### **Policy Analysis Group**

Jay O'Laughlin, Director (208) 885-5776 jayo@uidaho.edu www.cnrhome.uidaho.edu/pag

## Issue Brief No. 14

August 2011

# University of Idaho

College of Natural Resources Kurt Pregitzer, Dean (208) 885-6442 kpregitzer@uidaho.edu



# Secure Rural Schools Program Reauthorization, U.S. Forest Service Timber Sale Program, and Trust Land Management

by

Jay O'Laughlin, Professor of Forestry & Policy Sciences, and Director, Policy Analysis Group, College of Natural Resources University of Idaho, Moscow\*

#### CONTENTS

Introduction
Problem Statement
Figure 1. Federal payments to counties timeline, 1940-2012
Figure 2. National Forest System timber sold and harvested, 1905-2008
Figure 3. Wildfires in 11 western states, acres burned, 1916-20104
Idaho Situation5
Figure 4. Idaho timber harvest by ownership, 1947-20105
Figure 5. Idaho forest inventory change, 1953-20076
Figure 6. Idaho timber harvest and forest-based employment, 1970-2010 7
Figure 7. Federal payments to counties (SRS & PILT) as percent of local
government revenue for schools and roads, FY 2009
Secure Rural Schools as a Political Issue
Alternatives for Secure Rural Schools
U.S. Forest Service Timber Sale Program11
Alternative Governance Approaches
Collaborative Management13
Trust Land Management14

\*Prepared for presentation to Rep. Raúl Labrador's staff, August 10, 2011, Moscow, Idaho

College of Natural Resources Policy Analysis Group - University of Idaho

Established by the Idaho legislature in 1989 to provide objective analysis of the impacts of natural resource proposals

Issue Briefs are timely summaries of research reports relevant to current natural resource topics.

#### Introduction

Congress enacted the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) as a temporary, optional program of payments based on historic, not current, revenues.<sup>1</sup> These payments compensate counties for the tax-exempt status of federal lands, following a policy dating to 1908 that counties historically received a percentage of agency revenues, primarily from timber sales. However, timber sales have declined substantially since 1989—by more than 90% in some areas.<sup>2</sup>

This issue brief begins with a **Problem Statement** relevant to the situation in Idaho and Montana, and describes **Secure Rural Schools as a Political Issue** based on recent testimony in the U.S. House of Representatives. Then **Alternatives for Secure Rural Schools** are identified and analyzed. In recognition that SRS substitutes for revenue-sharing payments derived primarily from the **U.S. Forest Service Timber Sale Program**, several **Alternative Governance Approaches** are discussed, specifically **Collaborative Management** and **Trust Land Management**. The latter is used to guide the management of lands granted to the states from the public domain, for the singular purpose of supporting public schools.

Timber sale program reform or pilot projects to test alternative governance approaches will take time to develop. Meanwhile many counties with a high percentage of federal timberlands will be hard pressed to maintain local roads and schools without some form of subsidy until the federal timber program is reinvigorated to sustainable levels, meaning ecologically sound, economically viable, and socially acceptable.<sup>3</sup>

The "triple bottom line" of sustainable forest management described above correlates with what some foresters call a "triple win." Forest management is an opportunity to:

- 1) Restore forest health, wildfire resiliency, and wildlife habitat,
- 2) Provide renewable energy feedstocks, and
- 3) Revitalize rural economies.<sup>4</sup>

In addition to this "triple win" forests play a key role in the global carbon cycle by capturing, storing, and cycling carbon. Forests in the conterminous U.S. annually uptake carbon dioxide equal to at least 10 percent of all U.S. emissions, after deductions for wildfire emissions equal to about 5 percent of all U.S. emissions.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> P.L. 106-393, 114 Stat. 1607 (October 30, 2000).

<sup>&</sup>lt;sup>2</sup> Gorte, R.W. (2010). *Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000.* Congressional Research Service Report CR41303, Washington, D.C. 14 pp. <u>http://www.ccionline.org/repository//Documents/Public%20Lands%20Info/CRS%20Secure%20Rural%20</u> <u>Schools.pdf</u>

<sup>&</sup>lt;sup>3</sup> Aplet, G.H., N. Johnson, J.T. Olson & V.A. Sample (1993). *Defining Sustainable Forestry*. Island Press, Washington, D.C., for The Wilderness Society.

