

February 2009

FEDERAL LAND MANAGEMENT

Observations on a Possible Move of the Forest Service into the Department of the Interior



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Highlights of [GAO-09-223](#), a report to congressional requesters

Why GAO Did This Study

Growing ecological challenges ranging from wildland fires to climate change have revived interest in moving the Department of Agriculture's (USDA) Forest Service into the Department of the Interior (Interior). The Forest Service manages almost a quarter of the nation's lands but is the only major land management agency outside Interior.

GAO was asked to report on the potential effects of moving the Forest Service into Interior and creating a new bureau equal to Interior's other bureaus, such as the Bureau of Land Management (BLM). GAO was also asked to identify factors that should be considered if such a move were legislated and management practices that could facilitate a move. GAO analyzed five historical proposals to reorganize federal land management agencies; interviewed USDA, Interior, and other officials and outside experts; and studied joint Forest Service–BLM programs to assess efforts to integrate the agencies' work.

What GAO Recommends

This report contains no recommendations, but provides decision makers with details on the potential effects of moving the Forest Service into Interior and factors that policymakers should consider in such a move. Generally, the Forest Service and Interior agreed with the report, but Interior observed that a move would not necessarily diminish the Forest Service's state and private role.

To view the full product, including the scope and methodology, click on [GAO-09-223](#). For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

FEDERAL LAND MANAGEMENT

Observations on a Possible Move of the Forest Service into the Department of the Interior

What GAO Found

Moving the Forest Service into Interior could potentially improve federal land management by consolidating into one department key agencies with land management missions and increasing the effectiveness of their programs. At the same time, a move would provide few efficiencies in the short term and could diminish the role the Forest Service plays in state and private land management, a mission the agency has in common with USDA but not with Interior. According to many agency officials and experts, where the Forest Service mission is aligned with Interior's—in particular, the multiple-use mission comparable to BLM's—a move could increase the overall effectiveness of some of the agencies' programs and policies. For example, according to some officials, a move could help harmonize the Forest Service's and BLM's oil and gas, grazing, and other programs and potentially make the agencies' appeals processes similar. Conversely, most agency officials and experts GAO interviewed believed that few short-term efficiencies would be realized from a move, although a number said opportunities would be created for potential long-term efficiencies, such as consolidating information technology systems. Many officials and experts suggested that if the objective of a move is to improve land management and increase the effectiveness and efficiency of the agencies' diverse programs, other options might achieve better results. For example, numerous officials and experts suggested leaving the Forest Service in USDA and increasing collaboration among the land management agencies.

If the Forest Service were moved into Interior, Interior and USDA would need to consider a number of cultural, organizational, and legal factors and related transition costs, some of which could be managed by certain practices successfully used in the past to merge and transform organizations. The agencies' long histories and traditions have created distinctive cultures, which officials and experts predicted could clash under Interior, leading to reduced morale and productivity. Changes needed to departmental and agency organization in the event of a move could also present challenges. For example, officials and experts said that integrating the Forest Service's reporting, budgeting, and personnel processes and systems into Interior's could be time-consuming, disruptive, and costly. Further, complex legal issues, such as differing statutory authorities, may need reconciliation. GAO's previous work on merging and transforming organizations, however, identified some key practices that Interior and USDA could use to facilitate a move and manage the costs; several of the practices were also mentioned by a number of officials and experts GAO interviewed. For example, identifying goals for a move, up front, would enable planning to achieve those goals, and creating an effective communication strategy would help agency employees understand the reason for a move. Organizational transformations are inevitably complex, involving many factors and often creating unintended consequences. In considering a move of the Forest Service into Interior, policymakers will need to carefully weigh mission and management gains against potential short-term disruption and operational costs.

Contents

Letter		1
	Results in Brief	4
	Background	6
	Moving the Forest Service into Interior Would Align Federal Land Management Missions and Could Improve Effectiveness of Federal Programs yet May Yield Few Efficiencies in the Short Term	12
	Move Would Entail Consideration of Numerous Factors and Could Lead to Transition Costs, but Key Merger and Transformation Practices Could Help Facilitate Move and Manage Disruptions	30
	Concluding Observations	47
	Agency Comments and Our Evaluation	48
Appendix I	Scope and Methodology	50
Appendix II	List of Experts GAO Interviewed	53
Appendix III	Five Selected Historical Proposals to Reorganize Federal Natural Resource and Land Management Agencies	56
Appendix IV	Service First	62
Appendix V	Oil and Gas Federal Permit Streamlining Pilot Project	68
Appendix VI	Comments from the Department of the Interior	72
	GAO Comments	74
Appendix VII	GAO Contact and Staff Acknowledgments	75

Related GAO Products

76

Tables

Table 1: Forest Service and Interior Agencies' Mission Statements	15
Table 2: Key Practices and Implementation Steps for Mergers and Organizational Transformations	45
Table 3: Integration of Business Operations for the San Juan Public Lands Center	65
Table 4: Integration of Business Operations in Portland, Oregon, Service First Site	66
Table 5: Joint Forest Service–BLM Activities to Integrate Business Operations	71

Figures

Figure 1: Federal Lands in the Contiguous United States Managed by USDA's Forest Service and by the Department of the Interior	14
Figure 2: Forested Lands in the Contiguous United States, 2000	18
Figure 3: Organizational Chart for Interior	35
Figure 4: Organizational Chart for USDA	36

Abbreviations

APHIS	Animal and Plant Health Inspection Service
BLM	Bureau of Land Management
DHS	Department of Homeland Security
GIS	Geographic Information System
GPRA	Government Performance and Results Act
NEPA	National Environmental Policy Act
NRCS	Natural Resources Conservation Service
USDA	United States Department of Agriculture
USGS	United States Geological Survey

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United States Government Accountability Office
Washington, DC 20548

February 11, 2009

The Honorable Norm Dicks
Chairman
The Honorable Mike Simpson
Ranking Member
Subcommittee on Interior, Environment, and Related Agencies
Committee on Appropriations
House of Representatives

The Honorable Todd Tiahrt
House of Representatives

The organizational arrangement and roles of the nation's land management agencies have remained relatively static since the turn of the twentieth century, although the agencies have confronted growing challenges such as wildland fire, watershed protection, and biodiversity loss and now face unprecedented impacts from climate change and intense new development of energy resources. Four federal land management agencies—the Forest Service within the Department of Agriculture (USDA) and the Bureau of Land Management (BLM), Fish and Wildlife Service, and National Park Service in the Department of the Interior (Interior)—manage most of the 680 million acres of federal land across the country. Established in 1849, Interior was given authority for managing public lands, including those acquired by the federal government during the nation's westward expansion. While the government disposed of many of its lands to new states, the railroads, homesteaders, and miners, in the late nineteenth century it also began setting aside some lands under Interior's jurisdiction for parks and forest reserves. Then in 1905 Congress transferred control of the forest reserves from Interior to USDA, consolidating USDA's forestry research program and the forest reserves into one agency, which became known as the Forest Service. In creating the Forest Service in USDA, where it remains today, Congress was responding in part to scientists and policymakers who believed the nation's forests and timber supply would be better managed under USDA's agriculture and conservation mission. Between 1916 and 1956, Congress created the three other land management agencies within Interior, in part to manage its parks, wildlife refuges, and rangelands.

Since then, both the Forest Service and Interior's agencies—particularly BLM—have experienced increased economic, ecological, and legal transformations, such as shrinking supplies of natural resources, passage

of key environmental legislation in the 1960s and 1970s, and shifting public expectations for land management. In particular, changing public demands and legislative reform beginning in the 1960s led to increasing conflicts among the uses of Forest Service and BLM lands, especially between noncommodity uses, such as recreation, wilderness preservation, and wildlife habitat, and commodity uses, such as timber and grazing. In addition, Fish and Wildlife Service and National Park Service lands have experienced increased demand for recreation, wilderness, and other protected areas, including wild and scenic rivers and wildlife habitat to safeguard species. Changes like these have made managing federal lands more complex, with managers needing to reconcile differences among growing demands for often conflicting land uses. Most recently, all the land management agencies, but particularly the Forest Service, have faced unprecedented challenges in the form of large-scale, cross-boundary problems such as wildland fire, invasive species, and development of private lands along their borders.

Recognizing that federal land management agencies faced many similar challenges but lacked unifying statutory authorities for management and use of federal lands and resources, policymakers over the last 4 decades made several unsuccessful attempts to reorganize the nation's land and resource agencies. These efforts were part of broader efforts made during the Nixon, Carter, and Reagan administrations to reorganize the federal agencies and departments to improve the efficiency and effectiveness of the federal government. The specific proposals for federal land management agencies included moving the Forest Service into Interior, reorganizing all resource and environmental agencies into a new department of natural resources that would replace Interior, and exchanging certain lands managed by the Forest Service and BLM to create contiguous blocks of land managed by one or the other of the two agencies. These proposals, however, were unsuccessful for a number of reasons, including political resistance to the specific changes and shifting government priorities. For example, the energy crises of the early and late 1970s diverted congressional and executive branch attention from the administrations' proposals to consolidate the Forest Service and Interior agencies—as well as other federal agencies—into a single department of natural resources.

The emergence of new challenges for both the Forest Service and Interior during a time of severe budgetary constraint, as well as the growing need for agencies to collaborate on large-scale natural resource problems, has revived interest in the potential for improving federal land management and program efficiency and effectiveness. To help inform congressional

consideration of these issues, you asked us to study the potential effects of moving the Forest Service into Interior by transferring the authorities of the Forest Service Chief, as well as those given to the Chief through the Secretary of Agriculture, to the Secretary of the Interior and creating within Interior a new bureau equivalent to the department's other bureaus. Specifically, you asked us to describe (1) how federal land management would potentially be affected by moving the Forest Service into Interior and (2) what factors should be considered if Congress and the administration were to decide to move the Forest Service into Interior and what management practices could facilitate such a move.

To understand the potential effects of a move, the factors that should be considered if a move were legislated, and practices that could facilitate a move, we first analyzed the content of five historical proposals on reorganizing the nation's federal land management agencies, going back to the Public Land Law Review Commission report of 1970.¹ We also interviewed USDA, Interior, Forest Service, BLM, and other agency officials² and natural resource and public administration experts to discuss a possible move, its potential effects on federal land management overall and resource programs in particular, and any factors that would be involved in a move. The agency officials we interviewed included the Forest Service Chief and Deputy Chiefs, USDA Under Secretary for Natural Resources and Environment, and several of Interior's Assistant Secretaries. We also interviewed key managers for Forest Service and BLM programs, such as timber, oil and gas, and wildland fire management, at headquarters, state, regional, and field offices and at the agencies' financial, legal, and audit offices. To identify experts for our interviews, we reviewed literature on government organizational change and management and obtained recommendations from agency officials; we selected and interviewed 22 of the people identified. Seven of these experts were former agency officials at USDA and Interior, including former Secretaries and Forest Service Chiefs; seven were experts in public administration who have studied organizational change; and the remaining experts were academics who have studied natural resource laws and agencies.

¹Public Land Law Review Commission, *One-Third of the Nation's Land* (Washington, D.C.: Government Printing Office, 1970).

²Throughout this report, the word *officials* refers to federal agency officials.

We also visited two sites in Colorado and Oregon where the Forest Service and BLM are colocated and comanaged, called Service First sites, to discuss the programs that the agencies manage in common, and we interviewed officials involved in the oil and gas federal permit streamlining pilot project to understand how the Forest Service and BLM have integrated various aspects of their oil and gas programs. We also interviewed 18 nonfederal groups that have an interest in the agencies including environmental groups, forestry associations, the Intertribal Timber Council, and groups representing state and local government. To identify practices the departments could use to facilitate a move, we referred to previous GAO work on key practices that have been found to bring about successful mergers and organizational transformations,³ as well as the results of our interviews with agency officials and experts.

We conducted this work as a nonaudit service from March 2008 through February 2009. This means the work was performed in accordance with GAO's quality assurance framework, which requires that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, conclusions, and recommendations based on our objectives. Appendix I describes our scope and methodology in greater detail, and appendix II contains a list of experts we interviewed.

Results in Brief

Moving the Forest Service into Interior could potentially improve federal land management by consolidating into one department the key federal agencies with land management missions; such a move could also improve the effectiveness of federal land management programs, although few management efficiencies may be gained in the short term. Moving the Forest Service could also, however, diminish the role the agency plays in state and private land management working with farmers, ranchers, and state foresters to conserve resources on state and private lands—a mission focus the Forest Service shares with USDA but does not have in common with Interior. According to many agency officials and experts with whom we spoke, where the Forest Service mission is aligned with Interior's—in particular, the multiple-use mission comparable to BLM's—a move could increase the overall effectiveness of some of the agencies' programs and policies. For example, some officials stated that a move would help

³GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

harmonize the Forest Service's and BLM's oil and gas, grazing, and other programs and potentially make the agencies' internal administrative appeals processes similar. Conversely, most agency officials and experts believed that few short-term efficiencies would be realized from a move, although they said an opportunity would be created for potential long-term efficiencies, such as consolidating information technology systems. Officials reported that existing efforts to integrate the agencies' programs, such as Service First, demonstrated increased effectiveness, but agency reports showed few efficiencies gained, in part because measuring and documenting efficiencies across agencies are complex. Many officials and experts suggested that if the objective of a move is to improve land management and increase the efficiency and effectiveness of the agencies' diverse programs, other options may achieve better results. For example, numerous officials and experts believed that it would be more effective, and perhaps more efficient, to leave the Forest Service in USDA and work to increase collaboration among federal land management agencies. In addition, other officials and experts said that creating a new department of natural resources might allow decision makers to better balance competing resource needs by providing a broad and integrated view of land and resource issues.

If the Forest Service were to be moved into Interior, Interior and USDA would need to consider a number of factors and related transition costs, some of which could be managed by key practices that have been successfully used in the past to merge and transform organizations. Because of cultural, organizational, and legal factors, moving the Forest Service into a new department could lead to organizational disruptions and other transition costs. The Forest Service's 100-year history and tradition have resulted in a distinctive culture, which officials and experts predicted could clash with the cultures of the land management agencies under Interior. All the land management agencies have deeply rooted cultures, as well as employees who are loyal to their respective agencies and departments; therefore, Forest Service employees may feel a loss of identity in leaving USDA and would fear and resist a move, while Interior employees may feel threatened by the addition of the Forest Service into Interior. Similarly, changes needed to departmental and agency organization—including information and other business systems—to complete a move of the Forest Service from USDA into Interior could also present significant challenges. For example, officials and experts said, integrating the Forest Service's reporting, budgeting, and personnel processes and systems into Interior's would be time-consuming, disruptive, and costly. Also, resolving legal differences, such as differing statutory authorities and interpretations of authorities common to both

agencies, could further complicate a move. Given these factors, a move could lead to organizational disruptions and operational costs: cultural factors could lead to low morale and resistance to a move, while addressing organizational and legal factors could consume significant time and resources. Our previous work on merging and transforming organizations, however, has identified some key practices that could help facilitate the move and manage these disruptions and operational costs, and several of these practices were echoed by a number of the officials and experts we interviewed. For example, the practice of ensuring that top leadership drives a move can ease cultural transitions and minimize disruption, according to several officials. Further, identifying a clear mission and goals for a move, up front, would enable planning to achieve those goals, and creating an effective communication strategy would help agency employees and stakeholders understand the reason for a move.

In commenting on a draft of this report, the Forest Service and Interior generally agreed with our findings. Interior observed, however, that a move would not necessarily diminish the Forest Service's role in state and private forestry or cause the Forest Service to modify its current role. Interior also believes that a move could strengthen its ability to work with state and private landowners to conserve endangered species, wetlands, and other resources.

Background

To a large extent, the establishment and organization of federal lands and agencies was complete by the early twentieth century. The nation's westward expansion and settlement during the nineteenth century created a patchwork of federal lands interspersed among private and state lands, especially in the West. During this expansion, the federal government acquired and disposed of millions of acres of land for many reasons, including private settlement. It also set aside certain lands for specific public purposes, including military reservations, public schools, town sites, forest reserves, and parks. To manage the disposition of federal lands, Congress first created the General Land Office in 1812 and then the Department of the Interior in 1849, which incorporated the General Land Office and its duties. The first forest reserves were set aside in 1891, the first national park (Yellowstone National Park in Wyoming, Idaho, and Montana) in 1872, and the first wildlife refuge (Pelican Island in Florida) in 1903. Ultimately, the federal land base grew to more than 680 million acres, including a significant portion of national forestland, parks, and wildlife refuges in the eastern states.

Gradually, Congress created federal land management agencies to oversee lands set aside for forests, parks, and refuges, as well as the remaining “public domain,” lands that were not sold, disposed of, or retained for particular purposes. In 1905, Congress transferred the forest reserves, held by Interior, into USDA and created the Forest Service. Congress then established the National Park Service in 1916 to manage Yellowstone and several other parks, and the Fish and Wildlife Service in 1956 to manage land reserved for wildlife.⁴ Public domain lands remained in federal ownership and were used for many years by local residents for livestock grazing and other purposes. In 1934, partly because of overgrazing and range conflicts among cattlemen and sheep herders, Congress passed the Taylor Grazing Act,⁵ creating the Grazing Service to manage these public-domain lands primarily for grazing. In 1946, the Grazing Service was combined with the General Land Office to create BLM. It was not until 1976, however—with the passage of the Federal Land Policy and Management Act—that the national policy for retaining public land in federal ownership formally began.⁶

As a result of this historical development, four distinct land management agencies, each operating under unique authorities, today oversee more than 630 million acres of federal land.⁷ Both the Forest Service and BLM manage their lands for multiple uses and provision of a sustained yield of renewable resources such as timber, fish and wildlife, forage for livestock, and recreation. On the other hand, the National Park Service manages its lands to conserve their scenery, natural and historical objects, and wildlife so they will remain unimpaired for the enjoyment of current and future generations. Similarly, the Fish and Wildlife Service also manages national wildlife refuges for the benefit of current and future generations, seeking

⁴After the turn of the twentieth century and before 1956, a number of programs dealing with fish and wildlife were created. The Fish and Wildlife Service was administratively created from two of these programs in 1940. And although a number of refuges were set aside and legislation was passed to fund and manage the refuges, the first comprehensive legislation addressing refuge management was not enacted until 1966, with passage of the National Wildlife Refuge System Administration Act. Pub. L. No. 89-669, 80 Stat. 927.

⁵Act of June 28, 1934, 48 Stat. 1269.

