

Part B

ANNUAL PERFORMANCE REPORT (Unaudited)

COMPONENTS OF THE ANNUAL PERFORMANCE REPORT

The Annual Performance Report section of the Performance and Accountability Report (P&AR) is a requirement of the Government Performance and Results Act (GPRA)—a law that guides how agencies prepare strategic plans, performance budgets, and performance reports that set goals and report on achieving them. The FY 2005 Annual Performance Report will discuss the means by which the Forest Service demonstrates *performance* accountability to stakeholders—the Administration, Congress, and the American public.

Within the Annual Performance Report section of the P&AR, the reader will find by strategic goal:

- A strategic context for the Executive Priorities
- Accountability through Assessment—the PART assessments, with OMB’s recommendations, milestones, and Forest Service actions
- Accountability to the Executive Priorities—the preliminary results for FY 2005
- Accountability to the Future—R&D’s contribution for future results

Outside the strategic context are the sections on status for USDA Office of Inspector General (OIG) and Government Accountability Office (GAO) audits, and Forest Service’s Management Challenges and Risks.

The “*Accountability through Assessment*” section for each strategic goal reports Forest Service progress toward OMB’s Program Assessment Rating Tool (PART) assessments. PART is a method for assessing program performance and how the program achieves goals. Agencies complete these assessments prior to budget formulation, so PARTs identified as 2004 PART assessments were actually completed for the FY 2004 budget formulation in calendar year 2002 (two years earlier).

PART builds on GPRA by encouraging agencies to integrate operational decisions with strategic and performance planning. The PART can play an important role in improving performance measurement when existing measures are not outcome-oriented or sufficiently ambitious. OMB requires performance measures in GPRA plans and reports and those developed or revised through the PART process to be consistent.

PART evaluates all factors that affect and reflect program performance, and then scores a program on its effectiveness in each:

- Program purpose and design
- Performance measurement, evaluations, and strategic planning
- Program management
- Program results

Effectiveness ratings are based on a range of scores:

Rating	Range
Effective	85 - 100
Moderately Effective	70 - 84
Adequate	50 - 69
Ineffective	0- 49

The four effectiveness ratings indicate there is evidence of a certain level of program performance demonstrated in the assessment. The rating “Results Not Demonstrated” is given when programs do not have agreed-upon performance measures or lack baselines and performance data. This means that a program does not have sufficient performance measurement or performance information to show results, and therefore it is not possible to assess whether it has achieved its goals.

The “*Accountability to Executive Priorities*” discussion reports the preliminary results the Forest Service made toward its FY 2005 performance reporting. The results for performance reporting are a 12-month preliminary result and are based on 9-month actual performance and a 3-month estimate. The 2006 targets for each of the Executive Priorities were submitted in the FY 2006 Budget Justification (in FY 2005) and will be adjusted after final Congressional appropriation action.

Discussions for the Executive Priorities include the corrective action taken by the agency to improve agency performance reporting for FY 2005. In the March 2005 audit report, “Forest Service Implementation of the Government Performance and Results Act,” OIG found inconsistencies, errors, and omissions in the Forest Service’s performance measure reporting.

OIG’s findings resulted in a national effort in FY 2005 to improve the completeness and reliability of future performance reporting. On February 16, 2005, the Forest Service issued an internal directive (ID-1410-2005-1) to improve internal controls over performance data reporting. The directive clarified the roles and responsibilities of line officers and Forest Service staff positions, including staff directors and program managers.

During FY 2005, every Regional office conducted two field reviews (at the Forest level) to assess the quality of data reported by the field, using a sample of key performance measures—the Executive Priorities. As part of this review, the agency identified several discrepancies in the interpretation of these measures due to incomplete definitions or unclear data collection protocols. Two additional internal control performance field reviews, on different units in each Region, will be performed in FY 2006. Feedback from these field reviews has been incorporated into the discussions of accomplishment reporting for the Executive Priorities.

Finally, the “*Accountability to the Future*” for each strategic goal highlights FY 2005 successes from the Research and Development (R&D) Deputy Area.

GOAL 1: REDUCE THE RISK OF CATASTROPHIC WILDFIRE

Reduced risk to communities and the environment from catastrophic wildland fire

In FY 2005, the Forest Service minimized the harmful effects of wildland fires to communities and natural resources by reducing the flammability of hazardous fuels in forests, woodlands, shrublands, and grasslands. To accomplish this, the agency sought landscape scale improvements in hazardous fuels by prioritizing vegetative treatments across national forests for Condition Classes 2 and 3 in Priority Fire Regimes (1, 2, and 3). Two types of treatments are prescribed fires, conducted primarily in the spring with additional activity in the late fall, and mechanical thinning throughout the field season.

In addition to hazardous fuels reduction, these treatments may have also included:

- Invasive species mitigation
- Insect and disease prevention or control
- Watershed improvement
- Fish and wildlife enhancement
- Range betterment
- Stand density management

For information on condition classes and fire regimes, or on approaches to reducing risk from wildland fire, refer to: *A Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment: 10-Year Comprehensive Wildland Fire Strategy* (Department of the Interior and Department of Agriculture, 2001).

Accountability through Assessment

Wildland Fire Management

The Wildland Fire Management Program consists of five major activities: fire preparedness, fire suppression; hazardous fuels reduction, burned area rehabilitation, and State and community fire assistance.

This program underwent a PART assessment in 2002, as part of the Forest Service's FY 2004 budget formulation process, with an overall rating of "*Results Not Demonstrated.*" Specifically, while the program had a clear purpose and design, it contained deficiencies in strategic planning, financial management, and performance evaluation. OMB recommendations, milestones, and Forest Service actions follow.

Recommendation 1.0 — <i>Develop a new fire preparedness model that focuses on efficient allocation of available resources.</i>

FY 2005 Milestones and Results

Continue deployment of the Initial Response Module

The Initial Response Preparedness Model was deployed, with major refinements scheduled for completion Fall 2005. All fire planning units are scheduled to complete an analysis by late winter 2006.

Recommendation 3.0—*Establish project selection criteria that are consistent with the 10-year Implementation Strategy to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.*

FY 2005 Milestones and Results

<p>Develop joint project selection criteria to prioritize hazardous fuel projects based on the 10-year Implementation Strategy.</p>	<p>Prior to FY 2005, Forest Service and DOI developed joint project selection criteria to prioritize hazardous fuel projects based on the 10-year Implementation Strategy and related performance measures.</p>
<p>Refine the joint project selection criteria that prioritize the hazardous fuels projects for the FY 2006 Budget.</p>	<p>The Chief signed a letter to the field on joint project selection criteria for the hazardous fuels projects on 3/24/05.</p>
<p>Initiate nine pilot areas to develop and test Integrated Landscape Design to Maximize Fuel Treatment Effectiveness at the landscape scale.</p>	<p>The Forest Service and DOI are developing a standard, interagency protocol to strategically place fuel reduction treatments at the landscape scale to maximize the agencies' effectiveness in problem fire behavior and effects.</p>
<p>Evaluate and analyze progress from the pilot areas to develop the Strategic Placement of Treatments (SPOTS) process to maximize treatment effectiveness at the landscape scale.</p>	<p>In October 2005, participants in the pilot efforts will meet to develop standard methodologies, suggest an integrated suite of analysis software, and define an outcome based performance measure. The anticipated completion date for these products is early January 2006.</p>

Recommendation 4.0—*Improve accountability for firefighting costs and ensuring that States are paying their fair share of such costs.*

FY 2005 Milestones and Results

<p>Assign accountability for fire suppression costs to line officers. FAM will continue to conduct national cost reviews on selected incidents.</p>	<p>Fire and Aviation Management Staff (FAM) issued the annual Operating Action Plan assigning accountability for suppression costs to line officers.</p> <p>National cost reviews will occur as necessary based on individual fire costs. OIG conducted cost reviews of previous fires and large fires in 2005. Final report expected in January 2006.</p>
<p>Analyze options that were developed to implement the methods of supply analysis.</p>	<p>Forest Service completed an initial review of options for the methods of supply analysis, which resulted in a different approach for the future. The agency will undertake a thorough review of the current state of incident acquisition operations, (rather than small, specific projects) and use current state information to make broad changes to incident acquisitions.</p>
<p>Evaluate results and recommendations from the national cost reviews and the methods of supply analysis, initiate changes as appropriate.</p>	<p>After compiling more than 100 recommendations, which will be prioritized based on the potential for savings, an implementation plan will be developed.</p>
<p>Develop options to require States to have completed cost-share agreements with the Federal Government.</p>	<p>The National Wildfire Coordinating Group (NWCG) Incident Business Management Handbook directs the Forest Service and States to deal with costs for large multi-jurisdictional fires on an incident-by-incident basis. Forest Service has existing cooperative fire agreements to cover apportionment and reimbursement of costs in or with a majority of States, and with is in ongoing discussions with other States.</p>

Accountability to Executive Priorities

Strategic Objective: *Improve the health of National Forest System (NFS) lands that have the greatest potential for catastrophic wildland fire*

Executive Priority: Number of high-priority acres treated with Direct Hazardous Fuels dollars				
	Result	Target	Projected	2006 Target
In the wildland-urban interface (WUI)	134%	846,352	1,130,906	1,383,000
Outside WUI—in Condition Classes 2 or 3 in Fire Regimes 1, 2, or 3	93%	421,746	393,508	417,000
Total with Direct Hazardous Fuels dollars (FN)	120%	1,268,098	1,524,414	1,800,000

Executive Priority: Number of high-priority acres treated with other dollars				
	Result	Target	Projected	2006 Target
In WUI	NA	NA ¹	179,446	NA
Outside WUI—in Condition Classes 2 or 3 in Fire Regimes 1, 2, or 3	NA	NA	217,293	NA
Total with Other dollars (FNOTH)	57%	700,000	396,739	870,000

Executive Priority: Percent of acres of hazardous fuels treated that were identified as <i>high-priority</i> through collaboration that is consistent with the National Fire Plan (NFP) 10-Year Comprehensive Strategy and Implementation Plan				
	Result	Target	Projected	2006 Target
Percent of acres identified as high-priority	100%	100%	100%	100%

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) informed program managers that resource staff did not adequately understand “high priority” in this measure. *High priority*, as defined in the 10-Year Implementation Plan, means to use as appropriate, the methods in *Restoring Fire-Adapted Ecosystems: A Cohesive Strategy for Protecting People and Sustaining Natural Resources* (in Draft) for all fire management plans.

