Kennedy School of Government
Case Program

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"What if we could start over?"[1]

The US Forest Service Champions "Bottom-Up" Management (A)

Introduction

In 1985, the US Forest Service began an ambitious pilot project in several forests and a research site designed to reduce bureaucratic red tape and cultivate an entrepreneurial spirit in its work force. At the heart of the project was an oft-repeated statement of philosophy that placed a premium on risk-taking and encouraged "bottom-up" innovations in place of "top-down" regulations. To reduce bureaucratic barriers to its field administrators, the Forest Service created a process by which—within the bounds of law—Forest Service administrators could change or eliminate regulations they found especially onerous. One of the big discoveries of the pilot project, however, was that, in many respects, local Forest Service administrators had been their own worst enemy. A large proportion of the innovative ideas that grew out of the project—75 percent by one estimate—were things that local administrators were empowered to do without special permission; these officials had been constrained mostly by organizational inertia and their own "bureaucratic" mind set, and many were excited to throw off their shackles. Forest supervisors approved all kinds of innovations—from bicycle-riding forest rangers in one forest to a speedier processing of grazing permits in another. The Forest Service experiment received favorable attention in public sector management circles and in the press, and Forest Service Chief Dale Robertson hoped that he would eventually be able to expand the initiative agency-wide.

In one area, however, the project gave local pilot site administrators a specific and controversial freedom: the freedom to shift funds from one budget line item to another within broad budget categories. Under the terms of the experiment, local supervisors were to be judged not—as in the past—by how diligently they complied with the Congressionally-approved budget breakdown, but by the degree to which their units met the performance objectives, or targets, associated with the budget.

1 Title of a Forest Service brochure about the pilot project. (Undated.)

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In 1991, however, an agency-wide controversy would erupt that would make it clear that any attempt to reconcile Congressional intent with local budget autonomy was far from foolproof. Forest Service Chief Dale Robertson, suddenly faced with a situation that was politically damaging both to himself and his agency, had to decide how to approach the immediate problem and how to make sure it did not recur.

Background

The US Forest Service—a bureau of the US Department of Agriculture (USDA)—is a large and far-flung agency with a complex mission. In 1992, with an annual budget of $3.9 billion and 36,000 employees, the agency had responsibility for 191 million acres of federal land—equivalent to the combined land area of Texas and Louisiana—scattered across the country in 156 national forests and 19 grasslands. Initially created primarily to assure timber and water supplies from these publicly held lands, the Forest Service saw its mandate significantly broadened by Congress in the 1960s to include wildlife and wilderness protection and the provision of recreation facilities to the general public. During the subsequent two decades, these latter responsibilities gained in relative importance, and the jobs of forest supervisors became increasingly complex, as they oversaw a more diverse professional work force and mediated among a litany of competing demands for the lands under their purview. Operating out in the hinterlands, far from the concerns that animated Congress or the agency’s Washington headquarters, these Forest Service employees prided themselves on their down-to-earth know-how and concrete accomplishments. In 1992, the Forest Service collectively presided over the harvesting of 7.3 billion board feet of timber, conducted a 13 million acre inventory of fish and wildlife, reforested 492,000 acres, and constructed 1,180 miles of new roads—to name just a few of the accomplishments listed in the agency’s annual report. “They describe themselves as being a very can-do type of organization,” says one Washington-based observer. “Lots of esprit de corps.”

Given this orientation, the local foresters regarded with exasperation the steadily growing stream of rules, regulations and dictates emanating from Washington in the sixties, seventies, and eighties that seemed specially designed to make their work more difficult and less efficient. Karl Mettke, a consultant to the Forest Service’s eastern “Region 9,” reported that by the end of the 1980s, the volume of regulations—stacked on top of the other, stretched 17 feet in the air.[2]

Gradually during this period, a pronounced gulf developed between the field staff of the Forest Service on the one hand and, on the other, the Washington bureaucrats and policy makers on the Hill. Indeed, those “rabble-rousing” forest supervisors who artfully managed to circumvent the red tape were accorded particular respect by their colleagues in the field. One of the biggest areas of contention was the budget. The Congressional appropriation to the national forest system came to the agency divided into assorted budget line items. Forest Service headquarters, in turn, disbursed the funds—still divided into these coded budget categories—to the agency’s nine regional offices. (See Exhibit 1.) The regional offices then disbursed the money—still divided into line items—to the forests. Because the Forest Service was so

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2 *Chicago Tribune*, February 15, 1993.

dispersed, and because there were so many line items in the budget, forest supervisors and district rangers complained that by the time the funding got to them, it had become a long list of small sums of money, each restricted and inflexible. Budget management at the local level of the Forest Service was seen as a terrible headache.

