

U.S. Department of Agriculture Under Secretary Mark Rey media briefing on the
Administration's legislative proposal to provide revenue through limited land sales to
support reauthorization of the Secure Rural Schools and Community Self-Determination
Act of 2000 (SRS)
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OPERATOR: Today's call is being recorded. If you have any objections, please disconnect at this time. If you would like to ask a question, please press *1. You will be prompted to record your name. I would now like to turn the call over to Dan Jiron, National Press Officer. Thank you, sir. You may begin.

MR. DAN JIRON: Good afternoon. This Dan Jiron, National Press Officer for USDA Forest Service in Washington, DC. After this phone call if you need follow-up information, our main press office number is 202-205-1134. We also encourage you to visit our website at www.fs.fed.us where you can find maps and lots of background information and some of the materials that will be covered today.

I'm going to be turning it over right now to our under secretary, Mark Rey Agriculture under secretary for Natural Resources and Environment.

SEC. MARK REY: Thank you, Dan, and good afternoon everyone. Today we're taking the next step in providing Congress additional information about our proposal to both reauthorize and fund the reauthorization of the Secure Rule Schools and Community Self Determination Act of 2000. As I am confident that most of you know, in the President's budget which was released on February 5, we proposed a five-year reauthorization of that legislation to provide additional time for those counties who need additional time to diversify their local economies and help stabilize funding for their rural school systems.

As I'm also confident you know we've proposed to fund that by a one-time sale of Forest Service tracts that meet the criteria established in each of our individual national forest plans as lands that are isolated, expensive and difficult to manage and no longer meet national forest system needs.

Today we are sending up to Congress and posting on our website proposed legislation to give the Forest Service the authority to conduct those land sales, authority which the agency currently does not possess and which would require legislation to effectuate.

You'll find as you read the proposal that it's quite straightforward, quite simple, and easy to read. It essentially establishes the authority to convey these lands at appraised prices through an auction. It directs the Secretary through the Forest Service to send Congress the list finally when we have completed the public comment process on the development of that list all lands that we would consider for conveyance, and that Congress would approve that list in this legislative proposal.

It provides expediting procedures under NEPA and our appeals process comparable to those that have been included in numerous legislative land conveyances and sales bills in

the past; and it, finally, in response to comments that we've received, provides a right of first refusal at fair market value for the purchase of these properties for any state or local government or land trust acting on their behalf.

Lastly, in response to commentary from members of Congress who've talked about the regional equities associated with selling lands in one state to pay for schools in another, there is direction in this legislation to the Secretary to maximize to the extent possible the regional equity associated with implementation of this proposal.

I dare say that should Congress take this up, that won't be the last thing we'll hear about regional equity. I suspect that will be an important part of the debate, as it is for that matter the debate on any legislation which affects different regions in different ways. So I think we'll probably hear more of that.

In any case, this proposal is being sent to Congress this afternoon. This morning we finished an oversight hearing on the FY2007 budget request for the Forest Service before the Senate Appropriations Committee. That is the third hearing thus far on both the 2007 budget and our proposal to reauthorize the Secure Rule Schools legislation. I expect there may be a couple more, but we are doing our due diligence in soliciting and accepting public comments. And I think Congress is doing its due diligence in holding hearings to review this proposal as part of the 2007 budget and as part of the broadly agreed to desire to reauthorize the Secure Rule Schools and Community Self-Determination Act of 2000.

With that, I would be happy to answer any questions you have now or if after you've had a chance to review the legislation and you want to put in a call through Dan Jiron, I'd be happy to visit with you individually.

Questions?

MR. JIRON: Go ahead, Moderator. Let's move to the first question.

OPERATOR: Thank you. At this time if you would like to ask a question, please press *1. Our first question today is from Kevin Murphy.

REPORTER: Good morning. Can you hear me?

SEC. REY: Yep. Go ahead, Kevin.

REPORTER: I'm with the Kansas City Star. I had a question about, is the amount of money you expect to raise is \$800 million but I see just last year the program that we're in now was \$393 million. So it doesn't sound like the \$800 is going to go very far, and it's supposed to cover five years worth. So I'm a little unclear on that point.

SEC. REY: Right. The \$800 million would be added to the actual timber sale receipts.

REPORTER: Oh, I see.

