INTERIM REPORT TO CONGRESS • SPRING 2002

FOREST COUNTIES
PAYMENTS COMMITTEE

Forest Counties Payments Committee

Interim Report to Congress, Spring 2002

Judge Mark Evans, *Chair*

Dr. Tim Creal

Mr. Bob Douglas

Mr. Doug Robertson

Mr. Stuart Kasdin

Mr. Ed Shepard

Ms. Elizabeth Estill

Mr. Randle Phillips, *Executive Director*

Ms. Patricia Morgan, *Writer Editor*

Quaking Aspen
Populus tremuloides

Scarlet Oak
Quercus coccinea

Executive Summary

This is the first semi-annual report submitted by the Forest Counties Payments Committee to the United States Congress. The Committee was established pursuant to Section 320, of P.L. 106-291, the Interior and Related Agencies Appropriations Act of 2000. The Committee was created to advise Congress on long-term solutions for making "adequate" payments to eligible States and counties where national forests and certain Bureau of Land Management (BLM) lands reside within those counties. The recommendations are to be for education and other purposes, and are to be consistent with sustainable forestry as defined in the Act.

C i ee O ga i a i

The Committee is comprised of seven members, two of whom are appointed by the President pro tempore of the Senate, and two appointed by the Speaker of the House of Representatives. The remaining three members are from the Executive Branch, and represent the White House Office of Management and Budget, USDI Bureau of Land Management, and the USDA Forest Service. As authorized by the Statute, the Committee selected an Executive Director. A Writer-Editor position has also been filled to assist the Committee.

An office was secured from space already leased by the Forest Service at Franklin Square, 14th and L Streets, NW. The Forest Service also assists the Committee by providing computer assistance and some administrative support.

The Committee adopted Operating Guidelines in August of 2001, and was later chartered as an Advisory Committee to the Secretary of Agriculture. The Committee also intends to seek chartering by the Secretary of the Interior. In developing its Operating Guidelines, the Committee determined that it would conduct itself according to the spirit of the Federal Advisory Committee Act (FACA). Since being chartered by the Secretary of Agriculture, the Committee has operated according to the requirements of FACA.

De el e f Rec e da i

The Congress has asked the Committee to evaluate four key areas in making its recommendations. They include evaluating methods by which payments are made to eligible States and counties; describing the impact on States and counties of revenues from historical multiple use of Federal lands; evaluating the economic, environmental, and social benefits of Federal lands to counties; evaluating the costs to counties from the presence of Federal lands. The Committee also intends to do some level of monitoring of activities related to implementation of the "Secure Rural Schools and Community Self-Determination Act of 2000," (P.L. 106-393), and "related laws." This will allow the Committee to better evaluate one of the Alternatives it is considering, and to do the evaluation of methods by which payments are being made to States and counties under the interim legislation.

In order to clearly address the tasks before the Committee, a series of 12 questions were developed that, when answered, should provide sufficient information with which to develop well-informed recommendations to the "committees of jurisdiction."

P. blic Pa ici a i

The Committee scheduled a series of listening sessions across the Country in order to facilitate involvement by citizens and elected officials in the development of recommendations to the Congress. A total of six sessions were held between August and December of 2001. Additional sessions are scheduled for the spring of 2002, to ensure that most regions of the Country are visited. All listening sessions are published in the Federal Register, and notification is made in local newspapers. Meeting notes and public comments are recorded through a court reporter and made available in written format, or electronically through the Committee's website. A total of 94 people registered at the listening sessions, with numerous written comments submitted.

To facilitate public awareness, a web site has been established that allows for people to submit comments, understand the role of the Committee, to access meeting notes, and to download numerous historical studies. The website is http://countypayments.gov.

S a fl .

A complete content analysis of all comments had not been completed by the date of this publication. However, several themes are evident from the information already compiled. While there were some specific regional issues, there were striking similarities among regions of the Country.

There are very serious socio-economic concerns about the cumulative impact to economies resulting from the loss of traditional forest industries, and the higher wages and tax contributions those industries make to local economies. Representatives from several communities commented that they have increased tax rates to offset a loss of revenue from traditional industries at a time when wages are declining. Other communities have indicated that they have had to reduce services, such as closing hospitals. The Committee is in the process of gathering this information, and will make it available in the final report.

The Committee has listened to numerous people comment on their concern for deteriorating forest health conditions and the adverse effects it has on travel and tourism, wildlife, and catastrophic wildfire events. The Committee also heard a great deal about the inability of Federal agencies to implement a program of management for the public lands, and the effects that has had on local governments to adequately do their budget planning when they depend on receipts. Most respondents believe there is a need for the current statutes; however, they believe many of the problems are caused by the implementing regulations developed by the Agencies.

The Committee has been presented with a great deal of information about the way States allocate Federal payments to counties and school districts within counties. The Committee is in the process of analyzing the various methods used by States for determining the "fair share" that is allocated to both counties and school districts.

