p>Source: OIG Major USDA Management Challenges, November 8, 2002</p> <p>"Lack adequate internal control system to ensure compliance with standards"</p> <p>"Improper administration of grants to States and nonprofit organizations"</p> <p>"Inefficient controls over environmental analysis processes for timber sales"</p> <p>"Development of policies for partnerships with private parties"</p> <p>"Lack of appropriate goals and objectives and accurate performance measures"</p>	<p>Completed a review in Region 8 to evaluate compliance with standards listed in the Quality Assurance Guide (CFO Bulletin 2003-007) and agency policy and direction.</p> <p>Developed a new, more comprehensive internal review process, which was piloted in Region 3 and the Northeastern Area.</p> <p>Developed standard review procedures of environmental assessments, National Environmental Policy Act (NEPA) implementation, and other environmental regulations.</p> <p>Carried out plans for monitoring of Administrative Control Plan (ACP); implementing corrective actions; and developing new training requirements and tools for effective analysis of NEPA and Endangered Species Act documentation.</p> <p>Completed a national review of 52 timber sales; regional development of NEPA improvement plans; and regional implementation of a timber sale review process, selecting a specific number of sales each year to focus on OIG/Forest Service review.</p> <p>Revised the Grants and Agreements Guidebook to improve business relationships between the agency and partners.</p> <p>Established the Partnership Resource Center Web site through an agreement between the Forest Service and National Forest Foundation. This Web site contains the latest information on partnerships and the authorities and instruments available to Forest Service and partners to achieve goals.</p> <p>Drafted partnership legislation is now in final review at USDA, before moving to OMB and Congress for approval.</p>	<p>Continue to place an increased emphasis on the management control environment, including internal controls.</p> <p>Revise and publish selected policies and procedures. FY 2004 compliance reviews and other management control reviews have been planned and/or scheduled. The review plans for FY 2005 will be completed in FY 2004. In FY 2004, the Forest Service will:</p> <ul style="list-style-type: none"> • Implement a 4-year review cycle to ensure that statutory and regulatory guidance is followed and that reviews are performed in compliance with internal controls related to grants and agreement administration. • Participate in USDA implementation of an electronic grants application in the first quarter of 2004. • Participate in the USDA requirements session for an automated solution for Grants and Agreement administration and accounting. <p>Complete Budget and Finance and Acquisition Management field-level reviews at six locations (three regional offices, two research stations, and the Forest Products Lab) by June 30, 2004.</p> <p>Schedule the complete monitoring of the administrative control for fourth quarter FY 2004.</p> <p>Draft legislation for 2004 Congress authorizing the Forest Service to enter into partnerships with a range of external partners.</p> <p>Complete a partnership guide for communities, nongovernmental organizations, and others potential partners by end of the third quarter, FY 2004.</p>

**Major Management Challenges/
Program Risks**

FY 2003 Accomplishments

Management and Program Delivery Issues (continued)

Published a Grants and Agreements deskguide in November 2002, with on-going training for all specialists.

Delivered presentation by Forest Service Region 5 partnership specialist and USDA OGC on partnership issues to grants and agreements specialists at the National Grants and Agreements conference in May. A new partnership handbook was published in September 2003.

Completed 2003 Strategic Plan Update (delivery to USDA expected by September 30, 2003) with newly refined output measures and linkages. These measures were then used in the FY 2005 budget development process and in the design of the PAS.

**FY 2004 and FY 2005 Planned Actions
and/or Performance Measures**

Develop a leadership guide for Forest Service leadership and decisionmakers by end of third quarter FY 2004 that addresses the professional skills needed before entering into partnerships.

Develop an assessment tool for field units' use by end of 4th quarter FY 2004 that assesses if the unit has the necessary resources, personnel, and skills for entering into partnerships.

Continue the collaboration with the National Forest Foundation for the Partnership Resource Center Web site.

Design PAS system from November 2003 through March 2004.

Implement PAS beginning in August 2004.

National Fire Plan

Established project criteria for rehabilitation and restoration projects.

Established all costs in the NFP fire model.

Source:
OIG Major USDA Management Challenges,
November 8, 2002

"Waste and misuse of project funds"

Grant and Agreement Administration

Revised and piloted the process in Region 3, including steps necessary to follow statutory and regulatory guidance. Based on the results of the pilot study, this process will ensure that regional reviews related to grant and agreement administration will be performed to compliance.

The CFO issued national bulletins to clarify FFIS Project Cost Accounting (PCAS) procedures and to require their use for reimbursable agreements. The Financial Policy and Analysis Staff is responsible for issuing national direction contained in the CFO bulletins; Financial Accounting and Operations Staff and the FFIS Help Desk support field operations for PCAS processing.

Implement the 4-year review cycle, encompassing all regions and stations. Where problems are identified in future reviews, corrective action will be developed and implemented.

Implement the USDA-wide e-Grants application in the first quarter, FY 2004.

Participate in the Department-wide requirements session for an automated solution for grants and agreements administration and accounting.

Complete the scheduled Budget, Finance, and Acquisition Management field-level reviews at six locations— three regional offices, two research stations, and the Forest Products Lab—by June 30, 2004.

Source:
OIG Major USDA Management Challenges,
November 8, 2002

"Grants used for unintended purpose"

"Federal funds not matched"

"Unauthorized expenditures"

"Did not conform with Federal Grants and Cooperative Agreements Act, OMB, and USDA regulations"

"Accounting records mismanaged"

**Major Management Challenges/
Program Risks**

FY 2003 Accomplishments

**FY 2004 and FY 2005 Planned Actions
and/or Performance Measures**

Security of Aircraft

Source:
GAO Report entitled, "Major Management Challenges and Program Risks," GAO-03-96, (January 2003)

"Lack of security standards"

"Lack of risk assessments to identify threats and misuse of aircraft by terrorists"

"Lack of security on air bases"

Developed a National Aviation Security Policy that includes security standards for all aviation facilities, linking agency response to the Homeland Security Advisory System in the first half of the fiscal year. These standards will be incorporated at all facilities that undergo an upgrade or new construction.

Implemented security improvements at the highest priority facilities.

Developed regional security procedures to respond to changes in the Homeland Security Advisory System threat levels.

Reclassified all pilot positions, both Government and contract, from "Low Risk" to "Moderate Risk Public Trust" positions, requiring a higher level of background check for these positions.

Continued to undertake efforts to improve aviation security. Significant accomplishments during this period included ongoing consultation and coordination with the Transportation Security Administration (TSA) regarding aviation security policy and procedures. In consultation with TSA, the Forest Service issued a firefighter travel safety alert addressing security screening and travel requirements.

Began development of procedures for aviation security technology review and assessment procedures. Continued to review Forest Service policy handbooks and manuals for needed changes and modifications related to aviation security.

Developed at the Missoula Technology and Development Center an evaluation protocol for security technology usable with aircraft, which enables new security technologies to protect the agency's aviation assets. Contingency plans were developed to use funds, where available, to implement needed security improvements at the highest risk facilities.

Complete the National Aviation Security Policy that contains security standards for all aviation facilities and links agency response actions to the Homeland Security Advisory System. These standards will be incorporated at all facilities that undergo new construction or upgrading. The policy will be finalized in the first quarter of FY 2004.

Include in the Forest Service National Aviation Security Policy a formal methodology requiring all regions to conduct risk and vulnerability assessments for all aircraft. Also, the National Aviation Security policy requires a twice-a-year review of these assessments. The policy is scheduled to become effective the first quarter FY 2004.

Establish a position that will assure continued monitoring, review, and analysis of adherence/compliance to aviation security policies and procedures in FY 2004.

