

GAO

Testimony
Before the Subcommittee on Interior,
Environment, and Related Agencies,
Committee on Appropriations, House of
Representatives

For Release on Delivery
Expected at 9:30 a.m. EST
Tuesday, February 24, 2009

**FEDERAL LAND
MANAGEMENT**

**Potential Effects and
Factors to Consider in a
Move of the Forest Service
into the Department of the
Interior**

Statement of Robin M. Nazzaro, Director
Natural Resources and Environment



GAO

Accountability * Integrity * Reliability

GAO
Accountability · Integrity · Reliability

Highlights

Highlights of [GAO-09-412T](#), a testimony to the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of Agriculture's (USDA) Forest Service, which manages almost a quarter of the nation's lands, is the only major land management agency outside the Department of the Interior (Interior). Four federal land management agencies—the Forest Service and the Bureau of Land Management (BLM), Fish and Wildlife Service, and National Park Service in Interior—manage most of the 680 million acres of federal land across the country. Growing ecological challenges, ranging from wildland fires to climate change, have revived interest in moving the Forest Service into 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 BLM. GAO was also asked to identify factors that should be considered if such a move were legislated, as well as management practices that could facilitate a move. This testimony is based on GAO's report, *Federal Land Management: Observations on a Possible Move of the Forest Service into the Department of the Interior* ([GAO-09-223](#)), released today.

To view the full product, including the scope and methodology, click on [GAO-09-412T](#). For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

FEDERAL LAND MANAGEMENT

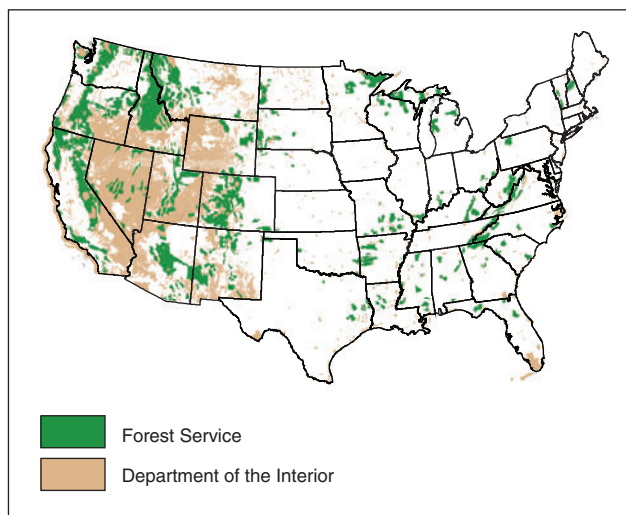
Potential Effects and Factors to Consider in a Move of the Forest Service into the Department of the Interior

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. 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. 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. 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.

If the Forest Service were moved into Interior, USDA and Interior 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. For example, integrating the Forest Service's reporting, budgeting, and human capital processes and systems into Interior's could be time-consuming, costly, and disruptive. Nevertheless, Interior and USDA could implement some key merger and transformation practices to help manage any resulting disruptions and other transition costs. 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.

Federal Lands in the Contiguous United States



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

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss a possible move of the Forest Service from the Department of Agriculture (USDA) into the Department of the Interior (Interior). The Forest Service, which manages almost a quarter of the nation's lands, is the only major land management agency outside Interior. Four federal land management agencies—USDA's Forest Service and Interior's Bureau of Land Management (BLM), Fish and Wildlife Service, and National Park Service—manage most of the 680 million acres of federal land across the country. Recognizing that federal land management agencies have faced many similar challenges but lacked unifying statutory authorities for the management and use of federal lands and resources, policymakers over the last 4 decades have made several unsuccessful attempts to reorganize the nation's land and resource agencies. The emergence of new challenges for both the Forest Service and Interior during a time of severe economic crisis, as well as the growing need for agencies to collaborate on urgent large-scale natural resource problems, has revived interest in the potential for improving federal land management.

