

**THE SECURE RURAL SCHOOLS AND COMMUNITY
SELF-DETERMINATION ACT OF 2000**

HEARING

BEFORE THE
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS
OF THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

TO

REVIEW THE IMPLEMENTATION OF TITLES I THROUGH III OF PUBLIC
LAW 106-393, THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-
DETERMINATION ACT OF 2000

FEBRUARY 8, 2005



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THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

TUESDAY, FEBRUARY 8, 2005

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room SD-366, Dirksen Senate Office Building, Hon. Larry E. Craig presiding.

**OPENING STATEMENT OF HON. LARRY E. CRAIG,
U.S. SENATOR FROM IDAHO**

Senator CRAIG. Good morning, everyone. Welcome to the Subcommittee on Public Lands and Forests. Of course, I want to welcome my colleague and ranking member, Senator Wyden of Oregon. Senator Johnson, welcome to the committee this morning.

I think both Senator Wyden and I view this as a very important oversight hearing.

I would also like to recognize and welcome Commissioner Sherry Krulitz of Shoshone County, Idaho, who will be providing testimony this morning, along with other county officials on the issue of the Secure Rural Schools and Community Self-Determination Act and the value that that law has been to the rural counties of many of our States.

Because of the enactment of this law, Senator Wyden and I have built a reputation of working in a bipartisan manner on important issues before this committee. I at this point certainly want to thank him and his staff for their dedication to this issue, as we embark on the reauthorization of a law that has stabilized payments to rural forested counties and, more importantly, has brought communities together to accomplish projects on the ground that improve watersheds and enhance habitat.

It should be remembered that the National Forest System was founded in 1905 from the forest reserves, which were established between 1891 and 1905 by Presidential proclamation. In many cases, 65 to 90 percent of the land in a county was sequestered into the new forest reserves, leaving little land for economic development and diminishing the potential tax base to support essential community infrastructure such as roads and schools.

In 1908, in response to a mounting opposition to the reserves in the West, Congress passed a bill which enacted a revenue sharing mechanism to offset for forested counties the effects of removing these lands from economic development. People in our forested

counties referred to this as the “compact with the people of rural counties,” which was part of the foundation for establishing the National Forest System.

And from 1908 until 1993, this revenue sharing mechanism worked extremely well. However, from 1986 to the present, we have reduced our sustained active multiple-use management of the national forests and the revenues have declined precipitously. Most counties have seen a decline of 85 percent in actual revenues generated on our national forests and therefore an 85 percent reduction in the 25 percent payments to counties, which are used to help fund schools and county road departments.

In 2000, Congress passed the Secure Rural Schools and Community Self-Determination Act to address the needs of the forested counties of America and to focus on creating a new cooperative partnership between citizens in forest counties and our Federal land management agencies to develop forest health improvement projects on public lands and simultaneously to stimulate job development and community economic stability.

This act is a remarkable success story for rural forested counties. These funds have restored and sustained essential infrastructures, such as county schools and county roads through title I.

In Idaho, resource advisory committees are partnering with the Forest Service and other organizations to fight the spread of weeds in the Nez Perce National Forest, make road improvements in the Hells Canyon National Recreation Area, and repair culverts and improve fish habitat on the Caribou-Targhee National Forest.

These groups are reducing management gridlock and building collaborative public land decisionmaking capacity in counties across America. The resource advisory committees are a real and working compact between the Federal land management agencies and rural communities that include all interest groups. They represent a true coupling of community with land managers that is good not only for the land but good for the communities.

This law, in my opinion, should be extended so that we can continue to benefit the forested counties, their schools, and continue to contribute to improving the national forest health. Just this last week, Senator Wyden and I introduced the reauthorization language.

With that, let me turn to my colleague from Oregon, Senator Ron Wyden.

Ron.

**STATEMENT OF HON. RON WYDEN, U.S. SENATOR
FROM OREGON**

Senator WYDEN. Well, thank you very much, Mr. Chairman. I think it is very appropriate for our subcommittee to be starting with an oversight hearing on this issue, and I want to thank you again for all the cooperation and effort to meet me certainly half-way on these kinds of key issues.

It was not very long ago, I think the chairman knows, I had a significant amount of people in the environmental community picketing outside my office for my efforts on this. And suffice it to say, the chairman had a lot of people coming to him saying why was

he not using the law to push this as a vehicle to drive up the cut of timber around the country.

We said this was too important. This bill is essentially the lifeblood for thousands of rural communities across this country that are hurting. This is not some kind of ideological trophy for them. This is a question of whether they get the economic and education help to survive. A lot of these communities are just barely hanging in there, and if the Federal Government simply gives them short shrift in an area where Federal policy has dominated their life on a day-to-day basis, I am of the view, and I know Chairman Craig shares this view, that a lot of these communities simply will not survive. So this is a law that works.

I think it would be fair to say that if this law was a credit card commercial it read something like this. Making additional investments and creating new jobs: Thousands of projects. Stabilization of payments to counties for roads and schools: Millions of dollars. Improving the lives of families living in forest-dependent communities nationwide: Priceless. Now, suffice it to say, there is more Federal—

Senator CRAIG. That was rather original.

Senator WYDEN. There you are.

[Laughter.]

Senator WYDEN. After the Super Bowl, we all have these commercials on our mind.

[Laughter.]

Senator WYDEN. But suffice it to say that it is our view that the county payments law has produced nothing less than a revolution in resource-dependent communities. It is helping Americans in more than 40 States and more than 700 counties nationwide, including 32 counties in my home State of Oregon.

This is an oversight hearing today, and we are not going to get into the details of the budget, per agreement of the chairman and me. But suffice it to say—and I want to use this forum as an opportunity to make the case that Chairman Craig and I did: We are going to need the administration's strong support in order to have this legislation properly funded.

This is a different climate, colleagues, than when we brought together a bipartisan coalition before. When Senator Craig and I began our work on this issue, there was a budget surplus. Now there is a very significant budget deficit. There is going to be an effort certainly to say every program is going to have to tighten its belt. Absolutely. We are prepared to make the case that this program is a cost effective one, but we ought to make it clear that there is something different in terms of belt-tightening than strangling these rural communities. That is what we seek to get across in the course of the debates.

Mr. Chairman, I know that we are going to have a strong bipartisan coalition behind this once again, and I look forward to working with you. I see Senator Johnson is here and he was supportive. The ranking minority member was very helpful as we worked through some of the legislation as it related to resource advisory committees.

We are going to hear later today from Tim Lillebo, who is representing the Oregon Natural Resources Council, talking about the

resource advisory committees. Suffice it to say, through those RAC's, we have people talking to each other about natural resources policy, who not only would not talk to each other in the past, they would not even show up in the same room together. I think that is an indication of what it takes to try to build consensus.

And I look forward to working with you to get the bill reauthorized.

Senator CRAIG. Ron, thank you very much.

Now let me turn to our colleague from South Dakota for any opening comments he would like to make.

Senator Johnson.

**STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR
FROM SOUTH DAKOTA**

Senator JOHNSON. Thank you, Mr. Chairman, for calling today's hearing on the implementation of the Secure Rural Schools and Community Self-Determination Act of 2000. I am pleased to be here this morning to lend my support to the efforts of my colleagues, you, Mr. Chairman, and Senator Wyden. Senator Bingaman has made very positive contributions to reauthorize this important law. I have cosponsored this legislation and look forward to working with you to see to it that we pass a reauthorization before the current law expires next year.

The Secure Rural Schools and Community Self-Determination Act has been a key tool in ensuring a partnership between the Federal Government and the many schools and communities that are home to significant tracts of national forests. Under this partnership, our local communities share in timber sales revenue that is generated on Federal property. Among others, this revenue sharing helps to finance projects that enhance our natural resources, maintain roads and infrastructure, and reimburse localities for search and rescue and other projects related to the presence of the Federal land.

Under the Secure Rural Schools and Community Self-Determination Act, communities in my home State of South Dakota received nearly \$3.8 million in forest payments last year. Under this law, local communities were also granted a voice in management of Federal land located in their community by establishing resource advisory committees. These committees are comprised of a diverse group of local interested parties that enable communities to collaborate on how best to manage the public land in their own backyard.

I am also very pleased to be here this morning to introduce a constituent of mine, Dr. Tim Creal. Dr. Creal is the superintendent of the Custer, South Dakota school District. Somewhere in Dr. Creal's busy duties as superintendent, he finds time to serve on the Federal Forest Counties Payments Committee. The committee was charged with making recommendations to Congress for finding a long-term solution to making payments to States and counties and to evaluate payments made under the current law, neither of which are easy tasks given the diversity of individuals and the localities involved. Dr. Creal was appointed to the committee in 2001, shortly after Congress authorized its formation. And I believe he has been

very diligent in his duties and has done an outstanding job of representing South Dakota's interests on the committee.

So, Dr. Creal, I am very happy to have you here before the subcommittee today. I look forward to your testimony on the second panel. I also look forward working with you and other witnesses as we move forward with reauthorization of this legislation.

I regret that my schedule has me attending two other committee meetings simultaneous to this one, as well as three different groups of South Dakotans who are waiting to talk with me about their agenda on other matters. And so I will not be able to spend the entire morning here with the committee, but my staff is here. I look forward to reading the contributions of our panel members.

Again, Mr. Chairman, thank you for calling this very timely hearing.

Senator CRAIG. Tim, thank you very much.

We have been joined by the ranking member of the full committee, Senator Bingaman, who I either call ranking member or chairman. I have served with him on this committee for a good number of years in both of those capacities. Senator, thank you for joining us this morning.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman, and congratulations to you and Senator Wyden for your good work on this legislation. I am in a similar circumstance to Senator Johnson. I am not able to be here for the full hearing, but I did want to mention one issue that I hope the witnesses can address related to these RAC projects.

Under the law, as it currently exists, there is a provision that says that the Forest Service will include detailed monitoring plans that track and identify the positive and negative impacts of the project implementation and provides for validation. There have been a couple of studies, one out of Boise State University and another out of the Watershed Research and Training Center, essentially saying that these monitoring plans are not being developed and used as the legislation called for. I hope that can be addressed by the witnesses.

Thank you very much for having the hearing. Again, congratulations for your leadership on this legislation.

Senator CRAIG. Jeff, thank you very much.

Now we will turn to our first panel. Our first panel is made up of Mark Rey, Under Secretary of Resources and the Environment, Department of Agriculture; and Ed Shepard, Assistant Director, Renewable Resources and Planning, Bureau of Land Management, Department of the Interior.

Certainly Mark knows and I think that both Ron and I share the belief that the work we did in behalf of this legislation and now law was a precursor to Healthy Forests and a relationship here on the Hill that allowed us to move another piece of legislation that we think is very, very significant in the lexicon of tools that you have to work with in managing our public lands and especially our forests.

So, with that, gentlemen, welcome before the committee. Mark, if you would please proceed.

STATEMENT OF MARK REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. REY. Thank you, Mr. Chairman and members of the subcommittee, for giving me the opportunity to share the experience of the Department of Agriculture implementing titles I through III of the Secure Rural Schools and Community Self-Determination Act.

On October 30, 2000, that legislation was signed into law, in part to offset the effect of decreased revenues available to States from declining timber harvests on Federal lands. This act authorized an alternative to a receipts-based payment.

Generally the act embraced three objectives: first, to establish a stable payment for schools and roads that supplements other available funds; second, to make additional investments in public and adjacent private lands; and third, to improve the cooperative relationships among the people who use and care for Federal lands and the agencies who manage them. I think it is fair to say that the implementation of the act to date has achieved each of those three objectives.

Title I of the legislation determines a stable full payment amount for eligible States to benefit public education and transportation. Of the 717 counties in 41 States that were eligible for their share of the State's amount under the act, 550, or 77 percent, initially decided to accept that payment in fiscal year 2001. In fiscal year 2003, the counties were given another opportunity to receive their share of a State's full payment amount. 65 additional counties chose to take that payment, bringing the total to 615 counties, or 86 percent of the eligible counties.

Counties receiving their share of a State's full payment amount are found in 39 of the 41 States that are eligible for funding. The majority of these counties are located in the Western or Southern portions of the country, while those that have remained under the 25 percent fund are primarily in the Great Lakes area.

Payments from national forests authorized by the act have totaled \$1.2 billion and average over \$301 million each year since the act was implemented.

Funding derived from the Treasury has provided participating counties not only more stable funding but also significantly higher payments than would have been the case under the 25 percent fund. For example, if payments were based on 25 percent of receipts in fiscal year 2004, the total payment to all States would have been \$71.4 million, based upon total national forest receipts that contribute to payments under the act of \$285.5 million. By comparison, the full payment amount for all States for fiscal year 2005 is \$395.7 million.

Title I requires counties to receive a share of the State's full payment amount of \$100,000 or more to set aside 15 to 20 percent of the payment for projects under titles II or III, or both. Under title II, funds may be used for a variety of projects on or near Federal lands.

Title II also directs the establishment of 15-person resource advisory committees, comprised of a balanced representation of stakeholder groups, to recommend projects on National Forest System lands and BLM lands affected using State allocated title II funds.

To date, the Forest Service has established 56 resource advisory committees under the act. The committees operate at the community level and are found in 13 of the eligible States. The committees have recommended and the Forest Service has approved over 1,800 resource projects on or near Federal lands, with an investment value of over \$100 million.

Interviews with committee members, county officials, and Forest Service officials conducted under a study by Boise State University suggest that cooperative relationships between the national forests and their surrounding communities are improving. All groups interviewed noted increased cooperation among the various groups that use, care for, and manage Federal lands.

Title III authorizes counties to use funds allocated under title I for title III projects for certain specific purposes: search, rescue, and emergency services on Federal lands; community service work camps; conservation and recreation easements; forestry related after-school activities; and fire prevention and planning. Unlike title II funds, which are used for carry out projects proposed by resource advisory committees, counties decide how to use title III funds. Many counties have used these funds to establish Fire Safe councils and for other community fire planning activities, particularly in the aftermath of the passage of the Healthy Forests Restoration Act.

When we examine what is working best with Public Law 106-393, I would have to go back to comments made by resource advisory committee members who said that the law encourages relationship building, discourse on public policy issues, and a dialog among groups through the interaction found in the resource advisory committees. Additionally, approximately \$88 million in title II projects and \$94 million in title III projects have been used on National Forest System lands during the act's first 3 years. These projects have had a significant impact on improving natural resource conditions on national forest and grasslands.

Mr. Chairman, that concludes my statement. I would be happy to answer any questions you have at the appropriate time.

[The prepared statement of Mr. Rey follows:]

PREPARED STATEMENT OF MARK REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Subcommittee, thank you for giving me the opportunity to present the views of the U.S. Department of Agriculture regarding the implementation of Titles I through III of P.L. 106-393, the Secure Rural Schools and Community Self-Determination Act of 2000.

Since enactment of the law known as the 25 Percent Fund Act (16 U.S.C. sec. 500) in 1908, the Forest Service has distributed 25% of the gross receipts derived from the sale or use of commodities on each national forest to the state in which each national forest is located.

Beginning in the late 1980s, timber sale receipts, the primary funding source for the 25 Percent Fund Act, began a precipitous decline, which continued and then stabilized at a much lower level in the 1990's. The decline in receipts impacted rural communities in the West, particularly communities in Washington, Oregon, northern California, and Idaho. For example, FY 1998 national forest revenues were \$557 million, only 36% of the FY 1989 peak revenues of \$1.531 billion. In FY2004, na-

tional forest revenues were \$281.1 million. Payments to many states under the Twenty-five Percent Fund Act declined by an average of 70 percent from 1986 through 1998.

On October 30, 2000, P.L. 106-393 was signed into law in part to offset the effect of decreased revenues available to states from declining timber harvests on Federal lands. This Act authorized an alternative to a receipts based payment.

The Act embraced three objectives: 1) to establish a stable payment for schools and roads that supplements other available funds; 2) to make additional investments in public and adjacent private lands; and 3) to improve the cooperative relationships among the people who use and care for federal lands, and the agencies who manage them.

This statute provided annual payments to states for fiscal years 2001-2006. An eligible county had the option of electing to receive its share of the states 25-percent payment or its share of the average of the state's three highest 25-percent payments from fiscal years 1986 through 1999.

