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FEDERAL LAND
MANAGEMENT

Streamlining and
Reorganization Issues

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Mr. Chairman and Members of the Committee:

We are pleased to be here to discuss ways to improve the management of federal lands. My observations today are based primarily on products that we have issued over the last several years on the activities and programs of the four major federal land management agencies—the National Park Service, the Bureau of Land Management, and the Fish and Wildlife Service within the Department of the Interior and the Forest Service within the Department of Agriculture.

The federal government owns about 30 percent (about 650 million acres) of the nation's total surface area. The four major federal land management agencies manage about 95 percent of these lands for a variety of commodity uses—including hardrock mining, livestock forage, oil and gas exploration and development, and timber harvesting—and noncommodity uses—including fish and wildlife; natural, scenic, cultural, and historic resources; recreation; water; and wilderness.¹

In summary, Mr. Chairman, our work to date suggests the following:

- The responsibilities of the four major federal land management agencies have grown more similar over time. Most notably, the Forest Service and the Bureau of Land Management now provide more noncommodity uses, including recreation and protection for fish and wildlife, on their lands. In addition, managing federal lands has become more complex. Managers have to reconcile differences among a growing number of laws and regulations, and the authority for these laws is dispersed among several federal agencies and state and local agencies. These changes have coincided with two other developments—the federal government's increased emphasis on downsizing and budgetary constraint and scientists' increased understanding of the importance and functioning of natural systems whose boundaries may not be consistent with existing jurisdictional and administrative boundaries. Together these changes and developments suggest a basis for reexamining the processes and structures under which the federal land management agencies currently operate.
- Over the last 26 years, two basic strategies have been proposed to improve federal land management: (1) streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations and (2) reorganizing the structure by combining agencies.

¹Land Ownership: Information on the Acreage, Management, and Use of Federal and Other Lands (GAO/RCED-96-40, Mar. 13, 1996).

The two strategies are not mutually exclusive and some prior proposals have encompassed both. However, no significant legislation has been enacted on the basis of these proposals.

- Past efforts to improve federal land management have not succeeded, in part because they were not supported by a solid consensus for change. In addition, any effort to streamline or reorganize the existing structure of federal land management will require a coordinated approach within and across agency lines to avoid creating new unintended consequences for the future. Moreover, the need to create specific, identifiable goals will require decisionmakers to agree on, among other issues, how to balance differing objectives for various uses on federal lands over the short and long term.

Background

Each of the four major federal land management agencies manages its lands and the resources they contain on the basis of its legislatively mandated responsibilities. In general, the Fish and Wildlife Service and the National Park Service manage their lands primarily for noncommodity uses. The Fish and Wildlife Service manages its lands primarily to conserve and protect fish and wildlife and their habitat, although other uses—such as recreation (including hunting and fishing), mining and mineral leasing, livestock grazing, and timber harvesting—are allowed when they are compatible with the primary purposes for which the lands are managed. The National Park Service manages its lands to conserve, preserve, protect, and interpret the nation’s natural, cultural, and historic resources for the enjoyment and recreation of current and future generations.

Conversely, the Forest Service and the Bureau of Land Management are legislatively mandated to manage their lands for both commodity and noncommodity uses. For example, the Forest Service’s organic legislation—the Organic Administration Act of 1897—refers to water flows and timber supply. The Multiple Use-Sustained Yield Act of 1960 added responsibilities for recreation, range, and fish and wildlife and required the agency to manage its lands so as to sustain all of these uses. The National Forest Management Act of 1976 (1) recognized wilderness as a use of the forests and (2) modified the Forest Service’s mandate for fish and wildlife to require the maintenance of diverse plant and animal communities (biological diversity). Similarly, the Federal Land Policy Management Act of 1976 requires the Bureau of Land Management to manage its lands for multiple uses and sustained yield. The act defines multiple uses to include

recreation; range; timber; minerals; watershed; fish and wildlife and their habitat; and natural, scenic, scientific, and historic values.