<sup>&</sup>lt;sup>4</sup> Cloughesy, M. & R. Lord (2006). "Biomass Energy and Biofuels from Western Forests." *Western Forester* 51(6): 1-5. <u>http://www.forestry.org/media/docs/westernforester/2006/dec06.pdf</u>

<sup>&</sup>lt;sup>5</sup> Data sources are cited in O'Laughlin, J. (2010). "The Forest-Bioenergy-Carbon Connection." In, *Integrated Management of Carbon Sequestration and Biomass Utilization Opportunities in a Changing Climate*. Proceedings, National Silviculture Workshop, Boise, ID (June 16-19, 2009). http://www.fs.fed.us/rm/pubs/rmrs p061/rmrs p061 129 133.pdf

#### **Problem Statement**

Unless reauthorized by Congress, the SRS program will expire on September 30th, 2011. Similarly, the Payments in Lieu of Taxes (PILT) program expires in 2012 (**Figure 1**). Between 1908, when federal payments to counties were first authorized, and 1940, payments to counties were linked to receipts from timber sales and other sources of revenue from federal lands. These earlier payments were less than those in 1940.



Figure 1. Federal payments to counties timeline, 1940-2012.

The revenue-sharing payments to counties have declined since 1990 (**Figure 1**) primarily because federal timber harvests have declined since 1990 (**Figure 2**).







Source: Headwaters Economics (2011) "Reforming Federal Land Payments to Counties" website. <u>http://headwaterseconomics.org/wphw/wp-content/uploads/Historical\_Timeline.pdf</u>

Coinciding with the decrease in National Forest System timber harvests that began in the late 1980s (**Figure 2**) is the increase in acreage burned by wildfire in the western states (**Figure 3**). This increase in wildfires is partly a result of increased fuel loads and partly from regional climate change.



**Figure 3.** Wildfires in 11 western states,\* acres burned, 1916-2010. Acres burned, millions

\*Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, Wyoming

Source: From WGA-FHAC (2010),<sup>6</sup> adapted from figure in Arno & Allison-Bunnell (2004)<sup>7</sup> and updated from database maintained by the National Interagency Fire Center.

An obvious solution to the SRS problem is to restore the federal timber sale program to a sustainable level.<sup>8</sup> This is discussed further in the **U.S. Forest Service Timber Sale Program** section of this issue brief. Doing so would not only benefit the fiscal situation in federal forest counties, but could help move national forest conditions towards a more sustainable condition by reducing hazardous fuels. Western national

<sup>&</sup>lt;sup>6</sup> WGA-FHAC (2010). *Forest Health Landscape-scale Restoration Recommendations*. Western Governors' Association Forest Health Advisory Committee, Denver, CO. 13 pp. <u>http://www.westgov.org/component/joomdoc/doc\_download/1391-forest-health-landscape-scale-restoration-recommendations</u>

<sup>&</sup>lt;sup>7</sup> Arno, S.F. & S. Allison-Bunnell (2002). *Flames in Our Forest: Disaster or Renewal?* Island Press, Washington, D.C. 227 pp.

<sup>&</sup>lt;sup>8</sup> See O'Laughlin, J. (2007). "Q4. What quantity of timber harvest would match the Craig-Wyden payments?" Pp. 3-4, in, *Timber Harvests and Receipts from National Forest System Lands in Idaho*. PAG Issue Brief No. 10, University of Idaho, Moscow. 13 pp. http://www.cnrhome.uidaho.edu/default.aspx?pid=102907

forests have an over-accumulation of vegetation that fuels destructive wildfires.<sup>9</sup> As Forest Service Chief Emeritus Dale Bosworth put it, "We have some 73 million acres of national forest land at risk from wildland fires that could compromise human safety and ecosystem integrity. . . . The situation is simply not sustainable—not socially, not economically, not ecologically."<sup>10</sup> As a graduate of the University of Idaho's forestry program and former Regional Forester with responsibilities for northern Idaho before he became Chief, Mr. Bosworth knows the Idaho situation very well.

#### **Idaho Situation**

Almost 39 percent of the land in Idaho is administered by the U.S. Forest Service. Ranking a distant second at 25 percent is Oregon. Idaho's 20.4 million acres of National Forest System lands include more than 70 percent of the timberland acreage in the state. Figure 4 demonstrates that timber harvests on Idaho's National Forest System lands declined 90 percent from the peak in the late 1980s. These federal lands now provide less timber than they did in 1947 when modern record-keeping began.



Figure 4. Idaho timber harvest by ownership, 1947-2010.