Collaboration is defined in the strategy as “involving participants with direct responsibility for management decisions affecting public and/or private land and resources, fire protection responsibilities, or good working knowledge and interest in local resources. Participants could include Tribal representatives, local representatives from Federal and State agencies, local governments, landowners and other stakeholders, and community-based groups with a demonstrated commitment to achieving the strategy’s four goals.”

¹ NA, or not applicable, as targets were set for the total amount, but not at this level of detail.

Executive Priority: Number of acres brought into stewardship contracts				
	Result	Target	Projected	2006 Target
Acres brought into stewardship contracts	Deferred	Baseline ²	22,368	No target

The Forest Service measured the number of acres brought into stewardship contracting as the number of contract or agreement-awarded acres. This measure gauges how effective the Forest Service has been in meeting the agency's goal of reducing the risk from catastrophic wildland fire by improving the health of the Nation's forests and grasslands.

Stewardship contracting is a relatively new tool within the Forest Service and, as such, does not have assigned targets for the field. FY 2005 is only the second year for which the agency tracked performance for this measure.

Strategic Objective: *Assist 2,500 communities and those non-NFS lands most at risk with developing and implementing hazardous fuels reduction and fire prevention plans and programs*

Executive Priority: Percent of communities at risk with completed and current fire management plans				
	Result	Target	Projected	2006 Target
Percent of communities at risk	Deferred	Baseline	21.5%	23%
States coordinate the "communities at risk" measure, so the information is reported to the Forest Service at the end of their fiscal year, which falls on December 31, 2005. The National Association of State Foresters (NASF) provided a baseline in FY 2004, but no national commitment or specific measurement protocol have been established within the Forest Service.				

Executive Priority: Number of acres covered by partnership agreements				
	Result	Target	Projected	2006 Target
Acres covered by partnership agreements	Deferred	Baseline	145,979	152,750
States coordinate the "Number of acres covered by partnership agreements" measure, so the information is reported to the Forest Service at the end of their fiscal year, which falls on December 31, 2005. The National Association of State Foresters (NASF) provided a baseline in FY 2004, but no national commitment or specific measurement protocol have been established within the Forest Service.				

Accountability for the Future

The Forest Service's social science research is now available to assist communities, citizens groups, and local, State, and Federal agencies in a collaborative effort to improve land use planning and management. The research has been synthesized from a comprehensive body of knowledge and is available online for fire managers and fuels planners as: managers' briefing papers with factual information on developing personal responsibility for fuels reduction, communicating about fire hazard, and guidelines for community education. The more comprehensive research is also available, if needed.

² Baseline data are being collected to assess measure and allow targets to be established in future years; therefore no target was assigned.

R&D developed Comparative Risk Assessment Framework and Tools (CRAFT)—a risk-based, Web-based framework for making complex fire and fuel related decisions. CRAFT incorporates commonly used models in fire, successional, and habitat modeling and provides a framework that leads to greater transparency among interdisciplinary specialists, stakeholders and decision makers. Fire and fuel managers can meaningfully compare and communicate the tradeoffs between long and short-term risks and local and broad-scale goals using CRAFT's comparative risk assessment approach.

Researchers developed, tested, and applied predictive tools to aid fire and air-quality management in the north central and northeastern U.S. Efforts included:

- Implementing BlueSky—a smoke modeling framework for prescribed fires in the region
- Identifying atmospheric precursors and processes important for fire-weather evolution
- Developing a 3-layer atmospheric model to improve fire-behavior predictions
- Validating the MM5 atmospheric mesoscale modeling system for fire-weather predictions
- Delivering predictive tools to the user community via the Eastern Area Modeling Consortium and Eastern Area Coordination Center Web sites

R&D provided comprehensive, real-time, high-resolution fire weather intelligence and smoke forecasts for the interior western States. R&D also conducted research to enhance firefighting capacity and preparedness by developing technologies that measure and provide information on fire danger, fire behavior, and smoke dispersion. Products were specifically tailored to meet operational needs of fire managers, incident commanders, and air-resource smoke specialists during periods of intense firefighting and prescribed burning. All products were delivered 24/7 through the World Wide Web via a seamless, intuitive and user-friendly interface at <http://fireweather.info>.

Scientists in the Blue Mountains of eastern Oregon and Washington, and in Arizona, found forest thinning followed with prescribed fire treatments significantly reduced the ecological components directly linked to recovery after fire of the above-ground ecosystem: duff levels, the diversity of mycorrhizal fungi, and live fine-root biomass. Thinning without burning, however, increased fuel loads and fire risk. In Arizona fires changed the size of microbial biomass and its functional composition. These results demonstrate the resilience of below ground communities to survive and function after fire. Managers can use information on how fuel treatments affect soil and life underground to balance all management objectives, including reduction of fire risk, restoration of forest health, and maintenance of soil processes, which are critical for long-term productivity.

GOAL 2: REDUCE THE IMPACTS FROM INVASIVE SPECIES*Fewer impacts from invasive species due to healthier forests and grasslands*

Invasive species—particularly insects, pathogens, plants, and aquatic pests—pose a long-term risk to the health of the Nation’s forests and grasslands by interfering with natural and managed ecosystems, degrading wildlife habitat, reducing the sustainable production of natural resource-based goods and services, and increasing the susceptibility of ecosystems to other disturbances, such as fire and flood.

But invasives know no boundaries! An important component of the Forest Service invasive species program is to interrupt the increasing trend not only on NFS lands, but State and private lands, too. The work of the Forest Service is intended to reduce the impacts and spread of invasive species across all forests and rangelands.

To address the invasive species threat to native ecosystems, the economy, and human health, the agency developed a National Strategy and Implementation Plan for Invasive Species Management. The framework for the strategy is four program elements: prevention, early detection and rapid response, control and management, and rehabilitation and restoration.

Accountability through Assessment***Invasive Species Strategy***

In FY 2004, OMB conducted a PART on the Forest Service’s Invasive Species Strategy across three deputy areas—S&PF R&D, and NFS. OMB’s findings for this assessment were rated as "Results Not Demonstrated" for this newly created strategy. OMB recommendations, remaining milestones, and Forest Service FY 2005 actions follow.

Recommendation 1.0—*Refine outcome-based performance measures for selected species; develop appropriate efficiency measures; and articulate the scientific or policy basis to demonstrate how those selected species measured represent a valid method to measure the total invasive species population and their impacts.*

FY 2005 Milestones and Results

Refine new S&PF strategic outcome and efficiency measures	Outcome: Percent of highest priority acres protected Efficiency: Cost per highest priority acre protected
Refine new R&D strategic outcome and efficiency measures	Outcome: Percent of R&D customers surveyed reporting satisfaction with accessibility, relevance, outcome and cost effectiveness of tools developed and delivered Efficiency: Cost per R&D tool developed and delivered
Refine new NFS strategic outcome and efficiency measures	Outcome: Percent of priority acres successfully restored against targeted invasive species Efficiency: Cost per priority acre successfully restored

In FY 2005, specific program guidance for invasive species management on the NFS Lands was in the program direction to the field. Guidance included the prioritization of management activities and use of funding to achieve the goal defined in the National Strategy and Implementation Plan for Invasive Species Management.

The Forest Service is establishing baselines and will report accomplishment for all invasives (plants, vertebrates, invertebrates, and pathogens), and not just selected species.

Recommendation 2.0—*Include within the selected species members of the plant kingdom, particularly Division Magnoliophyta.*

FY 2005 Milestones and Results

Baseline data collection for invasive species management projects (plants, vertebrates, invertebrates, and pathogens), rather than just selected species, continues in existing projects, and is being undertaken in all new projects.

Recommendation 3.0—*Provide for measurement of the environmental and economic effects of treatments.*

FY 2005 Milestones and Results

The Forest Service has ongoing pesticide environmental risk assessments for:

1. Imidoclorpid insecticide to control Hemlock wooly adelgid, with a peer-reviewed draft completed by the end of October 2005.
2. Herbicides hexazinone and oxyfluorfen for invasive weeds. Peer review for Hexazinone is completed. Peer review of the assessment on oxyfluorfen will begin by mid-November 2005.
3. Disparlure (gypsy moth pheromone) will be completed in early 2006.