My testimony today summarizes the findings of our recent report discussing a potential move of the Forest Service into Interior. This move would entail 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 a new bureau equivalent to Interior's other bureaus. Specifically, I will discuss how federal land management would potentially be affected by moving the Forest Service into Interior and what factors should be considered if Congress and the administration were to decide to move the Forest Service and what management practices could facilitate such a move.¹ This report is based on our analysis of historical proposals on reorganizing federal land management agencies, interviews with agency officials and experts, visits to Forest Service and BLM offices that are colocated and comanaged, and interviews with representatives from groups that have an interest in the agencies.

¹GAO, *Federal Land Management: Observations on a Possible Move of the Forest Service into the Department of the Interior*, [GAO-09-223](#) (Washington, D.C.: Feb. 11, 2009).

Background

As a result of their historical development, four distinct land management agencies, each operating under unique authorities, today oversee more than 630 million acres of federal land.² 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.

Over the past several decades, both the Forest Service and Interior's bureaus—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. 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 problems that cross agency and ownership boundaries such as wildland fire, invasive species, and development of private lands along their borders.

²The remaining federal lands are managed by other federal agencies, including the Department of Defense, Department of Energy, and Bureau of Reclamation.

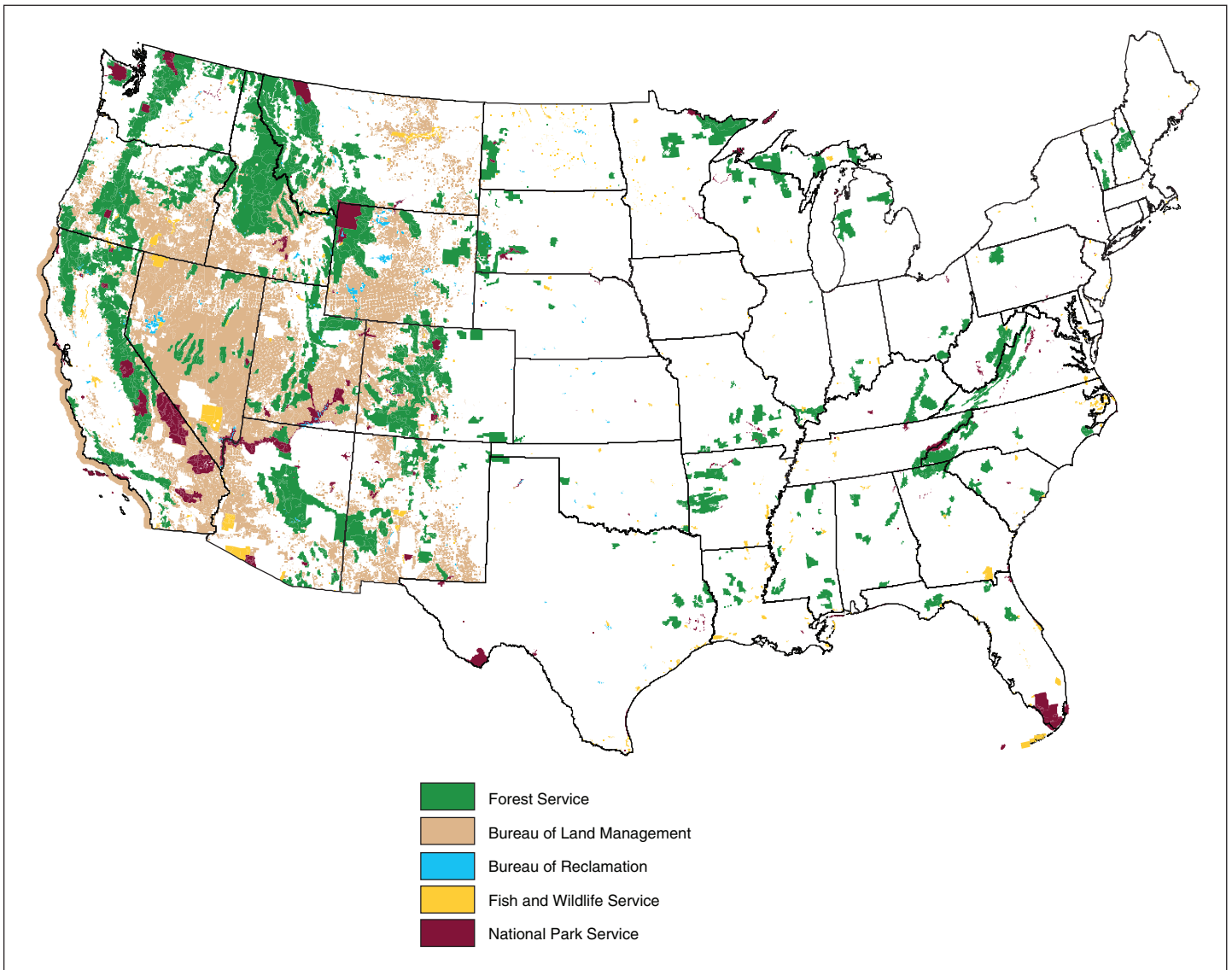
Moving the Forest Service into Interior Would Align Federal Land Management Missions and Could Improve Effectiveness of Federal Programs yet May Yield Few Efficiencies in the Short Term

