

**Secure Rural Schools Teleconference with  
Mark Rey, Agriculture Under Secretary for Natural Resources and Environment**

**February 28, 2006  
12:30 pm**

Dan Jiron: Hi, good afternoon. This is Dan Jiron, National Press Officer for USDA Forest Service.

Just shortly, I will be introducing our undersecretary -- Agriculture Under Secretary, Mark Rey.

If you need assistance from the Press Office after this call, please call our number in Washington, DC at 202-205-1134.

Our website address is [www.fs.fed.us](http://www.fs.fed.us).

On that, I will turn the call over to Undersecretary Mark Rey.

Mark Rey: Thanks Dan and thanks all of you for joining us this afternoon or this morning as the case maybe depending on where you're listening from.

Before I begin on the substantive issues, we understand that some of you may be experiencing some minor technical problems with the land parcel mapping applications -- the GeoCommunicator mapping tool.

We apologize for this temporary inconvenience; we anticipate having the technical problems with the tool resolved shortly, if they haven't been already.

We've also already today, heard some concerns in regard to the overall usability of the GeoCommunicator mapping tool. And to assist on that, we're developing instructions for using GeoCommunicator. Those instructions will be on the Website as well.

We're also working on ways to make it easier to drill down the potential land (sale) parcel -- how to fewer clicks to get to a particular land parcel map if that's what you are seeking.

But I think, our first announcement this afternoon is the product is up and running. And you can find your way to specific parcels.

So we have live on our website as we promised when spoke with many of you on February 10. A map depicting each and every one of the parcels and each

and every one of the National Forests that we're now soliciting public comments on.

The second announcement today is that the federal -- today's Federal Register contains a public notice directing the public to this map and legal descriptions on our Website and inviting them to offer us their comments on specific parcels if they wish or on a general proposal, if that's their preference.

We'll accept comments for 30 days and then as we have indicated previously, we'll evaluate those comments and rework the list. So, that the list we send up to Congress, ultimately in the very near future is the most accurate and best list we can make.

Since this proposal was first announced when the President's budget was announced at the beginning of the month, we've already started to receive some comments.

And those comments have caused us to reflect, such that we will be making one change in the legislative language that we send to Congress here in the very near future.

The comments that we received from more than a couple of people, who took the time to think in some detail about our proposal was essentially this.

There are some of the sites and questions that do not any longer meet National Forest System need. But that's not the same as not meeting public needs generally.

Indeed, we know of some of these isolated parcels where we're given county governments special use permits to put in picnic tables. Because, while they were isolated from the balance of the National Forest, they have road access and serve that public purpose.

So, we will be sending when we send our legislative request to Congress in the next several days, we will include a provision that allows State or Local Government or Land Trust the opportunity to acquire these on a first refusal basis at fair market value or the appraised price.

And therefore, if there are some that meets some public purpose even though they no longer meet National Forest System purposes, there will be an opportunity for a State or County Government or a Land Trust acting temporarily on their behalf to acquire these parcels from us. And keep them in public ownership albeit not in National Forest ownership.

So, with that, what we are releasing today is the maps on our Website, the Federal Register notice to start the public comment period and to take us to the next step along this journey.

I would be happy to answer any questions you've got.

Okay, moderator, we can go to the first question.

Coordinator: Thank you sir.

At this time, we're ready to begin the question and answer session.

Once again, please press start-1, if you would like to ask a question, you will be prompted to record your name prior to your question.

One moment for our first question.

Our first question comes from Rocky Barker you may ask your question. And please state your affiliation.

Rocky Barker: Rocky Barker of the Idaho Statesman.

Mark, you just had a Congressional hearing.

I'm wondering whether you've gotten any support for the ideas selling off as far as there's a plan from anybody. I haven't been able to find anybody who thinks, this is good idea. Tell me some people I should call who will praise this idea.

Mark Rey: Well, the supporters have been far quieter than the people who have concerns with it, that it's probably not unique to this particular proposal. It is sometimes a general factor of government.

But, what I'm hearing is a level of concern that's not surprising because we know that land sales are sensitive. And a desire to learn a lot more about it before people take a definitive position one way or another.

And that's the general gist of what I'm hearing. So, it's neither support, at least among elected officials or outright oppositions.

Now, among interest groups, you know, you get, sort of the conventional and more black and white response about whether they support it or oppose it. The opponents are not surprising and the supporters are not surprising.

There are county government executives who would benefit from the revenue that would be generated to support their schools.

Probably, the only thing that is surprising about the response today is the unexpected complements of our Forest Service Management from people who are on an everyday basis, often very critical of the Forest Service.

And you know, you have to take your compliments wherever you can find them in this business. So, I'm favorably receiving those.

Moderator, let's go to Eve Byron Helena Independent Record.

Eve Byron: Yes Mr. Rey, I have some -- two questions actually.

You said that you haven't received any outright oppositions yet, Conrad Burns and Senator Baucus and Representative Rehberg from Montana, all have come out strong and in opposition to this. And I was wondering what you think about that?

And then, my second question had to do the values that these parcels as used in land exchange and are you giving any thoughts to that?

Mark Rey: On the first question, what we are getting from a broader range of members than just the Montana delegation is a deep concern over this approach.

And a general feeling that if there was another alternative available that, that would be far preferable.

That fact is this however, we've been talking about this proposal for a month now. It is the only proposal on the table that creates the funding offset to reauthorize to Secure Rural Schools and community self determination act of 2000.

So however, popular it is, it exists in a universe of one.