Source: Bureau of Business and Economics Research, The University of Montana

<sup>9</sup> GAO (1999). Western National Forests: A Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats. Report no. GAO-RCED-99-65, U.S. Government Accountability Office, Washington, D.C. 60 pp. www.gao.gov/archive/1999/rc99065.pdf

<sup>&</sup>lt;sup>10</sup> Bosworth, D. (2003). "Fires and Forest Health: Our Future is at Stake." Fire Management Today 63(2): 4-11. http://www.fs.fed.us/fire/fmt/fmt\_pdfs/fmt63-2.pdf#firesandforesthealthourfutureisatstake

The additional accumulation of forest vegetation from decreased timber removals has implications for wildfire and forest health management. The forest inventory analysis completed in 2007 estimated 5 billion cubic feet of sound dead timber in Idaho's forests. A very high percentage (94%) of the dead wood is on Idaho's national forests (**Figure 5**, uppermost pie chart). Although dead wood in forests is to be expected, the quantity of it in Idaho's forests more than doubled between 1997 and 2007 (**Figure 5**, bar chart, right-axis scale). This is due to the high mortality resulting from overcrowded conditions that increase competition between trees for whatever the limiting factor on a given site may be—water, nutrients, or sunlight. When timber harvests in Idaho's national forests began to decline (**Figure 5**, orange line, left-axis scale), mortality increased (**Figure 5**, magenta line, left-axis scale). Annual mortality and accumulated dead wood are now at the highest levels measured since inventories began in 1952. The situation in Montana is similar.



Figure 5. Idaho forest inventory change, 1953-2007.

Source: U.S. Forest Service (2009).11

<sup>&</sup>lt;sup>11</sup> U.S. Forest Service (2009). *Forest Resources of the United States, 2007*. General Technical Report WO-78, U.S. Department of Agriculture, Forest Service, Washington Office, Washington, D.C. 336 pp. <u>http://www.fs.fed.us/nrs/pubs/gtr/gtr\_wo78.pdf;</u> also author's analysis of Idaho data extracted from the U.S. Forest Service's Forest Inventory and Analysis database.

Thinning national forests to improve forest conditions and reduce wildfire hazard will have positive workforce benefits in Idaho. As U.S. Forest Service scientists put it, "Implementation of any significant fuel reduction effort will generate large volumes of biomass and require the development of additional workforce and operations capacity in western forests."<sup>12</sup>

The forest business sector provides family-wage jobs that exceed the average wages for all Idahoans.<sup>13</sup> Each of the 10,300 direct forest sector jobs in Idaho supports two more jobs in other sectors. Employment in the forest business sector provides 2.5% of total personal income in Idaho. Compared to Idaho, only 3 states depend more on forest business: Maine, Mississippi, and Oregon. Employment in Idaho's forest business sector is constrained by the amount of timber available for harvest. This is clearly demonstrated by the close correlation of timber harvests and forest sector employment (**Figure 6**, the timber harvest level is the same as the total timber harvest in **Figure 4**).





Source: Bureau of Business and Economics Research, The University of Montana

<sup>&</sup>lt;sup>12</sup> U.S. Forest Service (2005). *A Strategic Assessment of Forest Biomass and Fuel Reduction Treatments in Western States.* General Technical Report RMRS-GTR-149, U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station, Fort Collins, CO. 17 p. http://www.fs.fed.us/rm/pubs/rmrs\_gtr149.pdf

<sup>&</sup>lt;sup>13</sup> Cook, P.S. & J. O'Laughlin (2006). *Idaho's Forest Products Business Sector: Contributions, Challenges, and Opportunities.* PAG Report No. 26, University of Idaho, Moscow. 48 pp. <u>http://www.cnrhome.uidaho.edu/default.aspx?pid=69446#no26</u>

On an annual payment basis, Oregon benefits the most from SRS, followed by California, then Washington and Idaho, with Montana not far behind.<sup>14</sup> Based on the percent of the county revenue for schools and roads that comes from federal payments, many counties in Idaho, Montana, New Mexico, and Oregon depend heavily on these payments (**Figure 7**).





Source: Headwaters Economics (2010).15

<sup>&</sup>lt;sup>14</sup> Gorte, *Reauthorizing SRS* (2010, *supra* note 2).