I le e a i f P.L. 106-393

Implementation of the Secure Rural Schools and Community Self-Determination Act of 2000 by the BLM, Forest Service, States and counties has been generally positive. The Committee has heard from county officials and Federal land managers on their experiences. Several individuals have commented that the working relationships between local governments and the Forest Service and BLM have greatly improved as a result of them working together. This was especially evident in the Pacific Northwest.

The Offices of the Secretary of Agriculture, the Undersecretary of Agriculture, and the Chief of the Forest Service have worked very effectively together to ensure prompt action and approval of Resource Advisory Committee (RAC) charters and membership. The approval time for these actions has been measured in weeks rather than months, as has been the case with past advisory committees.

There have been a number of issues related to the intent of the Legislation and the accuracy of payment tables. The Congress has already addressed

the issue related to payment amounts and the Committee will continue to monitor issues that may need clarification in the future.

Several Regions of the Forest Service have worked diligently to implement P.L. 106-393. Some counties have chosen to establish Resource Advisory Committees along county political boundaries, while some have chosen to organize by combining several counties under one RAC. The counties in California have all organized along individual county boundaries, while counties in Oregon and Washington have organized along multiple county boundaries.

In a few cases, there have been issues raised by local citizens and some county officials over the selection process used to recruit and select members to the advisory committees. The national headquarters of the Forest Service appears to be monitoring this situation carefully, and required re-initiation of the recruitment process in a few cases.

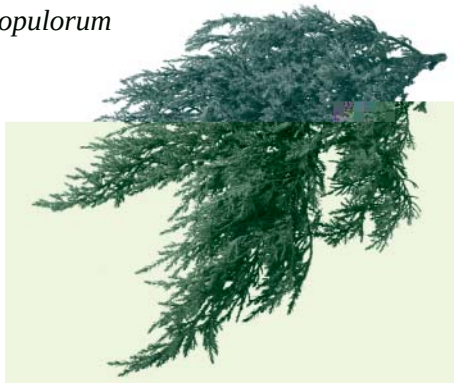
The Committee has heard from several members of the public, along with county officials, about confusion over the election process for Title II and Title III funds. The Forest Service is aware of these situations and intends to correct any problems before elections are made by the counties next year.

The decision to select the "full payment amount," Title II, or Title III, is reserved for the counties. The Committee is concerned that agency employees not attempt to influence the counties one way or another in this regard. The Committee will continue to monitor this and periodically report to Congress.

C ee Sched le

The Committee is working hard to provide recommendations to the Congress within the 18-month time frame specified in the Legislation. The level of interest and the number of issues presented to the Committee for consideration may result in the need to extend the time frame, but not significantly. An exact date for completing a recommendation for a payment alternative to the Congress will be determined once all comments have been reviewed and addressed by the Committee.

Rocky Mountain Juniper
Juniperus scopulorum



Committee Organization

C i ee Me be

The Committee is comprised of seven members. Four are appointed by the Congress as outlined in the Legislation, and three appointed by agency heads from the BLM, Forest Service, and the White House Office of Management and Budget (OMB).

The members appointed by the President pro tempore of the Senate and the Speaker of the House are as follows:

Mark Evans, county judge from Trinity County, Texas, serves as the Chair. Tim Creal, Superintendent of Schools for Custer, South Dakota; Bob Douglas, Superintendent of Schools for Tehama County, California; and Doug Robertson, County Commissioner from Douglas County, Oregon. Committee members representing the Executive Branch include Ed Shepard, BLM; Elizabeth Estill, Forest Service; and Stuart Kasdin, OMB.

The Committee conducted an outreach process to fill the Executive Director position, and selected Randle Phillips, who had been serving as the Forest Service representative to the Committee. Patricia Morgan was hired as a Writer-Editor to assist in Committee operations.

O e a i g G ideli e a d Cha e

The Committee developed Operating Guidelines and Principles (Appendix A) to clearly articulate how it will conduct business. As the Guidelines were developed, the Committee did not believe that it had to be formally chartered under the Federal Advisory Committee Act (FACA). Guidance was sought from staff of the committees of jurisdiction, and a written explanation was received explaining that because all members of the Committee were either elected officials, or Federal employees, an exemption under the Unfunded Mandates Act would apply. However, since the Legislation specifically mentions compliance with FACA, the Committee adopted the spirit of FACA in its Operating Guidelines.

Subsequent to development of these Guidelines, the Committee was informed by the General Counsel for U.S.D.A. that it would not clear Federal Register notices announcing meetings of the Committee unless it was formally chartered by the Secretary. Therefore, the Committee went through the formal chartering process with U.S.D.A. In spite of some lost time, the Office of the Undersecretary for Natural Resources and Environment, and the Office of White House Liaison have been helpful in expediting this process.

Explicit in both the Operating Guidelines and the Principles developed by the Committee is the intent to conduct a very open process as it develops its recommendations.

