



## **Department of the Interior Office of Inspector General**

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### **Progress Made in Planning and Partnering, but Improvements Needed in Key Program Performance Areas**



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## **Hazardous Fuels Reduction Program Department of the Interior**

**Report No. W-IN-MOA-0002-2005  
April 2006**

#### Description of Cover Photographs – Clockwise from Top Right

- A healthy forest absent of thick, dried-out brush —*Photo courtesy of Arizona Industries of the Future website*
- Prescribed fire to remove salt cedar trees (highly flammable invasive trees) along the Rio Grande River —*Photo courtesy of Leroy Saavedra, U.S. Fish and Wildlife Service*
- Hand/mechanical thinning project —*Photo courtesy of Karen Wattenmaker*



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, DC 20240

April 17, 2006

## Memorandum

To: P. Lynn Scarlett  
Deputy Secretary

From: Earl E. Devaney  
Inspector General

A handwritten signature in blue ink that reads "Earl E. Devaney".

Subject: Final Report – *Hazardous Fuels Reduction Program, Department of the Interior* (Report No. W-IN-MOA-0002-2005)

This report presents the results of our audit of the Department of the Interior's (DOI) Hazardous Fuels Reduction (HFR) Program. Our objective was to review DOI's progress in implementing fuels reduction projects to reduce the risk of catastrophic wildfire. We compared objectives and discussed results with the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG) staff, who will also be issuing a report on the U.S. Forest Service's (USFS) HFR Program. We undertook our audit to respond to Administration and Congressional concerns about the effectiveness of HFR Program results and coordination between DOI bureaus and USFS. DOI has also identified wildland fire risk reduction as a critical issue in meeting its mandate to protect lives, property, and resources. The objective, scope, and methodology of our audit are detailed in Appendices 1 through 3.

We are pleased to report that DOI has made progress in implementing its HFR Program to help reduce the risk of catastrophic wildfires. DOI's land management bureaus, working with USFS, have established the broad framework and partnerships essential to address wildland fires, including implementation of HFR projects, which has also been reported by the Government Accountability Office (GAO) in recent reports. Achievements include:

- Developing a National Fire Plan and initiating data research and modeling systems that more precisely identify areas threatened by wildfires and target reduction efforts.
- Establishing priorities for protecting communities.
- Executing numerous interagency collaborative agreements.
- Creating the Wildland Fire Leadership Council representing the voices and expertise of all levels of government—federal, state, tribal, and local.

## Reducing the Risk of Catastrophic Wildfires

Approximately 100,000 wildfires occur yearly on federal and state lands. Some are catastrophic, such as the 2003 Southern California fires that burned about 750,000 acres, destroyed over 3,600 homes, and killed at least 20 people. In recent years, the need to reduce the risk of catastrophic wildfires has taken on new urgency, as growing numbers of people choose to live in wildland urban interface areas adjacent to rangelands and forests.

Many of these lands contain a high buildup of vegetation, which presents an immediate fire hazard. Fueled by thick, dried-out brush and trees and often driven by high winds, fires in these areas are difficult to extinguish and can quickly become uncontrollable blazes that threaten lives and property. Federal researchers estimate that hazardous fuels exist on about 190 million acres of federal lands in the contiguous United States and on an unknown number of non-federal lands.



*Photo courtesy of the California Department of Forestry and Fire Protection*

One of the goals of DOI's HFR Program is to reduce the threat of wildland fires by removing these hazardous fuels. DOI plans about 4,000 HFR treatments annually to reduce hazardous fuels through controlled, or prescribed, burns (wildland fires set under pre-defined conditions to accomplish certain planned objectives); mechanical harvests; chemical treatments; or a combination of these methods. The treatments are conducted or contracted out by BLM, BIA, NPS, and FWS—and by USFS. Funding for DOI's HFR Program totals about \$190 million a year.



The Secretaries of Interior and Agriculture are striving to meet Congressional and Administration mandates to develop a coordinated response to severe wildland fires and establish the collaborative structure needed to meet HFR Program goals. To assist in their efforts, we identified improvements that DOI can make in three key performance areas—Measuring Risk Reduction, Contracting for Hazardous Fuels Reduction Projects, and Coordinating with USFS—to advance the effectiveness of the Program. We made five recommendations, which, if implemented, should improve performance in these areas.

