



THE U.S. FOREST SERVICE A FEDERAL AGENCY RUN AMOK

Numerous studies into the accounting and administrative practices of the U.S. Forest Service have found that decades of mismanagement have resulted in the failure of the U.S. timber program, staggering road maintenance backlog and a generally poor record of money management—which have cost the American taxpayer billions.

LOSING TAXPAYER MONEY ON TIMBER

State and private forest land provides the majority of the nation's timber. In fact, **our National Forests account for only 4% of U.S. timber production.** (U.S. Department of Agriculture, Forest Service, FY 1999 Proposed Budget Explanatory Notes, Washington, DC)

“In 1995, for example, the USFS collected **\$616 million in timber receipts but spent over \$850 million** on timber management, reforestation, construction of logging roads, payments to states, and other program costs. In seven of the nine National Forest System regions, annual cash receipts from timber harvesting have consistently failed to cover the USFS' annual expenditures.” (Council of Economic Advisers, Economic Report of the President, February 1997, p. 217-218)

According to the GAO, the U.S. Forest Service timber program **cost American taxpayers over \$2 billion** from 1992-1997. (Forest Service, Distribution of Timber Sales Receipts, Fiscal Years 1992-94 and Fiscal Years 1995-97)

A report by Taxpayers for Common Sense (TCS) revealed **that the Forest Service's timber sale program lost \$407 million** during Fiscal Year (FY) 1998. TCS utilized the same methodology as previous General Accounting Office (GAO) reports, basing the calculations on a cash flow accounting system. (TCS, “In the Red: National Forest Logging Continues to Lose Millions” 2001)

LACK OF ACCOUNTABILITY

The Forest Service only **admitted to losing \$126 million** administering the timber sale program in FY 1998, according to their most recent report. (Forest Service, Forest Management Program Annual Report for FY 1998)

In 1995, the U.S. Forest Service **could not identify how it spent \$215 million of its \$3.4 billion budget.** (Forest Service, “Lack of Financial and Performance Accountability Has Resulted in Inefficiency and Waste,” Statement of Barry T. Hill, Associate Director, Energy, Resources, and Science Issues, Resources, Community and Economic Development, Division. (GAO/T-RCED/AIMD-98-135, March 26, 1998)

Forest Service employees routinely **siphon off an average of 36 cents per dollar** from the nation's Replanting Fund - which was created to reforest logged areas - to pay for administrative costs. The Replanting Fund is just one of several "off-budget" accounts that is separate from Congress' annual budget review - which means that the Forest Service can spend money in this fund with little or no monitoring from Congress and the general public. (Forest Service Employees for Environmental Ethics, “Who Says Money Doesn't Grow on Trees?” 1997)

ROAD MAINTENANCE BACKLOG

Timber road construction cost taxpayers \$245 million between 1992-1994. (Forest Service: Distribution of Timber Sales Receipts, Fiscal Years 1992-94 (GAO/RCED-95-237FS, Sept. 8, 1995)

There are 377,810 miles of roads in the National Forest System, in addition to 60,000 miles of recently discovered "ghost" roads (unmapped logging roads). **That's enough to circle the globe 17 times.** (U.S. Department of Agriculture, Forest Service. Report of the Forest Service, Fiscal Year 1995. Washington, DC: June 1996. p. 129)

There is an estimated **\$8.4 billion maintenance backlog** on much of the National Forest road system. When forest roads aren't maintained properly over long periods of time, erosion occurs, flooding municipal water supplies with silt and mud. (U.S. Department of Agriculture, Forest Service. FY 2000 Proposed Budget Explanatory Notes for the Committee on Appropriations. Washington, DC)

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