

**Testimony of the Honorable Paul Pearce,
Commissioner, Skamania County, WA**

concerning

***“Secure Rural Schools Reauthorization and Forest
Management Options for a Viable County Payment Program”***

on behalf of

**The National Association of Counties (NACo) and the
Partnership for Rural America Campaign**

before

**The Subcommittee on Parks, Forests, and Public Lands
of
The Committee on Natural Resources
United States House of Representatives**

July 14th, 2011

Good afternoon Chairman Bishop, Ranking Member Grijalva, members of the committee and subcommittee. I appreciate the opportunity to appear before you today to discuss *Secure Rural Schools reauthorization and Forest Management options for a viable County Payments program* and if I may add ... a long term answer to economically healthy forest counties and schools.

I am here today testifying as Chair of the Federal Payments Subcommittee of NACO's Public Lands Committee, as an Executive Board member of the Partnership for Rural America Campaign for reauthorization, and finally as the Chair of the Skamania County Board of Commissioners, a county which once produced, fully a ¼ of all the timber harvested in Washington State.

Twenty four percent of the nation's three thousand plus counties contain national forests, some like my own totaling up to 90% of their land mass. These 154 National Forests cover 193 million acres across the country. These forest counties are responsible for maintaining infrastructure like roads, schools, emergency services

The 1908 Act fulfilled the promise of Gifford Pinchot who said that no community would suffer for hosting these lands. The partnership established between the federal government and rural forested counties called for revenue sharing .. the first in the nation .. where 25% of all revenues generated on these lands is returned to the communities.

The contract worked well for nearly a century ... until the late 1980's when court decisions, Endangered Species Listings, such as the spotted owl in my area of the country and re-cockaded woodpecker in the south dramatically reduced timber production and other extraction. In 2000 Congress passed the Secure Rural School and Communities Self Determination Act to address the drastic loss of revenue from the decline in timber production. This was followed by a one year reauthorization in 2007 and the current authorization in 2008 which ends this year. I want to take a moment to sincerely thank you and the other Members of the Committee who voted for its passage and helped make that happen.

The 2008 reauthorization came at the same time as the economy was beginning to fall apart. According to Dr Eylers economic analysis (attached) these payments have an impact of \$1.3 billion in sales, \$188 million in realized tax revenue and most importantly represent 11,000 jobs in these most rural communities. These will be lost the first year.

Failure to reauthorize in 2012 will be devastating to those counties and schools dependant on this act and the prior forest receipts it is based on.

Consider for a moment had this loss had occurred at the same time as the full force of the recession hit. This is especially disconcerting, in these mostly rural communities where the loss of one family wage job often results in the entire family having to leave the community to find work

Forest Management

NACo's platform ... and I quote here ... "supports the reauthorization and enhancement of the Secure Rural Schools program (PL 110-343). Reauthorization should maintain coupling between payments to counties and active natural resource management; and the connection between sustainable natural resource management and the stability and well being of forest counties and communities."

Attached to my written testimony you will find a white paper from the Partnership titled "Maintaining the Partnership Today and in the Future" which details numerous suggestions for changes in Forest Management including Fixing the Biomass Definition, Expedited Harvest of Beetle Kill Timber, Allowing Counties and Schools to Retain 75% of Receipts: just to name a few.

Contrary to what many believe ... we County Commissioners ... would much rather have a vibrant economy with hundreds of jobs based on healthy sustainable productive forest management on these lands. I would gladly trade these dollars for the over 1200 jobs I once had on the Gifford Pinchot forest in my County.

The Forest Service has failed over the past two decades in healthy forest management and in producing revenue through timber sales. Interestingly the nation's consumption of wood products continues unabated. The Forest Service is not clear on their mandate or their mission. In the mid 90's because of the spotted owl the Clinton administration created the Northwest Forest Plan setting timber harvest targets on all forests. None of which has to date been met. This was a clear mandate and failed miserably. Congress must find a way to require production at the line level through incentives or disincentives that affect these career officers. There is no other way to implement any initiatives Congress may create or impose.

Returning directly to 25% receipts has two critical problems. The first is that Forest Service actual receipts are so low that last year there would have been less than \$65 million dollars available for all 729 counties and 4400 school districts, in 42 states.. We also need to remember that the 2008 Act changed 25% receipts from a year-to-year amount into a seven year rolling average. It would take at least 5 years of much higher production before the payments could be replaced.

Stewardship

Finally, stewardship contracting is not the answer for a variety of reasons. The forest service has adopted stewardship contracting as the panacea for dismal timber production. Stewardship contracting requires a collaborative process. These collaborative are intended to have participation by people on all sides of the timber issues. On the north half of the Gifford Pinchot National Forest in the Randle District the collaborative took 10 years to produce a single 11 million board foot sale. A forest executive told me that based on this collaboration the new timber rotation is 300 years. This is a forest that produced an average of 350 million board feet per year from the 70's until 1991. Even the NW Forest plan calls for 50 million board feet per year. No revenue is produced for the counties, schools or treasury from these sales. Instead the forest line officers negotiate for restoration or other work in exchange for the actual dollars. I am aware of at least two contracts where the forest ended up owing the successful bidder money at the end of the day. This so called collaborative process of decision by committee of those that can commit untold volunteer hours against paid environmental staffers is a poor way of doing business and certainly not in the end scientifically based.

O&C

There has been discussion around the O&C Counties in Oregon and a bill which would allow for these lands to be divided, with half being sold for production and the other half in conservation. While I have no disagreement with the O&C proposal it cannot be described as a "model" for possible action with National Forest lands unless a radical change is made to the enabling legislation. O&C lands were created in 1937 specifically for revenue production for the counties. The counties receive 50% of receipts, 25% remain on the land and only 25% are sent to the treasury. On the contrary National Forests were created in 1908 as multiple use and not dedicated to revenue production. In fact the counties receive only 25% of the receipts and the remaining 75% are sent to the treasury.

In closing NACo and the Partnership stand ready to assist in crafting a solution to both the County Payments issue long term as well as sustainable productive forest management and we must begin right now.