## ***Improvements Needed in Key Performance Areas***

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### **Measuring Risk Reduction**

Fuels reduction treatments are based on the assumption that they will reduce the risk of wildland fires. At the present time, however, neither DOI bureaus nor USFS has a standard methodology for quantifying risk reduction. Both DOI and USDA use acres treated as the measure to report HFR Program accomplishments to Congress under the Government Performance and Results Act. This measure has several weaknesses in that it does not:

- Focus on outcome (reduction of wildland fire risk), but rather focuses on output (number of acres treated).
- Take into account the costs and difficulty of treating different types of vegetation (e.g., grasslands, chaparral, and forests) on different topographies (e.g., plains, hills, and mountains).
- Distinguish between initial fuels reduction treatments and additional treatments on the same lands needed to maintain the desired level of fire risk. Unless initial and maintenance treatments are tracked and reported separately, USDA, DOI, and Congress will be unable to determine what progress is being made in reducing the risk for wildfires. This distinction will become more important as initially treated land increases and maintenance funding requests grow.

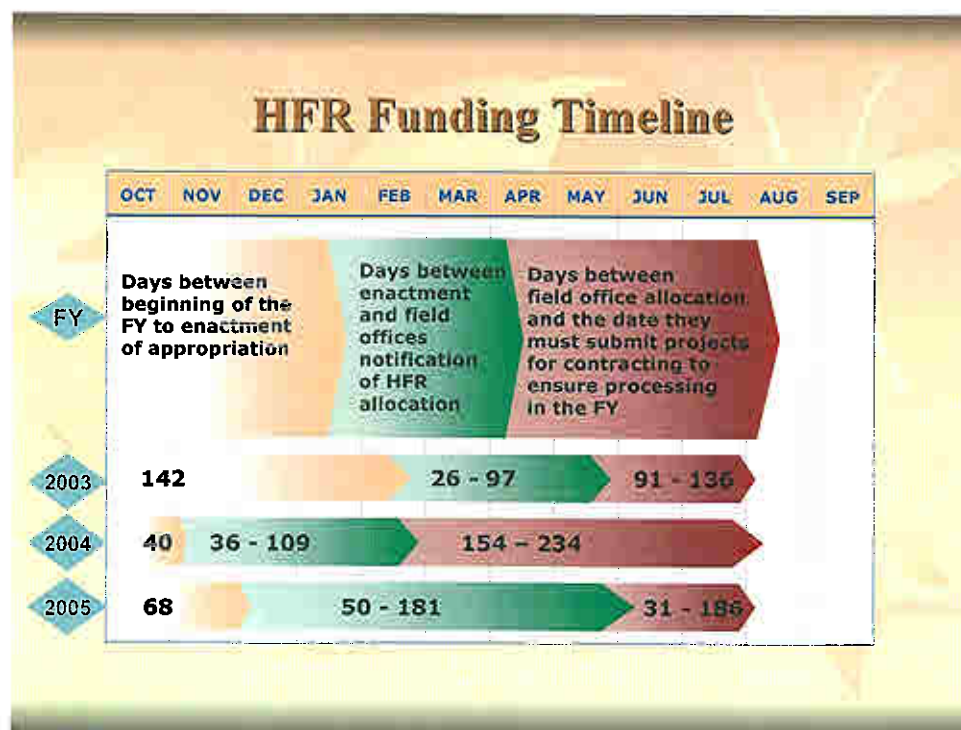
The focus on acres treated could also result in an incentive to meet annual HFR Program goals by treating less costly acres rather than acres providing the greatest risk reduction. Similar weaknesses with the acres-treated measurement have also been reported by GAO, DOI land management bureaus, and partnering organizations (Appendix 2). USDA's OIG staff informed us that they will also address weaknesses with the acres-treated measurement in an upcoming report.

### **Contracting for Hazardous Fuels Reduction Projects**

Delays inherent in the appropriations process and current budgetary and carryover policies impede the ability of DOI's four land management bureaus—Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), and

U.S. Fish and Wildlife Service (FWS)—to contract fuels reduction projects in the first and second quarters of the fiscal year (October through March). This period represents an excellent time to contract and conduct HFR projects because the fire and tourist seasons are generally over, and staff are available to work on such projects.