⁶Pub. L. No. 94-579, § 102(a), 90 Stat. 2743 (1976). For a more detailed discussion of the history of federal land ownership, see Kristina Alexander and Ross W. Gorte, *Federal Land Ownership: Constitutional Authority and the History of Acquisition, Disposal, and Retention* (Washington, D.C.: Congressional Research Service, 2007).

⁷The remaining federal lands are managed by other federal agencies, including the Department of Defense, Department of Energy, and Bureau of Reclamation.

to conserve and, where appropriate, restore fish, wildlife, and plant resources and their habitats. In addition to the requirements specific to each agency, management activities undertaken by these four agencies are all subject to numerous other laws affecting land and resource management, such as the National Environmental Policy Act (NEPA) of 1969 and the Endangered Species Act of 1973.⁸ NEPA requires federal agencies to evaluate the likely environmental effects of proposed projects and plans using an environmental assessment or, if the action is likely to affect the environment significantly, a more detailed environmental impact statement. Under the Endangered Species Act, federal agencies must use their authorities to further the conservation of species listed as endangered or threatened and are required to consult with the Fish and Wildlife Service to ensure that any activities the agencies carry out do not jeopardize the continued existence of a threatened or endangered species or destroy or harm any habitat critical for the conservation of the species.⁹

Federal Government Organization and Reorganization

The organization of the federal government's departments and agencies has evolved over time, depending on the nation's needs and circumstances.¹⁰ Initial organization efforts resulted in some of the original federal departments, including the establishment in 1789 of the departments of State, War, and Treasury. As the country grew, departments or agencies were created when a new federal mission became important or needed emphasis, including the establishment of Interior in 1849 and USDA in 1862. In addition, several departments or agencies were created to focus on particular government missions: Franklin D. Roosevelt's New Deal generated numerous federal agencies to respond to the Great Depression; President Nixon created the Environmental Protection Agency to establish a single federal agency that could, in concert with the states, set and enforce standards for air and water quality and for individual pollutants; and the Department of Energy was created during the Carter administration in response to an increasing shortage of

⁸Pub. L. No. 91-190, 83 Stat. 853 (1970); Pub. L. No. 93-205, 87 Stat. 886 (1973).

⁹The agencies are also required to consult with the National Oceanic and Atmospheric Administration's National Marine Fisheries Service, in the Department of Commerce, for actions that may affect threatened and endangered species under this agency's jurisdiction. Such species include marine mammals, marine turtles, marine and anadromous (fresh-saltwater migrant) fish, and marine invertebrates and plants.

¹⁰Brian Balogh et al., *Making Democracy Work: A Brief History of Twentieth-Century Federal Executive Reorganization* (Charlottesville, Va.: Miller Center of Public Affairs, 2002).

nonrenewable energy sources in the 1970s. The most recent organizational effort occurred in 2002, with the creation of the Department of Homeland Security (DHS) and the merging of 22 agencies or portions of agencies into this new department to centralize the federal government's focus on security matters in response to the terrorist attacks of September 11, 2001.

Other reorganization efforts, such as those resulting in the departments of Defense, Transportation, and Education, focused on improving the efficiency and effectiveness of government programs. Efforts to improve efficiency involve increasing productivity, that is, gaining more output from the same quantity of resources (or obtaining the same output from fewer resources), whereas increasing effectiveness involves achieving improved results. While reorganization may result in greater effectiveness of government policies, experts have found that reorganization may not improve the efficiency of an organization in the short term because the transition to a new organization takes many years and does not yield immediate benefits. Various transition costs are associated with reorganizing large entities, including short-term costs of moving an agency and changing its space, information and other business systems, and other operations. Transition costs also include disruption of work and a loss of productivity. In the long term, benefits could accrue if reorganization yields improved efficiencies and effectiveness of affected agency programs; such benefits, however, are often difficult to estimate.

Theories about organizing and reorganizing federal agencies have evolved over time. Through the 1970s, public administration experts advocated the creation of one large department around a specific mission and development of independent agencies within that department to implement individual components of that mission. This theory holds that better coordination and cooperation occur among the agencies and staff involved in a centralized department and that, ultimately, responsibility for resolving differences falls to a single Secretary. More recent theories, recognizing the interdependence of agencies and the multiple missions they may hold, advocate networking and collaboration among agencies, rather than reorganization. In such instances, if the agencies clearly differ in their functions and jurisdictional boundaries, then networking and collaboration could be encouraged over moving the agencies into one department.

Since the 1990s, efforts to improve government have focused on improving the management of existing departments and agencies, with an emphasis on clarifying missions and aligning program goals and objectives with an entity's mission.¹¹ Under the Government Performance and Results Act (GPRA) of 1993, federal agencies must (1) complete strategic plans in which they define their missions, establish results-oriented goals, and identify the strategies that will be needed to achieve those goals; (2) measure performance toward the achievement of the goals in an annual performance plan; and (3) report annually on their progress in program performance reports.¹² On the basis of specific statutory requirements, departments and agencies are to implement programs to support their missions and goals. In addition, federal laws have focused on improving the efficiency and effectiveness of agencies' business operations by increasing their financial accountability and technical capabilities. In particular, the Chief Financial Officers Act of 1990¹³ requires federal agencies to develop and maintain integrated accounting and financial management systems that provide for complete, reliable, and timely financial information facilitating the systematic measurement of performance, the development and reporting of cost information, and the integration of accounting and budget information. Another act, the Clinger-Cohen Act of 1996,¹⁴ requires the Office of Management and Budget to establish processes to analyze, track, and evaluate the risks and results of major capital investments in information technology systems made by executive agencies. Generally, departments and agencies have a number of business operations supporting their programs: budget, information technology, financial management, human capital, and acquisition.

¹¹Under a series of laws authorizing the reorganization of the executive branch, the President developed reorganization plans and submitted them to Congress for approval subject to the veto of either house. The Supreme Court held such "legislative veto" mechanisms unconstitutional in *Immigration and Naturalization Service v. Chadha*, 462 U.S. 919 (1983). In 1984, Congress specifically ratified all reorganization plans that had taken place under the reorganization laws. Pub. L. No. 98-532, 98 Stat. 2705 (1984). No reorganization plan has taken effect since.

¹²GPRA, Pub. L. No. 103-62 (1993), was enacted to help resolve long-standing management problems that undermined the federal government's efficiency and effectiveness and to provide greater accountability for results.

¹³Pub. L. No. 101-576, 104 Stat. 2838 (1990), as amended.

¹⁴Pub. L. No. 104-106, Div. E, 110 Stat. 186 (1996), as amended.

Past Efforts to Reorganize Federal Land Management

At least five major proposals have been put forth in the last 40 years to reorganize federal land management agencies.¹⁵ These proposals ranged from creating a department of natural resources, which would have housed all federal land management agencies, to exchanging lands among agencies to create more contiguous blocks of land for each agency to manage. All the proposals projected benefits for efficiency and effectiveness of land management, but none of them was carried out. One of the proposals, however, was embedded in a larger report with more than 130 recommendations for improving federal land management—the Public Land Law Review Commission’s report—which did contribute to a major alteration of federal policy. The commission’s recommendations provided a basis for the Federal Land Policy and Management Act of 1976, which established as national policy that the public lands be retained in federal ownership and managed through land use planning. (See app. III for a discussion of the five historical proposals for restructuring federal land management, including that of the Public Land Law Review Commission.)

Smaller-scale pilot efforts have also been made to “reorganize” land management agencies by increasing the extent to which they conduct joint or integrated programs or business operations. Two such efforts are the Service First initiative, begun by the Forest Service and BLM in 1996,¹⁶ and the oil and gas federal permit pilot project, authorized by the Energy Policy Act of 2005.¹⁷ Both efforts seek to improve the agencies’ customer service, operational efficiency, and land management. Under the Service First authority—which allows the agencies to conduct projects, planning, permitting, leasing, contracting, and other activities jointly or on behalf of one another—some local units of the Forest Service and BLM have begun integrating their programs and operations to various degrees. For example, in Durango, Colorado, the Forest Service and BLM are located in the same building and have joined their staff under one leadership team formed from staff of both agencies. In Portland, Oregon, on the other

¹⁵Other proposals were made during this time, such as a pilot project to manage ecosystems across agency boundaries and a congressional bill to create a department of natural resources. The first proposal did not suggest a full reorganization, and the second was not subject to further hearings or debate, and for these reasons, we did not count them here as full-fledged proposals.

¹⁶The Service First authority was recently extended to March 2009 in Pub. L. No. 110-329, Div. A, § 106, 122 Stat. 3575; § 147, 122 Stat. 3581 (2008).

¹⁷Pub. L. No. 109-58, § 365, 119 Stat. 723 (2005).

hand, although the Forest Service regional office and the BLM state office are located in the same building and have interagency teams, they retain separate management; the agencies conduct joint programs and operations when a business case can be made for joint effort, including colocating field offices, developing integrated mapping programs, and sharing radio equipment. Similarly, to improve coordination of permits for oil and gas exploration, leasing, and production on federal lands, the Energy Policy Act of 2005 designated seven BLM offices as pilot offices with interagency staff, although it did not change Forest Service or BLM responsibilities. For example, at the Glenwood Springs, Colorado, office—which is still in the process of colocating—Forest Service and BLM staff work jointly on NEPA analyses, permit approvals, and inspection of oil and gas sites. (See apps. IV and V for more detailed descriptions of Service First efforts and the oil and gas permit pilot project.)

Moving the Forest Service into Interior Would Align Federal Land Management Missions and Could Improve Effectiveness of Federal Programs yet May Yield Few Efficiencies in the Short Term

Moving the Forest Service into Interior could improve federal land management by aligning the federal land management mission under one department and creating an opportunity for greater effectiveness in program management. According to many agency officials and experts with whom we spoke, where the Forest Service mission is aligned with Interior's—in particular, the multiple-use mission comparable to BLM's—a move could increase the overall effectiveness of some of the agencies' programs and policies. At the same time, however, a move may yield few efficiencies in program management and could diminish the role the Forest Service plays working with farmers, ranchers, and state foresters to conserve resources on state and private lands—a mission focus the Forest Service shares with USDA but would not have in common with Interior. Officials said that existing efforts to integrate programs, such as Service First, demonstrated improvements in the effectiveness of program management and public service, but agency reports showed little increased efficiency, in part because of the complexity of measuring and documenting savings across agencies. Many of the experts and officials we interviewed suggested that options other than moving the Forest Service into Interior might have a greater likelihood of improving land management or increasing the efficiency and effectiveness of the agencies' diverse programs.

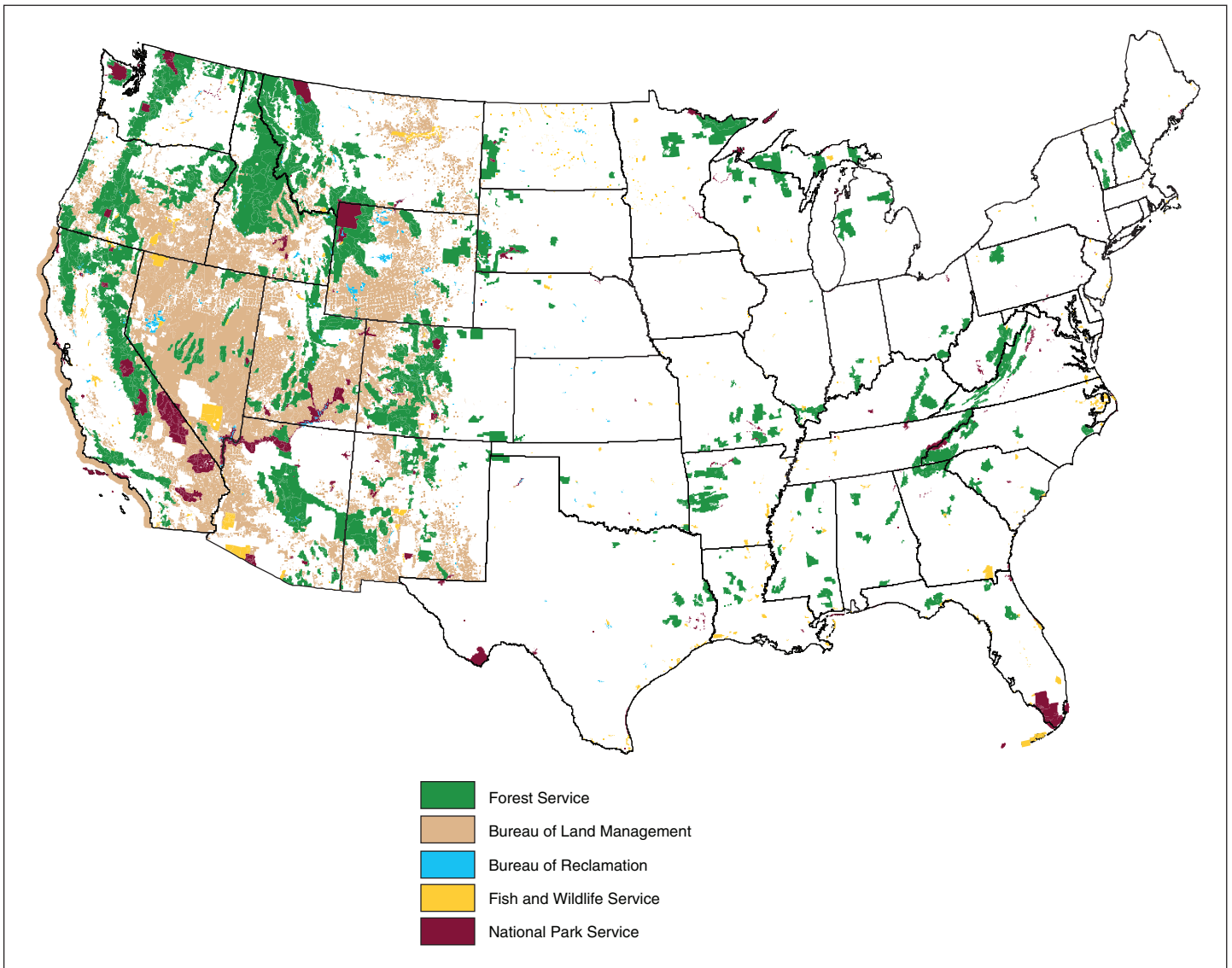
Although a Move Would Align Federal Land Management Missions, It Could Diminish the Forest Service's State- and Private-Lands Mission and Change Its Research Organization

One result of moving the Forest Service into Interior would be an alignment of the federal land management mission in one department by bringing the Forest Service together with the other three federal agencies having major land management missions. According to many of the experts and officials we interviewed, however, a move of the Forest Service into Interior could also diminish the role that the agency plays in managing state and private forestlands and could change the way the Forest Service does research.

Federal Land Management Missions Would Be Aligned by a Move

One reason to create a new organization or reorganize an existing one is to pull together agencies with similar programs to focus on a priority mission area, according to several of the public administration experts we interviewed. Moving the Forest Service into Interior would align the agencies' land management missions and programs in one department, potentially improving land management by allowing different uses to be weighed and balanced against one another. The Forest Service manages about one-quarter of all federal lands under a land management mission that, many of the officials and experts we interviewed noted, is similar to that of Interior's land management agencies. While the Forest Service manages more than 190 million acres of forestland, Interior's agencies manage almost 450 million acres of land across the nation. As shown in figure 1, Forest Service and Interior lands often abut each other and are sometimes intermingled. As a result, particularly in the western states, land managers often cross each other's lands to work on their own lands and work with members of the same communities. Several experts and officials pointed to the amount and proximity of Forest Service's and Interior's lands as a reason for moving the Forest Service into Interior.

Figure 1: Federal Lands in the Contiguous United States Managed by USDA's Forest Service and by the Department of the Interior



Source: GAO analysis of U.S. Geological Survey's National Atlas Web site data.

The agencies have similar mission statements, as shown in table 1. Both the Forest Service and BLM state that they strive to sustain the health, diversity, and productivity of the lands they manage, while the Fish and

Wildlife Service and National Park Service manage their lands for conservation and the benefit of current and future generations.

Table 1: Forest Service and Interior Agencies' Mission Statements

Agency	Mission statement
Forest Service	To sustain the health, diversity, and productivity of the nation's forests and grasslands to meet the needs of present and future generations
Interior	To protect and manage the nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities
BLM	To sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations
Fish and Wildlife Service	To work with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people
National Park Service	To promote and regulate the use of the . . . national parks . . . to conserve the scenery, natural and historic objects, and wildlife and to provide for the enjoyment of the same to leave them unimpaired for the enjoyment of future generations

Source: Forest Service and Interior.

Many officials and experts also noted, in particular, the similarities between the Forest Service's and BLM's overall multiple-use missions and programs. Both agencies manage their lands for multiple uses, including timber, grazing, oil and gas, recreation, wilderness, and wildlife habitat, although they emphasize different uses depending on their specific authorities and public demands. For example, Forest Service lands are largely forested and the agency has focused in the past on timber harvest, while BLM's lands are primarily rangelands and the agency has historically focused on providing forage for livestock. Recent trends, however, reveal a decline in the amount of timber harvested from national forests—from more than 12 billion board feet to about 2 billion board feet¹⁸ in the last 20 years—which many officials and experts said shows a shift in emphasis of Forest Service responsibilities from timber harvesting to protecting and providing multiple resources in a sustainable manner. More specifically, trends in timber harvest over the last 2 decades have reflected increasing production from private lands in the rest of the country, as well as increased protection of endangered species on forests in the western states; in addition, imports of timber have grown in the last decade. The last several years have also seen an increase in oil and gas exploration and

¹⁸A measurement of lumber in a tree or elsewhere, a board foot equals a board that is 1 inch thick, 12 inches long, and 12 inches wide, or 144 cubic inches.

drilling on BLM lands and some Forest Service lands, according to a number of officials. Many officials also noted similar increases in the demand for recreation on both Forest Service and BLM lands.

Some of the officials and experts we interviewed view the four agencies' missions and programs as similar, in that the agencies all manage natural resources on their lands. These officials and experts described the agencies' roles along a continuum, with BLM at one end providing for extractive uses and the Fish and Wildlife Service and National Park Service at the other providing preservation and habitat. According to these officials and experts, Forest Service activities overlap with each of these agencies. For example, BLM has jurisdiction over underground oil and gas reserves on all federal lands, whereas the Forest Service manages the oil and gas leasing and activities occurring on national forests and grasslands. The Forest Service also oversees a large share of the nation's wilderness areas—about 30 percent of the total 107 million acres—similar to the National Park Service, which manages about 41 percent of total wilderness acreage. And the number of visitors and structures managed by the Forest Service is similar to the number managed by the National Park Service. For example, in fiscal year 2007, the Forest Service hosted almost 200 million visits, while more than 275 million visits occurred on National Park Service lands in the same year. While the Forest Service has more acres and the possibility of dispersed recreation across these acres, it also has many large developed recreation areas, such as campgrounds, much like the National Park Service.