Conduct a test of the "aircraft electronic security system" at the Missoula Technology and Development Center in early FY 2004. Pending funding availability, begin purchasing these systems in the second quarter of FY 2004

**Major Management Challenges/
Program Risks**

Source:
GAO Report entitled, "Major Management Challenges and Program Risks", GAO-03-96, (January 2003)

"Accountability of funds expended"

"Lack of good performance measures and linkage to the budget"

"Coordination with other Federal agencies"

"Strong Internal Control is Critical to Program Delivery"

FY 2003 Accomplishments

Improving Performance and Accountability

Refined agency output measures for the FY 2005 budget, and developed linkages to these measures in the 2003 Strategic Plan Update. These same measures are tied to activities used to develop the budget (BFES) and will be incorporated in the Forest Service's PAS, which will track agency performance against the measures.

Clarified which executive is responsible for GPRA requirements and the PMA Budget and Performance Integration Initiative, as required by the GAO-issued report titled, Forest Service: Little Progress on Performance Accountability Likely Unless Management Addresses Key Challenges, (number GAO-03-503, May 2003).

Reaffirmed that Sally Collins, as the Associate Chief and Chief Operating Officer, is and continues to be the senior executive responsible for agency performance accountability, including the development of the PAS.

**FY 2004 and FY 2005 Planned Actions
and/or Performance Measures**

Implement PAS by accomplishing these milestones throughout FY 2004 and FY 2005:

- System design—from November 2003 through March 2004
- Alignment and integration with key systems (FFIS, INFRA, etc.)—November 2003 through August 2004
- Full system implementation—August 2004 through January 2005

Initiate requirement for line officer/manager certification of reported accomplishments

Use a two-step process to evaluate high-risk processes within the agency, including risk assessment and the agency's internal review process. Milestones include:

- Conduct agency risk assessment by June 30, 2004
- Issue new policy and procedures by September 2005
- Annually conduct minimum of two Chief Reviews
- Annually conduct reviews for financial compliance and internal control based on highest priorities
- Annually conduct program/activity reviews
- Annually conduct acquisition internal control reviews

Forest Service's Financial Highlights for 2003

The Forest Service annually produces a series of financial statements to summarize the financial activity and associated financial position of the agency. The principal statements include a Consolidated Balance Sheet, Statement of Net Cost, Statement of Change in Net Position, Statement of Budgetary Resources, and Statement of Financing. The agency's goal in producing these statements is to provide relevant, reliable, and accurate financial information related to Forest Service activities. The USDA Forest Service restated its FY 2002 financial statements. The tables below reflect the restated amounts for FY 2002.

Through analysis of the agency's September 30, 2003, and September 30, 2002, financial statements, the following key points are highlighted.

Assets

The Forest Service reports \$7.3 billion in assets at the end of September 30, 2003. This represents an increase of 6 percent over fiscal year 2002 amounts. This change is attributed to an increase in Fund Balance with Treasury because of higher appropriations from Congress, some of which were received at year-end.

The three major asset categories are shown in the table below.

General Property, Plant and Equipment (General PP&E) consists primarily of forest road surface improvements, culverts, bridges, campgrounds,

administrative buildings, other structures, and equipment. The Fund Balance with Treasury consists primarily of funds derived from congressional appropriations and funds held in trust for accomplishing purposes specified by law. Finally, Accounts Receivable consists of amounts due from other Federal entities or the public as a result of the delivery of goods, or services, and specific activities performed by the Forest Service.

General PP&E includes assets acquired by the Forest Service to be used for conducting business activities, such as providing goods or services. General PP&E does not include the value of heritage assets (agency assets that are historical or significant for their natural, cultural, aesthetic, or other important attributes that are expected to be preserved indefinitely) or the value of stewardship assets (primarily land held by the agency as part of the NFS and not acquired for, or in connection with, other General PP&E). Although heritage and stewardship assets may be considered priceless, they do not have a readily identifiable financial value and are not recorded within the financial statements of the Forest Service. A more in-depth discussion of stewardship assets is presented in the Required Supplementary Stewardship Information section in this report.

Fund Balance with Treasury (Congressional Appropriations and Trust Funds) is available to the agency to pay authorized expenses and to finance purchase commitments based on apportionments by the OMB.

Exhibit 1: Assets

	2003 (In Millions)	2002 (In Millions)	Difference	
			Dollars	Percentages
General Property, Plant and Equipment	\$3,851	\$3,909	\$(58)	(1)%
Fund Balance with Treasury	3,293	2,825	468	17%
Accounts Receivable, Intragovernmental and other	152	122	31	25%
Total of Major Categories	\$7,296	\$6,856	\$441	6%
Other Asset Categories	15	32	(17)	(53)%
Grand Total Assets	\$7,311	\$6,888	\$423	6%

Liabilities and Net Position

The Forest Service reported \$2.3 billion in liabilities at the end of September 30, 2003, representing probable future expenditures arising from past events. This amount represents an increase of 4 percent from September 30, 2002 amounts. The major liability amounts, unfunded leave, Federal Employees' Compensation Act (FECA) benefits, and custodial liabilities appear in exhibit 2.

Federal agencies, by law, cannot make any payments unless Congress has appropriated funds for such payments and the OMB has apportioned the funds. A portion of liabilities reported by the Forest Service September 30, 2003, however, is currently not funded by congressional appropriations. For example, the unfunded amounts needed to pay for employees' annual leave, earned but not yet taken, and FECA benefits that have accrued to cover liabilities associated with employees' death, disability, medical, and other approved costs that have not yet been paid. Another major category is the custodial liability funds that belong to non-Forest Service entities. The largest share of this amount is funds for payments to States. These amounts are held by the agency in special receipt accounts pending transfer to the appropriate party.

A net position of \$5 billion is reported for FY 2003. This represents an increase of 7 percent over FY 2002 amounts. The change is attributed to numerous factors, including a decrease in Net Cost of Operations. Net Position represents unexpended appropriations consisting of undelivered orders, as well as unobligated funds and the cumulative results of operations, as shown in exhibit 3.

Unexpended appropriations reflect spending authority made available by congressional appropriation that has not yet been used. Cumulative results of operations reflect the cumulative effect of financing in excess of expenditures.

Net Cost of Operations

The Forest Service's Net Cost of Operations was \$5.5 billion for each of the years ended September 30, 2003 and 2002.

Earned Revenue from the Public include such items as the sale of forest products (timber and firewood); recreational opportunities (campgrounds); mineral resources; livestock grazing; and special land use fees for power generation, resorts, and other business activities conducted on NFS lands. The Forest Service also performs reimbursable activities such as work completed for individuals and businesses cooperating with the agency, as well as work completed mainly for other Federal agencies, in accordance with the Economy Act.

The Forest Service distributes a portion of earned revenues to eligible States in accordance with existing laws. In FY 2003, approximately \$387 million of FY 2002 receipts were distributed to 41 States and Puerto Rico. This represents an increase of 3 percent over FY 2002 distribution. These payments to the States, in accordance with the Secure Rural Schools and Community Self-Determination Act of 2000, benefit public schools and roads in communities hosting national forests and pays for local forest stewardship projects.

Exhibit 2: Liabilities

	2003 (In Millions)	2002 (In Millions)	Difference	
			Dollars	Percentages
Unfunded Leave and FECA Benefits	\$634	\$600	\$34	6%
Custodial	104	211	(107)	(51)%
Other Liability Categories	1,583	1,416	167	12%
Grand Total Liabilities	\$2,321	\$2,227	\$(94)	(4)%

Exhibit 3: Net Position

	2003 (In Millions)	2002 (In Millions)	Difference	
			Dollars	Percentages
Unexpended Appropriations	\$1,517	\$1,762	\$(245)	(14)%
Cumulative Results of Operations	3,473	2,899	574	20%
Total Net Position	\$4,990	\$4,661	\$329	7%

Expenses

Forest Service program costs for the year ended September 30, 2003, are \$6.5 billion before elimination entries. This represents a 5-percent increase from FY 2002. The change is attributable mostly to an increase in Intragovernmental Net Costs resulting from Forest Service’s assistance to other Federal agencies in dealing with national emergencies such as the space shuttle (Columbia) recovery, containment of the Exotic New Castle Disease outbreak, and Hurricane Isabel.