<sup>&</sup>lt;sup>15</sup> Headwaters Economics (2010). *County Payments, Jobs, and Forest Health: Ideas for Reforming the Secure Rural Schools and Community Self-Determination Act (SRS) and Payments in Lieu of Taxes (PILT).* Headwaters Economics, Bozeman, MT. 96 pp. http://headwaterseconomics.org/wphw/wp-content/uploads/Reform County Payments WhitePaper LowRes.pdf



#### Secure Rural Schools as a Political Issue

The House Subcommittee on National Parks, Forests, and Public Lands held an oversight hearing on the reauthorization of SRS in Washington, D.C., on July 14, 2011. The hearing focused on solutions to ensure forest counties and schools receive sufficient funds while increasing timber harvests and forest management on federal land to create jobs and boost forest county revenues.<sup>16</sup>

House Natural Resources Committee Chairman Doc Hastings of the State of Washington opened the hearing and said timber sales should be the primary source of revenues for the rural counties that have been receiving SRS payments. He called for a review of current laws affecting national forests in order "to allow harvesting of more timber to make forests healthier and more economically viable for state and local governments to use for schools and other local needs."<sup>17</sup>

According to Subcommittee Chairman Rob Bishop of Utah, the hearing was the first of many steps Congress will take to address the problem. He said, "In an effort to address the challenges many timber-dependent communities are currently facing, Congress must examine the policies currently hindering production and multiple use of our forest resources. Secure Rural Schools funds are essentially hush monies paid to communities in exchange for not being able to use their lands."<sup>18</sup>

Equally blunt during his testimony, Rep. Greg Walden of Oregon said, "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 dependent on the federal government. They want jobs. They want healthy forests. They're tired of the catastrophic fire and the bug infestation."<sup>19</sup>

Rep. Walden also mentioned the idea of trying new things, including **Trust Land Management**. This is revisited in a later section of this issue brief.

<sup>16</sup> House Natural Resources Committee (2011) "Subcommittee Holds Hearing on Reauthorization of Secure Rural Schools." Press release, Natural Resources Committee, U.S. House of Representatives, Washington, D.C. (July 14, 2011). http://naturalresources.house.gov/UploadedFiles/7 14 11 Secure Rural Schools Release.pdf

<sup>18</sup> Id.

<sup>&</sup>lt;sup>17</sup> *Id*.

#### **Alternatives for Secure Rural Schools Program**

This section briefly treats three general options for the impending expiration of the Secure Rural Schools (SRS) program of payments to counties: 1) allow SRS to expire; 2) reauthorize SRS with one of several proposed alternatives, including the President's budget proposal; 3) replace SRS with a more comprehensive program based on tax equivalency.

#### Allow SRS to Expire

This returns the situation to what it was before the SRS came into being in 2000. Revenues from timber and other sources would be shared,<sup>20</sup> with 25% payments to counties. However, the U.S. Forest Service prefers to accomplish work via stewardship contracts, which do not allow revenue sharing.

The economic impact of losing the SRS county payments program was presented in a consultant's report prepared for the Partnership for Rural America:

The loss of the Secure Rural Schools act money has annual losses for the counties and schools currently funded. The losses are not simply to local construction, education and conservation services and their allied industries. The industries affected by these changes are far and wide based on how construction workers, educators and conservation services employees spend their money and how these rural economies work. The reduction of the Secure Rural Schools Act of 2008 funding not only reduces jobs in these directly-affected industries, but also affects industries such as medical and dental offices, banking, auto repair, grocery and other retail stores, restaurants and bars, and many others. The loss of \$467 million of this funding leads to various businesses throughout the United States losing almost \$1.459 billion in revenues, government at all levels losing over \$225 million in tax receipts, and over 11,460 people losing their job.<sup>21</sup>

#### **Reauthorize SRS**

The SRS program could be renewed in one of several ways: a) retaining the current features of the SRS program without substantive change and using the current formula to determine payments;<sup>22</sup> b) retain the program but use a different formula—the following ideas would give proportionately higher payments to some counties

http://www.partnershipforruralamerica.org/pdf/Economic\_Impact\_Analysis.pdf

<sup>&</sup>lt;sup>20</sup> A novel variation would be to include revenue sharing on activities like watershed health and wildlife habitat improvement that do not provide revenues. See Headwaters Economics, *County Payments, Jobs, and Forest Health* (2010, *supra* note 15).

<sup>&</sup>lt;sup>21</sup> Eyler, R. (2010). *Rural Policy: Secure Rural Schools Act Economic Impact Analysis*. Economic Forensics and Analytics, Petaluma, CA. 6 pp. (Dr. Eyler is Chair, Economics Dept., Sonoma State University, Rohnert Park, CA.)