Although DOI has no control over enactment of its appropriation (which has taken between 40 to 142 days after the start of the fiscal year), it does control the time it takes to make funds available to field offices, a process that can take weeks to months<sup>1</sup> (Figure 1). Field offices often do not receive funds until approximately mid-year, which may be after the fire season has begun, and seldom begin processing HFR project contracts until funds are available. Project contracting is further restricted by fiscal year-end contract processing cut-off dates.



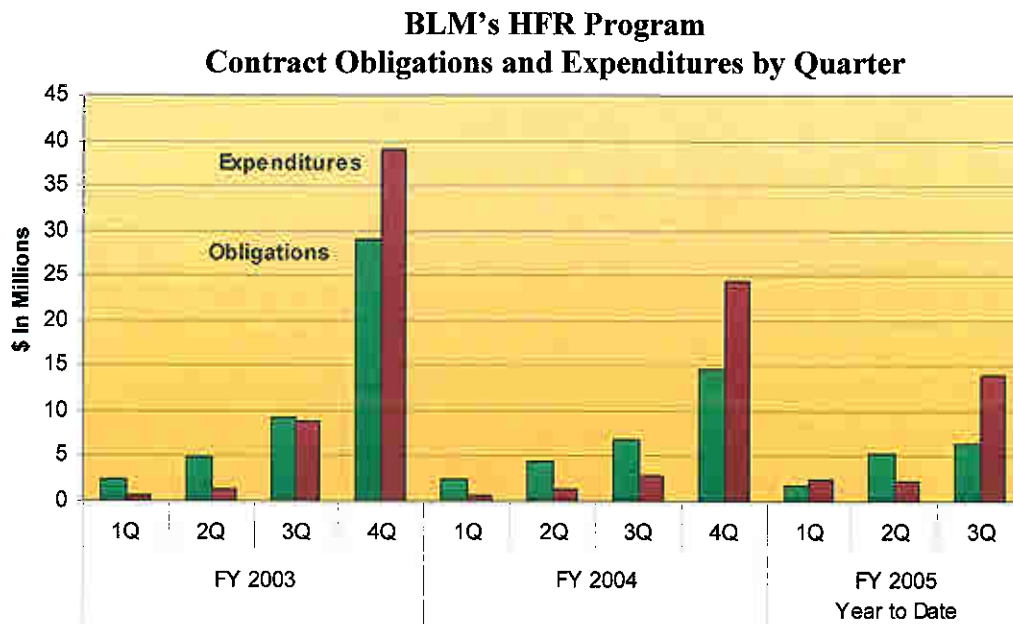
**Figure 1**

DOI also does not take full advantage of the program funding flexibility provided by Congress. Although HFR funds are no-year funds and are thus available until expended, DOI bureaus, in effect, treat these funds as one-year monies. Budgetary field staff told us that this practice was the result of sizeable carryovers in fiscal years 2002 and 2003, when bureaus were staffing up and did not have the resources to fully execute the HFR Program.<sup>2</sup> These carryovers led to the Departmental concern that the Program would be perceived as overfunded. As a result, bureaus tried to minimize carryovers; BLM, for example, attempts to limit its carryover to 2 percent. We understand the importance of managing Program funds, but unduly

<sup>1</sup> HFR funds are part of Wildland Fire Management funds, which initially go into a single account to be subdivided and distributed among participating bureaus and then allocated to respective regional, state, and field offices.

<sup>2</sup> \$56.2 million (30 percent of the fiscal year 2002 total amount) from fiscal years 2002 to 2003 and \$13.2 million (7 percent of the fiscal year 2003 total amount) from fiscal years 2003 to 2004.

limiting carryover funds does not provide the operational continuity within fiscal years needed to conduct a balanced HFR Program (Figure 2). Exacerbating the carryover issue is DOI's program management goal that 50 percent of funds allocated for HFR projects are used for contracted projects versus projects performed in-house.



Source: Information provided by BLM, which comprises nearly 50 percent of the HFR funding for fiscal years 2003 through 2005. BIA, NPS, and FWS staff stated that they experienced similar obligation trends.

**Figure 2**

These fiscal and administrative impediments have resulted in the majority of Program contract obligations and expenditures being incurred in the third and fourth quarters of the fiscal year (Figure 2). This boom/bust cycle places an undue burden on staff to process the vast majority of the annual contract workload in a compressed time frame. This cycling can also result in (1) decreased competition among a limited pool of vendors in geographic areas, (2) compressed time frame for contractor performance to enable bureaus to meet annual performance goals, and (3) revised project priorities or funding to meet annual acreage goals. While staff have attempted, with some success, to streamline the contracting process and expedite project work, these actions do not address the compressed contracting time frames that continue to adversely affect project contracting.