Now we said, I think earlier, that some of these parcels are candidates for land exchange. And indeed, under existing law they would probably convey out of our service ownership at some point in the future, if an exchange opportunity presented itself.

It is undisputed that if this proposal was adopted, it will slow the pace of our normal land exchange program. Because of the candidates who're exchanged would be fold in order to generate the revenue to reauthorize to secure rural legislation.

We think that the reauthorization to Secure Rural Schools legislation is an important enough public policy objective that in a world where you often have to make difficult choices, we'll choose that over maintaining the pace of land exchanges as they have in the past, recent years.

But, your point underscores or your question underscore has a very important point. And that is, many of these lands are candidates for exchange would have gone into non-federal ownership through a different means at some point in the future at any case.

Dan Jiron: Okay, lets' go to our next question.

Coordinator: Our next question comes from James Bruggers. You may ask your question and please state your affiliation.

James Bruggers: Hi Jim Bruggers with the Courier Journal in Louisville, Kentucky.

Mr. Rey, on the last conference that we had you said that there were no - future National Forest parcels and I looked at the original list, there were none and then subsequently, a list was put up and there were some number of future forest parcels, what happened with that?

Mark Rey: I think what we've discovered is we've gone through refinements of the list. And well continue to discover as we go through additional refinement of the list as public comments come in. If we had some but we're deleted by an over site in the first rendition and in some cases we had some parcels appear that shouldn't be on the list that have been deleted in this rendition. So, we do have the couple of future National Forest Parcels now that we believe meet the criteria that we use in selecting these parcels, generally.

James Bruggers: Thank you.

Dan Jiron: Okay, let's go to the next question.

Thank you.

Coordinator: Our next question comes from Bettina Boxall, you may ask your question and please state you affiliation.

Bettina Boxall: Hi. I'm with the Los Angeles Times.

Mr. Rey, when you initially announced this proposal a couple of weeks ago, you said that the parcels don't belong in the National Forest System. And yet, there examples that are cropping up all over the country, many of them in California of parcels that serve wildlife habitat, recreation needs, watershed

needs, commercial timber needs, all needs that are part of the National Forest official mission.

So, why don't these parcels belong in the National Forest System, even though they might be removed from the main body of the Forest? And some of them aren't even removed from the main body of the forest; they are there just on the edge and adjacent to the whole body of the forest.

Mark Rey: It's interesting to note in passing before I answer that question, is commercial timber sales would be disputed as far as the Forest Service Mission by some of the critics of these proposal, but, that's neither here nor there.

There are two reasons for the situations that you described, Bettina.

One would be that, even though some of these parks will serve public needs, they don't serve National Forest needs.

We have not said that these parcels are without habitat or watershed value entirely, I mean, they're not paved - let's be clear.

But in the broad sense of how we'd like to organize our ownership to include whole impact watersheds for instance or other whole impact ecological units. They're not conducive to that.

So that would be, you know, that would be one reason, it's an important public need but not National Forest needs. And I think, we've been pretty receptive to that comment by the way we proposed to modify this proposal here in the last day or so.

The second reason that tracts might appear on there that it actually is questionable from that standpoint is there've been errors and you know, we've talked about that as well. We've removed some tracks from the initial list; we've added other tracks to the list.

And I dare say that will continue right up until we submit the list to Congress and probably thereafter, if Congress does decide to consider the program in its totality. I'm quite certain there going to want to modify the list, perhaps substantially before they pass on it.

Dan Jiron: Thank you Bettina, next question.

Coordinator: Our next question comes from Mary Shaffrey. You may ask a question and please state your affiliation.

Mary Shaffrey: Hi. I'm with the Winston-Salem Journal.

I was at the meeting this morning and you have mentioned two things that I was hoping to get a follow up on.

One was the amount of land is out there that you would potentially sell in well more than you need to get to the figure to refund the schools, to fund the school program?

And I was wondering if you would stop once you got stop the potential sales, once you got to the 800 million dollar figure?

Mark Rey: Yes, we would.

Mary Shaffrey: So, how would you determine that?

Mark Rey: In the non-federal ownership, the acreage necessary to achieve the \$800 million offset and then suspend the balance of the program.

On our current list, there's a little over 300,000 acres that potentially meet our criteria to being not necessary to serve National Forest System needs.

Based upon some recent exchange transactions and the average land values associated in those, we think, probably, we'd have to sell somewhere around 175,000 acres in order to meet the \$800 million off set. Obviously, it could be a little more than that, it could a little less than that, it might even be a lot less than that.

When we finalize this list, one of the things that we'll try to do, is to rank the parcels so that the most valuable and least controversial on the first, following in order then down to the ones that are perhaps less valuable and somewhat more controversial but nevertheless in our judgment still worthy of being on the list.

Mary Shaffrey: And my follow-up question was, you said that you hope over the next two years that the amount of land that you will be selling off now would be recouped, is there a way we can find out where the land might come from or how you might acquire it?

Mark Rey: Sure.

The acquisition would come from expenditures under the Land and Water Conservations Fund authorities. And you can in our budget documents look at the proposed acquisition list for 2007 which is part of the 2007 request. And you can also look at the approved acquisition list for 2006 which Congress has already passed judgment on and given us the authority and funding to acquire.

Dan Jiron: Thank you.

Let's go to our next question.

Coordinator: Our next question comes from Susan Levitz. You may ask your question and please state your affiliation.

Susan Levitz: Yes, I'm with Yubanet.com in Nevada City, California.

