



January 23, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, Room: S-230
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Hart Senate Office Building, Room: 419
Washington, DC 20510

The Honorable Paul Ryan
Speaker
United States House of Representatives
U.S. Capitol Building, Room: H-232
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
U.S. Capitol Building, Room: H-204
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Ryan and Minority Leader Pelosi,

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 the recent swearing in of the 115th Congress.

As you know, Congress plays 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 the 115th Congress begins its work, public lands counties urge Congress to fully fund the Payments in Lieu of Taxes program (PILT) for FY 2017 and beyond, reauthorize the Secure Rural Schools program (SRS) for FY 2016 and beyond, 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.

Counties appreciate that Congress appropriated the full \$452 million necessary to fund PILT for FY 2016. However, 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 Congress to enact a long-term sustainable solution to fully fund PILT and eliminate the annual funding uncertainty PILT counties face. In the meantime, however, Congress must act to fully fund PILT for FY 2017.

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 Congress reauthorizes SRS, county forest payments will revert to the permanently authorized 25 percent revenue sharing payments under 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. 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 you 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.

Forest Management and Wildfire Funding Reform

NACo urges members of the 115th Congress to work together to pass comprehensive legislation 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.

Congress 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 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 Congress 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.

Congress should also enact a permanent legislative 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 the ability of the federal government to undertake important forest health and fire prevention activities and places the safety of forest communities at risk. We urge Congress to enact a legislative fix to the method of funding wildfire suppression on national forests and grasslands. We support a legislative solution 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 allows federal agencies to invest additional resources in forest and rangeland restoration and management and responsibly funds 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 land use 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 Congress to work swiftly to provide full funding for PILT in FY 2017 and beyond, reauthorize the SRS program for FY 2016 and into the future, enact meaningful forest management and fire borrowing reforms to ensure the long-term viability of federal forests and forest counties, and amend the Antiquities Act to provide for greater transparency, accountability and local engagement in monument designations. NACo stands ready to support you as Congress works to address these important issues impacting counties across the nation.

Sincerely,



Matthew D. Chase
Executive Director
National Association of Counties

cc: U.S. Senate Committee on Energy and Natural Resources
U.S. Senate Committee on Agriculture, Nutrition and Forestry
U.S. Senate Committee on Appropriations, Subcommittee on Interior, Environment and Related Agencies
House Committee on Natural Resources
House Committee on Agriculture
House Committee on Appropriations, Subcommittee on Interior, Environment and Related Agencies