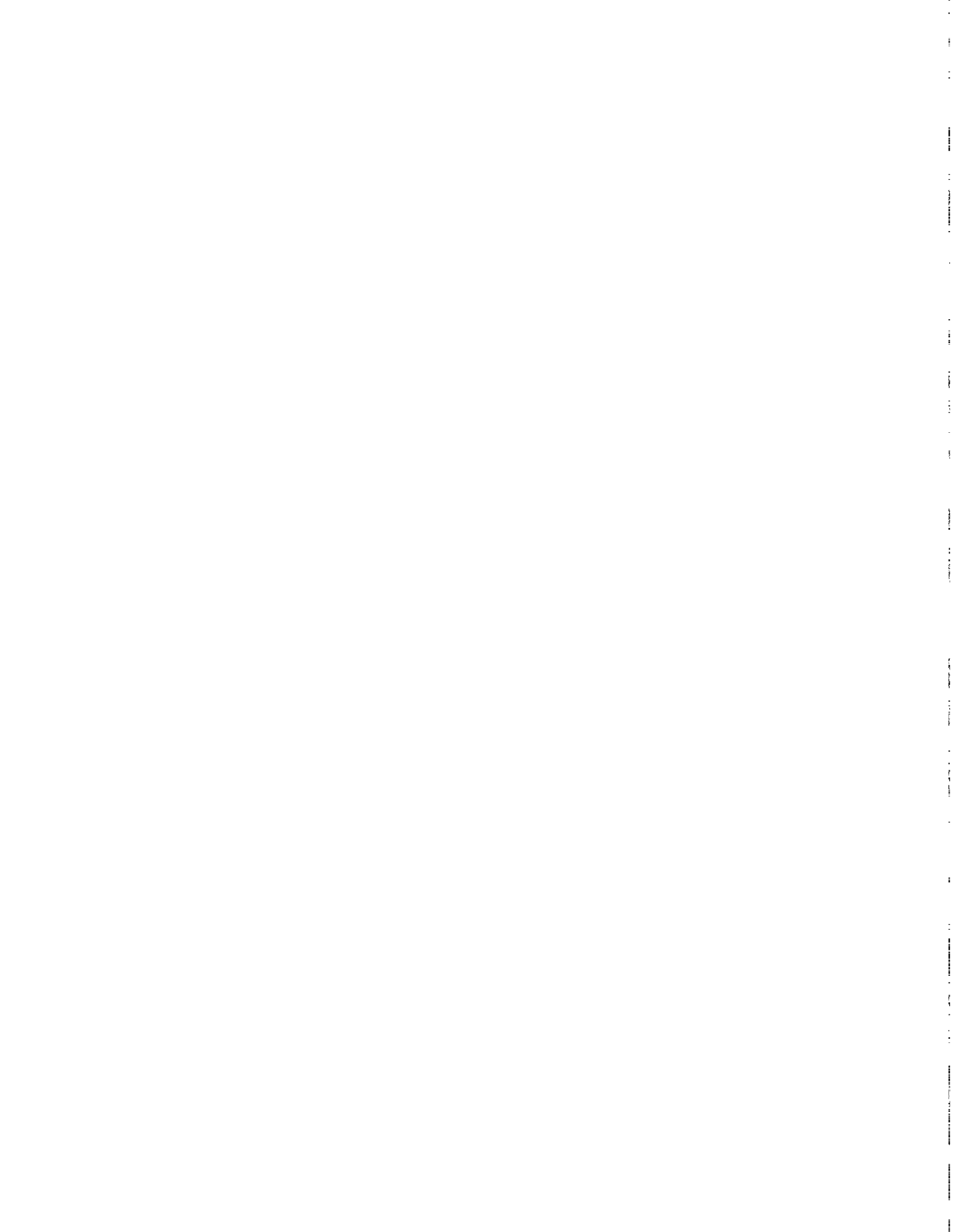


April 1994

# FOREST SERVICE

## Status of Efforts to Achieve Cost Efficiency







United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

B-256974

April 26, 1994

The Honorable Sidney R. Yates  
Chairman  
The Honorable Ralph Regula  
Ranking Minority Member  
Subcommittee on Interior  
Committee on Appropriations  
House of Representatives

Your Subcommittee has long been concerned with the escalating costs of the Forest Service's timber program. As a result, you asked the Forest Service to prepare a cost reduction study for its timber program and provide "a comprehensive analysis of its [the timber program's] costs, and a multiyear program to achieve an annual reduction in these costs of not less than 5 percent." In response to your request, on April 16, 1993, the Forest Service issued its report entitled Timber Cost Efficiency Study—Final Report.

