



January 23, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

On behalf of the National Association of Counties (NACo), the only national organization that represents all of the 3,069 counties across the United States, congratulations on your inauguration.

As President of the United States, you will play an important role in setting policies to guide the management of our nation's 640 million acres of federal public lands. Sixty-two percent of counties nationwide have federal land within their boundaries and federal lands policies have a direct impact on the quality of life and economic wellbeing of public lands counties.

As your administration begins its work, public lands counties urge you to support the full funding of the Payments in Lieu of Taxes program (PILT) for FY 2017 and beyond and the reauthorization of the Secure Rural Schools program (SRS) for FY 2016 and beyond. Further, we encourage you and your administration to work with Congress to reform federal forest management and wildfire suppression funding practices and amend the Antiquities Act to ensure greater transparency and accountability in the designation of national monuments.

Payments in Lieu of Taxes

The PILT program provides payments to local governments in 49 states – nearly 1,900 counties, boroughs and parishes – to offset reduced property tax revenue due to the presence of tax-exempt federal lands within their jurisdictions. Simply put, the PILT program helps ensure counties can continue to provide essential services to their communities and to tax-exempt federal lands within their jurisdictions.

Many counties have already begun to execute their FY 2017 budgets. Although the current continuing resolution extends full funding for PILT at \$452 million dollars, the Department of the Interior has estimated that \$480 million will be necessary to fully fund PILT in FY 2017. Without the certainty of full funding for the PILT program in FY 2017 and beyond, counties across the nation will be unable to provide essential services such as education, law enforcement, search and rescue, road maintenance and public health to residents and millions of federal lands visitors alike.

Moving forward, counties urge you to work with Congress to enact a long-term sustainable solution to fully fund PILT that eliminates the funding uncertainty PILT counties face in FY 2017 and to support full funding of PILT in your FY 2018 budget and beyond.

Secure Rural Schools

Like the PILT program, 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.

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 national 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. Unfortunately, the SRS program expired on September 30, 2015 and has yet to be reauthorized. Forest counties and schools received their last authorized SRS payment in 2016.

Unless the SRS program is reauthorized, forest payments to counties will revert to the permanently authorized 25 percent revenue sharing authorized in the National Forest Revenue Act of 1908 (16 U.S.C. 500). When the authorization for SRS lapsed in FY 2014 and counties received 25 percent payments, forest payments to counties decreased by over 80 percent nationwide. Counties and school districts across the country 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 you to work with Congress to support the SRS program and provide local governments with the budgetary certainty they need. We encourage you to support the swift reauthorization of the SRS program for FY 2016 and to support a long term reauthorization of the SRS program in your FY 2018 budget and into the future, until federal forest production and revenue sharing can be restored to sustainable historic levels.

Forest Management and Wildfire Funding Reform

NACo urges your administration to support comprehensive legislative and regulatory actions to reform federal forest management and wildfire suppression funding practices.

The health of our federal forests has a direct effect on public health, safety and economic wellbeing of counties across the United States. Not only do unhealthy forests increase community wildfire risk, they can also negatively impact community access to clean water and air, threaten wildlife habitats and reduce county opportunities for forest-related tourism and job creation.

The federal government must work to reverse declines in the health and productivity of our federal forests by enacting meaningful forest management reforms. Counties believe that active management of federal lands and forests must be carried out in a sustainable manner to ensure the health of our federal lands for generations to come, and we are intergovernmental partners with the federal government in achieving these goals.

Counties strongly support administrative and legislative proposals to streamline environmental regulations for locally-supported and collaboratively-developed forest health projects and for critical

forest health projects across our forest system. 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.

However, counties want to know that if they invest their taxpayers' resources and engage with their federal partners in support of responsible active management, county investments will be upheld by their federal agency partners and the courts and will result in project completion. To that end, we encourage you to carefully examine and address the impacts of excessive litigation, which have created a culture of "analysis paralysis" within federal land management agencies and have hampered collaboratively developed forest projects across the nation. In recent years, costly litigation has slowed or prevented the timely implementation of forest health projects and created a checkerboard of conflicting judicial opinions, resulting in inconsistent application of federal environmental laws and regulations and crippling regulatory burdens for counties and federal agencies alike.

We also encourage you to support a permanent solution to end the budgeting practice commonly known as "fire borrowing," which draws down funds from non-firefighting accounts to pay for federal firefighting needs. The drawdown of funds through fire borrowing negatively impacts land managers' ability to undertake important forest health and fire prevention activities and places the safety of forest communities at risk. We encourage you to support a wildfire suppression funding strategy that enables the Forest Service to access a discretionary disaster cap adjustment after the amount spent on fire suppression exceeds 70 percent of the 10-year average of fire suppression costs. This approach will allow federal agencies to invest additional resources in forest and rangeland restoration and management while at the same time responsibly funding annual fire suppression activities.

Antiquities Act Reform

Finally, although counties understand the need to designate certain sensitive landscapes for protection and the enjoyment of future generations, the designation of lands as national monuments and other similar special use designations can have a direct impact on local governments and communities. Monument designations made without local government input and approval produce significant local, state and national controversy and can cause economic hardship at the local level if historic land use activities such as grazing, mining, energy development, timber production and recreational activities are restricted.

Through meaningful consultation with local governments and land users, the local impacts of Antiquities Act designations can be identified and addressed before communities and economies are affected. NACo supports amending the Antiquities Act to provide transparency and accountability in the designation of national monuments. Federal consultation with state, county, and tribal governments should be required prior to the development and designation of any national monument. Special use designations of federal lands should be proposed by local residents and businesses, should be consistent with existing local land use policies, and should be strongly supported by the impacted stakeholders and counties in the area within which designations are proposed. Public hearings must be held in the counties affected by a proposed special use designation and there must be compliance with the requirements of the National Environmental Policy Act (NEPA).

Moving forward, counties encourage you to support full funding for PILT in FY 2017 and the reauthorization of the SRS program for FY 2016. We further urge you to support long term authorization and full funding of both SRS and PILT in your FY 2018 budget. Finally, counties encourage you to use all the authority available to you to support meaningful forest management and fire borrowing reform and to amend the Antiquities Act to provide for greater transparency, accountability and local engagement in monument designations. NACo stands ready to support your work to address these important issues impacting counties across the nation.

Sincerely,

A handwritten signature in blue ink that reads "Matthew D. Chase". The signature is fluid and cursive, with a large loop at the top of the first 'M' and a long, sweeping tail for the 'e'.

Matthew D. Chase
Executive Director
National Association of Counties