Both the Forest Service and the Bureau of Land Management have legislatively based incentives for producing resource commodities. For example, the Forest Service receives some of its operating funds from the receipts of timber sales under the Knutson-Vandenberg Act of 1930, which authorizes the national forests to retain a portion of their timber sale receipts to help fund reforestation and other activities as well as regional office and headquarters expenses. Under the Taylor Grazing Act of 1934, the Bureau of Land Management may issue permits for the use of rangelands only to persons engaged in the business of livestock grazing. The permits may not be issued for other uses, such as to provide habitat for fish and wildlife. As a result, the Forest Service and the Bureau of Land Management have managed their lands to a great extent for commodity uses, such as timber harvesting, livestock grazing, and mineral production.

In addition, all four agencies must comply with the requirements of the National Environmental Policy Act (NEPA). NEPA and its implementing regulations specify the procedures for integrating environmental considerations into the agencies' management of lands and resources. In managing their lands and resources, the agencies must also comply with the requirements of other environmental statutes, including the Endangered Species Act, the Clean Water Act, and the Clean Air Act, as well as numerous other laws and regulations. The Forest Service alone is subject to 212 laws affecting its activities and programs. Authority for implementing and enforcing these laws is dispersed among several federal agencies, including the Fish and Wildlife Service, the Department of Commerce's National Marine Fisheries Service, the Environmental Protection Agency (EPA), and the U.S. Army Corps of Engineers, as well as state and local agencies.

Basis for Reexamining Federal Processes and Structures

Several changes and developments suggest a basis for reviewing the current approach to federal land management with an eye to improving its efficiency and effectiveness. These changes and developments include the increased similarity in the responsibilities and the increased complexity in the management of federal lands, together with budgetary and ecological considerations.

Similarities in Responsibilities

Over time, the responsibilities of the four major federal land management agencies have grown more similar. Specifically, the Forest Service and the

Bureau of Land Management now provide more noncommodity uses on their lands. For instance, in 1964, less than 3 percent (16 million acres) of their lands were managed for conservation—as wilderness, wild and scenic rivers, and recreation. By 1994, this figure had increased to about 24 percent (over 108 million acres).²

According to Forest Service officials, several factors have required the agency to assume increased responsibilities for noncommodity uses, especially for biological diversity and recreation. These factors include (1) the interaction of legislation, regulation, case law, and administrative direction, (2) growing demands for noncommodity uses on Forest Service lands, and (3) activities occurring outside the national forests, such as timber harvesting on state, industrial, and private lands.

With this shift in its responsibilities, the Forest Service is less able to meet the demands for commodity uses on its lands, especially for timber harvesting. For example, 77 percent of the 24.5 million acres of Forest Service and Bureau of Land Management lands in western Washington State, Oregon, and California that were available for commercial timber harvesting have been set aside or withdrawn primarily for noncommodity uses. In addition, although the remaining 5.5 million acres, or 22 percent, are available for regulated harvesting, the minimum requirements for maintaining biological diversity and water quality may limit the timing, location, and amount of harvesting that can occur. Moreover, harvests from these lands could be further reduced by plans to protect threatened and endangered salmon. The volume of timber sold from Forest Service lands in the three states declined from 4.3 billion board feet in 1989 to 0.9 billion board feet in 1994, a decrease of about 80 percent.³

While our work at the Bureau of Land Management has been more limited, this agency is also assuming increased responsibilities for noncommodity uses. This shift in responsibilities of the Forest Service and the Bureau of Land Management to more noncommodity uses has contributed to what is sometimes referred to as a “blurring of the lines” among the four major federal land management agencies.

²See footnote 1.

³Forest Service: Issues Related to Managing National Forests for Multiple Uses (GAO/T-RCED-96-111, Mar. 26, 1996).

Complexities Within the Current Statutory Framework

Some Forest Service officials are concerned about the workability of the agency's current statutory framework, which they believe is making the management of the national forests increasingly complex. They believe that it is sometimes difficult to reconcile differences among laws and regulations.⁴

For example, the National Forest Management Act requires the Forest Service to maintain diverse plant and animal communities. One process that nature uses to produce such biological diversity is periodic small wildfires that create a variety of habitats. However, until recently, a federal policy required the suppression of all fires on federal lands.⁵ As a result, there has been an accumulation of fuels on the forests' floors. The Forest Service now plans to undertake prescribed burning to restore the forests' health and avoid unnaturally catastrophic fires. However, the minimum standards for air quality required under the Clean Air Act may at times prohibit the Forest Service from achieving this goal by limiting the timing, location, and amount of prescribed burning that can occur.⁶ In addition, the minimum standards for water quality required under the Clean Water Act and the conservation of species listed as endangered or threatened under the Endangered Species Act also can limit the timing, location, and amount of prescribed burning that can occur, since soils from burned areas wash into streams, modifying species' habitats.