Budgetary Resources

The Forest Service had budget authority of approximately \$5.9 billion in FY 2003 and \$5.1 billion in FY

2002. The funding received in FY 2003 represents an increase of 15 percent over that received in FY 2002. The increase was mainly attributable to funds necessary to fight and suppress wildland fires. These are general Government funds administered by the Department of the Treasury and appropriated for the agency’s use by Congress. A portion of the appropriation, \$636 million in FY 2003, was designated by Congress to repay agency funds transferred from other accounts during previous fiscal years for emergency wildland fire management requirements. The agency must routinely exercise its statutory authority to transfer from other funds available to fight wildland fires. When such transfers take place, the agency requests appropriations from Congress to repay transferred funds in order to accomplish the purpose for which the funds were first provided.

Exhibit 4: Gross Expenses

	2003 (In Millions)	2002 (In Millions)	Difference	
			Dollars	Percentages
Program Costs				
National Forests and Grasslands	\$3,453	\$3,322	\$131	4%
Forest & Rangeland Management	310	250	60	24%
State & Private Forestry	388	285	103	36%
Fire & Aviation Management	1,952	2,186	(234)	(11)%
Working Capital Fund	366	254	112	44%
Total Program Costs	\$6,469	\$6,297	\$172	3%

Forest Service's Performance Highlights for 2003

The key performance areas for the Forest Service executive leaders are Mission Results, Business Results, Civil Rights, Homeland Security, and the NFP. Significant FY 2003 accomplishments are addressed in these performance areas. In addition, trend and performance information regarding the Forest Service performance indicators immediately follow this discussion.

Accomplishments Toward Mission Results

The mission of the Forest Service continues to be clearly linked to the overall mission of the USDA, and more specifically to the USDA's Natural Resources and Environment (NRE) Mission Area. Many of the policies initially discussed, developed, and proposed with the Under Secretary, Council of Environmental Quality (CEQ), OMB, and with the Department of the Interior (DOI) were finalized in FY 2003 and are now being implemented. These include significant progress implementing the Healthy Forests Initiative announced in August 2002.

On the legislative front, the Forest Service worked with the Administration to get stewardship contracting authority enacted. The Healthy Forests Restoration Act (H.R. 1904) was approved in the House and the bill has moved out of committee in the Senate. Forest Service administrative accomplishments include:

- Established two categorical exclusions for priority fuel treatment and forest restoration projects.
- Revised the Forest Service administrative appeals process to expedite appeals of forest health projects.
- Implemented guidance developed to facilitate Healthy Forests Initiative projects that involve endangered species.
- Implemented guidance from CEQ to improve environmental assessments for priority forest health projects.

Other accomplishments in this area include:

- Identified the four major threats to the national forests and the Nation's forest lands as fires and fuels, invasive species, loss of open space, and unmanaged recreation.
- Worked with USDA and the Administration to develop an understanding of the serious forest health/forest fuels situation with high potential for catastrophic fires, resulting in a commitment by

the President to address these issues through the Healthy Forests Initiative.

Accomplishments Toward Business Results

Among the Forest Service's highest priorities is leadership's attention to the business and financial operations and systems of the agency. In FY 2002, and again in FY 2003, the Forest Service received an unqualified ("clean") audit opinion on its financial statements.

The Forest Service revised its 5-year strategic plan in its 2003 update to the Strategic Plan for fiscal years 2004-2008 that focuses on outcomes to achieve sustainable resource management and addresses the four major threats, noted above. This update sets agency goals and objectives for fiscal years 2004 through 2008. As a subset of this document, a strategic plan for the entire Business Operations program was developed that describes performance expectations for all administrative staffs and programs.

The Forest Service is continuing its efforts to ensure progress towards achieving performance accountability. In 2003, the agency developed a comprehensive plan to implement a PAS. As of FY 2003 year-end, the agency completed an assessment of existing processes and systems related to the budget, performance, and accountability. The Forest Service also began an effort to develop a consolidated set of activities linking objectives and performance measures, from the Strategic Plan for Fiscal Years 2004-2008 (updated in FY 2003), to the agency's budget. The PAS is scheduled for initial implementation in FY 2005, for budget execution and reporting purposes, and for full implementation in FY 2006, incorporating budget formulation. A pilot is currently underway in Region 10 (Alaska) to develop a set of operational level measures to support budget and strategic plan integration.

In support of the President's Management Initiatives, the Forest Service continues to implement competitive sourcing and business process re-engineering through the A-76 process. The Forest Service has also developed and implemented a strategy for cost containment on large wildfires.

Accomplishments Toward Civil Rights

The agency's commitment to Civil Rights continues to be demonstrated by performance and follow through. All senior executives are held accountable for meeting goals in civil rights. Forest Service Leadership reviews all GS-14 and above personnel

selections for the degree of outreach and the presence of qualified candidates on certificates that would contribute to diversity at those upper grade levels. Civil Rights goals are clearly displayed in the strategic plan and the Business Operations Strategic Plan. The Civil Rights budget is linked to the strategic plan and the annual performance plan.

Other FY 2003 accomplishments include:

- Established a Tribal Relations Coordinator.
- Launched a leadership development and succession planning program.
- Resolved informal EEO complaints at a rate of 52 percent.
- Received a per capita filing rate of 0.4 percent (USDA's per capita rate is 0.6 percent) for formal complaints.

There was a significant decrease in formal complaints filed in FY 2003—149 formal complaints filed compared to 207 formal complaints filed in FY 2002. Through September 30, 2003, 84 formal complaints were closed by settlements or withdrawals. This continues a positive trend that began in FY 2002.

Accomplishments Toward Homeland Security

The Forest Service supports the Administration's objectives regarding homeland security. FY 2003 accomplishments include the completion, training, and implementation of the Continuity of Operations Plan for Forest Service national headquarters and implementation of actions called for in the Occupant Emergency Plans.

The Forest Service is a key participant with USDA, the Department of Homeland Security, and other Federal Government security agencies on border issues, as well as antiterrorist contingency planning and exercises. Also, the agency is in the process of implementing the necessary actions, as identified in the security assessment of Air Tanker Bases and Regional Aviation facilities. The Major Management Challenges and Program Risks section of this report includes more information on these actions.

Accomplishments Toward National Fire Plan

With more than \$226 million budgeted for hazardous fuels treatments in 2003, the Forest Service treated approximately 1.4 million acres of NFS lands. Approximately 1 million of these acres are in the wildland-urban interface area. Forest Service Chief Dale Bosworth personally serves as Chair of the Wildland Fire Leadership Council, providing leadership for completion of interagency performance measures to improve accountability and communication of NFP accomplishments. Progress continues to be made in each of the five components of the NFP—firefighting, rehabilitation, hazardous fuels treatment, community assistance, and accountability. Initial attack continues to be an accomplishment highlighted by once again achieving a 98.4-percent success rate as a result of making additional resources available on Federal lands, as well as other jurisdictions.

Also in 2003, 14 National Firewise Communities workshops have been held throughout the country. Since 2000, more than 30 workshops have been held for over 3,500 participants, including homeowners, builders, fire departments, emergency managers, realtors, planners, American Red Cross, and others in over 1,000 communities and in 48 States.

2003 Forest Service Performance Indicators and Trends

The Budget and Performance Initiative of the PMA highlights the critical need for Federal agencies to integrate their budget and performance responsibilities. The preparation of the Forest Service Performance and Accountability Report—Fiscal Year 2003 is an excellent example of this initiative between the Program and Budget (P&BA) and Strategic Planning and Resource Assessment (SPRA) staffs.

