

**Statement by  
Robert Bonnie  
Under Secretary for Natural Resources and Environment  
Before the House Committee on Agriculture  
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Mr. Chairman, Ranking Member, and distinguished members of the Committee, thank you for the opportunity to appear before you today to discuss the role of the Natural Resources Conservation Service (NRCS) and the Forest Service at the U.S. Department of Agriculture. My testimony today will focus on Farm Bill implementation; wildfire response; and strengthening rural communities through voluntary conservation, resilient landscapes and recreational opportunities.

**Farm Bill Implementation**

Implementation of the 2014 Farm Bill is a priority across USDA. The new Farm Bill delivered a strong conservation title that makes robust investments to conserve and support America's working lands and consolidates and streamlines programs to improve efficiency and encourage participation. For the Forest Service, the Farm Bill expanded current authorities and provided several new authorities including Good Neighbor Agreements, expanded insect and disease designations under the Healthy Forest Restoration Act, and permanently reauthorized stewardship contracting. NRCS is focusing on implementation of the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), Regional Conservation Partnership Program (RCPP), and Voluntary Public Access and Habitat Incentive Program (VPA-HIP).

*Expanded Insect and Disease Designations*

The 2014 Farm Bill added authority to the Healthy Forest Restoration Act to authorize designation of insect and disease treatment areas and provide a categorical exclusion (CE) for insect and disease projects on areas as large as 3,000 acres. The Forest Service has designated approximately 52 million acres in 37 states under the authority. Currently, 36 projects have been proposed under the provision; the Forest Service intends to use the CE for 30 of the projects. The Forest Service is preparing Environmental Assessments for 5 projects, and an

Environmental Impact Analysis Statement for the remaining project.

### *Good Neighbor Agreement Authority*

The Forest Service completed the requirements under the Paperwork Reduction Act to approve the new Good Neighbor Agreement templates that will be used to carry out projects with the States. The Forest Service worked closely with the States to collaboratively develop the new templates, which were approved by the Office of Management and Budget on June 24, 2015. Since then, the agency has entered into agreements with the states of Wisconsin, Pennsylvania, Utah, Michigan, Texas, New Hampshire, California, Alabama, Minnesota, Wyoming and Colorado to implement projects to carry out timber sale, hazardous fuels, habitat improvement and other restoration projects in those States.

### *Stewardship Contracting*

The permanent authority for stewardship contracting provided by the Farm Bill is fundamentally the same as the stewardship contracting authority the FS and BLM have implemented for more than 10 years. The final rule to implement the permanent authority was published on January 22, 2016.

Traditional timber sale contracts will continue to be a vital tool for the Forest Service in accomplishing management of the National Forests. At the same time, stewardship contracting is helping the Forest Service achieve land and natural resource management goals by funding forest health and restoration projects, stream restoration, hazardous fuel removal, and recreation improvements. In many areas, stewardship contracting will allow the agency to build larger projects, treating more acres, with broader public support. Key accomplishments in FY 2015 utilizing Stewardship Contracting include:

- 6,569 acres of forest vegetation established,
- 13,968 acres of wildland-urban interface (WUI) hazardous fuels treated,
- 24,276 acres of non-WUI hazardous fuels treated, and
- 40,726 acres of terrestrial habitat enhanced.

Additionally, the Farm Bill required the agency develop a fire liability provision that is available for use in all stewardship contracts and agreements within 90 days of enactment. The fire

liability provision required by the Farm Bill will limit a contractor's liability from as a result of a non-negligent fire. The fire liability clause was published in the Federal Register on May 22, 2014 as an interim final rule, making it immediately available for use. The final fire liability clause was published in the Federal Register on February 12, 2016 and was effective beginning March 14, 2016.

### *Conservation Stewardship Program*

Since CSP was authorized by the 2008 Farm Bill, the program has become a major force for agricultural conservation, and it continues to inspire action to enhance America's natural resources. Private or Tribal agricultural land and non-industrial private forestland is eligible, unless it is enrolled in the Conservation Reserve Program (CRP), ACEP-Wetlands Reserve Easements, or the Conservation Security Program. With the FY 2015 sign up enrollment of about 7 million acres, the total acreage of lands now enrolled in CSP exceeds 67 million acres, about the size of Iowa and Indiana, combined. In FY 2015, 55 percent of the 2010 contracts were renewed for another five year term building on the conservation benefits gained from the initial contracts.