Recommendation 4.0—*Improve use of forest health risk maps in agency decisionmaking and allocation of resources, particularly within NFS.*

FY 2005 Milestones and Results

A periodic assessment of the risk of forest infestations from insects and pathogens is produced by the agency (Insect and Disease Map) to help prioritize treatments. The next periodic assessment is expected to be completed in 2006.

The Forest Service recently developed map for infestations of Emerald Ash Borer, and continues to map three other species.

Accountability to Executive Priorities

Strategic Objective: *Improve the effectiveness of treating selected invasive species on the Nation's forests and grasslands*

There are two Executive Priorities that address invasive species. S&PF Forest Health Protection (FHP) Staff is responsible for the number of acres treated for selected invasive species (gypsy moth and white pine blister rust) on all forested lands, including NFS and cooperative lands. NFS Vegetation and Watershed Management is responsible for acres treated for noxious weeds on NFS lands.

Executive Priority: Number of acres treated for noxious weeds				
	Result	Target	Projected	2006 Target
Acres treated	118%	75,456	88,688	--

FHP has implemented comprehensive, collaborative plans to manage gypsy moth, hemlock wooly adelgid, and invasive plants. These strategies include activities to prevent, eradicate, and suppress spread of the pests, as well as projects to restore damaged forest lands.

Executive Priority: Number of acres treated for selected invasives species

	Result	Target	Projected	2006 Target
Acres treated	77%	918,000	703,697	530,800 ³

The Forest Service uses pesticide risk assessments to provide an estimate of the potential exposure and chance of resulting injury (considering human health and impact on other nontarget species) from a proposed pesticide use. This permits an informed, scientifically defensible basis for decisionmaking as to which chemical control to select, as well as the most favorable conditions of use.

Prior to FY 2005, FHP planned two risk assessments for pesticide toxicology: one for Imidoclorprid insecticide (to control Hemlock wooly adelgid) and the other for herbicide oxyfluorfen (or invasive weeds). Both assessments were completed and are out for peer review with an expected completion date in 2006.

Accountability for the Future

Approximately half of all world trade moves on wood material, representing a major pathway for invasives plants and animals. Forest Service scientists and university partners developed heat-treatment protocols to kill the Asian Long-horned Beetle, Emerald Ash Borer, and other non-native invasive insect species on wooden packing materials, preventing further dissemination of these highly destructive insects. Preventing their introduction is one of the most effective steps in the Forest Service's infestation control strategy.

Forest Service scientists developed a pheromone-based early warning system for Douglas-fir tussock moth, a severe defoliator of Douglas-fir and true firs in the Pacific Northwest and western States. The early warning system successfully identifies areas where moth populations are increasing, as much as 1 to 3 years in advance of major outbreaks, giving managers the time needed to develop treatment options.

Researchers and cooperators revised a set of guidelines for controlling eastern dwarf mistletoe after finding that its management differs from that of the mistletoe species in the western United States. Effective management of mistletoe-infested black spruce in the eastern forests requires complete eradication of this parasite because it kills host trees more quickly than western mistletoes. Leaving infected trees after harvest or treatment allows large future losses.

³ This 2006 target is for both invasive species and the noxious weeds Executive Priorities.

GOAL 3: PROVIDE OUTDOOR RECREATIONAL OPPORTUNITIES

High-quality outdoor recreational opportunities exist on the National Forests and Grasslands

The Forest Service provides high-quality recreational experiences for the American public, especially in the national forests near the growing urban centers. To provide benefits for all recreation users, the Forest Service maintains public access to its facilities, roads, and trails, and acquires new rights-of-way (ROW) for public access to NFS lands.

Accountability through Assessment

Recreation, Heritage and Wilderness Resource Program

Major operational components of the Recreation, Heritage and Wilderness Resource Program (RHWR) include the administration and management of the recreation facilities, roads, and trails infrastructure (including acquisition of rights-of-way (ROW) easements); wildlife opportunities; wilderness and heritage resources; partnerships and tourism; interpretive services; recreation special uses; congressionally designated areas; and national forest scenic by-ways.

In FY 2005, the Recreation, Heritage and Wilderness Resource Program was evaluated for the FY 2007 budget cycle. OMB scores, findings and recommendations will be finalized by the end of 2005. The Forest Service will then develop milestones for implementation and tracking.

National Forest Capital Improvement and Maintenance

The Capital Improvement and Maintenance (CI&M) program improves, maintains, and operates facilities, roads, trails, and infrastructures to facilitate recreation, research, fire, administrative and other uses on Forest Service lands. In FY 2002, OMB assessed the CI&M program and highlighted a number of obstacles the program faced in 2002 in meeting its long-term goals.

OMB found CI&M had a significant deferred maintenance backlog on its physical assets, estimated at \$13 billion. Deferred maintenance (DM) may be considered critical or noncritical maintenance on a physical asset. Critical maintenance is defined as a serious threat to public health or safety, a natural resource, or the ability to carry out the mission of the organization. Noncritical maintenance is defined as a potential risk to the public or employee safety or health (e.g., compliance with codes, standards, or regulations), and potential adverse consequences to natural resources or mission accomplishment. This backlog impeded the Forest Service in maintaining safe access for the public to its facilities, roads, trails, and ROW to NFS lands.

Forest Service also had difficulty collecting timely, reliable, and complete financial data on its physical assets. Finally, OMB found the agency's performance measures did not adequately link management's initiatives to address the maintenance backlog and improve or maintain infrastructure where it was most needed.

Forest Service management's response to OMB's findings dramatically changed the agency's tactical approach to resolve these problems. As of September 30, 2005, DM costs have been halved to less than \$6 billion and were reported one week after the end of the fiscal year by the CI&M program. See the exhibit *Deferred Maintenance Totals by Asset Class as of September 30, 2005* in the RSI section of the P&AR for a breakdown of costs by asset class.

OMB provided the Forest Service an incentive for correcting the third finding in FY 2002. No funding specifically for DM was provided for the backlog, requiring managers to prioritize among projects and use roads, facilities, and trails accounts and recreation fee receipts instead. OMB encouraged the use of decommissioning for more of the agency's obsolete and underutilized infrastructure.

In FY 2004, OMB reassessed the CI&M program, rating it “*Adequate*.” The change from “*Results not Demonstrated*” in the FY 2002 assessment, demonstrates the efforts taken by the Forest Service to improve management of the agency’s capital assets. OMB’s recommendations, milestones, and Forest Service actions taken in FY 2005 are below.

Recommendation 1.0—*Target \$10 million for deferred maintenance, focusing on the projects that have the highest priority as measured by the improvement in the Facility Condition Index (FCI).*

FY 2005 Milestones and Results

Target \$10 million for deferred maintenance, focusing on the projects that have highest priority as measured by the improvement in the FCI.	An additional \$9,725,000 was again targeted and requested in the FY 2006 President’s Budget. Program emphases and project specific reporting requirements to the field will be specified through the annual program direction. Congress provided additional funding in the FY 2006 appropriations that was earmarked for fish passage improvements.
--	---

Recommendation 2.0—*Continue to improve the maintenance prioritization process and increase incentives aimed at decommissioning obsolete and underutilized infrastructure.*

FY 2005 Milestones and Results

Select FY 2005 pilot conveyance projects if authorization for pilot program is continued.	In April 2005, Forest Service submitted a legislative proposal to Congress for adoption of permanent conveyance authority and use of receipts for capital improvement and maintenance backlog needs. This proposal included authority to establish a working capital fund (WCF) for facility maintenance. The WCF assessment will be an incentive to program managers to optimize space and eliminate facilities not used or needed.
Submit a legislative proposal for permanent conveyance authority and authority to establish a working capital fund (WCF) for facility maintenance	Congress partially adopted the proposal by authorizing conveyance authority for projects initiated by FY 2008 (not permanent) and by authorizing a facility maintenance collection account in FY 2006, in lieu of WCF.
Develop a national criteria set and screening process for Capital Improvement Projects (CIP) prioritization and requests.	In January 2005, preliminary direction for FY 2006 facility CIP prioritization and budget requests was sent to RSAs to focus on deferred maintenance backlog reduction and health and safety remediation. The preliminary direction will be revised to be consistent with USDA Asset Management Plan and other national priorities, and then issued as direction for the FY 2007 Facilities CIP included in the FY 2007 Budget Justification.

Accountability to Executive Priorities

Strategic Objective: *Improve public access to NFS land and water and provide opportunities for outdoor health enhancing activities*

Executive Priority: Miles of trail receiving maintenance				
	Result	Target	Projected	2006 Target
Miles of trail	111%	20,610	22,894 ⁴	20,132

This measure had been “maintained to standard” for FYs 2004 and 2003, but was changed in the program direction to the field this fiscal year.

⁴ Executive Priority should have included “to standard” as in past years. This projected performance and trend may not be considered reliable.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) informed program managers that eliminating the standards associated with trail maintenance targets also removed the guidance to the field to know when their maintenance is sufficient. These standards were derived from the Meaningful Measures, which identified critical standards of public health and safety that have to be met. "Receiving maintenance" is not specific enough. FY 2006 program direction to the field was adjusted and lists this measure as "maintained to standard."