### **Coordinating with USFS**

The coordination and collaboration between DOI bureaus and USFS for HFR activities, particularly prescribed burns, have not occurred as envisioned in the *Interagency Agreement for Fire Management (Agreement)*.<sup>3</sup> As evidenced in the 2000 Cerro Grande (Los Alamos) wildfire<sup>4</sup>

<sup>3</sup> This Agreement between BLM, BIA, NPS, FWS, and USFS was intended to facilitate cooperation in a full spectrum of wildland fire management activities.

in New Mexico, prescribed burns can rage out of control and result in catastrophic wildfires. GAO identified the need for more effective coordination and cooperation between firefighting agencies before a prescribed burn is started as one of the critical “lessons learned” from this fire. Under the 2002 revision to the *Agreement*, DOI and USDA agreed to establish and fund accounts to assist each other in carrying out HFR activities to save time, funding, and paperwork and minimize cross-billing to the extent possible in conducting these activities. USFS, however, has not established and funded the required accounts and instead bills DOI bureaus for services rendered. This billing adversely affects DOI bureaus as follows:

- It adds yet another administrative obstacle to the already time-consuming process of planning, coordinating, and conducting prescribed burns, which are weather and resource dependent, making them more difficult, if not impossible, to accomplish within the short time frames available.
- It is inequitable to DOI, which provided resources to USFS at DOI expense, as stipulated in the *Agreement*, while at the same time reimbursing USFS for resources provided.
- It fails to live up to the spirit of the *Agreement*, which is to promote more efficient coordination between DOI and USFS.

Bureau staff have raised the issue of interagency assistance, and the issue was recently the subject of a briefing paper prepared by the National Interagency Fire Center’s Fuels Coordination Group for the Assistant Secretary for Policy, Management and Budget in May 2005.<sup>5</sup> The assistance issue has also been the subject of discussions at several federal, state, and local fuels coordination meetings. We believe the issue must be resolved as it has affected, or will soon begin to affect, interagency coordination.

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<sup>4</sup> The devastating Cerro Grande (Los Alamos) wildfire of 2000 began as an NPS 900-acre prescribed burn that got out of control, ultimately burning about 48,000 acres, destroying or damaging about 280 homes, and displacing over 400 families.

<sup>5</sup> The function of the National Interagency Fire Center’s Fuels Coordination Group is to assist and provide guidance in the development and implementation of an effective interagency fuels management program to address risks from severe fires in wildland urban interface communities and to restore healthy ecological systems in other wildland areas.



## ***Recommendations***

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We recommend that the Assistant Secretary for Policy, Management and Budget:

1. Develop performance measures, in coordination with USFS, that focus on outcomes (reduction of wildland fire risk), which include the costs and difficulty of treating different types of vegetation on different topographies.
2. Define performance reporting, in coordination with USFS, to separately identify and distinguish between initial fuels reduction and maintenance treatments to more accurately reflect progress made under the HFR Program.
3. Work with bureau program and budgetary staff to reduce the delay time between enactment of DOI's appropriation and the availability of HFR funds to field offices.
4. Fully use the program management flexibility provided by Congress through no-year appropriations to provide contracting continuity within fiscal years to conduct a balanced HFR Program.
5. Collaborate with USFS to implement either the established *Agreement* or an alternative solution to interagency coordination on fuels reduction that is consistent, equitable, and cost effective.

## ***Assistant Secretary for Policy, Management and Budget's Response and OIG Reply***

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In his March 28, 2006 response (Appendix 4), the Assistant Secretary for Policy, Management and Budget partially concurred with Recommendation No. 1 and concurred with Recommendations 2, 3, 4, and 5. With regard to Recommendation No. 1, the Assistant Secretary agreed that "performance measures could be improved, in particular regarding how treatments reduce the risk of wildland fire." He also agreed on the importance of developing these measures in conjunction with USFS and stated that DOI had been working with USFS in this regard. The Assistant Secretary also stated, however, that at the present time "the Department has no means of attaching costs to individual fuels treatments based upon vegetation and topography" and that to do so "would be a significant undertaking requiring years to implement and must be considered in a broader managerial context. . . ."