<sup>&</sup>lt;sup>22</sup> See Gorte, *Reauthorizing SRS* (2010, supra note 2).

based on economic need and development potential, control of wildfire costs by curtaining home-building on fire-prone lands, increases in the value of forest health, or the proportion of federal lands in protected status;<sup>23</sup> and c) considering the alternative proposed in the President's budget and modifications of it suggested by others.<sup>24</sup>

After the President's budget was released in early 2011, Headwaters Economics reduced the options to three and subjected them to further analysis.<sup>25</sup> The three alternatives are:

- 1. The President's proposal,
- 2. Modification for economic need, and
- 3. Modification for economic need plus ecological restoration and conservation.

A summary of that analysis indicates that the President's reform proposal could be improved upon.<sup>26</sup> They all deal with the situation for 5 years, after which time the issue will resurface.

#### **Replace SRS—Tax Equivalency Approach**

Replace the SRS revenue sharing and PILT formula funds distribution programs with a tax equivalency program. This idea would make payments to counties equivalent to what they would be paid in property taxes if the land were privately owned.<sup>27</sup> According to the Congressional Research Service, this approach "may be very difficult if not impossible."<sup>28</sup>

#### U.S. Forest Service Timber Sale Program

If the Forest Service timber sale program were reinvigorated, the need to provide payments to counties with large areas of federal forests would not go away. However, the payments could be based on a percentage of timber sale receipts, as was the case historically until counties opted to take SRS payments instead. Although a revamped timber sale program would help with the SRS problem, other issues would quickly resurface. The social acceptability aspects of sustainable forest management are perhaps a more difficult barrier to overcome than ecological soundness or economic viability of a sustainable solution for counties with a high percentage of federal lands.

<sup>&</sup>lt;sup>23</sup> See Headwaters Economics, County Payments, Jobs, and Forest Health (2010, supra note 15).

<sup>&</sup>lt;sup>24</sup> Headwaters Economics (2011). *No Easy End to County Payments: Economic and Environmental Reforms Could Improve the President's Proposal*. Headwaters Economics, Bozeman, MT. 4 pp. <u>http://headwaterseconomics.org/wphw/wp-</u>content/uploads/CountyPayments President Summary.pdf

<sup>&</sup>lt;sup>25</sup> Headwaters Economics (2011). "County Payments and the President's Budget" webpage. Headwaters Economics, Bozeman, MT. <u>http://headwaterseconomics.org/tools/county-payments-presidents-budget/</u>

<sup>&</sup>lt;sup>26</sup> Headwaters Economics, *No Easy End to County Payments* (2011, *supra* note 24). <sup>27</sup> *Id.* 

<sup>&</sup>lt;sup>28</sup> Gorte, *Reauthorizing SRS* (2010, *supra* note 2, p. 4).

Since the SRS Act was passed in 2000, many groups have come together to try to work through various issues and find common ground for national forest management. In Idaho, for example, eight such groups are meeting to work their way through conflict.<sup>29</sup>

Because of record-setting wildfires in many parts of the West during the past decade, some groups are advocating forest restoration via large-scale vegetation treatments, including the Western Governors' Association.<sup>30</sup> Professional foresters in Idaho, Nevada, Utah, eastern Washington, and western Wyoming support this approach.<sup>31</sup> As noted earlier, fuel treatments on the scale necessary to reduce hazardous fuels will generate large volumes of woody biomass and substantial additions to the workforce.<sup>32</sup> This is the path towards the "triple win" described in the **Introduction**.

One question that arose recently is how much timber harvest would be needed to provide SRS revenues? The reply depends on several factors, including timber process. Analysis of several scenarios revealed potential answers, all at levels of timber harvest less than historic highs.<sup>33</sup>

The lack of cohesive policy for national forest management is a barrier. This includes land management planning under the National Forest Management Act of 1976 (NFMA) and project planning analysis to conform with requirements of the National Environmental Policy Act of 1969 (NEPA). Fire management planning is not integrated into land management planning, and risk assessment is not done systematically. The different planning approaches could be integrated into a cohesive approach built upon risk assessment. <sup>34</sup> This would help develop a cohesive federal policy for the use of woody biomass as an energy source that is currently lacking.<sup>35</sup>

Association, Denver, CO. 4 pp. <u>http://www.westgov.org/component/joomdoc/doc\_download/1390-11-01</u>