The CSP Final Rule was published last week, reflecting statutory changes to the acreage enrollment cap, stewardship levels, contract modifications, and CRP and certain easement land eligibility. NRCS received nearly 500 individual comments; most related to small operations having access to the program, minimum payments, contract rates, and stewardship thresholds.

### *Environmental Quality Incentives Program*

Through EQIP, producers addressed their conservation needs on nearly 10 million acres in FY 2015. EQIP provides financial and technical assistance to agricultural producers to help plan and implement conservation practices that address natural resource concerns. Conservation practices are designed to improve soil, water, plant, animal, air and related resources on private and Tribal agricultural land, and non-industrial forestland In FY 2015, over \$861 million was obligated in nearly 33,000 contracts to support this conservation work. EQIP has been instrumental in

helping communities respond to drought as well, including \$20 million in 2015 for addressing drought related resource concerns across the West.

The EQIP Interim Rule was published in December 2014, reflecting statutory changes to incorporate the purposes of the former Wildlife Habitat Incentive Program and address the payment limitation and irrigation history waiver authority, advance payments for historically underserved producers, and preferences to certain veteran farmers and ranchers. NRCS received over 330 individual comments; most related to the irrigation history, confined animal feeding operations, EQIP plan of operations, program administration, payment rates and limitations, application selection, and funding levels for wildlife practices. The final rule is targeted for publication in Spring 2015.

#### *Conservation Innovation Grants*

Conservation Innovation Grants (CIG) are a component of the EQIP. These grants stimulate the development and adoption of innovative conservation approaches and technologies, while leveraging the Federal investment in environmental enhancement and protection in conjunction with agricultural production. CIG is used to apply or demonstrate previously proven technology in order to increase adoption with an emphasis on opportunities to scale proven, emerging conservation strategies. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations. In 2015, NRCS invested \$20.5 million in 45 Conservation Innovation Grants (CIG), leveraging over \$20 million in non-Federal matching funds. Many of these projects use a systems approach to solving water quality problems such as reducing nitrogen and phosphorus in Western Lake Erie Basin and the Mississippi River Basin. Last week, NRCS announced the availability of \$20 million in CIG funding for 2016, with up to \$2 million set aside for projects targeted to historically underserved and veteran farmers and ranchers, beginning farmers and ranchers, and those with limited resources.

#### *Agricultural Conservation Easement Program*

Landowners participating in the Agricultural Conservation Easement Program (ACEP) enrolled an estimated 116,596 acres of farmland, grasslands, and wetlands through 490 new ACEP

easements (138 Agricultural Land Easements parcels, 68,895 acres and 209 Wetlands Reserve Easement , 46,338 acres) with the \$332 million in FY 2015 funding.

The ACEP Interim Rule was published in February 2015, reflecting statutory changes to consolidate the purposes of Farm and Ranch Lands Protection Program, Grassland Reserve Program (easement component only), and Wetlands Reserve Program and address the certification process for ACEP-Agricultural Land Easements; authority to subordinate, modify, or terminate an easement; grasslands of special environmental significance; and the agricultural land easement plan. NRCS is currently evaluating public comments and finalizing development of recommendations for the final rule before it proceeds in the regulatory review process. We expect to publish the final rule this Spring.

#### *Regional Conservation Partnership Program*

The RCPP created a new platform for engaging partners and leveraging the Federal conservation investment. RCPP promotes coordination between NRCS and partners to deliver conservation assistance to producers and landowners. NRCS provides assistance to producers through partnership agreements and through program contracts or easement agreements. Now in its second year, RCPP has demonstrated high demand, with over 2,000 partners leading nearly 200 projects nationwide. All told, in the first two years of the program, NRCS will have invested about \$500 million while another \$900 million is being brought in by partners to address locally defined, nationally significant natural resource issues. NRCS recently announced availability for the 2016 round of RCPP funding.