Although the Assistant Secretary stated concurrence, he did not focus on outcomes, which was the thrust of our recommendation. DOI must begin moving in this direction, and what is needed is an approach that uses data now readily available to develop performance measures that begin to link acres (the units of output) to risk reduction (outcome). We realize that development of a performance measure based on risk reduction is a long process that may take years to complete but believe that during the interim, DOI could begin working on a more outcome-based approach.

Based on the response, we consider Recommendation No. 1 to be unresolved and Recommendation Nos. 2 and 5 to be resolved but not implemented and have requested additional information for Recommendation Nos. 3 and 4. We are asking the Deputy Secretary to reconsider Recommendation No. 1 and will refer Recommendation Nos. 2 and 5 to the Assistant Secretary for the Office of Management, Policy and Budget for tracking of implementation. The status of our audit recommendations is shown in Appendix 5.

The legislation, as amended, creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our audit recommendations, and recommendations that have not been implemented.

Please provide a written response to this report by June 9, 2006. The response should supply the information requested in Appendix 5.

We appreciate the cooperation shown by DOI bureaus during our audit. If you have any questions regarding this report, please call me at (202) 208-5745.

cc: Assistant Secretary for Policy, Management and Budget  
Assistant Secretary for Indian Affairs  
Assistant Secretary for Water and Science  
Assistant Secretary for Land and Minerals Management  
Assistant Secretary for Fish and Wildlife and Parks

## ***Appendix 1 – Objective, Scope, and Methodology***

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The objective of the audit was to review progress in implementing HFR projects to reduce the risk of catastrophic wildfire. We conducted our audit from March to December 2005. The scope of the audit covered HFR Program activities from October 1, 2002, to June 30, 2005.

We conducted our audit in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. To accomplish the audit objective, we reviewed (1) applicable laws, regulations, and other criteria, such as the National Fire Plan, and (2) documents, including financial documentation, status reports, directives, and other data applicable to DOI's four land management bureaus. Additionally, we reviewed the following:

- DOI's Annual Report on Performance and Accountability for fiscal years 2003 and 2004, including information required by the Federal Manager's Financial Integrity Act. We determined that none of the reported weaknesses directly related to our audit objectives and scope of work.
- DOI's Strategic Plan for fiscal years 2003-2008, prepared in accordance with the Government Performance and Results Act, to determine the goals and measures related to the HFR Program. Two mission areas in the Strategic Plan—Resource Protection and Serving Communities—and their goals and measures address the reduction of hazardous fuels and the need to improve the level of scientific knowledge for more informed decision making. The measures, however, focused on outputs (acres treated) rather than on the desired outcome (reduction of wildland fire risk), which is discussed in the body of this report.
- Office of Management and Budget's (OMB) 2002 Program Assessment Rating Tool (PART) for the Wildland Fire Management Program, which includes the HFR sub-activity. OMB concluded that as a whole "*results were not demonstrated*" for the Wildland Fire Management Program. The PART identified that the HFR Program needed baseline information and that performance measures were vague and in need of greater definition. Performance measures are discussed in the body of this report.
- Internal controls of the HFR Program for DOI and its four land management bureaus and identified needed improvements related to measuring Program performance and reporting accomplishments, along with policy and administrative impediments, which are discussed in this report. Our recommendations, if implemented, should improve internal controls in these areas.

We also interviewed officials and staff from (1) DOI's Office of Wildland Fire Coordination; (2) the Fuels Coordination Group and other administrative and operational staff at the National Interagency Fire Center; and (3) fire management and administrative staff at BLM, BIA, FWS, and NPS state, regional, and field offices. In addition, we coordinated our audit with USDA's OIG audit of USFS's HFR Program. The organizations visited or contacted are shown in Appendix 3.

## Appendix 2 – Related Reviews

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### GAO

In the last 5 years, GAO has issued six reports addressing the HFR Program; four were applicable to our audit.