TITLE I—SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LANDS

Title I of P.L. 106-393 determines a stable full payment amount for eligible states to benefit public education and transportation. Of the 717 counties in 41 states that were eligible for their share of the state's amount under the Act, 550 or 77% initially decided to accept that payment in FY 2001. In FY 2003 the counties were given another opportunity to receive their share of a state's full payment amount, 65 additional counties chose to take that payment, bringing the total to 615 counties, or 86% of the eligible counties.

Counties receiving their share of a state's full payment amount are found in 39 of the 41 states that are eligible for funding. The majority of these counties are located in the western and southern portions of the country, while those that have remained under the 25 Percent Fund Act are primarily in the Great Lakes area. Timber sale receipts for states in the Great Lakes area have resulted in 25 Percent Fund payments that tend to be higher than the full payment amounts for these states. Thus, it makes more economic sense for the counties in these states to continue receiving the 25 Percent payments.

Payments from National Forests authorized by P.L. 106-393 have totaled \$1.2 billion and average over \$301 million each year since the Act was implemented. Payments have varied by region of the country. For example, the FY 2004 payments distribution included approximately, \$37 million to southern states, \$14 million to the northeast and Midwest states, \$273 million to Oregon, Washington and California and \$71 million to the other western states.

Funding derived from the Treasury has provided participating counties not only more stable funding but also significantly higher payments than would have been the case under the 25 Percent Fund. For example, if payments were based on 25 percent of receipts in FY 2004, the total payment to all states would be \$71.4 million based on total National Forest receipts that contribute to payments under P.L. 106-393 of \$285.5 million. In comparison, the full payment amount for all states for FY 2005 is \$395.7 million.

TITLE II—SPECIAL PROJECTS ON FEDERAL LANDS

Title I requires counties that receive a share of the state's full payment amount of \$100,000 or more to set aside 15 to 20 percent of the payment for projects under Titles II or III, or both. Under title II, funds may be used for a variety of projects on, or near, federal lands.

Title II also directs the establishment of 15-person resource advisory committees (RAC's) comprised of a balanced representation of stakeholder groups, to recommend projects on National Forests System lands and O&C lands using state allocated Title II funds. Under the law, RAC's may submit proposals to combine Title II funds with other funds to complete projects. The role of a RAC is to solicit, review, and recommend resource improvement projects to the designated federal official. The RAC structure included in P.L. 106-393 was the first attempt to create direct community involvement in recommending on-the-ground projects on the National Forests on a system-wide basis.

To date we have established 56 RAC's under the Act. RAC's operate at the community level and are found in 13 of the eligible states. RAC's have recommended, and the Forest Service has approved, over 1800 resource projects on, or near, Federal lands, an investment of over \$100 million.

RAC's have recommended a variety of projects including those in Lane County, Oregon where Title II funds, along with Title III funds, are supporting the Lane County Forest Work Camp for at-risk youth. The camp teaches important life skills

while providing a skilled workforce for forest restoration projects in the area. In Montana, the Ravalli County RAC, Bitterroot NF, landowners in the Sweeney Creek Cooperative Weed Management Area, Ravalli County, and the State of Montana are working together to eradicate dalmation toadflax and other invasive weeds on state, private and public lands near Sweeney Creek. The project will treat 5 miles of stream corridor to protect the long-term ecosystem health of the Bitterroot valley. In southwest Idaho the local community and the Forest Service are working together to improve forest health by reducing hazardous fuels around a church camp near Warm Lake, Idaho. The Rainey Creek Community Restoration project, also in Idaho, is exploring ways to reconnect Rainey Creek to the main stem of the South Fork Snake River. This project on private land will greatly enhance fish habitat and improve watershed condition and is a good example of the leveraging effect of Title II funds. The Title II investment in this project is \$10,000 with \$360,000 provided by other sources.

BLM RAC's in Oregon are also putting Title II funds to good use. In 2004 the Eugene District RAC recommended 12 projects in Douglas, Linn, and Lane counties that treated invasive weeds, provided forest jobs for at-risk youth, improved fish habitat, and restored watersheds.

Interviews with RAC members, county officials, and Forest Service officials conducted under a study by Boise State University, suggest that cooperative relationships between the National Forests and their surrounding communities are improving. All groups interviewed noted increased cooperation among the various groups that use, care for, and manage Federal lands. A Forest Supervisor noted the importance of relationship building with RAC's. He stated, "RAC's were a formal opportunity to get together. The whole process is about building relationships. Before, we would only meet with the county when there was a problem. Now, the meetings are about positive things."

Some evidence suggests that relationship building may be stronger in small or medium sized RAC's as compared to large sized RAC's because greater effort must go in to securing additional funds to finance desirable projects. Comments indicate that RAC's are effective, in part, because they are focused on evaluating and funding projects for the good of the community as a whole.

TITLE III—COUNTY PROJECTS

Title III authorizes counties to use funds allocated under Title I for Title III projects for certain specific purposes: search, rescue, and emergency services on federal lands; community service work camps; conservation and recreation easements; forestry related after-school activities, and fire prevention and planning. Unlike Title II funds which are used to carry out projects proposed by RAC's, counties decide how to use Title III funds. Many counties have used these funds to establish Fire Safe councils and for other community fire planning activities. Other counties are investing in community programs. The Boise State study asked county officials who had elected only Title III funding, why their particular county decided to allocate funds for Title III instead of Title II. Those interviewed said in some way or another that the needs of their community were better met through the avenues presented by Title III funding. Counties have used Title III funds primarily for fire suppression and prevention, emergency services, or a combination of the two (though funding amounts for emergency services were usually higher). Some counties with limited funds allocated for Title II discussed the amount of time and work involved in forming a RAC.

When we examine what is working the best with P.L. 106-393, I would have to go back to comments made by RAC members who said that the law encourages relationship building, discourse on public policy issues, and a dialogue between groups through the interaction found in RAC's. Additionally, approximately \$88 million in Title II projects and \$94 million in Title III projects have been used on National Forest System lands during the Act's first three years. These projects have had a significant impact on improving natural resource conditions on National Forests and Grasslands. County officials that have placed funds into Title II must feel that the funds are being spent effectively because they continue to allocate additional funding increments into RAC's, thus increasing the investment to Federal lands.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you may have for me at this time.

Senator CRAIG. Mark, thank you very much.
Now, Ed, if you would proceed please.

**STATEMENT OF ED SHEPARD, ASSISTANT DIRECTOR,
RENEWABLE RESOURCES AND PLANNING, BUREAU OF LAND
MANAGEMENT, DEPARTMENT OF THE INTERIOR**

Mr. SHEPARD. Thank you, Mr. Chairman and members of the subcommittee for the opportunity to participate in today's hearing on the Secure Rural Schools and Community Self-Determination Act of 2000. I am the Assistant Director for Renewable Resources and Planning at the Bureau of Land Management, and for much of my professional career, I have worked extensively on O&C issues and the management of forest resources. Prior to my current position, I was BLM's Oregon Deputy State Director for Resources and previously had been District Manager in BLM's Coos Bay District. I am also the BLM Director's representative on the Forest Counties Payment Committee, a congressional advisory committee.

Although BLM lands are comprised mostly of rangeland, the agency manages over 55 million acres of forests and woodlands, some 2.5 million acres of which are located in the 18 western Oregon counties covered by the O&C Act of 1937. Of the public lands managed by the BLM, the Secure Rural Schools and Community Self-Determination Act applies exclusively to the 18 O&C counties in western Oregon.

Congress set the stage for the long and close association between the BLM and the O&C counties when, in the O&C Act, it directed the Department of the Interior to manage the O&C lands for the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities. The O&C counties receive approximately 50 percent of the receipts from timber harvested from public lands in those 18 counties.

Until the late 1980's, intensive harvest of timber from the public lands in the O&C counties annually yielded over 1 billion board feet on a sustained yield basis and brought in receipts of over \$200 million. As provided in the O&C Act, 50 percent of that amount was returned to the counties to fund local government services such as roads, schools, law enforcement, and public safety. For example, in fiscal year 1989, total payments to the O&C counties, based upon the volume of timber harvested off the public lands in the counties, amounted to nearly \$111 million.

Litigation in the late 1980's and early 1990's regarding the northern spotted owl and other issues resulted in steep reductions in timber harvest in the Pacific Northwest and correspondingly steep reductions in income to counties that depended on revenues from timber harvest on public lands to fund essential local government services. In the years between 1989 and 1993, income to O&C counties from timber harvest dropped by nearly 37 percent, to approximately \$79 million.

To stabilize the income flow to the timber-dependent counties, Congress enacted the safety net payments through the Omnibus Reconciliation Act in 1993.

In 2000, Congress repealed the safety net payments and enacted the Secure Rural Schools and Community Self-Determination Act to set a stable level of payments to the counties. The Act provide the O&C counties with the option of receiving a full payment

amount equal to the average of the three highest timbers years, 1986 through 1999. In the interest of time, I will not go through all of the process, title I through title III. Mark has covered that. But I will add that all 18 counties in western Oregon participate in this, and to date they have received under title I and title III over \$412 million, and BLM has retained over \$33 million to be used in conjunction with other funds and for the resource advisory committees for title II restoration projects. As you know, this Act expires on September 30, 2006.

This Act sets in place a structure for cooperative working relationships among the people who use and care about public lands and the Federal agencies responsible for managing these lands. Through the RAC's, community members from varying interests and various backgrounds work together to approve projects for the restoration of public lands or for projects on private lands that enhance the restoration of public lands.

In December 2001, the Secretary of the Interior authorized the establishment of committees for the five BLM administrative districts in western Oregon. The term for these committee members has expired, and we are currently in the process of renewing or refilling these positions.

The BLM's western Oregon committees have recommended approval of projects such as one in Clackamas County in BLM's Salem District involving an aggressive approach to prevent and clean up illegal dumping through a partnership among two timber companies, the Oregon Department of Forestry, and Clackamas County. In addition to the funds authorized by title II of the Act, each of these parties has contributed either matching funds, direct donations, or in-kind labor. The initial goal was to reduce the incidence of illegal dumping through public education of environmental impacts, proper disposal, and the consequences that can result from such illegal, indiscriminate acts. These partners also worked collaboratively to clean up and properly dispose of illegally dumped waste materials and to enforce violation of local and State illegal dumping laws.

In Douglas County, within the Roseburg District, the Northwest Youth Corps has completed a variety of projects, including forest stand improvement, noxious weed eradication, habitat improvement, trail maintenance, recreation-site maintenance, and fence construction. The Northwest Youth Corps established an educational curriculum called Something Educational Every Day, or SEED, which introduces Northwest Youth Corps members to a wide variety of topics related to resource management and wildlife conservation. Recent educational sessions have centered on fire ecology, forest and stream ecology, native species protection, and timber harvesting methods.

Fish passage is another significant issue in western Oregon. Again, another project from the Roseburg District, working with the RAC's, they have identified this as one of their major problems in the area and have provided title II funding every year since 2002. To date, they have completed 16 projects and opened up 50 miles of stream for salmon habitat. In this process, they also have kept open access roads, assuring access for recreation, timber harvest, fire suppression, and other activities.

As of last fall, the committees have reviewed over 700 title II projects, approved 465, at a funding level of \$33 million.

The success of the resource advisory committee process in developing community-based solutions is encouraging the O&C counties to consider using funds available under this act to help local communities develop protection plans in the event of catastrophic wildfire. The Healthy Forests Restoration Act encourages communities to work with Federal agencies to develop community wildfire protection plans. It is our understanding that several O&C counties have used title III funds to begin the fuels assessment and data collection for the community wildfire protection plans and have recommended title II funding for on-the-ground projects to implement these plans. This is an innovative way of tying the authorities of the HFRA and the Secure Rural Schools Act together.

The authorities of this Act have benefited BLM through the on-the-ground accomplishments, including wildfire hazard reduction, but it has also served as a catalyst to bring the folks together from really diverse backgrounds and opinions with a shared vision for the management of public lands, and in that way, it has been an outstanding success.

Thank you again for the opportunity to discuss this Act, and I will be glad to answer any questions.

[The prepared statement of Mr. Shepard follows:]

PREPARED STATEMENT OF ED SHEPARD, ASSISTANT DIRECTOR, RENEWABLE RESOURCES AND PLANNING, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Thank you for the opportunity to participate in today's hearing on the Secure Rural Schools and Community Self-Determination Act (Act) of 2000 (P.L.106-393). My name is Ed Shepard and I am the Assistant Director for Renewable Resources and Planning at the Bureau of Land Management (BLM). For much of my professional career, I have worked extensively on O&C issues and the management of forest resources. Prior to my current position, I was BLM's Oregon Deputy State Director for Resources and previously had been District Manager in the BLM's Coos Bay (Oregon) District. I am the BLM Director's representative on the Forest Counties Payment Committee, a Congressional Advisory Committee.

Although rangelands comprise much of the land administered by the Bureau of Land Management (BLM), the agency also manages 55 million acres of forests and woodlands on the public lands, some 2.5 million of which are located in the 18 western Oregon counties covered by the "O&C Act" (Revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands Act of 1937.)

Of the public lands managed by the BLM, the Secure Rural Schools Act applies exclusively to the 18 O&C counties in western Oregon.

BACKGROUND

Congress set the stage for the long and close association between the BLM and the O&C counties when, in the O&C Act, it directed the Department of the Interior to manage the O&C lands for "the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities." The O&C counties receive approximately 50 percent of the receipts from timber harvested from public lands in the counties.

By the late 1980's, intensive harvest of timber from the public lands in the O&C counties annually yielded over one billion board feet and brought in receipts of over \$200 million. As provided in the O&C Act, approximately 50 percent of that amount was returned to the counties to fund local government services such as roads, schools, law enforcement, and public safety. For example, in Fiscal Year 1989, at the height of timber production from O&C lands, total payments to the O&C counties, based on the volume of timber harvested off the public lands in the counties, amounted to \$110,891,232.

Litigation in the 1980's and early 1990's regarding the northern spotted owl resulted in steep reductions in timber harvests in the Pacific Northwest, and correspondingly steep reductions in income to counties that depended on revenues from timber harvests on public lands to fund essential local government services. In the years between 1989 and 1993, income to O&C counties from timber harvests dropped by nearly 30 percent, to approximately \$79 million.

Congress enacted "safety net payments" to stabilize income flow to timber-dependent counties during this tumultuous period, through the Omnibus Budget Reconciliation Act of 1993 (P.L.103-66).

In 2000, Congress repealed the "safety net payments" and enacted the Secure Rural Schools Act to set a stable level of payments to counties. The Act provided the O&C counties with the option of receiving a full payment amount equal to the average of their three highest timber receipt years from 1986 through 1999. In addition, under the Act the counties elect the percentage of the payment (80-85 percent) to be distributed directly to the counties (Title I), and the remaining percentage (15-20 percent) to be allocated between Title II projects (administered by the BLM), Title III projects (administered by the counties), or returned to the Treasury.

Under Title II of the Act, funds are used to support cooperative projects, under the guidance of Resource Advisory Committees (Committees), to restore healthy conditions on public lands or on private lands for the benefit of public land resources. Such projects include wildfire hazard reduction, stream and watershed restoration, forest road maintenance, and road decommissioning or obliteration, control of noxious weeds, and improvement of fish and wildlife habitat. Under Title III of the Act, counties may fund emergency services, community service work camps, purchase of easements for recreation or conservation, forest related after-school programs, and fire prevention activities. The total paid to date directly to the 18 O&C counties under the Act (Titles I and III) is \$412,069,610. In addition, to date the BLM has retained \$33,391,672 million to be used in conjunction with Resource Advisory Committees for Title II restoration projects on public lands or for projects on private lands that enhance public lands. The Act expires on September 30, 2006.

RESOURCE ADVISORY COMMITTEES AND COOPERATIVE EFFORTS

The Act set in place a structure for cooperative working relationships among the people who use and care about public lands and the federal agencies responsible for managing these lands. Through Resource Advisory Committees (Committee), community members including counties, State and local governments, watershed councils, individuals, private and non-profit entities, and landowners work closely with federal agencies to develop and approve projects for the restoration of public lands, or for projects on private lands that enhance the restoration of public lands.