If a forest supervisor wanted to shift money from one line item to another—trail maintenance to administration of permits, for example—there was a recourse: the supervisor could seek "reprogramming" authority from the regional office. Technically, the regional office could approve the request—but only by adjusting the trail maintenance and administration of permit budgets of its other forests to compensate for the shift of funds, which was generally an unworkable option. More typically, the request was forwarded to the Washington headquarters, which would review the matter and generally forward it on to the Office of Management and Budget (OMB) and to the appropriate House and Senate Appropriations Subcommittees for final approval. All in all, local forest supervisors complained, this was a time-consuming and onerous process that wasted valuable resources. An internal study conducted in 1981 revealed that each year, the average forest devoted 150 person-days just to developing its annual budget request. The same study estimated that hundreds of millions of dollars each year—10 to 15 percent of the Forest Service's resources, nationwide—were consumed in preparing, revising, and keeping track of the budget.

What's more, the constraints on shifting of funds from one line item to another made it hard, or impossible, for forest supervisors to take advantage of passing opportunities or to respond to unforeseen problems. As an example, Gilbert Churchill, budget coordinator for the Forest Service's eastern region, says, "If the Rod and Gun Club says, 'Gee, we'll give you $25,000 if you match it with $10,000 [to] build a parking lot' … if we don't have the $10,000 in an account we can tap, we feel bad about it, and the public has lost an opportunity." Eric Morse, supervisor of the Mark Twain National Forest in Missouri, gives another example drawn from his own forest: a bunch of feral hogs was recently let loose inside the forest. Not a crisis of epic proportions, perhaps, but on the other hand, feral hogs multiply quickly and, according to Morse, destroy forest land as surely as a raging fire. In this instance, rounding up the hogs and repairing the damage required $50,000—a small piece of his multi-million dollar budget—but Morse did not have that money available in the appropriate budget line item. Under the traditional Forest Service budget system, he says, he would have had to seek "reprogramming authorization" from the region, the Washington office, OMB, and Congress, which might easily have taken several months. "If I'd had to send a request through the system, the hogs would have overcome Missouri," he says. "And things like that happen all the time." In essence, forest supervisors felt themselves to be caught between a rock and a hard place: if they did not follow the reprogramming rules, they were in trouble with their headquarters and with Congress; but if they were inefficient and failed to solve immediate problems in their forests, they were also in trouble. "Someone is going to be awful unhappy—and it's probably going to be the local Congressman and two Senators," says one Forest Service official.

Frustrations in the local outposts of the Forest Service dovetailed in the late 1970s and early 1980s with a new school of thought in business and government management circles, articulated by Thomas Peters and Robert Waterman Jr. in their well-known book, *In Search of Excellence*, that urged a loosening of bureaucratic constraints and encouraged creativity and flexibility at all levels of an organization. In

1985, Forest Service headquarters in Washington decided—as part of a larger USDA initiative to cut administrative costs—to launch a National Pilot Test. “The idea was that the budget was so complicated and took up so much time and nothing ever added up right. They wanted to figure out something different,” says Bill DeLaney, a management improvement specialist for the Forest Service. The Washington administrator who took charge of the pilot project was then-Associate Chief Dale Robertson. Robertson had worked his way up through the ranks of the Forest Service, and before his promotion to Washington in 1980, had been known as one of those rabble-rousing forest supervisors who managed to outmaneuver the rules and regulations handed down from Washington.

“Dale Robertson was the spearhead of it,” recalls DeLaney, an aide to Robertson at the time. “I think as he began to visualize what this would look like, it expanded a lot further than just the budget.”