SEC. REY: That we anticipate accruing during those five years. We do not propose a full reauthorization for each of the five years; rather, what we propose is a reauthorization where the guaranteed payments start to ramp down during the course of the five-year period. The way we've scheduled it, the \$800 million plus the actual receipts that we will accrue in each of those five years will allow us to provide pretty close, if not the complete payment amount, that was given last year in the first year of the reauthorization. Then we begin to ramp it down in the second, third, fourth and fifth years of the reauthorization.

But the \$800 million is only part of what the counties would get. Timber receipts are actually going up, and we expect will continue to go up during the five years of this reauthorization period.

REPORTER: May I have something else while I'm on here?

MR. JIRON: You can have one follow-up.

REPORTER: Okay. You mentioned that the land you're selling is expensive, difficult to manage, doesn't meet our needs. People that are concerned about this say, what's difficult to manage about these isolated pieces of property? And also I was wondering what you meant about needs. What are your needs when it comes to Forest Service land? Thank you.

SEC. REY: Those are both good questions. Let me give you an example of the former and a descriptive response on the latter. They're expensive because they are isolated tracts surrounded by other ownership, mainly private ownership. So as a starter, whenever we want to do anything on these isolated tracts we have to spend the money to go in and relocate our boundaries and do a survey to make sure that we have our land lines correct so that whatever it is we're doing, whether it's hazardous fuels treatment or some other resource management activity we're doing it on our ownership only and not on our neighbor's.

So that engenders an immediate, up-front expense for virtually anything that we want to do with those kinds of tracts as opposed to management activities in the interior core of a national forest.

Secondly, some of these tracts by virtue of being isolated require access, which is to say they are landlocked because they're surrounded by private ownership. To the extent that what we want to do involves acquisition of access -- in other words, to get to our land -- we have to incur the cost, sometimes the legal expenses, of getting a right-of-way from the private owner that surrounds us. Sometimes that's simple; sometimes it's not so simple.

In the extreme, some of these tracts are so isolated that just the travel time to get to them is an added expense.

So that gives you kind of an idea of why we're talking about these as more expensive to manage than acres in the interior core of a national forest system unit.

Now what was the second part of the question again?

REPORTER: Just how do you define what you need?

SEC. REY: Right. What we generally -- the way that's generally tasked is that each individual land and resource management plan for each national forest has a set of goals and objectives and desired future conditions that we would like to serve the public with that national forest unit. And to the extent that these isolated tracts neither contribute to those goals or objectives nor affect the desired future condition that we'd like that national forest to achieve, then it's no longer integral to national forest system needs.

Now we have distinguished as I said earlier that we understand that not being necessary to meet national forest needs isn't the same thing as not serving public purposes. Indeed, as we have said previously, we know that on some of these isolated tracts where they have road frontage for instance we've given county governments special use permits to put up picnic tables for a roadside pull-out or something of that nature. And because some of these tracts still do serve those kinds of public needs, even though they're not really relevant to the national forests those isolated tracts are part of, we've added in our proposal the opportunity for state and local governments to acquire these from us on a right of first refusal basis.

REPORTER: Thank you.

MR. JIRON: Okay. Let's go to our next question from David Olinger at the Denver Post.

REPORTER: Hi. Mark, can you characterize how many comments have been received so far, and what the nature of those comments are?

SEC. REY: I think so far we have received a little over 1,000 comments which is, you know, moderate in terms of, or average in terms of our rulemakings. They're coming in at a pretty steady rate. We've analyzed just under a half of them. Most of them are coming from individuals, and they span the entire gamut of points of view from people who are just generally philosophically opposed to the idea of selling any acres of federal land however frequently that's been done in the past, to people who want to comment on very specific parcels either pro or con with regard to whether they should be part of this proposal.

MR. JIRON: Okay. Our next question is from Rocky Barker at the Idaho Statesman.

REPORTER: Mark, do you have any cosponsors yet, or are there any people in Congress I can call who are pushing this legislation for you?

SEC. REY: Well, the proposal just went up this afternoon. In fact it's actually going up, so you all will get it probably simultaneously with the Speaker and the President Pro Tem which are the people that we send administrative legislative proposals to. So it's too early to see what kind of support it's going to engender.

You know the dialog that's occurred as we've discussed previously so far is a great deal of sensitivity about land sales. We understand that, appreciate it, know what kinds of land sale proposals Congress has enacted, know what kind that they've rejected. You know my guess is that discussion will continue and the search for alternative ways of funding the reauthorization of Secure Rural Schools Bill will also continue.

When we last spoke, this proposal had been out on the street for a month and no alternatives had surfaced. Now it's been out on the street for another two weeks and no alternatives have still surfaced.