The Forest Service reported over \$108 million in deferred maintenance for trails and trail bridges, of which approximately \$37 million is considered critical maintenance.

Executive Priority: Number of facilities maintained to standard				
	Result	Target	Projected	2006 Target
Number of facilities	152%	15,802	24,036	15,802

Facilities "maintained to standard" have a Facility Condition Index (FCI) rating of .10 or less, which equates to buildings that would be considered in "good" or "fair" condition. Of the over 40,100 facilities maintained by the Forest Service, 24,036 or approximately 60% are maintained to this FCI standard.

Forest Service reported \$438 million in deferred maintenance for facilities, of which \$118 million is critical maintenance, and \$321 million is noncritical maintenance. Deferred maintenance causes deterioration of facility performance, increased repair costs, and a decrease in facility value.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) informed program managers that there is a need for national protocols for the condition surveys. Field managers believe protocols would lessen the subjectivity in the surveys.

Executive Priority: Number of ROW acquired to provide public access				
	Result	Target	Projected	2006 Target
Number of ROW	80%	250	199	172

Legal and secure ROW acquired in timely manner:

- Support effective public service by providing appropriate access to NFS lands for the public's use and enjoyment
- Enable needed maintenance and improvements to the road and trail system to address health and safety, resource degradation, and fire issues.
- Enhance the agency's ability to improve and protect watersheds and habitat, sustaining viable populations of desired species.
- Is a primary objective for successful management of NFS lands.

Executive Priority: Miles of road maintained to standard for high-clearance and passenger				
	Result	Target	Projected	2006 Target
Miles of road	93%	87,400	82,104	66,008

This measure is "miles of road maintained" in the FY 2006 program direction to the field.

The National Forest Road System is one of the foundations for the achievement of the agency's strategic plan and goals. The road system provides access for public use, management activities, and protection of NFS lands. The Forest Service Manual (FSM) provides direction for maintenance planning and responsibilities, requiring development of comprehensive annual maintenance plans using available resources for the highest priorities.

Service-wide appropriations for road maintenance have been less than annual maintenance needs for many years. On a year-to-year basis, deferred maintenance backlogs have increased while the amount of roads maintained in accordance with applicable standards has decreased. As expected, these trends continued in FY 2005. Consequently, much of the road system is in poor condition and continues to deteriorate, affecting resources, resource programs, and public recreation. Forest Service reported \$4,571 million in deferred maintenance for roads, with \$712 million in critical maintenance and \$3,859 million in noncritical maintenance.

Strategic Objective: *Improve the management of OHV use to protect natural resources, promote safety of all users, and minimize conflicts among various uses through the collaborative development and implementation of locally based travel management plans*

Executive Priority: Percent of NFS lands covered by travel management implementation plans				
	Result	Target	Projected	2006 Target
Percent of NFS lands	Deferred	--	--	No target

As of September 30, 2005, the new national OHV policy had not been published, nor the protocols for a motor vehicle use map. These were two critical pieces to attaining this Executive Priority. Consequently, the national forests reported zero for accomplishments in FY 2005.

On November 2, 2005, the Forest Service announced release of the final travel management rule (36 CFR parts 212, 251, 261, and 295), governing use of motor vehicles, including OHV vehicles, on NFS lands. Accomplishment for this Executive Priority in FY 2006 depends on the agency's progress toward designating the roads, trails, and areas open to motor vehicle use based on the OHV policy.

Accountability for the Future

The Forest Service published several research reports in FY 2005 that inform OHV management decisions for the Forest Service, the National Park Service, States such as Minnesota, Florida, Utah, California, and partnership groups. Research topics included the characteristics of OHV users, management of OHVs on forested lands, and communication guidance.

Scientists contributed to the defensible management of recreation on national forests in a study of the effects of recreation activities on elk and mule deer in northeastern Oregon. This research found that all-terrain vehicles (ATVs), mountain biking, hiking, horse riding, and hunting disrupted the elk, with ATVs and mountain biking being most disruptive. Mule deer were found to increase their movement rates in response to these recreational activities, but did not flee as elk did. In the Black Hills National Forest of South Dakota, a study of the effects of roads and hunting on elk confirmed that they require increased foraging time after disturbances.

Forest Service and its partners published the National Survey on Recreation and the Environment (NSRE), based on feedback from over 80,000 households. Products developed from the NSRE findings include: a report for the national OHV Policy Implementation Team; demand analyses for Statewide Comprehensive Outdoor Recreation Plans (SCORPs) for Connecticut, Georgia, Missouri, Pennsylvania, and Wisconsin; and a national data base providing estimates of 80 outdoor recreation activities participation for 30 demographic strata across all U.S. counties.

Scientists assessed the social and environmental impacts of tourism on the Alaska region, including economic impacts, competition between residents and tourists at local fishing grounds, and tourist presence in areas culturally significant to Native Alaskans. The findings are used by:

- Community leaders who work to encourage tourism, while minimizing its negative impacts
- Agency managers in their work with guides, outfitters, and communities to find environmentally sound and socially just opportunities; and
- Tourism companies, working to have mutually beneficial operations in small communities.

GOAL 4: HELP MEET ENERGY RESOURCE NEEDS

Consider opportunities for energy development and the supporting infrastructure on forests and grasslands to help meet the Nation's energy needs

Accountability through Assessment

Minerals and Geology Program

In support of the National Energy Policy (NEP), the energy component of the Minerals and Geology Program is focused on increasing opportunities for development and supply, particularly with respect to eliminating backlogs of oil and gas lease nominations and applications for permits to drill (APDs). In conjunction with the implementation of the Healthy Forests Restoration Act (HFRA) of 2003, the geology component of the program evaluates groundwater resources to provide information needed for watershed protection, and provides resource data and support for improved implementation and monitoring of best management practices.

In 2005, the Energy Program was evaluated for the FY 2007 budget cycle. OMB scores, findings and recommendations will be finalized by the end of 2005. The Forest Service will then develop milestones for implementation and tracking.

Accountability to Executive Priorities

Strategic Objective: *Work with other agencies to identify and designate corridors for energy facilities, improve the efficiency of processing permit applications, and establish appropriate land tenure (including transferability clauses) in easements and other authorizations to provide for long term project viability*

Executive Priority: Percent of energy facility and corridor APDs approved within prescribed timeframes				
	Result	Target	Projected	2006 Target
Percent of APDs	170%	45%	76%	45%

Executive Priority: Percent of oil and gas applications APDs within prescribed timeframes				
	Result	Target	Projected	2006 Target
Percent of APDs	58%	45%	26%	45%

Accountability for the Future

Strategic Objective: *Stimulate commercial use of small-diameter trees from NFS lands for biomass energy*

Forest Service scientists recognize that the key in forest management for making fire-prone forests economical is by making use of the valuable biomass material produced during the thinning process. One large volume use for small-diameter trees and underutilized tree species is in pulp and paper production. Scientists demonstrated that suppressed-growth small diameter trees from overstocked and overcrowded fire-prone forests are superior to normal growth trees for mechanical pulp (TMP) production because of the uniformity in their cell radial geometry, thin cell walls, and more mature wood content. The thin tracheid cell walls of the suppressed growth trees require less refining intensity or perhaps reduced energy to produce good quality pulp.

GOAL 5: IMPROVE WATERSHED CONDITION

Fully functional and productive watersheds

Accountability through Assessment

Forest Service anticipates a PART assessment for Watershed in FY 2006.

Accountability to Executive Priorities

Strategic Objective: *Assess and restore high priority watersheds and maintain riparian habitat in these watersheds*

Executive Priority: Percent of inventoried forest and grassland watersheds in fully function condition as a percent of all watersheds				
	Result	Target	Projected	2006 Target
Percent of watersheds	110%	30%	33%	40%

Executive Priority: Acres of nonindustrial private forest (NIPF) land under approved stewardship management plans				
	Result	Target	Projected	2006 Target
Acres of NIPF land	97%	1,500,000	1,449,890	1,575,000

The Forest Stewardship Program (FSP) provides technical, educational, and planning assistance through State forestry agency partners to NIPF owners to encourage and enable the active long-term forest management of important private forest resource areas.

The primary focus of the FSP is the development of comprehensive, multiresource management plans that provide landowners with the information they need to manage their forests for a variety of products and services.

The FSP is shifting from its historic delivery of assistance to landowners on a first-come, first-served basis to a more strategic or focused approach that directs assistance to affect targeted forest resource areas. The program is also investing in the development of spatial assessment tools to enable partner forest agencies to track accomplishments in terms of forest resource outcomes through time, and to strategically focus program assistance in the future.

This performance information reflects actual results due to the States' June 30 – July 1 fiscal year.

Strategic Objective: *Restore and maintain native and desired nonnative plant and animal species diversity in terrestrial and aquatic ecosystems and reduce the rate of species endangerment by contributing to species recovery*

Executive Priority: Acres of terrestrial habitat enhanced to achieve desired ecological conditions				
	Result	Target	Projected	2006 Target
Acres of habitat	119%	184,716	220,112	194,530

The enhancement of terrestrial habitat includes actions to restore, recover, and maintain habitat and ecosystem conditions necessary for healthy populations of wildlife. Providing appropriate ecological conditions for these species is integral to meeting the agency mission and its legal requirements to provide for plant and animal community diversity, species recovery, and to avoid new listings of threatened or sensitive species. Improvements include, but are not limited to, maintaining early successional habitats, regenerating aspen and oaks, seeding to improve forage conditions, and developing water sources for wildlife in arid habitats.