#### *Voluntary Public Access and Habitat Incentives Program*

The VPA-HIP assists States and Tribes to increase public access to private lands for wildlife-dependent recreation, such as hunting, fishing and hiking. In FY 2014, NRCS made \$20 million available for VPA-HIP awards and was able to fund 10 of the 30 proposals received. In February 2015, NRCS announced the availability of another \$20 million for VPA-HIP projects. Project selections were announced on August 17 and funding was used to award grants to projects in 15 States.

### *Mitigation Banking Program*

The Mitigation Banking program provision will be implemented directly through an announcement of program funding. On January 28<sup>th</sup>, NRCS announced up to \$9 million in funding. Applicants (States, non-governmental organization, for-profits companies, Tribes) have 60 days, through March 28<sup>th</sup>, to submit proposals to develop and operate wetland mitigation banks, or to modify existing banks to better serve agricultural producers.

In addition to the major rule changes discussed above, minor statutory changes to Technical Service Providers; State Technical Committees; Healthy Forests Reserve Program; Small Watershed Program; Regional Equity; VPA-HIP, and Agricultural Management Assistance were published in a consolidated Interim Final Rule in August 2014. The few public comments received were addressed in the final rule published in April 2015.

### **Managing Wildland Fires**

Increasingly severe fire seasons are one of the greatest challenges facing the Nation's forests. Last year, a total of 68,151 fires burned over 10.1 million acres across all ownerships in the United States. We spent 24 days at National Preparedness Level 5 -- the highest level -- meaning all available ground and air assets were committed to priority work. The Forest Service, in coordination with our fire response partners, mobilized thousands of firefighters along with numerous airtankers, helicopters, fire engines and other assets through our integrated, interagency suppression efforts. Every State and Puerto Rico, along with the military and international support, provided people and equipment last season to respond to the severe fire activity. Last year's fires destroyed over 4,600 structures; however, the greatest losses involved the fatalities of 13 wildland firefighters who made the ultimate sacrifice to protect the lives of others. The Forest Service will continue to collaborate with its Federal, State, local, and Tribal governments, partners, and stakeholders on the implementation of the National Cohesive Wildland Fire Management Strategy.

The Forest Service has one of the most effective fire organizations in the world and continues to keep almost 98 percent of the wildfires we fight very small. However, the few fires that do escape initial response tend to grow much larger far more quickly than ever before. As

documented in the 2015 Rising Cost of Fire report,<sup>1</sup> the cost of fire suppression has soared in the past 20 years and is having a debilitating impact on the Forest Service budget and non-suppression activities of the Forest Service.

As noted in our report last year, the growth of fire from 16% of the agency's budget to more than 52%, before transfer, in FY2015 is putting the agency in an untenable position. Major shifts in financial resources and in staff capacity, with non-fire staff down 39% as a result of the increasing costs of fire suppression, are having a real impact on our ability to fulfill our mission of caring for the land and serving people. It impacts the acres we can restore, the timber projects we can plan, the trails we can maintain, the communities we can protect, and so much more. The fire suppression cap adjustment proposal in our budget request would prevent fire transfers and maintain capacity for other programs.

### *Restoring Fire-Adapted Ecosystems*

Fire plays a beneficial role in maintaining the ecological stability of many landscapes, and the Forest Service is working with partners to restore healthy, resilient, fire-adapted ecosystems. Our goal, especially near homes and communities, is to prepare forests and grasslands to resist stresses such as drought and recover from disturbances, including wildfires. Our large-scale restoration projects are designed in part to restore fire-adapted forest types across large landscapes, including the reintroduction of periodic wildland fire where safe and effective.

Developing new markets for the low-value woody materials we remove during restoration and hazardous fuels treatments will help offset the costs of these activities while providing new revenue streams for private landowners and remains a top priority for the Forest Service. We will continue to provide grants and other forms of assistance for wood-to-energy initiatives, and to help projects compete for other sources of funding. We will also provide technical assistance to help facilities that convert wood to energy become or remain financially viable.