> He expanded it to be an “attack” on the bureaucracy—that was the word he used when he started to pull this thing together. The budget was part of it, but what he was after was breaking down the bureaucracy—getting it off people’s backs, getting out of their way, trying to reduce barriers, allowing people to operate in ways that made sense and use their intuition and their ideas and their creativity.

In the context of the hierarchical, and, by some descriptions, hidebound Forest Service, this represented nothing less than a cultural revolution.

The pilot project was initiated at four sites the first year—three national forests and a research station. The following year, a second research station was added, as well as the entire 20-state eastern region of the Forest Service, known as Region 9. In January 1988, the central Washington office of the Forest Service officially became a pilot site as well. The pilot sites received no special funding. Local supervisors were encouraged to take risks and were assured that failures were to be viewed as learning experiences rather than as a threat to job security. Local Forest Service personnel were introduced to the notion of pushing decision-making lower and lower in the organizational ranks. And they were given relief from a few specific bureaucratic requirements. Personnel ceilings were lifted. Procurement restrictions were loosened. And, when pilot site supervisors wanted special permission to change or eliminate a bureaucratic requirement, they were given a new process. They appealed directly to Robertson—leapfrogging over the litany of middle managers in between. “Dale’s theory in the beginning was, if we go through the system—that is, middle management—if we process everything the way we normally do, it will be dead in the water in six months. It just couldn’t work. So he decided to bypass the entire system,” says DeLaney. “There was a little bit of discussion—a heated discussion—about that in the beginning.” The requests rolled in, and Robertson’s impulse was to grant almost everything he was authorized to grant. If the request required permission from outside the Forest Service—from the Office for Management and Budget (OMB), for example—it was sent to a “steering committee” of the Forest Service deputy directors, chaired by Robertson, which would review the request and—if it were reasonable—write letters to the other agencies to try to win their permission. Over the next few years, Robertson and his committee approved many hundreds of special requests. A few, DeLaney concedes, were "a little borderline." For instance, Robertson and his committee permitted one forest to give out cash awards to employees as a reward for outstanding job performance. Since this violated some of the strict rules governing the administration of the federal payroll, the Forest Service was forced to halt the practice. But, DeLaney adds, the Forest Service may have made a few mistakes of this kind, there were "no improprieties" as a result of the pilot: "No one ran off with the impress fund."

After two years of the pilot project, Forest Service officials were adjudging it a success for several reasons: overall productivity—as measured by such things as timber sales, wildlife habitat improvement, and campground maintenance—had increased by an estimated 18 percent in the pilot sites. Field staff reported that—freed up from time-consuming budget paperwork—they were much more efficient. Pilot sites proved able to respond effectively to unforeseen events. Surveys indicated that employee morale had improved markedly. And in Region 9, forests began working more cooperatively with one another, resulting in overall gains in productivity for the region.

The Big Bucket

The pilot project freed pilot site supervisors from red tape in a number of ways, but one of the most critical components of the project was budget flexibility. Within the larger budget code categories, pilot site supervisors were allowed to shift money from one budget line item to another without slogging through the reprogramming process. There were two provisos: pilot site supervisors were expected to meet the performance objectives associated with any given budget account before shifting the money to another area. And they were expected to report accurately to Washington about how they were actually spending their Congressional appropriation. Otherwise, however, the pilot site supervisors were encouraged to be creative in allocating funds and to operate as though their funds came to them in one lump sum—or "Big Bucket"—rather than in the traditional collection of smaller earmarked chunks.

In designing the Big Bucket, the Forest Service determined that it did not need—nor did it seek—any outside permission from the USDA or from the House or Senate Appropriations Subcommittees. The Forest Service was responsible for making sure that aggregate agency spending matched the budget line items in the reports of the Appropriations Subcommittees, but the committees did not require regions, individually, to comply with the breakdown. Since Region 9 was relatively small *vis-a-vis* other regions, Robertson gambled that the Forest Service could allow Region 9 and the other pilot sites extra flexibility, and still be confident that Forest Service spending as a whole would comply with the guidelines of the committee reports.