The Forest Service's timber cost efficiency study addressed such areas as the overall timber program, the program's organization, the Timber Sale Program Information Reporting System (TSPIRS), financial management, and efforts to monitor cost efficiency. The report included 29 action items to be completed by the Forest Service's Washington Office; 23 of these items had target completion dates of either October 1993 or October 1994. In addition, each region was required to prepare action plans specific to its needs and submit them to the Washington Office.

This fact sheet responds to your request that we review the progress made by the Forest Service in achieving the initiatives set forth in its timber cost efficiency study and specifically (1) provides the status of the Washington Office's actions as of March 31, 1994; (2) summarizes the regional results; and (3) provides an overview of other Forest Service initiatives that could contribute to overall improvements in the Forest Service's efficiency.

In summary, in the year since the issuance of the timber cost efficiency study, the Forest Service's Washington Office has made progress toward completing 21 of the 23 action items targeted for completion by October 1993 or October 1994. The results of the regional offices' cost efficiency efforts have been mixed; some regions are moving more rapidly than others in their attempts to achieve cost efficiency. In addition, the Forest Service has undertaken other, nontimber initiatives, such as

reorganization and downsizing, that could improve the agency's overall efficiency.

Overall, from fiscal year 1992 to fiscal year 1993, the Forest Service reduced its timber program expenses nationally by about 7.2 percent, from \$1,038.2 million to \$963.6 million. Total annual timber program expenses declined in six of the nine regions during this period. However, six of the nine regions' timber sales programs showed a net loss when annual expenses were deducted from revenues for fiscal year 1993.

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## Status of Cost Efficiency Initiatives

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### Washington Office's Efforts

Of the 23 action items targeted for completion by either October 1993 or October 1994, the Washington Office has made progress in completing all but two items. Action on the remaining two items is contingent on the completion of ongoing studies. Among the most significant items completed or substantially completed are the following:

- Included a budget line item for Ecosystem Management in the fiscal year 1995 budget to provide for inventories, forest planning, and ecosystem monitoring.
- Established cost efficiency as a performance standard and included it in all fiscal year 1993 TSPIRS and timber program activity reviews conducted. The Forest Service will continue to emphasize cost efficiency in future TSPIRS and timber program activity reviews.
- Conducted a national reorganization study to explore the entire agency's structure. The final product is expected in September 1994.
- Separated the information on the costs of the timber commodity program, the personal-use program, and the forest stewardship program in the fiscal year 1993 TSPIRS report instead of combining all of the figures into one total, as had been done previously.
- Completed a below-cost timber sale policy and a minimum-rate policy and forwarded them for the Department of Agriculture's approval. The Department, however, is now reexamining both policies with the help of an interdisciplinary task force and expects to have options developed by the end of fiscal year 1994.

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- Revised one of the two major types of timber contracts and forwarded it for departmental approval. Once this contract is approved, the Washington Office will revise the second contract.

The specific status of all 29 Washington Office action items is presented in section 1.