A move of the Forest Service into Interior could improve federal land management by aligning the federal land management mission under one department and increasing program effectiveness. It may also yield long-term, but few short-term, efficiencies.

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

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. The Forest Service and BLM both manage their lands for multiple uses, including timber, grazing, oil and gas, recreation, wilderness, and fish and wildlife, although they emphasize different uses depending on their specific authorities and public demands. 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

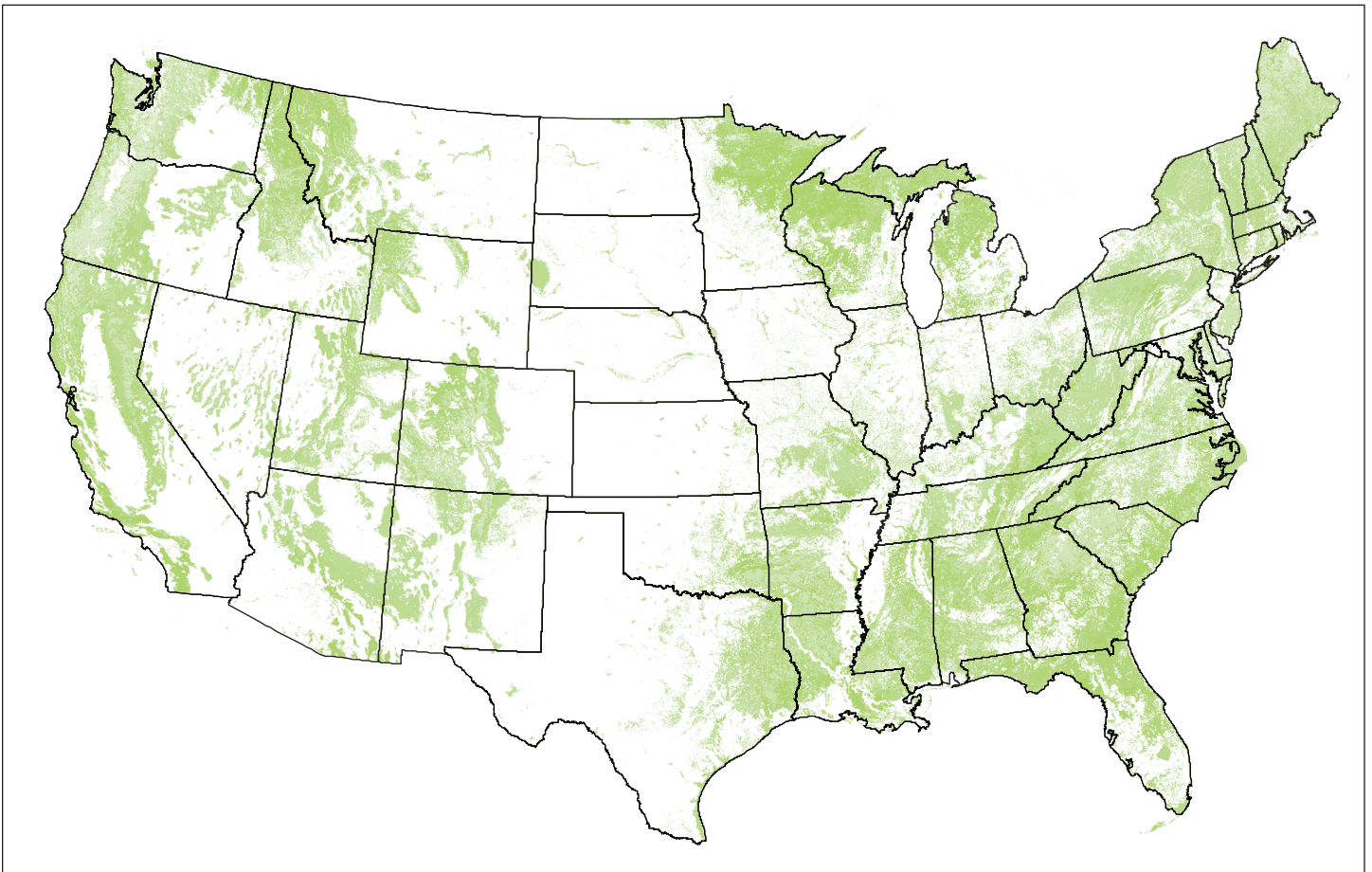


Source: GAO analysis of U.S. Geological Survey's National Atlas Web site data.

According to many of the experts and officials we interviewed, however, a move of the Forest Service into Interior could diminish the role that the agency plays in managing state and private forestlands—a mission focus the Forest Service shares with USDA but does not have in common with

Interior. 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. 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. According to some officials and state foresters, 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. Other officials said, however, 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.

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



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

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

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. For example, a possible outcome of having the land management agencies together in one department could be the improvement of land management across jurisdictional boundaries. Program areas that offer opportunities for improved coordination include law enforcement, recreation, and wilderness management. 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 in

such areas as timber, grazing, oil and gas, appeals, and mapping. 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. While many of the officials and experts we interviewed believed a move would improve effectiveness, many did not believe that many 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. Still, a number of them 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 officials and experts, existing efforts to integrate programs demonstrate improved program effectiveness and public service but few efficiencies in the short term. For example, parts of the Forest Service, BLM, Fish and Wildlife Service, National Park Service, and Interior’s Bureau of Indian Affairs have been colocated 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. Despite this coordination, the agencies still have key differences that hinder management effectiveness and efficiency; such differences include incompatible information technology and