The Fate of the Big Bucket

Despite a widespread desire for increased budget flexibility at the local level, the Big Bucket component of the pilot project waxed and waned and ultimately fizzled out in all pilot sites except Region 9 after three or four years. In several cases, pilot site supervisors complained that operating with different budget rules strained their relationships with the regional offices and actually placed them at a disadvantage *vis-a-vis* other forests or research sites in the competition for funds inside the region.

Region 9, for its part, stuck with the Big Bucket, although regional administrators also believed that the region was penalized in certain respects for the experiment. A 1991 study found that, during the first five years of the pilot project, Region 9’s overall budget declined by seven percent, while the other eight regions saw budget increases, on average, of three percent. Washington officials insist that the reduction had nothing to do with the pilot, and Region 9 Budget Coordinator Gilbert Churchill concedes that officials in his region can’t prove the contrary, but says, “Our perception is that the region paid a price for the experiment that was going on.”

It was a problem Region 9 administrators believed was endemic to having different groups of budget people in the agency playing by different rules. For instance, early on in the project, Region 9 decided to divert an estimated 20 to 25 percent of its road maintenance budget to other things—most notably, special use permits to the public, a budget item that was perennially underfunded, according to Regional Forester Butch Marita, the top Region 9 administrator. The reaction of the Forest Service staff in Washington was to reduce Region 9’s road maintenance allocation the following year and give more road maintenance dollars to the other regions. In itself, this made sense—especially since, according to Marita, the Forest Service was lobbying for additional road maintenance dollars from Congress and did not want it to appear that the need for such dollars in the field was dwindling. However, the Washington office did not make commensurate increases in other areas of Region 9’s budget. This, Marita speculates, was probably because the Washington office was organized along “functional” lines. (See Exhibit 2.) Thus, different administrators oversaw the distribution of specific funds to all nine regions, but no one looked at the overall funding of a single region in an “integrated” fashion. “Within the region, we were re-programming from one area to another, indicating we would rather have received less money in road maintenance and more some place else. But we were not sending any message that we needed less money in total,” says Marita. (In this case, Region 9 administrators protested insistently over a period of several years, and eventually saw a chunk of this money restored.)

There were other sources of tension, as well, between Region 9 and Washington. “We ran into lots of problems with people in Washington not wanting Region 9 to do what it was authorized to do under the pilot,” says Marita. And there were gray areas; it was not always clear whether certain rules and regulations applied to the region or not. The Washington office, meanwhile, complained that Region 9 administrators were sometimes uncooperative and not good “team players.” And, at agency wide budget meetings, Churchill says, Washington budget officials made pointed and “unfriendly” remarks about Region 9’s “differences” vis-a-vis the rest of the Forest Service.

The View from Washington

Members of the Washington budget team insist that they were neither unfair to Region 9 nor philosophically hostile to the basic goals of the Big Bucket. At the same time, these officials had extensive dealings with the staff to the House and Senate Appropriation Subcommittees and were painfully aware of the fact that the Forest Service faced significant credibility problems on the Hill.

For one thing, the Forest Service had a reputation for being “loose” in keeping track of its regional budgets. One of the things that particularly galled the Appropriations Subcommittees was the brazen way that Forest Service field supervisors resorted to "creative financing." This meant that, through assorted budgeting tricks, field supervisors shifted money from one budget category to another without using the reprogramming mechanism, and without ever reporting accurately back to Congress about how they had actually spent the money ("charged-as-worked," in the parlance of the Appropriations Committees). "They've basically admitted in hearings before us that people in the field don't charge-as-worked, and therefore, the budget is kind of a meaningless document," says one committee staffer. In the mid-1980s, the House Appropriations Subcommittee formally rebuked the Forest Service and directed the agency to do a better job of charging-as-worked in the future.

Regional and local foresters tended to shrug off such complaints. Gilbert Churchill summarizes the attitude of many field personnel: "We're forced to do the things that we feel we've got to do, and to cheat to do them," he says. "I think that's probably a feeling that most of these district rangers or forest supervisors would articulate for you." To the Forest Service budget team in Washington, however, the creative accounting of its field staff led the agency to hover perennially on the edge of being financially out of control—and sometimes it slipped over the edge. In 1988, the agency overspent its overall National Forest System Account (half the $3.9 billion Forest Service budget) by about $5 million. Though this was a small overdraft, relative to the whole appropriation, any overdraft is "an extremely serious thing," says Forest Service Budget Director Steven Satterfield—an offense "people can go to jail" for. No one in the Forest Service went to jail over the 1988 overdraft, but Satterfield, who had come to the Forest Service from OMB that year, says the incident was "sort of a wake up call to the agency as a whole," flagging the dangers of operating with too little local budget accountability, given the legal responsibilities of the agency to meet its budget.