So that's kind of where we're at in the legislative process today.

MR. JIRON: The next question is from Bill Lindburg at KSUE radio. Bill, can you let us know what city you're in?

REPORTER: Yes. I'm in Susanville, California, which is in Northeastern California.

MR. JIRON: Okay. And go ahead with your question.

REPORTER: Well, actually I think you just answered my question. I was going to ask about alternatives, whether there were any alternatives to the Act. We had a discussion on our radio station this past week and the superintendent of schools was obviously lobbying for this because the difference in just our little county alone without the Act would have been \$1 million to the schools over the last four years as opposed to \$15 million in this county with the Act. So obviously the Act is necessary. But we're also getting, obviously living in a rural community we're getting a lot of calls in opposition to selling off the lands. And my question was going to be, do you know of any alternatives that have surfaced? But you've already answered that.

X; Yeah. And let me elaborate on that because of the nature of your question I think inspires an observation that I'd like to make. Typically a proposal is offered for new legislation, and people debate that proposal on the merits of what it does and on the basis of what it's designed to accomplish. And typically there's a great deal of disagreement on one or both of those propositions, or commonly on what a piece of legislation is designed to accomplish.

I think this is a little bit unique in that respect in that there is no disagreement on what we're trying to accomplish here. It is broadly recognized that the Secure Rule Schools legislation must be reauthorized or the school systems in many counties are going to

collapse. So I think the inquiry from here forward is one where we all have an agreed upon goal. And the question is, what is the best way to get to that goal?

We have never I don't think said that we believe our proposal is the best way to get to that goal. We have observed -- now I guess somewhat repeatedly -- that at present it's the only way to get to that goal that's on the table.

MR. JIRON: Okay, let's go to our next question, is Matt Daley, AP in Washington, DC.

REPORTER: Mark, this is Matthew Daley. I wanted to ask about, if you've talked this over with Senator Wyden or Senator Craig who obviously cosponsored the original bill and who are both concerned about the land sales and also not only about the land sales but about the fact that the overall revenue you're going to generate is going to be at most 50 percent of what they've done in the past.

SEC. REY: We have had discussions and continue to have discussions, and I hope those discussions will continue and to continue to bear fruit both in terms of what the right level of support over the length of the reauthorization is also over the best way to pay for it.

REPORTER: You mentioned it's the only way. They do have a proposal out there as to (Defazio and Walden?).

SEC. REY: And what would that be?

REPORTER: They're talking about reauthorizing at the same level that they were before.

SEC. REY: Oh, sure. I understand that, but they don't have a mechanism for funding it. We can pass any kind of reauthorization legislation. We could fund it at 10 or 20 times the 2000 level. We could buy Mercedes instead of schoolbuses for each of the children involved. But unless there's a way to pay for any of that, it's largely a moot enterprise.

MR. JIRON: Okay, let's go to our next question. It will come from Nin Tseng, Orlando Sentinel.

REPORTER: If this proposal passes, which forests would sell off the most land, national land?

SEC. REY: On the list that we've provided for public comment, the forest that has the largest acreage that meets the criteria that we've identified is the Mark Twain National Park in Missouri. Not surprisingly we've heard from people on the Mark Twain, or in that area, raising some concerns, specifically because in the formula in the 2000 legislation Missouri doesn't get nearly as much money as some other states.

And that's one of the reasons we talked a little bit about regional equity. There is a reason however that the Mark Twain contributes the most acreage, and that reason goes to the history of how the Mark Twain was established.

Mark Twain Forests like many of our eastern forests was established under the Weeks Act Authority in the '30s where the federal government acquired worn out agricultural lands which were tax delinquent. And indeed many of those lands were pretty heavily farmed, often for cotton, with soil erosion and fertility problems as a consequence of intensive cotton farming during the 1800s into the beginning of the century. The Forest Service has done an exemplary job at bringing those lands back to the condition that they're in today. Many of those --

REPORTER: Which would be the least? Which forest would lose the least acreage?

SEC. REY: There are a number of forests that don't have any acres that qualify.

REPORTER: Such as?

SEC. REY: I think we've got relatively little in there in Illinois, on the Shawnee Forest. Actually they've got 191 million acres. We have none on the White Mountain National Forest in New Hampshire, none on the Finger Lakes National Forest in New York. None on the Allegheny National Forest in Pennsylvania. None on the Green Mountain National Forest in Vermont. None on the Caribbean National Forest in Puerto Rico. So there's --

REPORTER: Do they have no acreage but they qualify for this?