other business operations and systems. Service First offices have also integrated a number of programs that have helped improve the effectiveness, and perhaps efficiency, of land management and public service. Under the Service First program begun in 1996, the Forest Service, BLM, Fish and Wildlife Service, and National Park Service can use one another’s authorities, duties, and responsibilities to conduct joint or integrated programs or business operations to improve the agencies’ customer service, operational efficiency, and land management.³ For example, a Service First office in Durango, Colorado, has both Forest Service and BLM staff working jointly to manage recreation activities, grazing allotments, oil and gas exploration and production, and other resources to increase the effectiveness of land management. 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,

³The 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).

although the Colorado Service First offices have integrated aspects of their programs, the offices have to maintain two separate computer systems, one for the Forest Service and the second for BLM.

Many agency officials and experts we interviewed suggested that if the objective of a move is to improve federal 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. These officials and experts raised a range of other options, such as increasing collaboration and coordination, moving BLM to USDA, and creating a new department of natural resources. In addition to these options, a number of officials and experts believed 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 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.

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, Interior and USDA could implement some key merger and transformation practices to help manage any resulting disruptions and other transition costs.

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

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 is moved into Interior. The agencies' cultures stem in large part from their histories and have also developed as a result of each agency's level of autonomy within USDA or Interior. A number of officials said that the Forest Service has a fair degree of independence within USDA. For example, some agency officials said that the Forest Service budget does not receive as much attention or scrutiny as other USDA agency budgets. Because of cultural differences, many officials and experts believed that moving the Forest Service into Interior could lead to decreased morale and productivity. 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, while a move may leave Interior employees feeling threatened, worrying that because of its size, the Forest Service would dominate Interior; they too may resist a move.⁴ According to many officials and experts, the agencies may also 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.