Another thing that worried Satterfield was the odd compromise that the Forest Service had struck in deciding how to meet Congressional intent. For all federal agencies, there was an unresolved constitutional question about whether they were, in fact, required by law only to stay within the bottom-line allocations of the appropriations bills or whether they also had to adhere to the guidelines spelled out in the Appropriations Subcommittee reports. Since, in reality, executive agencies had little interest in irritating the Appropriations Subcommittees, most had, as a "matter of comity," come up with a workable compromise, according to Satterfield: the agencies tried to follow the guidelines in the committee reports, so as not to incur the wrath of Senators and Representatives, and the committees, in turn, tended to be flexible in the case of minor transgressions. Each subcommittee also had some latitude in establishing a workable set of groundrules with the agencies under its purview.

The Forest Service, however, had come up with a policy to hold itself—and its field personnel—responsible for meeting the budget levels of the 10 overarching budget line items (BLIs) in the National Forest System Account, but did not hold itself or its field staff responsible to meet the more detailed breakdown of the budget report into 30 "expanded budget line items" (EBLIs). It was an odd arrangement, Satterfield says, which had been in place many years by the time he arrived at the agency. The Congressional Appropriations Subcommittees did not officially approve of this policy, taking the position that the agency was responsible to meet all 30 EBLIs. But, explains Satterfield, it was not the kind of thing the committee staffers were likely to focus on—unless some kind of budget controversy arose.

A Budget Controversy Arises

From Congress's point of view, the ins and outs of the Forest Service budget maneuverings were inextricably bound up with a question about the agency's mission. During the previous 20 years, the orientation of the Forest Service had become a matter of increasingly contentious political debate—as environmentalists urged the agency to do a better job of protecting and preserving wilderness areas. A particular point of contention was the Forest Service's extensive timber program. Over the years, the Forest Service had constructed thousands of miles of roads in forests all across the country to permit access to trees for timber sales on federal lands. The agency used money it derived from timber sales to fund many of its other operations. In addition, the Forest Service timber program provided a raft of jobs and crucial income to a number of small, rural counties across the country. But environmentalists charged that the timber and related road-building programs were destroying the fragile biodiversity of the country's remaining forest areas. What's more, they argued, the terrain of the national forests was generally ill-suited for timber cutting to begin with. Plenty of timber was available from privately owned woods and tree farms, they claimed, and there was no need to continue providing costly "pork barrel" subsidies to the timber industry. (The fate of the endangered spotted owl in the Pacific Northwest became a *cause celebre* in the environmentalists' campaign to save wilderness areas from the timber program in the early 1990s.)

Battles over the appropriate mission of the Forest Service were waged in and around the Congressional budget-making process. Special interests such as the timber lobby and the environmental groups tried to tug the Forest Service in their direction by advocating for increases in particular line items. Between 1988 and 1992, for example, there were a number of victories for recreation buffs, including a 75 percent increase in recreation funding, a 137 percent increase in fish and wildlife funding, and a 50 percent reduction in annual timber sales offered. Environmentalists, meanwhile, lobbied for increases in the Forest Service's relatively small "wilderness management" budget. Not one to look a gift horse in the mouth, the Forest Service encouraged these efforts. Agency administrators indicated in Congressional budget hearings that the Forest Service would, in fact, be able to do a much better job of wilderness preservation with more money. From 1988 to 1991, the wilderness budget increased by almost 80 percent from $12.6 million to $22.6 million.

However in 1991, wilderness activists discovered that the lion's share of these new wilderness dollars were not, in fact, being spent on wilderness management. According to a 1991 GAO report, 37 percent of all wilderness dollars from 1988 to 1990 were diverted to other areas. (According to Forest Service officials, the size of the diversion was overstated because of some reporting technicalities. They conceded, however, that a sizable chunk of the wilderness money was spent on recreation projects: fixing up campgrounds, cleaning out toilets, etc.)