Yes Mr. Rey, public lands along national Wild and Scenic Rivers corridors were exempted from the proposed liquidation.

However, given the fact that many if not most State Wild and Scenic Rivers eventually wind up being included in the National Wild and Scenic Rivers Program, why then were State Wild and Scenic corridors not exempted from the sell off.

And in other words, what's the logic or the reasoning from a scientific point of view to exclude these environmentally sensitive waterways that have benefits to the entire nation, not just to the individual states.

Mark Rey: Well, I don't know that I agree with the premise that most State Wild and Scenic Rivers eventually find their way into the federal systems.

Because if that premise were true, then we'd be amending the underlying Federal Wild and Scenic Rivers Act, that there are indeed in many states, extensive State Wild and Scenic River Programs where the criteria or recognition by the state is different than that which is required for federal rivers.

Additionally, it is a misnomer to suggest that private lands along even a Federal Wild and Scenic River disqualifies the area from being a Wild and Scenic River.

Indeed, probably the majority of acreage along Federal Wild and Scenic Rivers segment is non-federal land because there isn't that much federal lands in the East. But there are a significant number of Wild and Scenic River segments.

So, the fact that these would be conveyed out of federal ownership and to some other ownership doesn't necessarily disqualify their contribution to a Wild and Scenic River corridor.

In California, because of the state statutes anyone acquiring these lands along those corridors would have to abide by the state regulations that will probably reduce the value of these tracts because it will limit development on them to some degree.

Additionally, the fact that they are in State Wild and Scenic River corridors, really has no bearing on whether they meet National Forest System needs. If they don't meet National Forest System needs, then they become a candidate for this.

If the public need is such that it would be eliminated or significantly reduced, should the lands go into private ownership, then the state of California has the option of acquiring them from us under the proposal that we announced today at fair market value.

And they can remain in public ownership subject to the state's control.

Susan Levitz: Thank you.

Just a quick follow-up question, just so that I understand, is it not correct, Mr. Rey that according to the Wild and Scenic Rivers Act, that in order for a state protected river to enter the wild, the national program that the governor simply has to place a request to the secretary of the interior, it does not take an act of Congress. Is that correct?

Mark Rey: No, it still requires an act of Congress.

Susan Levitz : I don't believe that's correct.

Mark Rey: You may be right but...

Susan Levitz : I'm almost convinced I'm right. I live on a Wild and Scenic River.

Mark Rey: I think we're still passing Wild and Scenic River Legislations.

Susan Levitz : Uh-huh.

Thank you.

Dan Jiron: Thank you.

Next question.

Coordinator: Our next question comes from Kevin Darst. You may ask your question and please state your affiliation.

Kevin Darst: Yeah, this is Kevin Darst with the Fort Collins Coloradoan newspaper.

Just two questions, one on the sales to state and local entities and some of the land trust, I just want to clarify whether those groups can buy any parcel or only parcels in which they might have a hand and some sort of operation as we speak. You mentioned the counties with the park benches or something like that.

And my second question is, with regards to the rural schools cost, I understand that, that was somewhere in the neighborhood of \$400 million last year, I just wanted to, I guess clarify what the cost is going to be for that and how that relates to the \$800 million?

Mark Rey: Okay.

On the first question, the proposal we've drafted and we'll send shortly to Congress would allow state or local governments for land trust acting on its behalf to pick up that fair market value, any parcels on which they have an interest.

So that will include both the ones that they already have some management interest in as well as others that they think need a valid public purpose. And therefore, should stay in public albeit not Forest Service ownership.

The second thing is that, the \$400 million that the counties are receiving in 2006, is a combination of the guaranteed payments plus the anticipated timber receipts.

Under our proposed reauthorization of the legislation with the \$800 million guaranteed payment and increasing timber receipts, on average, counties would get about 50% of what they've got under the 2000 legislation.

I say on average because what we have recommended to Congress as we start in 2007, is just about what they got in 2006 and then start ramping it down over the 5 year reauthorization.

So, hopefully the counties who haven't yet made a transition can begin to do so and hopefully succeed in doing so at the end of the 5 year authorization.

Dan Jiron: Okay, our next question comes from David Olinger from the Denver Post.

David Olinger: Hi. I have a two part question; one is please explain how and where the public can comment on this proposal?

And then secondly, if Congress does approve the program, how and where would the auctions occur? Would be on a state by state basis, would it be according to size of the tracts you listed, would it be strictly a highest bidder arrangement or would some minimal appraised value has to be met?

Mark Rey: Okay, let's take the easy one first.

Comments can be sent by email to [srs\\_land\\_sales@fs.fed.us](mailto:srs_land_sales@fs.fed.us). Written comments can be sent to the USDA Forest Service, SRS comments, Lands 4S, 1400 Independence Avenue South West, 1124, Washington DC 20250.

That information will be in today's Federal Register.

So, if you couldn't write it all down, you can dial up the Federal Register website and fill it up of there.

Now, on to the second question which is somewhat more complicated, because it has a hypothesis and that is depending on how Congress legislates this.

Obviously, they could choose to determine how the land sales take place. And so, anything that I tell you now would be subject to whatever they decide to do in the legislation.

But our notion to state - may and probably will notify is that we would do these auctions at the individual forest level, parcel by parcel, starting at the top of the list and working our way down until we hit \$800 million.

Except for those that are picked up by state and local governments, the others would be sold on an auction to the highest bidder.