Finally, several of the officials and experts we interviewed identified climate change, in addition to the agencies' existing missions, as a new area that the land management agencies need to tackle. One expert indicated that because climate change will greatly alter ecosystems across the country, federal lands should be managed to provide ecosystem services, which include biodiversity, clean air and water, and other benefits derived from natural processes and systems. Several officials identified opportunities for federal forests, as well as private and state forests, to participate in markets for carbon emissions trading because trees hold, or sequester, large amounts of carbon as they grow.

Federal Focus on All Forested Lands, including State and Private, Could Be Diminished

The Forest Service's mission of working with state and private landowners, a focus it shares with USDA, could be diminished by moving the Forest Service away from USDA. USDA's mission—to use sound science and policy to provide leadership on food, agriculture, and natural resources—includes a goal to protect and enhance the nation's natural resources on public and private lands. Some experts we interviewed

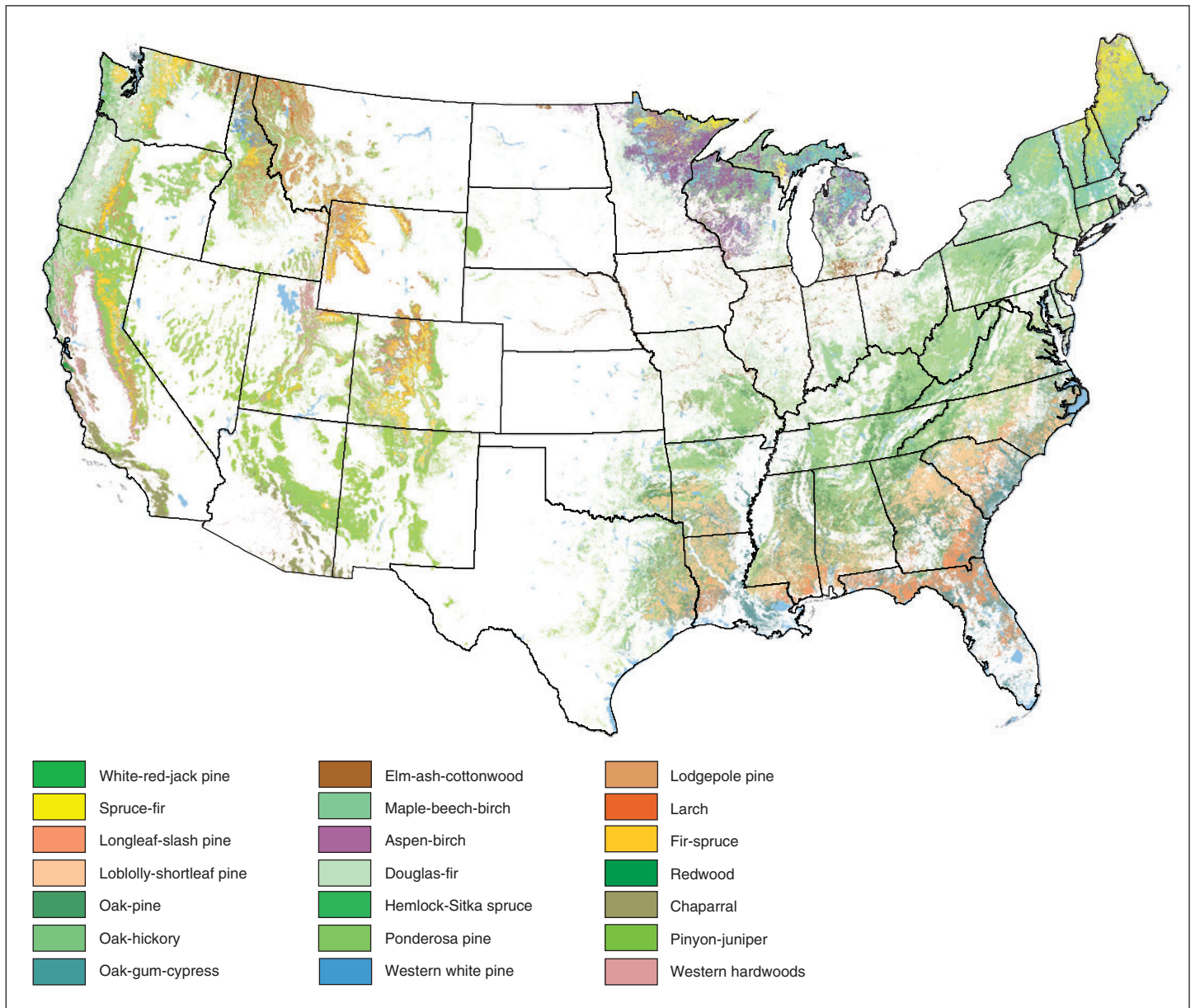
remarked on the importance of determining whether parts of an agency's mission may be compromised by a move or reorganization. Some experts said that in creating DHS, for example, Congress protected the Coast Guard and its important life-saving mission by leaving it intact in the new department. Such attention was not given to the Federal Emergency Management Agency, however, and some experts believed that reorganization compromised this agency's mission and capacity to respond to large-scale natural disasters, particularly at the time of Hurricane Katrina.¹⁹

Some officials, experts, and state foresters said that a move could disrupt the Forest Service's relationships with state and private landowners, and with other USDA agencies, compromising the agency's work with these entities in carrying out the mission of protecting and enhancing state and private lands. Like USDA and its other agencies, the Forest Service has adopted a watershed approach, which aims to improve the condition of land and natural resources in a watershed regardless of ownership. Toward this goal, the Forest Service's state and private forestry arm provides technical and financial assistance to state and private landowners to sustain and conserve forests and protect them from wildland fires. Such outreach, or extension service, is not a function of Interior agencies. In particular, under the Cooperative Forestry Assistance Act of 1978,²⁰ the Forest Service has several programs to assist state foresters and private owners in conserving soil, water, and wood resources on state and private lands, including funding a portion of each state's forestry program. Particularly in the eastern states, where state and private forests are more abundant, state foresters use these funds to manage state lands and provide services to private landowners who own and manage small timber plots. According to many officials and others we interviewed, moving the Forest Service into Interior could diminish this role by directing the agency's attention to its federal lands and away from the nation's nearly 750 million acres of forested lands (shown in fig. 2), including almost 430 million acres of private forested lands across the nation, many of which are in the East near national forests.

¹⁹The Post-Katrina Emergency Management Reform Act addressed many of these issues and enhanced the agency's position within DHS (Pub. L. No. 109-295, 120 Stat. 1355).

²⁰Pub. L. No. 95-313, 92 Stat. 365 (1978), as amended.

Figure 2: Forested Lands in the Contiguous United States, 2000



Source: U.S. Geological Survey's National Atlas Web site.

A number of officials believed, however, that a move would not cause the Forest Service to change its role, including its state and private forestry

programs, if it were moved into Interior with its authorities intact. Although Interior largely focuses on federal lands and does not have a state and private aspect to its mission, some officials said that Interior could work more with state and local entities if the authorities to do so were transferred with the Forest Service to Interior and extended to Interior's other agencies. Officials identified areas in which some of Interior's agencies have begun playing a role in providing nonfederal entities with resources to conserve or protect natural resources. For example, the Fish and Wildlife Service's Partners for Fish and Wildlife Program provides nonfederal groups with funding to protect habitat for threatened and endangered species on private lands. In another example, BLM and Interior's other land management agencies provide funding to local fire departments to help them prepare to fight wildland fires. In commenting on our report, Interior also said that the department's ability to conserve endangered species, wetlands, and other resources could be improved by a move. Other officials and state foresters, however, said that USDA has developed a closer relationship with state and private entities and has a better perspective on what private landowners need to conserve their resources. For example, state foresters said their relationship with USDA is longer, going back to the early twentieth century, when state forestry assistance programs developed.

Research Organization Could Be Changed

Moving the Forest Service into Interior could provide a research benefit to Interior's land management agencies but could also affect the Forest Service research organization and its focus. Several officials saw in a move the opportunity for BLM, in particular, to gain access to and benefit from rangeland and fire research conducted by the Forest Service research stations. But, a number of officials and some experts said that a move of the Forest Service into Interior could result in reorganization of Forest Service research into Interior's U.S. Geological Survey (USGS), which could change the focus of the Forest Service's research branch. The Forest Service and Interior are organized differently to achieve the research component of their respective missions. The Forest Service's research arm is part of the agency, which according to some officials and experts creates a more direct link with forest management and land management decisions. On the other hand, Interior's science agency—USGS—is a stand-alone agency that provides scientific research and support to all the land management agencies and other agencies within Interior. According to one official, philosophies differ about how to organize most effectively to manage science and to distribute it to land managers; some officials said that the Forest Service's approach may be more accountable to land managers, while others said having a separate agency devoted to science provides greater credibility and potentially less political interference.

A number of officials said that the Forest Service should stay in USDA because its research program is closely related to USDA's. Some pointed to similarities in the Forest Service's and Natural Resources Conservation Service's (NRCS) responsibilities, including their responsibilities to inventory agricultural and forest resources grown in the nation. Other officials and experts noted that Forest Service research is turning toward emerging issues, such as ecosystem services and climate change, in particular because forests consume large amounts of carbon dioxide when they are young and growing but also release carbon dioxide when trees burn or are cut down and decompose. For this reason, some of the officials found this role closely related to USDA's new responsibility—given to it in the Food, Conservation, and Energy Act of 2008—to establish guidelines related to farmer, rancher, and forest landowner participation in carbon markets.²¹

A Move Could Improve Effectiveness of Federal Land Management Programs but May Yield Few Efficiencies in the Short Term, as Demonstrated by Existing Efforts to Integrate Programs

A move of the Forest Service into Interior could improve the effectiveness of federal land management programs overall, according to many agency officials and experts with whom we spoke. In particular, such a move could increase the effectiveness of several Forest Service and BLM programs and policies because of the similarity of their multiple-use missions. Most officials and experts we interviewed said, however, that a move would not result in many efficiencies in program management in the short term, although a number of them said that efficiencies might be gained over many years if the department took action to standardize its information technology and other business systems. Existing efforts to integrate programs—such as wildland fire coordination, the Service First initiative, and oil and gas permit pilot project—illustrate the potential for increased effectiveness but few efficiencies.

A Move Could Improve Program Effectiveness and Gain Efficiencies in the Long Term While Yielding Few Short-Term Efficiencies

Improvements in the effectiveness of federal land management programs could result from a move of the Forest Service into Interior, according to several officials, if the four agencies took the opportunity to coordinate programs they have in common. A possible outcome of having the land management agencies together in one department, according to a number of officials and experts, could be the improvement of land management across jurisdictional boundaries. For example, one official said that landscape management could be improved, meaning that the management of large areas of land could be better coordinated. Other program areas

²¹Pub. L. No. 110-246, § 2709, 122 Stat. 1809 (2008).

that offer opportunities for improved coordination include law enforcement, recreation, and wilderness management. The four agencies each have law enforcement programs, although these programs differ in terms of organization and authority. Similarly, the four agencies developed a single recreation permit and Web site for reservations at federal campgrounds but have other issues on which to coordinate, such as prioritizing investments in recreation facilities across federal lands. In terms of wilderness programs, the Forest Service and National Park Service oversee the majority of wilderness lands but have different policies and procedures for doing so.

The optimal approach for improving the effectiveness of federal land management programs, according to many officials and experts, could be to align the Forest Service's and BLM's statutes, regulations, policies, and programs. Many of these officials and experts, however, said an alignment would not automatically occur if the Forest Service were moved into Interior and further action—legislative or executive—would need to be taken to improve effectiveness. Although the Forest Service and BLM have multiple-use missions and similar programs for managing their lands, the agencies' land management guidelines differ—a result of different statutes, regulations, or policies—and these differences can confuse and frustrate the public seeking to use federal lands. Often, the agencies' customers are the same, the services provided are the same, and the resources used are similar, yet differing laws, regulations, and policies can prevent the agencies from integrating their activities. Officials identified a number of areas in which the agencies' programs and policies differ and where aligning them could improve the effectiveness of land management overall. They cited the following examples:

- The Forest Service and BLM have different planning processes and time frames, which means that adjoining units develop or amend these plans at different times, and this difference can affect the units' ability to conduct joint projects to improve resources. According to officials, the Forest Service's and BLM's planning processes differ, in part, because the agencies have different statutes and planning regulations.²² In particular, according to officials, the National Forest Management Act²³ includes the concept of biodiversity, which the Forest Service

²²On April 21, 2008, USDA issued the most recent version of the forest planning rule. Environmental groups have challenged the rule in court, asserting that USDA issued it in violation of NEPA and the Endangered Species Act. The case is pending.

²³Pub. L. No. 94-588, 90 Stat. 2949.

supports using studies of population viability; under the Federal Land Policy and Management Act, in contrast, BLM does not have this statutory or regulatory requirement.

- The Forest Service and BLM do not take the same approach to oil and gas management, and a move might help set consistent priorities for the agencies' oil and gas programs. BLM manages federal oil and gas resources underground or subsurface, while federal land management agencies, including the Forest Service, manage the effects of oil and gas drilling on their land or surface resources. According to some of the officials we interviewed, the Forest Service and BLM have different priorities for managing oil and gas resources, but if they were in one department, these different priorities might be reconciled by secretarial leadership. Specifically, the Forest Service is seen as more cautious in allowing oil and gas development, while BLM is seen as more responsive to opening lands to such development.
- The Forest Service and BLM have different internal administrative appeals processes for resolving public challenges to proposed land management projects. For example, BLM's leasing decisions can be challenged to the appropriate BLM state office director, appealed to the Interior Board of Land Appeals, and litigated in federal court. At the Forest Service, planning and leasing decisions can sometimes be appealed through the supervisory chain of command. In addition, the Forest Service has specific time frames for deciding appeals, whereas BLM and the Interior Board of Land Appeals do not. Differing processes and time frames for resolving appeals can make it difficult for the agencies to coordinate their joint projects.²⁴
- BLM's timber program differs in some respects from the Forest Service's in Oregon, in part because of different statutory requirements. In particular, according to some officials, BLM is directed to manage its lands in Oregon primarily to produce timber, a directive at variance with the multiple uses authorized on other BLM and Forest Service lands. Also, the act governing these BLM lands²⁵ allows a greater share of receipts from timber harvest on these lands to be shared with county governments. These dissimilarities make it difficult for the agencies to coordinate their timber programs in the western part of the state.

²⁴For a comparison of BLM and Forest Service appeals processes, see GAO, *Oil and Gas Development: Challenges to Agency Decisions and Opportunities for BLM to Standardize Data Collection*, [GAO-05-124](#) (Washington, D.C.: Nov. 30, 2004).

²⁵Act of Aug. 28, 1937, 50 Stat. 874.

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- The Forest Service's and BLM's grazing programs are not the same, which means that ranchers with allotments on both agencies' lands can face different requirements because of different agency regulations. For example, the Forest Service may require cattle to be removed early, before a BLM permit allows the same cattle to move onto its adjacent lands.
 - The Forest Service's and BLM's mapping and monitoring are hard to coordinate, particularly with regard to geographic information system (GIS) data, because the agencies use different databases, with different rules for gathering certain data, and incompatible versions of GIS software. Furthermore, when the agencies do try to share databases, they cannot, because different security requirements prevent staff of one agency from gaining access to the other agency's systems. As a result, working on joint projects becomes more difficult and time-consuming because maps are incompatible.

While many of the officials and experts we interviewed believed a move would improve effectiveness, many did not believe a move would achieve many efficiencies in the short term. A number of them, however, believed that efficiencies might be gained in the long term if the department took certain actions to convert the Forest Service to Interior's information technology and other business systems. According to several of the public administration officials we interviewed, efficiencies are often the justification for major agency reorganizations, even though reorganization does not often produce more efficient organizations. Many agency officials and some experts believed that few efficiencies would be achieved in the short term if the Forest Service were moved into Interior as a separate bureau, with its own authorities and programs. Some of these experts and officials made the point that a move would not necessarily increase collaboration or alter the Forest Service's statutes, regulations, or systems, which would discourage changes leading to greater efficiencies, such as moving to common management and information technology systems. Furthermore, according to several officials, under a scenario in which the Forest Service remains a separate bureau, there would be little reduction in staff, and, therefore, few efficiencies gained. According to other officials, depending on the structure of the Forest Service within Interior, a new Assistant Secretary may even be needed to manage the agency, necessitating the hiring of additional staff. Conversely, a number of other officials and experts saw the move as an opportunity to create some long-term operational efficiencies, particularly if Interior converted Forest Service systems to Interior's systems, including the department's

Existing Efforts to Integrate Programs Demonstrate Improved Effectiveness but Few Efficiencies in the Short Term

information technology, financial, budget, human capital, and other core business systems.

Some programs in which the Forest Service and BLM have coordinated their efforts have demonstrated improvements in the effectiveness of their program management and service to the public, a number of officials and several experts said. These examples include management of wildland fire suppression, Service First initiatives, and the oil and gas permit pilot program. While these efforts may demonstrate increased effectiveness, they do not always show increased efficiency of program management, according to agency reports.

Wildland fire management. The Forest Service; BLM; Fish and Wildlife Service; National Park Service; and the Bureau of Indian Affairs, which works with Indian tribes to manage their more than 50 million acres of tribal lands, have long coordinated their wildland fire suppression efforts. The five agencies have been colocated and have worked together at the National Interagency Fire Center in Boise, Idaho, since 1965 and, through the center, coordinate their mobilization of supplies, equipment, and personnel to suppress wildland fires quickly and more effectively. Coordination of firefighting assets and incident command teams is guided by jointly developed *Interagency Standards for Fire and Aviation Operations* (the Red Book). Coordination of other aspects of wildland fire management, such as reduction of hazardous fuels, outreach to communities at risk, and habitat restoration, has been delegated to an intergovernmental Wildland Fire Leadership Council, which was established by the Secretaries of the Interior and USDA in 2002. This council seeks to support implementation of federal fire management policy by coordinating agency policies and providing strategic direction.