<sup>&</sup>lt;sup>29</sup> See "Idaho Forest Restoration Partnership" website <u>http://www.idahoforestpartners.org/main.html</u>; especially the conference report from whence the partnership was created—O'Laughlin, J. (2010). *Climate Change, Bioenergy, and Sustaining the Forests of Idaho and Montana*, Boise, ID (March 3-4, 2010). 15 pp. <u>http://0101.nccdn.net/1 5/26f/343/31d/conference-report-FINAL-7-7-10.pdf</u> <sup>30</sup> WGA (2011). *Large Scale Forest Restoration*. Policy Resolution 11-01, Western Governors'

<sup>&</sup>lt;sup>31</sup> Society of American Foresters (2011). *Restoring and Maintaining Resilient Landscapes via Active Vegetation Management at Large Scales Helps Create Fire-Adapted Communities and Improve Responses to Wildfires*. Inland Empire SAF and Intermountain SAF Joint Position Statement, commenting on the Western Region component of the National Cohesive Wildland Fire Management Strategy being prepared in response to a requirement of the FLAME Act of 2009. 9 pp. <u>http://www.usu.edu/saf/position-11-0803.pdf</u>

<sup>&</sup>lt;sup>32</sup> U.S. Forest Service, *Biomass from Fuel Treatments in Western States* (2005, supra note 12).

<sup>&</sup>lt;sup>33</sup> O'Laughlin, *Timber Harvests & Receipts from NFS Lands in Idaho* (2007, supra note 8).

<sup>&</sup>lt;sup>34</sup> O'Laughlin, J. (2010). Wildfire Risk Reduction, Fuels Treatment, and Federal Land Management Planning: Incorporating Risk Analysis into Landscape- and Project-Level Planning. PAG Issue Brief No. 13, University of Idaho, Moscow. Presentation to the Wildland Fire Leadership Council, Reno, NV (July 21, 2010). 6 pp. http://www.cnrhome.uidaho.edu/default.aspx?pid=119513

<sup>&</sup>lt;sup>35</sup> WGA (2010). Letter from WGA chair C.L. "Butch" Otter and vice-chair Chris Gregoire to Carol Browner, Climate Change and Energy Advisor to the President. Western Governors'

#### **Alternative Governance Approaches**

Many Idahoans are dissatisfied with the situation on federal lands in the state. The Idaho Legislature in 1996 wanted to develop a closer working relationship with the U.S. Forest Service and the Bureau of Land Management, which together administer more than 60 percent of Idaho's land. The Legislature charged the State Board of Land Commissioners with the task. The Land Board then formed the Idaho Federal Lands Task Force.<sup>36</sup> The University of Idaho was working on a policy analysis report of alternatives for managing federal lands, <sup>37</sup> so the Policy Analysis Group director was asked to serve on the Task Force. Two of the alternative approaches in the report **Collaborative Management** and **Trust Land Management**—were recommended in the Federal Lands Task Report as pilot project experiments in alternative governance, <sup>38</sup> and projects were designed to implement these ideas.<sup>39</sup>

#### **Collaborative Management**

In 2003 a bill proposing a pilot project test of alternative governance called the Clearwater Basin Project Act was offered by Idaho's congressional delegation. When he introduced the bill in the Hosue, then Rep. C.L. "Butch" Otter said, "In 1996, the state of Idaho established a Federal Land Task Force to design potential pilot projects on federal lands. The task force report identified a broken decision-making process as part of the problem on federal lands. An eight-member working group identified five pilot projects on Idaho's federal lands. The legislation I am introducing today is a product of that process."<sup>40</sup>

Rep. Otter noted that "The [proposed] legislation takes advantage of existing collaboration and stewardship mechanisms to provide a more effective framework for stakeholders to work with the Forest Service to attain some meaningful forest management results on the ground."<sup>41</sup>

Association, Denver, CO. (August 10, 2010). 2 pp.

http://www.westgov.org/component/joomdoc/doc\_download/1298-browner-bioenergy-letter-8-10-2010 <sup>36</sup> Idaho State Board of Land Commissioners (2011). "About the Federal Lands Task Force"

webpage. Idaho Department of Lands, Boise, ID. <u>http://www.idl.idaho.gov/LandBoard/fltf.htm</u>

<sup>37</sup> O'Laughlin, J., W.R. Hundrup & P.S. Cook (1998). *History and Analysis of Federally Administered Lands in Idaho*. PAG Report 16, University of Idaho, Moscow, 125 pp. <u>http://www.cnrhome.uidaho.edu/default.aspx?pid=69446#no16</u>