Under the authority of the Act, on December 4, 2001, the Secretary of the Interior authorized the establishment of Committees for the five BLM administrative districts in western Oregon (Coos Bay, Eugene, Medford, Roseburg, and Salem) which cover the 18 O&C counties. Each of the five Committees has 15 members and six alternates representing the many counties and varied stakeholder groups in the O&C counties. Terms for Committee members appointed in December 2001 have just expired, and we are currently in the process of renewing or refilling those positions.

The BLM's western Oregon Committees have recommended approval of projects for road and trail maintenance, soil productivity improvement, fuels reduction, watershed restoration, fish habitat improvements, and noxious weed eradication. Through these Title II projects, the O&C counties are making an investment in activities to improve the health of the O&C lands. In some cases, for example, noxious weed eradication in Douglas County, intensive early intervention to avert further spread of the noxious weed would not have been possible without the Title II funding.

Examples of collaborative projects approved by the western Oregon Committees include the following.

- A project in Clackamas County (BLM's Salem District) involves an aggressive approach to prevent and clean up illegal dumping through a partnership among the Longview Fibre Timber Company, the Oregon Department of Forestry, Clackamas County, and Port Blakely Timber Company. In addition to the funds authorized by Title II of the Act, each party either contributed matching funds, direct donations, or in-kind labor. The initial goal of the project was to reduce the incidence of illegal dumping by 50 percent through public education of environmental impacts, proper disposal, and the consequences that can result from such illegal indiscriminate acts. These partners also worked collaboratively to

clean up and properly dispose of illegally dumped waste materials, and to enforce violations of local state and federal illegal dumping laws.

- In Douglas County, a project involving the Northwest Youth Corps (coordinated with Roseburg BLM District personnel) has completed a variety of projects, including forest stand improvement, noxious weed eradication, habitat improvement, trail maintenance, recreation site maintenance, and fence construction. The Northwest Youth Corps established an education curriculum called “Something Educational Every Day” (SEED), which introduces Northwest Youth Corps members to a wide variety of topics related to natural resource management and wildlife conservation. Recent educational sessions have centered on fire ecology, forest and stream ecology, native species protection, nature observations, and timber harvesting methods.
- Working across land ownership boundaries, a project to eradicate the “Portuguese Bloom” noxious weed in Douglas County (BLM’s Roseburg District) was approved three years in a row for Title II funding. This noxious weed was discovered in Douglas County in 1999, and the BLM’s partners in the project—various private landowners, the Oregon Department of Agriculture, the Douglas Soil and Water Conservation District—intend to eradicate it while it is still fairly localized (at 7,000 acres). Control efforts became much more comprehensive with the availability of Title II funds. Intensive early activities to inventory the area and develop a comprehensive treatment plan would not have been possible without the Title II funding.
- Fish passage is a significant issue on public lands and surrounding private lands in the BLM’s Roseburg District (Douglas County). The Committee has identified this problem as one of its priorities, and approved Title II funding for fish passage restoration each year since FY 2002. Sixteen culvert replacement projects already have been completed, improving not only fish habitat (these projects will open access to over 50 miles of streams for both juvenile and adult fish) but also road quality, assuring that roads needed for recreation, timber harvest, fire suppression, and other activities will be reliable.

As of November 15, 2004, the BLM’s western Oregon Resource Advisory Committees have reviewed approximately 707 proposed Title II projects. Of these, the Committees recommended approval of 465 Title II projects at an estimated funding level of \$33 million; to date, 61 projects have been completed.

In addition, the success of the Committee process in developing community-based solutions is encouraging the O&C counties to consider using funds available under the Act to help local communities develop protection plans in the event of catastrophic wildfire. For example, the Healthy Forests Restoration Act (P.L.108-148) encourages communities to work with federal agencies to develop Community Wildfire Prevention Plans (CWPP). It is our understanding that several O&C counties have used Title III funds to begin the fuels assessments and/or data collection (GIS) for the Community Wildfire Protection Plans, and have recommended Title II funding for on-the-ground projects to implement the CWPPs.

The authorities of the Secure Rural Schools Act have enabled the BLM to accomplish on-the-ground improvements in land and resource conditions, including wildfire hazard reduction. The Resource Advisory Committee process has served as a catalyst to bring together diverse groups and individuals with the shared goal of improving the condition of our public lands. In projects selected through collaborative decision-making, the BLM has worked in partnership with corporations, state and local governments, and stakeholders to improve the condition of the O&C lands and support the development of community-based strategies to protect these communities from catastrophic wildfire.

Thank you again for the opportunity to discuss the BLM’s implementation of the Secure Rural Schools Act. I will be glad to answer any question you may have.

Senator CRAIG. Well, Ed, thank you very much for that very comprehensive analysis of where this law has taken us.

Mark, you were here at the beginning. I guess that is one way of saying it. While you served with this committee here in the Senate, you were one of the primary authors to the legislation. You and Sarah Bittleman worked with myself and Ron to make this legislation work and ultimately to become law.

So my first and obvious question is, now that the shoe is on the other foot, so to speak, can you give us your assessment of how the Secure Rural Schools and Community Self-Determination Act is

being implemented? Is it working from the standpoint of your initial analysis when we crafted it?

Mr. REY. As I indicated in my statement, I believe the Act is meeting the three purposes set forth in the purpose section and is doing an effective job of achieving each of the three. And that is fortunate because, as you indicated, I am hardly in a position to complain about the drafting.

[Laughter.]

Senator CRAIG. And that you should not.

Give us some of your insight as to resource advisory committees and their working. Are these committees working up to your expectation, or are there steps that we should take to improve their performance?

Mr. REY. I think they are working generally quite well where they are in existence. I think the challenge, as we continue to move in implementation, is to try to look at those counties which have significant payment opportunities that have not yet developed resource advisory committees or called for the development of resource advisory committees. Clearly where the amount of money is relatively small, there would be some question as to whether it is worth the arduous effort to charter a committee, but by our count, there are still about 31 counties which have a significant amount of payment that could be devoted to work overseen by resource advisory committees, and those are our targets of opportunity to expand the use of the resource advisory committees and the helpful dialog that occurs over the management of the Federal lands when those committees are chartered and begin to operate.

I noted with interest a copy of a letter that I received last week that was actually addressed to Senator Wyden, and I was just cc'd on it. It was co-signed by Anna Morrison, a county commissioner from Lane County, and Andy Stahl—

Senator WYDEN. Ideological bedfellows.

[Laughter.]

Mr. REY. I think it is a fair bet that prior to their appointment and activity on this resource advisory committee, it would have been difficult to get them to co-sign a communique that the sun rises in the east and sets in the west. Andy would have wondered what was behind that, and Anna would have refused to sign it if Andy had. So that is one indication of progress I think.

Senator CRAIG. Mark, I have been told that not one of the projects recommended and funded by the resource advisory committees has been appealed or litigated. Is that true?

Mr. REY. To our knowledge, that is correct.

Senator CRAIG. If these resource advisory committees have established such an enviable track record, I am wondering if we should not expand the number and reach of these advisory committees by earmarking a certain percentage of each forest budget to be utilized by the committees to enhance the good work they seem to be doing. Any thoughts on a concept like that?

Mr. REY. That is a concept not dissimilar to some of the early drafts of this legislation that we were discussing in 1999, but I think I would like to defer our recommendations for changes to the legislation until we come to testify on the bills that you introduced last week.

Senator CRAIG. Fair enough.

Ed, again, thank you for being here this morning and testifying. I understand you were BLM's representative to the County School Long-term Committee which held numerous public hearings on this legislation. So you were there also at that phase in 2000 of drafting and working on it and looking at it.

Understanding that the Federal agencies had little to do with the implementation of title I and II, can you spend some time helping us understand whether or not title II is working for the BLM?

Mr. SHEPARD. Well, title II is working very well for the BLM in three ways. First, we are planning and are accomplishing, through the work with the RAC's, over \$33 million worth of restoration projects on the ground. I say over \$33 million. \$33 million came from title II, but we have been able to leverage from other sources from watershed councils, from timber companies, from the counties themselves other dollars to accomplish a lot of this work. So in that way, it has obviously been very successful.

Second, the recommendations of the projects that come through the RAC's have really lead to buy-in by the community. This is, in my opinion, the reason that we have not seen the protests and litigation that we see in a lot of the other projects that we try to push forward.

And third, I think the relationships that have been built as a result of these RAC's have really been invaluable, not only to accomplish title II projects, but also the relationships help as we try to move forward other things that the BLM is trying to do.

Senator CRAIG. Given the public meetings that the County Schools Long-term Committee held, are there other insights that you might add or that you hold as it relates to this law?

Mr. SHEPARD. I think one of the things that impressed me most, Senator, as I was going around the country with the committee and listening to the folks that were affected by the downturn in timber harvesting off of the Forest Service and BLM lands was how timely the passage of this Act was. Many of these communities were right on the edge of losing critical infrastructure, and I think the act coming along with title I helped them move through that difficult time and keep that infrastructure going.

Again, a complaint that we heard in a lot of the hearings is that the agencies had lost contact with the communities out there and with the counties. I think a lot of that was because of the loss of the money and the controversies over the downturn of the timber. This bill, and particularly where the RAC's are present, I think has moved people back together with the agencies. Forest Service and BLM relationships have really improved. And I can speak from personal experience with my time in Oregon where the relationships during the late 1980's and much of the 1990's were very stressed, and now I think the counties and the agencies are working very well together again.

Senator CRAIG. Well, Ed, thank you. I have got one last question before I turn to Ron.

We have also just been joined by Senator Gordon Smith. Gordon, welcome. We are glad you are here. We know this law plays an important role in your State and Ron's State.

Ed, I asked the question of Mark. Should we expand the number and reach of these advisory committees by earmarking a certain percentage of each forest budget to be utilized by these committees to enhance the good work they seem to be doing?

Mr. REY. I would prefer if you ask Ed about the BLM budget, if you do not mind.

[Laughter.]

Senator CRAIG. Well, I understand that.

Mr. SHEPARD. There has been no doubt that the RAC's have been very successful and BLM has a lot of experience with RAC's for a number of years. But I would prefer to bring that back and discuss it with the Department and Director Clarke and respond to that at the reauthorization hearing.

Senator CRAIG. A very skillful dodge. Thank you much, Ed.

Let me turn to my colleague, Ron Wyden. Ron.

Senator WYDEN. Thank you, Mr. Chairman. Our witnesses have been very helpful.

Again, because we are not going to go into the budget, I am just going to make my own statement with respect to where we are. If we do not get full funding for the county payments law, our region faces what literally could be a triple whammy. Yesterday, the budget called for a massive rate hike on Bonneville customers, a \$2.5 billion rate hike, a rate hike that would be economic poison for our region, one that is opposed by myself, Chairman Craig. Senator Smith deserves great credit for essentially announcing on the front pages of our paper. He opposed it with everything he has got, and I thank him for his excellent statement.

But the combination of the massive rate hike for Bonneville, not getting full funding for forest health—you know, we were pledged in the bipartisan forest health bill \$760 million. We are talking about several hundred million less, at least \$200 million less. And then the question of the county payments. If we do not get this money, our region is staring right at a triple whammy that would be devastating to our economy.

By agreement with Chairman Craig, this is going to be an oversight hearing and not a budget hearing, but I just want to use this opportunity to make it clear how important it is that we have the administration's support on this particular initiative because of the importance to the region and what we are faced with in terms of our economy.

What I would like to do for a couple of minutes—in fact, let me start with one point that you made, Mr. Rey, on the question of the 31 counties that have not been moving quickly. Why do you think that is? I think that given the fact those are big counties and counties where you would say, look, this sounds like a pretty attractive thing, what are you picking up in terms of why they might be reluctant? Because I think that is something that we would like to factor into this bipartisan reauthorization.

Mr. REY. I think that it involves a couple of things. First, in some of those counties, the county commissioners looked at the prospect of sharing the decisionmaking authority for the use of money under title II and compared it to the unilateral authority to spend the money they want on title III projects, and decided they preferred the latter.

Second, I think a lot of the counties decided to wait and see how well the resource advisory committees were working before they invested the time and energy into going through the process of getting a resource advisory committee chartered.

And third, I suspect that, as I looked through the list of those counties affected, there were in some cases counties that I knew had fairly pressing needs for funding some of the activities that are allowed through title III funding.

So I think those would be the three primary reasons that we saw some counties, who arguably should have been attracted to title II, slow to form resource advisory committees. What I hope we can persuade them of in the future is that if you look at the experience of the counties who formed resource advisory committees, the opportunity to engage in a more civil and constructive discourse on how the Federal land should be managed generally inures benefits that go beyond just the money that is invested.

Senator WYDEN. I think you are right. I particularly sense that there are a lot of people in the wait-and-see department. Let us try to get the word out now that this is in fact working. I think that we will get some of those 31 counties on board.

Give me a sense, in terms of 1,800 projects authorized, about some of the numbers. What is your sense about how many now or will produce merchantable timber?

Mr. REY. I can get you more specific numbers for the record. We do maintain a data base on the projects. I would say a relative handful are producing merchantable timber. By law 50 percent of the projects have to deal with road or trail improvement or watershed improvement. Our figures indicate that roughly 56 percent of the projects do that. In those projects, you are obviously going to have at most an incidental or occasional amount of commercial timber. I will get you the exact numbers, but my sense, having reviewed the data base once, is that that is a relatively small number of projects.

Senator WYDEN. And how many do you think are serving to improve forest health and fire preparedness?

Mr. REY. I think a fairly significant number. Probably 25 to 30 percent of them probably have forest health or fire hazard reduction goals attached to them.

Senator WYDEN. The only other question I had for you, I think what the chairman and I are interested in—the cooperation that we have seen as a result has now made this essentially the only significant area of foreign policy—of forest policy that has not turned—

Senator CRAIG. That was not a bad slip.

[Laughter.]

Senator CRAIG. There was some foreign policy involved here.

Senator WYDEN. You got it.

This seems to be the only significant area of forest policy that is not a litigation derby. I think that what we are interested in is not as part of this legislation—when you said you were not calling for any amendments to this bill, we appreciate that because it will be a challenge to get this reauthorized. What we have been interested in is whether we could use this RAC model in other areas of forest policy simply because it does stand out as essentially the only area

in natural resources that has been significant, with a significant amount of dollars, that is not a lawyer's full employment program. So why do you not give me your thoughts on that, whether we can take this RAC model and use it in other areas, not just this one as it relates to forest policy to try to help find the common ground.

Mr. REY. I think generally whenever we can find ways to involve people at the community level, we are getting better results. That is clearly the case with these resource advisory committees. It also appears to be the case with the community-based fire plans that are being developed now under the auspices of the Healthy Forests Restoration Act. But as we move forward to discuss the bills that were introduced last week, we will also give some thought to where we can productively expand the role of resource advisory committees beyond the four corners of this legislation.

Senator WYDEN. I am going to be interested in talking with both of you. Ed, I will not jump you on this at this point. But I am interested particularly in asking you two about areas where we could use the RAC model and the model as it relates to bringing people together as it relates to water issues. Ed, you all get a fair ways into this issue, but I think all over the West, the water issues are going to be very, very contentious in the days ahead, the whole issue of competing uses and the fact that we westerners want the water for all of them, be it the economic needs, the environmental needs, the agricultural needs. We have got to find some model to get people again work together. So we are going to continue to explore with both of you this question of how we can use the RAC model in other areas.

We will keep the record open I think, Mr. Chairman, so that Mr. Rey can give us the numbers in terms of projects. In fact, why do we not see if we get a count on merchantable timber projects under the law, environmental projects under the law, and forest health and fire preparedness projects under the law, and we will hold the record open for that.

Senator CRAIG. Thank you much.

Now let me turn to our other Senator, our colleague from Oregon, Senator Gordon Smith.

Senator SMITH. Thank you very much, Mr. Chairman, and double thanks to you and Senator Wyden for crafting this extension. I cannot even find the words to tell you how critical I think it is to our region of this country. It is a fact that over the past 15 years, there has been a dramatic decline in the sale of Federal timber, resulting in significant corresponding decline in payments to counties. There is a myth out there that somehow President Bush has turned on the chain saw as soon as he came into office, but the truth is that between 1984 and 2004, harvest on the Umpqua National Forest has fallen 99 percent. The total harvest across Oregon's national forests is at a 93 percent decline. I understand that the numbers for the BLM lands in western Oregon are slightly better.