Although the agencies have coordinated aspects of their suppression programs, they still have key differences that hinder management effectiveness and efficiency; such differences include incompatible information technology, finance, procurement, human capital, and other business operations and systems. For example, one difference mentioned by several of the officials we interviewed is certification of firefighters by the Forest Service and Interior. According to these officials, firefighters certified by Interior have to take additional training to be certified by the Forest Service because the Forest Service and Interior have dissimilar qualification standards. Another example is the lack of coordination of

wildland fire budgets: differences between the Forest Service and Interior agencies in how they budget and pay for staff time produces estimates of firefighting budgets that cannot be compared with each other.²⁶

Service First. The Service First offices (see app. IV) have integrated a number of programs that have helped improve the effectiveness, and perhaps efficiency, of land management and public service. For example, the San Juan Public Lands Center in Durango, Colorado, is one of a few offices in the country that has cross-delegated officials—that is, officials from the Forest Service who have authority to manage BLM land and vice versa. The office has both Forest Service and BLM staff working jointly to manage recreation activities, grazing allotments, oil and gas exploration and production, and other resources across federal lands. In addition, the agencies share a front desk and information center for the public. The office recently produced the nation’s first joint land management plan, although each agency is to approve the plan through its normal chain of command. According to Forest Service and BLM officials, the office provides better public service by making the agencies’ processes invisible to land users. For example, allowing recreation staff to provide information and permits across Forest Service and BLM lands means that members of the public need not apply for permits twice, once to each agency. According to a community leader, Service First has been successful because it allows the public “one-stop shopping” for grazing, firewood, and recreation permits. It also increases the effectiveness of land management by having resource specialists manage the effects of different activities on both agencies’ lands. Although efficiencies could be gained through these efforts—to the extent that staff duplication could be reduced—no studies have been done documenting these efficiencies.

The Service First efforts in Portland, Oregon, demonstrate improvements in the effectiveness, and perhaps efficiency, of agency programs. Forest Service Region 6 Office and the Oregon and Washington State Office of BLM have colocated part of their management teams, allowing them to coordinate more closely on land management issues such as the Northwest Forest Plan. The agencies have integrated parts of their GIS

²⁶The Forest Service has firefighters charge all their hours to fire suppression, including the regular 8 hours an employee would work, while the Interior agencies charge only overtime pay, over and above the 8 hours an employee would work. The first 8 hours of an employee’s time are called the “base-8,” and the agencies and Office of Management and Budget cannot agree on how to budget for or charge this time—whether it should be part of emergency fire suppression funds or part of the agency’s budget for fire preparedness.

databases and mapping efforts, producing single recreation maps showing both agencies' lands, as well as state lands. Another Service First effort—a coordinated radio system throughout central Oregon—allows the agencies to share and jointly maintain their radio equipment. Furthermore, the agencies have written joint guidance on colocation to assist their other field offices in making a business case for colocation. A number of field units in the region and states have collocated or are considering doing so. Efforts to produce unified maps and use joint equipment could provide efficiencies if they reduce duplication of staff effort or equipment purchased, and colocation efforts can produce efficiencies if rents are saved; again, however, studies have not been done to estimate the efficiencies.

The Service First efforts also demonstrate some of the difficulties that the Forest Service and BLM have working together because of different systems and the resulting inefficiencies. For example, although the Colorado and Oregon Service First offices have integrated aspects of their programs, the offices have to maintain two computer systems, one for the Forest Service and the second for BLM. Dual systems also exist for budget, human capital, and financial operations. Consequently, staff must learn two sets of regulations and policies for managing common projects and activities. A recent review by Forest Service and BLM officials noted the increased workload and inefficiencies stemming from two sets of rules and processes. Another recent agency review identified the complexity of measuring data consistently for the participating agencies, which in turn makes efficiencies hard to document.

Oil and gas permit pilot project. A pilot project integrating federal agencies' oil and gas permitting functions (see app. V) has also produced examples of increased program effectiveness. The Glenwood Springs Energy Office—a joint Forest Service–BLM pilot project office in Glenwood Springs, Colorado—has hired several specialists to help manage increased workloads across both Forest Service and BLM lands. The office also created an interagency team to manage most aspects of oil and gas permitting such as conducting NEPA analysis on companies' applications to drill on federal lands, analyzing rights-of-way for pipelines and roads, analyzing drilling effects, approving permits, and inspecting drilling operations once a permit is approved and oil and gas are found. According to BLM reports, with additional staff, the amount of time needed to approve permits has decreased, and the number of inspections for both operational and environmental compliance has increased. While Forest Service staff use BLM systems, which avoids the inefficiency of using two

systems, the agencies' budget, financial, human capital, and other systems are not integrated, so staff must use two systems to manage these areas.

Other Organizational Options May Better Define Land Management Mission, Achieve Greater Efficiency and Effectiveness, or Both

Many agency officials and experts we interviewed suggested that if the objective of a move is to improve land management or increase the efficiency and effectiveness of the agencies' diverse programs, other organizational options may achieve better results than moving the Forest Service into Interior. None of these officials and experts identified one particular option as best overall; rather, they recommended several:

- **Increase collaboration and coordination through efforts such as Service First.** To increase the effectiveness, and perhaps efficiency, of federal programs, a number of officials and some experts supported intensifying efforts to collaborate and coordinate between agency programs; some of them even supported creating a council or task force to highlight programs for more effort. A move would not be necessary, according to multiple officials and experts we interviewed, since similar gains can be had by strengthening coordination and collaboration between agency programs. Several experts said that in deciding whether to move an agency, it is necessary to determine whether agencies need to be together to carry out their work or whether they can get that work done by other means, such as enhanced collaboration and coordination.
- **Review public land laws and then decide on agencies' organization.** A number of officials and experts said that public land laws should be reviewed before a move, and some said that moving organizations would simply be rearranging organizational boxes with little effect. Some officials and experts stated that to gain efficiency and effectiveness, a new legal framework would be needed, with consistent laws and regulations. Others said that federal land laws—which establish agency missions and goals—have created a patchwork of land management agencies and may not reflect the best approach for managing lands to provide the public what it wants. A few suggested that to gain efficiencies, the laws could require the agencies to collaborate on crosscutting issues. Some, considering challenges such as climate change, stated that the focus of federal land management needs to change to respond appropriately. For a review of federal land law with any recommendations about legislative or structural changes, this option would likely involve a task force or commission, similar to the 1964 Public Land Law Review Commission.

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- **Create a department of natural resources.** A number of officials and experts said a new department of natural resources should be created to house all the federal resource agencies, including the Forest Service and those in Interior. Some said that having one department focused on natural resources would allow the Secretary to balance use of federal natural resources with their protection. One official stated that such an organization would bring together all the conservation-oriented agencies, thereby improving management of lands located in the same watersheds. A few officials and an expert stated that moving the Forest Service into Interior could be the first step in creating such a department. One rationale behind similar proposals made during the Nixon and Carter administrations identified the possibility of improving management of all federal resources and weighing resource use and protection.
 - **Merge the Forest Service and BLM.** Numerous officials and experts said that moving the Forest Service into Interior without changing the agencies' authorities would change little in the agencies' programs or policies to increase their effectiveness or efficiency. Some officials and experts identified inefficiencies in management as stemming from inconsistent laws and regulations and thought a merger would begin to remove these inconsistencies. The Public Land Law Review Commission recognized the need for further reorganization of land management agencies or functions within Interior if the Forest Service were moved into the department. It recommended, first, that the Forest Service be merged into Interior but also, second, that the Secretary reorganize land management functions, including those within the Forest Service.
 - **Organize agencies geographically.** Several officials and experts stated that the best option for reorganizing the land management agencies would be based on geographic distinctions. A geographic organization could unify lands along ecosystem or other geographic boundaries, according to several officials and some experts, helping to resolve the intermingling of Forest Service and BLM lands and thereby enabling better management of federal lands. This proposal is similar to the interchange proposals recommended in the 1980s by the Grace Commission²⁷ and a task force of Forest Service and BLM employees; these proposals recommended exchanging isolated areas of federal land to create large, contiguous blocks of either Forest Service or BLM

²⁷The Grace Commission was created by President Ronald Reagan to study potential efficiencies in government agencies (see app. III).

land, facilitating more efficient and effective management of those lands by one agency or the other.

- **Move BLM to USDA.** A few officials suggested moving the BLM into USDA rather than moving the Forest Service into Interior. These officials said that having the two multiple-use federal land management agencies in USDA would retain and enhance the multiple-use missions of both agencies and would bring them into the same organization as the NRCS, which provides technical advice and funding to private landowners. Some officials and interest groups said USDA's mission is more in line with active land management, which involves using the lands to produce resources such as timber and crops, while Interior's approach to land management is generally more in line with preservation, including preservation of habitat, species, and wilderness.

In addition to these options, a number of officials and experts thought the Forest Service should remain separate from Interior and its agencies because it provides an alternative model of land management. A few officials said that consistency in land management may benefit land users, but otherwise, the Forest Service and BLM serve to check and balance each other, in that no one Secretary manages all public lands, thereby diminishing the influence one person can have on these lands. Other officials and experts pointed out that the two agencies manage different lands and therefore have different management purposes: the Forest Service manages higher, wetter, mountainous lands, while BLM manages lower-elevation rangelands. One expert stated that the Forest Service business models first need to be fixed to improve the agency's efficiency and effectiveness and that moving would not achieve this result.

Several officials described—and rejected—other options that have been raised in policy discussions. One such option was the idea of splitting the Forest Service into parts and moving the arm focused on national forests into Interior while leaving the state and private forestry arm in USDA. While some thought this idea was viable, a number of officials and experts rejected the idea because it would split the federal government's forestry expertise into two departments. Other officials and experts told us that an option to create a separate fire agency from all the agencies' wildland fire operations had been discussed by managers and policymakers, but they did not believe this option should be considered because it would separate firefighting from land management—a separation that some argued would not provide for effective or efficient management of either activity. Although one official said it could be possible to set up a separate agency

to deal with large-fire suppression and still allow land management agencies to handle initial attacks on fire, others said that wildland fire suppression funding is problematic and would not be solved by reorganization.

Move Would Entail Consideration of Numerous Factors and Could Lead to Transition Costs, but Key Merger and Transformation Practices Could Help Facilitate Move and Manage Disruptions

Moving the Forest Service into Interior would raise a number of cultural, organizational, and legal factors and related transition costs for Interior and USDA to consider. Nevertheless, our previous work has identified some key practices that Interior and USDA could implement to help manage disruptions and other transition costs; the experts and agency officials we interviewed mentioned several of these practices.

Given Cultural, Organizational, and Legal Factors, a Move Could Lead to Disruptions and Other Transition Costs

Moving the Forest Service into Interior could lead to transition costs, including lost productivity and operational costs.²⁸ The Forest Service and Interior's land management agencies have varied cultures that could clash, decreasing morale and productivity if employees resisted a move. Moreover, a number of organizational factors could also complicate a move, such as integrating the Forest Service into Interior's information technology and other business systems, which would take time and resources to accomplish. Further, complex legal issues, such as differing statutory authorities, may also need to be reconciled.

Agencies' Cultural Differences Could Decrease Morale and Productivity

As a result of the land management agencies' long, distinct histories, differences between the Forest Service's culture and those of Interior's land management agencies may produce clashes resulting in decreased morale and productivity if the Forest Service were moved into Interior. All the land management agencies have deeply rooted cultures and employees

²⁸ Although attempts have been made to estimate the costs of lost productivity, it is difficult to generalize because the scale of such losses varies from case to case.

who are loyal to their respective agencies and departments. According to two experts, because these agencies were established for different reasons and historically emphasized different uses of federal lands (partly because each agency's land base contains a different mix of resources), the agencies' employees take pride in different things. For example, in part because BLM was created out of the General Land Office and Grazing Service, it focuses more on ranching and oil and gas than do the other land management agencies, which influences the agency's culture, some officials said. In contrast, the Forest Service historically emphasized timber production and conservation, and over its 100-year history has developed a unique culture: employees have a deep commitment to and pride in the agency and its mission, strong esprit de corps, and a high degree of independence, but they may also be seen as insular and resistant to change, according to some officials. Within Interior, BLM is viewed as a flexible, "can-do" agency; the Fish and Wildlife Service is focused on its regulatory function and being the "savior of species;" and the National Park Service has a culture similar to the Forest Service's, with a strong esprit de corps and pride in the agency, officials said.

While the agencies' cultures stem in large part from their histories, the cultures have also developed as a result of each agency's level of autonomy within USDA or Interior. Several officials said that the Forest Service has a fair degree of independence within the department. For example, within USDA, the Forest Service budget does not receive as much attention or scrutiny as other agency budgets, according to some officials. Some officials indicated that after a move, the Secretary of the Interior might exert more influence over the Forest Service—a cultural change. The Forest Service's independence is also partly due to the position of its Chief, who has typically been a career Forest Service employee and not a political appointee—unlike the heads of BLM and the other Interior agencies—and Forest Service employees take great pride in their Chief's role as the "nation's forester." Some experts and officials noted, however, that recently a new Chief of the Forest Service has taken charge with each new administration, and the Forest Service has become more politicized than it was in the past. According to several experts and officials, having politically appointed agency heads has caused BLM and the other Interior agencies to experience greater shifts in their programs depending on the administration, as opposed to the Forest Service, which tends to stay the course.

Because of these cultural differences, many officials and experts believed that moving the Forest Service into Interior could lead to decreased morale and productivity. According to our past work, the experience of

major private sector mergers and acquisitions is that productivity and effectiveness decline in the period immediately following a merger and acquisition.²⁹ Some experts and officials indicated that Forest Service employees may feel a loss of identity and independence in leaving USDA and would fear and resist a move. At the same time, some officials and experts noted that a move may leave employees of Interior and its bureaus feeling threatened, worrying that because of its size, the Forest Service would dominate Interior, so they too may resist a move; currently, the Forest Service has about 29,000 permanent employees compared with a total of about 54,000 permanent employees in Interior, of which the largest agency is the National Park Service, with about 16,000 permanent employees. Consequently, many experts and officials indicated that employees may be difficult to motivate, leading to decreased efficiency and effectiveness immediately after a move. One expert added that the longer employees have been at the Forest Service, the more they will resist a change. Moreover, according to many officials and experts, the agencies may see an increase in the number of retirements and resignations after a move, which may facilitate cultural change but also decrease productivity because of the loss of experienced staff. For these reasons, many experts and officials predicted that it could take at least several years—perhaps as long as a generation—for Forest Service employees to fully assimilate into another department. According to officials located in the Durango Service First office, cultural issues would certainly be a factor in a move, but they would not be insurmountable. They observed that the Service First initiative has demonstrated that some cultural barriers between the Forest Service and BLM can be broken down, although they also observed that it has taken over a decade to do so.

The consolidation of Interior’s National Biological Service into USGS offers one illustration of possible cultural implications of moving the Forest Service into Interior. The National Biological Service was created in 1993³⁰ to gather, analyze, and disseminate biological information necessary for the sound stewardship of the nation’s natural resources and was originally staffed with scientists from other agencies under Interior. In 1996, amid concerns about federal agencies’ searching for threatened and endangered species on private land and concerns expressed by congressional appropriations committees, the agency was merged into

²⁹GAO-03-669.

³⁰The agency was originally named the National Biological Survey but was renamed the National Biological Service in 1995.

USGS as a new Biological Resources Division. According to an Interior official, the cultural and emotional aspects of the move caused a lot of hardship and mistrust among employees within both the former National Biological Service and USGS. For example, after the move, the agencies had to compare and reconcile their scientific standards and processes, and scientists argued about who was practicing pure or ethical science, according to agency officials. Moreover, USGS had a long history of physical science and geology, so it was something of a “forced marriage” to add the biological sciences, one official said. As a result, the move led to initial losses of productivity since the National Biological Service employees had to learn about USGS and its processes. According to an agency official, the transition into USGS took 4 to 5 years, and more than a decade afterward, some employees still question the move. As our past work shows, it can take at least 5 to 7 years to fully implement initiatives to merge or transform organizations and sustainably transform their organizational cultures.³¹

Organizational Factors Could Complicate a Transition

According to many experts and officials we interviewed, changes needed to departmental and agency organization could complicate a transition of the Forest Service from USDA into Interior and would need to be considered. Factors needing attention include the organizational structures of the agencies; effects on Interior functions, such as its Office of Inspector General; the need to integrate the Forest Service into Interior’s information technology and other business systems; effects on USDA functions, such as its relationship with other USDA agencies; and human capital practices.

