

**Statement by
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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 has been and will continue to be 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 received letters from 36 States requesting designations under the insect and disease provisions and in response the Forest Service Chief designated approximately 46.7 million acres of National Forest System lands. Currently, 20 projects have been proposed under the provision; the Forest Service intends

to use the CE for 16 of the projects and streamlined Environmental Assessments for the remaining four. The initial 16 projects will help the agency and its partners better understand and implement the new CE authority while additional projects are proposed, planned, and authorized. The Forest Service expects that planning and implementation of projects within designated areas will expand in FY 2015 and beyond.

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 Pennsylvania, Utah, and Wisconsin to carry out forest, rangeland and watershed health activities on the national forests in those States.

Stewardship Contracting

The Farm Bill also provided permanent authority for stewardship contracting. 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. Since 2008, acres treated through stewardship contracts and agreements have nearly tripled.

Conservation Stewardship Program

Since CSP started in 2009, the program has become a major force for agricultural conservation, and it continues to inspire action to enhance America's natural resources. All 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. In FY 2014, NRCS enrolled about 9.6 million acres and now CSP enrollment exceeds 60 million acres, about the size of Iowa and Indiana combined.

The CSP Interim Rule was published in November 2014, 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. We expect to publish the final rule this fall.

Environmental Quality Incentives Program

Through EQIP, producers addressed their conservation needs on over 11 million acres in FY 2014. 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 Tribal land, agricultural land, and non-industrial private forestland. In FY 2014, over \$928 million was obligated in nearly 40,000 contracts to support this conservation work. EQIP has been instrumental in helping communities respond to drought as well, allocating \$20million in 2015 for drought 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 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 Fall 2015.

Conservation Innovation Grants

Conservation Innovation Grants (CIG) are a component of the EQIP. They 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 September 2014, NRCS awarded \$15.7 million in CIG to 47 organizations that will help to accelerate innovation in private lands conservation. The FY 2015 Funding Announcement was released in January 2015 offering up to \$20 million. Project selection is targeted for early Fall 2015.

Agricultural Conservation Easement Program

Landowners participating in the Agricultural Conservation Easement Program (ACEP) enrolled an estimated 143,833 acres of farmland, grasslands, and wetlands through 485 new ACEP easements (88,892 acres in Agricultural Land Easements, and 54,941 acres in Wetland Reserve Easements) with the \$328 million in FY 2014 funding. In FY 2015, \$332 million is available in ACEP for the purchase of conservation easements to provide long-term protection of agricultural and wetland resources.

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 developing recommendations for the final rule. We expect to publish the final rule this winter.

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. The first RCPP announcement of over \$370 million in program funding was rolled out on May 27, 2014. Following a rigorous two-stage competitive process, 115 high-impact projects across all 50 States and the Commonwealth of Puerto Rico were selected in January 2015. Of those projects, \$84 million is being used to fund high-impact conservation projects focused on water quantity

and other drought-related resource concerns. The funded projects support many activities, from helping farmers improve their resilience to drought to protecting drinking water supplies. Partners brought forward an estimated \$400 million in their own contributions for a total investment of nearly \$800 million that will go to improve the Nation's water quality and supply, support wildlife habitat and enhance agricultural production and the environment. The FY 2016 funding announcement was released in May 2015, making available up to \$235 million for new agreements. This round of RCPP will have an even greater emphasis on partnerships, leveraging, and diversity to achieve innovative solutions to locally identified issues. Selected pre-proposal applicants were notified on September 4th if their project was invited back for full proposal submission.

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. The implementation approach is being finalized with an expected announcement in early Fall 2015.

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. Already this fire season, we have spent weeks at National Preparedness Level 5 -- the highest level -- meaning all available ground and air assets are committed to priority work. Severe drought across the west has increased fire severity in several states. Washington State, among others, has recorded a record season of severe wildfires. Drought-ridden California has also experienced tremendous fire activity. 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, has provided people and equipment this season to respond to the severe fire activity. 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 a recently released report,¹ 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.

In 1995, fire made up 16 percent of the Forest Service's annual appropriated budget—this year, for the first time ever, more than 50 percent of the budget will be dedicated to fire. Along with this shift in resources, there has been a corresponding shift in staff, with a 39 percent reduction in all non-fire personnel. Left unchecked, the share of the budget devoted to fire in 2025 could exceed 67 percent.

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

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

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 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.

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 880 counties, parishes, boroughs, and census areas, and in Indian reservations in 22 States. In FY 2014 alone, NRCS invested \$286 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.