But the simple fact is this, that without this safety net being extended, Oregon will be an economic dust bowl, and we cannot take that. When the forest resource went away, everyone pinned their hopes on the silicon forest, but we have seen that forest can go from boom to bubble to bust in fairly short order. Until we figure out what the policy is on the Federal forests as a resource for fund-

ing schools, this is a very vital link to the economics of the Pacific Northwest.

So, Mark, I think one of the questions I have for you is, is there room to more closely marry title II projects with the Healthy Forests initiative?

Mr. REY. I think there is, and I think as people get more experience both with the use of stewardship contracting and with the procedures in the Healthy Forests Restoration Act, you are going to see more title II money devoted to those kinds of projects. There are some stewardship contract projects that are being funded at present under title II, and I think the rate of that is going to increase this year and next.

Senator SMITH. Mr. Shepard, do you have any comment about that?

Mr. SHEPARD. I would agree with Under Secretary Rey that you will see, I think, an increase in the use of title II and title III funds with the HFRA authorities. You are seeing that now in many areas in development of the community wildfire protection plans. I think you will see a lot more of that, and I think a lot of opportunities, particularly in southwest Oregon, where we do have the higher fire risk.

Senator SMITH. Thank you, Mr. Chairman. I want to note the presence of an Oregonian, Tim Lillebo, of the Oregon Natural Resources Council. I want to welcome him here. He is on our second panel.

Senator CRAIG. Thank you very much. Both Mark and Ed, thank you for joining us today. We will look forward to working with you.

Mr. REY. Mr. Chairman, Senator Bingaman asked a question and if I might, I am prepared to respond for the record so that the hearing record has that.

Senator CRAIG. Surely, please proceed.

Mr. REY. The question of whether project monitoring is being done appropriately under the statute depends on what kind of projects you are talking about. There is no requirement for monitoring of title III projects, so roughly half of the projects that are being undertaken do not, to our knowledge, have monitoring programs attached to them.

Under title II, all of the resource advisory committees have the same charter, which outlines how they will operate and maintain consistency and specifies that each project that is approved has to have a monitoring plan attached to it.

Our discussions with the individual national forests that have projects indicate that implementation monitoring is being done on each project; that is, the project is being monitored to assess that it is accomplishing what it is designed to accomplish. We are also doing some similar monitoring on adjacent private lands projects as well.

Ecological effectiveness monitoring typically takes place on a larger scale at a watershed scale, and it will involve all of the projects and does involve all of the projects within a specified area. So the monitoring that is done at that level for title II projects is going to be combined with information from any project of a comparable nature that is occurring in that watershed. Title II projects vary greatly in size, complexity, and purpose, so that kind of moni-

toring will vary accordingly, and some projects, such as conservation education, producing publications, noxious weed inventories, all of which are eligible for funding under title II, likely would not have an active monitoring component to them because that would be considered and rejected as unnecessary by the resource advisory committee.

So that I hope is responsive to the question he asked about monitoring.

Senator CRAIG. I appreciate that. Thank you.

Senator WYDEN. Mr. Chairman, Senator Cantwell is a strong supporter of reauthorizing the law. She has a statement for the record.

Senator CRAIG. Without objection, her testimony will become part of the record.

[The prepared statement of Senator Cantwell follows:]

PREPARED STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Thank you, Chairman Craig.

Thank you for holding this hearing, and thank you for continuing to support and champion the Secure Rural Schools and Self-Determination Act. I appreciate this oversight hearing and look forward to working with you and Senators Wyden and Feinstein to reauthorize this law.

As you know, this vital program continues a nearly one hundred year old policy of providing fair and equitable compensation to the citizens of forest counties for their coexistence with federal lands. Simply put, without the support provided by laws like the Secure Rural Schools and Self-Determination Act, many rural communities in Washington would struggle to meet their basic needs such as adequate roads and good schools.

Skamania County in Southwest Washington is a good example. Almost eighty percent of Skamania is in the Gifford Pinchot National Forest, making it non-taxable by the county. Other large portions of land are owned by the state or timber companies, leaving only two percent of the county eligible to be taxed at full valuation. However, by leveraging funds from the County Payments program, places like Skamania are able to still provide critical public services like education, emergency response, and road maintenance.

And funds provided by this program not only meet the basic needs of rural communities, they also support a diverse array of important programs. Like athletic and music classes which help students in rural school districts compete with students in urban schools for college acceptance.

In addition, title two of this law has increased local community involvement and empowered local citizens through the Resource Advisory Committees. These committees have helped cultivate a sense of ownership, promoting involvement in important projects such as improving wildlife habitat and water quality and reducing the threat of forest fires through fuels reduction efforts.

Mr. Chairman, I appreciate this oversight hearing because I believe it gives us an opportunity to consider whether we can improve this program even further. I would like to consider ways we can allow counties more flexibility in how they use these funds, whether these payments should be independent of state education funding allocations, and how this program interacts with other compensation programs like the federal program that makes payment in lieu of taxes (PILT) for lands in federal ownership.

For these reasons, Mr. Chairman, I look forward to working with you as we review the merits of this legislation and look forward to a swift reauthorization. While the bill does not expire until 2006, without this vital safety-net rural counties in Washington will lose more than \$40 million dollars in irreplaceable funding for a variety of critical programs. The time is now for a comprehensive review of the law and its implementation, so we can move forward promptly.

Thank you.

Senator CRAIG. Again, gentlemen, thank you very much for being with us this morning. We will look forward to working with you as we move through reauthorization of this legislation.

Now let us turn to our second panel. These folks are out there where this law is implemented and on the ground. Of course, their testimony will be extremely valuable. We will welcome to the panel Jim French, superintendent, Trinity County, Weaverville, California. Tim Lillebo has already been introduced by our colleagues, Conservation Policy Advocate, Oregon Natural Resource Council in Bend. I had mentioned Sherry. How are you, Sherry? Sherry Krulitz, District 2 commissioner, Shoshone County in Wallace, Idaho. Dr. Tim Creal, superintendent, Custer School District, Custer, South Dakota. And Reta Griffith, commissioner, Pocahontas County, Marlinton, West Virginia.

Well, we do appreciate all of you being with us this morning, and as I said in my recognition of this panel, you are all out where this law gets implemented on the ground and can see the effects of it. Some of you participate on the RAC. So we value your testimony.

We will turn to you first, Jim, and let you proceed. Jim French.

Before we do that, let me recognize our colleague from Colorado. Senator Salazar, do you have any opening comment you would like to make on this oversight hearing?

**STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR
FROM COLORADO**

Senator SALAZAR. Mr. Chairman, I am not a member of the subcommittee, but a member of the full committee, and thank you for the opportunity to participate.

I have been long concerned about the inequality sometimes that occurs between rural schools and other schools that have a lot more property tax wealth. And in Colorado, we have huge issues and legal cases that I have been involved in for the last 20 years. So your leadership and that of Senator Wyden, in terms of moving this agenda forward, is something that I applaud and I look forward to working with you on the reauthorization.

Senator CRAIG. Thank you much. We appreciate that.

Jim, we will turn to you.

**STATEMENT OF JAMES B. FRENCH, TRINITY COUNTY
SUPERINTENDENT OF SCHOOLS, WEAVERVILLE, CA**

Mr. FRENCH. Thank you for the opportunity to address the committee on Public Law 106-393 and the uses of title I and title II funding resources. My name is Jim French and I am Trinity County superintendent of schools and chairman of the Trinity County Resource Advisory Council. I also serve on the board of the National Forest Counties and Schools Coalition which contributed significantly to the current law.

Trinity County is a large, rural, mountainous county in northern California, of which 76 percent is national forest. We are the second largest recipient of forest reserve dollars in California, once being a large timber producer on national forest land. Trinity County receives a total of \$7,730,027, of which \$6,570,000 is title I, annually split between roads and schools. \$927,603 is in our title II this year and last, and \$231,900 in title III funding.

Regarding title I funding for schools, forest reserve funding has been an integral part of Trinity County school funding for over 40 years, and it is essential to our continued success. These funds pro-

vide for instructional aides in our multi-graded classrooms, implementing the Federal No Child Left Behind requirements. In my county schools office, the funds are used to provide school nurses, counselors, arts and music programs. Forest reserve funds additionally fund under-funded special education programs. A wide array of student programs without dedicated program funding are funded under forest reserve: our annual spelling bee, the academic decathlon, the young author's faire, our gifted education programs, our young artist's workshop, to name a few.

In an era of declining student population, 24.4 percent since 1996, and declining school revenue, without forest reserve funding, our schools would have to eliminate the majority of our instructional aides and programs that I spoke of above. Additionally, the four largest school districts in my county schools office would file qualified or negative budgets with the State, citing the inability to meet our financial obligations. Our declining student population is due in great part to the changing forest practices and associated local economy loss which, in turn, necessitates greater need for forest reserve funding. I believe that our situation is a common one in rural resource-dependent America.

Regarding resource advisory committees, authorized under the law, as I said, I am chairman of our Trinity County RAC. Our county is the second largest contributor to both title II and title III programs in California, and we dedicate the largest amount to title II by percentage in actual dollars in California. To date, we have expended \$3,356,086 on 63 title II projects within our county. 94.4 percent of it has been spent on a fuel reductions program and watershed restoration.

Below are features of, what I considered, our successful RAC, which may serve new or future RAC's.

No. 1, our RAC established clear, agreed-upon strategies. Early on we decided to focus on fuel reduction projects that help to protect rural communities at risk and watershed projects that restored rivers or reduced sediments in our streams and rivers. 10 percent of our title II funds are distributed to other allowable projects such as trail maintenance and work with our Native American community.

Early on, we identified ground rules for participation that defined the parameters of disagreement within our RAC. In our RAC the rule is: conduct yourself so that you could be invited to dinner by any member after the meeting.

[Laughter.]

Mr. FRENCH. So oftentimes I would have to say, you are not going to get invited to dinner. Well, not that often.

But really, the RAC process is really about building relationships and then finding common ground, literally, for projects.

Our RAC identified many partners to collaborate on a program of work as well as funding. We dovetail all our fuels projects with identified communities at risk, as identified by our county fire safe council plan. The majority of our watershed projects have State Fish and Game or Five County Salmonid matching dollars as part of our project.

We complete as much of our work as possible by grants and agreements as opposed to force account by the Forest Service which

provides for additional local work opportunity and economic growth.

We ask our county commissioners to identify our title II funding allocation early so our RAC has ample time to plan and implement projects.

We also schedule enough time in our RAC calendar to allow the process to work. It is really all about process. Early on, we met once a month but now do most of our work in subcommittee format, and the full RAC meets up to four times a year to vote on projects.

The ongoing productive relationships between county commissioners, the Forest Service, and schools are critical to RAC success. RAC's should update county commissioners on projects at least quarterly with the Forest Service in attendance. Originally our RAC had two county commissioners on it, which I think certainly helped with our early success.

Attached for your review are just a few of the many photos taken on our RAC monitoring field trips.* They are representative of our many projects. I would say we have probably had the opportunity to monitor by walking the ground 25 percent of our projects.

The first roads photo is from our China Gulch sediment reduction project. I think you can see by the picture graphically what a serious problem we had with China Gulch, and down below you can see that it was corrected.

Also included as photo 2 is an article on our Big Red Truck RAC project which is credited with saving homes during the 4,000-acre Simms fire. And I'm proud to say that starting last year, we have been able to generate some saleable timber with our fuels reduction projects, reducing the overall cost of projects as shown in photos 3, 4, and 5. I view the generation of RAC-approved forest products as an essential feature of future RAC fuels projects.

The sixth photo shows our youth crew marking saw logs from our 33-mile Mad River Ridge fuel break, our largest RAC project. It has been important to us and many RAC's across America to have our future stewards of the land involved in projects.

The RAC process has shown great promise for quality collaboration in our county and I hope across the Nation. I think the RAC's members views of how to manage our forests have grown. Preventing catastrophic wildfire and restoring watersheds are essential to the future of our forests and RAC's stand poised to do that work. I suggest that we also stand poised to implement HFRA and we are looking forward to doing that.

In my county, it is critical that Public Law 106-393 be reauthorized to provide continuing benefit to our children, our forests, and our communities, maintaining the compact that the Federal Government made with rural counties many years ago.

Thank you for your time and thoughtful consideration. I am happy to answer any questions.

Senator CRAIG. Jim, thank you very much.

Now we will work our way right up the table.

Dr. Creal.

*The photos have been retained in subcommittee files.

**STATEMENT OF DR. TIMOTHY CREAL, SUPERINTENDENT,
CUSTER SCHOOL DISTRICT, CUSTER, SD, ON BEHALF OF
THE FOREST COUNTIES PAYMENTS COMMITTEE**

Dr. CREAL. Thank you very much, Mr. Chairman and members of the subcommittee. Thank you for the opportunity to appear before you today and discuss the critical issues of payments to States and counties associated with national forests and Oregon and California grant lands.

My name is Tim Creal and I am here today representing the Forest Counties Payments Committee. I am also superintendent of Schools in the Custer School District in Custer, South Dakota, located in the Black Hills.

The Payments Committee was created by Congress to provide recommendations for a long-term solution for making payments to States and counties. The committee is also charged with evaluating payments made under the Secure Rural Schools and Community Self-Determination Act of 2000 and to make other evaluations related to impacts to communities. A report containing these findings and recommendations of our committee was submitted to the six congressional committees of jurisdiction in February 2003.

During the 18 months of preparing a report to Congress, the Payments Committee conducted 10 listening sessions around the country and we heard from school officials, Federal agency employees, local elected officials, and citizens. We also met with the Members of Congress and their staff, as well as officials from the administration. The Forest Counties Payments Committee undertook a research project that provides the most current information on topics such as tax value of Federal lands, the costs and benefits of public lands to communities, and how States allocate the Federal payments between schools and roads.

The Secure Rural Schools Act, also known as the Craig-Wyden bill, is an effort to have the Federal Government live up to the commitments made to communities many years ago and to hold counties and local governments harmless for changes that the Government makes in its program levels. The current law, which expires in 2006 is being implemented by State and local governments, the Forest Service, Bureau of Land Management, and private citizens through their participation in resource advisory committees under title II.

Mr. Chairman, in 2004, approximately \$507 million were made available through this legislation. The majority of this money, \$426 million, will be used for education and roads through title I. The remaining \$80 million was set aside by counties for certain county projects and projects on public lands. Without the payments guaranteed under the Secure Rural Schools Act, that amount would have been approximately \$82 million.

After 4 years of experience with this legislation, it is clear these payments have allowed schools to continue to be viable in many communities. Without guaranteed payments, many rural schools would have lost their ability to provide the same quality education available in many urban schools. School officials told us they would have dropped athletic programs, music programs, honors programs, the very curricula that allow rural students to compete with their urban counterparts for acceptance into college. Counties and local

governments have also been able to provide better maintenance on local roads and bridges to meet critical health and safety needs, protect water quality and provide access to public lands. Our findings and recommendations regarding funding for education and roads can be found in the report.

One of the great experiments of the Craig-Wyden bill is found in title II. The belief that local citizens can come together and assist in the management of the national forests and O&C lands was not shared by everyone when this law was passed. Land management disagreements of the past 15 years caused people to draw lines in the sand and work out their differences through appeals and lawsuits. It is remarkable how quickly some people have put aside that baggage and jointly agreed on projects to improve water quality, fuels reduction, and wildlife habitat.

There are currently 59 active resource advisory committees and an additional 29 that have been chartered. In 2004, approximately \$41.8 million were set aside by counties to accomplish projects on the national forests and O&C lands.

We find a strong correlation between the amount of money a county receives and whether or not they decide to allocate any to title II and form a resource advisory committee. Given this, we recommend creating other financial incentives where payments are not significant enough to create advisory committees. We also believe the role of the resource advisory committees could be expanded beyond their current authorities. And we are also finding that many resource advisory committees accomplish public land projects by partnering with other financial resources and volunteers.

In 2004, approximately \$38.6 million were set aside by counties to accomplish projects under the six categories in title III authorized by the current law. Our committee made several recommendations about title III. We commissioned a study that sampled 100 counties around the country to identify costs and benefits of Federal lands to communities. Title III allows counties and local governments to offset some of the costs associated with search and rescue operations and fire and prevention created by the presence of public lands. We also see the need to have some type of accountability and reporting procedures in place to ensure moneys are spent as Congress intended.