SEC. REY: No. They have no acres within the National Forest that qualifies as isolated and difficult to manage and not meeting national forest system needs.

REPORTER: One more question. The \$800 million, how would that be distributed among the states?

SEC. REY: It would be distributed today absent any change to the 2000 legislation based on a formula established in that legislation where the payments matched historic timber sale receipts. There is some discussion among those who favor reauthorization that that formula should be revisited, and it might be during the reauthorization process.

MR. JIRON: Okay. Let's go to Pam Sohn, Chattanooga Times Free Press. Go ahead, Pam.

REPORTER: Thank you. My question is, you had mentioned earlier that you had gotten some input from members of Congress particularly about the equity of the payments. And I wondered if you would talk more about that, if you would describe what sort of input and give us some specifics?

SEC. REY: Sure. I think the commentary came in two general categories. Category one went to the issue that I just described which is that in 2000 Congress wrote a formula for the distribution of funds where they tried to distribute the funds on the basis of replacing the timber receipts that were lost during the decline of the timber sale program in the 1990s. So those states that suffered the greatest decline in timber sale receipts got the most money in the 2000 legislation.

What some members are saying is that now six years later we should take a harder look at individual counties' need because some counties even in areas which suffered dramatic drops in timber sale receipts have succeeded in diversifying their economies and are no longer in as dire straits as they were six years ago. Conversely some counties in areas where they've not been successful in diversifying their receipts could justifiably benefit by a higher amount than the 2000 formula would have provided. So that's one series of comments, and we've indicated we'd be happy to work with the members of Congress to look at alternatives to the funding formula in the 2000 legislation.

A different comment is one along the lines of as we look at the list of tracts we note that our state, going back to Missouri, take Missouri for instance, is being asked or could potentially be asked to contribute a significant amount of land. And conversely the amount of money we got under the 2000 formula is not nearly as much as some states that are being asked or could conceivably be asked to contribute a lot less land.

Our response to that is, well strictly speaking that's true. We look at these lands as national forests. The issue that we're trying to address is a national issue. And inevitably when we try to address an issue nationally you're going to create some differences among the states.

But here again we've indicated we'll strive as best we can to achieve some greater degree of regional equity and be happy to work with the members of Congress as they get deeper into the legislative process.

REPORTER: How would you categorize the commentary that you've gotten from Congress? Have lots of Congress members weighed in? Or a few from certain areas of the country? Or what?

SEC. REY: I think I'd categorize it as we've heard from those members whose states are most involved in this legislation but not from the majority of Congress at large, and you wouldn't expect that on public lands legislation because the distribution of federal lands you typically hear from members from states which have a large federal land base.

REPORTER: You mentioned changing the formula. How would the Forest Service or USDA recommend changing the formula and determining whether what counties are more successful than others and would benefit more or less?

SEC. REY: I think we're going to defer to the members of Congress to make some initial cuts on that question. If I've learned one thing in my public career it's that funding

formulas almost invariably get finally written on Capitol Hill. The 2000 formula was I think a good formula for its time because it equitably addressed the problem that was dire in 2000. But that problem has changed in some respects since that time. We'd be happy to work with Congress and give the benefit of our expertise, but I'm not under any illusion that once you get into reworking of funding distribution formula whether it's this funding distribution formula or the one in the highway bill or any of a number of other ones that exist in legislation throughout the government I'm under no illusions that formula is going to be written in Capitol Hill by the members of Congress in the committees of jurisdiction.

MR. JIRON: Let's go to our next question. It's from Estelle Finelle KMUD Radio. Let us know what city you're in?

REPORTER: We're in Garberville, California, and we serve Humboldt, Mendocino, and Trinity counties. My question for Mr. Rey, I have a couple please. I'll make them short. One is, what areas of Northern California would be affected? Are there pieces of Six Rivers National Forest, Mendocino National Forest involved?

SEC. REY: Why don't you ask your second question and then I'll come back to that, because I'm looking for it now.

REPORTER: Thank you for that. The other one was about access. You said that access is one of the issues for you. Who would be interested if access is a problem? Who would be interested in these pieces?

SEC. REY: I think that the fact some of them are landlocked doesn't necessarily obviate against their development. Most state and county ordinances require reciprocal access among landowners. It's not a question of getting it; it's a question of the expense associated with getting it. So if a private owner, private individual was to pick up these tracts, they'd likely negotiate through with the owner that they're landlocked by to get access to their property. That's typically not that big a problem, although it does involve an expense.