Ad i i a i e O e a i

Administrative functions of the Committee are the responsibility of the Executive Director. He ensures coordination with the Forest Service and BLM, who are to provide administrative and technical support to the Committee. Both Agencies have been very responsive in providing assistance in budgeting, personnel, and the acquisition of office space and necessary equipment.

The office of the Committee is located at Franklin Court Building, 1099 14th Street, NW, and is provided by the Forest Service. Support for reimbursement of travel for Committee members, and the purchase of some supplies is provided by the International Forestry Office of the Forest Service.

The Committee hired a Writer-Editor, Patricia Morgan, to assist with the documentation requirements associated with gathering input from the public and reporting the Committee's recommendations to Congress.

The Committee holding a public listening session

C ee Me be

Mark Evans	*County Judge*
Elizabeth Estill	*Forest Service*
Tim Creal	*Superintendent*
Bob Douglas	*Superintendent*
Stuart Kasdin	*OMB*
Doug Robertson	*Commissioner*
Ed Shepard	*BLM*
Randle Phillips	*Executive Dir.*
Patricia Morgan	*Writer-Editor*

C ee C ac l f ai

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Congressional Direction To The Committee

Legi la i e La g age

The legislative language, which directs the activities of the Forest Counties Payments Committee is found under Title I, Section 320, of the House Conference Report, Number 106-914. The language in the Report establishes the Committee as an advisor to Congress on specific issues and activities. The

American Holly
Ilex opaca

Public Involvement

O . ie F l .

The Committee is aware of the interest that exists concerning the information and recommendations it will be making to the committees of jurisdiction. Therefore, the Committee decided to hold a series of listening sessions around the Country to facilitate participation by the public and elected officials. Between August and December of 2001, the Committee held listening sessions in Portland, and Pendleton, Oregon; Boise, Idaho; Albuquerque, New Mexico; Jackson, Mississippi; and Tallahassee, Florida. Additional sessions are planned for South Dakota, Reno, Nevada, and in Wisconsin in the near future.

Listening sessions are announced in the Federal Register in compliance with USDA procedures, and through local newspapers. Each session is recorded by a court reporter, and comments are supplied to the Committee in both text and electronic format. A record of attendees is kept for all sessions and the Committee intends to keep them informed throughout the process.

M i i g C i ee P g e

The Committee has developed a website to allow better information access for the public, and to provide for public input to the Committee.

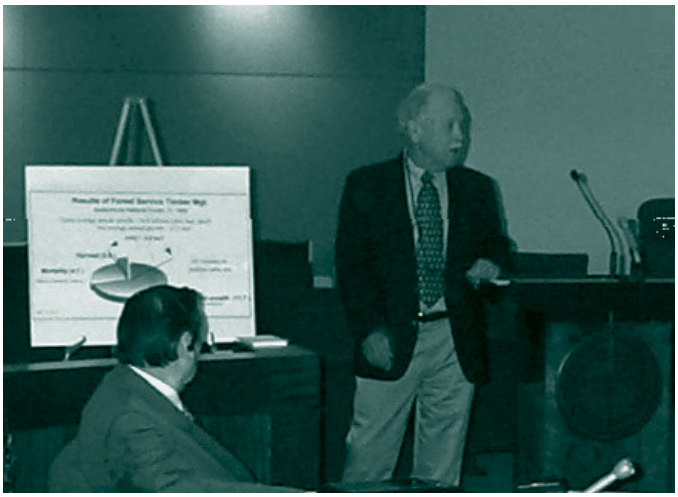
The website also provides answers to questions that are frequently asked about the activities of the Committee, and implementation of P.L. 106-393, The Secure Rural Schools and Community Self Determination Act.

There is a large volume of both recent and historical information from previous commissions, Congressional research, and Federal agency research. The Committee is providing that information through its website in a format that can be easily accessed and downloaded.

C The e E e ge

There are a number of issues that have emerged from the listening sessions and correspondence received as of the date of this Report. These will be updated upon completion of a content analysis evaluation at the conclusion of the comment period.

The following constitutes a summary of what has been presented to the Committee, and does not reflect a particular position of the Committee at this time.



Presentation Made To The Committee
Tallahassee, Florida

I f ai Pe e ed T The C i ee

Federal Payments

- Allocation methods by States to counties and schools districts are viewed as being unfair, and actually supplanting other funds intended for education in rural areas. In some cases, school districts that are not adjacent to public lands received dollars from receipt payments. Some counties have initiated legal action against their State government.
- Payments to eligible States and counties have become unpredictable in recent years, creating difficulties in planning budgets for counties and school districts. A number of reasons have been cited for this, including:
  1. Program reductions by land management agencies;
  2. Appeals and lawsuits halt planned projects that generate receipts;
  3. Unclear priorities to agency employees charged with implementing programs.
- Other Federal revenue-sharing laws are not well understood by county and school district officials, especially PILT. Most recipients of PILT do not believe that the Congress has allocated sufficient dollars consistent with the intent to fairly compensate States and counties for the presence of public lands.
- An individual who addressed the Committee in Portland, Oregon believed that forest communities should be given "ecosystem credits" to further stabilize funding.

