



June 13, 2016

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Maria Cantwell  
Ranking Member  
Committee on Energy and Natural Resources  
United States Senate  
Washington, DC 20510

Dear Chairman Murkowski and Ranking Member Cantwell,

On behalf of the National Association of Counties, the only national organization that represents all 3,069 of America's Counties, thank you for your leadership in crafting legislation to address forest health and the threat of catastrophic wildfires facing our nation's federal forests and communities, and to address the practice of fire borrowing that has hampered our ability to actively manage our forests.

With the 2016 wildfire season already underway, counties continue to express concern over the rapidly declining health of our federal forests and public lands due to the persistent impacts of drought, infestation, disease and wildfire. The health of our federal forests has a direct impact on the public health, safety and economic wellbeing of counties across the United States. Not only do unhealthy forests increase community wildfire risk, they also negatively impact our access to clean water and air, threaten wildlife habitats and reduce our opportunities for forest related jobs and tourism. We appreciate the opportunity to offer comments on your draft legislation and continue to urge Congress to enact comprehensive legislation to improve the health and wellbeing of forest lands and forest communities by promoting collaboration, streamlining regulations that hamper active forest management and protecting communities through wildfire risk reduction.

Counties applaud your leadership in including provisions in your draft legislation that will:

- Address the untenable practice of fire borrowing, which has had a significant negative impact on the ability of federal land managers to actively manage our nation's forests;
- Provide funding flexibility to reinvest unused fire suppression dollars into reducing wildfire risks in at-risk communities;
- Accelerate hazardous fuels reduction work in the areas at greatest risk for catastrophic wildfire;
- Implement new technologies that will provide new tools and capabilities to combat wildfire and ensure that existing tools and technologies are certified and available when they are needed most, and;
- Invest over \$500 million in communities with the greatest fire risk to expand Firewise and other community passed programs, develop and implement community wildfire protection plans, carry out wildfire risk assessments and implement cross-jurisdictional hazardous fuels reduction projects.

We also applaud your efforts to streamline environmental regulations for locally-supported and collaboratively-developed forest health projects and for critical forest health projects that reduce hazardous fuel loads, install fire breaks critical to protecting communities, restore forest health and protect fragile municipal water supplies. Counties across the United States have engaged in collaborative efforts to address their natural resources challenges. By bringing together a broad cross section of local stakeholders into collaborative processes, counties, industry, outdoorsmen, conservationists and federal and state land managers have built consensus on some of the most complex natural resource management challenges.

As you continue your work to finalize this important legislation, NACo also asks you consider including provisions to address the negative impacts of excessive litigation which have created a culture of “analysis paralysis” within our federal forest management agencies and have hampered collaboratively developed forest projects across the nation.

While we are heartened to see both chambers of Congress taking up legislation to improve the health and productivity of our federal forests, the Secure Rural Schools (SRS) program will continue to be an important bridge program for forest counties until declines in forest production can be fully addressed. The Secure Rural Schools (SRS) program provides a critical safety-net for counties impacted by declines in forest production and the loss of forest jobs. NACo encourages the committee to work in the spirit of bipartisanship to

- Reauthorize the Secure Rural Schools Program;
- Reform SRS to permit greater flexibility in how Title III funds are used at the local level; and
- Authorize equitable revenue sharing from stewardship contracting projects.

### **Reauthorize Secure Rural Schools**

The SRS program provides crucial support to local schools, transportation infrastructure, law enforcement and other county services in more than 720 counties and 4,000 school districts, impacting nine million students across 41 states. Unfortunately, the SRS program expired on September 30, 2015 and has yet to be reauthorized.

Historically, the federal government has shared 25 percent of federal forest revenues with counties to compensate them for federal ownership of forests. Federal forest lands cannot be taxed at the local level, yet counties must still provide many essential services. SRS was first enacted in 2000 as local governments faced steep reductions in timber revenue sharing resulting from federal policies that limited revenue-generating activities within federal forests. Current revenue sharing payments are no longer sufficient to support the services forest counties must provide.