Reconciling differences among laws and regulations is further complicated by the dispersal of authority for these laws among several federal agencies and state and local agencies. Disagreements among the agencies on whether or how these requirements can best be met sometimes delay projects and activities. According to officials in the federal land management and regulatory agencies with whom we spoke, these disagreements often stem from differing evaluations of environmental impacts and risks.⁷ For example, in 1995, the Fish and Wildlife Service, the National Marine Fisheries Service, and EPA could not agree with the Forest Service on the extent of risk the Thunderbolt salvage timber sale—on the Boise and Payette National Forests in central Idaho—may have to salmon spawning habitat.

⁴Forest Service: Issues Relating to Its Decisionmaking Process (GAO/T-RCED-96-66, Jan. 25, 1996).

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

⁶Forest Health: Overview, Congressional Research Service (95-548 ENR, Apr. 28, 1995).

⁷See footnotes 3 and 4.

Budgetary and Ecological Considerations

The federal government's increased emphasis on downsizing and budgetary constraint demands that federal agencies look beyond existing jurisdictional boundaries to find ways to reduce costs, increase efficiency, and improve service to the public. Such gains could be achieved by refocusing, combining, or eliminating certain functions, systems, programs, activities, or field locations. Joint efforts in planning and budgeting; joint use of administrative, technical, and management systems; and joint stewardship of natural and cultural resources could lead to greater efficiency.⁸

For instance, in 1985 the Forest Service and the Bureau of Land Management proposed to the Congress to merge all field offices located in the same communities in western Oregon, restructure boundaries to achieve the optimum size and balance among land units, and eliminate some managerial and overhead positions. The agencies projected that this proposal would have reduced the number of permanent employees by 280 and would have achieved annual savings of \$10.3 million (in 1985 dollars) once it was fully implemented. The Congress did not act on this "interchange" proposal.⁹

Ecological considerations also suggest that the federal land management agencies rethink their organizational structures and relationships with one another. Scientific research has increased the agencies' understanding of the importance and functioning of natural systems, such as watersheds, airsheds, soils, and vegetative and animal communities, specific components of which (e.g., threatened and endangered species and wetlands) are protected under various environmental statutes. The boundaries of these natural systems are often not consistent with existing jurisdictional and administrative boundaries. Hence, activities and uses affecting these systems may need to be coordinated and managed across federal land units and agencies.¹⁰ For example, federal efforts to restore the environment of South Florida—including the Everglades and Florida Bay—transcend existing jurisdictional and administrative boundaries and involve numerous federal agencies, including the National Park Service,

⁸National Park Service: Better Management and Broader Restructuring Efforts Are Needed (GAO/T-RCED-95-101, Feb. 9, 1995).

⁹Forestry Functions: Unresolved Issues Affect Forest Service and BLM Organizations in Western Oregon (GAO/RCED-94-124, May 17, 1994).

¹⁰Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/RCED-94-111, Aug. 16, 1994).

the Fish and Wildlife Service, the National Marine Fisheries Service, EPA, and the Corps of Engineers.¹¹

Strategies for Improving Federal Land Management

Two basic strategies have been proposed to improve federal land management: (1) streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations and (2) reorganizing the structure by combining agencies. The two strategies are not mutually exclusive, and some prior proposals have encompassed both.