- January 2005. *Wildland Fire Management: Important Progress Has Been Made, but Challenges Remain to Completing a Cohesive Strategy* (GAO-05-147) summarized progress made by USFS, BLM, BIA, NPS, and FWS over the last 5 years on wildland fire issues, including HFR, and concluded that the agencies should develop a detailed blueprint of available and realistic long-term options and related funding to address wildland fire problems. GAO recommended that DOI and USDA provide Congress, in time for consideration of the agencies' fiscal year 2006 wildland fire management budgets, a joint tactical plan outlining the critical steps and time frames for completing a cohesive strategy identifying options and funding needed to reduce and maintain fuels at acceptable levels and address other wildland fire problems. DOI and USDA generally concurred with the recommendation, but stated that the recommended time frame for preparing the plan was too short.
- June 2004. *Wildland Fires—Forest Service and BLM Need Better Information and a Systematic Approach for Assessing the Risks of Environmental Effects* (GAO-04-705) reported that USFS and BLM, when planning HFR activities, did not have a systematic approach to assess the risks of environmental effects from wildland fires over larger geographic areas (landscapes) and therefore could not target HFR projects across landscapes or make informed decisions on alternative treatments. GAO recommended that USFS and BLM issue guidance formalizing a framework for systematically assessing landscape-level risks to ecosystems from wildland fires. DOI and USDA, in their consolidated response, agreed that more data were needed and project prioritization could be improved, but stated concerns about developing guidance on a single, common, risk-based approach for assessing risk.
- August 2003. *Wildland Fire Management—Additional Actions Required to Better Identify and Prioritize Lands Needing Fuels Reduction* (GAO-03-805) reported that USFS and DOI have not reliably identified the amount or location of high-risk lands and do not have a baseline to assess progress. GAO recommended funding the Landfire system to address this issue, as the lack of sufficient data at the national level to guide prioritization was deferring the issue to the local level.<sup>6</sup> The report also discussed the need to distinguish between the acres maintained and those receiving initial HFR treatments. DOI and USDA, in their consolidated response, indicated they were nearing a decision on whether to fund and implement Landfire. However, they expressed

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<sup>6</sup> Landfire is a 5-year, multi-partner wildland fire, ecosystem, and fuel mapping project. The intent of the project is to provide consistent nationwide fuel and vegetation data to help identify areas at risk because of fuel accumulation, prioritize HFR projects, and improve HFR treatment coordination between agencies. The system is not expected to be fully operational until 2009.



concerns related to distinguishing among the categories of fuels treatment when reporting accomplishments.

- January 2002. *Severe Wildland Fires—Leadership and Accountability Needed to Reduce Risks to Communities and Resources* (GAO-02-259) reported that USFS and DOI needed to clearly define their leadership and recommended that the Secretaries of Interior and Agriculture establish an interagency council. The report also identified weaknesses in measuring and reporting accomplishments necessary to make informed decisions. Recommendations to correct these weaknesses were influential in the creation of the Wildland Fire Leadership Council and the National Fire Plan Operations and Reporting System.

### **DOI, USDA, and Others**

- March 2005. First *Quadrennial Fire and Fuel Review Report*, prepared by the staff of DOI's and USDA's natural resource management agencies, the National Association of State Foresters, and partnering agencies within the wildland fire and emergency management communities, considered conditions affecting fire management for the next 10 to 20 years. Issues applicable to our audit included the potential undesirability of returning landscapes to their historical condition, the need to address maintenance acres and replace the current individual organizational target of acres treated with an interagency landscape perspective, and the future realignment of federal fire organizations as data become available to identify and prioritize the lands to be treated.
- March 2002. *May the Forest Be With You—A Management Review of the Departments of the Interior and Agriculture National Fire Plan Acquisition and Assistance Program*, issued by teams from BIA, BLM, NPS, FWS, USFS, and DOI's Office of Acquisition and Property Management, assessed the level of understanding of both Congressional intent and Administration direction among field managers and specialists. The report made recommendations on how DOI and USFS, in coordination with state and local stakeholders, could better comply with program requirements. Recommendations applicable to our audit were in the areas of limited window for contracting, "no-year" funding, delayed funding allocations, and accomplishment measures. Secretarial memorandums addressing contracting and funding allocation were issued subsequent to this report.

### **National Academy of Public Administration**

- From 2000 through 2004, the Academy issued at least six reports on wildland fires reporting on the adequacy of the 1995 Federal Wildland Fire Management Policy, the development of strategies for containing suppression costs, and the need to address the buildup of hazardous fuels. The Academy's recommendations to establish a national group to better support implementation and coordination of the Federal Wildland Fire Management Policy resulted in the Wildland Fire Leadership Council, established in April 2002. In January 2004, the Academy recommended accelerated development and deployment of the Landfire system to assist in performance reporting. In addition, the

Academy recommended the development of outcome-oriented measures for assessing progress in reducing the risk of wildfires.