When the authorization for SRS lapsed in FY 2014, forest payments to counties decreased by over 80 percent. Counties and school districts nationwide faced dramatic budgetary shortfalls and began preparations to halt infrastructure projects, terminate employees, cancel teacher contracts, and reduce numerous other services as a result. In that instance, Congress reauthorized the SRS program

retroactively and provided full SRS payments to counties. However, in many cases services had already been impacted in counties and school districts.

Counties urge Congress to provide local governments with the budgetary certainty they need and encourage Congress to work swiftly to reauthorize the SRS program for FY 2016 and into the future, until federal forest production and revenue sharing can be restored to sustainable historic levels.

### **SRS Title III Flexibility**

Additionally, although USFS lands are federally owned and not subject to county property taxes, counties must still provide critical services – such as law enforcement and search and rescue – for residents and visitors on forest lands. Under Title III of SRS, a county may use a portion of funds to reimburse county services for search and rescue and other emergency services, including fire protection, which are performed on federal land and paid for using county funds.

In 2012, the Government Accountability Office (GAO) made recommendations to significantly restrict what expenditures should be allowable under Title III, including a finding that that law enforcement patrols should be ineligible for reimbursement. The USFS adopted GAO's recommendations, which has caused considerable hardship for counties. Congress' intent when enacting SRS was to provide relief to county sheriffs' departments that must dedicate local public safety resources to costly search and rescue operations on federal land.

Recent House-passed forestry legislation included language to provide flexibility under Title III. We encourage the committee to restore Congressional intent and include legislative language in its final bill to restore flexibility for counties to use a portion of SRS Title III program funding to support law enforcement patrols and to ensure county first-responders have the equipment and training they need to provide high-quality emergency services for county residents and the millions of public lands visitors each year.

### **Stewardship Contracting Revenue Sharing**

Finally, we encourage the committee to reform stewardship contracting authorities to restore historic revenue sharing with counties from stewardship contracting projects.

The growth in the U.S. Forest Service (USFS) stewardship contracting program in recent years demonstrates that forest management projects can work to achieve both forest restoration goals and generate significant revenue. Stewardship contracting allows the USFS to implement forest management projects supported by revenues generated from timber sales generated by the project.

Counties support stewardship contracting as one of the many tools at land managers' disposal to responsibly manage our federal lands. Historically, America's counties have shared in timber receipts with the federal government, receiving 25 percent of revenues generated. However, since its inception,

revenues generated through stewardship contracting have been exempt from revenue sharing with counties.

Counties support, and are active partners, in stewardship contracting initiatives across the United States. However, forest revenue sharing payments support critical county services. Counties believe stewardship contracting revenues must be shared equitably with county governments consistent with historic practices.

Counties encourage the Committee to restore the historic compact between forest counties and the federal government by extending forest revenue sharing to USFS revenues generated by stewardship contracting projects. Sharing revenues from stewardship contracting will provide much needed support for forest counties, their roads, schools and other critical services. NACo looks forward to continuing to work with Congress to further strengthen forest revenue sharing between counties and the federal government.

Thank you for the opportunity to comment on the Committee's draft legislation and for your leadership in addressing important forest health and wildfire funding issues facing the United States. Moving forward, counties encourage Congress to work swiftly to enact meaningful forest management and fire borrowing reforms to ensure the long-term viability of federal forests and forest counties and to reauthorize and reform the SRS program for FY 2016 and into the future, to restore financial certainty for forest counties and promote flexibility and equitable revenue sharing within the program.

If we can be of any assistance to you in your efforts, please do not hesitate to contact NACo Associate Legislative Director Chris Marklund at 202.942.4207 or [cmarklund@naco.org](mailto:cmarklund@naco.org).

Sincerely,



Matthew D. Chase  
Executive Director