Organizational structure. Officials and experts raised differences among the organizational structure of USDA, Interior, and their respective agencies as a factor to be considered in a move. USDA is home to 19 agencies, most of whose missions relate to agriculture, and Interior has 9 agencies, which manage public lands and natural resources, as well as Native American trust resources. Both are cabinet-level departments organized under politically appointed Secretaries and Deputy Secretaries, but the organizational structures of the departments differ at the next levels, as shown in figures 3 and 4. USDA has seven Under Secretaries, while Interior has five Assistant Secretaries, all of whom are politically

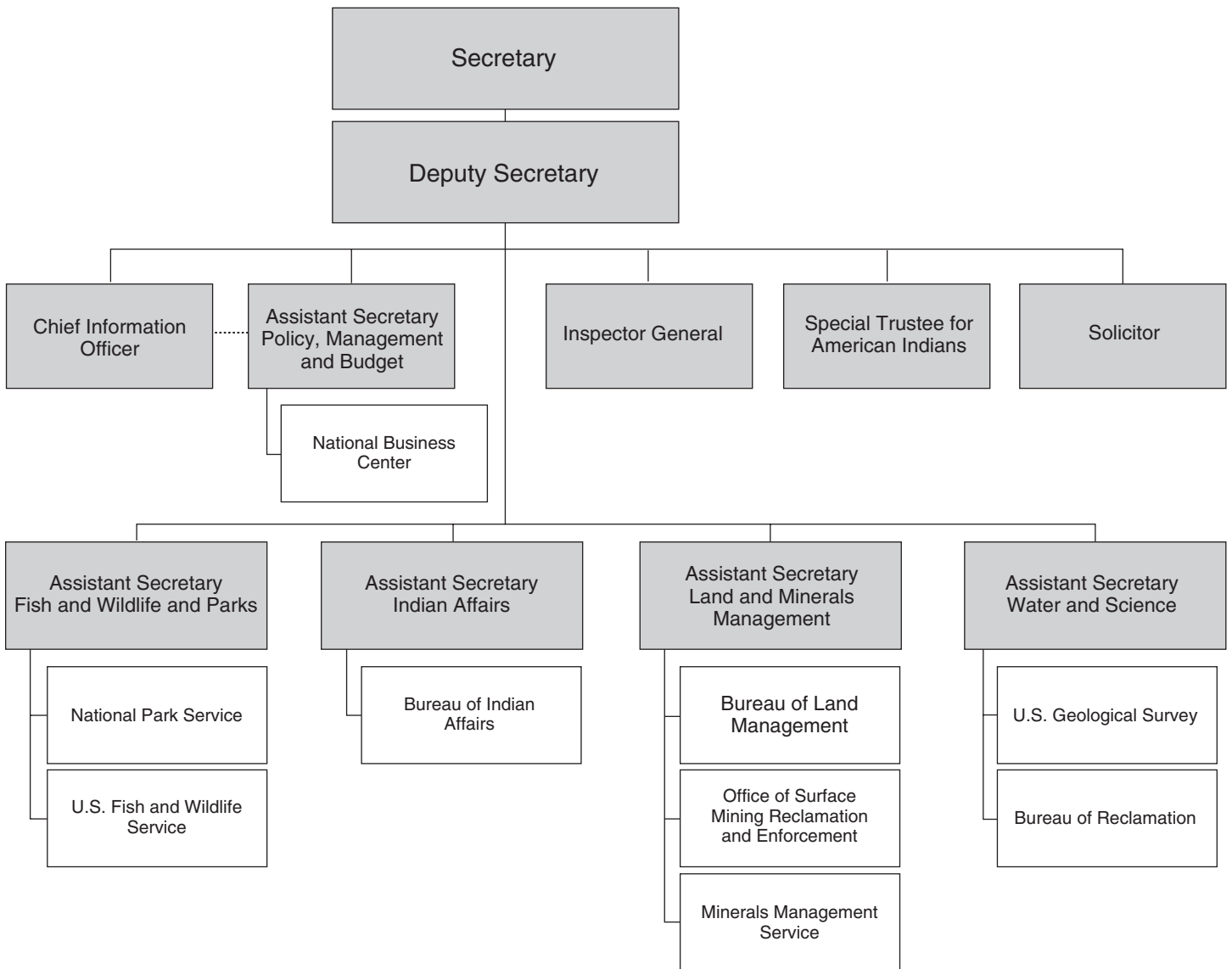
³¹GAO, *Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, [GAO-03-293SP](#) (Washington, D.C.: Nov. 14, 2002).

appointed.³² At the agency level, the directors of Interior's land management agencies are politically appointed, unlike the Chief of the Forest Service. According to some agency officials and experts, if the Forest Service were moved, Interior would need to consider how the Forest Service would be placed in the department, unless this organization were legislated. In particular, agency officials questioned which of Interior's Assistant Secretaries the Forest Service would fall under or if a new Assistant Secretary position would be created. Further, some questioned whether the Forest Service would retain its career Chief or if the Chief would be replaced with a politically appointed director, consistent with Interior's other bureaus.³³

³²At the time of this review, some of these positions were vacant.

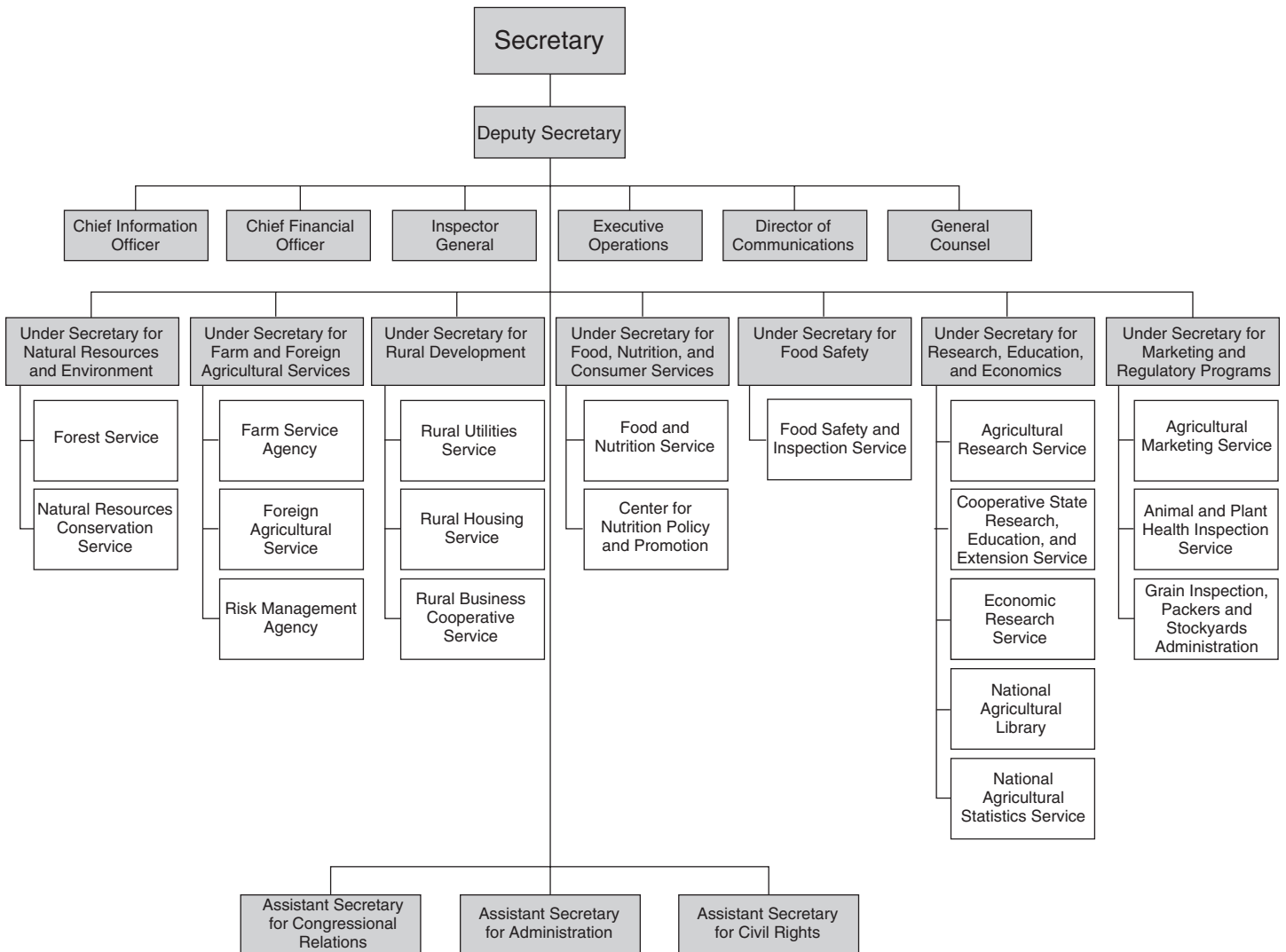
³³While the Forest Service has a regional structure different from that of Interior's agencies, some officials did not think this difference would be a factor to consider in a move because none of Interior's land management agencies have identical regional boundaries. The Forest Service has 9 regions, BLM has 12 state offices, the National Park Service has 7 regions, and the Fish and Wildlife Service has 8 regions.

Figure 3: Organizational Chart for Interior



Source: Interior.

Figure 4: Organizational Chart for USDA



Source: USDA.

Interior functions. Moving the Forest Service into Interior would likely increase the workload at the departmental level and strain shared departmental resources. According to some officials and an expert, adding about 29,000 Forest Service employees to Interior would likely require more support personnel at the departmental level, such as in human capital. Moreover, officials noted that employees may need to be brought into Interior from USDA’s Offices of Inspector General and General Counsel to contribute agency expertise and address the increased

workload that would move with the Forest Service. To audit the Forest Service, for example, employees in Interior's Office of Inspector General would need to learn the agency's policies and procedures, as well as communicate with USDA's Office of Inspector General to ensure effective follow-up on past audit recommendations. Similarly, since the Forest Service operates under a different set of laws than Interior's agencies, attorneys in Interior's Office of the Solicitor would face a learning curve. As a result, a move of the Forest Service into Interior could lead to disruption and lost productivity as Interior employees adjusted to their new workload and familiarized themselves with the Forest Service, according to some experts and officials, and the department could incur some additional costs if extra employees needed to be hired. Furthermore, a move could create additional expenses related to expanding office space; purchasing new computers, uniforms, and other necessary equipment; and changing signs and letterhead.

Information technology and other business systems. Integrating the Forest Service's reporting, budgeting, finance, acquisition, and human capital processes and systems into Interior's would be difficult, time-consuming, and costly, according to many experts and officials. To do so, the Forest Service would have to disengage from USDA's systems and reconnect to Interior's systems, which could be risky; for example, the transition could compromise information technology security, according to officials. Moreover, some employees said that integrating systems could be particularly complex because of the large number of Forest Service employees. One official estimated that costs to integrate systems could be on the order of tens of millions of dollars, while others estimated costs on the order of hundreds of millions of dollars.³⁴ According to other officials, however, since the agencies already update their systems as technology changes, the Forest Service could be moved into Interior's systems during one of these updates. In addition to integrating the Forest Service into Interior's systems, some officials said, there would also be software-licensing issues associated with adding such a large number of users, as well as the need to train Forest Service employees on Interior's systems and processes. A few officials said that at least in the short-term, the Forest Service could retain its current systems if it were moved into Interior, but other officials said that running parallel systems would not work well and would be costly and inefficient.

³⁴According to officials, costs to plan and acquire shared USDA systems totaled almost \$180 million through fiscal year 2008.

At the time of our review, Interior and USDA were both moving to new financial management systems, and some officials believed it would be an opportune time to move the Forest Service into Interior since the agency could be merged into Interior's new financial system without further investment in USDA's system. Because both agencies are in the planning stages for their new systems, a move of the Forest Service into Interior's system now would avoid additional costs for the Forest Service to conform to USDA's systems. In addition, according to officials, if the Forest Service were moved while Interior was developing its own new financial system, the Forest Service could be part of the design process and help identify system requirements. Other officials noted that Interior has already experienced some setbacks with its new financial system—for example, it had to pare back the number of subsystems that will be included in it—and indicated that adding the Forest Service to Interior's systems could introduce more challenges.

Other officials said, however, that now is not a good time to move the Forest Service, because the agency has recently gone through many difficult changes and may not be able to handle additional change without detracting from its service to the public. One recent change is the consolidation of some of the Forest Service's business practices and systems, including its finance, human capital, and information technology functions, into the Albuquerque Service Center, located in Albuquerque, New Mexico. According to many officials, the consolidation has been challenging and may illustrate some of the difficulties—ranging from staffing and payroll errors to inadequate technical support—that could be encountered in an integration of the Forest Service into Interior's systems. Some officials noted that one lesson learned from this consolidation was the importance of ensuring that systems are in place before implementing a move. According to some officials, any systems consolidation, even internal ones, brings problems, but problems would likely increase as a result of moving the Forest Service into a new department.

USDA functions. The Forest Service is the largest agency in USDA in terms of employees, and many agency officials and experts noted that moving it into Interior would affect USDA and its other agencies. Because of its size, the Forest Service often takes the lead in purchasing and developing new business systems for USDA, according to agency officials. For example, USDA has been centralizing and standardizing many systems at the department level; several officials noted that the Forest Service has been leading, and contributing many resources to, the department's implementation of the new financial management system. As a result, moving the Forest Service into Interior may disrupt development of this

system, as well as other areas, such as leadership development, where the Forest Service has taken the lead.

A move would also affect USDA's overhead expenses. The Forest Service pays a large share of USDA's overhead charges, including for what USDA calls its "green book" and working capital fund. Green book charges cover various items, such as tribal liaisons and electronic-government initiatives,³⁵ and are apportioned to its agencies on the basis of the number of full-time-equivalent employees at each agency. USDA charged the Forest Service \$21.4 million, or about 33 percent of its total green book charges, in fiscal year 2007. The working capital fund pays for basic services in USDA, such as infrastructure costs, and charges to it are based on each agency's use of these services. USDA charged the Forest Service about \$72 million, or about 14 percent of its total working capital fund charges, in fiscal year 2007.³⁶ According to officials, removing the Forest Service from the department might reduce economies of scale for USDA, thereby increasing overhead costs for employees and the agencies.

Finally, according to many officials and experts, moving the Forest Service out of USDA could affect its relationship with NRCS and other agencies in the department. For example, the Forest Service and NRCS coordinate providing technical assistance to private foresters and other land conservation activities. In the view of some agency officials, being in the same department facilitates the agencies' relationship, and it would be difficult for these agencies to continue their joint work across departmental boundaries. Other officials and experts did not think that moving the Forest Service into Interior would have a huge impact on NRCS, some noting that the agencies could continue to coordinate across departments, although they believed that special attention would be needed to facilitate the continued relationship. The Forest Service also works with other agencies in USDA, including the Agricultural Research Service; the Animal and Plant Health Inspection Service (APHIS); and the Cooperative State Research, Education, and Extension Service. For example, the Forest Service's Forest Health Protection Program has

³⁵Electronic-government initiatives use Internet-based technology to make it easier for citizens and businesses to interact with the government, save taxpayer dollars, and streamline citizen-to-government communications.

³⁶Interior's working capital fund totaled about \$174 million in fiscal year 2007. Of this amount, Interior charged BLM about \$21 million (12 percent) and National Park Service about \$30 million (17 percent).

responsibility for pest suppression and technical transfer of expertise in disease and infestations that no other federal agency has. The program staff coordinates its work with APHIS, which is responsible for identifying and regulating nonnative species, and consults with that agency on the plants, insects, and diseases that can potentially be imported. According to Forest Service officials, the invasive species program has been very successful across USDA and might be harmed if the Forest Service were moved into Interior.

Human capital. Human capital policies and practices also differ between the Forest Service and the land management agencies under Interior. Several officials noted that Interior and the Forest Service have different position descriptions and related pay-grade structures. According to these officials, at least the perception exists that the Forest Service's positions are graded higher than BLM's, but a side-by-side comparison of positions and grades would be needed to assess and reconcile any differences. Some officials also noted that unions could affect a move. The Forest Service is more unionized than Interior agencies, and officials said that unions would need to be involved in a transition to a new department.

Legal and Jurisdictional Factors Could Further Complicate a Move

Legal issues—including differing statutory authorities among the agencies, as well as legal precedent, tribal issues, congressional committee jurisdictions, and interest groups—would need to be resolved if a move were to take place.

Legislation and legal decisions. The Forest Service and Interior operate under differing statutory authorities and legal precedents. While moving the Forest Service into Interior as a separate bureau would not necessarily entail changing the laws governing the agencies, many officials and experts said that these laws should be examined and may need to be reconciled if a move took place. According to some of these experts and officials, changing the laws may require convening a task force to review all the relevant laws, and such an undertaking would be time and resource intensive—especially given the considerable number of these laws. According to the Congressional Research Service, consolidating federal land law could result in two possible outcomes.³⁷ First, to provide consistent direction, existing laws could be largely retained and revised

³⁷Ross W. Gorte, *Proposals to Merge the Forest Service and the Bureau of Land Management: Issues and Approaches* (Washington, D.C.: Congressional Research Service, 2008).

only where they are duplicative or contradictory. Second, to simplify the piecemeal guidance that has evolved over the past 100 years, federal multiple-use land law could be completely revised, which would likely be more difficult.

Even in areas in which the Forest Service and Interior agencies operate under the same laws, such as NEPA and the Federal Lands Recreation Enhancement Act,³⁸ they have sometimes received different legal opinions from USDA's Office of General Counsel and Interior's Office of the Solicitor. For example, several officials and experts noted, in some program areas, such as grazing and recreation, the Forest Service and BLM tried to develop joint regulations in the past but could not do so because of differing legal advice. According to officials from Interior's Office of the Solicitor, Interior could adopt the legal decisions that USDA's Office of General Counsel has already made, and any differences could be worked out over time.

In addition, legislation authorizing a move would need careful crafting. For example, such legislation could transfer the proper authorities from the Secretary of Agriculture to the Secretary of the Interior, as well as give the Secretary of the Interior broad reorganization authority to bring the agencies' programs into alignment and to manage and modify processes, some officials said. One expert said that the process of aligning regulations would depend on the authorities that the Secretary of the Interior was provided in the legislation authorizing the move. Failing to give the Interior Secretary full delegation over the Forest Service, as well as a scope of authority broad enough to manage and modify processes, could limit the Secretary's power to change the agencies. The authorizing legislation would need to allow Interior flexibility and time to change and deal with these details, one expert said.

Tribal issues. According to an agency official and an expert we interviewed, tribal issues should also be considered in a move. In some cases, treaties with Native American tribes have assured tribal governments certain "reserved rights"—such as rights for grazing, hunting, fishing, gathering, trapping, and water—on former tribal land now part of present-day national forests and grasslands. In other cases, according to tribal representatives, tribal aboriginal rights still exist on national forests and grasslands, and sacred, ceremonial, and repatriation sites important to

³⁸Pub. L. No. 108-447, Div. J., title VIII, 118 Stat. 3377 (2004).

tribal communities are often found on national forests and grasslands. According to one official, tribes would be concerned about how moving the Forest Service might affect these rights and tribal access to national forests and grasslands and would need to be consulted about a move. Representatives from the Intertribal Timber Council³⁹ said that while the effects of a move were uncertain until the details were known, a move could enhance tribes' ability to help manage national forests and grasslands and increase the Forest Service's responsiveness to tribal concerns. In many cases, Indian reservations are adjacent to national forests and grasslands. Forest management problems—such as invasive species, insect disease infestation, and wildland fire—sometimes threaten tribal lands, according to the Intertribal Timber Council, so the Tribal Forest Protection Act⁴⁰ allows the tribes and the Forest Service to develop projects to address these concerns.⁴¹ According to the Intertribal Timber Council, moving the Forest Service into Interior could make the land management agencies' resource management authorities and practices more consistent, as well as consolidate and integrate research activities currently conducted by the Forest Service and USGS. Further, the move could also improve consistency in budgets and accounting practices between the federal land management agencies and the Bureau of Indian

³⁹The Intertribal Timber Council is a nonprofit nationwide consortium of Indian tribes, Alaska Native corporations, and individuals dedicated to improving the management of natural resources important to Native American communities.

⁴⁰Pub. L. No. 108-278, 118 Stat. 868 (2004).

⁴¹Title I of the Indian Self-Determination and Education Assistance Act, Pub. L. No. 93-638, 88 Stat. 2206 (1975), as amended, authorizes tribes to take over, through contractual agreements with the agencies that previously administered them, administration of certain programs administered on their behalf by Interior. Title IV of the act, as amended, authorizes Interior to enter into annual funding agreements for self-governance with tribes.