When the diversion of funds came to light, the Forest Service "didn't have a leg to stand on" before Congress, Satterfield says. A committee staffer concurs:

> There was just no way that they could get around the fact that they were the ones that came before Congress and essentially

> said, “We need more wilderness money. We don’t have enough. We’re not doing the right job.” And then when Congress responds, specifically, and puts money in that particular line item … they went out and spent it in other ways. That was what made it so blatant, I think.

In technical terms, “wilderness management” money was one of the 30 expanded budget line items (EBLI’s) in the National Forest System Account, and fell under the larger category of “recreation” money, one of the 10 budget line items (BLI’s). No administrator from the Washington office made a point to convey to regional administrators the particular Congressional intent in wilderness spending. And because the Forest Service held its regional personnel responsible for meeting the BLI’s, but not the EBLI’s, forest supervisors had felt well within their rights to transfer money from the wilderness management account into other recreation accounts. “It wasn’t that the field did wrong,” says Satterfield. “They didn’t do wrong. They’d been doing exactly what they were expected to do. I think it surprised us a little bit that there was that much variance, but we hadn’t held them accountable to the expanded budget line item, so I’ve never felt that we had much room to criticize the field.”

After a flurry of communications between assorted Congressional committees and the agency, Forest Service Chief Robertson became convinced that in the eyes of Congress, the credibility of the agency was on the line. “All you have in this town is credibility,” he adds. “You guard it and hold it real close.” He expected to be called to account for the diversion of wilderness dollars to other functions, especially by Rep. Bruce Vento, chair of the Subcommittee on National Parks and Public Lands of the Committee on Interior and Insular Affairs, who had been the prime champion of increases in the Forest Service’s wilderness appropriation. Robertson had to decide how to respond to Vento should he receive a public dressing down from the Congressman.

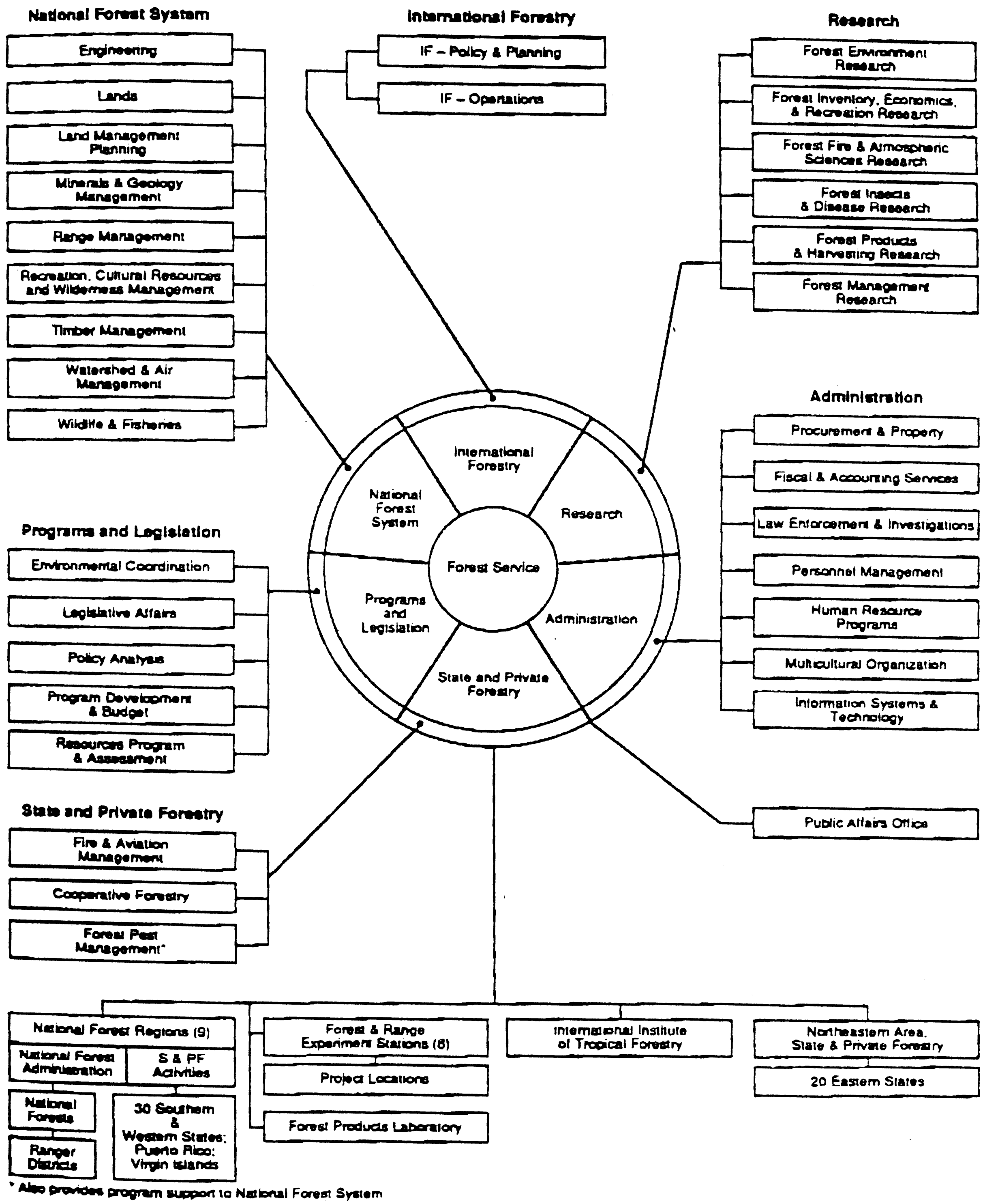
Exhibit 1[3]