In closing, we are aware of the cost of reauthorizing these payments. Part of the cost should be borne by receipts collected from the public lands. But they are not enough, nor are they stable. We evaluated the current tax value of public lands and compared that to payments from the Secure Rural Schools Act and Payments in Lieu of Taxes law. When considered in the aggregate, the tax value of those lands is greater than the combined payments from the two payment programs. While Congress did not intend for these payment programs to necessarily compensate for loss tax revenue, it is a legitimate measure against the amount that is being paid by the Federal Government.

The Forest Counties Payments Committee will continue to be available to this subcommittee and provide any assistance as new payment legislation is developed.

Mr. Chairman, this concludes my comments. However, I would be happy to answer any questions you or other committee members may have. Thank you.

[The prepared statement of Dr. Creal follows:]

PREPARED STATEMENT OF DR. TIMOTHY CREAL,
FOREST COUNTIES PAYMENTS COMMITTEE

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today and discuss the critical issue of payments to states and counties associated with National Forests and Oregon and California Grant Lands. I am Timothy Creal and I am here today representing the Forest Counties Payments Committee. I am also the Superintendent of Schools for the Custer School District in South Dakota. The Payments Committee was created by Congress to provide recommendations for a long-term solution for making payments to states and counties. The Committee is also charged with evaluating payments made under the current Secure Rural Schools and Community Self-determination Act, and to make other evaluations related to impacts to communities. A Report containing the findings and recommendations of our Committee was submitted to the six congressional committees of jurisdiction in February of 2003. I would ask that Report be made a part of my statement today. During the 18 months of preparing the Report to Congress, the Payments Committee conducted 10 listening sessions in different locations around the country where we heard from school officials, federal agency employees, local elected officials, and citizens. We also met with members of Congress and their staff, as well as officials from the Administration. The Forest Counties Payments Committee undertook a research project that provides the most current information on topics such as the tax value of federal lands, the costs and benefits of public lands to communities, and how states allocate the federal payments between schools and roads. Readers will also see a discussion of the history of National Forests and Oregon and California Grant Lands, appropriate in this hundredth year anniversary of the Forest Service, and an evaluation of resource advisory committees authorized under Title II of the current law. The Payments Committee would also like to thank the Energy and Natural Resources Committee for supporting the recent Bill to extend our term. Our members felt it was important to remain together as Congress begins the task of developing new payment legislation that is of such importance to more than 730 counties and other local governments across this country.

Almost 100 years ago, Congress recognized that the presence of public lands could create certain impacts on communities. The inability to collect property taxes and the scarcity of private lands for future development were among several concerns identified. Establishment of the 1908 Payment Act for National Forests, and the 1937 O&C Act for Oregon and California Grant Lands were efforts to mitigate these impacts. These payment programs, along with healthy economies generated by active management of these federal lands, helped ensure adequate funds for schools and roads. However, this changed as timber harvests on public lands rapidly declined. The Secure Rural Schools and Community Self-determination Act of 2000, also known as the Craig/Wyden Bill, is an effort to have the federal government live up to commitments made to communities many years ago, and to hold counties and local governments harmless for changes the government makes in its program levels. The current law, which expires in 2006, is being implemented by state and local governments, the Forest Service, Bureau of Land Management, and private citizens through their participation in resource advisory committees under Title II.

TITLE I

Mr. Chairman, in 2004, approximately \$507 million were made available through this legislation. The majority of this money, \$426 million, will be used for education and roads. The remaining \$80 million was set aside by counties for certain county projects, and projects on public lands. Without the payments guaranteed under the Secure Rural Schools and Community Self-determination Act, that amount would have been approximately \$82 million. That includes payments from National Forests as well as the O&C Lands. After four years of experience with this Legislation, it is clear these payments have allowed schools to continue to be viable in many communities. Information provided by the National Education Association, the National Forest Counties and Schools Coalition, and the American Association of School Administrators indicates that without the guaranteed payments many rural schools would have lost their ability to provide the same quality education available in many urban schools. School officials told us they would have dropped athletic pro-

grams, music programs, and honors programs; the very curricula that allow rural students to compete with their urban counterparts for acceptance into college. Others expressed concerns about the way some states allocate Title I funds to local school districts. This generally occurs where states have put in place equalization formulas for education funding.

Counties and local governments have also been able to provide better maintenance on local roads and bridges to meet critical health and safety needs, protect water quality, and provide access to public lands. Our findings and recommendations regarding funding for education and roads can be found in the Report. The Payments Committee is currently gathering additional information about education and road expenditures in cooperation with several organizations, and will continue to provide that to the committees of jurisdiction as it becomes available.

TITLE II

One of the great experiments of the Craig/Wyden Bill is found in Title II. The belief that local citizens can come together and assist in the management of the National Forests and O&C Lands was not shared by everyone when this law passed. Land management disagreements of the past 15 years caused people to draw lines in the sand and work out their differences through appeals and lawsuits. It is remarkable how quickly some people have put aside that “baggage” and jointly agreed on projects to improve water quality, fuels reduction, and wildlife habitat. There are currently 59 active resource advisory committees, and an additional 29 that have been chartered. In 2004, approximately \$41.8 million were set aside by counties to accomplish projects on the National Forests and O&C Lands. Most are in the West, but some do exist in the Southeast. We find a strong correlation between the amount of money a county receives, and whether or not they decide to allocate any to Title II and form a resource advisory committee. Given this, we recommend creating other financial incentives where payments are not significant enough to create advisory committees. We also believe the role of resource advisory committees could be expanded beyond their current authorities.

We find that many resource advisory committees accomplish public land projects by partnering with other financial resources and volunteers. This serves to increase the effectiveness of the Title II monies identified by counties. It is also important to find ways to better determine economic benefits in terms of jobs created.

The success of resource advisory committees will be determined over time. A study recently completed by Boise State University, and an on-going study by Forest Community Research, will provide valuable information about the effectiveness of these advisory committees, and any changes that need to be made to improve their operation. The Payments Committee intends to document the results of some of these projects in a video presentation in the near future, and will make that available to this subcommittee.

TITLE III

In 2004, approximately \$38.6 million were set aside by counties to accomplish projects under the six categories authorized by the current law. There was not a great deal of information available about Title III when the Committee filed its Report in 2003, and several efforts are underway to gather more detailed information about how counties are using these funds. Our Committee made several recommendations about Title III. First, we believe it is important to continue this Title in future legislation. We commissioned a study that sampled 100 counties around the country to identify costs and benefits of federal lands to communities. Title III allows counties and local governments to offset some of the costs associated with search and rescue operations and fire prevention created by the presence of the public lands. The Payments Committee and federal agencies received many calls from counties asking for assistance to interpret whether certain projects qualified under Title III. Because of these uncertainties, we see a need to have some type of accountability and reporting procedures in place to ensure monies are spent as Congress intended.

ADDITIONAL OBSERVATIONS

In closing, we are aware of the cost of reauthorizing these payments. Part of the cost should be born by receipts collected from the public lands. But they are not enough, nor are they stable. As a comparison, we evaluated the current tax value of public lands and compared that to the payments from the Secure Rural Schools Act and the Payments in Lieu of Taxes Law. When considered in the aggregate, the tax value of those lands, if they were in private ownership, is greater than the combined payments from the two payment programs. While Congress did not intend for

these payment programs to necessarily compensate for loss tax revenue, it is a legitimate measure against the amount that is being paid by the federal government.

The Forest Counties Payments Committee will continue to be available to this subcommittee and provide any assistance as new payment legislation is developed.

Mr. Chairman, this concludes my comments. However, I would be happy to answer any questions you, or other members of the subcommittee may have.

Senator CRAIG. Tim, thank you very much.

Now, let us go to Tim Lillebo, Oregon Natural Resources Council.

STATEMENT OF TIM LILLEBO, CONSERVATION POLICY ADVOCATE, OREGON NATURAL RESOURCES COUNCIL, BEND, OR

Mr. LILLEBO. Good morning, Senators. Hello, Gordon, Ron, Mr. Craig.

I noticed outside there were piles of snow kind of along some of the side streets and around the trees. We are kind of in the middle of a serious drought in Oregon right now. In fact, I live in Bend, Oregon. It is known as a ski town, and right now there is more snow in Washington, D.C. than there is in Bend. So we need your help as Senators to send some of that D.C. snow our way. We are kind of desperate right now.

I would like to thank you again for the opportunity to speak. I am going to call this the county payments legislation in my testimony. Tim Lillebo, Conservation Policy Advocate. I have worked for 29 years in Oregon trying to protect forests, deserts, rivers, clean drinking water.

We have 6,000 members in the Oregon Natural Resources Council, and they all care about protecting wildlands, wildlife, wild rivers of our State and also protecting things for our children. Many of our members have children in Oregon's public schools, and like most of the people of our State, they want our schools to have the resources they need to thrive, but what we do not want, what Oregonians and ONRC do not want, is to be forced to make a choice between protecting forests, mountains, rivers of our State to fund our children's education.

And that is why the Oregon Natural Resources Council supports reauthorization of the county payments legislation, including the original pilot project section. We support that. We would like to see it fully funded because it really is a lifeline to a lot of the counties in Oregon.

I would like to take the opportunity to thank all of you for passing the original legislation. It has just made a huge difference in the Oregon education and how the counties have been able to rely on stable funding, for once, to provide for schools and roads and other necessities in the county.

I am a member of two RAC's in Oregon. One is in the very populous central Oregon area, Bend area. Another one is in the Blue Mountains region which is not very populous but pretty darned nice country.

Overall, the RAC's I have been involved in and participated in have worked very well and have produced some very good restoration projects. To my knowledge, as you said earlier, none of those projects have been appealed. So it has been very successful.

We did have some contentious times in the early meetings. Some of the county folks wanted the title II funds to all go to road grading and road maintenance and things like that, and the conserva-

tion groups said, well, wait a minute, we would like to have those funds to restore rivers and streams and salmon and steelhead and forested watersheds for clean drinking water. Anyway, the RAC structure and the legislation guidance allowed us to forge a compromise where all of the interests were listened to and everybody came to understand the values of the other groups.

Often the title II funds are the only source of dollars for many worthwhile ecosystem projects. Our RAC's have approved numerous projects. I am going to give you a long list here, but I think it is critical to note that there is a diversity of projects and a diversity of restoration projects and issues and a diversity of benefits from those projects.

We have approved numerous projects including watershed restoration enhancement, fish passage for our very important salmon resources in the Northwest, aspen restoration, road decommissioning, prescribed burning, small tree fuels reduction in the wildland/urban interface next to communities. We have had youth work programs. We have had noncommercial and commercial thinning projects approved. We have also had some road maintenance, of course, for some of the counties.

These forest and watershed projects can help provide homes for bald eagles and other wildlife. They also provide great options for recreation opportunities, and it provides a real important aspect for a lot of these rural areas because it provides jobs in the woods to help these local communities.

The county payment remains critical—and I think the others here will speak to that—for counties to having fully funded schools, conservation programs, and road budgets.

While my personal experience with resource advisory committees has been very positive, not everyone in the conservation community has had that. I have spoken to several different groups and several other people on RAC's and there is a strong concern in some of those RAC's that they have a balanced representation on these committees. They felt that actually the committee was not really of a conservation orientation. So I think there needs to be some oversight to ensure the balanced representation on the RAC's, who the actual members on the RAC's are. So there have been some problems there.

Under the interest area group structure, each group has the autonomy and the power to influence projects. In fact, a group has kind of a veto power. They can say if we really do not like a project, you can stop it. But that also means that all the groups have to listen to each other. They cannot ignore the other ones. You have to communicate and come to some kinds of agreements over contentious issues. It is a give and take, and we usually have made pretty reasonable compromises. So I think the way it works—and others have said this—it does foster cooperation because we all know that nobody will get rolled, but we also know that so far nobody has needed to filibuster either.

I would like to offer a quick personal story about cooperation. In years past, an Oregon timber industry person and myself had a fairly choppy relationship over conservation issues. We butted heads many times on logging projects and efforts to restore the land. We would often end up arguing in a public forum. And on one

kind of sad occasion, we just darned near came to fisticuffs. I mean, it was pretty serious. But now we are both on the same RAC and we actually have a fairly cordial relationship. We get along. We have agreed on projects. So I think the process is pretty important that way. I am pretty sure that there are other stories like this from Oregon. So because of the RAC, we no longer want to fight, this timber industry executive and I, and I think the world is a safer place for it as well.

[Laughter.]

Mr. LILLEBO. Anyway, there is one issue that is kind of contentious. We noticed that in the proposal of the legislation, that there would be some changes. It was originally our understanding that there would not be any significant, substantive changes to this when it was reauthorized. But it appears that an important pilot project requirement in a section has been deleted and potentially replaced with a discretionary clause. This is a very substantial change in our view, and we are opposed to the deletion of that pilot project section. We would like to see the bill reauthorized with the original language.

The pilot project section, for those who do not know, required that 50 percent of the merchantable material projects, namely timber sales, should have separate contracts for the logging and then to sell the logs. So in effect, it would separate the logs from the logger. This is an important model that conservationists and other groups have wanted to see implemented for years and years. So we think it would be a good thing to do for public land forest management.

The Government Accounting Office—and I think, Ron, you already referred to this—said in 2003 that out of 1,300 title II projects, there were only 13 that actually ended up creating merchantable materials like timber sales and so forth. So only six of those, 50 percent, would have been implemented under this pilot project program to separate the logs from the logger. But none of those six projects has been implemented to date that I know of. Maybe there are some others that have happened since that time.

So to me, there is no need to delete the pilot project section as it has not even been implemented yet. So nothing is broken, nothing really needs to be fixed in our view. The pilot project is important and deserves to be tested under the same rules as the original legislation.

I will close out here by a couple of things that I guess we feel are not substantive changes. One issue is that in the RAC's the alternates cannot vote, but I think it would be very important. Sometimes for family reasons or other important reasons members cannot attend, and I think it would be valuable to the functioning of the RAC's if we could allow those alternates to actually vote during committees.

We would also like to recommend that RAC members be able to serve more than two terms on any individual RAC. Right now I think FACA says you cannot. So we think it would help out. The ones I am on, there has been some natural turnover, but the majority of the members have stayed, and that makes for more continuity and more trust and more consistency in the decisionmaking.

Again, I would like to thank you for allowing me the opportunity to speak about this important legislation. Again, ONRC and myself, we endorse the reauthorization of the county payments. We would like to see the pilot project stay in because it does provide many benefits to wildlife, to recreation, watershed, and ecosystem restoration, benefits to the public and as well as the critical support to public schools and roads. So thanks again. Appreciate your time.

[The prepared statement of Mr. Lillebo follows:]

PREPARED STATEMENT OF TIM LILLEBO, CONSERVATION POLICY ADVOCATE, OREGON
NATURAL RESOURCES COUNCIL, BEND, OR

Good morning Senators,

I thank you for this opportunity to speak before you. My name is Tim Lillebo and I'm the Conservation Policy Advocate for the Oregon Natural Resources Council (ONRC) in Bend Oregon. I have worked for conservation of Oregon's forests, deserts, rivers, and clean drinking water for 29 years.

Over 6,000 Oregonians are members of ONRC because they care about protecting the wild lands, wild life, and wild rivers of our state as an enduring legacy for our children and grandchildren. Many of our members also have children in Oregon's public schools, and like most people in our state, they want our schools to have the resources they need to thrive.

But what Oregonians don't want is to be forced to make a choice between protecting the forests, mountains, and rivers of our state and funding our children's education. That is why the Oregon Natural Resources Council supports the reauthorization with full funding of the County Payments Legislation that does not rely on natural resource extraction to support schools and roads.

ONRC would like to take this opportunity to thank Senator Wyden, Smith, Craig and other members of the Energy and Natural Resources Committee for passing the original County Payments Legislation in 2000.

I am a member of two County Payments Legislation Resource Advisory Committees (RAC's). One in the very populous Bend and Central Oregon area for the Deschutes-Ochoco RAC and the much larger and more rural eastern Oregon area of the Blue Mountains RAC. Each area the RAC's represent is unique, and each RAC is unique, but the goals and workings of the two are very similar.

