

Part E

REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION (Unaudited)

REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

The stewardship objective of Federal financial reporting requires the Forest Service to report on its stewardship over certain resources entrusted to it, and certain responsibilities assumed by it, that cannot be measured in traditional financial reports.

These resources and responsibilities do not meet the criteria for assets and liabilities that are reported in the financial statements, but are important for understanding the operations and financial condition of the Forest Service at the date of the financial statements, and in subsequent periods.

Stewardship resources involve substantial investment by the Forest Service for long term benefits for the American public. By treating stewardship resources as expenses in the year the costs are incurred, the Forest Service demonstrates our accountability for them. Depending on the nature of the resources, stewardship reporting could consist of financial or nonfinancial data.

To achieve the objectives of required supplementary stewardship information (RSSI) reporting, resources and responsibilities for which the Forest Service has stewardship accountability have been categorized into two distinct groups—Stewardship Property, Plant, and Equipment (PP&E) and Stewardship Investments.

STEWARDSHIP—PROPERTY, PLANT, AND EQUIPMENT

Stewardship PP&E consists of assets whose physical properties resemble those of the general PP&E traditionally in financial statements. However, due to the nature of these assets, valuation would be difficult and matching costs within a given reporting period would not be meaningful. One category of stewardship PP&E is heritage assets, which are historically or culturally significant property, memorials, and Federal monuments. A second category is stewardship land, which is land other than that acquired for, or in connection with, general PP&E.

Heritage Assets

The Forest Service estimates that more than 320,000 heritage assets¹ are on land that it manages. Some of these assets are listed on the National Register of Historic Places, and some are designated as National Historic Landmarks. Collection assets held at museums and universities are managed by those entities, and not the Forest Service.

The historic structures are works consciously created to serve some human purpose, such as buildings, monuments, logging and mining camps, and ruins.

Heritage assets designated as National Historic Landmarks are sites, buildings, or structures that possess exceptional value in commemorating or illustrating the history of the United States, and exceptional value or quality in illustrating and interpreting the heritage of the United States. The Secretary of the Interior is the official designator of National Historic Landmarks.

Heritage assets listed in the National Register of Historic Places include properties, buildings, and structures that are significant in U.S. history, architecture, and archaeology, and in the cultural foundation of the Nation. Sites formally determined as eligible for the National Register by the Keeper of the National Register, or documented through consultation with State Historic Preservation Offices, are considered potentially eligible for the National Register.

The Forest Service heritage resource specialists on the 155 national forests maintain separate inventories of heritage assets. Most assets not used for administrative or public purposes receive no annual maintenance. A long-term methodology to better assess the extent and condition of these assets is being formulated to comply with Executive Order 13287, Preserve America. The real property

¹ This information is estimated from the nine Forest Service regions and from the annual Department of Interior report to Congress.

management module in INFRA was implemented to manage heritage assets. The Healthy Forests Initiative and competing budget priorities, however, have prevented full population of the database.

Acquisition and Withdrawal of Heritage Assets

The Forest Service generally does not construct heritage assets, although in some circumstances important site-structural components may be rehabilitated or reconstructed into viable historic properties to provide forest visitors with use and interpretation. Heritage assets can be acquired through the procurement process, but this rarely occurs. Normally, heritage assets are part of the land acquisition and inventory process. Withdrawal occurs through land exchange or natural disasters. Most additions occur through inventory activities, where previously undocumented sites are discovered and added to the total. Although not technically additions—they already existed on NFS lands—they do represent an increased management responsibility commensurate with the spirit of “additions.”

Exhibit 4 shows the major heritage assets by category and condition for FY 2004².

Exhibit 4: Major Heritage Assets by Category and Condition, FY 2004

Category	2004 Final Sites	Condition
Total heritage assets	318,259	Poor to fair
Eligible for the National Register of Historic Places	57,925	Poor to fair
Listed on the National Register	3,397	Fair
Sites with structures listed on the National Register	1,874	Poor to fair
National Historic Landmarks	19	Fair to good

STEWARDSHIP LAND

National Forest System

The Forest Service manages more than 192 million acres of public land, most of which are classified as stewardship assets. These stewardship assets are valued for the following reasons:

- Environmental resources;
- Recreational and scenic values;
- Cultural and paleontological resources;
- Vast open spaces; and
- Resource commodities and revenue they provide to the Federal Government, States, and counties.