Forest Sustainability

- Forest health and sustainability concerns were cited as factors affecting both the fair market value of forest products, and travel and tourism industries.
- There is a link between sustainable forests and sustainable communities. Many people believe that if communities are not sustainable, then the adjacent public lands will not remain in a healthy condition.
- In several areas of the Country, the Committee was told that more trees are dying as a result of poor forest health than are being harvested.
- County payments should not be linked to incentives and pressures to increase harvests when they are not sustainable.

Laws, Regulations, and Policies

- Numerous laws and regulations were cited as creating confusion among land management and regulatory agencies, which prevent timely execution of resource management plans.
- Several people addressing the Committee stated that Forest Service Appeal Regulations are not effective, and are viewed by many as simply a way to delay implementation of needed management activities.
- Many respondents believed that most environmental laws were good laws, but regulations developed by the land management and regulatory agencies that implement those laws are creating much of the problem. Implementation of the Endangered Species Act and NEPA were cited on numerous occasions.
- There are numerous community collaboration efforts taking place across the Country. Agency regulations and statutes should be reviewed to ensure that creative ideas for securing funding and accomplishing needed projects do not meet with unnecessary process delays.

Public Land Benefits To Communities

- Many respondents acknowledge the benefits associated with the presence of public lands within their counties. Improved quality of life, recreational opportunities, travel and tourism industries, and forest products industries were cited as examples.

Public Land Costs to Communities

- Maintenance of county road systems, including bridges, has been reduced as a result of reductions in commodity programs and receipt payments to counties. This creates safety concerns for transporting children to schools, and also creates access problems for people recreating on the public lands.
- Several elected officials testified that costs associated with the presence of public lands that are not reimbursed include a growth in search and rescue-related activities, and increased risk to private lands adjacent to public lands that have a high risk of catastrophic fire. As a result, numerous communities have been classified as "threatened."

Implementation of P.L. 106-393 (Secure Rural Schools)

- The Committee received numerous comments regarding implementation of the The Secure Rural Schools and Community Self Determination Act. Agency, public, and elected officials provided the following observations:
  1. The Legislation has resulted in an improvement of relationships between the Forest Service, the BLM, and local governments.
  2. Additional funds, provided as a result of the Act, come at a time when school and road budgets are in significant decline.
  3. Communication between some county and State governments did not go smoothly, resulting in delayed notification to Federal agencies about the amounts and kinds of elections being made by counties.
  4. Some RAC boundaries may need to be redrawn, especially in some southern States, because they are too large.
  5. Some RACs have had difficulty in recruiting the number of people required for each category.
  6. The Secretary of Agriculture completed the review and approval of RAC charters and membership very quickly.
  7. There is some confusion over projects that might qualify as Title III projects.
  8. Training on collaboration is being conducted for the RACs in several Forest Service Regions.

Scientific Information

- Several individuals who addressed the Committee believed that the lack of credible scientific peer review has lead to incorrect determinations by agency biologists on the effect of management actions on certain species. They stated that this has contributed to the loss of direct Federal payments, as well as loss of industries that provided jobs and tax payments.

- The Committee was told at more than one listening session that acquisition of private lands by the Federal government should not continue when State and local governments are not fully compensated for the loss of tax revenues.

Local Economies

- Several people who addressed the Committee, or provided written information, have stated that additional funds from P.L. 106-393 helped restore receipt payments to their more traditional levels, but the loss of industries associated with the programs that generated those payments has resulted in significant impacts to local economies, both economic and social. Some of those impacts include:
  1. Loss of tax revenues from traditional industries has resulted in a transfer of that tax burden to county residents, whose incomes have already been reduced through loss of higher paying jobs.
  2. A loss of higher wage jobs has resulted in a loss of population in some counties, along with student enrollment, teachers, and "intellectual capital."
  3. Providing quality educational opportunities for widely separated populations and small numbers of students becomes more expensive than the per-pupil costs in urban areas.
  4. Inability to support adequate medical facilities in some communities has resulted in the closure of those facilities.
  5. Some communities have been able to partially mitigate the impacts associated with the loss of traditional forest products industries, but many have not.
- Forest Service and BLM managers provided the Committee with numerous examples of their work with local communities. Some concern was expressed to the Committee from an elected official that there is a need for clearer direction to Federal land managers regarding their responsibilities for working with local communities on economic development opportunities.