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## Regional Efforts

The results of the cost efficiency efforts by the Forest Service's regional offices are mixed, according to the Chairman of the Cost Efficiency Task Force. Each region was responsible for preparing and implementing its own cost efficiency plan, which was then reviewed by the Washington Office. The Washington Office's reviews found that some regions are rapidly pursuing the idea of becoming cost efficient, while other regions are moving more slowly. Examples of regional cost efficiency actions include the following:

- Some regions have consolidated, or "zoned," certain activities—for example, timber sale preparation—at the forest or district level to meet downsizing goals and reduce costs. Other regions are continuing to study the concept for other applications.
- One region has raised the minimum rates it will accept for timber sold to generate more revenue.
- One region plans to phase out commercial timber sales on several of its below-cost forests.
- One region has a project under way to ensure that all resources—for example, timber, recreation, and fish and wildlife—pay their "fair share" of the joint costs—for example, general administrative costs.
- One region is monitoring overhead costs assessed on each resource—that is timber, recreation, fish and wildlife—to make sure that each resource pays only what is reasonable for that resource to pay.

The Chairman of the task force periodically reviews what progress the regional offices are making in achieving their cost efficiency goals.

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## Other Forest Service Initiatives Could Improve Efficiency

While the action items contained in the timber cost efficiency study relate to the timber program, the Forest Service expanded some of these initiatives to include the entire agency and has undertaken other initiatives that could improve its overall efficiency. These other initiatives are detailed in section 2 and summarized below:

- A team was formed to describe the "Forest Service of the Future" and how the Forest Service could be transformed to achieve that vision. All areas of the Forest Service are subject to review, including its organizational structure, mission, and geographical needs. The team is gathering data and the final report is expected in September 1994.
- "Land stewardship contracts" are being tested in four forests. These contracts allow forests to offset a project's costs with a portion of the value of the timber receipts. The contracts are viewed as an incentive to reduce costs so that more revenue is available for use on local projects.
- The Forest Service downsized by 1,133 permanent positions from October 1992 through March 1994. In addition, close to 700 additional positions were still listed as excess to the agency's needs as of March 29, 1994. However, as of April 11, 1994, 2,317 employees had agreed to take advantage of the \$25,000 incentive buyout signed by the President on March 30, 1994.
- A major budget restructuring package was included in the President's fiscal year 1995 budget. The Forest Service designed the proposals to reduce the complexity of the existing system and improve efficiency.

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## Scope and Methodology

To determine the status of the current cost efficiency initiatives, we met with timber management, fiscal, and budget officials in the Washington Office and interviewed several regional officials by telephone. We reviewed proposals and other supporting documentation provided by these officials.

To identify the other Forest Service initiatives, we met with the Washington Office's fiscal, personnel, and timber management officials and reviewed documentation provided by them.

We discussed the information presented in this fact sheet with officials in the Washington Office's Timber Management Office, who agreed that the information accurately presents the status of the Forest Service's actions as of March 31, 1994.

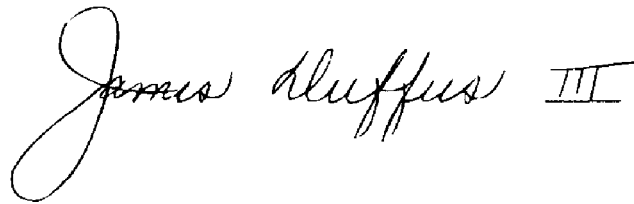
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We are providing copies of this fact sheet to the Secretary of Agriculture and the Chief of the Forest Service. We will make copies available to other interested parties on request.

Please contact me on (202) 512-7756 if you or your staff have any questions about the content of this fact sheet. Major contributors to this

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product include Linda L. Harmon, Assistant Director, and Jill J. Lund, Evaluator-in-Charge.

A handwritten signature in cursive script that reads "James Duffus III". The signature is written in black ink and is positioned above the printed name.

James Duffus III  
Director, Natural Resources  
Management Issues

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## Abbreviations

GAO	General Accounting Office
TSPIRS	Timber Sale Program Information Reporting System