Affairs.⁴² Finally, the move could facilitate the return of former Indian reservation lands acquired by the Forest Service.⁴³

Congressional committee jurisdictions. According to some experts, aligning congressional committee structure to match a departmental reorganization would be critical to the success of a move of the Forest Service into Interior. By making such an alignment, the Secretary of the Interior could report primarily to one congressional committee. The Forest Service and Interior come under the jurisdiction of various committees and subcommittees in the U.S. Senate and House of Representatives,⁴⁴ and if the current committee structure were maintained after a move, the Secretary of the Interior would have to report to multiple committees, which could create conflicts about priorities, according to one expert. Historically, however, executive reorganizations have not always been followed by congressional committee reorganizations. According to some experts, overlapping jurisdictions have hindered DHS—which combines 22 agencies overseen by multiple congressional committees—by, for example, preventing the department from taking a unified approach to homeland security and fragmenting congressional oversight.⁴⁵

⁴²In particular, the Intertribal Timber Council said, moving the Forest Service could standardize wildland fire budgets and accounting practices across the federal land management agencies and the Bureau of Indian Affairs; provide greater visibility of funding equity for forest management across the federal land management agencies and the Bureau of Indian Affairs; and facilitate the transfer of funds to tribes to address insect and disease infestations affecting tribal forests and woodlands.

⁴³For example, a tribal representative noted that more than 50 percent of the Winema National Forest consists of former Klamath Indian Reservation land purchased during the 1960s and 1970s, and the Olympic National Forest includes a small, isolated parcel of land within the boundaries of the Quinault Indian Reservation, which was acquired during the 1990s.

⁴⁴In the Senate and House of Representatives, the resources committees have jurisdiction over Interior's land management agencies and the forest reserves (national forests) created from the public domain, and the agriculture committees have jurisdiction over acquired forest lands and forest management generally. Within the appropriations committees in the Senate and House of Representatives, the Interior subcommittees have jurisdiction over Interior's land management agencies, as well as the Forest Service.

⁴⁵In 2002, the Congressional Research Service reported that at least 11 full Senate committees and 14 full House committees, as well as their subcommittees, have some responsibility for oversight of U.S. programs to combat terrorism, see Harold C. Relyea, *Homeland Security: Department Organization and Management* (Washington, D.C.: Congressional Research Service, 2002).

Interest groups. Our interviews revealed no consensus among outside groups with an interest in the agencies about a move of the Forest Service into Interior. Some groups, such as recreation or state forestry organizations, worried about jeopardizing established relationships with the Forest Service, while others were unsure of the effects of a move on their organization. Some agency officials and one group, however, said that stakeholder concerns could be alleviated and interest-group resistance minimized if the Forest Service were to remain a stand-alone agency in Interior.

Key Merger and Transformation Practices Can Help Manage Move and Disruptions

To help plan for and manage a move and possible disruptions, our previous work on transforming organizations has identified some key practices at the center of successful mergers and organizational transformations (see table 2).⁴⁶ The experts and agency officials we interviewed mentioned several of them.

⁴⁶ [GAO-03-669](#).

Table 2: Key Practices and Implementation Steps for Mergers and Organizational Transformations

Practice	Implementation step
Ensure that top leadership drives transformation	<ul style="list-style-type: none"> • Define and articulate a succinct and compelling reason for change • Balance continued delivery of services with merger and transformation of activities
Establish a coherent mission and integrated strategic goals to guide transformation	<ul style="list-style-type: none"> • Adopt leading practices for results-oriented strategic planning and reporting
Focus on a key set of principles and priorities at the outset of transformation	<ul style="list-style-type: none"> • Embed core values in every aspect of the organization to reinforce new culture
Set implementation goals and a timeline to build momentum and show progress from day one	<ul style="list-style-type: none"> • Make implementation goals and timeline public • Seek and monitor employee attitudes and take appropriate follow-up actions • Identify cultural features of merging organizations to increase understanding of former work environments • Attract and retain key talent • Establish an organizationwide knowledge and skills inventory to exchange knowledge among merging organizations
Dedicate an implementation team to manage transformation process	<ul style="list-style-type: none"> • Establish networks to support implementation team • Select high-performing teams
Use performance management system to define responsibility and ensure accountability for change	<ul style="list-style-type: none"> • Adopt leading practices to implement effective performance management systems with adequate safeguards
Establish a communication strategy to create shared expectations and report related progress	<ul style="list-style-type: none"> • Communicate early and often to build trust • Ensure consistency of message • Encourage two-way communication • Provide information to meet specific needs of employees
Involve employees to obtain their ideas and gain their ownership for transformation	<ul style="list-style-type: none"> • Use employee teams • Involve employees in planning and sharing performance information • Incorporate employee feedback into new policies and procedures • Delegate authority to appropriate organizational levels
Adopt leading practices to build a world-class organization	<ul style="list-style-type: none"> • Select leading processes, practices, and systems that are widely recognized for contributing to performance improvements in areas such as acquisition management, financial management, human capital, or information technology

Source: GAO.

The first key practice for mergers and organizational transformations is to ensure that top leadership drives the transformation, and many agency officials and experts we interviewed reiterated the importance of leadership in any move of the Forest Service into Interior. Remarking that strong leadership can ease cultural transitions and minimize disruption, several officials told us that agency leaders would need to clearly explain the reason for a move so that employees understood the rationale and logic behind it and had incentives to support it. Land managers are passionate about their jobs, some officials said, and if it were clear that the reason to move the Forest Service into Interior was to improve federal

land management, that goal would resonate with employees and they would be more likely to support a move. Our past work has shown that articulating a succinct and compelling reason for change helps employees, customers, and stakeholders understand expected outcomes of a merger or transformation and engenders not only their cooperation but also their ownership of these outcomes. We also reported that the primary roles of leaders during a merger or transformation are to help the organization remain focused on the continued delivery of services, while simultaneously carrying out the merger or transformation. Some officials we interviewed said that it is important for leaders to dedicate one person to be in charge of the transition who is not also responsible for managing the agencies' daily work; one official noted that this manager must have a separate budget and the authority to mandate change.

Many officials and experts said that moving the Forest Service into Interior would require a clear mission, strategy, and plan, which is consistent with several of the key practices listed in table 2. Our past work has shown that the mission and strategic goals of the new organization must be clear to employees, customers, and stakeholders because they may not otherwise understand what the organization intends to accomplish; many officials we interviewed also emphasized the importance of defining a clear mission and developing a strategic plan for the move. We also reported in the past that a move must be closely managed with implementation goals and a timeline. According to one expert, moves require planning and performing key tasks in order of priority; accordingly, after a move of the Forest Service into Interior, leadership in the department would need to list problems to be solved and then address them one by one. Further, an Interior official emphasized the importance of a timeline for the move, noting that the department would need clear goals with corresponding dates for completion.

We found in the past that creating an effective strategy for continual communication is also essential to mergers and organizational transformations, and several experts and agency officials we interviewed confirmed the importance of communication. According to our past work, a new department must develop a comprehensive communication strategy that reaches out and successfully engages employees, customers, and stakeholders. One agency official who was involved in the consolidation of the National Biological Service into USGS said that the agencies have many stakeholders who have concerns about a move; a great deal of communication and engagement must therefore take place with the public and stakeholders if the Forest Service is to be moved into Interior. Another official added that being clear about a move—for example,

reiterating that the Forest Service would be moved into Interior as a separate agency with its current authorities intact—could alleviate some stakeholders’ concerns. In addition to communicating with stakeholders, some officials said that agency leaders would also need to communicate extensively with agency employees, which could put some employees at ease and mitigate disruptions from decreased morale and productivity.

Concluding Observations

Organizational transformations are inevitably complex, involving many factors and often creating unintended consequences. In considering a move of the Forest Service into Interior, policymakers will need to carefully weigh long-term mission and management gains against potential short-term disruption and operational costs. On one hand, a move could improve federal land and program management by bringing the key federal land management agencies together into one department, thereby aligning their federal land management missions and creating the opportunity for greater long-term program effectiveness. On the other hand, given cultural, organizational, and legal factors, a move could also lead to disruptions and other transition costs in the short term, as well as diminish the Forest Service’s focus on state and private lands and affect relationships developed through USDA with state and private landowners. Moreover, no move—including moving the Forest Service into Interior—should be undertaken without sufficient attention to defining the long-range goals and enduring capacity that the move is to achieve. Once these are identified, the means that can best achieve them can be considered. As many have suggested, a number of options exist for organizing federal land management agencies, including the idea of increasing collaboration among the agencies or reviewing the nation’s land and resource management laws. Significant large-scale challenges to federal land management, such as climate change, energy production, dwindling water supplies, wildland fire, and constrained budgets, suggest the need to approach these problems innovatively, perhaps even revisiting the legal framework of federal land management agencies.

Certain well-demonstrated practices have been used in large private- and public-sector organizations to assist mergers and organizational transformations and avert such consequences. If a move were undertaken, adequate time and attention would need to be devoted to planning for and implementing these key practices to manage potential disruption and other transition costs. In particular, any legislation authorizing a move would need to provide the departments ample time to plan the move—in light of cultural, organizational, and legal factors—and incorporate key merger and transformation practices.

Agency Comments and Our Evaluation

We provided USDA and Interior with a draft of this report for review and comment. The Forest Service provided oral comments on behalf of USDA, saying the report provided an accurate, balanced, and comprehensive assessment of the issues involved in a move. The agency observed, however, that the report failed to adequately consider the possibility of moving BLM into USDA. The agency said this move would be substantially less costly than moving the Forest Service into Interior, which it estimated could cost between \$300 million and \$500 million. We did not include an in-depth discussion of moving BLM into USDA because the scope of our review was restricted to examining a possible move of the Forest Service into Interior. Furthermore, while we agree that moving the Forest Service into Interior would be costly, we have no basis to substantiate the Forest Service's estimate of this cost.

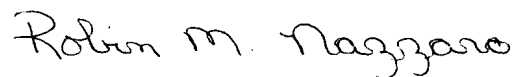
Interior provided written comments in which it generally agreed with the report's findings (see app. VI). The department observed, however, that the diminishment of the Forest Service's role working with farmers, ranchers, and state foresters would not necessarily be a predictable outcome of a move. We did not mean to imply that diminishment of the Forest Service's state and private forestry role is a certain outcome. The report instead reflects the concerns of many federal officials, several experts, and some state foresters that a move could compromise the agency's work with state and private landowners, and with other USDA agencies, in carrying out USDA's mission to protect and enhance natural resources on private as well as public lands. Such disruption could arise, according to some of these officials, experts, and state foresters, because Interior does not have USDA's long-standing relationships with nonfederal partners or mission focus on nonfederal lands. We revised and added language in the report to clarify these concerns. In further commenting about the effects of a move, Interior also remarked that a move could possibly strengthen its role in working with state and private landowners to conserve endangered species, wetlands, and other resources. We agree that, over time, a move could strengthen Interior's ability to work with state and private landowners but believe that our report recognizes this potential and provides sufficient examples illustrating Interior's existing programs to work with state and private landowners.

USDA and Interior both provided a few technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the

report date. At that time, we will send copies of this report to interested congressional committees, the Secretaries of Agriculture and the Interior, the Chief of the Forest Service, and other interested parties. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or nazzaror@gao.gov. Contact points for our Offices of Public Affairs and Congressional Relations may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VII.



Robin M. Nazzaro
Director, Natural Resources and Environment

Appendix I: Scope and Methodology

To understand the potential effects of, and factors involved in, a move of the Department of Agriculture's (USDA) Forest Service into the Department of the Interior (Interior) and practices that could facilitate a move, we analyzed historical proposals on reorganizing the land management agencies, interviewed agency officials and experts, visited Forest Service and Bureau of Land Management (BLM) offices that are colocated and comanaged, and interviewed representatives from groups that have an interest in the agencies.

To understand the context and potential effects of a move and the factors involved, we first conducted a content analysis of five historical proposals on reorganizing the nation's federal land management agencies: (1) Public Land Law Review Commission report of 1970; (2) report of the Advisory Council on Executive Organization under the Nixon administration; (3) Reorganization Project from the Office of Management and Budget under the Carter administration; (4) President's Private Sector Survey on Cost Control in the Federal Government under the Reagan administration; and (5) BLM and Forest Service Interchange Proposal, also under the Reagan administration. In analyzing these proposals, two GAO analysts independently grouped statements describing potential effects into a number of categories, such as efficiency, public service, and better land management, and grouped factors involved into categories such as cultural factors, personnel, and organizational structure. Once the statements were grouped, the analysts discussed every statement for which they had assigned different categories and reached agreement on which category to assign each statement to. This analysis allowed us to understand the broader context of proposed reorganizations of natural resource and land management agencies, as well as a range of potential effects and factors that might result from reorganization.

Besides this content analysis of historical reorganization proposals, we used semistructured interviews of former and present USDA, Interior, Forest Service, BLM, and other agency officials and of other experts to gather data on their perspectives about a move, its potential effects on federal land management overall and resource programs in particular, and any factors that could be involved in a move. We then summarized the responses to represent the officials' views. To understand the effects and factors from the perspective of resource managers, at USDA we interviewed the Under Secretary for Natural Resources and Environment and the Forest Service Chief and Deputy Chiefs for the National Forest System, Research, and State and Private Forestry. At Interior we interviewed the Assistant Secretaries for Lands and Minerals; Water and Science; and Fish, Wildlife, and Parks. We also interviewed key managers

for Forest Service and BLM programs such as timber, oil and gas, grazing, recreation, and wildland fire management at headquarters, state and regional, and field offices. To understand the effects and factors related to business operations in the departments and agencies, we interviewed USDA's Deputy Chief Financial Officer and officials from the USDA Office of Budget and Program Analysis; the Forest Service's Deputy Chief for Business Operations, Chief Financial Officer, and Chief Information Officer; and Interior's Deputy Assistant Secretary for Business Management and Wildland Fire, Deputy Chief Financial Officer, Chief Information Officer, and Budget Officer. We interviewed officials from USDA's Office of General Counsel and Interior's Office of the Solicitor to understand the legal implications of a move and legal factors that should be considered, and we interviewed officials from the USDA and Interior Offices of Inspector General to understand how the potential move would affect these offices. We interviewed examiners from the Office of Management and Budget to understand the effects of a potential move on their role in overseeing the Forest Service and Interior.

To identify and select natural resource and public administration experts to interview, we began with lists of experts in each of three categories— (1) experts in organizational change and public administration, (2) experts in natural resources or federal land management, and (3) former senior-level agency officials—who were recommended to us by knowledgeable agency officials, former officials, and others or identified in literature on government organizational change and management. Using a “snowball sampling” technique, we spoke with everyone on these initial lists to solicit the names of more experts to speak with and continued this iterative process until we no longer found any new names to include. From these comprehensive lists in all three categories, we chose a nonprobability sample, representing varied perspectives, of 22 experts to interview. Our 22 experts included former land management officials from different presidential administrations and experts in various organizational theories and federal land management. Seven of these experts were former agency officials at USDA and Interior, including former Secretaries and Forest Service Chiefs; seven were experts in public administration who have studied organizational change; and the remaining experts were academics who have studied natural resource law and land management agencies. Appendix II lists the people we interviewed.

To discuss areas in which the agencies are integrated—including land management planning, range management, recreation, and budget—we visited two sites where the Forest Service and BLM are colocated and comanged under Service First authority: (1) San Juan Public Lands

Center in Durango, Colorado, and (2) Forest Service Region 6 Office and the Oregon and Washington BLM State Office in Portland, Oregon. We also interviewed officials involved in the oil and gas federal permit streamlining pilot project in Glenwood Springs, Colorado, to understand how the Forest Service and BLM have integrated various aspects of their oil and gas programs.

To discuss a possible move and its potential effects on particular interest groups, we again used a semistructured interview of 18 nonfederal parties. The parties we interviewed included, among others, environmental groups such as The Wilderness Society; forestry associations such as the National Association of State Foresters; the American Recreation Coalition; a cattlemen's association; groups representing Forest Service and BLM retirees; the Intertribal Timber Council; and groups representing state and local governments, such as the National Association of Counties.

To identify practices that the departments could use to facilitate a move, we reviewed our own previous work on key practices found to bring about successful mergers and organizational transformations, in particular, our 2003 report on key practices and implementation steps for such transformations.¹ Our interviews with experts in public administration, other experts, and agency officials supplemented the information from our previous work.

We conducted this work as a nonaudit service from March 2008 through February 2009. This means the work was performed in accordance with GAO's quality assurance framework, which requires that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, conclusions, and recommendations based on our objectives.

¹GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).

Appendix II: List of Experts GAO Interviewed

Former Senior-Level Agency Officials

Dale N. Bosworth
Chief
Forest Service, 2001–2007

Nancy S. Bryson, J.D.
General Counsel
USDA, 2002–2005

Michael P. Dombeck, Ph.D.
Chief
Forest Service, 1997–2001
Acting Director
BLM, 1994–1997

John Leshy, J.D.
Solicitor
Department of the Interior, 1993–2001

James R. Lyons
Under Secretary for Natural Resources and Environment
USDA, 1993–2001

Gale A. Norton, J.D.
Secretary
Department of the Interior, 2001–2006

Ann M. Veneman, J.D.
Secretary
USDA, 2001–2005

Natural Resource Experts

Sally K. Fairfax, Ph.D.
Henry J. Vaux Distinguished Professor Emerita
Department of Environmental Science, Policy and Management
University of California, Berkeley

Ross W. Gorte, Ph.D.
Specialist in Natural Resources Policy
Congressional Research Service, Library of Congress

Perry R. Hagenstein, Ph.D.
Assistant Chief
Public Land Law Review Commission

Daniel Kemmis, J.D.
Senior Fellow
Center for the Rocky Mountain West

Randal O'Toole
Senior Fellow
Cato Institute

V. Alaric Sample, Ph.D.
President
Pinchot Institute for Conservation

Carol Hardy Vincent
Specialist in Natural Resources Policy
Congressional Research Service, Library of Congress

Charles Wilkinson, J.D.
Professor
School of Law
University of Colorado, Boulder

Public Administration
Experts

Robert Agranoff, Ph.D.
Professor Emeritus
School of Public and Environmental Affairs
Indiana University at Bloomington
Instituto Universitario Ortega y Gasset, Madrid, Spain

Alan L. Dean
Consultant
National Academy of Public Administration

William Dinsmore
Study Director
Reorganization Study of Natural Resource Functions
Office of Management and Budget

Donald F. Kettl, Ph.D.
Professor
Political Science Department
University of Pennsylvania

Beryl A. Radin, Ph.D.
Scholar in Residence
School of Public Affairs
American University

Harold C. Relyea, Ph.D.
Specialist in American National Government
Congressional Research Service, Library of Congress

Charles R. Wise, Ph.D.
Director and Professor
John Glenn School of Public Affairs
Ohio State University

Appendix III: Five Selected Historical Proposals to Reorganize Federal Natural Resource and Land Management Agencies

A variety of proposals have been made over the past 80 years to reorganize federal land management and natural resource agencies.¹ These proposals vary widely, including to move the USDA Forest Service into Interior, to merge the Forest Service and Interior's BLM, to move BLM and other agencies to USDA, and to exchange lands between the agencies. This appendix describes the five recent proposals, the effects arising from the proposed reorganizations, and the factors that could influence their implementation.² Three of the five were developed for the Nixon, Carter, and Reagan administrations by special commissions or offices designated to review the organization of land and resource management agencies. One of the remaining two was made by a special commission established by Congress to study public land laws, and the other was developed by staff at the Forest Service and BLM. The five proposals generally approach reorganization in two ways, which are not mutually exclusive: reorganizing the agencies themselves or reorganizing the agencies' lands.