FINANCIAL ANALYSIS FOR CONGRESSIONAL INTENT FY 1991

	R-1			R-2			R-3			R-4			R-5			R-6		
EXPANDED BLI	Alloc	O/Plan	Percent	Alloc	O/Plan	Percent	Alloc	O/Plan	Percent	Alloc	O/Plan	Percent	Alloc	O/Plan	Percent	Alloc	O/Plan	Percent
Minerals	4,579	4,680	102	2,877	2,709	94	1,428	1,427	100	6,317	5,940	94	3,464	3,762	109	3,878	3,872	100
Real Estate Management	2,732	2,621	96	2,649	2,906	110	2,089	2,088	100	3,020	3,203	106	3,957	4,007	101	3,849	3,805	99
Land Exchange & Adj.	880	948	108	498	757	152	477	438	92	389	371	95	1,192	1,184	99	1,156	1,118	97
Land Class, Status	271	313	115	813	793	98	392	389	99	1,033	1,069	103	494	494	100	789	783	99
Special Uses	1,440	1,229	85	1,233	1,254	102	1,121	1,168	104	1,500	1,665	111	2,197	2,169	99	1,462	1,462	100
Geometronics	141	131	93	105	102	97	99	93	94	98	98	100	74	160	216	242	242	100
Land Line Location	2,995	3,038	101	2,124	2,100	99	1,448	1,448	100	1,510	1,675	111	5,328	5,079	95	3,931	3,936	100
Mtc. of Facilities	2,865	2,824	99	2,266	2,052	91	2,073	2,073	100	2,103	2,385	113	6,445	6,425	100	3,941	4,091	104
Coop Law Enforcement	747	739	99	682	696	102	1,752	1,783	102	791	725	92	3,225	3,050	95	2,127	2,124	100
Road Maintenance	8,368	8,174	98	6,656	4,856	73	8,530	8,530	100	6,665	6,535	98	17,751	17,638	99	21,565	22,020	102
Trail Maintenance	4,807	8,126	169	2,584	2,523	98	1,819	1,818	100	2,376	2,127	89	4,819	5,223	108	5,503	5,493	100
Timber Management	36,109	37,495	104	12,033	12,170	101	14,207	14,207	100	15,208	14,649	96	29,265	27,557	94	85,858	85,241	99
Silvex Exam. & Plan.	11,049	11,927	108	2,847	2,676	94	3,306	2,883	87	4,242	3,805	90	4,952	4,776	96	20,413	20,420	100
Sale Preparation	18,326	16,468	90	4,375	4,526	103	6,695	6,434	96	7,478	6,031	81	16,122	12,475	77	41,201	38,144	93
Harvest Admin.	6,734	9,100	135	4,811	4,966	103	4,206	4,890	116	3,488	4,813	138	8,191	10,306	126	24,244	26,877	110
Reforestation & TSI	8,607	9,346	109	2,261	2,108	93	426	426	100	5,221	4,900	94	17,091	16,048	94	24,567	24,071	98
Reforestation	3,683	3,949	107	1,256	921	73	232	233	100	4,227	3,237	77	8,808	6,376	72	1,654	569	34
TSI	2,673	2,381	89	863	1,147	133	114	113	99	579	1,083	187	4,958	6,275	127	14,349	14,170	99
Nursery & Tree Imp.	2,251	3,016	134	142	40	28	80	80	100	415	580	140	3,326	3,398	102	8,564	9,332	109