White Pine
Pinus strobus

Program of Work To Develop Recommendations

E al ai f l f ai

In its guidance to the Committee, Congress directed that four essential items be evaluated and considered by the Committee in developing its recommendations. They are:

a. Evaluate methods for making payments to eligible States and counties according to the "principal laws" identified in paragraphs 3&4 of subsection (a), and any related laws.
b. Historical impact on States and counties of revenues from historical multiple use of Federal lands.
c. Economic, environmental, and social benefits which accrue to counties containing Federal lands.
d. Expenditures by counties on activities on Federal lands, which are Federal responsibilities.

To accomplish its task, the Committee has developed a Program of Work that will be finalized once all comments have been received from the public, and a thorough evaluation of existing information has been completed.

In its research, the Committee has identified a significant amount of information from previous studies going back as far the Public Land Law Review Commission Report of 1970. This information will be made available on the Committee's website in a format that can be downloaded.

There are 21 separate compensation programs administered by the Department of the Interior and the USDA Forest Service (Appendix B). Four of these statutes are specifically mentioned in the Legislation that established the direction for this Committee. They are:

1. Oregon and California (O&C) Grant Lands Payments Act of August 28, 1937.
2. Coos Bay Wagon Road Grant Fund Payment Act of May 1939.
3. 25 Percent Payment to States/Forest Reserve Payment Act of May 23, 1908.
4. Weeks Act of March 1, 1911.

The Committee was directed to evaluate payments made pursuant to these statutes, and related laws.

It is the intent of this Committee to look at specific aspects of any related statutes and determine if certain aspects of those laws might be incorporated into new alternatives recommended to Congress. However, the Committee does not intend to evaluate and make recommendations for changes to laws other than the four that are considered to be the principal laws of this legislation. The Committee will provide the Congress with input it receives from the public and elected officials regarding any of the "related laws."

De el e f l f ai

The Committee developed twelve questions to help it evaluate the information Congress has asked for. The public has been notified through several Federal Register Notices, and direct mailings, that the Committee is seeking comments on these questions. The three agencies who are represented on the Committee have also been encouraged to submit comments.

1. Do counties receive their fair share of Federal revenue-sharing payments made to eligible States?
2. What difficulties exist in complying with and managing all of the Federal revenue-sharing

payments programs? Are some more difficult than others?

3. What economic, social, and environmental costs do counties incur as a result of the presence of public lands within their boundaries?
4. What economic, social, and environmental benefits do counties realize as a result of public lands within their boundaries?
5. What are the economic and social effects from changes in revenues generated from public lands over the past 15 years, as a result of changes in management on public lands in your State or county?
6. What actions has your State or county taken to mitigate any impacts associated with declining economic conditions, or revenue-sharing payments?
7. What effects, both positive and negative, have taken place with education and highway programs that are attributable to the management of public lands within your State or county?
8. What relationship, if any, should exist between Federal revenue-sharing programs, and management activities on public lands?
9. What alternatives exist to provide equitable revenue-sharing to States and counties and promote "sustainable forestry?"
10. What has been your experience regarding implementation of P.L. 106-393, The Secure Rural Schools and Community Self-Determination Act?
11. What specific changes in law, policy, and procedures in the management of public lands have contributed to changes in revenues derived from the historic multiple-use of Federal lands?
12. What specific changes in law, policy, and procedures regarding public land management are needed in order to restore the historical revenues derived from the multiple-use of Federal lands?

Al e ai e

The Committee has developed eight alternatives to consider the full range of possibilities for a long-term payment solution. These alternatives will most likely be reduced in number after further consideration and feedback.

1. Historic Laws Remain in Effect. P.L. 106-393 would expire

   The following laws would remain in effect:

   - O&C Grant Lands Payments
   - Coos Bay Wagon Road
   - 1908, 25% Payment Act
   - Weeks Act
2. Historic Laws Remain in Effect With Modifications
   - Modifications to existing laws might include how the payments may be used, who receives the payments, and receipts that are, or are not, exempt from the calculations.
3. Reauthorize HR 2389 with Changes
   - Possible changes are being identified through monitoring of implementation of P.L. 106-393.
4. Payments Based on Value
   - Payment amounts would be calculated based on some measure of value. Three possible approaches include:

     a. Economic Asset Value of the resources

     b. Land Value – Minnesota Model (3/4 of 1% of Appraised Value)

     c. Tax Equivalency
5. Payments Based on Projected Value of Forest Plan Implementation
   - Forest Plans may represent the best process for involving interested parties in developing management actions for national forests. They also identify the management actions that are needed to manage a national forest on a sustainable basis. Possible approaches that will be evaluated include:

1. Value of projected outputs or outcomes identified in Forest Plans
2. Establish a value for actual acres treated
3. Direct Receipts from activities identified in Forest Plans
4. Establishment of a base-level payment that rises according to implementation of Forest Plans.