Public Land Law Review Commission

In 1964, Congress created the Public Land Law Review Commission to explore how to simplify public land laws and make administering them more effective. The commission submitted its report to the President and Congress in June 1970.³ The report made more than 130 recommendations about a wide range of land laws and issues, including a recommendation to transfer the Forest Service into Interior and to name the resulting agency the Department of Natural Resources. This recommendation further stated that the Secretary of the renamed department should consider further consolidation of agencies and programs.

¹Ross W. Gorte, *Proposals to Merge the Forest Service and the Bureau of Land Management: Issues and Approaches* (Washington, D.C.: Congressional Research Service, May 2008).

²In 1991, the House Budget Committee proposed eliminating eight cabinet departments by consolidating existing agencies and departments, including combining Interior, USDA, and Energy into a Department of Natural Resources. Committee Chair Leon Panetta introduced a bill in 1992 to establish a Commission on Executive Organization to consider such consolidations, but no hearings on the bill were held. In addition, under President Clinton, the National Performance Review recommended a pilot program based on ecosystem management principles that did not contemplate a full reorganization of the Forest Service or Interior's agencies. We did not include either of these proposals in our historical review.

³Public Land Law Review Commission, *One-Third of the Nation's Land* (Washington, D.C.: Government Printing Office, 1970).

In making this recommendation, the report noted that the Forest Service and BLM have similar land uses and management objectives and that a Department of Natural Resources could contribute to better management of federal lands, as well as to greater alignment of agencies, potential cost savings and other efficiencies, and improvements in public service. The report noted that by not being part of Interior, the Forest Service is under different policy direction than the other federal land agencies, leading to expensive duplication of staff, offices, programs, and facilities; confusion on the part of the public using the lands; and conflicts between the Forest Service and Interior's agencies over how national forestlands should be used. The commission noted that reorganizing the agencies could be challenging, given cultural, organizational, and legal factors, including program differences between the two agencies, caused in large part because of their historical development. For example, the commission's report said that the Forest Service and BLM differ significantly in their management of programs affecting the same resources (e.g., timber, forage, and recreation), requiring continuing efforts to achieve uniformity and promote the coordination of such programs. In addition, the commission identified political challenges for reorganization because many of the recommended changes would have required congressional action.

In the end, no bills were introduced containing the proposal from the commission. One of the other recommendations regarding federal lands, however, was influential in changing federal land law. The commission made a recommendation to end the nation's policy of disposing of public lands and to retain them in federal ownership for multiple-use purposes. In 1976, the Federal Land Policy and Management Act was enacted, which, among other things, established the federal policy to retain the remaining federal land in federal ownership.

**Advisory Council on
Executive Organization
(Ash Council)**

In 1968, President Nixon created the Advisory Council on Executive Organization to consider revamping the structure of the executive branch, which had evolved over time. The council considered two options, one to establish a Department of Environment and Natural Resources and another to create a Department of Natural Resources. In March 1971, the President presented the Department of Natural Resources proposal to

Congress and the public.⁴ This proposal would have created a Cabinet-level department combining the Forest Service, the Soil Conservation Service (now the Natural Resources Conservation Service), and certain other USDA functions; all Interior agencies; certain functions of the Army Corps of Engineers; the National Oceanic and Atmospheric Administration from the Department of Commerce; and other agencies. The Department of Natural Resources proposal included fewer agencies than that proposed for a Department of Environment and Natural Resources, which also included the Environmental Protection Agency, to make it more politically feasible to congressional committees.

The council believed that the proposed creation of a Department of Natural Resources was supported by the similarities in tasks carried out by the Forest Service and Interior agencies on their respective lands. The council's report noted the potential for better land management and program effectiveness; increased cost efficiency; better alignment of congressional, executive, or departmental entities; and improved public service. For example, according to the report, the related land management agencies and functions could be grouped into one branch of the Department of Natural Resources to enable better planning and management of public lands and allow for administrative efficiencies and savings over the long term. The report also identified organizational factors as a primary challenge in the reorganization. For example, a new Department of Natural Resources would have required a new appropriations structure; merging and consolidating agencies' accounts; and more uniformity at the regional, and possibly field, level.

While several bills were introduced in Congress to establish a Department of Natural Resources or Department of Environment and Natural Resources, and hearings were held on the proposals, no other action was taken. During the hearings, concerns arose about disrupting agency operations and the established relationships between interest groups and agencies. Discussions raised the idea that a Department of Natural Resources could facilitate implementation of national policies but limit national policy debates. Finally, a new Department of Natural Resources could have affected congressional oversight because more committees would have had jurisdiction over aspects of the department's functions. In

⁴President's Advisory Council on Executive Organization, *Memorandum for the President: Subject: The Establishment of a Department of Natural Resources* (Washington, D.C., May 12, 1970).

June 1973, President Nixon presented a revised reorganization proposal for a Department of Energy and Natural Resources. Legislation was introduced, but no bills for such a department were signed into law. Helping the proposals' demise was opposition from stakeholders, some members of Congress, and midlevel managers of the organizations involved.⁵

**Reorganization Project,
Office of Management and
Budget**

In 1977, President Carter established the Reorganization Project in the Office of Management and Budget to conduct a comprehensive study of government organization, including natural resource organizations.⁶ One report in the study centered on restructuring federal management of natural resources and was to recommend any changes deemed necessary to improve natural resource management and environmental protection. In 1979, President Carter announced a reorganization plan to create a Department of Natural Resources from the existing Interior, Forest Service, and the National Oceanic and Atmospheric Administration.

In discussing the reasons for reorganization, the report noted that the Forest Service and BLM have similar multiple-use missions. The report described the potential for better land management and program effectiveness, as well as improved public service, given its finding that the agencies had multiple interagency task forces and cooperative agreements to coordinate their work, which would be simplified with both agencies merged into one department. The report estimated savings to taxpayers of \$160 million over several years as reorganization took place. The report also cited multiple factors challenging reorganization, including cultural issues, such as a potential loss of Forest Service expertise and professionalism through a merger with BLM and stretching staff to cover more acreage.

The administration and members of Congress disagreed about the need for Congress to introduce and pass legislation enacting this proposal; some members of Congress argued that the proposal exceeded presidential authority. Concerns about the proposal itself were raised by congressional

⁵The Nixon administration was successful in creating the Environmental Protection Agency in Reorganization Plan No. 3 of 1970.

⁶Executive Office of the President, Office of Management and Budget, *President's Reorganization Project: Report on Reorganization Study of Natural Resource Functions* (Washington, D.C.: June 1979).

members, including members of the House and Senate Agriculture Committees. Because of these concerns and other administration priorities, such as the Strategic Arms Limitation Treaty talks with the then Soviet Union, the President withdrew the proposal.

**President's Private Sector
Survey on Cost Control in
the Federal Government
(Grace Commission)**

In 1982, President Reagan signed an executive order directing the President's Private Sector Survey on Cost Control to, among other things, identify opportunities to increase efficiency and reduce costs within federal departments. An August 1983 report completed as part of the survey recommended that the Forest Service and BLM each transfer jurisdiction of some of its lands to that of the other agency and combine administrative functions.⁷ Citing inconsistent policies and intermingled land ownership patterns between the Forest Service and BLM, the report recommended that the President direct the Secretaries of the Interior and Agriculture, through the Forest Service and BLM, to plan and schedule a program for increased land transfers between jurisdictions and elimination of administrative overlap between the two agencies. The report also recommended, for the western states, combining the agencies' shared functions, such as permit processing, public affairs, and training to make the agencies more effective and facilitate their interactions with the public.

The report said that better public service, structural improvements, and efficiencies could be gained, estimating potential savings of \$32 million to \$40 million over 3 years. It also noted organizational factors—including the agencies' structures, personnel, physical boundaries, and administrative jurisdictions—that could challenge implementation of the proposal. In contrast, the report's authors believed that their proposal was relatively uncontroversial because it did not involve reorganizing agencies. The report helped support a subsequent Interior and USDA effort, called the "Interchange Proposal," to consider transfers of land from the jurisdiction of one agency to that of the other. In the end, local communities, counties, and states, as well as members of Congress, opposed the transfer of lands between agencies.

⁷President's Private Sector Survey on Cost Control, Department of the Interior Task Force, *President's Private Sector Survey on Cost Control: Report on the Department of the Interior* (Washington, D.C.: August 1983).

BLM and Forest Service Interchange Proposal

In 1985, the Reagan administration announced a proposal to transfer almost 20 million acres of BLM lands to the Forest Service and almost 14 million acres of Forest Service lands to BLM.⁸ The goals of this jurisdictional transfer were to enhance public service, improve efficiency, and reduce costs. This proposed interchange would have required legislation because each agency's lands were subject to specific authorities that could not be transferred or modified administratively.

Like earlier proposals, the interchange proposal cited overlapping and intermixed Forest Service and BLM land ownership patterns, saying they presented management inefficiencies. For example, the report noted 71 communities with offices for both agencies, which result in duplication of effort and staffing requirements, waste, inefficiency, and public confusion. The proposal mentioned improved land management, public service, and efficiency as the effects of a land exchange between the two agencies. The proposal also cited organizational and legal factors, as well as political resistance, as challenges. For example, legislation would have been needed to implement the proposal because no existing law allowed transfers of land or minerals between agencies.

In 1986, the administration proposed legislation to adjust the land jurisdictions and in the same year completed a legislative environmental impact statement to support the proposal, but legislation was never put forth. Although the agencies held public hearings in 1985 with stakeholders in areas affected by the interchange, in the end, members of Congress, local communities, counties, and states, opposed the proposal.

⁸Department of the Interior, BLM, and USDA, Forest Service, *BLM/Forest Service Interchange: National Summary and Legislative Concepts* (Washington, D.C.: 1985).

Appendix IV: Service First

Service First is an example of federal land management agencies working together to improve federal land management. Under the Service First program, initiated in 1996, the Forest Service and BLM, Fish and Wildlife Service, and National Park Service in Interior can use each other's authorities, duties, and responsibilities.¹ Service First efforts have resulted in improvements in land management and public service; still, differences in administration, information technology, budget, and other business operations have been barriers to operating more efficiently at Service First locations. This appendix describes ways in which the Forest Service and BLM have implemented Service First at two locations—Durango, Colorado, and Portland, Oregon.

Background

Regardless of land ownership, the Forest Service's and BLM's missions are to provide responsible land management that protects and enhances resources and provides efficient and effective service to the public. Yet while federal lands managed by the Forest Service and BLM often share boundaries and in many cases the same users, and both agencies manage their lands for multiple uses—including timber, grazing, minerals, and recreation—each agency carries out its responsibilities under different rules, follows different administrative processes, and takes a different approach to customer service.

In March 1996, the Forest Service and BLM announced what they call the Service First initiative—an effort to reduce some of the dissimilarities that can confuse the public and result in ineffective and inefficient use of resources.² The initiative was piloted in two locations—one in Colorado and another in Oregon—to provide the public with “one-stop shopping” for the services offered by the agencies. The initiative's three primary objectives were to (1) provide better customer service, (2) improve natural resource stewardship, and (3) conduct business more effectively and efficiently. By 2000, the initiative included 272 projects in 59 Forest Service and BLM locations in 11 states.

The extent to which the agencies coordinate use of the Service First authority varies from location to location and comprises offices and programs that are fully integrated and managed by a single manager, as

¹The Service First authority was recently extended to March 2009 in Pub. L. No. 110-329.

²The Service First initiative was called the Trading Post program until fiscal year 1998, when the name was changed to Service First.

well as offices that simply share space, or are colocated, within the same building.³ At the Service First location in Durango, Colorado, also known as the San Juan Public Lands Center, the Forest Service and BLM are colocated and closely integrated, with most work done by interagency teams. The Forest Service and BLM are also colocated at the Portland Service First location, but management is not integrated as in Durango; where a business case can be made, the agencies have integrated numerous programs. The Service First initiatives in these two locations arose for different reasons, in part because of the unique needs of the communities they serve. For example, in Durango, ranchers who held allotments on both Forest Service and BLM land supported federal land management that would provide more uniform treatment by the agencies, and others in the community supported a single planning and public involvement process. In Portland, an impetus for Service First came from users who supported the idea of one-stop shopping when obtaining permits, such as for firewood, and from field offices seeking to improve customer service and cooperation and collaboration across Oregon and Washington, according to officials. Another difference is that the Portland office oversees many national forests and BLM field offices and provides policy to staff at these units to carry out Service First activities as appropriate.

In 2000, we reported that several barriers, such as different land use planning legislation and regulations, impeded full integration of the agencies' resource programs at Service First sites.⁴ Other barriers included incompatible communication systems, such as e-mail, and differing human capital practices. More fundamentally, however, some arenas may not lend themselves to collaboration. For example, integrating offices and programs may not make sense where the agencies' roles and responsibilities differ dramatically or where managed lands are not contiguous.

Since our last report, recognizing that Service First can be implemented in many ways, the Forest Service and BLM produced an implementation

³Two or more agencies integrate operations when similar units work as one. For example, integration occurs when fleet, road maintenance, or telecommunications units work together in the same space and the public is unable to discern who works for which agency.

⁴GAO, *Land Management Agencies: Ongoing Initiative to Share Activities and Facilities Needs Management Attention*, [GAO-01-50](#) (Washington, D.C.: Nov. 21, 2000).

guide to assist interested locations. This joint guide provides templates for a memorandum of understanding to help the agencies work together; options for sharing front-desk duties, including map and other product sales; and interagency billing procedures. It also provides procedures for hiring, employee relations, awards, and performance management, among others.

Durango, Colorado

The Service First initiative in Durango, Colorado, is managed through the San Juan Public Lands Center, which is responsible for overseeing both the San Juan National Forest and BLM's San Juan Resource Area and Canyons of the Ancients National Monument. The center has a single manager and is the first in the country to develop a joint land management plan for Forest Service and BLM lands. The San Juan Public Lands Center is integrated in additional areas, including as follows:

- The center has several cross-trained specialists to provide permitting and general assistance to members of the public who want to use public lands for multiple purposes, such as oil and gas development, recreation, or grazing. For example, firewood permits for both Forest Service and BLM land are issued jointly, and recreation specialists issue one permit to recreationists according to which agency's land will be used most. In addition, a single range conservationist works with ranchers holding permits on both Forest Service and BLM lands to provide greater continuity and more-effective service.
- Forest Service and BLM staff at the center developed one joint land management plan and National Environmental Policy Act (NEPA) analysis; staff struggle, however, to align regulations, policies, and guidelines. Agency officials stated that each agency still issues separate decisions because each has different regulations and laws.
- The agencies hired a geographic information system (GIS) specialist to consolidate Forest Service and BLM maps into one set of compatible maps, which were used to develop their joint land management plan. To gather common data, the GIS staff collected BLM data according to Forest Service standards. When conducting joint projects, center staff often use whichever agency's rules work best for the project.

The Forest Service and BLM at the San Juan Public Lands Center are also integrated in some of their business operations (see table 3).

Table 3: Integration of Business Operations for the San Juan Public Lands Center

Business operation	Activities
Human capital	The center has one administrative officer for both agencies and cross-delegation of authority for all line officers. Resource management staff are commingled, and their operations are integrated. Agencies retain separate human capital systems.
Information technology and other business systems	The center once used connected computers for both the Forest Service and BLM. As the result of litigation affecting Interior’s computer security procedures, however, each staff member with both Forest Service and BLM duties must use two separate computers—one running Forest Service systems and another running BLM systems.
Shared facilities and equipment	The Forest Service and BLM are colocated in one building and have a fully integrated fleet management system. They also use a helicopter that is shared by the Forest Service, BLM, Fish and Wildlife Service, National Park Service, and two Indian reservations.
Budget	Agencies have different budget nomenclature and use different work-planning systems to allocate their budgets for projects. Staff design joint projects and then develop separate Forest Service and BLM work plans to fund part of the work. Agencies use interagency agreements to fund BLM staff to work on Forest Service land and projects and vice versa.
Performance measures	Although the center tries to focus on where work is most needed, regardless of land ownership, agencies have different work performance targets and accomplishment-tracking systems.

Source: GAO analysis of Forest Service and BLM information.

Portland, Oregon

The Service First initiative in Portland, Oregon, combines management of Forest Service and BLM lands at a higher organizational level than in Durango. This site colocates part of the management team from Forest Service region 6 and the BLM combined state office of Oregon and Washington. Together, the office manages 17 national forests and 10 BLM districts. While this location is not as integrated as the Durango location, it has hired several Service First employees who oversee management of similar programs, such as fire programs, GIS efforts, and interpretive services, across both agencies. Although several hurdles related to information technology systems continue to challenge greater integration, this location developed one map, for the general public to use for recreation, that combines Forest Service and BLM datasets. The agencies are integrated at the Portland location in additional areas, including as follows:

- The Portland office has a joint fire program with cross-delegation of authority; the agencies still retain their distinct authorities, budgets, funding, and other processes.

