

Chairmen Bishop, Hastings, Ranking Member Grijalva, and fellow witnesses:

Thank you for the opportunity to testify.

This is an important and timely hearing.

I'm encouraged by the Committee's interest in identifying a long-term solution for our federal forest counties and the people who live there.

I recognize my colleague from Oregon, Congressman Peter DeFazio. We've had productive discussions and agree that the status quo serves no one well. It's time for real change.

In 2000, Congress authorized county payments in recognition that layers of environmental regulations had throttled timber production on federal lands, depriving local communities of timber receipts that helped fund local schools, roads, and emergency services.

This year, the third reauthorization of county payments expires and more than 9 million school children and 729 counties nationwide will be impacted.

I think we can all agree that the status quo doesn't work and won't work going forward.

Our communities don't even want the status quo. They don't want the handout that's made them dependant on the federal government. They want jobs. They want healthy forests. They're tired of the catastrophic fire and the bug infestation. They're sick of the budgeting uncertainty that comes with not knowing if Uncle Sam will pay his fair share.

They want the ability to pursue the American ideal of self-reliance once more.

When county payments was created in 2000, it was thought of as a bridge payment so rural counties could transition away from a resource-based economy.

But let's get real. These are federal forest counties, the government controls more than half the land...nearly 80 percent in some counties...and the notion that they have the ability to recreate their economies in a decade's time is absurd.

The federal government owns most of the land, but has all but stopped productive forestry on it, is shutting down public access to it, fails largely to produce economic value or renewable energy from it, and all-too-often stands idly by and lets it go up in smoke every year.

The loss of county payments will be felt most in Western states like Oregon, where the federal government owns 60 percent of the forests, but only produces just 12 percent of the timber harvest – *as seen in the ORANGE on both of these PIE CHARTS.*<sup>1</sup>

The mortality rates are above 19 percent on federal lands. That's not a healthy picture.

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<sup>1</sup> / <sup>2</sup> Oregon Forest Resources Institute. Federal Forestland in Oregon: Coming to Terms with Active Forest Management of Federal Forestland. 2010.

Private forests in Oregon produce 73 percent of the harvest, with a mortality rate of 3.8 percent, maintaining a net growth rate of 22 percent.<sup>2</sup>

According to the Forest Service, timber harvest from our federal lands nationwide has fallen nearly 80 percent from 1990, while wildfires have burned an average 7.8 million acres a year for the last five years – an area larger than the state of Maryland.

Meanwhile, there is an unemployment crisis in many rural counties. In central, southern, and eastern Oregon, unemployment is commonly well into the double digits.

Here on the monitors we're going to take a trip in 30 seconds through 30 years of mill closures and job losses in Oregon. From 1980 to 2010, we went from 405 open mills to just 106 open mills – a 74 percent decrease in capacity available to do work in the woods. We went from 45,778 mill jobs to 15,706 in that time – a 66 percent drop.

My colleagues, this isn't an opportunity to act. This is an obligation to act...and deliver a real solution...one that puts Americans back to work on public lands, makes our forests healthy for habitat and taxpayer alike, and spares communities the uncertainty of wondering every four years if the federal government will owe up to its end of the bargain.

Here are some thoughts for the committee to consider.

“Paralysis by analysis” and litigation have pushed federal forested counties to the brink. There's bipartisan agreement that using the HFRA-style pre-decisional objection and expedited judicial review processes would help.

There is also an understanding that in order to get the job done, there should be exemptions for certain qualifying projects from appeals and litigation.

Trusts also work. Nationwide, land trusts annually return billions to beneficiaries from resources on states land. Chairman Hastings' state is a good example.

2.9 million acres are managed by the Washington Department of Natural Resources in trust for schools. In 2005, they produced gross revenues of nearly \$300 million. Trusts work in place in Arizona and New Mexico, too.<sup>3</sup>

On a nationwide basis, trusts could help keep the school doors open, keep the roads in good repair, and keep the sheriff's deputies on patrol while families sleep at night.

These are just a few ideas.

I appreciate the committee coming together today to look at this long-running problem and helping us tackle this difficult issue and taking charge on a solution.

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<sup>3</sup> Lincoln Institute of Land Policy. Managing State Trust Lands. 2010