### **Strengthening Rural Communities through Voluntary Conservation, Resilient Landscapes and Recreational Opportunities**

Our National Forest System presents a range of recreational opportunities to connect people with

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<sup>1</sup> <http://www.fs.fed.us/about-agency/budget-performance/cost-fire-operations>

nature in an unmatched variety of settings and through a plethora of activities. Spending by visitors engaging in recreation activities, including skiing, hiking, hunting, and fishing, supports more jobs and economic output than any other activities on the National Forest System. In 2012, outdoor recreation on the National Forest System supported around 190,000 jobs and contributed about \$13 billion to the Nation's gross domestic product.

Through work on the 193 million acres of National Forest System lands, the timber and forest products industries, livestock producers, and minerals/energy production collectively support about 118,000 jobs. Each year, these industries contribute about \$11.5 billion to America's gross domestic product. In rural areas in particular, these uses deliver sustained social and economic benefits to communities.

The Forest Service works to build thriving communities across the Nation by providing communities with the many economic benefits that result from sustainable multiple-use management of the national forests and grasslands, helping urban communities reconnect with the outdoors, and expanding the benefits that both rural and urban residents get from outdoor recreation. Jobs and economic benefits stem from our administration of the National Forest System, including its multiple uses, as well as from investments in the activities, access, and infrastructure needed to deliver essential public services such as clean water, electrical power, and outdoor recreational experiences.

NRCS is helping producers improve their natural resources and strengthen their communities. The right conservation practices put in the right places are an effective means to achieve cleaner more abundant water for farmers, ranchers, communities, and wildlife. Using Farm Bill programs through the Mississippi River Basin Initiative (MRBI), NRCS has invested significantly in high-priority water quality projects in the Basin delivering on the ground benefits. For example, as a result of MRBI conservation efforts, Arkansas was able to remove two stream segments from the State's Clean Water Act 303(d) impairment designation. Working with partners and using Farm Bill tools, farmers, ranchers and other landowners have helped remove nine more streams from Oklahoma's 303(d) list of impaired streams in 2014. Oklahoma ranks second in the nation for Environmental Protection Agency-recognized water quality success stories. In the region overlying the Ogallala Aquifer in the Central Plains, Farm Bill programs have allowed NRCS to partner with farmers to install water conservation practices that

conserved an estimated 1.5 million acre-feet of groundwater over four years, or enough water to provide annual water needs for about 3.3 million households.

If the widespread drought has shown us anything, it is the value of crop resilience through good soil health management systems. Using Farm Bill programs, NRCS has been accelerating adoption of soil health practices and helping producers build resilience in their production systems. Soil health management systems help increase organic matter, reduce soil compaction, improve nutrient storage and cycle and increase water infiltration and water availability to plants. These benefits lead to greater resiliency to adverse conditions but also boost yields. For example, a national survey of farmers documented an increase in yields of nine percent for corn following cover crops and 10 percent for soybeans after cover crops.

The StrikeForce for Rural Growth and Opportunity initiative targets Farm Bill programs in persistent poverty communities to assist farmers and ranchers in achieving economic and environmental objectives. Since 2010, NRCS and other USDA agencies have focused assistance and outreach in over 970 counties, parishes, boroughs, and census areas, and in Indian reservations in 26 States. In FY 2015 alone, NRCS invested \$318 million in partnership with producers in high-poverty communities to help their operations be more economically successful and environmentally sustainable. For example, NRCS in partnership with Tuskegee University has invested about \$1 million to help nearly 40 producers in Alabama StrikeForce counties to incorporate innovative practices on their farming operations, including retro-fits for current irrigation systems, new wells, solar powered wells, and drip irrigation systems that will make their operations more productive and sustainable.

## **Conclusion**

We are now facing some of the greatest ecological challenges in our history: invasive species, climate change effects, regional drought and watershed degradation, fuel buildups and severe wildfires, habitat fragmentation and loss of open space, and devastating outbreaks of insects and disease. In response, we are working with our public and private partners to increase the pace and scale of ecological restoration and promote voluntary conservation that is creating healthy,

resilient landscapes capable of sustaining and delivering clean air and water, habitat for wildlife, opportunities for outdoor recreation, and providing food and fiber for the world. The Forest Service and NRCS provide the programs and services that help strengthen agriculture, the environment, and rural economies.