The consolidation of Interior's National Biological Service into the United States Geological Survey (USGS) offers one illustration of possible cultural implications of moving the Forest Service into Interior. The National Biological Service was created in 1993⁵ to gather, analyze, and disseminate biological information necessary for the sound stewardship of the nation's natural resources. In 1996, the agency was merged into USGS. 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. According to this official, the transition into USGS took 4 to 5 years, and more than a decade afterward, some employees still question the move. We previously reported that it can take at least 5 to 7 years to fully implement initiatives

⁴Currently, the Forest Service has about 29,000 permanent employees compared with a total of about 54,000 permanent employees in Interior, whose largest agency is the National Park Service, with about 16,000 permanent employees.

⁵The agency was originally named the National Biological Survey but was renamed the National Biological Service in 1995.

to merge or transform organizations and sustainably transform their organizational cultures.⁶

Organizational factors could also complicate a transition, including 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. USDA and Interior are both cabinet-level departments organized under politically appointed Secretaries and Deputy Secretaries, but the organizational structures of the departments differ at the next levels. 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.

Effects on Interior functions and the need to integrate systems would also complicate a move. Adding about 29,000 Forest Service employees to Interior would likely increase the workload at the departmental level and strain shared departmental resources. Furthermore, integrating the Forest Service's reporting, budgeting, acquisition, and other processes and systems into Interior's would be difficult, time-consuming, and costly, according to many experts and officials. 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.⁷ Some officials believed, however, that the timing is opportune to move the Forest Service because Interior and USDA are both moving to new financial management systems and the agency could be merged into Interior's new financial system without further investment in USDA's

⁶GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

⁷According to officials, costs to plan and acquire shared USDA systems totaled almost \$180 million through fiscal year 2008.

system. In contrast, other officials said 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.

The Forest Service is the largest agency in USDA in terms of employees, and many agency officials and experts noted that moving would affect not only Interior but USDA and its other agencies. For example, the Forest Service pays a large share of USDA's overhead charges; therefore, a move would affect these expenses and economies of scale within the department. Further, moving the Forest Service out of USDA could affect its relationship with the Natural Resources Conservation Service (NRCS) and other agencies in the department. The Forest Service and NRCS coordinate providing technical assistance to private foresters and other land conservation activities. The Forest Service also works with other agencies in USDA, including the Animal and Plant Health Inspection Service.

Legal issues would also need to be resolved if a move were to take place. 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 these laws should be examined and may need to be reconciled if a move took place. Even in areas in which the Forest Service and Interior agencies operate under the same laws, they have sometimes received different legal opinions from USDA's Office of General Counsel and Interior's Office of the Solicitor. 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. The authorizing legislation would need to allow Interior flexibility and time to change and deal with these details, one expert said.

Additional legal factors needing consideration include tribal issues, congressional committee jurisdiction, and interest groups. In some cases, treaties with Native American tribes have assured tribal governments certain "reserved rights"—such as rights for grazing, hunting, fishing, trapping, and water—on former tribal land now part of present-day 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. 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. While 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.

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,⁸ and the experts and officials we interviewed mentioned several of them. For example, one key practice is to ensure that top leadership drives the transformation. 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. We also reported in the past that a move must be closely managed with implementation goals and a timeline and that creating an effective strategy for continual communication is essential. Some officials said that agency leaders would need to communicate extensively with stakeholders and agency employees if the Forest Service is to be moved, which could put some employees at ease and mitigate disruptions from decreased morale and productivity.

Concluding Observations

A move of the Forest Service into Interior would be no small undertaking. Organizational transformations are inevitably complex, involving many factors and often creating unintended consequences. Further, these transformations can take many years to achieve. 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. Significant large-scale challenges to federal land management, such as climate change, energy production, dwindling water supplies, wildland fire, and constrained budgets, suggest

⁸[GAO-03-669](#).

the need to approach these problems innovatively. If a move were undertaken, adequate time and attention would need to be devoted to planning for and implementing key merger and transformation 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 these key practices.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have at this time.

GAO Contact and Staff Acknowledgments

For further information about this testimony, please contact me at (202) 512-3841 or at nazzaror@gao.gov. Contact points for our Offices of Public Affairs and Congressional Relations may be found on the last page of this report. Ulana Bihun, David P. Bixler, 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 statement.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548