In “Performance Reporting Issues for FY 2003 Forest Service Performance Accountability Report,” dated August 21, 2003, the CFO and the Deputy Chief for Programs, Legislation, and Communication jointly directed the region, station, and area directors to report FY 2003 performance accomplishments to P&BA Staff by September 19, 2003. All FY 2003 accomplishment information was needed prior to year-end in order to meet external reporting requirements and to meet the needs of FY 2005 Budget Justification deadlines.

Performance information was certified and reported to P&BA by the deadline, but the results represented an actual and estimated accomplishment, due to the accelerated schedule. After P&BA verified and validated the information, it was released to the SPRA Staff for inclusion in the FY 2003 Performance and Accountability Report.

The certification procedure used in this process applies to the actual and estimated results. It provides reasonable assurance that the information is relevant and reliable. Supporting documentation of the methodology and the measures used to make the estimates was maintained at the reporting units, as requested in the letter mentioned above. All performance numbers are entered in the 10-month actual and 2-month estimate columns, but the data is footnoted if the reporting period differs.

Final accomplishment information was due December 1, 2003, for all nongrant-related accomplishments. All grant-related accomplishments were due December 15, 2003. As they become available, final 12-month actual accomplishments that differ from reported information will be posted on the Web version of the report and will be updated in the FY 2004 Performance and Accountability Report.

Despite a focus on consistency and a convergent evolution, there are several indicators that are not 10-month actual/2-month estimates. Forest products are reported on a 9-month actual and 3-month estimate basis since their performance reporting systems are based on fiscal year quarters. Also, the three performance indicators for Law Enforcement and Investigations (LEI) were reported to the P&BA staff directly by the Washington Office LEI staff. These three line items are considered 12-month estimates, as the LEI performance accountability system, LEIMARS, tracks performance on the calendar, rather than the fiscal, year. Finally, the NFP indicators are tracked in the NFP performance accountability system, National Fire Plan Operations and Reporting System (NFPORS), with results representing 12-month actual performance. All other exceptions are footnoted in the 2003 Planned and Actual Performance table.

Certified performance information for FY 2003 is represented in the following three tables:

- Exhibit 1: 2003 Planned and Actual Performance.
- Exhibit 2: Performance Trends 1999-2003.
- Exhibit 3: Data Sources for Actual and Estimated Performance (includes reporting period).

For this Performance and Accountability Report, the agency's 2003 Program Direction provides the performance indicators listed in the 2003 PLANNED column below.

Exhibit 5: 2003 Planned and Actual Performance

2003 Performance Indicators	Units of Measure	2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
WILDLAND FIRE						
Firefighting production capability	Chains/hour	N/A ²	12,652	465	13,117	N/A
Wildland-urban interface high-priority hazardous fuels mitigated	Acres	807,649	N/A	N/A	1,041,094 ³	129
Nonwildland-urban interface hazardous fuels in condition class 2 or 3 treated in fire regimes 1, 2, or 3	Acres	645,910	N/A	N/A	623,060 ⁴	96
COMMUNITY ASSISTANCE						
Volunteer assistance generated	Days	275,000	65,920	132,254	198,174	72
Communities receiving technical assistance	Communities	8,820	3,068	931	3,999	45
Participating communities	Communities	11,050	3,618	7,251	10,869	98
COOPERATIVE FORESTRY						
NIPF stewardship management plans	Plans	16,594	4,069	17,726	21,795	131
NIPF lands under approved stewardship management plans	Acres (Thousands)	1,617	528	1,049	1,577	98
Conservation of environmentally important forests threatened by conversion to nonforest uses	Acres	676,799	N/A	N/A	292,583 ⁵	43
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions.	Communities	750	N/A	N/A	699 ⁶	93

²Not available as there was no planned number for fire-fighting production capability in the 2003 Program Direction.

³Reported as 12-month ACTUAL performance.

⁴Reported as 12-month ACTUAL performance.

⁵Reported as 12-month ACTUAL performance.

⁶Reported as 12-month ACTUAL performance.

Exhibit 5: 2003 Planned and Actual Performance (continued)

2003 Performance Indicators	Units of Measure	2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
FOREST HEALTH MANAGEMENT						
Forest health acres surveyed, Federal lands	Acres (Thousands)	250,000	118,991	67,566	186,557	75
Forest health acres protected, Federal lands	Acres (Thousands)	370	131,012	368.48	499,492	134
Forest health acres surveyed, cooperative lands	Acres (Thousands)	417	N/A	N/A	419	100
Forest health acres protected, cooperative lands	Acres (Thousands)	932	N/A	N/A	855	92
STATE FIRE ASSISTANCE						
State fire assistance to communities	Communities	840	N/A	N/A	3,680	438
RESEARCH						
Research products, tools, and technologies developed	Products	6,899	4,832	906	5,738 ⁷	83
FIA products, tools, and technologies developed	Products	350	294	46	340	97
Percent of FIA target plots measured	Percent	83	0	0	81	97
Research products, tools, and technologies developed (fire)	Products	600	619	131	750	125
LAW ENFORCEMENT ⁸						
Enforcement of laws and regulations	Percent	50	N/A	N/A	65	130
Criminal investigations	Percent	72	N/A	N/A	55	76
Eradicate cannabis	Plants	453,013	N/A	N/A	155,000	34

⁷Not verified at time of 2003 audit. Performance number should be 10,986.

⁸Reported as a 12-month ESTIMATE performance (calendar year).

Exhibit 5: 2003 Planned and Actual Performance (continued)

2003 Performance Indicators		2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
Units of Measure						
FOREST PRODUCTS *						
	Timber volume offered for sale—appropriated	2,823,091	1,185,913	1,526,569	2,712,482	96
	Timber volume sold—all funding sources	3,416,598	1,462,548	727,036	2,189,584	64
	Approved timber management NEPA documents (timber sales), all funding sources.	502	277	70	347	69
	Special products permits administered	206,221	184,597	26,107	210,704	102
	Timber volume harvested—all funding sources	3,571,240	2,038,483	584,709	2,623,192	73
	Timber volume offered for sale—Salvage	1,178,909	701,456	489,585	1,191,041	101
RANGE						
	Grazing allotment administration to standard	29,182,643	30,195,421	7,774,822	37,970,243	130
	Grazing allotment decisions signed (Analyzed/NEPA)	451	189	119	308	68
PLANNING, INVENTORYING, AND MONITORING						
	Land and Resource Management Plan (LRMP) amendments underway	72	47	12	59	82
	LRMP revisions/new plans underway	27	34	4	38	139
	Forest land rehabilitation and restoration for NFP	N/A	415	15	430	N/A
	GIS resource mapping	0	35,197	411	35,608 (BASELINE)	N/A
	LRMP monitoring and evaluation reports	117	47	54	101	86
	Watershed assessments completed	142	89	41	130	92
	Broadscale assessments underway	N/A	42	4	46	N/A
	Above-project integrated inventories	27	31.8	16.9	48.8	180

*Reported as 9-month ACTUAL/3-month ESTIMATED performance.