# GAO's Update of the Forest Service's Cost-Efficiency Action Plan

Action item <sup>a</sup>	[Original] Planned completion date <sup>a</sup>	Status as of 3/31/94
<b>Timber program</b>		
Implement the below-cost policy to insure: 1) the long-term benefits of the timber purpose component of the timber sale program exceed the component costs; and 2) where timber harvest is used to achieve "other purpose" objectives, it is the most financially efficient means of achieving those objectives.	October 1993	During the previous administration, the Forest Service had drafted a below-cost timber sale policy and sent it to the Secretary of Agriculture for approval. In February 1994, the Department decided to reexamine this policy with the help of an interdisciplinary task force. Plans call for the team to have options developed by the end of fiscal year 1994. Currently, no national policy on below-cost sales exists.
Modification of timber sale program management practices or, if needed, changes in timber sale program levels would be implemented to achieve these requirements.	October 1994	Action on this item will occur after the development of a national below-cost policy.
Complete a national information needs assessment to provide a basis for substantially reducing duplication and the proliferation of requests to field units. Complete a cost analysis of collecting and maintaining information. Review regional assessments already completed.	October 1994	In February 1994, the Forest Service issued a report containing a comprehensive view of its financial management processes. Similar studies are under way for the other management systems. The goal is to fully integrate all financial and resource management systems into a network fully responsive to its users. This entire project is ongoing and expected to take several years. Work started in October 1993 on the preparation of an extensive data dictionary to precisely define all data elements. Work on the data dictionary is scheduled for completion in April 1994.
Consult with the Congressional committees to find ways to eliminate duplicate requests and outdated reports.	October 1994	The Forest Service made a list of all internal and external reports that it regularly prepares. It plans to meet with congressional recipients to determine whether the reports are still needed. No date has yet been set for the meeting, but plans call for a meeting to be set after the appropriations hearings in April 1994.
Develop a simplified timber sale contract for use on sales requiring only minor or no new road construction.	October 1994	The Forest Service has revised one of its two major timber contracts. The revised contract, known as the 2400-6, was sent to the Secretary of Agriculture in January 1994 and is awaiting approval. Once this contract is approved, the Forest Service will proceed with plans to revise the other major timber contract, the 2400-4.

(continued)

**Section 1**  
**GAO's Update of the Forest Service's**  
**Cost-Efficiency Action Plan**

<b>Action item<sup>a</sup></b>	<b>[Original] Planned completion date<sup>a</sup></b>	<b>Status as of 3/31/94</b>
Coordinate with appropriate staffs to emphasize cost efficiency in forest timber program activity reviews, project planning and N[ational] E[nvironmental] P[olicy] A[ct] and N[ational] F[orest] M[anagement] A[ct] training.	October 1997	Letters have gone out to Regional Foresters and Washington Office staff directors stating that cost efficiency is now a performance standard. Timber program and Timber Sales Program Information Reporting System (TSPIRS) activity reviews conducted in fiscal year 1993 emphasized cost efficiency. It will continue to be an item of emphasis in future reviews and remains an ongoing action item.
Implement the revised minimum rate policy.	October 1994	During the previous administration, the Forest Service drafted a minimum-rate policy and sent it to the Secretary of Agriculture for approval. In February 1994, the Department decided to reexamine the policy with the help of an interdisciplinary task force. Plans call for the task force to have options developed by the end of fiscal year 1994. The Forest Service is uncertain as to the departmental timetable but will implement the policy as soon as it is approved.
Administer Cultural Resources Management as a separate program ensuring that the cost of [the] program is not charged to timber.	October 1993	Accounting procedures have been revised. The timber resource pays for cultural resource surveys contained within the timber project area. Cultural resources must now fund state-required surveys that extend beyond project boundaries.
Coordinate with Ecosystem Management to insure that timber project costs are shared by benefiting functions.	October 1993	A budget line item for Ecosystem Management was included in the President's fiscal year 1995 budget to provide funding for inventories, forest planning, and ecosystem monitoring. All benefiting resources were required to provide funds for this new line item.
Include cost efficiency implementation as an issue in all W[ashington] O[ffice] Timber and Fiscal Activity Reviews.	October 1996	Cost efficiency was included in all timber program and TSPIRS activity reviews conducted by the Washington Office in fiscal year 1993. This action item is ongoing, as cost efficiency will continue to be part of future reviews.
<b>TSPIRS</b>		
Explore using economies of scale analysis to remove small timber programs from the below cost timber sale requirements.	October 1993	In fiscal year 1993, TSPIRS separated the information on the costs of the timber commodity program, the personal-use program, and the forest stewardship program. Some forests with small timber commodity programs will eliminate them because of concerns about cost efficiency.

