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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Statement of the Chairman Doc Hastings
House Natural Resources Committee
Markup of H.R. 4019

“Federal Forests County Revenue, Schools and Jobs Act of 2012”
February 16, 2012

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H.R. 4019 accomplishes three long-overdue and vitally important priorities.

First, it will address the decades-long problem of declining federal timber sales and the need to restore this stable source of revenue to rural counties and schools.

Since 2000, the Secure Rural Schools program has provided payments to counties located within units of the National Forest System to compensate for rapidly declining timber sales due to federal regulations and lawsuits. However, it has not provided the stable source of revenue that rural counties and schools deserve, and has discouraged job growth for areas that rely on forests.

Congress cannot wait any longer to act on Secure Rural Schools. The program expired last year and rural counties are in dire straits as a direct result of federal policies. The status quo of receiving declining and uncertain federal payments is simply not acceptable. Congress must take action now.

H.R. 4019 would replace the current Secure Rural Schools program with one that restores active management of our national forests. This will provide a stable revenue stream for counties and schools, create new jobs, strengthen rural economies, promote healthier forests, reduce the risk of wildfires, and decrease our reliance on foreign countries for timber and paper goods.

Millions of acres of national forests are increasingly unhealthy and at growing risk of catastrophic wildfire. We cannot wait any longer for the Forest Service to better manage their forests. During a hearing we held on a similar version of this legislation last fall, the Forest Service assured me that they were working on a solution to the SRS issue. I have yet to see it, even as states themselves are recognizing the need for better management of forests in their states.

As an example, in my home state of Washington, a little over two months ago the Washington State Public Lands Commissioner issued an elevated forest health hazard warning for eastern Washington forests, noting that deteriorating forest conditions and disease and insects will damage up to *one-third* of the state's 9 million acres of forest lands.

Ironically, this announcement comes as the State of Washington is yielding seven times more revenue from forests it is managing than the Forest Service presently does across the entire nation. Clearly, if states can manage forests and produce revenues for local needs, the federal government can – and must – do better. This legislation ensures that they will.

This bill requires the Forest Service, after a reasonable transition period, to produce annual target revenues through forest management projects. The majority of the receipts generated by these projects—including timber sales, recreation, wildfire protection, or power generation, among others—would directly benefit rural schools and other county needs. It would also require a portion to be paid to the U.S. Treasury.

With regard to unique BLM-managed O&C lands in Oregon, while a resolution could not be achieved in time for this markup, I remain committed to continue working with the Oregon on a workable solution as this bill moves forward. It is important to seek a solution for all forest-dependent counties, including these Oregon lands.

Second, H.R. 4019 would extend mandatory full funding for Payments in Lieu of Taxes (PILT), which is set to expire at the end of Fiscal Year 2012. This will ensure that the federal government continues to compensate nearly 2,000 counties in 49 states for lost local property tax revenues on federally-owned land—and does so in a timely fashion.

Finally, H.R. 4019 also creates a fair and simplified structure within the Forest Service for cabin fee owners that have faced astronomical and random increases in recent years. This is the same cabin fee fairness language in H.R. 3397 that passed out of this Committee last November.

H.R. 4019 is supported by the National Association of Counties and individual counties throughout the country. It will allow local federal forest managers to begin working with states, tribes and local governments now to identify priority projects, increase revenues, and manage forests in an environmentally sensible and proactive way.