We will start with a uniform federal appraisal to establish the market value that the price that they will be offered to state and local government or land trust act.

And then thereafter, any that were not viewed by state local government or land trust as meeting a public purpose would be auctioned off to the highest bidder.

Dan Jiron: Okay.

Our next question is from Deb Frazier Rocky Mountain News. Go ahead Deb.

Deb Frazier: Oh yes.

Another two-parter. How do you as professional manager of public lands justify the fact that these lands were set aside long ago to benefit to public opportunity. And basically some of them are being sold off for what in fact is fairly short term budget crunch.

And the second part of my question is, in Colorado where I go there and a fairly large proportion of the lands you plan to sell off, more than 21,000 acres, will be sold off despite the fact that our revenues for timber sales appear because of the Healthy Forest Initiative, have in fact increased in the last 5 years.

Mark Rey: Okay the first part of your question is one right I disagree with the premise, most - many of these parcels never were set aside.

They were part of the public domain rather than being set aside, they were simply never conveyed by the general land office, out of federal into non federal ownership.

But many of these tracks -- most of this track were not reserved when the national forest reserves were created by Theodore Roosevelt at the turn of the last century. The second part of the answer is conveying land in and out of federal ownership is not a new, novel, or even an uncommon thing, as my answer to a previous question indicated, we have an active and ongoing program of land exchanges to exchange land that's less valuable for federal ownership, for land that's more valuable for federal ownership.

Additionally we have an active land acquisition program to the applied through cash purchases land that's more valuable for federal ownership.

Additionally, three times within the last decade, with the 1998 Southern Nevada Land Management Act, with the 2000 Education Land Grant Act and with the 2005 authority for the Forest Service to convey extra administrative sites, Congress has given us authority similar to those which we are requesting now, to convey out of federal ownership into non federal ownership, tracks of land that were no longer necessary for federal purposes and to use the revenues for some broadly supportive public purpose.

In this case, that broadly supported public purpose will be a one time reauthorization of the Secure Rural Schools legislation of 2000, to give those county's who haven't been able to make a transition away from dependence from federal timber receipts additional time to hopefully complete that transition.

The fact, now going to your second question, that the timber receipts are increasing somewhat in some areas is a good thing because it means that the

gap between the historic receipts level than the current receipts levels is narrowing, but while that gap is narrowing, it will never close.

In 1908, the federal government made a commitment to share with the county's made portion, a percentage of federal timber receipts, not a set amount.

For the first 65 years of that commitment, the amount of receipts that were shared with the counties are about what the county's would get now, if all they got was their share of receipts.

Unfortunately during the latter part of the 1970s and the decade of the 1980s, the federal timber sale program was much more robust, counties got used to in that 15-20 year period of time a much higher level of receipts, they based their budgets on that. Unfortunately, and now what we're having to do, knowing that we're not never going to see receipts to that level, probably again and certainly not in the foreseeable future, is figure out to transition away from that while retaining our commitment to share with them a portion of the receipt.

The fact that, that portion is increasing a bit is good, the problem is it's not increasing anywhere near to where it was, when the school systems were developed and were based on a much higher harvest level, and much higher receipt proportion.

Dan Jiron: Thank you. Our next question is from Bill Lindbergh, KSUE. Bill tell us what city you're in.

Bill Lindbergh: Good morning Susanville, California, Northeast California and Mr. (Rey) the reason that I want to ask a question is that we have quite a bit of acreage that are going to be involved in this program and you mentioned that local governments and our land trust have the right to first bid on this and you know, keep the land in public use.

The problem is that it creates a, you might say a catch 22 situation and that you know, budgets are very, very tight with the local governments and county governments right now, is there any thought to having a at least an auction where the local government has the right of first refusal? So doesn't-does not have to commit to the dollars in advance and hopefully our hope you know, possibly having that parcel of land not go to private use and accomplish the same thing without spending the dollars.

Mark Rey: Several observations there, first of all remember this is a proposal, so Congress has to grant this authority and it may choose to grant it differently than we propose it. So what we are talking about today is our proposal.

Secondly, one of the reasons we included land trust in this right of first refusal, it's because land trusts often do act as intermediaries, when a government agency including for that matter the Forest Service can't move fast enough to pick up a parcel that's on the market.

A lot of our acquisition work is done jointly in a partnership with land trusts whether moving first, pick up the tract, hold it and then we pick it up for them, so that is one of the reasons of including land trusts specially for that purpose.

And the third thing is that, we would not offer bids at auction if the state of local government expresses an interest so they wouldn't go to any highest bidder, what we would do would be to convey them at fair market value based on the appraisal, and I think we probably have some flexibility in staging out payment terms, as we do in any land acquisition with any party to- or any land sale to any party - to work with a state or a local government and to - to finance terms that work for them, so long as we can do the payment within the 5 year authorization period of this legislation.

I guess, the last thing that I would know in this area is that I have read at least a couple of widely printed Associated Press and other wire stories in the last two weeks, describing how state budgets at least in particular are going up.

Many of the states are starting to show surpluses now and that unfortunately is not the case with the federal government, so relatively speaking, this may not be that big of problem. Finally, many states, California included, have floated levies or bond issues for land acquisition purposes, so they actually have a revenue source unrelated to the regular state budget that's devoted to this purpose.

Dan Jiron: Okay, thank you. Let's get to our next question from Pete Denault KGVO and let us know Pete what city you're in?