I think more commonly though what you're going to find is that where an isolated tract is completely landlocked by a single owner it's going to be that owner who's going to be the most interested in purchasing it because that owner then has the opportunity of solidifying his ownership and blocking it up and thereby obviating the need to give either the Forest Service or for that matter anybody else access across his property to a different ownership.

As to your first question, the Mendocino Forest does not have any tracts that qualify on the list; the Six Rivers does.

REPORTER: And may I ask one final question here? As far as who might. You mentioned the people who are next to pieces, so that's kind of obvious. In other cases, do you have interested buyers now?

SEC. REY: We have since this proposal has gone public we have had some inquiries from interested buyers. We've fended that off saying there's no point in either we or them spending a lot of time talking about any specific transaction because this requires Congress' approval; so therefore until and unless Congress approves it, any subsequent discussion would be premature.

MR. JIRON: Let's go to our next question. It's from Ken Darst at the Ft. Collins Coloradoan. Go ahead, Ken.

REPORTER: I got a couple quick questions. In the legislation that's being proposed it defines land as also meaning water. I just have a quick question about whether there's any water rights involved here. I haven't seen any but maybe you can address that.

And then also it talks about how the funding or receipts would be spread out over fiscal years '07 to '11. And at the end it says \$40 million per fiscal year is 2011 and thereafter as necessary. Is it also thought these sales might continue even after reauthorization period has ended?

SEC. REY: No. The authority to sell will continue until we hit \$800 million, and some of those sales may be completed, transactions may be completed after the expiration of the authorization. But we don't expect to extend it any further than the authorization process.

And we indicate that in disposing of these lands that we are going to reserve any rights of way or water rights or other interests that require a public purpose. In many cases we do not have water rights for these tracts in any event because they are isolated, they don't fall easily within the reserve water rights doctrine that most of the contiguous national forest acreage does. So water rights are probably in 99.9 percent of the cases not going to be an issue with these conveyances.

REPORTER: My question, to clarify, is the Forest Service, are water rights going to be sold as part of this? I didn't think so but --

SEC. REY: No. I think the short answer to your question is that in the vast majority of interests we don't have any water rights for these parcels. But the second point in that rare instance where we do, and I'm not even aware of any but in a rare instance where we do we'd likely retain the water rights.

REPORTER: Okay, appreciate it.

MR. JIRON: Our next question is from Frank Shopp, Pioneer Press.

Reporter: I was wondering, we're up in the Klamath National Forest Area, and you guys have told us we're going to be giving up about 30,000 plus acres. My one question is,

what about grazing rights on these parcels that are going to be sold? Will they be retained? What will happen to them?

My other question is, what if receipts go over the 25 percent of historical levels? Will the counties then be reimbursed at a higher rate?

SEC. REY: The answer to your second question is the counties will get their share whatever the level of receipts are, so there is a good prospect as receipts continue to climb that the payment to counties of receipts plus a portion of the \$800 million will be higher than we presently anticipate. So the ramp down during the five years of this authorization may not be as steep as a consequence.

So answer to question one is simply yes, they would get a higher amount.

Answer to question two is that most of these parcels by virtue of their isolation do not have grazing leases associated with them, or if they do they are leases to the surrounding landowner so that he can graze without regard to the fact that we own 20 acres completely surrounded by his privately owned rangeland.

So it's our expectation that in those circumstances the private owner that surrounds us will likely be the first person to express interest in acquiring the property. The legislative proposal that we send up today does give us the option of retaining the right to issue that grazing lease should we choose. I'm going to guess that in most if not the vast majority of instances that won't be an issue because there isn't a grazing lease on the property to begin with.

REPORTER: Our local forest service supervisor has indicated that of the over 30,000 acres in the Klamath National Forest over half of the proposed parcels contain some grazing rights, so it will affect us significantly.

SEC. REY: Right. The question I think though is, who owns those grazing leases? And if it's adjacent private owners then it may be that this will greatly simplify their lives if they wish to purchase the land from us and unify their operation.

MR. JIRON: Let's go to our next question, follow-up from Matthew Daley, Associated Press in Washington, DC.

REPORTER: Hi, Mark. I had a couple of quick follow-ups. One is, I'm just looking at the website. Is that the legislation right there on the website?

SEC. REY: Should be.

REPORTER: Okay. It mentions there's going to be categorical exclusions for the sales so there won't be any environmental review. Or how's that going to work?