Exhibit 5: 2003 Planned and Actual Performance (continued)

2003 Performance Indicators		2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
Units of Measure						
WILDLIFE AND FISH						
Interpretation and education products provided	Products	2,802	3,806	248	4,054	145
Terrestrial wildlife habitat restored/enhanced	Acres	284,396	204,994	33,205	238,199	84
Streams restored or enhanced	Miles	2,000	1,406	281	1,687	84
Lakes restored or enhanced	Acres	20,212	16,733	596	17,329	86
VEGETATION AND WATERSHED MANAGEMENT						
Soil and water resource improvements	Acres	17,758	20,178	4,024	24,202	136
Noxious weed treatment	Acres	117,125	118,607	17,119	135,726	116
Vegetation improvements	Acres	1,429,574	800,466	122,852	923,318	65
Vegetation established	Acres	41,564	46,580	4,996	51,576	124
ECAP—Environmental compliance and protection	Activities	N/A ¹⁰	245	20	265	N/A
Manage air quality	PSD	11,782,575	7,047,437	1,826,373	8,873,810	75
LANDS						
Land use proposals and applications processed	Permits	2,546	2,609	359	2,968	117
Cases resolved through litigation or processed through administrative procedure	Cases	527	490	84	574	109
Authorizations (nonrecreation) administered to standard	Permits	12,425	10,365	1,466	11,831	95
Boundary line marked/maintained	Miles	3,297	2,299	817	3,116	94
Acres adjusted	Acres	27,710	22,117	5,390	27,507	99
Acres acquired	Acres	66,070	65,264	6,510	71,774	109

¹⁰N/A is not available as there was no planned number for ECAP in the 2003 Program Direction.

Exhibit 5: 2003 Planned and Actual Performance (continued)

2003 Performance Indicators		Units of Measure	2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
CAPITAL IMPROVEMENT AND MAINTENANCE							
Miles of trails maintained to standard	Miles	23,993	26,031	3,537	29,568	123	
Miles of trail improved to standard	Miles	1,292	837	146	983	76	
Miles of road improved	Miles	1,470	1,198	273	1,471	100	
Miles of high clearance road maintained	Miles	31,963	33,317	5,330	38,647	121	
Miles of road decommissioned	Miles	1,521	659	229	888	58	
Miles of passenger car road maintained	Miles	24,549	28,413	4,457	32,870	134	
Facility Condition Index	FCI	N/A	3,813	347	4,160	N/A	
Capital improvements completed for facilities over \$250,000	Improvements	125	51	12	63	50	
MINERALS AND GEOLOGY							
Operations administered to standard	Operations	14,503	12,276	2,045	14,321	99	
Operations processed	Operations	9,684	7,623	1,230	8,853	91	
Geologic permits and reports completed	Reports	1,176	951	165	1,116	95	
RECREATION, WILDERNESS, AND HERITAGE							
Wilderness areas managed to standard	Areas	71	59	17	76	107	
Recreation special use authorizations administered to standard	Permits	14,042	12,473	1,483	13,956	99	
Products provided to standard	Products	20,544	13,288	2,364	15,652	76	
Heritage resources managed to standard	Sites	8,513	6,525	979	7,504	88	
General forest areas managed to standard	Days	2,431,996	1,853,771	357,925	2,211,696	91	
Operation of developed sites to standard	PAOTS (persons at one time)	99,277,344	90,493,321	18,121,333	108,614,654	109	

Exhibit 5: 2003 Planned and Actual Performance (continued)

2003 Performance Indicators		2003 Planned	10-Month Actual	2-Month Estimated	Projected 2003 Performance	Percent Accomplished
NATIONAL FIRE PLAN						
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions	Communities	97	159	95	254	306
Forest health acres protected, cooperative lands (NFP)	Acres (Thousands)	205	31	23	54	26
Forest health acres protected, Federal lands (NFP)	Acres (Thousands)	203	723	5	728	359
Assistance to volunteer fire departments (NFP)	Departments	2,930	1,879	1,320	3,868	132
State fire assistance to communities (NFP)	Communities	1,545	1,423	5,043	8,187	530
Assistance to volunteer fire departments	Departments	1,790	1,999	1,097	2,271	127

Exhibit 6: Performance Trends for 1999–2003

Trends in Performance Indicators		Fiscal Year Actual					Projected 2003
		1999	2000	2001	2002	2003	
Unit of Measure							
WILDLAND FIRE							
Firefighting production capability	Chains/hour	N/A ¹¹	N/A	N/A	N/A	13,117	
Wildland-urban interface high-priority hazardous fuels mitigated	Acres	N/A	N/A	611,551	764,367	1,041,094	
Nonwildland-urban interface hazardous fuels in condition class 2 or 3 treated in fire regimes 1, 2, or 3	Acres	1,421,281	772,375	750,146	493,536	623,060	
COMMUNITY ASSISTANCE							
Volunteer assistance generated	Days					198,174	
Communities receiving technical assistance	Communities	2,450	2,450	121	768	3,999	
Participating communities	Communities	10,514	10,547	11,021	11,686	10,869	
COOPERATIVE FORESTRY							
NIPF stewardship management plans	Plans	N/A	N/A	N/A	N/A	21,795	
NIPF lands under approved stewardship management plans	Acres (Thousands)	1,866,000	1,437,360	1,616,986	1,640,000	1,577	
Conservation of environmentally important forests threatened by conversion to nonforest uses	Acres	19,281	31,263	84,709	57,009	292,583	
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions	Communities	740	928	959	970	699	

¹¹N/A is not available or not applicable.

Exhibit 6: Performance Trends for 1999–2003 (continued)

Trends in Performance Indicators	Fiscal Year Actual					Projected 2003
	Unit of Measure	1999	2000	2001	2002	
FOREST HEALTH MANAGEMENT						
Forest health acres surveyed, Federal lands	Acres (Thousands)	N/A	N/A	N/A	N/A	186,557
Forest health acres protected, Federal lands	Acres (Thousands)	N/A	175	198	302	499,492
Forest health acres surveyed, cooperative lands	Acres (Thousands)					419
Forest health acres protected, cooperative lands	Acres (Thousands)	NR ¹²	562	417	950	855
STATE FIRE ASSISTANCE						
State fire assistance to communities	Communities	2,450	2,450	121	768	3,680
RESEARCH						
Research products, tools, and technologies developed	Products	NR	NR	NR	8,429	5,738 ¹³
FIA products, tools, and technologies developed	Products	NR	NR	NR	402	340
Percent of FIA target plots measured	Percent	NR	42	65	73	81
Research products, tools, and technologies developed (fire)	Products	N/A ¹⁴	0	63	783	750
LAW ENFORCEMENT AND INVESTIGATIONS						
Enforcement of laws and regulations	Percent	28	30	44	50	65
Criminal investigations	Percent	49	51	43	72	55
Eradicate cannabis	Plants	NR	733,427	733,427	396,880	155,000

¹²NR is not reported or not required.

¹³Not verified at time of 2003 audit. Performance should be 10,986.

¹⁴N/A is not applicable or not available.

Exhibit 6: Performance Trends for 1999–2003 (continued)

Trends in Performance Indicators	Fiscal Year Actual					Projected 2003
	Unit of Measure	1999	2000	2001	2002	
FOREST PRODUCTS¹⁵						
Timber volume offered for sale—appropriated	CCF (100 cubic ft.)	4,370,000	3,220,000	3,180,343	3,073,824	2,712,482
Timber volume sold—all funding sources	CCF	N/A	N/A	N/A	N/A	2,189,584
Approved timber management NEPA documents (timber sales)—all funding sources	Documents	NR	NR	NR	NR	347
Timber volume harvested—all funding sources	CCF	5,877,142	5,084,853	3,530,158	3,402,989	2,623,192
Special products permits administered	Permits	NR	NR	NR	NR	210,704
Timber volume offered for sale—salvage	CCF	1,381,345	997,119	1,347,181	1,169,885	1,191,041
RANGE						
Grazing allotment administration to standard	Acres	NR	45,225,600	44,010,000	21,016,978	37,970,243
Grazing allotment decisions signed (Analyzed/NEPA)	Allotments	464	354	184	Not Verified ¹⁶	308
PLANNING, INVENTORYING, AND MONITORING						
Land and Resource Management Plan (LRMP) amendments underway	Amendments	NR	15	82	198	59
LRMP revisions/new plans underway	Plans	11	5	8	6	38
Forest land rehabilitation and restoration for NFP	Projects	N/A	N/A	329	506	430
GIS resource mapping	Quads	N/A	N/A	N/A	N/A	35,608 (Baseline)
LRMP monitoring and evaluation reports	Reports	101	87	104	92	101
Watershed assessments completed	Assessments	169	130	154	134	130
Broadscale assessments underway	Assessments	N/A	N/A	N/A	N/A	46
Above-project integrated inventories	Acres (Millions)	63.8	58.7	124.0	30.4	48.8

¹⁵Projected performance is based on 9-month ACTUAL and 3-month ESTIMATE

¹⁶Not verified at time of 2002 audit.