### **Western Governors' Association**

- November 2004. *Report to the Western Governors on the Implementation of the 10-Year Comprehensive Strategy* by the Western Governors' Association Forest Health Advisory Committee. The report stated that while significant progress has been made in implementing the 10-Year Strategy to which the states are collaborative partners, more work remains to be done. The report noted that the pressure to meet annual fuels treatment targets and other issues impeded work across jurisdictional boundaries.

### ***Appendix 3 – Organizations Visited or Contacted***

Office	Location
<b>DOI:</b>	
Office of the Assistant Secretary for Policy, Management and Budget*	Washington, D.C.
Office of Wildland Fire Coordination	Washington, D.C.
<b>National Interagency Fire Center:</b>	
BLM Offices	Boise, Idaho
BIA Offices	Boise, Idaho
FWS Offices	Boise, Idaho
NPS Offices	Boise, Idaho
<b>Assistant Secretary for Land and Minerals Management*</b>	Washington, D.C.
<b>BLM:</b>	
Washington Office*	Washington, D.C.
California State Office	Sacramento, California
Colorado State Office*	Lakewood, Colorado
New Mexico State Office*	Santa Fe, New Mexico
Oregon State Office*	Portland, Oregon
<b>Assistant Secretary for Indian Affairs*</b>	Washington, D.C.
<b>BIA (and Tribal Organizations):</b>	
Office of Audit and Evaluation*	Reston, Virginia
Pacific Regional Office	Sacramento, California
Southwest Regional Office	Albuquerque, New Mexico
Mescalero Agency	Mescalero, New Mexico
Mescalero Tribe	Mescalero, New Mexico
Southern Pueblos Agency	Albuquerque, New Mexico
Pueblo of Santa Ana	Santa Ana Pueblo, New Mexico

Office	Location
Assistant Secretary for Fish and Wildlife and Parks*	Washington, D.C.
FWS:	
Washington Office*	Washington, D.C.
Division of Budget*	Arlington, Virginia
Southwest Region Office	Albuquerque, New Mexico
Sevilleta National Wildlife Refuge	Socorro, New Mexico
Bosque del Apache National Wildlife Refuge	San Antonio, New Mexico
Assistant Secretary for Fish and Wildlife and Parks*	Washington, D.C.
NPS:	
Washington Office*	Washington, D.C.
Rocky Mountain Region*	Denver, Colorado
Pacific West Region*	Oakland, California
OMB:	
Natural Resources Division*	Washington, D.C.
USDA:	
OIG:	Washington, D.C.
Southeast Regional Office*	Atlanta, Georgia
Southeast Region Field Office*	Raleigh, North Carolina
Collaborating Organizations:	
California Fire Alliance	Sacramento, California
California Fire Safe Council	Glendora, California
New Mexico Interagency Coordination Group	Santa Fe, New Mexico
National Association of State Foresters*	Boise, Idaho
*Offices contacted only	



## Appendix 4 –Assistant Secretary's Response



### United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

MAR 28 2006



To: Inspector General

From: Assistant Secretary – Policy, Management and Budget *R. Thomas Weiner*

Subject: Response to Office of the Inspector General Draft Audit Report "Hazardous Fuels Reduction Program (W-IN-MOA-0002-2005, February 2006).

We find the draft report balanced and constructive. We appreciate the acknowledgement of a wide variety of achievements made by the department and bureaus in implementing the hazardous fuels reduction program. At the same time, we recognize that we can improve program performance and view the recommendations as helping us achieve that end.

Our comments on the report's specific recommendations follow.

#### RECOMMENDATIONS

1. Develop performance measures, in coordination with the United States Forest Service (USFS), that focus on outcomes (reduction of wildland fire risk), which include the costs and difficulty of treating different types of vegetation on different topographies.

#### Concur in part

We agree that performance measures can be improved, in particular regarding how treatments reduce the risk of wildland fire. We also agree on the importance of developing risk reduction measures in conjunction with the Forest Service and have been engaged with them in developing mutually acceptable approaches that also satisfy the Office of Management and Budget. This effort is interwoven with Wildland Fire Leadership Council's (WFLC)<sup>1</sup> review of the "10 Year Implementation Strategy" and decisions are expected at their May meeting or shortly thereafter.