Overall, the RAC's I have been involved in have worked very well, and have produced some good restoration projects. In addition to the vital funding that the County Payments Legislation provides for schools, it is important to note that it also sustains important forest and stream restoration projects.

In the early RAC meetings that I participated in there were sometimes conflicts between conservationists and local County Governments. The Counties wanted to use the vast majority of Title II restoration funds for programs like road grading and maintenance. Conservationists wanted road maintenance to be mainly Title I funds, and to use the Title II funds to restore rivers and streams for salmon and steelhead, or to restore forested watersheds for clean drinking water.

The RAC structure and legislation guidance allowed us to forge a compromise where all the interests were listened to and we all came to understand the values and needs of each group.

Title II funds are often the only source of dollars for many worthwhile ecosystem restoration projects that would otherwise go unfunded. Our RAC's have approved numerous projects such as watershed restoration and enhancement, aspen restoration, road decommissioning, prescribed burning, small tree fuels reduction, non-commercial and commercial thinning, "at risk youth" work programs, and of course some road maintenance. These forest and watershed restoration projects can help provide homes for Bald Eagles and other wildlife as well as recreation opportunities for ONRC members and the public. The projects also provide important "jobs in the woods" to help local community economies.

The County Payments Legislation remains critical to many rural Counties across the country. Due to the small population tax base of most rural cities and towns, the County Payments Legislation funds play an enormous role in having fully-funded schools, conservation programs, and road budgets.

For example, Grant County in Eastern Oregon has only 7000 residents in an area the size of the state of Connecticut. Agriculture land property tax deferrals and forestland tax deferrals mean that public funds for things like schools are very limited. Because of this the County Payments Legislation has been a lifeline to Grant

County, which now relies the County Payments Legislation for a significant portion of its annual budget for schools and roads. Without these funds some of our rural kids could lose important educational opportunities.

While my personal experience with Resource Advisory Committees has been very positive, not everyone in the conservation community has had the same experience. In preparing my testimony for you I spoke with several other RAC members from around Oregon. Most agree that the RAC's are working, but conservationists have sometimes struggled to ensure the membership of these committees represent all the interests of a community.

The "interest area" group structure of the RAC's was intended to avoid this sort of conflict, and it is vital that it be maintained. This not only ensures that all voices within a community can be heard, it also allows local interests to have a much stronger voice the decision making process.

Under the "interest area" group structure, each group has the autonomy and power to influence projects. Indeed, if a majority of a group feels strongly against a specific project, that project can be blocked. Also, this means that the other groups cannot ignore one group's interests. It forces the different interests of each group to communicate and come to terms over contentious issues. There must be "give and take" and a reasonable compromise must be made. The way it works fosters cooperation, because we all know that nobody will get "rolled" and nobody has needed to "filibuster".

I would like to offer a personal story about cooperation. In years past, an Oregon timber industry executive and I had a fairly "choppy" relationship over conservation issues. We butted heads many times on logging projects or efforts to restore the land. We'd often end up arguing in public forums, and on one sad occasion almost came to fisticuffs over our disagreements. But now we serve on a RAC together, and through our work on the committee we have developed a fairly cordial and productive relationship. We've been able to cooperate on the RAC to actually get the work done. I am sure there are stories like this from committees throughout Oregon.

Another issue that arose in the RAC's is the need for the RAC member Alternates to be given the right to vote on projects. Many RAC members are very busy and sometimes over committed. Most are people who care deeply about natural resource issues and contribute greatly to the RAC, but sometimes family or other concerns do not allow attendance at every meeting. It would be beneficial for RAC function to allow the Alternates to vote at meetings. Alternate voting privileges should also encourage these folks to be more involved in the process, rather than just sitting with no real say in decisions.

We would also like to recommend that RAC members be able to serve more than two terms on any individual RAC. Current U.S. Forest Service FACA regulations appear to limit members to two terms only. Members should be able to serve longer because of the value of continuity and consistency of the groups. The experience of current members and the trust and working relationships are important to maintain to help facilitate group functions. So far, the RAC's I serve on have had some natural turnover, but the majority of members have stayed and that makes for more continuity and consistency in the decision making process.

As a final note, the two RAC's I work with usually meet 2-3 times a year and this seems to be adequate face-to-face time. We also communicate via e-mail and phone to do our "homework" concerning individual project proposals and then the in person meetings go more smoothly.

Again, I'd like to thank you Senators for allowing me the opportunity to speak to you about this important legislation. I personally and the ONRC, endorse reauthorization of the County Payments Legislation and the many benefits it can provide to wildlife habitat, watershed and ecosystem restoration and the public, as well as support to public schools and roads.

SUPPLEMENTAL TESTIMONY OF TIM LILLEBO BEFORE THE SENATE ENERGY AND
NATURAL RESOURCES COMMITTEE ON FEBRUARY 8, 2005

We previously understood that the County Payments Legislation was to be reauthorized with no real substantive changes. It appears that the important Pilot Project Requirement of section 204e has been deleted and replaced with a discretionary clause. This is a very substantial change and we are opposed to deletion of the Pilot Project Section. We would like to see the Bill reauthorized with the original language.

The pilot Project Section required that 50% of merchantable material projects, namely timber sales, should have separate contracts for the logging and for the selling of the logs. This would separate the logs from the loggers, so to speak. This is

an important model for public land forest management that should be implemented and tested.

The Government Accounting Office reported in 2003 that of the 1300 hundred Title II Projects approved only 13 of those create merchantable material, and only 6 of those were expected under the Pilot Project and none of those 6 had been implemented at that time.

There is no need to delete the Pilot Project section, as it has not even been implemented yet. Nothing is broken and nothing needs to be fixed. The Pilot Project is important and deserves to be tested under the same rules as the original legislation.

Senator CRAIG. Tim, thank you very much. When we get to that phase of holding a hearing on reauthorization, we will want to make sure that we get your testimony on those specific areas in place for consideration.

Mr. LILLEBO. All right. Thank you.

Senator CRAIG. The two-term consideration has already been taken care of in the draft.

Mr. LILLEBO. Okay, thank you. Appreciate that.

Senator CRAIG. Reta, let us turn to you. Reta Griffith, Pocahontas County, West Virginia, County Commissioner. I think, Reta, you are sitting here thinking this is a Western piece of legislation. It is not, as you know.

Ms. GRIFFITH. I am the token easterner today?

Senator CRAIG. No. You are more than that. But it is important because it is national in scope where there are forests and forest-dependent communities. Thanks for being here.

**STATEMENT OF RETA GRIFFITH, COMMISSIONER,
POCAHONTAS COUNTY, WV**

Ms. GRIFFITH. Well, good morning and thank you for allowing me to be here. My name is Reta Griffith and I am a member of the Pocahontas County Commission in West Virginia, not too far away. We have a little bit of your snow. It is one of the largest counties in West Virginia with over 940 square miles, yet it has a very small population. We have just over 9,000 residents in the last census. Over 53 percent of my county is in the Monongahela National Forest, so I do have things in common with Western States and Western counties.

I am testifying today as the vice chair of the Federal Land Payments Subcommittee of the National Association of Counties. It is also my privilege to represent the County Commissioners' Association of West Virginia where members are elected county commissioners from all 55 of our counties in West Virginia.

I would like to thank the subcommittee for scheduling this hearing on the implementation of the Secure Rural Schools and Community Self-Determination Act of 2000.

Today I would just like to give you a snapshot of the way that title I and title III are being used to serve youth and more in my rural county in the Eastern United States.

Unlike many of my other colleagues with NACo here today, county officials in West Virginia do not have the responsibility to maintain roads and bridges. So I do not have to bear that cross. Our State Department of Transportation does that job and they do that job very well.

As a county commission, we did, however, recognize the value of choosing to participate in the Secure Rural Schools and Community

Self-Determination Act for the benefit that would accrue to young people in my county. According to our local school superintendent, the \$485,000 that my local school system receives under title I is equivalent to about 5 percent of their annual operating budget, and that is clearly a significant contribution to their overall.

It is even more important when you consider the topography. My county is mountainous and like many of the other counties covered by this legislation, that adds to the cost of educating our students. For example, another county in West Virginia, Pleasants County, is a school system that has about the same number of students, but they have a much smaller geographical area to cover. Well, in Pleasants County, they only need 15 school bus drivers, while in my county we have to have 24. Those nine additional drivers cost our school district nearly \$350,000, not to mention the cost of purchasing and maintaining those additional buses. So this money helps to pay for those additional transportation costs so that we do not have to cut into our educational budget.

Our superintendent also noted for me that despite the small population and the limited financial resources that we have, Pocahontas County schools have maintained an excellent record in student achievement, and in fact, in the 2002-03 school year, we were one of only 11 in counties in West Virginia that met all of the No Child Left Behind guidelines. So like many other counties in rural America, we know how to make our dollars count.

The Pocahontas County Commission that I serve on voted unanimously to invest the remaining 15 percent of the stabilization funds in title III specifically to a project called Pocahontas Woods. Pocahontas Woods is a nonprofit corporation that was chartered to promote the creative and ecologically sound use and enjoyment and understanding of our forest resources in Pocahontas County and other surrounding areas. Pocahontas Woods is currently running an educational program that provides training for students and adults who are seeking to enhance their skills in the woodworking field as a means of helping to create a high-end woodworking industry in Pocahontas County or in our surrounding communities. We are hoping that this will provide an economic benefit then to the county as well with the value-added products.

Pocahontas Woods is conducting woodworking classes with both students and adults and they do this on an ongoing basis. They have a temporary facility at our Pocahontas County High School. The classes are conducted immediately at the close of the school day, as well as in the evening, to ensure that everyone interested has an opportunity to attend. To date, we have had over 120 students who have attended one or more of these classes.

We have also developed a formal apprenticeship program for prospective woodworkers. This is done during the summer school recess. This program places students with master woodworkers and gives them an in-depth orientation of the requirements of owning and operating a successful business. They conducted a pilot program of this apprenticeship program this past summer, and they are going to implement the full program this coming year in 2005.

Pocahontas Woods is working on plans for a permanent educational facility that could be used more frequently and possibly as a business incubator for local woodworkers. It is also working to ex-

pand the scope of its activities to include other forest-related, out-of-school education programs, which may include lumber grading for the layman and short courses in forestry and wildlife biology.

We have received valuable assistance from Oregon counties, also our local Forest Service. This has been to make sure that we are spending funds in compliance with the Federal law. The board of Pocahontas Woods, this private corporation, has members from the local school board, a county commissioner, the timber industry, and other residents in the community. It also includes a non-voting representative from the Forest Service. This group is working with Rockingham College in North Carolina to set up a program which would allow students coming out of our program to go into their 4-year degree and to continue their work in forestry related fields. We have provided for public comment on each year's allocation of funds and we have been collecting reports from our grantee on how those funds have been spent or are budgeted to be spent. We have very wonderful, open communication with the Pocahontas Woods group, and they consult with the county commission regularly to make sure that we are aware of what their program is working on and how the funds are being used.

We are grateful for the resources which have been made available to us under title I and title III. We hope that you find that we have been very good stewards of the money and that we are achieving the purposes that you set out for us in the Secure Rural Schools and Community Self-Determination Act. Thank you.

Senator CRAIG. Reta, thank you. It is exciting to hear about those new ideas. We here in Washington think we are all wise and all smart, and when we find out that it gets to the ground out there and every community or every locale is creative, looks at it from their perspective, what fits them, it makes a lot of sense. That is valuable testimony for us and we appreciate that.

Now let me introduce Sherry Krulitz. Sherry and I share an interesting commonness. She is the county commissioner in Shoshone County in Idaho and both she and I have presided over or observed the absolute demise of a county over the last 2 decades, her county, a county that was once a major employer both in the mining industry and the timber industry, extremely high paying jobs. The mining industry collapsed, the timber industry followed. And it is a county that has struggled to get back on its feet. It is doing so and doing so in an admirable way. But I must tell the committee—Sherry certainly knows—that the last 2 decades in Shoshone County have been tough ones for the citizens of that county and certainly for the commissioners and the governance of that county.

So, Sherry, we appreciate you being with us today and sharing with us your experiences and testimony. So please proceed. Thank you for being here.

STATEMENT OF SHERRY KRULITZ, COMMISSIONER, SHOSHONE COUNTY, ID, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES AND THE IDAHO ASSOCIATION OF COUNTIES

Ms. KRULITZ. Thank you. Good morning, Mr. Chairman, Senator Wyden, and Senator Salazar. I am Sherry Krulitz, a Shoshone County commissioner from Shoshone County, Idaho. I am also tes-

tifying as the chair of Public Lands of the National Association of Counties. NACo is the only national association representing some 3,066 counties. It is also my privilege to represent the Idaho Association of Counties. We are made up of 44 counties, and we represent all of those different counties. Each year IAC works with NACo to promote policies that help better serve our citizens.

I thank the subcommittee for scheduling this hearing on the implementation of Public Law 106-393. We have for years called it in Idaho, the Craig-Wyden, and I imagine in Oregon it is the Wyden-Craig.

As active management of the national forests declined in the late 1980's and through the 1990's, counties found that their 25 percent share of the forest receipts was an ever-smaller piece of an ever-shrinking pie. In desperation, forest counties and school officials asked Congress to give us a safety net. We thank you, Mr. Chairman, and you, Senator Wyden, for crafting the solution in response to our request. In the years since the passage of Public Law 106-393, actual receipts have continued to fall, and as the recent Iron Honey sale decision by the Ninth Circuit illustrates, process gridlock and management by litigation continue to block active forest management. Without the Craig-Wyden safety net, we would be in big trouble.

Today I will focus my remarks on how title I has worked for us and give some examples of how title II and III projects are being implemented.

Shoshone County is located in Idaho's northern panhandle. We have 1.6 million acres, 75 percent of which are federally managed. Only 22 percent of the land in my county is in private hands. As commissioners, we have to pay for services to our 13,000 residents and those who come to visit our beautiful part of the county. We do this with a severely restricted tax base, as Senator Craig mentioned earlier. For example, Shoshone County maintains about 400 miles of county roads. Many of these miles provide access to the national forests. Road maintenance costs are, for the most part, predictable but the revenue stream to pay for them has not been. In the years prior to the enactment of Public Law 106-393, the only thing predictable about our 25 percent payment was that it would be less than the year before.

Title I of the legislation was designed to correct that, to stabilize payments to counties, to provide funding for schools and roads, and to supplement other available funds. And that is just what it has done. Shoshone County, like 85 percent of the eligible counties nationwide, has opted for the stable, guaranteed payment. With that payment, we have been able to begin to address our road maintenance backlog and to purchase much-needed equipment.

Counties that chose to take the full payment under title I must dedicate 15 to 20 percent of the total to projects to be carried out under title II and title III. While it has taken some time, more and more counties every year are investing in title II projects or in a combination of title II and title III.

In Shoshone County, we invested in title II from the outset and are very happy with the work that our local resource advisory committee is doing. In fact, from my perspective, the RAC has done more to bring all different players to the table than anything I

have seen in my 17 years as a county commissioner. We have the Forest Service, labor, timber, county officials, school officials, recreation, and tribal representatives all working together to make things happen.

I have brought with me a graph that shows the percentages of where the RAC dollars in the Idaho panhandle have been spent for the years 2002 through 2005. I would ask that this graph also be included in my testimony.*

Senator CRAIG. It will be. Thank you.

Ms. KRULITZ. In our county, as Senator Craig knows, we also have an organization called the Pulaski Project. It is named in honor of the hero of the Big Blowup of 1910, Forest Ranger Ed Pulaski. It aims to educate the public about wildfires, fire fighting and fire protection; educate the public about forest management theories and practices; recognize wildland fire fighters; and develop an educational experience and a recreational opportunity.

To date, the project has been able to use money from title III, other U.S. Forest Service funds made available by congressional appropriation, and a small grant from the Idaho Community Foundation to develop the Pulaski mine and trail head for educational, historical, and recreational purposes. The project also reaches out to public school students in the communities of Shoshone County and the surrounding area.