Pete Denault: Yes, Pete Denault KGVO, we're located in Missoula, Montana. Mr. Secretary, my question is, the Montana's delegation unanimously opposed the proposal, what is the general response of the other states delegations where-where this is being - is posed to effect and those that are unaffected or minimally effective and then what steps are being taken to address the concerns of those Congressman like the Montana delegations who are all opposed to it?

Mark Rey: I would say that-that general response of members who are interested in this proposal and/or are affected by the proposal is concern that this is a sensitive proposition and that's appropriate, we agree with that, land sales are a sensitive proposition and they have to be done carefully and thoughtfully in order to be embraced by Congress and enacted and prolonged.

As we put this proposal together, we look back across the last quarter century -- the last 25 years and evaluated land sales proposal that Congress did embrace and did enact into law and land sale proposals that Congress rejected, in some cases out of hand.

The ones that Congress embraced, the three that I mentioned plus a handful of others over the last 25 years shared three characteristics, without exemption, the first was precision, everybody involved needed to know exactly what was being discussed, there's no room for vagueness or - or uncertainty about what's being considered for conveyance out of public - out of federal ownership.

The second characteristic that they all shared was transparency, everybody had to have a reasonable opportunity to talk about, think about, and of course, in many cases, complain about what was being proposed. There was no room for our appetite for slipping things in to the last hour of deliberation over a presenting out conference report.

And the third characteristic that they all had shared was a broadly supported public purpose.

There is no appetite for simply selling off capital excess assets to reduce the deficits. We understand that, we agree with it.

So the three criteria that we're looking at are precision, when we send the list to Congress, it would be a complete universe of everything we're talking about?

Transparency, we put it forth as part of the president's budget, we are opening it up for public comments and of course, Congress itself will likely provide the opportunity for public participation.

And third, public purpose.

No one, at least so far as I know, has a objective to the proposition of funding these rural school systems.

So what I would tell the members who've expressed their concern over the sensitivity of this proposal is we appreciate that concern and to a great degree we agree with it.

But as we look at options, we're securing the public purpose at issue here, we found no other that scored could give us a mandatory revenue offset and so far a month after we've made our proposal public, nobody else has found another

alternative to produce a mandatory funding offset to reauthorize this legislation.

Dan Jiron: Okay, our next question comes from Allen Ferguson, Gannet.

Allen Ferguson: Hi, I just wanted to get a timetable for when you'll be going to Congress with the legislation?

Because it sounded a little bit like you might be sending a legislation before the public comments hearing ended and I just wanted to be clear about this.

Mark Rey: In large part, depending on the Congressional schedule, they may want to see a draft of the legislation before our comment period closes.

I don't think there's a problem with that because it's just proposed legislation, it would change - political change as comment period progresses as well.

What we won't do is won't send a list to Congress until we ease the public comments and evaluated them and modify the list accordingly. The legislation won't contain the list although at some point Congress may decide to put a list in legislation to make sure that there is no confusion over what would or wouldn't be considered for sale.

Dan Jiron: Okay, thank you. Our next question comes from Jane Braxton, Sacramento Bee.

Jane Braxton: Hi, it's Jane Braxton a freelance journalist and correspondent of the Sacramento Bee. Why don't you just touch on the reaction to the Secure Rural Schools bill itself and I wanted to ask you if this increased scrutiny through the funding plan that you proposed has affected the chances of renewal for the bill itself?

Mark Rey: Well, I don't think the premise fits the proposition directly.

Without a funding source, the reauthorization is Secure Rural Schools legislation is an empty gesture, so I think that there is still very strong support for reauthorizing the Secure Rural Schools legislation, as I said, I haven't heard anybody oppose that, but it is a bill that requires a funding source and that's more than a small detail because without the funding source, it doesn't have the desired effect.

Dan Jiron: Okay, our next question is from Greg Lemon NewWest.net.

Greg Lemon: Hi, my question is a little bit in two parts as well, first of all in Western Montana, there is you know, one of the bigger debates and hot button issues is

land use and I don't think that Western Montana is unique in that, but looking in open lands and-and in different issues surrounding that in subdivision, some of these lands, you know, are obviously are prime lands specially in the Bitterroot valley, for people you know, want to buy them and maybe subdivide them or build an home on them or that sort of thing.

Right now, they're - unfortunately, the ownership are protected and are kind of a neat part of the landscape, so I was just curios to say how much consideration does the foreign service put in their house instead of neighbor they been to the counties that this lands are in?

Mark Rey: That's a good question and it is something that we thought about and we'll continue to think about it as we evaluate this list.

We have and I have spoken both in Montana and nationally about the-the program that we have to work with private land owners buy development easements

We reduced the amount of fragmentation that's occurring in rapidly urbanizing areas and the most rapidly urbanizing region of the country is the inter-mountain west.

We have a program called Forest Legacy Program, where we work with forest land owners to buy easements. We have the Farm and Ranchland Protection Program where we will able to work with farmers for the same purpose and we have the Grasslands Reserve Program, we worked with ranchers for the same purpose, all three of those programs are administered out of the Department of Agriculture and we're here to help reduce the pressures for development by buying development easements in strategic areas, so that when development occurs, it's channeled in a way that reduces the negative environmental effects.

That all having been said, the fact is that, the region is still growing as the country as a whole is, and some amount development is going to occur. It is our judgment that some of these tracks may indeed be areas where it would be good to have the development occur because they are already surrounded by developed lands.

And that's the way of targeting the development or concentrating it, but we're mindful of that and we'll continue to review that - that factor as we evaluate this list of tracts.