A significant portion of these acres also contributed to improved forest health conditions and reduced risks of catastrophic wildfires. With better integration of wildlife specialists into the analysis of hazardous fuels, the Forest Service can now also meet wildlife objectives during those treatments. Also benefiting wildlife objectives are the partnerships that form an integral part of this program.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) informed program managers of the need for a national conversion methodology to convert from "treatment" or "structure" to "acres enhanced or restored" for habitat. This could reduce potential errors in judgment as resource staffs compile the acres affected by a treatment or structure.

Executive Priority: Miles of stream habitat enhanced to achieve desired ecological conditions				
	Result	Target	Projected	2006 Target
Miles of stream	104%	1,604	1,661	1,674

Stream habitat was restored or enhanced to desired ecological condition by taking the following actions:

- Connecting fragmented habitats at human-made barriers.
- Restoring habitat parameters and functional processes to a normal range of variability for the channel type using watershed restoration techniques.
- Reducing sediment input and streambank erosion through structural and nonstructural in-stream, riparian, and upland treatments.
- Restoring riparian habitat functions for natural recruitment of large wood.
- Creating pools within streams to provide hiding cover and increased spawning gravel for fish.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) requested that program managers ensure the national forests and grasslands are reporting actions that are benefits to fisheries by using the standardized reporting developed and agreed to by Regional Program Managers.

Executive Priority: Acres of lake habitat enhanced to achieve desired ecological conditions				
	Result	Target	Projected	2006 Target
Acres of habitat	121%	12,824	15,528	13,295

Lake habitat was restored or enhanced to desired ecological condition by taking the following actions:

- Adding spawning gravel, structural habitat, liming, and fertilization to improve and maintain productivity for both warmwater fish (e.g., bass and bluegill) and coldwater fish (e.g., trout and salmon).

- Attracting the interest and support of many small rural communities located near national forest lakes, resulting in the support of volunteer efforts and matching funds from local angling groups, nearby communities, and businesses.

Accountability for the Future

Monitoring over the past decade in the Pacific Northwest reveals a slight improvement to the condition of watersheds and streams primarily due to two objectives of the Northwest Forest Plan—increasing the number of large trees in riparian areas, and decreasing clearcut harvesting. The Plan's aquatic conservation strategy established a comprehensive, science-based approach for managers of aquatic and riparian resources on all federal lands in the Pacific Northwest. With the results validating the Plan's aquatic conservation strategy, Federal land management agencies are adjusting their management practices to meet its objectives.

In cooperation with the U.S. Environmental Protection Agency (EPA) and scientists from the European Union, Forest Service scientists developed methods for assessing critical loads and levels of pollutants in forested ecosystems. Critical loads are defined as 'the quantitative estimate of an exposure to one or more pollutants below which significant harmful effects on specified sensitive elements of the environment do not occur according to present knowledge.' Scientists have developed a critical loads map for the State of Vermont, using an approach adopted and applied in northeastern Canada. EPA and Forest Service scientists held a national coordination meeting in Riverside, CA to discuss critical loads and levels (for ozone) to protect watershed ecosystems. This meeting resulted in development of on-going partnerships for the establishment of field plots, modeling, and mapping of critical loads.

Since its eruption in 1980, Forest Service scientists have now synthesized 25 years of research on the ecological recovery at Mount St. Helens yielding major findings on how watersheds and ecosystems recover from multiple, large, severe disturbances. Key lessons include the critical role of biological legacies in ecological recovery, the complexity of ecological succession, and the role of chance and timing in disturbances. Managers are applying these insights in the restoration of burned areas, flood- and landslide-damaged areas, and reclamation of mining areas. More information is at www.fs.fed.us/pnw/mtsthelens.

Sulfates are deposited across the landscape as a result of burning fossil fuels. Mercury is a highly toxic element that is found both naturally and as an introduced contaminant in the environment. Researchers discovered that the bioaccumulative form of mercury (methylmercury) increases with increased sulfate deposition due to the bacteria that occur in wetland soils. Mercury contamination in fish concerns citizens who catch fish, those who eat them, public health officials, ecologists, and natural resource managers. This new knowledge advances the state-of-the-art in finding ways to mitigate mercury contamination.

Scientists developed a wetland assessment guidebook that establishes science-based criteria for evaluating wetlands rapidly in temperate, coastal Alaska. The guidebook's rating system is being used by Sealaska Corporation, the borough of Juneau, and other government agencies and corporations to evaluate changes and mitigation measures for wetlands, and to determine mitigation credit scores.

GOAL 6: CONDUCT MISSION-RELATED WORK TO SUPPORT THE AGENCY'S GOALS

Productive and efficient agency programs support the mission of the Forest Service

The Forest Service provides direction for natural resource stewardship through direct land management practices, indirect management under partnership agreements, and research and development programs. The agency also provides many goods and services— such as recreational opportunities, clean water, and wood products—to the American people. The agency consistently strives to maintain the organizational structure and capacity to deliver the necessary mission-related work.

Accountability through Assessment

Forest Legacy Program

The Forest Legacy Program (FLP) was designed to identify and protect environmentally important private forestlands that are threatened by conversion to nonforest uses. Land is acquired to protect important scenic, cultural, fish, wildlife and recreation resources, riparian areas and other ecological values using conservation easements and full fee purchase. Both purchase and donation are used to acquire forestland meeting FLP purposes from willing sellers or donors only.

FLP underwent a PART reassessment during FY 2004. All changes proposed to the program were accepted by OMB, particularly the new efficiency measures, resulting in an improved score to “*Moderately Effective*.” OMB recommendations, milestones, and Forest Service actions taken in FY 2005 are below.

Recommendation 1.0—*To continue improvements to performance, the program will target the maintenance of working forests and use of appraisals, signed options, and monitoring protocols in making project selections.*

FY 2005 Milestones and Results

The FLP 5-Year Strategic Direction was completed on July 29, 2005. This was a delay from the target date, but allowed additional time for input from States and partners. The focus of the strategy was:

- Strategic application of the program
- Protection of specific public benefits emphasis
- Addressing issues of conversion and parcelization
- Continuous improvement for business practices such as appraisals and monitoring.

Priorities have specified actions and performance measures to track improvement. The document will be posted on the Forest Service web site and will be printed and available soon for distribution.

FLP Field Handbook	Currently, Forest Service is developing a field handbook to assist new FLP managers to initiate and maintain the program in their States. The handbook will provide practical guidance for baseline documentation development, monitoring protocols, and information on appraisals and standard option contracts and execution.
--------------------	---

Land Acquisition Program

The Land Acquisition Program is commonly implemented through partnerships between the Forest Service and other governments, private landowners and nongovernmental organizations. Guidance in the Forest Service's Manual (FSM) and Forest Service Handbooks (FSH) reflect preference for projects that are characterized by local support and input from other resource areas within the agency. The Land Acquisition Program was first assessed in 2003 for the FY 2005 budget. In the reassessment, OMB rated the Land Acquisition Program “*Results not Demonstrated*” but the findings and recommendations will not be finalized until the end of 2005. From the first assessment come the following OMB recommendations, milestones, and Forest Service actions taken in FY 2005.

Recommendation 1.0—*Prioritize areas that provide public benefits by optimally targeting land acquisition through analyses of integrated spatial data.*

FY 2005 Milestones and Results

The agency has jointly published its National Land Acquisition Plan (NLAP) with DOI. It provides a planning framework for land acquisition decisions in considering the priority and future needs of the program.

Recommendation 2.0—*Establish annual performance measures that indicate how land acquisitions advance in a measurable way agency strategic plan milestones.*

FY 2005 Milestones and Results

Output measure: Number of priority acres acquired or donated that provide public access for high-quality outdoor recreational opportunities on NFS Lands

This measure identifies one of two agency priorities in the land acquisition program to meet strategic plan milestones.

Developed in FY 2005, this measure will be reported on the Land Purchase Digest Forms (FS-5400-9) in FY 2006.

Output measure: Number of priority acres acquired or donated that reduce the conversion of forests, grasslands, and aquatic or riparian ecosystems to incompatible uses in order to improve and maintain ecological conditions for critical species

This measure identifies one of two agency priorities in the land acquisition program to meet strategic plan milestones. For this measure, critical species means federally listed and candidate species, species of concern, and species of interest.

Developed in FY 2005, this measure will be reported on the Land Purchase Digest Forms (FS-5400-9) in FY 2006.

Recommendation 3.0—*Establish relevant and meaningful efficiency measures.*

FY 2005 Milestones and Results

Efficiency measure: percent of total acquisition cost per acre attributed to third party and private landowner participation

This efficiency measure will be used to report administrative efficiencies associated with third party and private landowner contributions to the program.

Efficiency measure: percent of acquisition cases completed within a prescribed timeframe (18 months)

Developed in FY 2005, this efficiency measure will report the timely processing of cases. The prescribed timeframe represents cases completed within 18 months⁵ of receiving appropriations for the project.