(continued)

**Section 1  
GAO's Update of the Forest Service's  
Cost-Efficiency Action Plan**

<b>Action item<sup>a</sup></b>	<b>[Original] Planned completion date<sup>a</sup></b>	<b>Status as of 3/31/94</b>
Provide incentives for regional and forest managers to use the annual TSPIRS reports to adjust their timber programs.	October 1994	For allocation of the fiscal year 1994 budget to the regions, TSPIRS data, central accounting system information, personnel numbers, and volume figures were used for the first time to make some adjustments. This was done to reward forests whose costs and personnel were more in line with the size of their timber programs. The Forest Service continues to explore other incentives.
<b>Financial management</b>		
Establish a service wide work activity-based unit costing process to provide accurate data on the cost of doing business.	October 1994	A budget restructuring proposal was developed, approved by the Department of Agriculture and the Office of Management and Budget, and included in the fiscal year 1995 President's budget. It awaits congressional approval. More detail is provided on this project in section 2.
Place strong organizational emphasis on "charge as worked" to improve the integrity of data collected.	October 1995	Adherence to "charge as worked" principles continues to be reviewed as a part of activity and performance reviews. Current barriers—for example, reprogramming authority—are being addressed by the budget proposals contained in the fiscal year 1995 budget and are awaiting congressional approval.
Determine the actual costs of the timber sale program at the Regional, Forest, and District levels.	October 1994	This action item has been placed on hold until after the national reorganization study is completed and the regions have downsized through fiscal year 1995.
Work with appropriate teams and staffs to change the program budget process to develop out-year budgets on the basis of costs that accurately reflect today's business environment.	October 1994	Changes have been proposed in the fiscal year 1995 budget proposal and are awaiting congressional approval. These budget proposals are discussed in section 2.
Review and change how ET 113 funds (Other Resource Support) are requested from Congress, allocated by the W[ashington] O[ffice], and administered by the field.	October 1994	In the proposed budget for fiscal year 1995, the Forest Service requested that support dollars that were previously given to other resources to support the timber program be given to the timber program to pay for support costs. For example, the money for recreation support to the timber program is now allocated to, and paid by, timber. This proposal is discussed in section 2.
In coordination with the Consistent Costing team, adopt a standard definition for indirect timber program costs to be applied Agency-wide, with the objective of providing consistent data for comparison of costs between field units.	October 1993	Indirect costs were precisely defined and the "General Administration" line item was abolished as part of the budget restructuring proposal included in the President's budget for fiscal year 1995. It awaits congressional approval.

(continued)