<sup>38</sup> Idaho Federal Lands Task Force (1998). *New Approaches for Managing Federally Administered Lands*. A Report to the Idaho State Board of Land Commissioners by the Federal Lands Task Force, Boise, ID. 62 pp. <u>http://www.idl.idaho.gov/LandBoard/flt/New-Approaches-for-</u> <u>Managing-Federally-Admin-Lands/new-approaches-for-managing-federally-administered-lands.pdf</u>

<sup>&</sup>lt;sup>39</sup> Idaho Federal Lands Task Force Working Group (2000). *Breaking the Gridlock: Federal Land Pilot Projects in Idaho*. A Report to the Idaho State Board of Land Commissioners, Boise, ID. 48 pp. + appendices. Accessible by chapters at <u>http://www.idl.idaho.gov/LandBoard/fltf.htm</u>

<sup>&</sup>lt;sup>40</sup> Otter, C.L. (2003). "Introduction of the Clearwater Basin Project Act in the House of Representatives." *Congressional Record—Extension of Remarks*, Vol. 143, Pt. 3, pp. 4229-4130 (February 13, 2003). <u>http://www.idl.idaho.gov/LandBoard/flt/ext.remarks835.pdf</u>

Rep. Otter said, "It is important to note that nothing in this act (1) transfers ownership or control of any national forest lands from the United States to anyone else; (2) transfers Forest Service national forest decision authority to anyone else; (3) exempts Forest Service decisions or the priority activities from environmental laws, or from administrative appeal and judicial review; or (4) impairs opportunities for participation by any interest group or the general public."<sup>42</sup>

In 2004 U.S. Sen. Larry Craig held a hearing on a bill that suggested an alternative governance mechanism featuring local Resource Advisory Committees (RACs) working with national forest managers, and idea that built on the Title II feature of SRS. Although a more collaborative approach to managing national forests would be popular with many local residents and school administrators, Idaho citizen conservationists were leery of the approach of this specific bill.<sup>43</sup>

Both bills died in committee. Feedback was that the U.S. Forest Service did not need authorization from Congress to do anything that had been proposed in the bills. The idea of collaborative management of national forest lands did not die with these bills.

Today, as mentioned earlier, eight groups in Idaho are operating using collaborative approaches to come to agreement on federal land management projects.<sup>44</sup> In addition, Idaho was recently awarded one of the Collaborative Forest Landscape Restoration projects by the U.S. Department of Agriculture,<sup>45</sup> which coincides with the Clearwater Basin Collaborative.<sup>46</sup>

#### **Trust Land Management**

The Idaho Federal Lands Task Force recommendation to implement a trust land management pilot project was focused on a large area of rangelands south of Twin Falls.<sup>47</sup> This proposal did not advance as far as the collaborative management idea did.

<sup>&</sup>lt;sup>42</sup> *Id.* 

<sup>&</sup>lt;sup>43</sup> For contrasting viewpoints see testimony of retired school administrator Susie Borowicz of Elk City and conservation group leader Rick Johnson of Boise during a hearing before the Subcommittee on Public Lands and Forests, Committee on Energy and Natural Resources, U.S. Senate, on S. 433, "A Bill to provide for Enhanced Collaborative Forest Stewardship Management of the Clearwater and Nez Perce National Forests in Idaho," Washington, D.C. (March 24, 2004). <u>http://www.gpo.gov/fdsys/pkg/CHRG-108shrg94830/pdf/CHRG-108shrg94830.pdf</u>

<sup>44 &</sup>quot;Idaho Forest Restoration Partnership" website http://www.idahoforestpartners.org/main.html

<sup>&</sup>lt;sup>45</sup> U.S. Forest Service (2011). "Collaborative Forest Landscape Restoration Program" website <u>http://www.fs.fed.us/restoration/CFLR/index.shtml</u>

<sup>&</sup>lt;sup>46</sup> "Clearwater Basin Collaborative" website <u>http://www.clearwaterbasincollaborative.org/</u>

<sup>&</sup>lt;sup>47</sup> Idaho Federal Lands Task Force Working Group, *Breaking the Gridlock* (2000, *supra* note 39).

Recently, however, Rep. Greg Walden noted in testimony that "trusts work" and cited the State of Washington's trust land management program.<sup>48</sup> This raised interest in the concept of trust land management for federal lands.