5a. Payments Made Only When Management Activities Occur

6. Certain Lands Are Managed As Trust Lands For Counties and Schools
   a. Management of lands by a State, or other government entity
   b. Establish a Board to oversee the management of these lands.
7. Establish A Minimum Payment That Increases When Receipts Rise Above That Payment Level
8. Establish a Payment Level for Counties and Schools With No Tie to Receipts
   a. Severs the connection between receipts and payments

Southern Magnolia
Magnolia grandiflora

Implementation of P.L. 106-393

Sec. e R. al Sch. l a d C. . i Self-De e. i a i Ac

The Committee received numerous comments from individuals around the Country who offered information regarding efforts to implement the "Payments To States Act." For the most part, the comments were positive, and even complimentary of the efforts made by the BLM, Forest Service, and county officials. There have been several instances where communication between the Forest Service, a State treasurer's office, and the county did not proceed as hoped. Much of this can be attributed to first-time implementation mistakes. As far as the Committee can tell, these are being addressed. However, in a few instances, there has been controversy over the way a particular State has chosen to allocate the funds, and the perceived offsets to State education and road funds. These involve approximately four States, but at least two of the States, (Oregon and Washington), account for a large percentage of the national funds. The following will provide a summary of the observations of this Committee regarding the first year of implementation of P.L. 106-393.

I. le. e ai S a.

In the first year of implementation for both the BLM and the Forest Service, approximately $448 million was distributed to States and counties. An additional $32.7 million was set aside for Title II projects. Approximately 76% of the eligible counties having national forests elected to receive the Full Payment Amount. Approximately 31% of the counties receiving more than $100,000 elected to spend some portion of that in Title II projects. The counties that received Full Payment Amounts of $300,000 (or more) had a significantly higher percentage of participation in Title II projects. Appendix C provides a complete breakdown of county elections for national forests.

All of the 18 counties receiving payments under the Coos Bay Wagon Road and O&C Statutes elected the Full Payment Amount. Fifteen of those counties elected to set aside money for Title II projects, totaling $7.7 million.

A total of 52 Resource Advisory Committees (RACs) for national forests are in the process of forming. There are five Committees established for the O&C Lands administered by the BLM. Some RACs have been organized on a multi-county basis, while some have organized on a single-county basis. In the case of BLM, all RACs have been formed along boundaries corresponding to the five administrative district boundaries.

I. e Ide. ified

The Committee has monitored the implementation of P.L. 106-393, in its first year. Numerous people have commented during public listening sessions, and Committee members representing the BLM and Forest Service have kept the other members apprised of their agencies' progress. The following represents some of the observations made to date. The Committee will continue to monitor implementation of the Legislation and report to the Congress on important observations and recommendations.

C i ee Ob e ai

- Many resource advisory committees have developed by-laws, and are identifying projects, many of which already have completed environmental assessments.
- In the case of the BLM, more projects have been submitted by RACs than there is available funding.
- The Statute does not offer specific guidance in several key areas. Decisions on these topics have been negotiated with counties by the Federal agencies. Examples include timing of RAC formation, RAC project submission and county election decisions.
- There was uncertainty over what receipts should be included in the historic 25% calculations for purposes of calculating the "full payment amounts."
- There was uncertainty, and at times, confusion pertaining to these areas:
  - The role of the States;
  - The States' distribution formula to counties;
  - The relationship between P.L. 106-393 and PILT has created confusion among many counties regarding their elections of Title II and Title III projects. The Committee received a number of questions about whether Title III elections offset payments they receive under PILT. The intent of Congress needs to be clarified.
  - The role of the counties (e.g. in RAC member selection), in Title II project approval/funding;
  - Title III project definitions and approval/monitoring process.
- Policy, regulations, and law associated with RAC development and FACA was difficult to wade through initially. Now that this process has been in place, this has become less of a problem.
- Lack of agency (Forest Service) staffing structure to adequately handle the large increase in advisory committee workload.
- Failure on the part of some Forest Service headquarters staffs and some regions to recognize the importance and complexity of this law and to assure that appropriate coordination and resources have been applied. This has resulted in the flow of information within regions to be inadequate at times.
- Inability of some States and counties to communicate effectively with each other and with the Forest Service. This inability was often due to not knowing who was coordinating at the State and/or county level.

Appendix A

Forest Counties Payments Committee Roles and Operating Guidelines

P. e

The Forest Counties Payments Committee was established by Congress as described in Section 320, of the FY 2001 Interior and Related Agencies Appropriation Act. The Committee was established for the purpose of developing recommendations to the Congress for making payments to States and counties in which Federal lands are located. The Committee is charged to develop recommendations that are deemed to be adequate for the benefit of public education, other public purposes, and with a strong consideration towards sustainable forestry. Sustainable forestry described in the Act means "the practice of meeting the forest resource needs and values of the present without compromising the similar capability of future generations."