Exhibit 6: Performance Trends for 1999–2003 (continued)

Trends in Performance Indicators	Fiscal Year Actual					Projected 2003
	Unit of Measure	1999	2000	2001	2002	
WILDLIFE AND FISH						
Interpretation and education products provided	Products	NR	2,885	2,885	3,886	4,054
Terrestrial wildlife habitat restored or enhanced	Acres	266,774	192,373	241,123	209,472	238,199
Streams restored or enhanced	Miles	2,194	1,687	2,193	2,001	1,687
Lakes restored or enhanced	Acres	16,346	18,147	18,428	18,217	17,329
VEGETATION AND WATERSHED MANAGEMENT						
Soil and water resource improvements	Acres	35,562	29,899	31,863	Not Verified	24,202
Noxious weed treatment	Acres	87,000	121,946	143,938	130,868	135,726
Vegetation improvements	Acres	NR	NR	4,539,798	170,044	923,318
Vegetation established	Acres	268,520	217,215	195,593	160,814	51,576
ECAP environmental compliance and protection	Activities	NR	52	110	43	245
Air quality managed	PSD	60	65	102	Not Verified	8,873,810
LANDS						
Land use proposals and applications processed	Permits	5,984	3,907	3,870	2,791	2,968
Cases resolved through litigation or processed through administrative procedure	Cases	332	263	292	441	574
Authorizations (nonrecreation) administered to standard	Permits	18,726	12,108	12,907	11,498	11,831
Boundary line marked/maintained	Miles	3,102	2,880	3,187	2,455	3,116
Acres adjusted	Acres	337,396	75,295	35,132	15,553	27,507
Acres acquired	Acres	151,439	139,445	128,913	42,817	71,774

Exhibit 6: Performance Trends for 1999–2003 (continued)

	Trends in Performance Indicators						Projected 2003
	Fiscal Year Actual						
	Unit of Measure	1999	2000	2001	2002		
CAPITAL IMPROVEMENT AND MAINTENANCE							
Miles of trails maintained to standard	Miles	NR	24,065	40,800	30,649	29,568	
Miles of trail improved to standard	Miles	NR	1,510	1,245	1,159	983	
Miles of road improved	Miles	NR	612	370	1,131	1,471	
Miles of high clearance road maintained	Miles	NR	69,984	51,576	49,299	38,647	
Miles of road decommissioned	Miles	2,907	2,545	2,164	734	888	
Miles of passenger car road maintained	Miles	NR	51,733	30,056	27,499	32,870	
Facility Condition Index	FCI	NR ¹⁷	NR	NR	NR	4,160	
Capital improvements completed for facilities over \$250,000	Improvements	N/A	N/A	N/A	N/A	63	
MINERALS AND GEOLOGY							
Operations administered to standard	Operations	9,189	NR	8,254	8,298	14,321	
Operations processed	Operations	12,247	11,171	7,931	8,328	8,853	
Geologic permits and reports completed	Reports	NR	NR	NR	1,048	1,116	
RECREATION, WILDERNESS, AND HERITAGE							
Wilderness areas managed to standard	Areas	NR	39	39	105	76	
Recreation special use authorizations administered to standard	Permits	NR	1,227	1,225	14,243	13,956	
Products provided to standard	Products	NR	34,000	34,000	13,924	15,652	
Heritage resources managed to standard	Sites	NR	4,000	4,000	6,906	7,504	
General forest areas managed to standard	Days	NR	219,000	235,000	2,203,978	2,211,696	
Operation of developed sites to standard	PAOTS (persons at one time)	NR	75,000,000	80,000,000	94,048,707	108,614,654	

¹⁷Not reported; protocol was under development and targets were not assigned.

Exhibit 6: Performance Trends for 1999–2003 (continued)

Trends in Performance Indicators		Fiscal Year Actual					Projected 2003
		1999	2000	2001	2002	2003	
		Unit of Measure	1999	2000	2001	2002	Projected 2003
NATIONAL FIRE PLAN							
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions		Communities	N/A ¹⁸	N/A	N/A	N/A	254
Forest health acres protected, cooperative lands (NFP)		Acres (Thousands)	N/A	N/A	1,001	2,647	54
Forest health acres protected, Federal Lands (NFP)		Acres (Thousand)	N/A	N/A	N/A	423	728
Assistance to volunteer fire departments (NFP)		Departments	2,450	2,450	1,001	2,647	3,868
State fire assistance to communities (NFP)		Communities	N/A	N/A	1,070	1,795	8,187
Assistance to volunteer fire departments		Departments	2,450	2,450	871	1,134	2,271

¹⁸Not applicable or not available.

Exhibit 7: Data Sources with Actual and Estimated Performance

Performance Indicators	Data Sources and Reporting Periods			Unit of Measure
	Performance Represents	Data Source		
WILDLAND FIRE				
Firefighting production capability	12-month actual	RR-5100-2		Chains/hour
Wildland/urban interface high-priority hazardous fuels mitigated	12-month actual	NFPORS		Acres
Nonwildland/urban interface hazardous fuels in condition class 2 or 3 treated in fire regimes 1, 2, or 3	12-month actual	NFPORS		Acres
COMMUNITY ASSISTANCE				
Volunteer assistance generated	12-month actual	PMAS		Days
Communities receiving technical assistance	12-month actual	PMAS		Communities
Participating communities	12-month actual	PMAS		Communities
COOPERATIVE FORESTRY				
NIPF stewardship management plans	12-month actual	PMAS		Plans
NIPF lands under approved stewardship management plans	12-month actual	PMAS		Acres (Thousands)
Conservation of environmentally important forests threatened by conversion to nonforest uses	12-month actual	PMAS		Acres
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions	12-month actual	EAP-PMT		Communities
FOREST HEALTH MANAGEMENT				
Forest health acres surveyed, Federal lands	10-month actual/ 2-month estimate	STAFF		Acres (Thousands)
Forest health acres protected, Federal lands	10-month actual/ 2-month estimate	STAFF		Acres (Thousands)
Forest health acres surveyed, cooperative lands	10-month actual/ 2-month estimate	STAFF		Acres (Thousands)
Forest health acres protected, cooperative lands	10-month actual/ 2-month estimate	STAFF		Acres (Thousands)
STATE FIRE ASSISTANCE				
State fire assistance to communities	12-month actual	NFPORS		Communities

Exhibit 7: Data Sources with Actual and Estimated Performance (continued)

Performance Indicators	Data Sources and Reporting Periods			Unit of Measure
	Performance Represents	Data Source		
RESEARCH				
Research products, tools, and technologies developed	10-month actual/2-month estimate	R&D Report		Products
FIA products, tools, and technologies developed	10-month actual/2-month estimate	FIA Report		Products
Percent of FIA target plots measured	10-month actual/2-month estimate	FIA Report		Percent
Research products, tools, and technologies developed (fire)	10-month actual/2-month estimate	R&D Report		Products
LAW ENFORCEMENT				
Enforcement of laws and regulations	Calendar Year 12-month estimate	LEIMARS		Percent
Criminal investigations	Calendar Year 12-month estimate	LEIMARS		Percent
Eradicate cannabis	Calendar Year 12-month estimate	LEIMARS		Plants
FOREST PRODUCTS¹⁹				
Timber volume offered for sale—appropriated	9-month actual/3-month estimate	STARS		CCF (100 cubic ft.)
Timber volume sold—all funding sources	9-month actual/3-month estimate	TSA		CCF
Approved timber management NEPA documents (timber sales), all funding sources.	10-month actual/2-month estimate	MAR		Documents
Special products permits administered	9-month actual/3-month estimate	TIM		Permits
Timber volume harvested—all funding sources	9-month actual/3-month estimate	TSA		CCF
Timber volume offered for sale—salvage	9-month actual/3-month estimate	STARS		CCF
RANGE				
Grazing allotment administration to standard	10-month actual/2-month estimate	MAR		Acres
Grazing allotment decisions signed (analyzed/NEPA)	10-month actual/2-month estimate	Infra		Allotments

¹⁹Reported as 9-month ACTUAL / 3-month ESTIMATE performance.