**Section 1**  
**GAO's Update of the Forest Service's**  
**Cost-Efficiency Action Plan**

<b>Action item<sup>a</sup></b>	<b>[Original] Planned completion date<sup>a</sup></b>	<b>Status as of 3/31/94</b>
Change the way inventory is charged. Replace separate functional inventory codes, with one inventory code for all functions. Remove inventory costs from TSPIRS.	October 1993	The Ecosystem Management budget line item was included in the President's budget for fiscal year 1995; it was designed to handle all charges for inventory. This budget line item has been approved by the Department and the Office of Management and Budget and awaits congressional approval.
Explore ways to facilitate reprogramming to be more responsive to the forests and districts.	October 1994	A proposal to increase the reprogramming limits was approved by the Department and the Office of Management and Budget and included in the President's budget for fiscal year 1995. It awaits congressional approval.
Explore opportunities to move from leased space to government owned space as the organization is downsized.	October 1994	Some regions are exploring this option but are first waiting for staffing levels to stabilize.
Explore ways to share ecosystem costs between benefiting functions.	October 1994	Work on this item is in process. The establishment of an Ecosystem Management budget line item was the first step.
<b>Timber management organization</b>		
Look at the timber organization from top to bottom as it relates to ecosystem management and new skills that will be needed in 5 years.	October 1994	A national reorganization study is currently under way to look at the Forest Service's entire organizational structure. The final date for this study is planned for September 1994. This study is further explained in section 2.
Study Washington Office timber national commitments for the use of timber funds to determine ways to decrease overhead costs.	October 1994	Work on this item is completed. National commitments have been separated into two groups—those that benefit all resources equally and those that do not. Some national commitments have been redefined and assigned to the specific resources they benefit.
Explore ways to reduce costs by consolidating forest and district offices.	October 1994	A study dealing with this issue was completed and sent to the Department during the previous administration. The current administration has taken no action. The organizational structure of the Forest Service is being reviewed as part of the national reorganization study, which is discussed in section 2.
<b>Monitoring</b>		
Develop ways to reward efficiency efforts that are implemented and that reflect measurable gains.	October 1993	Efficiency has been recognized by allocating more funds to successful regions and awarding "land stewardship" contracts on a limited basis. Land stewardship contracts are discussed in section 2. Efforts to find additional ways to reward cost efficiency will continue.
Monitor accomplishments of Regional action plans.	Annually thru Fiscal Year 1997	The Cost Efficiency Task Force Chairman reviewed updated plans from the regions for fiscal year 1994.

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**Section 1**  
**GAO's Update of the Forest Service's**  
**Cost-Efficiency Action Plan**

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<b>Action item<sup>a</sup></b>	<b>[Original] Planned completion date<sup>a</sup></b>	<b>Status as of 3/31/94</b>
Include cost efficiency as an action item in all F[iscal] Y[ear] 1993 activity reviews by Timber Management and Fiscal staffs.	Annually thru Fiscal Year 1997	Both timber management and fiscal staffs included cost efficiency as a part of their fiscal year 1993 activity reviews and plan to do so in the future.
At the end of each fiscal year, compare regional unit costs to the previous fiscal year. Provide the data to the Chief, Deputy Chiefs, and Regional Foresters for use in performance ratings.	Annually thru Fiscal Year 1997	These cost data have been generated and were provided in March 1994.

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<sup>a</sup>The information in columns 1 and 2 is quoted from the Forest Service's Timber Cost Efficiency Study—Final Report dated April 16, 1993.

# Forest Service's Initiatives to Improve Efficiency

On the basis of the action items undertaken for the Timber Cost Efficiency Study—Final Report, the Forest Service expanded some initiatives to include the entire agency and undertook other initiatives to achieve greater efficiency throughout the agency. These initiatives relate to reorganizing and downsizing the agency, introducing a series of budget proposals to improve the management and use of taxpayers' dollars, using land stewardship contracts as cost incentives, and improving accountability.

## Forest Service's Reorganization

To examine the issue of whether today's Forest Service is consistent with what will be needed in the future, the Chief of the Forest Service and the Assistant Secretary of Agriculture for Natural Resources and Environment chartered and selected a team in the fall of 1993 to develop a "reinvention" strategy for the agency. The team consists of Forest Service employees from throughout the agency and is led by an Associate Deputy Chief.

Specifically, the team was asked to describe (1) the "Forest Service of the Future" and (2) how the Forest Service could be transformed to achieve that vision. The team will review all areas of the Forest Service, including its organizational purpose, outcomes, culture, work, and structure. Specifically, the team will review the Forest Service's

- mission, vision, and guiding principles;
- relationship with the public, customer satisfaction, service and value provided, and the condition of ecosystems;
- beliefs, norms, attitudes, and behaviors;
- relationships among units, organizational levels, methods used to accomplish work, systems, and how well work is integrated; and
- geographic and operational needs, allocation of budgets and people, and ways to integrate ecosystem management into the work.

The team is conducting a series of "town hall" meetings in major cities throughout the country to solicit comments from the public. After completing these meetings in mid-1994, the team will decide on its anticipated product and necessary testing requirements. The target delivery date for the final report is September 1994.

The results of this study could significantly affect many areas relating to cost efficiency; for example, the team could recommend that certain offices be closed or management levels be abolished.