In accomplishing the purpose as stated in the Act, the Committee will:

- Develop recommendations for policy or legislative initiatives to provide a long-term method to generate annual payments to eligible States and counties consistent with multiple use management.
- Evaluate the economic, environmental, social benefits, and costs which accrue to counties containing Federal lands considering the following:
- Multiple use management
- Purposes for which the lands were established and subsequent statutory changes
- Sustainability of biologic and human resources
- Identify and categorize county expenditures that occur as a result of activities on Federal lands.
- Provide a report to the congressional committees of jurisdiction.
- Keep the Congress informed by submitting semi-annual progress reports.
- Monitor the payments made to eligible States and counties.
- Provide testimony to the Congress regarding its recommendations.
- Provide information to any rulemaking or other administrative decision process pertaining to this Act.

G. ideli e

In accordance with Section 320(b)(5)(C), the Committee may establish procedural and administrative rules necessary for the performance of its functions. Therefore, the following procedures will be adopted by the Committee in conducting its business:

- The Committee will not be chartered according to the Federal Advisory Committee Act, as specified under the exemption contained in Section 204(b) of the Unfunded Mandates Reform Act. However, the Committee will operate under the open meeting provisions of FACA, relative to reporting, posting agendas, conducting meetings, and all similar matters.
- The Committee Chair, with the assistance of the Executive Director, will be responsible for conducting the meetings of the Committee.
- The Chair will designate a Co-chair to act in his behalf in the event of his absence.
- The Committee will work from an agenda developed in advance of its meetings. Agenda

development will be the responsibility of the Executive Director in consultation with the Committee Chair. Meetings will be conducted generally following the Roberts Rules of Order to ensure orderly meeting procedures.

- A record will be kept of Committee meetings and all resolutions passed by the Committee through the use of a court reporter or tape recording.
- The Committee will meet a minimum of four times a year, or as needed, to be determined by the Chair. Administrative coordination will be provided by the Executive Director, with assistance from the USDA Forest Service.
- Because of the close coordination required with Congress, the Committee will meet in Washington, D.C., but will vary the meeting locations to other areas of the Country when it believes it would be beneficial to do so.
- Meetings of the Committee will include time to meet with members of Congress in addition to the business portion of the meeting. It will be the responsibility of the Executive Director to provide legislative coordination for the Committee.
- Staff members of Congressional Committees having jurisdiction will be invited to attend all meetings of this Committee. Appropriate notification of meeting dates will be provided to the respective committees.

Appendix B

Federal Revenue Sharing Laws Pertaining To BLM And Forest Service

TITLE OF PAYMENT ACT	
P.L. 106-393 (BLM & FS) Secure Rural Schools and Community Self-Determination Act of 2000)	Provides for National Forest Counties and Lands covered by O&C, and Coos Bay Wagon Road Statutes to select alternative payment methods. Expires 2006
Oregon & California Grant Lands Payments (O&C) August 28, 1937	Payments made directly to counties. No requirement on use of funds
Coos Bay Wagon Road Grant Fund May 24, 1939	Payments made directly to counties. To be used for schools and roads
25% Payments to States (FS) Act of May 23, 1908 Act of March 1, 1911 (Acquired Lands)	Payments to be used for schools and roads of the county(s) in which the national forest is situated.
Spotted Owl Payment (FS & BLM) Budget Act of 1993 Amended by P.L. 103-443	Terminated under P.L. 106-393 Secure Rural Schools Act
Quinault Special Payment (FS) P.L. 100-638 Compensation for land given back to the Quinault Tribe	45% gross receipts paid to Quinault Tribe 45% gross receipts paid to State of Washington Required to be used for schools and roads
Payments to Minnesota (FS) Act of June 22, 1948	Payment made to State. Based on appraised land value covering 3-counties
Arkansas Smoky Quartz Pmt. (FS) Appropriations Act of 1989	50% for receipts for schools and roads
Payment in Lieu of Taxes (BLM administers, but applies to all public domain lands). Pmt. In Lieu Of Taxes Act, 1976 (amended)	Formula is linked to other revenue-sharing payments
Grasslands Payment (BLM & FS) Bankhead Jones Farm Tenant Act	25 % payments made to counties Required use for schools and roads

Inside Grazing Payment (BLM) (Taylor Grazing Act)	Payments made to States. 12.5% of gross receipts collected in grazing districts.
Outside Grazing Payment (BLM) (Taylor Grazing Act)	Payments made to States. 50% of gross receipts collected outside grazing districts.
Nevada Lands Sales Payment (BLM) (P.L. 96-586)	10% payment to Las Vegas or Clark Co. and 5% to State of Nevada
Nat. Petroleum Reserve Pmt. (BLM) Nat. Petroleum Reserve Act. 1976 (amended)	50% of gross receipts paid to State of Alaska
Red River Oklahoma Payment (BLM) (DOI Appropriation Act 1952)	37.5% of gross receipts to State of Oklahoma
Mineral Leasing Pmt. (BLM)	Payments for oil and gas rights of way (pipelines)
Proceeds of Sales Payment (BLM) Sales of land and	5% of net proceeds paid to States.