Land needed to protect critical wildlife habitat and cultural and historic values, to support the purposes of congressional designation, and for recreation and conservation purposes is acquired through purchase or exchange.

National Forests

The national forests are formally established and permanently set aside and reserved for national forest purposes. The following categories of NFS lands have been set aside for specific purposes in designated areas:

- National Wilderness Areas. Areas designated by Congress as part of the National Wilderness Preservation System.
- National Primitive Areas. Areas designated by the Chief of the Forest Service as primitive areas. They are administered in the same manner as wilderness areas, pending studies to determine sustainability as a component of the National Wilderness Preservation System.

² Data totaled through fiscal year (FY) 2004. FY 2005 data is gathered in the first half of FY 2006.

- National Wild and Scenic River Areas. Areas designated by Congress as part of the National Wild and Scenic River System.
- National Recreation Areas. Areas established by Congress for the purpose of assuring and implementing the protection and management of public outdoor recreation opportunities.
- National Scenic Research Areas. Areas established by Congress to provide use and enjoyment of certain ocean headlands and to ensure protection and encourage the study of the areas for research and scientific purposes.
- National Game Refuges and Wildlife Preserve Areas. Areas designated by Presidential proclamation or Congress for the protection of wildlife.
- National Monument Areas. Areas including historic landmarks, historic and prehistoric structures, and other objects for historic or scientific interest, declared by Presidential proclamation or Congress.

National Grasslands

National Grasslands are designated by the Secretary of Agriculture and permanently held by the USDA under Title III of the Bankhead-Jones Farm Tenant Act.

Purchase Units

Purchase units are land designated by the Secretary of Agriculture or previously approved by the National Forest Reservation Commission for purposes of Weeks Law acquisition. The law authorizes the Federal Government to purchase lands for stream flow protection and maintain the acquired lands as national forests.

Land Utilization Projects

Land utilization projects are reserved and dedicated by the Secretary of Agriculture for forest and range research and experimentation.

Research and Experimental Areas

Research and experimental areas are reserved and dedicated by the Secretary for forest and range research experimentation.

Other Areas

There are areas administered by the Forest Service that are not included in one of the above groups.

Exhibit 5 shows the net change in acres between FY 2004 and FY 2005 on NFS lands by various purposes.

Exhibit 5: Net Change³ in Acres in National Forests by Various Purposes (FY 2004 to FY 2005)

Description	FY 2004	FY 2005	FY 2005
	Balance	Net Change	Ending Balance
NFS Land (in acres):			
National Forests	144,076,791	383,523	144,460,314
National Forest Wilderness Areas	34,953,370	3,708	34,957,078
National Forest Primitive Areas	173,762	0	173,762
National Wild and Scenic River Areas	950,906	(20,273)	930,633
National Recreation Areas	2,911,239	(92,971)	2,818,268
National Scenic Areas	130,493	160	130,653
National Scenic—Research Areas	6,637	0	6,637
National Game Refuges and Wildlife	1,198,099	0	1,198,099

³ As of October 20, 2005, final verifications have not been done, and numbers are still subject to change.

Preserve Areas			
National Monument Areas	3,659,974	100	3,660,074
National Monument Volcanic Areas	167,427	0	167,427
National Historic Areas	6,540	0	6,540
National Grasslands	3,839,543	(1,377)	3,838,166
Purchase Units	370,026	5	370,031
Land Utilization Projects	1,876	0	1,876
Research and Experiment Areas	64,871	(9)	64,862
Other Areas	296,050	59,229	355,279
Total NFS Land (in acres)	192,897,320	332,095	193,229,415

Condition of NFS Lands

The condition of NFS lands varies by purpose and location. The Forest Service monitors the condition of NFS lands based on information compiled by two national inventory and monitoring programs—FIA and Forest Health Monitoring (FHM). Annual inventories of forest status and trends are conducted by the FIA program in 45 States covering 77 percent of the forested land of the United States.

Active throughout 50 States, FHM provides surveys and evaluations of forest health conditions and trends. Although most of the 193 million acres of NFS forest lands continue to produce valuable benefits (i.e., clean air, clean water, habitat for wildlife, and products for human use), significant portions are at risk to pest outbreaks or catastrophic fires.

About 33 million acres of NFS forest land are at risk to future mortality from insects and diseases, based on the current Insect and Disease Risk Map⁴. Nearly 73 million acres⁵ of NFS forest land are prone to catastrophic fire based on current condition and departure from historic fire regimes (Fire Regimes 1, 2, and 3 and Condition Classes 2 and 3). Approximately 9.5 million acres are at risk to both pest-caused mortality and fire. Invasive species of insects, diseases, and plants continue to impact our native ecosystems by causing mortality to, or displacement of, native vegetation.