Recreation Use	11,916	11,430	96	18,950	17,317	91	19,040	18,700	98	20,170	19,721	98	34,383	33,502	97	32,585	31,441	96
Recreation Mgmt.	7,941	7,763	98	14,898	13,665	92	13,269	13,604	103	16,335	16,284	100	26,894	27,593	103	25,755	27,011	105
Wilderness	2,497	2,410	97	2,569	2,470	96	2,318	2,039	88	1,777	1,776	100	3,931	3,839	98	2,954	2,929	99
Cultural Resources	1,478	1,257	85	1,483	1,182	80	3,453	3,057	89	2,058	1,661	81	3,758	2,070	55	3,876	1,501	39
Wildlife & Fish	10,040	9,071	90	7,303	6,764	93	9,847	9,669	98	10,916	10,269	94	13,486	13,097	97	19,033	18,240	96
Wildlife	3,652	5,271	144	4,359	4,459	102	4,631	4,870	105	4,102	5,103	124	3,533	6,277	178	5,236	8,573	164
Inland Fish	2,339	1,448	62	1,893	1,334	70	1,630	1,434	88	1,909	2,278	119	1,960	1,421	73	1,820	2,056	113
Anad. Fish	1,614	510	32	0	(29)	0	0	0	0	2,560	1,506	59	3,689	1,986	54	7,241	4,396	61
T & E	2,435	1,842	76	1,051	1,000	95	3,586	3,385	94	2,344	1,382	59	4,304	3,413	79	4,736	3,215	68
Range Management	5,323	5,373	101	6,501	6,411	99	6,623	6,518	98	8,675	8,698	100	3,740	3,483	93	4,293	4,655	108
Vegetation Mgmt.	4,151	4,289	103	5,814	5,776	99	6,240	6,106	98	7,761	7,793	100	3,495	3,222	92	3,859	4,095	106
Forage Improvement	44	58	132	111	163	147	73	210	288	97	127	131	49	142	290	23	107	465
Structural Improv.	259	218	84	204	185	91	230	120	52	208	132	63	88	15	17	184	184	100
Wild Horse and Burro	0	0	0	0	0	0	53	53	100	39	52	133	103	105	102	18	18	100
Nox. Weed Control	869	808	93	372	287	77	27	27	100	570	594	104	5	(1)	(20)	209	251	120
Soil & Water	6,031	5,631	93	6,457	5,348	83	6,227	6,078	98	7,399	5,842	79	9,742	9,256	95	10,963	10,081	92
SWA Operations	4,871	4,765	98	4,024	3,699	92	3,790	3,974	105	5,147	4,640	90	6,484	6,571	101	8,522	7,840	92
SWA Improvement	768	337	44	1,083	636	59	1,763	1,430	81	1,361	727	53	2,395	2,124	89	1,535	1,535	100
Soil Inventory	392	529	135	1,350	1,011	75	674	674	100	871	475	55	863	561	65	906	706	78
General Administration	29,099	29,440	101	20,764	23,453	113	20,650	20,650	100	21,364	21,428	100	40,686	41,986	103	40,826	41,943	103

3 Chart shows expanded budget line items, left column, in National Forest System Allocation to each region

Exhibit 2[4]



4 Organizational chart of the US Forest Service shows functional divisions in the National Forext System, upper left corner.