Mr. Chairman, the National Association of Counties and the Idaho Association of Counties believe that Public Law 106-393, the Craig-Wyden, is being implemented across the country and across Idaho in accordance with your original intent. County road and school budgets are undoubtedly more secure and, perhaps more importantly, Americans in rural forest communities are reconnecting to the national forest lands and have a new growing sense of hope and self-determination.

Thank you.

Senator CRAIG. Sherry, thank you very much for that testimony.

Again, let me thank you all for joining us. Jim, we appreciate your testimony. I think Trinity County under your leadership—and I say that because you were instrumental in bringing one of the first resource advisory committees on stream with you insistence and urging. I want to thank you for that effort.

I am wondering if you can give me a few examples of the title II projects that you are most proud of and a few examples of the ones that were most difficult to get approved by the RAC, and finally, a few that the RAC did not approve and why. In your estimation, why did they not reach consensus.

Mr. FRENCH. Thank you, Senator.

Well, I would say our fuels projects because they are based on a strategy that is tied to our Trinity County Fire Safe Council. I am extremely proud of that because it identifies a strategy.

I would also say those two where I show you the timber I am probably proud of because I did want to demonstrate that a group of people with disparate views could get together and agree upon appropriate harvest. So I guess I am pretty proud of those.

*The graph has been retained in subcommittee files.

The one down at the bottom of the page of the list I gave you called Natural Bridge I am particularly proud of. Natural Bridge is a beautiful geologic bridge structure, but it was also the 1850 site of slaughter of American Indians, women and children. It has been a place where folks have partied. It has been a place where rock climbers have driven pitons into the rock, and it has really just been kind of set aside. It has become an area that we are working on. We are trying to turn it into a more sacred site. We have got the climbing community to agree to stop driving pitons in the rock. We will be putting up appropriate signage so young people, if they want to go off and raise cane in the woods, can do it somewhere else. The Norelma consider the place their church. So working with our Indian community has been pretty gratifying through the RAC process.

The most contentious by far is when you have a group that has industry as well as environmental groups to agree to decommission a road. I would say those were probably the most contentious. But we finally came to agreement because they were in areas where it was critical. The south fork of the Trinity River has lots of decomposed granite, and we were able to inventory some roads that were not of any value to anyone. But I would say just the notion of decommissioning was tough for some of our RAC members.

One that was not funded, Pikes Garden, which was another sacred Indian site that happened to be on private ground that was adjacent to Federal ground. I was very hopeful that we were able to, for another tribe in our county, a federally unrecognized tribe—I was very hopeful to have that restoration project funded, and because of the private ownership actually by a large timber producer, we were not able to get that through the RAC. So I suppose that would be the example of the one that got away that I was certainly hoping personally that we would be able to fund.

Thank you, sir.

Senator CRAIG. Thank you.

Dr. Creal, I know that you were recruited to serve on the County Schools Long-term Committee and you may have been the only nongovernmental member that was not involved in getting the bill passed in 2000. That probably gives you a perspective that others might not have as it relates to how you see this piece of legislation functioning.

Having read your testimony and checked the date, I noted that none of the six counties in the Black Hills National Forest have opted to accept title II funding. Can you give us insight as to why and any suggestions you might have to help those counties opt for some of the title II funding?

Dr. CREAL. Well, my own county, Custer County—I just received a call 7, 8, maybe 10 days ago that they are now pursuing the RAC. They are developing a resource advisory committee. I have been in conversation with them over the past year and a half about that, just requesting that they make an informed decision about whether to develop a RAC or not. So they will be looking into that.

I have attended some of the RAC meetings in Crook County which is on the Wyoming side. I have attended some of those resource advisory committee meetings just to get a feel for how they work.

Our committee recommended that additional incentives, possible funding we felt would help encourage some to develop those resource advisory committees. We know that money is a powerful reason to make some decisions. That was one of our recommendations.

Senator CRAIG. For sake of time, I will come back to both you, Tim and Reta, but let me get to Sherry. Again, thank you so much for being with us this morning.

Understanding I think the importance of the payments to the counties received in this legislation, do you have any thoughts as to how this legislation might be utilized to encourage the development of additional economic activities to help support the uniqueness of these rural counties?

Ms. KRULITZ. Mr. Chairman and Senators, in my county, I mentioned earlier, we have 400 miles of county road. Prior to this legislation, we did well to be able to plow snow and fill the potholes. With this legislation, we have now put a 2-inch overlay over about 25 miles, and we have chip-coated probably 50 miles with this legislation. Our roads, our infrastructure were in place.

We have a rails to trails that is a 72-mile trail from Mullan to Harrison, the Trail of the Hiawatha, which, Senator, you helped so much with the funding of that. We have got recreation in place. We have two beautiful ski hills. So we are turning more to recreation, but the recreation jobs do not pay what mining and timber paid. They do not put your kids through school. They will give your kids jobs to help put themselves through school, if they are fortunate enough. But we are maintaining.

It is more difficult for us to find the new industry. I-90 goes through our county, so that is a big plus for us. I think just having everything in place, we have got everything, the power that was left when Bunker Hill closed. You mentioned what happened in the early 1980's. We are ready for new industry. It is just finding people. If it is timber-related—I mentioned the Iron Honey. We are having a problem. We thought it was a great stewardship contract, but the Ninth Circuit disagreed in their opinion, again final last week.

Senator CRAIG. Thank you very much. Let me turn to my colleague, Senator Wyden.

Senator WYDEN. All of you have been excellent. We thank you for your support. Of course, as you heard me say earlier, we are going to need it now more than ever because of the budget picture that is so much different now than it was back in the days when we got this authorized the first time and there was a surplus.

The only question that I had is we have primarily been talking, particularly with the resource advisory councils, about the better cooperation we are seeing with the environmental community and the industry and the whole cross section of stakeholders.

What we have not really covered is whether the resource advisory committees and the communications going on have changed some of the attitudes toward the natural resources agencies, particularly the Forest Service and the BLM in the area. What we are hoping, of course, is that some of the cooperation through the RAC's will start rippling over to the agencies as well. I am curious whether any of you would want to take a crack at whether the

RAC's have also had some beneficial aspects in terms of generating more cooperation with the agencies.

Mr. FRENCH. Sir, I would have to say yes. It is one thing being on an advisory council. It is another thing being on an advisory council with a checkbook. I think we have meaningful participation, and I think that the Forest Service needs us to help them with their work. It is one of the vehicles for getting work done. On one of our ranger districts, RAC projects are the only fuels reductions projects in that district. So it is a critical relationship, marriage, a date, whatever you want to call it.

Senator WYDEN. Does anybody else want to take a crack at that?

Ms. KRULITZ. Senator, I would like to mention also. We budget \$1 million a year. Of that, my county only has 13,000 people, but \$600,000 of that \$1 million comes from my county. Maybe we are small in numbers, but when you bring \$600,000 to the table and you are spending it in region 1, you do get attention.

It is also putting kids to work. Every one of our five northern counties has a RAC crew made up of college kids who are out there doing trail restoration.

It is bringing light to people that did not realize what is out there and available through I guess an agency or a RAC, whatever we want to call it, a contingent group, that you would not have had the players at the table. They are focusing on good things, and I think a lot of them are leaving their baggage at the door when they come into those meetings to focus on some good things. And they are doing that in the Idaho panhandle.

Senator WYDEN. Dr. Creal, do you want to take a crack at that? I did not want to cut you off there.

Dr. CREAL. Yes, Senator. I just want to mention that the committee held a listening session in Portland, Oregon, and both the Federal representatives and the county people and any other citizens there all expressed that they felt that things were going well with the RAC process, and collaboration and a better understanding between all the groups was evident.

Senator WYDEN. Tim, anything else?

Mr. LILLEBO. I was just thinking on a couple of our RAC's, the Forest Service does listen very carefully and it seems like they may have left some of their baggage too behind, as well as the people that are on the committee itself coming and leaving some of their baggage behind. And we have been able to come up with some projects and even modify some proposed projects. So I think they are listening.

I was very interested in the idea of maybe taking a portion of certain national forest budgets. That might even have them listen more and the public even get more involved if you have a little bit more to work with.

Senator CRAIG. You did catch the essence of that question.

Mr. LILLEBO. I think I got most of it.

[Laughter.]

Senator WYDEN. The only other thing I want to do is just say thank you for hanging in there with us. Especially Chairman Craig has heard this. It was not a lot of fun at the beginning when I had all those picketers and ads and Ron Wyden, you know, is decimating the public forests because he was working with Chairman

Craig and the like. You all hung in with us. You bucked us up and made it clear that we were going to try to take a balanced approach and, heaven forbid, try something that had not been done and that was give people some incentives for working together. Literally, as I said to the last panel—maybe some of you were here—this seems to be just about the only area of forest policy that has not become a litigation derby. And to think that you can tell us several years into the implementation of the act that there has not been an appeal anywhere in the United States is really a tribute to the kind of good work that you are doing.

I am going to have to duck out. I just want to say, Mr. Chairman, how pleased I am that Senator Salazar is here. I think he is going to be a real voice for the kind of natural resources policies that we are talking about, which is to try to bring people together rather than figure out ways to drive them into opposite camps. So I look forward to working very closely with him and glad he is here.

Mr. LILLEBO. Senators, may I say one more thing? I just really did want to again thank all of you. It has made a huge difference in Oregon as far as how the natural resources, the fish, the wildlife have been treated. It also made a huge difference to school kids. So I really wanted to thank you for that. And in the bipartisan spirit, please send us some snow.

[Laughter.]

Senator CRAIG. Ron, thank you.

Let me turn to Senator Salazar. Ken.

Senator SALAZAR. Senator Craig and Senator Wyden and members of our witness table, this is, I think, a great program because it is good for our kids and education, it is good for our natural resources and our environment, and also very good for our economy. So I applaud all of you who have worked on this law and applaud the leadership of the chairman and the leadership of Senator Wyden as well.

I have just a general question. It is grounded in my background. I come from a county that is the poorest county in the United States of America today in the very southern part of Colorado. Much of our land in Conejos County is actually in either Forest Service or BLM hands. Part of what we have struggled with over many years in Colorado is the disparity that exists between those school districts that are in counties where you have high property tax rolls and in those counties that do not. You see that, I am sure, across the entire United States of America. We have schools in my State of Colorado that have great swimming pools and great gymnasiums and pay their teachers a lot more than the counties that come from places where we have a very low property tax base. So it has been a matter of litigation over the last several decades and a matter of some settlements as well that have occurred over the last several years to try to deal with that disparity.

I guess my question to you, Mr. French and Dr. Creal, would be this. Do you have ideas in terms of how we might be able to address that disparity between the high wealth school districts and counties and the low wealth school districts? And also, specifically, how do we do a better job in terms of paying our teachers in some of these rural counties like my native county in Colorado?

Mr. FRENCH. Well, I would say the forest reserve does that in part, but being in an area where there is declining enrollment, if you have had 24 kids in a classroom and you lose 4, you still have to provide a quality program for the 20. So when people tell me, oh, fewer kids, well, then you should get fewer dollars, well, it does not work that way. I do not get to lay off 10 or 15 percent of a teacher.

I hope the Federal Government, with their heavy involvement in education in the last 10 years—I might sound critical, but when I went to school, I was taught that the States had the responsibility for education, and the Federal Government certainly has weighed in heavily. So I just think they are going to have to fund more. They continue to give us mandates with minimal funding. If they are going to step up to the table as they have, I just think they have to fund more. I could go on and talk about title I, what is happening in my county. I am losing title I dollars at a time when the requirements are ratcheted up 100 or 200 percent.

But I am very concerned about being able to provide quality salaries to teachers where there is declining enrollment because that teacher that had 24, there is more expected of her today than 2 days ago, but we only have the dollars from 16 or 17 kids to be able to provide the salary.

Senator SALAZAR. Just a comment on that. I know many school teachers in Conejos County, but I know that we cannot afford to pay them a very high wage there. When you look at what is taken out of their paychecks at the end of every month for health care, many of them do not have enough money, frankly, to have a living wage, even in circumstances where you have both members of the same family who are teachers. So, we have some huge educational challenges all across America, but I think specifically in our rural communities, and a lot of it has to do with teachers.

Dr. CREAL. I would certainly echo most of what Mr. French had to say. I would like to add a couple things. One is that I know around the country there are a lot of adequacy lawsuits in the States about the lack of adequate funding for education provided by the State. Many of those have been successful. Some are still in litigation. Some States are just starting that process.

But as a school district who just lost 50 kids from last year to this year out of a 1,000-student population, that is significant, about a \$200,000 to \$240,000 drop in funding. The proposal coming from South Dakota's Governor will not come anywhere close to covering that. We are faced with many of the same issues, and our teacher salaries, though on average on the very face of it look adequate, are not. We are constantly faced with young people unable to move into our community because of the price of housing. They cannot make an affordable wage working for the school system to live in the community. So more are driving in from outside areas.

Senator SALAZAR. Dr. Creal, your district lost 50 students. What is happening as you have this exodus of young people from your school district? What is luring them away or what is not there to keep them there?

Dr. CREAL. The two biggest factors we found are the parents moving out of the community, either out of State or the other side of the State. It had nothing to do with our education. Or children

going from one parent to another parent in a divorce situation where they were already divorced or separated or whatever. Those are the two biggest issues. We are not losing students because of our educational system. Everyone says we have a quality education system in Custer.

Senator SALAZAR. Thank you.

Senator CRAIG. Ken, thank you very much for those questions.

Tim, let me come back to you. I must tell you that I am amazed and very pleased at your testimony. You described I think the exact dynamic that Senator Wyden and I had hoped for, in part, in crafting this legislation, communities coming together to work with Federal land managers, to undertake projects that could gain public support, and to begin to heal wounds that had been, for decades, constantly made raw in especially our public land resource counties.

I am pleased that you serve not on one but two RAC's. That is a brave undertaking.

Mr. LILLEBO. It is a challenge.

Senator CRAIG. And you could survive to come back here and testify.

Understanding your concern that all parts of the community be included in the RAC process, I am wondering if you might have a suggestion for dealing with some of the RAC positions that do not fit local situations, like a wild horse or a burro person in Michigan or Mississippi. Is there some streamlining or broadening of the RAC member description that would aid in the implementation of the law more effectively?

Mr. LILLEBO. It is interesting you bring up the wild horse and burro representative. That is on the conservation or environmental group that is one of the three. In Coos Bay, for example, they had a county commissioner that went on the environmental of conservation committee that was for the wild horse and burro position, which is interesting because there really are not any wild horses or burros. There are some domestic burros, but not any wild ones within 200-150 miles of Coos Bay. So you are right there.

I guess what I would like to suggest is that if you have—at least for the interests that I have been working with, the conservation orientation, you would have a various number of groups that can at least look at the makeup of a RAC and make sure that they felt comfortable that their representatives were there. It would be the same for a timber industry or mining or school districts or county elected officials, that they would have some kind of a little process to review that so maybe you would not end up with three paid environmentalists on the industry or business committee. So I do not think that has happened yet. But anyway, I am just saying that is how you could avoid it because we have felt that it has happened that maybe we did not get the conservation community represented on that conservation committee. So maybe a process there.

I really think it is important to maintain the committees as they are and the structure, as I said, since if three of the five members do not want something to go through, you can actually block it. But what it means is all the committees have, so you do not get rolled, and we have not had to have people stop and filibuster or try to

stop the whole thing. So I think it is important to keep that structure, but then maybe a review system of some kind.

Do you have any ideas on that?

Senator CRAIG. What you are suggesting is what we are looking at. We do not want to, in any way, destroy the balance that has worked and is working well, but we also are trying to say, under certain circumstances, how does it fit the communities of interest better in those locales so that, in fact, you get the representation you think you need without disturbing the balance.

Mr. LILLEBO. Right, because the balance I say in the Coos Bay example—some of the conservation folks were saying, well, wait a minute. Now we have two county commissioners on our conservation committee, plus they have the whole other group of elected officials. So somehow to review that.

Senator CRAIG. Okay.

Reta, as I had mentioned with your testimony, I think your county utilized title III funds in a way that I do not think any of us could have envisioned when we worked to pass this legislation in 2000. I have to congratulate your county for its innovative approaches. I think that is the kind of creativity you hope can be spawned by this kind of resource and this kind of local decision-making or participation as it relates to improving.

In implementing the Secure Rural Schools and Community Self-Determination Act, was there information or a process that could be improved upon from your observation?