Streamlining the Existing Organizational Structure

In 1983, President Reagan's Private Sector Survey on Cost Control, also known as the Grace Commission, recommended that the Forest Service and the Bureau of Land Management combine administrative functions, eliminate duplicative efforts, and plan a program of jurisdictional land transfers to accomplish these objectives.¹² Similarly, in 1993, the Clinton administration established the Interagency Ecosystem Management Task Force to develop an approach to ensuring a sustainable economy and a sustainable environment. In a November 1995 report, the task force stated that such an approach would entail a shift from the federal government's traditional focus on an individual agency's jurisdiction to a broader focus on the actions of multiple agencies across larger ecological areas. The task force recommended that federal agencies strive for greater flexibility in pursuing their missions within existing legal authorities and develop better information, communication, coordination, and partnerships.¹³ In December 1995, 13 federal departments and agencies, together with the Council on Environmental Quality, signed a memorandum of understanding establishing a network of agency coordinators and pledging to work together in support of such an approach.

On February 1, 1994, and February 9, 1995, we testified that the four major federal land management agencies need to reduce costs, increase efficiency, and improve service to the public, as well as manage activities and uses across existing federal land units and jurisdictions so as to preserve the nation's natural resources and sustain their long-term economic productivity. This approach would require them to look beyond their jurisdictions and work with the Congress and each other to develop a

¹¹Restoring the Everglades: Public Participation in Federal Efforts (GAO/RCED-96-5, Oct. 24, 1995).

¹²Report of the President's Private Sector Survey on Cost Control (Washington D.C.: Aug. 1983).

¹³The Ecosystem Approach: Healthy Ecosystems and Sustainable Economies, Volume II - Implementation Issues, Report of the Interagency Ecosystem Management Task Force (Nov. 1995).

strategy to coordinate and integrate their functions, systems, activities, and programs so that they can operate as a unit at the local level.¹⁴

Over the last several years, the Forest Service and the Bureau of Land Management have collocated some offices or shared space with other federal agencies. They have also pursued other means of streamlining, sharing resources, and saving rental costs. However, the four major federal land management agencies have not, to date, developed a strategy to coordinate and integrate their functions, systems, activities, and programs.

Reorganizing the Structure of Federal Land Management

Several proposals for improving federal land management would reorganize the existing structure by combining various agencies. For example, in its 1970 report to the President and the Congress, the Public Land Law Review Commission (a bipartisan group established by the Congress in 1964 with members appointed by both the President and the Congress) recommended that the Forest Service be transferred from the Department of Agriculture to the Department of the Interior, which would then be renamed the Department of Natural Resources.¹⁵ Subsequent proposals included additional agencies. For example, in 1971-72, the Nixon administration proposed adding the Corps of Engineers, Agriculture's Soil Conservation Service (now the Natural Resources Conservation Service), and the National Oceanographic and Atmospheric Administration in the Department of Commerce (which includes the National Marine Fisheries Service).¹⁶ Eight years later, the Carter administration made a similar proposal.¹⁷

Some Forest Service officials, including the Chief, believe that a commission similar to the Public Land Law Review Commission may need to be established if federal land management is to be improved. Such a commission would need to conduct a thorough review of federal land management and report its findings to the President and the Congress.

¹⁴See footnote 8 and Forest Service Management: Issues to Be Considered in Developing a New Stewardship Strategy (GAO/T-RCED-94-116, Feb. 1, 1994).

¹⁵One Third of the Nation's Land: A Report to the President and to the Congress by the Public Land Law Review Commission (Washington D.C.: June 1970).

¹⁶Papers Relating to the President's Departmental Reorganization Program: A Reference Compilation (Washington D.C.: Feb. 1972).

¹⁷President's Reorganization Project: Report on the Reorganization Study of Natural Resource Functions, Office of Management and Budget (Washington D.C.: June 1979).

Principles to Be Considered in Streamlining or Reorganizing Federal Land Management

Despite the commissions, reports, and recommendations over the past 26 years for streamlining or reorganizing federal land management, no significant legislation has been enacted. These efforts have not succeeded, in part, because they have not been supported by a solid consensus for change. For example, the Carter administration estimated that its proposal to create a Department of Natural Resources would result in annual savings of up to \$100 million. However, it did not specify how these savings would be accomplished,¹⁸ and a consensus for change was never achieved.

