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H.R. 5544, THE MINNESOTA EDUCATION INVESTMENT AND EMPLOYMENT ACT

HOUSE NATURAL RESOURCES SUBCOMMITTEE ON NATIONAL PARKS, FORESTS
AND PUBLIC LANDS

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Chairman Bishop, Ranking Member Grijalva, Members of the Subcommittee.

Thank you for inviting me today to testify about HR 5544. My name is Betsy Daub. I am the Policy Director for Friends of the Boundary Waters Wilderness, with offices in Minneapolis and Virginia, Minnesota. We are a non-profit conservation organization focused on the preservation, protection and restoration of our nation's most popular wilderness area, the Boundary Waters Canoe Area Wilderness, and the entire Quetico-Superior ecosystem around it. Our members live across Minnesota and the country.

The Boundary Waters Wilderness is located in northern Minnesota along our country's border with Canada. It is 1.1 million acres of interconnected lakes and rivers in a boreal forest, and is a place that attracts people to canoe, camp, hunt, fish, dogsled and snowshoe. It is a very special wilderness, large enough yet accessible enough for visitors to find solitude and experience true wilderness. *National Geographic Traveler* magazine has called the Boundary Waters Wilderness one of "50 Places to See in a Lifetime." This wilderness attracts more than 250,000 visitors a year from around the world. It is also a significant asset to the region's economy, contributing to northeastern Minnesota's \$1.6 billion tourism and recreation industry.

The Boundary Waters Canoe Area Wilderness is part of the Superior National Forest and is managed by the U.S. Forest Service. The two million acres of the Superior National Forest that are outside of the Wilderness are also a highly valued northwoods landscape, used for outdoor recreation, hunting, fishing, resource gathering, and logging and other resource extractive endeavors. Former Superior National Forest Supervisor James Sanders estimates that in tourism and recreation alone, this national forest brings in \$500 million to the region.

I testify today because of my organization's concern about HR 5544 and the negative impacts this bill would have for the Superior National Forest and the myriad of ways people use and enjoy this forest. Like Congressman Cravaack, the Friends of the Boundary Waters Wilderness desires a resolution to the historic and thorny issue of State of Minnesota school trust lands that are within the borders of the Wilderness.

The Enabling Act of 1857, which created the State of Minnesota, granted specific sections to the State to be held in trust for the benefit of the public school system. When the Boundary Waters Canoe Area Wilderness Act was passed in 1978, approximately 86,000 acres of these school trust lands became embedded within the Wilderness. As a result, the state has not been able to actively manage these lands to generate revenue for the school trust fund.

We are eager for a solution to this situation and have been working collaboratively with others in Minnesota to solve a decades long issue. Congressman Cravaack's bill side-steps this state-level process and sets forth a different approach that is controversial and sure to generate extensive opposition, resulting in delays in reaching a solution.

For more than three decades, Minnesotans have had divergent views on how to resolve the situation of school trust lands in the Wilderness. Some people advocate for a federal buy-out of all the school trust lands within the Boundary Waters Wilderness, with the proceeds invested to generate revenue for the school trust. Others have argued for exchanging all the school trust lands in the wilderness for federal lands elsewhere in the Superior National Forest.

In 2009, to seek resolution for this issue, the Permanent School Trust Fund Advisory Committee created by the Minnesota Legislature recommended a new approach to the Legislature. The Committee proposed a hybrid solution, where one-third of the school trust lands would be exchanged, while two-thirds would be federally purchased. In 2010, the Minnesota State Legislature passed a resolution that endorsed this hybrid approach.

The Permanent School Trust Fund Advisory Committee appointed a working group to identify parcels on the Superior National Forest as options for the exchange portion of the solution. The working group consisted of the Forest Service and the State of Minnesota, as well as stakeholders that included representatives of the school trust, timber industry, mining interests, local government officials, and environmental interests, which I represented. The goal was to identify exchange options, which could then receive public review and assessment under the National Environmental Policy Act (NEPA). Given the long history of failed attempts to resolve this problem, the group also shared a goal to identify candidates for exchange that were non-controversial and would not result in conflict and further delays. After meeting for a year, the working group identified approximately 41,000 acres as possibilities for exchange.