The fact is that - that you'd still continue to see development in the inter-mountain west as more and more people want to enjoy the amenities that are there, that the second fact is that we're doing what we can with the programs

that we have, to try to make that development occurred in as environmentally benign a fashion as we can.

Greg Lemon: In my - kind of I guess the second part to that is, if these lands are going to come up with sale your offering them to the counties first, and that means that will stay in local governments or-or the lands trusts, that means they're going to come up with some sort of funding throughout and - and in these rural counties, I mean part of the issue that - that is, you know, come and go ahead - it is the lack of funding that these counties have, I mean that's why the Secure Rural Schools Act was so important to them -- specially to counties like the Gravalli county that 73% of the county is forest service land.

And so, I mean it seems like your putting a county - the forest service, you're putting a county over a barrel saying neither you know, better sell these lands so we can fund your schools or your going to buy them yourself if you want to keep it in public ownership.

Mark Rey: I doubt that very many county commissioners would look at the proposition that way.

Indeed many of them are keen to reduce the amount of federal ownership in their county because federal lands aren't taxable.

But it is not- it does not follow that because all of these county's are having trouble with funding rural school systems that either they or the states in which they reside are unable to secure land, if those lands are necessary for public purposes.

Already, I used the example of California, where the voters have passed a rather large bond initiative for land acquisition notwithstanding the situation in the educational system there; it was a choice they made and one which the state can now execute.

But even in Montana, in Hamilton, I was with the county commissioners and a lot of local folks last summer talking about the use of Farm and Ranchland Protection Program along the Gallatin River.

The county has passed a bond to partner with us, to buy development even along the Gallatin River because they want to protect that watershed and that trout stream. That's even though we're contributing a substantial amount of money to help fund the schools in that county.

So I don't think one necessarily flows from the other, in large part because of the way the budgets are formulated at the state and local level.

Dan Jiron: Thank you, our next question is Dan Berman, Greenwire, Washington D.C.

Dan Berman: Mark, you mentioned the, you said that there is no (upside) for selling of capital assets to pay off the deficit, is that - is that a BLM land sale proposal and I'm wondering if the debate over that proposal is to sell, if that hurts the consideration of the Forest Service plan?

Mark Rey: I think those - those discussions will occur separately number one; number two it's not a shot at the BLM proposal because the purpose of their proposal is not deficit reduction.

Dan Berman: It is, it says explicitly it is deficit reduction

Mark Rey: Yeah, I don't think so. I think what is going to occur as the result of their land sales if Congress agrees with it is additional funding for a number of their program lines.

Dan Berman: All right. Thank you.

Dan Jiron: Okay. Our next question goes to John Murray, Clark Fork Chronicle.

John Murray: Hi, Mark. I'm just wondering, you know, the initial reaction here in Western Montana, sort of some opposition to the land sales but also a lot of folks are remarking on the past racks and Missoula County commissioners for the first time, even though they didn't form a RACs from the initial legislation are considered on with the reauthorization.

You talked last time about you had some plans for the racks but they were pretty immature. You weren't ready to talk about them.

Given this opposition, the certainly, you know, opposition to the land sales, is that something the popularity of the RACs that you might fold into the legislation?

Mark Rey: The - in proposing to reauthorize the legislation, we would retain the RACs and continue to take advantage of the advice that we get from them and...

John Murray: But you spoke last time about some of, you know, they're extending the scope of the racks and you have some plans on the drawing board.

Mark Rey: We may do that.

I don't believe that would necessarily require legislation but we still haven't closed on those. I'd rather sort of see where we end up with the legislative reauthorization and then decide where to go from there.

But you're absolutely right.

The RACs are very popular. They've done excellent work for us.

I would only say it's a shame that Missoula County waited six years to come to that conclusion when many counties came to that conclusion immediately and indeed the racks, among other things or some of the stocks, the most solid proponents for the reauthorization of the legislation.

John Murray: So you - would you - if the political winds may - are blowing in such a way that, you know, may see a need to help to bill a little.

Is there any chance you pop in some more ideas for the RACs into this legislation?

Mark Rey: I don't think so because I think that these are separate propositions. But the popularity of the RACs is a reflection of a legislative proposal that did a lot of good; are doing a lot of good. We hope will continue to do a lot of goods and that we're going to work to that end.

But the simple fact still is and I'll go back to it for the third time now, the legislation requires funding and as in any other alternatives this is the funding source that is before us.

It's the one funding source we could come up with and now everybody else had a month to go through it thinking that we went through to look for alternatives and so far none has surfaced.

John Murray: Thank you very much.

Mark Rey: Our next question comes from Andrew Eder Spokesman Review.

Andrew Eder: Yeah. Thank you.

Mark, I was at the hearing earlier today, I just wanted to ask you a little bit about Senator Craig for whom you used to work. For you personally, is it kind of awkward to come before him and be proposing a change to the law that he co-authored?

Mark Rey: Well, you know, that was then and this is now. I have a different job now...

Andrew Eder: Uh-huh.

Mark Rey: ...and a different responsibility but I think he and I share some basic views. One that's a law as written did a lot of good and doing a lot of good, due to the resource advisory committees and particular did a lot of good or doing a lot of good and three that we'd like to see the law reauthorized and I think those areas of agreement are more significant than the places where we differ which is the level of the reauthorization.

I'm not sure where he is on that because he didn't say one way or another and how we fund it...

Andrew Eder: Uh-huh.

Mark Rey: ...where he has expressed his concerns which we share over using federal land sales.