Recommendation 4.0—*Measure Federal administrative efficiencies associated with third parties purchasing nonFederal lands and placing them in trust prior to Federal purchase.*

FY 2005 Milestones and Results

Efficiency measure: the percent of total acquisition cost per acre attributed to third party and private landowner participation

Developed in FY 2005 in the NLAP, this measure will report third party and private landowner administrative efficiencies.

⁵ The 18-month timeframe is more suited than the 12-month timeframe imposed in the Executive Priorities, as it often takes more than a year to process a case from start to finish.

Accountability to Executive Priorities

Strategic Objective: *Provide current resource data monitoring and research information in a timely manner*

Executive Priority: Percent of the Nation for which Forest Inventory and Analysis (FIA) information is accessible to external customers				
	Result	Target	Projected	2006 Target
Percent of Nation	100%	76%	76%	No target

In FY 2005, the annual forest inventory data was made available through FIA web site for 38 States comprising 76 percent of the nation’s forests. FIA information has also been loaded into the Natural Resource Information System (NRIS) of the USDA Forest Service, National Forest Systems branch, in order to make data readily available to national forest managers.

In addition, the FIA was fully implemented in 45 States representing 77 percent of the forests of the U.S., including Puerto Rico, Virgin Islands and Pacific Trust territories.

Each year, the FIA program addresses accountability by publishing a Business Report that describes basic information about the business side of FIA, which includes current year’s accomplishments, performance measures, budget and staffing data, program changes, and future direction. This report is distributed to all interested customers and partners, and made available on the Web site at <http://www.fia.fs.fed.us/library/bus-org-documents/default.asp>

Strategic Objective: *Meet Federal financial management standards and integrate budget with performance*

Executive Priority: Extent to which performance data are current and complete				
	Result	Target	Projected	2006 Target
	Deferred	Baseline	96%	No target

This measure is the percent of RSAs providing certification forms to the Program and Budget Analysis Staff, certifying that their unit’s accomplishment data is current and complete. For FY 2005, accomplishment for this performance measure was 96 percent and will contribute to the baseline number.

Certification of all performance reporting for the Executive Priorities is required by the regional forester before submission. This certification has stated in previous years, “Information as reported has been validated and supporting documentation is available upon request.”

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) requested more control for the certifications because they relate to line officer certifications. The simple certifying statement used since 2003 is not sufficient.

Strategic Objective: *Maintain the environmental social and economic benefits of forests and grasslands by reducing their conversion to other uses*

Executive Priority: Acres acquired to conserve the integrity of undeveloped lands and habitat quality				
	Result	Target	Projected	2006 Target
Acres acquired	107%	52,775	56,469	37,345

Executive Priority: Acres adjusted to conserve the integrity of undeveloped lands and habitat quality				
	Result	Target	Projected	2006 Target
Acres adjusted	1640%	20,654	338,752	20,851

Land consolidation through acquisition or exchange enables the Forest Service to better manage Federal lands within, or adjacent to, NFS administrative boundaries. Securing land through acquisition or exchange helps reduce future management costs; responds to urban and community needs; addresses fragmentation; promotes conservation; and improves aquatic, forest, and rangeland ecosystems.

Many areas within or immediately adjacent to existing national forests contain important resources that, if acquired, will help the agency meet critical objectives related to public outdoor recreation opportunities, critical wildlife habitat, and wilderness or other congressionally designated areas. Acquisition of inholdings can substantially reduce boundary management costs and reduce the impacts associated with converting use of adjacent lands, such as trespass and resource degradation or fragmentation.

Acquisitions are based on a project-selection process that uses national criteria to assess critical resource values, development threats, unique environmental features, traditional forest uses, potential leverage of non-Federal funds, and the history of ongoing efforts.

The reason for the significant increase in "Acres adjusted (exchanged)" for FY 2005 was due to the completion of the State of Florida Land Exchange. The Forest Service originally estimated that it would be completed in FY 2004; however, due to delays the case was not completed until this fiscal year.

Executive Priority: Acres protected by the Forest Legacy Program (FLP) to conserve the integrity of undeveloped lands and habitat quality				
	Result	Target	Projected	2006 Target
Acres protected	20%	224,000	44,600	135,000

On State and private lands, the Forest Service's FLP conserves environmentally important forests threatened by conversion to nonforest uses through the acquisition of land or interests in land. The program operates on a willing buyer-willing seller basis and is a nonregulatory, incentive-based private forest land conservation program. This ensures that both traditional uses of private lands and the public values of America's forest resources are protected for future generations.

In the acquisition process, there may be a lag of 18 to 24 months between FLP project selection and successful acquisition, making reporting difficult to calculate against a planned number of acres. This lag is caused not only by the usual real estate transaction process, but also an average 12-month delay between project selection (through the agency and State process) and the confirmation of funding through the appropriations cycle.

For this reason, FLP accomplishment targets are based on a formula that tracks past performance and applies those results to predict the next year's target. In addition, due to the willing buyer-willing seller nature of FLP projects, a transaction may not be accomplished.

The FLP has emphasized a readiness factor to increase the due diligence that a project Undergoes before it is proposed for Federal funding, and thus reduce uncertainty, but some landowner circumstances and decisions are beyond the agency's control and can result in expected accomplishments failing to come to fruition.

Strategic Objective: *Develop and maintain the processes and systems to provide and analyze scientific and technical information to address agency priorities*

Executive Priority: Number of LMP revisions completed				
	Result	Target	Projected	2006 Target
Revisions completed	69%	16	11	24

The National Forest Management Act (NFMA) requires that each unit of the NFS have a LMP that may be amended, as appropriate, but formally revised every 10 to 15 years to address changing conditions related to natural resources, management goals, and public use. Designed to improve the agency's knowledge base, LMPs document the results of forestwide analyses and decisionmaking.

Results are accomplished when a revision is completed, based on the Chief's National LMP Revision Schedule. This schedule identifies a timetable for the revision of all existing national forest, grassland, prairie, and other NFS unit LMPs.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) suggested to program managers that "posted to Web" be included in the accomplishment reporting for this measure. This would provide better access for the public.

Executive Priority: Proportion of data within information systems that are current to standard				
	Result	Target	Projected	2006 Target
Proportion of data	Deferred	Protocol in development	Protocol in development	No target

No national commitment and no specific measurement protocol for this performance measure were established for FY 2005. A team is continuing to work through definitions and how this measure may be operationalized in the future.

Executive Priority: Number of forest plan monitoring and evaluation reports completed				
	Result	Target	Projected	2006 Target
Reports completed	96%	118	113	119

The Forest Service's monitoring and evaluation activities sustain viable populations of fish, wildlife, and plant species by restoring forest and grassland ecosystems and improving watershed conditions. The program focuses on identifying changing conditions over time and monitoring the implementation, effectiveness, and validity of forest plans.

Feedback from the field in the Performance Measures Review and Validation (ID-1410-2005-1) suggested to program managers that this measure and definition focus more on monitoring and not enough on evaluation. The field would like more of a focus on evaluation in this measure.

Accountability for the Future

Researchers and cooperators developed a revised red pine manager's handbook for the changing needs of forest landowners. The handbook provides stakeholders with management options that include traditional red pine timber approaches, as well as options that balance timber production with sustainability of other ecosystem goods and services by better emulation of natural stand development processes and patterns. Targeted for the NIPF landowner, the guide includes a large section on general management and ecological principles and practices with nested levels of detail for use by both technical and non-technical readers. The revision also provides sufficient details on pests to help the manager/landowner anticipate potential problems at all stages of stand development.

R&D published a Landowners Guide to Wildlife Habitat that provides practical information to private owners of northeastern forests. It explains management strategies that contribute to wildlife diversity, how to set goals and work with professional foresters to meet these goals, and how managed lands will look in the future.

In cooperation with the Forest Products Society, R&D published a new Wood and Timber Condition Assessment Manual for inspection professionals. The manual reviews the various techniques to assess wood and timber in-service; discusses structures that are subjected to biological deterioration; and includes a chapter on post-fire assessment of structural wood members.

R&D signed a memorandum of understanding (MOU) to develop and apply a refined multiparty adaptive management and project monitoring system that would be consistent with the Sierra Nevada Forest Plan Amendment. The MOU included USDA, DOI Fish and Wildlife Service Pacific Region, and the State of California's Resource Agency. Published in Forest Science (June 2005) were eight different peer-reviewed articles on the collaborative and integrated research program at the Teakettle Experimental Forest. Results provide insights that can guide efforts to restore forest function and structure response by combining mechanical thinning and prescribed fire treatments to reduce fuels hazards.

EXTERNAL AUDITS AND REVIEWS

FY 2005 OIG Audits

The Inspector General (IG) Act (Public Law 95-452) requires the OIG to independently and objectively:

- Perform audits and investigations of USDA's programs and operations;
- Work with USDA's management team in activities that promote economy, efficiency, and effectiveness or that prevent and detect fraud and abuse in programs and operations, both within USDA and in non Federal entities that receive USDA assistance; and
- Report OIG activities to the Secretary and the U.S. Congress semiannually as of March 31, and September 30 each year.

Current OIG Audits (Audits less than 1 year old)

During FY 2005, the OIG began or concluded various audits on the Forest Service programs and activities. These audits are considered "current;" they are less than 1 year old as determined by the management decision date. The following is a list of these audits and their status as of September 30, 2005.