Trusts work in Idaho, too, as 4.5 percent of the state's land is managed as an endowment trust for the public schools and other designated public institution beneficiaries that were given federal land grants from the public domain at statehood in 1890. The other western states received the same deal, in exchange for agreeing not to challenge or tax the federal lands that remained within state boundaries.<sup>49</sup>

When the Idaho Federal Lands Task Force was working on developing pilot projects for alternative governance arrangements, I was asked to provide information on how the trust land management model could be adapted to promote biological diversity as a trust mission.<sup>50</sup> I also was asked by the Society of American Foresters to testify before Congress about the Idaho Federal Lands Task Force, and specifically about adapting the trust land management model for National Forest System lands.<sup>51</sup> Information in these two documents is just as relevant today as a decade ago.

I closed my congressional testimony by quoting Dr. Marion Clawson, since deceased. Dr. Clawson served as director of the Bureau of Land Management in the 1950s, and later as the president and scholar in residence at Resources for the Future, a preeminent think tank in the nation's capital. During the Sagebrush Rebellion era of the mid-1980s, he wrote,

I reject any idea that we today are less imaginative and resourceful than men and women who pressed for the establishment of the national forests, national parks, and grazing districts.

#### We too can innovate; let us try. $^{52}$

What should we try? "Trust land management is our nation's most ancient and durable resource policy."<sup>53</sup> In the contiguous 48 states, 45 million acres of land grants

 <sup>&</sup>lt;sup>48</sup> Walden, G. (2011). Testimony, House Natural Resources Committee, Washington, D.C. (July 14, 2011). 2 pp. <u>http://naturalresources.house.gov/UploadedFiles/WaldenTestimony07.14.11.pdf</u>
<sup>49</sup> O'Laughlin, J., S.F. Hamilton & P.S. Cook (2011). *Idaho's Endowment Lands: A Matter of*

Sacred Trust, second edition. PAG Report No. 1, 2d ed., University of Idaho, Moscow, 35 pp. http://www.cnrhome.uidaho.edu/default.aspx?pid=120529

<sup>&</sup>lt;sup>50</sup> O'Laughlin, J. (2000). *Trust Concepts Applied to the Federal Public Lands: A New Approach for Sustaining Human Communities and Biological Diversity.* Paper presented to the Idaho State Board of Land Commissioners' Federal Lands Task Force Working Group, Boise, ID. 11 pp. http://www.cnrhome.uidaho.edu/default.aspx?pid=120531

<sup>&</sup>lt;sup>51</sup> O'Laughlin, J. *Community-Based Land Management and Charter Forests*. Testimony for the Society of American Foresters to Oversight Hearing before the Subcommittee on Forests and Forest Health, Committee on Resources, U.S. House of Representatives, Washington, D.C. (April 25, 2002). Published as Committee on Resources Serial No. 107-108, U.S. Government Printing Office. 11 pp. available at <a href="http://www.cnrhome.uidaho.edu/default.aspx?pid=120531">http://www.cnrhome.uidaho.edu/default.aspx?pid=120531</a>

<sup>&</sup>lt;sup>52</sup> Clawson, M. (1984). "Major Alternatives for the Future Management of Federal Lands." In, *Rethinking the Public Lands*, S. Brubaker, ed. Resources for the Future, Washington, D.C. Pp. 195-234. (Emphasis added.]

to the states are managed under this model. These lands provide billions of dollars for education and other public purposes.<sup>54</sup> A few principles that serve as general guides for managing land under the trust concept: clarity, accountability, enforceability, perpetuity, and prudence.<sup>55</sup>

More than a decade ago two parcels of federal land were set up as trusts—Valles Caldera Trust on National Forest System lands in New Mexico and Presidio Trust in California. As Rep. Walden said, "Trusts work."<sup>56</sup> Let us put more of them to work for our rural communities.



<sup>53</sup> Souder, J.A. & S.K. Fairfax (1996). *State Trust Lands: History, Management and Sustainable Use.* University of Kansas Press, Lawrence, KS. 360 pp.

<sup>54</sup> To be exact, \$4.5 billion annually in the early 1990s, according to Souder & Fairfax, *State Trust Lands* (1996, *supra* note 53).

<sup>55</sup> Fairfax, S.K. (1999). Lessons for the Forest Service from State Trust Land Management Experience. Discussion Paper 99-16, Resources for the Future, Washington, D.C.; see also Souder & Fairfax, State Trust Lands (1996, supra note 53).

<sup>56</sup> Walden, Testimony (2011, *supra* note 48).