Ms. GRIFFITH. It was actually very interesting. We had a wonderful relationship with our Forest Service representative to begin with. In fact, that is how this entire program was brought to the county's attention. We had a forest ranger for the forest there in Marlinton. She was extremely active in our community and actually had participated in our local economic development authority as a non-voting member, more as an advisor. But she found this opportunity. She saw that we had this project kind of shelved for the last 20 years, going this is a really great idea, how can we do a value-added timber product that encourages local crafts or crafting, making their own furniture. We have excellent hardwood resources, but we are sending it all out overseas or out of State, wholesale products. We are not really adding any value to it. We are just letting it go. She saw this opportunity.

Our county receives less than \$100,000, which is why we do not participate in a RAC because we did not really see the need to put that committee together. I wanted to get that in there.

Senator CRAIG. I was going to say—

Ms. GRIFFITH. Right. That is why.

Senator CRAIG. Now, my next question is going to be, what does it take for your county to get into a RAC. More money?

Ms. GRIFFITH. Well, it would take significantly more money because we have less than \$100,000 in our 15 percent. It is about \$97,000. We put all of that into that one project, and we saw the opportunity to help start the after-school forestry section of title III which enabled us to teach those classes and then to use this program of teaching those classes and the education component, working with our school system and working with the local timber industry to find out what are some skills we can teach that help you

but also that help encourage—we have had decreased numbers of sales too, not near as bad as the West has had, but they are continually going down in the amount of sales that we can do both on public land and on private land. So we needed to figure out a way to add some value and to retain some of those jobs, encourage entrepreneurs to kind of branch out on their own.

We are hoping 1 day that Pocahontas Woods can help provide a cooperative to help those local crafters be in business for themselves, market their products. Again, like Ms. Krulitz' county, as we have shifted from the timber industry, we have gone into recreation, and that has been very wonderful. We see that as a potential market for a value-added product.

Senator CRAIG. Well, I thank you all very much for your time here, but more importantly, I thank you for making this law successful. That is what allows us to come back with your testimony and the strength of your testimony as we move for reauthorization of this legislation. I would encourage all of you and your groups or your organizations and associations to stay actively involved. As Senator Wyden mentioned in his comments, this is going to be a fairly high hurdle to get across. In a time of substantial deficit and in a time when all of us sense the need to belt-tighten, there are choices to be made. Those choices, in part, will be made on the success of the stories told to all of us and to the administration. And I think we have a good one here that addresses a variety of issues from county resources and infrastructure, as so many of you have successfully pointed out, to the collaborative process that we are growing into and, I hope, growing up in again as it relates to our public land resources and their management that bring us to productive ends instead of, if you will, warring ends and wasted resource in the process of both human time and dollars and a lot of other things.

So I believe that is story that is being told today and you are helping us do it. Stay active and stay involved. As we work through this, we will need your help to succeed in getting this reauthorized and funded as we move forward. I think it is, again, a success story that will catch the attention of all of the interested parties and help us get it reauthorized and get it funded.

So, again, thank you for your time and your commitment to it. We appreciate it.

The committee will stand adjourned.

[The following statement was received for the record.]

STATEMENT OF ED WEHRHEIM, CHAIRMAN, CATRON COUNTY COMMISSION,
CATRON COUNTY, NM

INTRODUCTION

The Catron County Commission thanks you for the opportunity to present supplemental testimony on review of P.L. 106-393, Secure Rural Schools and Community Self-Determination Act of 2000. We also appreciate the leadership of the Subcommittee in this critical transition toward a more effective management of our national forests, especially given the looming threat of catastrophic wildfires in our forests.

Catron County, located in western New Mexico, is rural with large tracts of open lands and a few small communities. Cattle ranching continues to be the largest private economic sector, and the only base industry in the county. However, recent population changes have moved Catron County from a fully rural, commodity production orientation (ranching and timber harvest) toward a more service-based economy

supporting an influx of retirees to subdivisions, attracted by low property taxes. According to Census data, Catron County's population increased by almost 12% from 1990 to 1999; most of the increase occurring in the last 5 years. The current estimated population for the county is 3,415 (U.S. Census, 2003).

The large amount of government land (3.3 million acres, or approximately 75% of the 7000 square mile county) limits the property tax base and community expansion, affects potential economic development and affects land use patterns. Closure of the County's only commercial sawmill in the early 1990's adversely affected community and county economics. Conflicts surrounding the management of public lands have increased over the past decade as other interests, largely from outside the county, have influenced the management of these lands. Since a high percentage of income for residents of Catron County has been from the timber industry, the reduction of income derived from wood products from public forests in the past 15 years has taken a severe toll on the County's economy.

CATRON COUNTY COMMISSION'S USE OF THE SECURE RURAL SCHOOLS ACT

Catron County has elected to receive funding from the Secure Rural Schools Act every year since 2000. For the first three years, a percentage of the payment was set aside for Title II projects only. The fourth year a percentage was set aside and divided between Title II and Title III. In 2005, 100% was set aside for Title III, primarily for planning, as it became clear that for an on-the-ground project to be successful in an area as large as Catron County, more coordination and planning than the Resource Advisory Committee (RAC) could provide would be necessary.

Title I

Approximately \$300,000 annually is generated in Catron County from Secure Rural Schools Act funding. Title I funding has been used to support our local schools and for maintaining the county road system of approximately 950 miles of roads. This includes over 350 miles of roads accepted by Catron County from the USFS in April 2002 that the USFS had anticipated having to close because they could no longer maintain them.

Title II

Establishing a RAC and getting it running was a slow process with a number of obstacles. Member selection was difficult and members did not always see eye to eye on what should be funded. Additionally, the County and the Gila National Forest Supervisor did not agree on how the RAC process should be implemented. Nevertheless, eventually the group established guidelines to rate the various proposals, using the following factors: Jobs created, impact on local school population, on-the-ground impact, funding availability from another source, and would the project produce positive results.

Title II funds were used for a small forest health project; a river vegetative planting project; a rangeland improvement project; well development at a county owned sawmill which has been retrofitted to handle small diameter wood products and development of a forest wood product yard; removal and reduction of hazardous fuels from rights of way at a number of subdivisions; and creation of an emergency escape zone for a subdivision.

Title III

The Catron County Commission elected Title III for the first time in 2003. Under Category Five, the County government formulated and implemented the Catron County Commission Forest and Rangeland Health Program for the purposes of utilizing an integrated planning approach for both forest and rangeland health, and for stabilizing and fostering the County's economic base.

The County Commission recognized that wildfire protection is only a symptom of the health of the forest (watershed and water quality, wildlife/endangered species, timber stands and grass rangelands and related economic prosperity). Hence, the County used Title III funds to develop the *County Commission Forest and Rangeland Health Program* to include inter-university technical and planning support from New Mexico State University Range Improvement Task Force, Northern Arizona University Forestry School and Western New Mexico University, with WNMU coordinating the overall program under Title III. The program also included the funding of a Catron County Wildfire Protection Coordinator to coordinate wildfire protection planning and implementation for Catron County, and established Catron County Community Wildfire Protection Planning per the Healthy Forestry Restoration Act that has resulted in a collaborative intergovernmental planning approach to wildfire protection.

The Catron County Commission also developed and was awarded a Collaborative Forest Restoration Program grant, a collaborative Forest Service/County restoration initiative that effectively removed small diameter materials from the Sheep Basin restoration project, supplying wood products to the Catron County Citizen's Group Reserve Mill, generating 10-15 jobs for 3 years and bringing in \$360,000 to the County. This project is a model approach to multi-party monitoring that includes environmental communities as well as the participating universities, and local communities.

In addition, the *Catron County Commission Forest and Rangeland Health Program* assisted the County's Range & Livestock Committee in developing a Land Stewardship Contract with the Glenwood Ranger District, with the goals of increasing forage production for grazing allottees, identifying job potential and incubating fuel wood enterprises. This project has identified over 3,000 acres for treatment and is in the process of clearance procedures for treating 300 acres.

The *Catron County Commission Forest and Rangeland Health Program* was instrumental in improving rangeland and livestock stability in the Roberts Park range and grazing proposal as a Cooperating Agency in the NEPA process. This Forest Service, County, university collaborative effort has resulted in increasing grazing carrying capacity, while at the same time increasing wildlife and watershed health.

Also, the County used Title III planning to develop a Forest Health Demonstration Project for the San Francisco Watershed, involving 14 agencies and non-government collaborative partners with Northern Arizona University Forestry School facilitating under lead of the San Francisco Soil & Water Conservation District. At this time the project is conducting inventory data analysis.

Title III funding also helped develop the Reserve High School Biomass Plant grant which was awarded to the Reserve High School to develop a feasibility study for a woody biomass heating system which could include county buildings in the future.

Finally, Title III helped the Catron County Commission document and provide testimony to the U.S. House Subcommittee on Forest Health on recommendations for improving forest and rangeland health through intergovernmental coordination.

LESSONS LEARNED

Due to the nature of the Act, as well as the changing conditions of our forests, the Catron County Commission has considered the implementation of the Act as a process of "learning by doing". Resource Managers have coined the term Adaptive Management to accomplish the same principle.

Title II Lessons Learned: Issues and Recommendations for Local RAC Members and Voting:

Local RAC Members: Some of the earliest lessons learned, with respect to Title II implementation, involved how the RAC itself would function. As Catron County's RAC is the only one in the state of New Mexico, we had no other RAC to compare ourselves to. Interpretation of the implementation and the functioning of the RAC was solely determined by the Gila National Forest Supervisor, who took firm control over choosing RAC members, and who chose to run the RAC meetings while retaining full veto power over RAC decisions. Unfortunately, this resulted in a number of non-local RAC appointees forced on the County RAC in spite of available qualified local residents, and over the objections of the Catron County Commission. This was important for two reasons: a) the way the voting system was set up, three members in any RAC subgroup could effectively have veto power over the fifteen member RAC and over any RAC decision, therefore rendering the notion of cooperation and collaboration meaningless; and b) local residents have to live with the social, political and physical consequences of implementation of projects, thus encouraging a commitment to the on-the-ground work.

The Catron County Commission recommends that the Congress require the Forest Service to comply with Congressional intent in ensuring that local RAC members are considered and appointed, first, and that the Forest Service is encouraged to work with local governments as full partners in the RAC member selection process. Also, the County recommends that the Senate provide oversight and monitor local RAC's and projects and encourage local constituency access and input to this oversight for the Senate Committee, thus forestalling outside pressures to ignore the Act's requirement to appoint locally qualified RAC members.

RAC Voting: The County recommends revision of the RAC voting structure that currently prescribes that just three RAC members in any one subgroup, can halt projects on-the-ground. It also undermines and discourages the majority, the remaining thirteen RAC members, limiting or thwarting the majority preferences. The County recommends guidelines for voting and other RAC functioning. Our American

political accountability is based on majority vote, not the current RAC voting structure that undermines this democratic process. We strongly encourage your attention on this contrived RAC voting structure.

County-RAC Supporting Role by the Forest Service: Catron County Commission also recommends that Congress clarify and instruct the related federal land agencies (USFS and BLM) that they are to support the RAC and support the County government/RAC capacity building and collaboration. In Catron County, it appeared that the Forest Service did not understand the Congressional intent of the Act: To ensure that the County government is involved as full partners with the RAC, and to ensure that the Forest Service understands that it is to support the RAC and County government in a collaborative planning process—not get in between collaboration between the RAC and the County government. A good model for the Forest service is the working relationship between local conservation districts and the Natural Resource Conservation Service, which provides decision support for all the conservation districts in the U.S.

Title III Lessons Learned: Issues and Recommendations: Inter-Title Coordination, Senate Guidance:

Coordination between Title II and III: Other lessons learned involved the realization that some mechanism for coordination and accountability between Title II and Title III projects is necessary. Our experience raises the following questions: What good is having planning if the RAC isn't interested in working with that planning? What good are projects on-the-ground if they do not share objectives and goals? Catron County looks at Title II as more for doing the work, directly boosting the economy while achieving forest restoration, while Title III is for planning, about the future. They can and should work together. With emphasis on on-the-ground projects we discovered that we have no place to put the hazardous fuels and other biomass removed from the woods. In order to deal with the mass of wood products coming from the forest, we need retooling and reeducating for small diameter forestry, we need new marketing strategies, we need coordination of supply to fulfill a demand we have not yet developed.

We discovered this through the Catron County RAC experience, which led to the County Commission shifting to Title III planning. While a RAC might well be able to perform the coordination and accountability required, our experience has been that volunteers—especially as in Catron County, where RAC members might have to drive for several hours to get to RAC meetings—cannot be expected to sacrifice the amount of time for the necessary planning, because that planning and coordination calls for full time input to work with county government, federal agencies and private entities, and to not only to coordinate and oversee today's projects, but to plan for tomorrow's.

Title III Category Five Planning: We understand that some counties in the West have used Title III funds, as Catron County has, for fuels assessments and/or data collection (GIS) for Community Wildfire Protection Plans (CWPPs). This use of Title III funding is the ideal mechanism for coordinating and overseeing Title II funded on-the-ground projects, especially with respect to implementation of CWPPs. We recommend that Title III guidelines support the continued use of Title III for this purpose. We also encourage that the guidelines encourage adaptive planning and management natural resource planning, including the flexibility and latitude for County government.

Congressional Clarification and Guidance for Title III Category Six: This leads to the final point, which is that while guidance for implementation of Title II was available, implementation of Title III was more general. When Catron County began to set aside funding for Title III projects, there was no way to know if we were doing what the act intended since the parameters for Title III, Category Six was fully unknown. Catron County used the "Red Test", developed by O&C counties, as a brain trust for this act. However that test was developed as an untested prescription and it was developed before we got involved in learning by doing. In addition, the Red Test was not developed for the specific circumstances and needs of the southwestern pine forests. Thus, not only did we have to spend resources on interpretation of that aspect of the Act, but we also found that there was no way we could know how effective our use of Title III funding would be with nothing suitable for us to measure against.

Our recommendation is that Title III guidelines for Category Six be more fully developed to emphasize flexibility at the local level, and to include guidelines for local monitoring of the effectiveness of Title III projects, emphasizing the inter-relationship of Title III planning and Title II projects.

CONCLUSION

Category Five of Title III was written as a general statement of use for local planning. This has allowed for an unparalleled flexibility in local planning and we specifically encourage this continued application and use of funds for planning. Category Five of Title III in essence sums up the vision and the objectives of the Secure Rural Schools Act: To not expect that throwing money at problems will bring about viable solutions, to trust that those who are most affected by solutions have the knowledge to find the best solutions, and, in investing in public lands, to improve cooperation between government land management agencies, local government and the public through meaningful collaborative efforts that are developed and implemented locally.

The Catron County Commission has committed to revising its Comprehensive Land Plan, focusing on more effective resource management and management planning. Through Title III funding, the County has initiated this planning process by establishing planning committees for range/livestock, forest/timber, water/watershed, tourism/recreation and related business spin-offs. In a month, the County will facilitate a workshop with these standing committees to develop the scope of work for revising and developing the Catron County Plan, for healthy forests and rangelands and for economic stability and growth. The revised comprehensive County plan will update the county resource-dependent economics and future direction, incorporate the Community Wildfire Protection Plan, create watershed and water chapters, and address other related resource and environmental priorities. The support of the Secure Rural Schools Act for this process is key.

We need to change the way we deal with public lands issues and forest health. The Secure Rural Schools Act provides the impetus for making these changes. Managing public land with an aim to restoring and maintaining healthy forests and rangelands must be the priority mission, with full consideration for local needs and an emphasis on local solutions through ground-up, true collaborative effort. That collaborative effort must engage all human resources—from local to Congressional—in order to expedite the restoration and maintenance of forest, woodlands, grasslands and watershed health.

Here in Catron County we are demonstrating that a solution for forest and rangeland health is achievable. We have the vision and the drive to succeed, to forge into new frontiers. We are, on the local level, implementing the very changes we are recommending to the Senate Committee. We are asking the Senate Subcommittee on Public Lands and Forests to come with us by providing the leadership in continuing to improve the implementation of the Act.

It is the Catron County Commission's sincere hope that Congress sees fit to renew the Secure Rural Schools Act. We thank you for this opportunity to provide you with our experiences with this Program.