Exhibit 7: Data Sources with Actual and Estimated Performance (continued)

Performance Indicators	Data Sources and Reporting Periods			Unit of Measure
	Performance Represents	Data Source		
PLANNING, INVENTORYING, AND MONITORING				
LRMP amendments underway	10-month actual/2-month estimate	MAR		Amendments
LRMP revisions/new plans underway	10-month actual/2-month estimate	MAR		Plans
Forest land Rehabilitation and Restoration for NFP	10-month actual/2-month estimate	MAR		Projects
GIS resource mapping	10-month actual/2-month estimate	MAR		Quads
LRMP monitoring and evaluation reports	10-month actual/2-month estimate	MAR		Reports
Watershed assessments completed	10-month actual/2-month estimate	MAR		Assessments
Broadscale assessments underway	10-month actual/2-month estimate	MAR		Assessments
Above-project integrated inventories	10-month actual/2-month estimate	MAR		Acres (Millions)
WILDLIFE AND FISH				
Interpretation and education products provided	10-month actual/2-month estimate	WFRP		Products
Terrestrial wildlife habitat restored or enhanced	10-month actual/2-month estimate	MAR		Acres
Streams restored or enhanced	10-month actual/2-month estimate	N/A		Miles
Lakes restored or enhanced	10-month actual/2-month estimate	N/A		Acres
VEGETATION AND WATERSHED MANAGEMENT				
Soil and water resource improvements	10-month actual/2-month estimate	MAR		Acres
Noxious weed treatment	10-month actual/2-month estimate	MAR		Acres
Improved vegetation	10-month actual/2-month estimate	MAR		Acres
Established vegetation	10-month actual/2-month estimate	MAR		Acres
ECAP environmental compliance and protection	10-month actual/2-month estimate	MAR		Activities
Manage air quality	10-month actual/2-month estimate	MAR		PSD

Exhibit 7: Data Sources with Actual and Estimated Performance (continued)

Performance Indicators	Data Sources and Reporting Periods			Unit of Measure
	Performance Represents	Data Source		
LANDS				
Land use proposals and applications processed	10-month actual/2-month estimate	SUDS		Permits
Cases resolved through litigation or processed through administrative procedure	10-month actual/2-month estimate	MAR		Cases
Authorizations (nonrecreation) administered to standard	10-month actual/2-month estimate	SUDS		Permits
Boundary line marked/maintained	10-month actual/2-month estimate	MAR		Miles
Acres adjusted	10-month actual/2-month estimate	MAR		Acres
Acres acquired	10-month actual/2-month estimate	MAR		Acres
CAPITAL IMPROVEMENT AND MAINTENANCE				
Miles of trails maintained to standard	10-month actual/2-month estimate	MAR		Miles
Miles of trail improved to standard	10-month actual/2-month estimate	MAR		Miles
Miles of road improved	10-month actual/2-month estimate	MAR		Miles
Miles of high clearance road maintained	10-month actual/2-month estimate	RAR		Miles
Miles of road decommissioned	10-month actual/2-month estimate	MAR		Miles
Miles of passenger car road maintained	10-month actual/2-month estimate	RAR		Miles
Facility Condition Index	10-month actual/2-month estimate	Infra		FCI
Capital improvements completed for facilities over \$250,000	10-month actual/2-month estimate	CIP AR		Improvements
MINERALS AND GEOLOGY				
Operations administered to standard	10-month actual/2-month estimate	MAR		Operations
Operations processed	10-month actual/2-month estimate	MAR		Operations
Geologic permits and reports completed	10-month actual/2-month estimate	MAR		Reports
Operations administered to standard	10-month actual/2-month estimate	MAR		Operations

Exhibit 7: Data Sources with Actual and Estimated Performance (continued)

Performance Indicators	Data Sources and Reporting Periods		
	Performance Represents	Data Source	Unit of Measure
RECREATION, WILDERNESS, AND HERITAGE			
Wilderness areas managed to standard	10-month actual/2-month estimate	MAR	Areas
Recreation special use authorizations administered to standard	10-month actual/2-month estimate	MAR	Permits
Products provided to standard	10-month actual/2-month estimate	MAR	Products
Heritage resources managed to standard	10-month actual/2-month estimate	MAR	Sites
General forest areas managed to standard	10-month actual/2-month estimate	MAR	Days
Operation of developed sites to standard	10-month actual/2-month estimate	MAR	PAOTS (persons at one time)
Wilderness areas managed to standard	10-month actual/2-month estimate	MAR	Areas
Recreation special use authorizations administered to standard	10-month actual/2-month estimate	MAR	Permits
NATIONAL FIRE PLAN			
Improved capacity of rural communities to handle changes associated with natural resources is reflected in their ability to plan, implement, and measure strategic actions	12-month actual	EAP-PMT	Communities
Forest health acres protected, cooperative lands (NFP)	12-month actual	NFPORS	Acres (Thousands)
Forest health acres protected, Federal lands (NFP)	12-month actual	NFPORS	Acres (Thousands)
Assistance to volunteer fire departments (NFP)	12-month actual	NFPORS	Departments
State fire assistance to communities (NFP)	12-month actual	NFPORS	Communities
Assistance to volunteer fire departments	12-month actual	NFPORS	Departments

Validation, Verification, and Limitations of Data Sources

In the previous section on Performance Highlights, the variable 'Data Source' is referenced in *Exhibit 3: Data Sources with Actual and Estimated Performance*. The following discussion gives readers a description of the quantitative data sources listed, and follows with a brief discussion on a few qualitative measures of performance. Data sources that are not complete or reliable are for management of invasive species and accessibility in Forest Service programs and facilities.

Management of invasive species is significantly limited by the lack of comprehensive and accurate inventories of infestations and treatment efficacy. This impedes the agency's ability to track this work accurately. Most invasive species data that has been collected is for invasive plants, yet even that data is incomplete and variable. For fiscal year-end, the field is required to report treatments for invasive plants (noxious weeds) directly to the Washington Office, but does not have any means by which to transfer this information electronically. In fact, overall data management, including geospatial capabilities, for the inventory, treatment, and monitoring of invasive species are not fully operational, and in some cases, do not exist at all. The Forest Service expects to have implemented a corporate database to manage invasive species information late in FY 2004.

Information concerning the accessibility of programs and facilities is not currently integrated into any corporate database, impeding the ability to report results when needed.

Quantitative Measures of Performance

Management Attainment Reporting

Performance numbers shown with a data source indicator of 'MAR' are collected in the Management Attainment Reporting database. MAR data is compiled at the district and forest levels and then reviewed by regional and national offices for accuracy.

The NFS roads performance data is a national summary of what each region accomplishes at the forest level. At the forest level, data is collected by road program managers and verified by budget personnel. The forest data is then reviewed at the regional and Washington Office levels for accuracy.