Exhibit 1: Status of Current OIG Audits as of September 30, 2005 ⁶

Audit Number	Audit Title	Report Issued?	Audit Status
08001-01-AT	Forest Service Capital Improvement Program	No	Audit in progress
08401-04-FM	FY 2004 Financial Statement Audit	Yes	Audit report issued with 9 audit recommendations (ECD: 12/31/2005)
08601-01-HY	Forest Service Implementation of GPRA	Yes	Audit report issued with 9 audit recommendations (ECD: 11/30/2005)
08601-02-HY	Followup on Recommendations Made on Forest Service's Maintenance Backlog	No	Audit in progress
08601-02-TE	Forest Service Survey of Timber Theft Controls	Yes	Audit report issued with 3 audit recommendations (ECD: 2/28/2006)
08601-06-AT	Audit of Forest Service's Implementation of the Healthy Forest Initiative	No	Audit in progress
08601-38-SF	Forest Service Compliance to Fire Safety Standards	Yes	Audit report issued with 9 audit recommendations (ECD: 1/01/2006)
08601-40-SF	Forest Service Emergency Equipment Rental Agreements	Yes	Audit report issued with 16 audit recommendations (ECD: 6/30/2006)
08601-41-SF	Forest Service Collaborative Ventures and Partnerships with Non-Federal Entities	No	Audit in progress
08601-42-SF	Forest Service Firefighting Contract Crews	No	Audit in progress
08601-44-SF	Large Fire Suppression Costs	No	Audit in progress
08601-45-SF	Followup Forest Service Security over Explosives	No	Audit in progress

OIG Audits Officially Closed in FY 2005

The following is a listing of the audits where the implementation of all audit recommendations associated with the audit was completed by the responsible staff(s). Documentation to demonstrate the implementation of the recommendations were submitted to the USDA Office of

⁶ Copies of the issued reports can be obtained at <http://www.usda.gov/oig/releaseandreport.htm>

the Chief Financial Officer (OCFO) for official closure during FY 2005, and subsequently approved.

Exhibit 2: Audits Officially Closed as of September 30, 2005

Audit Number	Audit Title	Deputy Area / RSA	Report Issue Date	Age	Comments
08002-02-SF	Valuation of Lands Acquired in Congressional Designated Areas	NFS	11/28/2000	4.4	Closed 4/25/2005
08017-10-KC	MATCOM Claim	RMRS	11/14/2001	3.9	Closed 8/31/2005
08017-11-KC	Omni Development Corporation Claim to Department of Agriculture	Region 4	7/11/2002	2.9	Closed 9/6/2005
08099-42-AT	FY 1992 Financial Statements	BO	11/16/1993	11	Closed 11/30/2004
08401-04-AT	FY 1995 Financial Statements	BO	1/09/1996	9.4	Closed 5/20/2005
08401-07-AT	FY 1997 Financial Statements	BO	7/13/1998	6.9	Closed 5/20/2005
08401-11-AT	FY 2000 Financial Statements	BO	5/04/2001	3.8	Closed 3/9/2005
08401-12-AT	FY 2001 Financial Statements	BO	2/26/2002	3.3	Closed 6/20/2005
08601-01-AT	Management of Hazardous Waste at Active and Abandoned Mines	NFS	3/29/1996	9	Closed 3/9/2005
08601-27-SF	National Land Ownership Adjustment Team	NFS	3/28/2002	3.1	Closed 4/25/2005
08601-37-SF	Forest Service Procurement of Firefighting Lead Planes	S&PF	3/26/2004	1.3	Closed 7/18/2005
08801-03-AT	Real and Personal Property	BO	5/14/1996	8.6	Closed 11/30/2004
08801-06-SF	Land Adjustment Program San Bernadine NF and South Zone	NFS	1/19/2000	5.3	Closed 5/14/2005
50099-13-AT	Oversight and Security of Biological Agents at Laboratories Operated by USDA	R&D	3/29/2003	2.3	Closed 8/1/2005

Outstanding OIG Audits (Audits over 1 year old)

An OIG audit is considered “outstanding” if it is over 1 year old and final actions to close the audit are incomplete. The IG Act requires management to complete all final actions on audit recommendations within 1 year of the date of the OIG’s final audit report.

In FY 2005, the Forest Service continued to make progress towards closing its outstanding OIG audits; however, multiple audits remain open. The agency’s outstanding audit inventory, as of September 30, 2005, is as follows.

Exhibit 3: Outstanding Audit Inventory, as of September 30, 2005

FY 2005 Beginning inventory (October 1, 2004)	21
Number of audits added to the inventory	6
Number of audits submitted for official closure	(16)
Number of audits awaiting official closure	2
FY 2005 Ending balance (September 30, 2005)	13

Outstanding OIG Audits – Scheduled for Closure in FY 2006

The following table lists the remaining “outstanding” audits that are scheduled for closure during FY 2006. The audits are grouped according to the reason the audit has not closed.

Exhibit 4: Explanations for OIG Audits without Final Action

Explanations for OIG Audits without Final Action				
Audit Number	Audit Title	Responsible Deputy Area/ RSA	Date Issued	Estimated Completion Date
Pending receipt and/or processing of final action documentation				
08001-1-HQ	Forest Service’s Implementation of the Government Performance Results Act (GPRA)	BO	6/28/2000	11/30/2005
08003-2-SF	Humboldt-Toiyabe National Forest Land Adjustment Program	NFS	8/5/1998	12/30/2005
08003-5-SF	Land Acquisition and Urban Lot Management	NFS / Region 5	12/15/2000	12/30/2005
08016-01-SF	Follow-up Review of FS Security Over Aircraft & Aircraft Facilities	S&PF	9/30/2003	12/30/2005
08401-1-FM	FY 2002 Financial Statement Audit	BO	1/9/2003	3/31/2006
Pending systems development, implementation, or enhancement				
08099-6-SF	Security Over USDA IT Resources	BO	3/27/2001	9/30/2006
08401-2-FM	FY 2002 Financial Statement Audit – Information Technology	BO	2/28/2003	9/30/2006
Pending issuance of policy/guidance				
08001-02-HQ	Review of FS Security over Aircraft and Aircraft Facilities	S&PF	3/29/2002	12/30/2005
08601-02-TE	Survey of Timber Theft	LEI	9/27/2004	2/28/2006
08601-18-SF	Research Cooperative and Cost Reimbursable Agreements	BO	3/31/1997	3/31/2006
08601-30-SF	Review of Security Over Explosives/Munitions Magazines located within the NFS	NFS	3/31/2003	3/31/2006
08801-2-TE	Forest Service Assistance Agreements with Nonprofit Organizations	BO	9/24/1998	3/31/2006
Pending results of request for change in management decision				
08601-25-SF	Working Capital Fund Enterprise Program	Region 5	6/22/2001	12/30/2005

FY 2005 GAO Audits

The U.S. Government Accountability Office (GAO) is an independent, nonpartisan agency that works for Congress. GAO gathers information to help Congress determine how well executive branch agencies are doing their jobs. GAO’s work routinely answers such basic questions as whether government programs are meeting their objectives or providing good service to the public. Ultimately, GAO ensures that government is accountable to the American people. To that end, GAO provides Senators and Representatives with the best information available to help them arrive at informed policy decisions—information that is accurate, timely, and balanced.

GAO supports congressional oversight by:

- evaluating how well government policies and programs are working;
- auditing agency operations to determine whether federal funds are being spent efficiently, effectively, and appropriately;
- investigating allegations of illegal and improper activities; and
- issuing legal decisions and opinions.

The following table lists the GAO audits conducted on the Forest Service during FY 2005. Many of the audits are still in progress. Some of these audits were issued with recommendations. In these cases, the Forest Service, via the USDA Secretary, responded to the appropriate congressional staff with its corrective action plan to implement the recommendation within the mandated 60 days.

GAO Audits Closed During FY 2005

Exhibit 5: GAO Audits Closed During FY 2005⁷

Job Number/ Audit Report Number	Audit Title	Responsible Deputy Area / RSA	Report Issued ?	Audit Status
130404 / GAO-06-114	Engineers, Mathematicians, and Scientists	R&D	Y	Closed – No recommendations
250184 / GAO-05-265R	Federal Insurance Programs	BO	Y	Closed 3/7/05 No recommendations
250191 / GAO-05-719	Federal Assistance to Rural Alaska Native Communities	Civil Rights	Y	Closed 8/2005 No recommendations
310547 / GAO-05-551	Security Issues in Federal Implementation of Radio Frequency Identification Systems	BO	Y	Closed 5/31/2005 No recommendations
360406 / GAO-05-124	Oil and Gas Development: Challenges to Agency Decisions and Opportunities for BLM to Standardize Data Collection	NFS	Y	Closed 1/3/2005 No recommendations
360415 / GAO-05-379	National Energy Policy (formerly Federal Energy Programs)	NFS	Y	Closed 5/3/2005 No recommendations
360448 / GAO-05-253	Freshwater Programs: Federal Agencies Funding in the US and Abroad	NFS	Y	Closed 2/9/2005 No recommendations
360474 / GAO-05-380	Technology Assessment: Protecting Structures and Improving Communications during Wildland Fires	F&AM	Y	Closed 4/26/2005 No recommendations
360476 / GAO-05-376	Availability of Data to Support Economic Indicators	R&D	Y	Closed 9/26/2005 No recommendations
360570	USDA Budget Justification Review	BO	N	GAO closed audit with a briefing to Congress on 7/5/2005
440214 / GAO-04-590	Border Security: Better coordinate agency strategies and operations on federal lands	LEI	N	Closed (not on GAO website as of 10/17/2005)
450336 / GAO-06-15	Coordination of Federal Agencies	S&PF	Y	Closed 9/27/05 No recommendations