On May 17, 1995, in testimony before this Committee, the Comptroller General identified five principles to consider during any effort to streamline or reorganize government. These principles are based on past governmental restructuring efforts—both inside and outside the United States.¹⁹

- Reorganization demands a coordinated approach, within and across agency lines, supported by a solid consensus for change in both the Congress and the administration.
- Reorganization should seek to achieve specific, identifiable goals.
- Once goals are defined, attention must be paid to how the federal government exercises its role—both in terms of organization and tools.
- Effective implementation is critical to success.
- Sustained oversight by the Congress is needed to ensure effective implementation.

Because the federal land management agencies have similar responsibilities yet different legislative requirements, any effort to streamline or reorganize them will require a coordinated approach within and across the agencies to avoid creating new, unintended consequences for the future. In particular, potential gains in efficiency need to be balanced against the policy reasons that led to the existing structure. For example, transferring responsibility for environmental compliance from regulatory agencies, such as the Fish and Wildlife Service, EPA, and the Corps of Engineers, to the Forest Service and the Bureau of Land Management may help expedite the implementation of projects and activities. However, any potential gains in efficiency from such a transfer would need to be balanced against the policy reasons that led originally to

¹⁸The Forest Service and the Bureau of Land Management: History and Analysis of Merger Proposals, Congressional Research Service (95-1117 ENR, Washington D.C.: Nov. 7, 1995).

¹⁹Government Reorganization: Issues and Principles (GAO/T-GGD/AIMD-95-166, May 17, 1995).

separating the responsibility for federal land management from the responsibility for regulatory compliance.

Moreover, while there may be a growing consensus for streamlining or reorganizing the existing structure of federal land management, as the Comptroller General noted in his May 17, 1995, testimony, the key to any streamlining or reorganization plan—and the key to building a consensus behind it—is the creation of specific, identifiable goals. Applying this principle to federal land management will require decisionmakers to agree on, among other issues, how to balance differing objectives for commodity and noncommodity uses over the short and long term.

For example, the Forest Service is experiencing increasing difficulty in reconciling conflicts among competing uses on its lands, and demands for forest uses will likely increase substantially in the future.²⁰ Some Forest Service officials believe that the laws governing the agency's mission provide little guidance for resolving these conflicts.²¹ As a result, they have suggested that the Congress needs to provide greater guidance on how the agency is to balance competing uses and ensure their sustainability. In particular, the Chief of the Forest Service has stated that (1) the maintenance and restoration of noncommodity uses, especially biological diversity, needs to be explicitly accepted or rejected and (2) if accepted, its effects on the availability of commodity uses need to be acknowledged.²²

Once decisionmakers reach a consensus on specific, identifiable goals, the desired results these goals are to accomplish should be made explicit through performance measures. The Congress, in enacting the Government Performance and Results Act of 1993, recognized that to be effective, goals need measures to assess results. Without such measures, the agencies' ability to improve performance and the Congress's ability to conduct effective oversight will be hampered.

Moreover, goals cannot be set and performance measures cannot be defined in a vacuum. Decisionmakers need to consider how the desired goals will be achieved. Our past work on reorganizations has shown that, all too often, the issue of how desired goals are to be achieved is not

²⁰The Forest Service Program for Forest and Rangeland Resources: A Long-Term Strategic Plan, Draft 1995 RPA Program (Oct. 1995).

²¹See footnote 4.

²²See footnote 3.

considered as part of the goal-setting process. Considering such issues as how agencies' structures and processes will need to function to accomplish the goals can benefit the goal-setting process itself. By thinking through the implementation process, decisionmakers are better able to clarify the goals and the results to be achieved and to identify potential pitfalls.

In summary, Mr. Chairman, the responsibilities of the four major federal land management agencies have become more similar and the management of federal lands more complex over time. These changes, as well as budgetary and ecological considerations, suggest a basis for reexamining the current approach to federal land management with an eye to improving its efficiency and effectiveness. Two basic strategies have been proposed to improve federal land management—one would focus primarily on streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations, while the other would reorganize the structure primarily by combining agencies. Although it is not clear which strategy would be more effective, or whether a combination of the two would be more appropriate, it is clear that the effective implementation of either strategy will require, among other things, a solid consensus for change and the creation of specific, identifiable goals for managing commodity and noncommodity uses.

Mr. Chairman, this concludes my prepared statement. We will be pleased to answer any questions that you or Members of the Committee may have.

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