At present, however, the Department has no means of attaching costs to individual fuels treatments based upon vegetation and topography. Agreeing on vegetation and topographic classifications, developing data bases to gather fuels treatment data based on those classifications, gathering the data, and relating those data to new financial management

<sup>1</sup> WFLC consists of the heads of the Forest Service, Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, and the National Park Service as well as the Under Secretary and Deputy Under Secretary for Natural Resources at the Department of Agriculture, and, at DOI, the Assistant Secretary for Policy, Management, and Budget (PMB), the Deputy Assistant Secretary for Business Management and Wildland Fire in PMB, and the Assistant Secretary for Land and Minerals Management. It also includes key non-Federal actors.

systems able to process such data have would be a significant undertaking requiring years to implement and must be considered in a broader managerial context, thus we do not concur with adopting such a measure at this time.

#### Actions to be Taken

- WFLC will review risk reduction-related performance measures at its May meeting at which time it may approve specific performance measure or ask for revisions.
- The Department will implement measures emerging from WFLC's review.

Responsible Official DAS, Business Management and Wildland Fire, Bureau Directors

2. Define performance reporting, in coordination with USFS, to separately identify and distinguish between initial fuels reduction and maintenance treatments to more accurately reflect progress made under the Hazardous Fuels Reduction (HFR) program.

#### Concur

Performance measures addressing this recommendation will be presented to WFLC at their May meeting.

#### Actions to be Taken

- Implement applicable performance measures.

Responsible Official DAS, Business Management and Wildland Fire, Bureau Directors

3. Work with bureau program and budgetary staff to reduce the delay time between enactment of DOI's appropriation and the availability of HFR funds to field offices.

#### Concur

The Department previously issued guidance on this matter, however, additional actions will be taken to assure funds are moved to field offices in a timely manner.

#### Actions to be Taken

- The Director of the Office of Wildland Fire Coordination (OWFC) will work with Departmental and bureau budget and procurement staff identify and to resolve remaining questions by 1 August 2006.
- Supplementary guidance will be prepared and issued by 1 September 2006.

**Responsible Official** Assistant Secretary, Policy, Management, and Budget

**4. Fully use the program management flexibility provided by Congress through no-year appropriations to provide contracting continuity within fiscal years to conduct a balanced HFR program.**

**Concur**

**Actions to be Taken**

- The Deputy Assistant Secretary for Business Management and Wildland Fire will ask each bureau director for their plan to assure that contracts are issued throughout the fiscal year. The plans will be due 1 August 2006.

**Responsible Official** DAS, Business Management and Wildland Fire, Bureau Directors

**5. Collaborate with USFS to implement either the established Agreement or an alternative solution to interagency coordination on fuels reduction that is consistent, equitable, and cost effective.**

**Concur**

**Actions to be Taken**

- Director of OWFC will work with the Deputy Chief for State and Private Forestry at USFS to resolve the question by 1 August 2006.
- Absent success at that level, the Deputy Assistant Secretary for Business Management and Wildland Fire will address the matter with the Deputy Under Secretary for Natural Resources at USDA.

**Responsible Official** Director, OWFC, DAS Business Management and Wildland Fire

The Department thanks the OIG for a balanced and insightful report whose recommends will help us improve the hazardous fuels reduction program.

## ***Appendix 5 –Status of Audit Recommendations***

<b>Recommendations</b>	<b>Status</b>	<b>Action Required</b>
1	Unresolved	Reconsider the recommendation and provide a plan identifying actions to be taken, target dates for completion, and the titles of the officials responsible for implementation.
2 and 5	Resolved Not Implemented	We will refer the recommendations to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.
3	Management Concur; Additional Information Requested	Upon issuance of supplementary guidance, scheduled for September 1, 2006, provide us with actions to be taken to assure funds are moved to field offices in a timely manner.
4	Management Concur; Additional Information Requested	Upon receipt of bureau plans, due August 1, 2006, provide us a summary of the processes to be employed to ensure a balanced HFR contracting process throughout the fiscal year.



## **Report Fraud, Waste, Abuse and Mismanagement**



Fraud, waste, and abuse in government concerns everyone: Office of Inspector General staff, Departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and abuse related to Departmental or Insular area programs and operations. You can report allegations to us in several ways.



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