But I think that as we go forward on this and look harder at it, that basically there is some reason to believe that this proposal will take the same trajectory as other federal land sale proposals which were successful.

That is to say they were greeted with skepticism initially, they required a lot of explanations, a lot of detail, a lot of precision and a lot of back and forth. But lastly, where the public purpose was broadly enough desired, they ultimately went forward.

In this case, I think we start with an inherent advantage and that is we are - we already agree on the public purpose that the proceeds would serve.

You know, I think now, what has to happen is people have just go through their own due diligence and see if they can find alternatives that are less sensitive, less uncomfortable, you know, if they can then we'll look at those alternatives, if not, then, you know, we'll have to see if we can make this one more comfortable.

Andrew Eder: Uh-huh. And if I could follow-up on that real quick.

There was a point where Senator Craig was talking about their success in kind of bringing people in dispute together and he said, point blank, we've got a better record than you have.

Are you worried that this is going to kind of descend into, you know, morass, lawsuits, and litigations?

Mark Rey: No. I don't think that that's necessarily a problem in this case.

This is an instance where if Congress gives us this authority, it will be because some consensus has been reached that this approach however uncomfortable and sensitive is the best approach available. Thereafter, I don't expect to see a lot of controversy or litigation.

Obviously, before we get to that point and it will have a substantial amount of discussion to occur but this is in the proposition. We're in this together. The Administration is headed like we'd like to see this bill reauthorized. Senator Craig has said he'd like to see this bill reauthorized. Every member who spoke today without exception, as best I could tell, said they wanted to see the bill reauthorized.

I start from a somewhat more optimistic premise than most reporters I guess and that I start from the premise that if we all agree on a particular goal with a little bit, maybe more than a little bit but with a reasonable amount of effort, we ought to figure out how to achieve that goal.

I'd be much more worried if several members have said, we gave the county six years and the six years is up and if they didn't make the transition, that's too bad but nobody was saying that today, neither on the Republican nor on the Democrat side.

So I think this is a sensitive issue that is - that lends itself to controversy and in a couple instances, controversy that is being nurtured for a different purpose.

But once you get beyond that and get them to specifics, I think there's a solution here.

Dan Jiron: Okay. We are getting short on time but we have a few more questions and we're going to try to get through those.

Andy Mead from the Lexington Herald-Leader.

Andy Mead: Yes, I have a couple of questions. I'm still a little bit confused about how the land will be sold in what order. I thought I heard you to say by force starting at the top of the list. The list I have is alphabetical order by county.

Mark Rey: Right. And what we want to do when we go final with the list is arrange it so that the least controversial and most valuable parcels are on top and then work our way down to the ones that have less value and maybe more controversy and that's just good common sense.

We want to fund this proposal with as little controversy as we can.

So the way it will work is we'll array the final list in that fashion, the list will be sent to Congress. If Congress grants us the authority, that's the first step obviously, if it grants us the authority, we'll then make the list available to state, and local government, and land trusts, give them the opportunity to purchase them at fair market value and then after that, we'll put them up - begin to put - the remaining parcels up for auction to the highest bidder.

We don't think this either will or has to happen overnight.

It has to happen over a five-year period which is the length of our proposed reauthorization.

So it's not something that has to occur suddenly.

It's something that can occur overtime and in addition, there is some chance that the Congress does embrace this approach, they may want to legislate the list each year.

But as to say, in each successive year, they may say "Tell us what you want to sell this year and we'll either approve it or not once we've seed in the list."

So I don't rule that out as I said this morning at the hearing as one option for making Congress and the public generally, somewhat more comfortable with this kind of an approach.

Andy Mead: A quick follow-up.

In determining how controversial these are, people are going to have to see the maps. I've been trying through much of this interview session to download, to get to Kentucky. I have been trying most of the morning.

Can you guarantee that the maps will be working in any kind of a timely fashion?

Mark Rey: That's what my technical people here tell me will happen yet today. I must confess in the interest of full disclosure. I'm as technically advanced as the pointy-haired boss in Dilbert. So, you know, my way of using it would probably be to ask somebody to Xerox the Website for me.

Andy Mead: But the clock is ticking though on the federal registrar.

Mark Rey: True enough but I think by the end of the day, we'll have this ironed out. We had a couple of hours of problems with the posting of the legal description on the 10th of February which got ironed up fairly easily.

Okay, our next question comes from Kirk Diggler Aspen Public Radio.

Kirk Diggler: Yes. Hi, Mr. Rey.

You mentioned earlier in this call that there has been errors in this process and one such error that reportedly occurred here on Colorado is White River National Forest has been the inclusion of robust acres or acres previously inventoried as robust in the proposed sale.

And I guess I'm wondering what sort of assurances really are there that scores more of these sort of as you put errors won't happen as this thing is being proposed in a matter of 30 days and considered in another 30 days.

Mark Rey: Well, I don't think we implied that it would be considered in another 30 days. Congress has until the end of the year to reauthorize this legislation for it to remain in full force in effect.

So I believe that, you know, to the extent that Congress embraces this approach, the discussion will continue on through the end of the legislative session.

And as I've said a minute ago perhaps even beyond, if they decide they want subsequent authority on an annual basis to approve whatever is scheduled for sale.

So I don't think that there is going to be that kind of rush to correct the errors but, you know, those are the things that we'll work out over time.

Can I guarantee that errors won't be made? Obviously, not.

Can I guarantee that the more people who look at this, the fewer errors that will be? Yes, probably so.