## Organizational Downsizing

Over the past several years, the amount of timber available for sale has steadily declined, and as a result, the Forest Service has been formally downsizing its organization. In October 1991 through March 1994, the Forest Service eliminated 1,133 permanent, full-time positions. However, as of March 29, 1994, almost 700 positions were still listed as excess to the agency's needs for fiscal year 1994.

About one-half of the positions listed as excess are located in Region 6 (Pacific Northwest). In this region, timber offered for sale dropped from 1,093.9 million board feet in fiscal year 1991 to 629.6 million board feet in fiscal year 1993. During the period October 1991 through March 1994, permanent, full-time positions decreased from 6,913 to 6,280. The Forest Service, however, estimates that it needs to eliminate another 348 positions in this region in fiscal year 1994. As of April 11, 1994, 489 employees in Region 6 had expressed interest in leaving the agency under the incentive buyout.

Several factors affect the Forest Service's ability to downsize as rapidly as might be expected, including:

- Employees who had planned to retire were staying on in hopes of obtaining an additional "incentive buyout" of \$25,000. On March 30, 1994, the President signed this incentive buyout, and as a result, 2,317 Forest Service employees agreed to voluntarily leave the agency as of April 11, 1994.
- The Department of Agriculture must approve all employee transfers for positions at grade GS-13 and above. Waiting for approval of the requested transfers has kept employees in positions that would have been eliminated had the transfers been permitted.
- Employees occupying positions listed as excess to the agency's needs in one location have turned down job offers from other units with vacancies. The excess position could not be eliminated until the employee left. As a result, the Chief, on February 18, 1994, issued a letter to Forest Service employees and declared that anyone whose position is listed as excess to his/her home unit's needs and who has received a job offer from another unit must take the position offered. After 60 days, any offer must result in a placement or reassessment of the employee's funding status so that his/her name is removed from the surplus list.

Although many of the factors previously affecting the Forest Service's ability to downsize have been addressed or resolved, the final outcome of downsizing will not be known for several months. According to Forest



Service officials, while downsizing will reduce costs in the long run, it may adversely affect costs in fiscal year 1994, as the agency must pay employee separation costs—such as incentive payment and lump sum annual leave payments—to every eligible employee who decides to leave the agency. They estimate this will cost about \$67 million in fiscal year 1994.

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## Budget Proposals

The September 1993 National Performance Review used the Forest Service as an example of an agency with an overly complex budget structure. To address this criticism, the Forest Service proposed reforming its budget structure to “facilitate implementation of ecosystem management, reduce the complexity, and improve the efficiency of the current system.” The Forest Service included this proposal in its fiscal year 1995 Budget Explanatory Notes, and some of its key measures are outlined below.

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## Budget Structure

The Forest Service's current budget system contains 72 separate trackable accounts, or expanded line items, whose amounts must be estimated 2 years before the money will actually be received. The Forest Service's explanatory notes state that such time lags combined with such detail hamper the agency's ability to implement the integrated resource approach necessary for ecosystem management or to respond to rapidly changing conditions.

The budget restructuring proposal would reduce the number of trackable accounts from 72 to 42. Much of the accounting data and other information currently part of all accounts would still be available. However, the Forest Service believes that fewer accounts will allow it more flexibility to respond to changed conditions and will increase efficiency by simplifying the budget process.

The restructuring proposal also introduces a budget line item for Ecosystem Management. For the fiscal year 1995 budget, the Forest Service included this line item to fund inventories, forest planning, and the monitoring of ecosystem management projects.

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## Reprogramming Authority

Currently, the Forest Service may reprogram the lesser of 10 percent or \$250,000 of a trackable account. The restructuring proposal would increase the reprogramming authority to 15 percent of an account total. This additional reprogramming authority would permit some delegation of

authority to the field and enable field staff to respond to changed demands for funding that have occurred in the 2 years between budget preparation and receipt.

According to the Forest Service, it spends significant time on preparing reprogramming requests, which come first from the districts and then must be combined at the forest, region, and national levels before being sent to the Department of Agriculture, the Office of Management and Budget, and the Appropriations Committee.