The National Fire Plan has enhanced our efforts to prevent and suppress future fires adequately and restore acres that are at risk. Risk to fire was reduced by treating fuels on 1,524,414 acres with Direct Hazardous Fuels dollars in the wildland-urban interface (WUI), or outside WUI but in Fire Regimes 1, 2, and 3 and Condition Classes 2 and 3.

Another 396,739 acres, both in WUI and outside WUI, were treated to reduce risk from fire but also improve wildlife habitat, prevent insect outbreaks, and meet other resource values, for a total of 1,921,153 acres of fuel hazard treatments on NFS lands.

Insect and disease prevention and suppression treatments were completed on 686,000 acres in FY 2005.

STEWARDSHIP INVESTMENTS

Stewardship investments are expenses and investments incurred for education and training of the public that is intended to increase national economic productive capacity (investment in human capital), and research and development intended to produce future benefits.

Human Capital—Job Corps Civilian Conservation Center
FY 2005 Net Cost of Operations: \$112.4 Million

⁴ The Insect and Disease Map is currently being updated and will be available in 2006 (calendar year).

⁵ The most recent information to measure trends in potential catastrophic fire was the 1999 mid-scale assessment of fire regime and condition class produced at the Missoula Fire Science Lab. The trend will be reevaluated in the near future using LANDFIRE, a tool that will produce a national wall-to-wall mapping of fuels and fire regimes.

The Forest Service's Job Corps Civilian Conservation (Job Corps) Centers, in coordination with the Department of Interior (DOI) National Park Service, Fish and Wildlife Service, and Bureau of Reclamation, continued "Empowering Youth and Enhancing Communities and Natural Resources."

In partnership with the U.S. Department of Labor (DOL), the Forest Service operates 18 Job Corps Centers. Job Corps is the only Federal residential employment and education training program for economically challenged young people ages 16 to 24. The purpose of the program is to provide young adults with the skills necessary to become employable, independent, and productive citizens. The program is administered in a structured, coeducational, residential environment that provides education, vocational and life skills training, counseling, medical care, work experience, placement assistance and followup, recreational opportunities, and biweekly monetary stipends. Job Corps students choose from a wide variety of careers, such as urban forestry, heavy equipment operations and maintenance, business, clerical, carpentry, culinary arts, painting, cement and brick masonry, welding, auto mechanics, health services, building and apartment maintenance, warehousing, and plastering.

Job Corps is funded from DOL annually on a program year; the fiscal year is July 1 to June 30. During Job Corps' FY 2005, accomplishments included the following:

- 8,889 participants received 4,441 placements with an average starting hourly wage of \$.43 more than the DOL national average.
- Approximately 1,500 female students received training in nontraditional vocations.
- 482 students received high school diplomas, and 1,934 students obtained general equivalency diplomas.
- Approximately 1,112 Job Corps students and staff assisted the agency in its firefighting efforts.
- Students accomplished conservation work appraised at \$20.3 million on NFS lands.

Since 1964, the Forest Service's Job Corps Centers have trained and educated more than 300,000 young men and women. On January 10, 2005, the agency successfully transferred the Mingo Job Corps Center from the DOI Fish and Wildlife Service to the USDA Forest Service.

Research and Development—Forest and Rangeland Research
FY 2005 Net Cost of Operations: \$296 Million

Of the \$296 million, \$274 million was an investment of Research and Development funding (FRRE), and \$22 million was an investment of National Fire Plan funding (FRF2).

Forest Service Research and Development provides reliable, science-based information that is incorporated into natural resource decisionmaking. Efforts consist of developing new technology and then adapting and transferring this technology to facilitate more effective resource management. Some major research areas include the following:

- Vegetation management and protection
- Wildlife, fish, watershed, and air
- Resource valuation and use research
- Forest resources inventory and monitoring

Research staff are involved in all areas of the Forest Service, supporting agency goals by providing more efficient and effective methods where applicable.

A representative summary of FY 2005 accomplishments using Forest Service appropriated funds include the following:

- 63 new interagency agreements and contracts;
- 93 interagency agreements and contracts continued;

1,320 articles published in journals;
1,779 articles published in all other publications;
1 patent granted; and
16 rights to inventions established.