

**Congress of the United States**  
**Washington, DC 20515**

April 18, 2012

The Honorable Jo-Ellen Darcy  
Assistant Secretary  
Army Corps of Engineers  
441 G St., NW  
Washington, DC 20314

Tom Tidwell  
Chief  
U.S. Forest Service  
1400 Independence Avenue, NW  
Washington, DC 20250

Dear Assistant Secretary Darcy and Chief Tidwell,

Ecosystem services are increasingly recognized for the contribution they make to healthy economies and the quality of life in human communities. Nature can increase water quality and quantity, reduce flood damage, more effectively manage storm water, sequester carbon, provide fish and wildlife habitat, and offer recreational and aesthetic benefits at a low cost and with minimal government intervention. Full consideration of these benefits, or ecosystem services, will lead to better informed decisions about land and water management. Infrastructure solutions that include ecosystem services are often more cost-effective than traditional approaches, provide a broader suite of benefits to communities, and create long-term jobs that cannot be outsourced.

Despite growing knowledge about methods for valuing ecosystem services, traditional benefit cost analyses for federal activities do not include adequate consideration of these benefits. This weakness may be due to tradition, outdated policies and accounting rules, lack of information concerning assessment methodology, or jurisdictional issues. For example, during storms, forests filter soil sediments and retain rainwater runoff, which are valuable services that reduce flood risk for communities. Since current benefit cost analyses do not include watershed benefits, forests may be degraded or converted to other uses, thereby placing communities at greater risk. This may strain existing engineered flood protection infrastructure, costing millions to rebuild.

Incorporating ecosystem services accounting into project evaluation and design decisions is consistent with the fourth recommendation in the Report to the President on Sustaining Environmental Capital: Protecting Society and the Economy, from the President's Council of Advisors on Science and Technology. The report highlights the need for agencies to improve their capabilities to develop valuations for the ecosystem services and factoring those results into their planning and management decisions.

We request that the Army Corps of Engineers, through its Institute for Water Resources, and the U.S.D.A. Forest Service, jointly prepare a report addressing the following issues within their agencies: 1) What methods of benefit cost analysis, that will improve the integration of natural resource management across agencies, are currently available to assess the provision of ecosystem services? 2) What are the barriers that prevent full-cost accounting for federal projects? 3) Which existing or planned federal water projects have the greatest potential for ecological restoration to meet community needs? 4) If ecosystem service values are to be incorporated into benefit cost analyses, what software and tools internal to Corps and Forest Service processes would need to be updated? 5) How can federal land management agencies report ecological outcomes to help Congress and the public understand the full suite of benefits provided by federal lands? 6) What changes in statute or current administrative rules would be necessary to facilitate the consideration

of ecosystem services by federal agencies at the project and programmatic levels? The primary purpose of this report would be to enhance the management of ecosystem services across agencies by formally addressing these values early in the decision-making process so that all parties understand the trade-offs.

We believe that such a report will help better public understanding of these benefits, and help your agencies better account for the significant benefits that come with incorporating ecosystem services into project design and evaluation. This should result in lower cost projects with additional benefits to their original goal. We respectfully request that the report be completed and submitted to the undersigned Congressional offices no later than January 30, 2013.

Our staff is available for consultation at any point in the process. We appreciate your interest, expertise, and willingness to take on this important project.

Sincerely,



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Earl Blumenauer  
Member of Congress



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Kurt Schrader  
Member of Congress