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### Funding Resource Support Activities

Currently, when the timber resource group prepares a timber sale, it must obtain input from the fish and wildlife resource group on such subjects as how species located in the area will be affected by a proposed timber harvest. The money for this "other resource support" of a timber sale is provided to the resource group providing the support—that is, fish and wildlife. This current method of providing direct dollars to one resource while providing the necessary support dollars to another resource can result in project delays when the proper mix of support and direct dollars is not available. In the above example, if the timber resource had the funds it needed to prepare its portion of a timber sale, but fish and wildlife did not have the funds necessary to do the species surveys, then the project would be delayed.

By placing both direct and support funds within the benefiting resource, the Forest Service believes that fewer project delays will occur that are caused by funding conflicts and that resource costs will be more consistently estimated.

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### Land Stewardship Contracts

In the fiscal year 1992 appropriations act, the Congress authorized the Forest Service to test land stewardship contracts on a limited basis. Under these contracts, selected forests could apply a reasonable portion of the revenue generated by the sale of timber to offset project costs. The act gave the purpose of the contracts as "achieving ecologically defensible management practices." The revenue generated was to be used for, but not limited to, "site preparation, replanting, silviculture programs, recreation, wildlife habitat enhancement, and other multiple-use enhancement on selected projects."

As of March 31, 1994, the Forest Service was preparing a report to the Congress describing its experiences with the land stewardship contracts.

A Forest Service official told us that basically the report concludes that sufficient testing had been completed and that the contracts work very well in some instances, but not in others. For example, land stewardship contracts work well when the primary objective is to bring the land to a certain condition. However, they are not considered the best vehicle to use when the primary objective is harvesting timber because land stewardship contracts are multipurpose, which makes them more complicated than single-purpose timber sale contracts.

The Forest Service would like to continue using land stewardship contracts, and its report addresses several issues that the Forest Service believes need to be resolved before the test can be expanded beyond the four test forests.

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## Accountability Project

For several years, the Congress, as well as others, has argued that the Forest Service is no longer delivering what is expected or promised. Examples of such situations include the failure to sell as much timber as expected and spending wilderness funds on nonwilderness recreation projects.<sup>1</sup>

As a result of these concerns, the Chief of the Forest Service, in the fall of 1991, formed a task force of employees from throughout the agency to review the issue of "accountability." The task force was asked to explore whether the agency could continue to deliver on agreements, considering all of the changed conditions under which it must operate—that is, shrinking budgets and the increased scrutiny by state and local agencies, interested citizen groups, individuals, and the media.

To accomplish its objective, the task force solicited the views of its own members, hundreds of Forest Service employees, the Chief and his staff, key customers, and management and communications consultants on the perspectives of accountability that should be addressed. The task force also considered the results of prior GAO and Office of Inspector General reports that identified areas in which the Forest Service has failed to be accountable for what it had been asked to do.

Using the information gathered, the task force first defined accountability as "being answerable for what we do" and determined that in order to be

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<sup>1</sup>See *Wilderness Management: Accountability for Forest Service Funds Needs Improvement* (GAO/RCED-92-33, Nov. 4, 1991).

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**Section 2**  
**Forest Service's Initiatives to Improve**  
**Efficiency**

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accountable, the agency "must do what we agreed or were directed to do; as we agreed or are required to do it."

The task force then developed a seven-step process designed to provide the procedures necessary to achieve better accountability. For example, the first step in the process is to establish work agreements that include measures and standards. This is defined as involving the customer and clarifying the what, when, where, how, and why of the agreement. Other steps involve assessing performance and communicating the results to customers.

The team issued its report in February 1994, and its concepts have been adopted by the Forest Service's leadership team consisting of the Chief, Deputies, Resource Directors, and Regional Foresters. The report cites as the Forest Service's ultimate goal for the future to:

"Achieve a leadership and organizational culture in which responsibility and accountability for excellence are shared by all employees and in the execution of the Forest Service's Mission, Vision, and Guiding Principles."

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