- The Portland location has one Service First position for an Interpretive Services and Tourism Specialist for both the Forest Service and BLM. This office has also integrated sales of interagency passes and consolidated maps.
- The agencies developed joint standards for GIS mapping to make each agency’s GIS data available and usable to the other agency’s GIS system.
- The agencies developed Service First best practices, including a framework for agency management and local unions to cooperate in communicating potential local policy changes, and also completed a side-by-side comparison of safety manuals to determine a “best-of-both-worlds” mode of operation.
- The Forest Service and BLM have developed a coordinated radio system to serve both agencies in central Oregon. The system is intended to provide communications in remote field locations not served by other radio systems. It is used in both agencies’ fire and resource management programs and to meet safety needs for employees in the field.

Table 4 illustrates examples of other coordination efforts at the Portland office and at several of the forests in region 6 and BLM districts in Oregon and Washington.

Table 4: Integration of Business Operations in Portland, Oregon, Service First Site

Business operation	Activities
Human capital	Agencies retain separate human capital systems and practices.
Shared facilities and equipment	Portland office is colocated, as are several local offices. Service First Colocation and BLM Oregon/Washington Space Policy was completed in June 2006 for colocated facilities.
Information technology and other business systems	Although several offices are colocated, Forest Service and BLM staff must use two separate computers on their desks to provide interoperability and access to the other agency’s network and infrastructure.
Performance measures	Agencies have different performance measures, but in some cases the Portland office provides balanced budgets and targets to Service First field offices to ensure that work on both agencies’ land is accomplished.

Source: GAO analysis of Forest Service and BLM information.

Effects of Service First

While to some degree Service First efforts generally increase program effectiveness and perhaps efficiency, the extent to which the efforts result

in cost savings is not clear. In a 2004 Forest Service and BLM review of nine Service First sites,⁵ evaluators reported that Service First is most effective when employees are colocated, commingled, and integrated and equipment and resources are shared. The Forest Service and BLM estimated potential cost savings of \$5.4 million from fiscal year 1996 through the first half of fiscal year 2000 through Service First, but neither our past work nor an agency evaluation found enough documentation to verify these savings. Nevertheless, the 2004 review concluded that maximum operational efficiency is achieved where a single manager has the authority to manage the land, office, and employees. Additionally, offices that are colocated without work project collaboration or other sharing operate least efficiently. Areas where reviewers anticipated potential savings included integrated fleets, shared telecommunications equipment, and joint radio systems, among others. The evaluation team also found that the most efficient organization arises when agencies jointly conduct a single study, or plan across agency boundaries, and produce a single report used by each agency.

In a 2006 roundtable discussion of the benefits of Service First, agency managers highlighted improvements in public service and land management. For example, one manager said that working together improved the agencies' ability to manage their lands at the watershed level, and another highlighted the ability of an individual or entity to get permits for two agencies at one location. Another manager brought up the challenges agencies face working together, in particular, the incompatibility of computer systems and numerous agreements needed to track funding agreements between the agencies. A recent evaluation of one Service First location concluded that the implementation of Service First has been positive for customer service, one-stop shopping, and resource management. The evaluation also concluded, however, that barriers to meeting Service First objectives still exist, including differences in administration, information technology, and budget. Employees interviewed as part of the evaluation said they believed that the increased workload associated with the initiative was inadequately recognized. Specifically, employees explained that following two sets of rules takes more time and funding, and Service First efforts require more communication on everyone's part.

⁵The Service First efforts reviewed included sites in Durango, Colorado; Lakeview, Oregon; Salmon, Idaho; Idaho Falls, Idaho; Las Vegas, Nevada; Milwaukee, Wisconsin; Portland, Oregon; Buffalo, Wyoming; and Pocatello, Idaho.

Appendix V: Oil and Gas Federal Permit Streamlining Pilot Project

Mandated by the Energy Policy Act of 2005,¹ the oil and gas federal permit streamlining pilot project is an example of how two federal land management agencies, the Forest Service within USDA and BLM within Interior, have integrated various aspects of their respective oil and gas programs. This appendix describes how the two agencies are working together in the Glenwood Springs Energy Office to improve efficiency and effectiveness of oil and gas management while maintaining the agencies' separate legal authorities, regulations, and other systems.

Background

The federal government owns the rights to minerals, including oil and gas, found on or beneath the surface of federal lands and under certain private lands for which the federal government retained mineral rights—amounting to roughly 700 million acres. Under federal law, BLM manages the federal oil and gas beneath these federal and private lands. Extracting federally owned oil and gas generally involves (1) identifying lands that will be available for leasing; (2) leasing the lands, subject to stipulations or restrictions needed to mitigate potential damage from drilling activity; (3) issuing permits for drilling on leased parcels, including any further site-specific conditions that must be met; (4) inspecting sites for compliance with permitted stipulations and other conditions; and (5) monitoring idle wells and ensuring proper plugging and reclamation of well sites when drilling is complete.

BLM identifies land it will offer for leasing through its land management planning process. Often, another federal agency, such as the Forest Service, has jurisdiction over the lands lying atop federal oil and gas reserves. When the land involved is the Forest Service's, under federal law, the Forest Service follows its land use planning process to determine whether its land is available for leasing. If so, BLM issues the lease, while the Forest Service retains the authority to regulate access from the surface to the underlying minerals. Under NEPA, the Forest Service and BLM must evaluate the likely environmental effects of proposed oil and gas development projects on their own lands before drilling can be permitted. In general, both agencies issue a relatively brief environmental assessment, or, if an action would be likely to affect the environment significantly, a more detailed environmental impact statement.

¹Pub. L. No. 109-58.

Oil and Gas Federal Permit Streamlining Pilot Project

The Energy Policy Act established a pilot project to improve the efficiency of processing oil and gas permits. The act requires Interior to enter into a memorandum of understanding with the Secretary of Agriculture, the Environmental Protection Agency, and the Corps of Engineers and authorizes Interior to request that the Governors of Wyoming, Montana, Colorado, Utah, and New Mexico be signatories. To coordinate their efforts, the participating departments and agencies created common goals for participating pilot project offices, including to (1) react to increasing demand for natural gas drilling, (2) provide improved customer service, (3) meet goals for environmental monitoring and compliance, and (4) ensure environmentally sound development.² Finally, the act authorizes Interior to transfer funds to relevant federal and state agencies for the coordination and processing of oil and gas use authorizations under the oil and gas permit pilot project.

The 2005 act designated seven BLM field offices to be included in the pilot, which, combined, represent about 75 percent of the national oil and gas permit approvals in recent years.³ One of these pilot offices, the Glenwood Springs Energy Office, brings 5 Forest Service and 21 BLM staff together to manage oil and gas operations in western Colorado, including 567,000 acres of BLM-administered land, 1.5 million acres of minerals underlying the Forest Service lands, and another 181,000 acres of minerals under privately owned lands. While the Forest Service and BLM develop separate land use plans, as called for by the National Forest Management Act and the Federal Land Policy and Management Act, the pilot office's interagency team has integrated several steps of oil and gas development. After leases are issued and before drilling can begin, the Glenwood Springs interagency team is involved in several integrated activities, including approving rights-of-way (access corridors for roads and pipelines) and applications for permits to drill. Both agencies have adopted BLM's process for approving rights-of-way across federal land and BLM's standard guidance on oil and gas permitting. The agencies have created joint guidelines for standard stipulations—such as restrictions

²See GAO, *Oil and Gas Development: Increased Permitting Activity Has Lessened BLM's Ability to Meet Its Environmental Protection Responsibilities*, [GAO-05-418](#) (Washington, D.C.: June 17, 2005), for additional background on oil and gas permitting.

³The seven offices include Buffalo, Wyoming; Carlsbad, New Mexico; Farmington, New Mexico; Grand Junction–Glenwood Springs, Colorado; Miles City, Montana; Rawlins, Wyoming; and Vernal, Utah.

during certain months to protect wildlife—in all lease agreements; they have also standardized processes for oil and gas leases and operators.

The Glenwood Springs Energy Office has integrated some, but not all, of the steps required by NEPA. The interagency team or an environmental contractor conducts an environmental analysis and prepares an environmental assessment or environmental impact statement for Forest Service and BLM approval; each agency, however, issues an independent decision on the lease. Also, the Glenwood Springs interagency team has used categorical exclusions from NEPA analysis, established under section 390 of the Energy Policy Act, for certain activities. These categorical exclusions allow the agencies to move ahead with projects without conducting environmental analyses if the projects meet certain conditions.⁴

Once drilling for oil and gas production begins on a leased parcel, Glenwood Springs pilot project staff inspect the site to ensure that operations comply with the lease's environmental provisions and any conditions in the drilling permit. For example, a BLM petroleum engineering technician may help inspect sites on Forest Service lands, while a Forest Service biologist may inspect wells on BLM lands. Joint Forest Service–BLM activities also include reclamation of drilling sites. For example, a Forest Service ecologist with the Glenwood Springs pilot project developed comprehensive plans for reclamation and monitoring and control of weeds on both agencies' lands.

⁴Section 390 provides that “action by the Secretary of the Interior in managing the public lands, or the Secretary of Agriculture in managing National Forest System Lands, with respect to any of the activities described in subsection (b) of this section shall be subject to a rebuttable presumption that the use of a categorical exclusion under the National Environmental Policy Act of 1969 (NEPA) would apply if the activity is conducted pursuant to the Mineral Leasing Act for the purpose of exploration or development of oil or gas.” 42 U.S.C. § 15942(a). The five categories include (1) individual surface disturbances of less than 5 acres, as long as the total surface disturbance on the lease is not greater than 150 acres, and site-specific analysis in a document prepared pursuant to NEPA has been previously completed; (2) drilling an oil or gas well at a location or well pad site at which drilling has already occurred no more than 5 years before the date of spudding (breaking ground for) the well; (3) drilling an oil or gas well within a developed field for which an approved land use plan, or any environmental document prepared pursuant to NEPA, analyzed such drilling as a reasonably foreseeable activity, as long as such plan or document was approved no more than 5 years before the date of spudding the well; (4) placement of a pipeline in an approved right-of-way corridor, as long as the corridor was approved no more than 5 years before the date of placement of the pipeline; and (5) maintenance of a minor activity, other than any construction or major renovation or a building or facility. 42 U.S.C. 15942(b).

In addition, the Glenwood Springs pilot project has also integrated some of the agencies' business operations, as shown in table 5.

Table 5: Joint Forest Service–BLM Activities to Integrate Business Operations

Business operation	Activities
Agreements	Local Forest Service and BLM managers signed a memorandum of understanding to establish guidelines for both agencies. Under this agreement, the managers meet regularly to review and change staffing levels and requests, supervision, budget, and overall management of Glenwood Springs Energy Office.
Human capital	Human capital, which includes staffing and training, is integrated, but the agencies maintain their own personnel management systems. BLM coordinated with its National Training Center to provide necessary training specifically for pilot office staff. Pilot offices also conducted internal workshops and provided on-the-job training for new hires.
Information technology and other business systems	The Glenwood Springs pilot project staff rely on BLM systems to track pilot performance measures. In addition, the Glenwood Springs Energy Office created several tracking systems to augment BLM systems, including a spreadsheet to track permits requiring interagency coordination, the permit type, the NEPA document type, and the elapsed time to complete the review. The two agencies have also developed an integrated GIS to facilitate environmental reviews and the preparation of environmental documents.
Shared facilities	BLM is pursuing larger office space to house all the Glenwood Springs Energy Office staff in one location. Staff have had to use two separate office locations a few miles apart.
Performance measures	The pilot established performance measures to report on its progress. The Glenwood Springs office uses these performance measures. Examples of the measures include permit-processing times, cost to process permits, and inspection and enforcement actions completed.
Budget	The 2005 act created a special fund in the Treasury for the coordination and processing of oil and gas use permits under the jurisdiction of the pilot project. This funding has resulted in about \$23 million annually for all pilot offices.

Source: GAO analysis of Forest Service and BLM information.

After the pilot project's second year, the Forest Service and BLM issued a joint report on the progress made in approving permits more quickly. The agencies reported significant progress for two of the pilot's key objectives—improving the reliability of permits needed to develop energy resources and increasing environmental stewardship and mitigation of environmental impacts resulting from energy development. The report also documented challenges with human capital and information technology systems, however, and recommended several improvements for the program. Many of the human capital recommendations are designed to address the difficulty of recruiting and retaining qualified staff and include increasing the use of experienced retirees and establishing recruitment and retention bonuses for hard-to-fill positions. In addition, the report recommends that BLM assess the constraints of current information technology systems because the primary system used to track drilling activities on federal land is more than 10 years old and beyond its normal lifecycle.

Appendix VI: Comments from the Department of the Interior

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



THE ASSOCIATE DEPUTY SECRETARY OF THE INTERIOR
WASHINGTON

JAN 16 2009

Ms. Robin M. Nazzaro
Director, Natural Resources and Environment
U.S. Government Accountability Office
441 G. Street, NW
Washington, D.C. 20548

Dear Ms. Nazzaro:

Thank you for providing the Department of the Interior the opportunity to review and comment on the draft Government Accountability Office report entitled, "*FEDERAL LAND MANAGEMENT: Observations on a Possible Move of the Forest Service into the Department of the Interior*," (GAO-09-223). We appreciate the diligent work of the team that prepared the report to accurately and fairly present the information collected from a diverse array of sources and the divergent views of the many involved stakeholders. We are providing some general comments that apply to the entire report and some specific comments that are described in the enclosure.

The Department of the Interior generally agrees with the depiction of the challenges associated with a potential consolidation of land management agencies and the need to adequately assess the cultural, organizational, and legal factors and related transition costs for such a move. All the costs of such a transition should be carefully considered, as they likely would be substantial, and it is certain that there would be significant hidden costs caused by lost productivity and reduced customer service while the people and the organization are adjusting to the changes. We appreciate the perspective that there may be limited short-term efficiencies and significant costs related to the necessary changes to processes and systems. It would be important to ensure funding is available to address such costs in order to avoid additional impacts to ongoing programs and mission goals.

A considerable portion of the report is dedicated to depicting the views of stakeholders and individuals who would be impacted by the possible move. We suggest that the report include the source of the specific views depicted in the report. If possible, cite whether the experts and officials are representing the Federal bureaucracy, States, local governments, or other stakeholder groups. Documentation of the source of the specific observations that are represented would put this information in perspective and add value to the presentation.

We appreciate the time and attention given to the Service First Program. We are convinced that the Service First Program demonstrates the improved effectiveness that is possible when barriers that separate agency programs are addressed head-on. However, it

See comment 1.

**Appendix VI: Comments from the Department
of the Interior**

is currently very difficult to measure and report on the benefits resulting from increased customer satisfaction, improved efficiency for the clients of the agencies, and best practices in overcoming bureaucratic hurdles. The comment on page 8 that “reports showed few efficiencies gained” clearly points to the need for Interior and Forest Service to continue to eliminate barriers that make interagency collaboration complex and costly.

See comment 2.

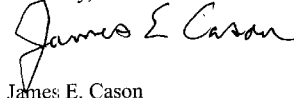
We do not agree that a predictable outcome of the move of the Forest Service to Interior would be diminution of the role that the Forest Service plays working with farmers, ranchers, and State foresters to conserve resources on State and private lands. There is no basis to assume that the Forest Service would modify its current role in these areas simply as a result of moving to Interior. We believe it may be possible that the move could strengthen Interior’s ability to venture into these areas in order to improve the conservation of endangered species, wetlands, and other resources on State and private lands. These programs already exist in Interior bureaus and have been an area of increasing focus in recent years. A fuller examination of the potential outcomes relative to this issue could add balance to the report.

See comment 3.

Although it is not addressed in this draft report, we believe that an assessment of opportunities for improved land and resource management practices would assist in arriving at the appropriate course of action. A move to collocate Forest Service and the Bureau of Land Management would create numerous challenges. Most would be overcome in 10–15 years. These challenges, however, should not stand in the way of positioning these agencies to confront the complex land management issues that will be facing the Nation in the years to come. Would the move advance the ability of the agencies to manage lands and protect resources, adapt to climate change, or utilize science? Would it improve capabilities in the management of natural resources in forests, on rangelands, wetlands? Answers to these questions are a very important part of the decisionmaking process.

We hope these comments will assist you in preparing the final report. If you have any additional questions or concerns, please contact Ms. Nancy Thomas, GAO Audit Liaison, at (202) 208-7954.

Sincerely,



James E. Cason

Enclosure

The following are GAO's comments on the Department of the Interior's letter dated January 16, 2009.

GAO Comments

1. Throughout our report, the word *officials* refers to federal agency officials, and *experts* refers to the individuals listed in appendix II. When we speak of state or local government officials or other stakeholders, we identify them as such. We added a footnote on page 3 of this report to explain our use of the word *officials*.
2. We did not mean to imply that diminishment of the Forest Service's state and private forestry role is a certain outcome. Rather, the report reflects the concerns of many federal officials, some experts, and some state foresters who cautioned against disrupting the Forest Service's relationships with state and private landowners, and with other USDA agencies. Specifically, these officials, experts, and state foresters were concerned that a move could disrupt the agency's work with these entities in carrying out USDA's mission to protect and enhance natural resources on private as well as public lands. The officials and state foresters also raised concerns that Interior does not have USDA's long-standing relationships with nonfederal partners or mission focus on nonfederal lands, which may cause the Forest Service's focus to shift to public lands. Further, some officials and state foresters were uncertain whether the authorities provided to the Forest Service through USDA (e.g., through the Farm Bill) would be transferred if the agency were moved and how smoothly such transfers of authority could be implemented. To clarify these concerns, we revised and added language to the report on pages 17, 18, and 19. We agree that, over time, a move could strengthen Interior's ability to work with state and private landowners but believe that our report recognizes this potential and provides sufficient examples illustrating Interior's existing programs to work with state and private landowners. We added a sentence on page 19 to convey Interior's belief that the department could better conserve endangered species, wetlands, and other species on state and private lands if the Forest Service were housed within the department.
3. We agree that an assessment of this nature would be of value in deciding on a further course of action. We added a statement on page 20 of the report to highlight a number of officials' and experts' statements that land management—including management across landscapes and administrative jurisdictions—could be improved by a move.

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Robin M. Nazzaro (202) 512-3841 or nazzaror@gao.gov

Staff Acknowledgments

In addition to the individual named above, David P. Bixler, Assistant Director; Ulana Bihun; Ellen W. Chu; Susan Iott; Richard P. Johnson; Mehrzad Nadji; Susan Offutt; Angela Pleasants; Anne Rhodes-Kline; Lesley Rinner; Dawn Shorey; and Sarah Veale made key contributions to this report. In addition, Muriel Brown, Douglas Cole, Melinda Cordero, and Mike Jenkins also contributed to this report.

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