And can I commit that we're going to give everybody as much opportunity as possible included - including during the legislative process to achieve that objective? Absolutely.

Dan Jiron: Okay. Our next question is coming from Deidre Shesgreen, Saint Louis Post Dispatch.

Deidre Shesgreen: Hi. Thanks very much for taking my question. Senator Powel at the hearing today raised an issue with, you know, that the Missouri has the third largest amount of acreage to be sold but wanted some guarantee that Missouri would get the third highest chunk of money.

Can you just address that and talk about how the funding is distributed?

Mark Rey: In the 2000 legislation the funding was distributed by a formula that awarded counties an amount equivalent to the average of the three highest years of timber receipts that they enjoyed during the decade of the 70's and 80's and that's the basis on which Missouri's calculation was made.

It is not likely in my judgment that that formula will be reauthorized unchanged. That will be a matter for Congress to decide and of course, one of the same but you heard some of the members talk about this morning is not only that disparity between the donor state and the recipient states based on where the lands were and where the historic formula directed money toward, but they also discussed the fact that in some cases, some counties have made the transition and others haven't.

And so arguably as the formula is adjusted, more money should flow to the ones that haven't -- the have-nots rather than the haves.

Dan Jiron: Okay. Our next question comes from Tara Logdon in Lake County Record Bee.

Tara Logdon: Thank you. My question was already answered.

Dan Jiron: Okay. Good. How about Luli Raps, the Bend Bulletin.

Luli Raps: Hi. I'm calling from Bend Oregon.

You mentioned a couple of times that you'd be - the parcels will be sold based on a list. They'll be determined by the monetary value of the land and also the controversy associated with the parcels.

And I'm wondering who will be deciding that and also whether you can place value or controversy as the top priority.

Mark Rey: Let me restate what I was driving at there because I think there's a misapprehension. The parcels on this list, first and foremost meet criteria in each of the national forest plans as being parcels that are unnecessary to meet national forest system needs, that are isolated and expensive and difficult to manage.

If they don't meet those criteria, they're not on this list unless they're on this list by error in which case as we go through this, we'll remove them.

That having all been said as a premise, then it make some sense, we think, once we've agreed on the universal parcels that meet those criteria to look at

projected plan values and spell the ones that are the most valuable first because that's not only a work saving but a cost saving device.

Also, if we expect that there will be some parcels that while they are not without controversy - that, you know, they deserve to be on this list are nevertheless not without controversy and we would probably put those at the end of the queue.

Luli Raps: Who is going to be making that decision though?

Mark Rey: That will be a reflection of what we hear in the public comment period.

Luli Raps: Thank you.

Mark Rey: Ultimately, that decision would have to be - it at least has to be endorsed by Congress. We'll make a recommendation.

Dan Jiron: Okay.

Running very low on time, our last couple of questions Mary Shaffrey  
Winston-Salem Journal.

Mary Shaffrey: Thank you. I appreciate it. I just have a quick follow-up kind of going on one with the last question was what process do you use installing up to determine what makes something isolated or not usable.

Are there any type of scientific research that you guys do or how do you come to that determination that parcel X does just not want to be a federal land anymore.

Mark Rey: It's...

Mary Shaffrey: Aside from those three, you know, the clarity and the steps that you mentioned.

Mark Rey: Well, those three are the sort of this actual criteria, then we - you then you go out and visit the land to make sure that you're not missing some unique ecological value that's not withstanding those criteria to justify keeping it in federal ownership. So these parcels are familiar to our people.

Remember, they existed on list in each national forest that's candidate for exchange.

So they - we are not strangers to them in the forest or our field units -- familiarity with them.

Okay. Our last question today is from David Olinger with the Denver Post.

David Olinger: Yeah, hi.

Just one follow-up question that relates to the sort of broad support for the program.

In Colorado last year, the counties that were the leading recipients of funds from this program happen to be the counties that - host the Vail, Aspen, and Breckenridge Ski Areas. And I'm wondering if the department has undertaken any of which of these counties are really in dire need and which ones are just happy to accept some federal money.

Mark Rey: We haven't at this point, but as I've said earlier, it's my guess that that kind of evaluation will occur as Congress looks at the funding formula almost without regard to whether they agree with our offset.

What I heard today was some interest in re-looking at the formula to see whether it's still justified or whether it ought to be modified to reflect the fact as you just mentioned that some of these counties actually are doing fairly well.

I'm not going to mention any specific counties because what I found after our last press conference on the 10th is the counties I listed as examples that were doing well were very eager to explain to me just how (well) they were doing and I don't - yeah, I'd rather have that today when Congress is considering the formula rather than on my own with the group of county commissioners.

So with that, as the last question, I will thank you for your attention.

Again, let me reiterate that we appreciate first that there is broad public support for the reauthorization of this legislation; it's something the administration supports.

We appreciate second that there is considerable anxiety about funding reauthorization through land sales, it's something that we're anxious about getting right and let me emphasize finally for now the fourth time that so far, in the month that we have discussed this, the only offset that the budget will score as meeting the requirement to reauthorize this legislation is the one that we have proposed.

With that, I wish you all a good day and if you have any specific follow on questions, you can call Dan Jiron in our press office here.

Dan Jiron: Our press office number again is 202-205-1134. Our Website address is [www.fs.fed.us](http://www.fs.fed.us) and we will have any map issues we have worked out very soon if you're still having them.

Thanks very much.

Coordinator: That concludes today's conference call. Thank you for joining.

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