FOREST SERVICE

Regions/States	*Number of Eligible Counties*	*Number Electing Full Payment Amount Under Public Law 106-393*	*Number Electing to Remain Under 25 Percent Fund Act*	*Number Counties (P.L. 106-393) Over $100,000*	*Number Counties (P.L. 106-393) Over $100,000 Electing Title II**	*Number Counties (P.L. 106-393) Over $300,000*	*Number Counties (P.L. 106-393) Over $300,000 Electing Title II**
Region 1**							
Montana	34	31	3	16	1	9	1
North Dakota	1	0	1	0	0	0	0
Total	35	31	4	16	1	9	1
Region 2							
Colorado	43	23	20	10	0	3	0
Nebraska	5	2	3	0	0	0	0
South Dakota	6	6	0	5	0	3	0
Wyoming	19	18	1	8	1	1	1
Total	73	49	24	23	1	7	1
Region 3							
Arizona	13	12	1	7	4	6	4
New Mexico	22	19	3	5	1	2	1
Total	35	31	4	12	5	8	5
Region 4**							
Idaho	36	36	0	19	19	12	12
Utah	29	19	10	5	0	0	0
Nevada	14	9	5	1	0	0	0
Total	79	64	15	25	19	12	12
Region 5							
California	39	38	1	33	15	30	15
Total	39	38	1	33	15	30	15

Regions/States	*Number of Eligible Counties*	*Number Electing Full Payment Amount Under Public Law 106-393*	*Number Electing to Remain Under 25 Percent Fund Act*	*Number Counties (P.L. 106-393) Over $100,000*	*Number Counties (P.L. 106-393) Over $100,000 Electing Title II**	*Number Counties (P.L. 106-393) Over $300,000*	*Number Counties (P.L. 106-393) Over $300,000 Electing Title II**
Region 6							
Oregon	31	31	0	29	24	29	24
Washington	27	26	1	23	13	20	13
Total	58	57	1	52	37	49	37
Region 8							
Alabama	17	17	0	8	0	0	0
Arkansas	29	14	15	8	1	5	1
Florida	12	9	3	7	0	2	0
Georgia	26	24	2	4	0	0	0
Kentucky	23	11	12	1	0	0	0
Louisiana	7	7	0	6	0	5	0
Mississippi	33	32	1	20	1	6	1
North Carolina	25	24	1	1	0	0	0
Oklahoma	2	2	0	2	0	2	0
Puerto Rico	8	1	7	0	0	0	0
South Carolina	14	14	0	9	0	4	0
Tennessee	10	10	0	2	0	0	0
Texas	12	12	0	9	2	5	2
Virginia	30	19	11	1	0	0	0
Total	248	196	52	78	4	29	4
Region 9							
Illinois	11	11	0	1	0	0	0
Indiana	9	9	0	0	0	0	0
Maine	1	1	0	0	0	0	0
Michigan	31	4	27	3	0	0	0
Minnesota	7	2	5	2	0	2	0
Missouri	29	24	5	11	0	0	0
New Hampshire	3	0	3	0	0	0	0
New York	2	1	1	0	0	0	0
Ohio	12	3	9	0	0	0	0
Pennsylvania	4	1	3	1	0	1	0
Vermont†	44	31	13	0	0	0	0
West Virginia	13	9	4	6	0	2	0
Wisconsin	11	1	10	0	0	0	0
Total	177	97	80	25	0	6	0

†NOTE: numbers reflect school districts rather than counties

Regions/States	*Number of Eligible Counties*	*Number Electing Full Payment Amount Under Public Law 106-393*	*Number Electing to Remain Under 25 Percent Fund Act*	*Number Counties (P.L. 106-393) Over $100,000*	*Number Counties (P.L. 106-393) Over $100,000 Electing Title II**	*Number Counties (P.L. 106-393) Over $300,000*	*Number Counties (P.L. 106-393) Over $300,000 Electing Title II**
Region 10							
Alaska	10	10	0	6	2	6	2
Total	10	10	0	6	2	6	2
Nationwide Totals	**754**	**573** 76%	**181** 24%	**270**	**84** 31%†	**156**	**77** 49%††

†31% of counties > $100,000 ††49% of counties > $300,000

11/23/01

Bureau of Land Management

Counties	*Number of Eligible Counties*	*Number Electing Full Payment Amount Under Public Law 106-393*	*Number Electing to Remain Under 25 Percent Fund Act*	*Number Counties (P.L. 106-393) Over $100,000*	*Number Counties (P.L. 106-393) Over $100,000 Electing Title II**	*Number Counties (P.L. 106-393) Over $300,000*	*Number Counties (P.L. 106-393) Over $300,000 Electing Title II**
Totals	**18**	**18** 100%	**0**	**18**	**15** 83%†	**18**	**15** 83%††

†83% of counties > $100,000 ††83% of counties > $300,000

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OFFICIAL BUSINESS
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