⁷ GAO reports may be found at <http://www.gao.gov/docsearch/>

GAO Audits in Progress

Exhibit 6: GAO Audits in Progress⁸

Job Number/ Audit Report Number	Audit Title	Responsible Deputy Area / RSA	Report Issued?	Audit Status
360464 / GAO-05-185	Non-agricultural Noxious Weed and Invasive Species Management	NFS	Y	Implementation of the audit recommendations are in progress
360466 / GAO-05-147	Wildland Fire Management: Important Progress Has Been Made, But Challenges Remain to Completing a Cohesive Strategy (formerly Wildfire Testimony)	S&PF	Y	Implementation of the audit recommendations are in progress
360482 / GAO-05-374	Forest Service: Better Data Are Needed to Identify and Prioritize Reforestation and Timber Stand Improvement Needs	NFS, S&PF	Y	Implementation of the audit recommendations are in progress
360487 / GAO-05-869	Grazing Costs on Public Lands	NFS	Y	Awaiting final audit report
360489 / GAO-05-373	Uses of Woody Biomass	NFS	Y	Implementation of the audit recommendations are in progress
360524	Chesapeake Bay Restoration	S&PF	N	Awaiting final audit report
360532	Federal Wood Utilization Research and Development	FS FPL, R&D	N	Audit in progress. Estimated completion date is 12/31/2005
360583	Invasive Forest Insects and Diseases	S&PF	N	Audit in progress. Estimated completion date is 12/16/2005
360586	Wildland Fire Cost Containment	S&PF, BO	N	Audit in progress. Estimated completion date is 3/31/2006
360587	Key Factors in Woody Biomass Use	S&PF, NFS, R&D	N	Audit in progress. Estimated completion date 3/27/2006
360589	Restoration of Burned Lands	R&D, NFS	N	Audit in progress. Estimated completion date is 3/31/2006
360596	Recreation Fees	NFS	N	Audit in progress. Estimated completion date 3/31/2006
360620	Endangered Species Habitat Review	NFS	N	Awaiting official draft audit report
360623	Categorical Exclusions (Vegetative Removal)	NFS, S&PF	N	Audit in progress. Estimated completion date TBD
440366	Public Service Announcements	PL&C	N	Awaiting draft audit report
450370	Agencies' Use of Voluntary Separation Incentive Payments (VSIP) & Voluntary Early Retirement Authority (VERA)	BO	N	Audit in progress. Estimated completion date is TBD

⁸ GAO reports may be found at <http://www.gao.gov/docsearch/>

MAJOR MANAGEMENT CHALLENGES

Annually, the OIG prepares a report to the Secretary on the most serious management challenges and program risks faced by USDA, as a result of FY 2005 OIG and GAO audits, reviews, and investigations. In response to the report identifying the management challenges, the Forest Service prepares a corrective action plan to address the challenges.

Exhibit 7 lists Forest Service's major management challenges as identified by the OIG in August 2004 and the corrective actions completed during FY 2005. Exhibit 8 lists the OIG management challenges identified in August 2005 and the corrective action plan for addressing those challenges during FY 2006. Note that actions not completed in FY 2005 carryover into the following fiscal year(s).

Exhibit 7: FY 2005 Management Challenges – Accomplishments

Management Challenge: Financial Management – Improvements Made but Additional Actions Still Needed	
Planned Corrective Action	Actual Completion Date
Eliminate material weaknesses/reportable conditions and obtain an unqualified opinion on the FY 2004 Financial Statements	11/01/2004
Initiate Financial Management Improvement Process (FMIP) to standardize and centralize the Forest Service's Budget and Finance (B&F) processes through a business process reengineering (BPR).	8/04/2004
Migrate the redesigned B&F processes to the centralized Albuquerque Service Center (ASC) in Albuquerque, NM beginning January 2005.	2/22/2005
Publish all remaining financial management policy and procedures updates by June 30, 2005 <i>(Highest priority policies and procedures were published in FY 2005)</i>	9/30/2005
Continue focus on data quality improvement, the resolution of abnormal balances, and verification of general ledger account relationships at the Treasury Symbol level.	9/07/2005

Management Challenge: A Strong Internal Control Structure is Paramount to the Delivery of Forest Service Programs	
Planned Corrective Action	Actual Completion Date
Develop and implement a national schedule of internal program reviews for FY 2005 and 2006 that ensures high priority agency-wide issues are addressed. <i>(FSM 1410 revised, but not issued)</i>	Incomplete
Conduct comprehensive risk assessment for FS programs and develop plans to address identified risks. <i>(FSM 1410 revised, but not yet issued)</i>	Incomplete
Provide consolidated report of review findings to Forest Service management by July 31, 2005 and 2006 and develop process to monitor actions to address significant review findings. <i>(FSM 1410 revised but not issued)</i>	Incomplete

Conduct annual reviews/analyses to ensure funding is spent as intended for higher-priority agency programs (e.g. National Fire Plan, fire rehabilitation program)	5/18/2005
Continue making progress towards implementing the agencywide, comprehensive, Performance and Accountability System (PAS); thereby, improving implementation of GPRA in the Forest Service. <i>(Estimated completion is FY 2007)</i>	Incomplete
Develop procedures within the existing acquisition management review process to readily address new, higher-priority issues identified via internal and external reviews/audits in the "Procurement" and "Grants and Agreements" arena.	6/30/2005

Exhibit 8: FY 2006 Management Challenges – Plan

Management Challenge: Implementation of Strong, Integrated Management Control (Internal Control) Systems Still Needed –	
Improve Forest Service internal controls and management accountability in order to effectively manage its resources, measure its progress towards goals and objectives, and accurately report its accomplishments.	
Planned Corrective Action	FY 2006 Estimated Completion by Quarter
Establish accountability for performance measure reporting accuracy throughout the Forest Service. Ref. OIG Audit No. 08601-1-HY/#3	1 st quarter
Direct Forest Service line officers to implement GPRA by implementing management controls necessary to ensure adequate, reliable, verifiable, and useful information. Hold managers accountable. Ref. OIG Audit No. 08601-1-HY/#4	1 st quarter
Ensure targets and goals not met are identified in the PAR and plans/schedules to meet the unmet goals are included in the FY 2006 Program Direction. Ref. OIG Audit No. 08601-1-HY/#9	1 st quarter
Resolve the three key issues regarding further implementation of the performance accountability system (PAS) by: <ul style="list-style-type: none"> 1) Determining an official set of performance measures; 2) Developing guidance for the nationally required elements of a strategic business planning process; and 3) Developing the business rules and requirements for a management information system to provide data on performance measures and other management information. 	1 st quarter
Obtain official closure on 50% of audits under 1 year old (Quantity 4).	2 nd quarter
Implement new requirements of OMB Circular A-123, Appendix A.	2 nd quarter
Prepare assurance statement to assert to the effectiveness of internal control "as of June 30."	3 rd quarter
Continue the implementation of performance accountability by developing a working proof-of-concept of PAS in Region 10.	3 rd quarter

Obtain official closure on 70% of outstanding audits over 1 year old. (Quantity of 14 as of 9/30/2005)	4 th quarter
Conduct comprehensive risk assessment for Forest Service programs and develop plans to address identified risks.	4 th quarter
Provide consolidated report of review findings to Forest Service management by May 31, 2006 and develop process to monitor actions to address "significant" review findings.	4 th quarter
Install additional security features needed to meet the minimum security standards at aviation facilities. (Ref. OIG Audit No. 08001-2-HQ, Rec. #6)	4 th quarter
Develop site specific security plans at each Forest Service operated aviation facility. (Ref. OIG Audit No. 08016-1-SF, Rec. #3)	4 th quarter
Improve oversight of national firefighting contract crews by implementing corrective actions in response to the OIG audit report. (Ref. OIG Audit No. 08601-42-SF)	4 th quarter
Complete the actions necessary to obtain official closure on the two outstanding OIG IT audits. (Ref. OIG Audit No. 08099-6-SF and No. 08401-2-FM)	4 th quarter
Obtain FY 2006 reduction target of 2.9% for improper payments and/or recovery target of \$150,000. (Ref. Forest Service ASC FY 2005 Corrective Action Plan)	4 th quarter

Management Challenge:	
Continuing Improvements Needed in Information Technology (IT) Security	
Planned Corrective Action	FY 2006 Estimated Completion by Quarter
Complete the actions necessary to obtain official closure on the two outstanding OIG IT audits. (Ref. OIG Audit No. 08099-6-SF and No. 08401-2-FM)	4 th quarter

Management Challenge:	
Reducing Improper Payments Continues to be a Priority of Congress and the Administration	
Planned Corrective Action	FY 2006 Estimated Completion by Quarter
Obtain FY 2006 reduction target of 2.9% for improper payments and/or recovery target of \$150,000. (Ref. Forest Service ASC FY 2005 Corrective Action Plan)	4 th quarter