Individual forests and grasslands record boundary management accomplishments in their respective Corner Status Atlas, in conformance with direction provided in the Surveying Manual (FSM 7150). These accomplishments are physically marked on hard copy maps and then reported in the MAR system by each region for national reporting. Boundary management

accomplishments will soon be electronically tracked in the Automated Lands Program (ALP) database.

Forest products activities and their outputs are presumed to be within sustainable limits because the levels of most outputs today are significantly less than the historical levels. If the Forest Service is to achieve "products and services...for subsistence, commercial, and noncommercial uses within sustainable limits," the agency must establish how sustainability will be defined and measured. Processes designed to assess sustainability are under development, but in the meantime, periodic assessments of inventory and monitoring data must serve as indicators of sustainability.

Environmental Compliance and Protection/ Abandoned Mine Lands

The Environmental Compliance and Protection (ECAP) program provides for the cleanup of hazardous substances on national forests and grasslands to improve and protect watershed conditions and human and ecological health. Regional program managers itemize ECAP and abandoned mine lands (AML) work plans, progress, accomplishments, and financial data on a project-by-project basis.

Sales Tracking and Reporting System and Timber Sale Accounting

Performance information for timber sale volumes offered for sale is entered by field personnel into the Sales Tracking and Reporting System (STARS), from which accomplishment reports are run. Performance information for timber sale 'sold and harvest' information for each sale is recorded on form 2400-17, and regularly entered into the Timber Sale Accounting (TSA) system. These processes are managed in conformance with the direction provided in the Timber Management Information System Handbook (FSH 2409.14), Chapter 30, Timber Sale Information, and Chapter 40, Timber Harvest Information, as well as the Timber Sale Accounting Handbook (FSH 6509.17).

Timber Information Manager

The Timber Information Manager (TIM) system is a family of integrated applications that help to support the daily business needs of the NFS lands. TIM currently uses STARS (a legacy system) to complete the necessary functionality.

TIM is used to automate business functions such as—

- Sale of Special Forest Product Permits
- Timber Sale Contract Preparation and Administration

- Trust Fund Management
- Activity Tracking

INFRA

The Forest Service uses INFRA as an integrated data management tool to manage and report accurate information and associated financial data on the inventory of constructed features, such as buildings, dams, bridges, water systems, roads, trails, developed recreation sites, range improvements, administrative sites, heritage sites, general forest areas, and wilderness.

Forest Service tracks NEPA analysis and recent decisions using INFRA's Range Module. This Range Module, which is used on all national forests with a livestock grazing program, contains current information for nearly all grazing allotments on NFS lands. Database queries are used to report the number of allotment acres to standard.

The Forest Service's Wilderness Program continued its national upward reporting exercise using INFRA-WILD, first conducted in FY 2002. INFRA-WILD data is used for program management and public information dissemination and forms the basis for the State of the Wilderness Report, currently under development.

The majority of the roads, trails, and facilities data is obtained through the Forest Service INFRA corporate database system. INFRA data entry is at the field level; therefore, there are limitations or inconsistencies in the data's accuracy. Currently, the only active process for data verification and validation is in condition surveys throughout the year. The facilities program began reviewing existing data for accuracy and will edit the data as needed. These surveys provide a look at the progress of the performance measures.

Although trail data is currently incomplete, the Forest Service expects the INFRA trails module, complemented by cost information and assessment and condition survey from the trails Assessment and Condition Survey to provide complete trail information by local, regional, and national levels, as well as by State and political divisions.

The facilities program uses the facilities condition index in INFRA as a measure to assess the condition of every building.

Special Uses Database System

The INFRA Special Uses Database System (SUDS) is a corporate database that integrates several systems—land use records, accounting records, Geographic Information System (GIS), resource data, and administrative information. As a repository for information on Lands Special Use Authorizations (SUA), SUDS data is entered at the field level, including documentation of completed inspections, land use fees billed, and status of the term of the authorization. The accuracy of SUA data is dependent, in part, on whether inspections are documented in SUDS. In FY 2004, SUDS will be modi-

fied to more consistently collect data for *administration to standard*, automatically capturing the specific data used to measure completed authorizations that are administered to standards. The variation between 2003 Planned and Projected 2003 Performance columns in the 2003 Planned and Actual Performance table (in the previous section) is primarily due to confusion in interpreting the definition of *to standard*, as well as inconsistently applying the standards across all field units.

Land ownership case information is entered on a Proposed Exchange form (FS-5400-10) or proposed Purchase Sheets (FS-5400-9) at the field level in conformance with direction provided in the Land Acquisition Handbook (FSH 5409.13). Acquired acreage that is reported on the digest sheets is then entered into the MAR system by each unit for national reporting.

Title management information is reported in several formats. Small Tract Act case information is reported through Form 5500-3, Small Tract Act Parcels Report; land status information is reported through the Land Areas Report and also in the ALP system; and title claims are reported through the litigation process or through administrative procedures. These reporting requirements have been in place for several years and provide an accurate and reliable measurement of the annual accomplishments and the agency's progress in resolving access issues.

Performance Measures Accountability System

The Performance Measures Accountability System (PMAS) is the S&PF Deputy Area performance management system. It ties measurements to the corresponding corporate performance resources committed to. This is used to meet reporting requirements of GPRA, for year-end accomplishment reporting of the Forest Service, to meet legal requirements (i.e., Title VI), and in accordance with Forest Service Handbooks (FSHs) and Forest Service Manual. Data is captured from the States, forests, and other cooperators to generate these reports.

National Fire Plan Operations and Reporting

The National Fire Plan Operations and Reporting System (NFPORS) is an interagency system mandated by Congress. While the Forest Service is the primary owner of this system, it is a partner in this project with the Department of the Interior's Bureau of Indian Affairs, Bureau of Land Management, U.S. Fish and Wildlife Service, and the National Park Service.

Economic Action Programs—Program Management Tool

The Economic Action Programs—Program Management Tool (EAP-PMT) is used to report data relative to the NFP and other regulations. EAP work includes forest products conservation and recycling. A separate database is used to maintain wood in transportation data. Accomplishments are entered based on projects that have officially closed for the fiscal year.

Wildlife, Fish, and Rare Plant Management System

The Wildlife, Fish, and Rare Plant Management System (WFRP) gives users the opportunity to enter projects and opportunities and to view what has been accomplished on a project. (Project in this case is defined as a management activity that is designed to meet specific resource objectives.) The system tracks accomplishments, funds, and work used to complete the project.

Qualitative Measures of Performance

The complex and unstructured processes found in R&D are not easily quantified. In the physical sciences, measurement such as length, temperature, and mass may be measured using single standard units—the adequacy of each measurement depends on the qualities of the instrument, but the standards are well defined and widely accepted.

In contrast, the creative aspects of R&D make direct measurement impossible. The dilemma is balancing objectivity with the subjective selection and interpretation of measurement indicators, recognizing the cognitive and social structure of science. This is not only true for the Forest Service, but for scientists in all Federal agencies.

Three dimensions of R&D—concept generation, product development, and leadership—are distinct phenomena with unique characteristics within the innovative process of research. These dimensions are not amenable to forced correlations and patterns, which can result in comparing “apples and oranges.”

Alternatively, indicators may be used for certain aspects. The degree to which such indicators “measure” R&D performance depends on their accuracy, their quantity, and whether any one indicator may be aggregated with others for indexing. Empirically, this means one measure will be inherently insufficient to capture all the information required.

The current single measure of R&D performance—number of products, technologies, and tools produced—has a reasonably high bias for accuracy, precision, and repeatability, but has variable tolerance and sensitivity. A more plausible approach would be to use a set of performance measures that can be linked to outputs. A systematic design and understanding of the process by which R&D impacts agency performance, and to which the agency remains committed to working with users and the scientific community, will allow the Forest Service to identify and define meaningful performance measures for the future.