The 41,000 acres identified as candidates for an exchange met a range of practical management and environmental criteria. In my organization's opinion, some of the identified parcels potentially contained biological features not appropriate for intensive school trust management. These were going to need the additional environmental review that would come through the NEPA process to ensure their appropriateness for an exchange. Nevertheless, the effort overall produced a

thoughtful list of candidates for a partial exchange. And the effort represented the closest Minnesota has come to a solution in over 30 years, a sentiment the supervisor of the Superior National Forest echoed, as did many of the working group participants. At this time, I would like to include for the public record, additional information on the working group and its deliberations.

It was therefore surprising to learn of Congressman Cravaack's bill, a bill that, to my understanding, was drafted without consultation with this working group or its members, without consultation with the Forest Service or the Minnesota Department of Natural Resources, and without consultation with the Permanent School Trust Fund Advisory Committee.

HR 5544 outlines an approach that is vague and contains problematic and controversial elements that will result in the very delays the working group sought to avoid. It sets forth a process that my own organization and many other stakeholders cannot support. It is a proposal that is highly controversial in Minnesota, carries significant environmental and visitor impacts, and is sure to generate extensive opposition from a wide array of stakeholders.

Provisions in the bill that raise serious concerns:

1. Consummating a land exchange with the State of Minnesota that incorporates unclear and problematic provisions from a bill that passed the Minnesota Legislature this year.
 - Includes unclear language describing land priorities for exchange that are not formal, legal descriptions understood by the Superior National Forest (e.g. "the Mesabi Purchase Unit").
 - Prioritizes parcels for exchange where a handful of mining companies with ore deposits would benefit, but where there is not an apparent benefit for the larger public.
 - Identifies priority lands for exchange that do not use criteria used by the Forest Service and Minnesota Department of Natural Resources in the working group process, such as avoiding splitting federal surface from federal mineral estates, avoiding environmentally sensitive places, or clustering federal and state lands into efficient, more cost-effective units for management.
 - Provides no protective measures for how the land may be used nor assurances that existing recreational activities on these lands like hunting or snowmobiling could continue
 - Fails to require that the land valuation be done in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice
 - Sets the stage for a 100 percent exchange instead of an approach that includes any portion that is a federal purchase. This represents a magnitude of an exchange that has been publicly unacceptable for 30 years. The Superior National Forest is well-loved and well-used for a

diversity of activities. Losing 86,000 acres or more from this forest will be opposed by many hunters, anglers, outdoor enthusiasts and others who live, gather, and spend time in the forest. A proposal to transfer this much National Forest land to the State of Minnesota for high-intensity resource extraction will only generate conflict and further delays in returning revenues to the school trust.

2. Exempting this exchange from the National Environmental Policy Act, eliminating the public's opportunity for transparency in the process or to review and give feedback. 86,000 acres is not an insignificant amount to lose from the Superior National Forest. Stakeholders and constituents rightly expect an opportunity to assess if this or some portion of an exchange is in the public's interest.

3. Proceeding with a land exchange without a financial assessment of whether this approach provides the best revenue return to the school trust. No financial analysis has been done to compare revenue from a land exchange to revenue that could be obtained through federal purchase and subsequent investment.

HR 5544 is unnecessary. Neither the State of Minnesota nor the U.S. Forest Service require any federal legislation in order to facilitate an exchange. Federal law already provides a process, with public input and careful environmental review, for conducting land exchanges involving federal land. This bill purports to "facilitate" an exchange, but instead it seeks to by-pass public involvement, by-pass existing environmental laws, and by-pass a state-level process that was making progress.

The Friends of the Boundary Waters Wilderness participated for more than a year with key stakeholders in an effort to find a balanced solution to the school trust land issue. We cannot support Congressman Cravaack's bill, and we fear the bill may result in the derailment of a fragile effort to bring diverse interests together in a thoughtful way. We urge the subcommittee to vote against this bill.

Thank you very much for your attention today.