SEC. REY: What I mentioned earlier is that we're using expedited NEPA procedures comparable to those that are in most legislative land exchanges. Generally when Congress directs us to do a land conveyance or an exchange they've essentially directed the outcome. Our role at that point is ministerial; therefore we do not as a matter of practice do a NEPA analysis.

What we're saying here is that we've gone through some level of NEPA analysis in the development of the land and resource management plans to identify the criteria that identified, to develop the criteria that identified these lands in the first place, number one.

Number two, we're putting this list up for public comment and adjusting it accordingly.

And number three, Congress will legislate this outcome should they choose by including the list in the legislation.

Our view that our role thereafter should Congress embrace this proposal is generally speaking a ministerial role not dissimilar to any other legislative land exchange, and therefore we would not do more detailed NEPA analysis.

We included the categorical exclusion language because we wanted to highlight the fact that if there appear later any extraordinary circumstances that would take out the categorical exclusion we will do more detailed analysis.

So in that sense this is more protective than any of a number of standard legislative land conveyances that Congress has enacted in the past which generally speaking just told us to do it, NEPA notwithstanding.

REPORTER: I may have come in a couple minutes late because I didn't hear you say that. I'll double check with other things that a lot of the Senators and Congressmen talked about extending the comment period because they have problems getting access to the maps, just in general they don't think it's a long enough comment period. I don't know if you've already addressed that. Or if you plan to extend the comment period?

SEC. REY: We haven't addressed it yet. We typically get requests to extend comment periods, sometimes even before the comment periods start. But typically we wait until the comment period has progressed for awhile to evaluate what kinds of requests we're getting and how numerous they are. And I think if you look back at our record in rulemaking over the last six years you find normally when we get a significant number of requests we will extend a comment period.

MR. JIRON: Next question is from Nim Tseng at Orlando Sentinel.

REPORTER: Hi. I was wondering what typically would get developed on this land? I don't know what sort of zoning you have. I'm sure it's like conservation.

SEC. REY: Actually you in part answered your question, what will determine how these lands are managed, land conveyed into nonfederal ownership, will be local zoning ordinances. People who are interested in acquiring these lands will make their decision based on what they know the local zoning ordinances to be.

Reporter: It will be up to the local governments?

SEC. REY: As it would be for any private land. Now if it's acquired by state or local governments, then it will be used expressly for public purposes, and in the legislation we sent forward we have a reverter clause so that if for instance a state or local or tribal government decides to acquire it expressing a desire that it stay in a state that's suitable for a public purpose and then thereafter decide to convert it to some other purpose, we would revert it back to the federal government, give them their money back and keep it ourselves.

REPORTER: Second question is, how would these properties be appraised? You mentioned a lot of these lands are fairly remote. I guess would the Forest Service compare their value to private lands that are over there?

SEC. REY: That's one mechanism of comparison that's used in the appraisal process. But the short answer to your question is the legislation specifies that they be appraised using the uniform appraisal standards for federal land acquisition in accordance with statutory requirements that are embodied in the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970.

MR. JIRON: You'll be able to visit for background information at our website at www.fs.fed.us. Our next question is from Sally Spalding, Grand Junction Daily Sentinel in Colorado.

Q; I was curious if you did choose to withdraw certain parcels in response to public comment would you have to add alternative parcels to offset other forests to replace those lands?

SEC. REY: We don't think so. As I think we've indicated before based upon the average transaction price that we've experienced in land exchanges in other conveyances over the last several years, we think to raise \$800 million we'll probably have to sell somewhere in the neighborhood between 150 to 175,000 acres of land. We've preliminarily identified 309,000 acres of eligible land, so that gives us a fair amount of flexibility we think to delete some parcels and still have enough left over to meet the broadly supported needs of reauthorizing the Secure Rural Schools Bill and funding the rural schools.

MR. JIRON: Our next question is coming from Tara Logsdon, Lake County Record. Listening reporters, we're winding down in time. If you have additional questions please go ahead and get in the queue to ask them. Tara, go ahead.

REPORTER: It's Terry Logsden from the Lake County Record Bee in Lake Port, California. I have a question specifically about the geocommunicator map. I'm looking at it, and it says the USFS parcels potentially eligible for sale, and there's many there that are listed but are not on the list. Can you speak to that?

SEC. REY: No, because Tara I'm not very advanced from a computer standpoint so unless somebody downloads the map and shows me hard copy I can't comment on what's on the map. But the preliminary list is older data than the maps, so my advice would be to go with what's on the map.

REPORTER: Go with what's on the map or on the list?

SEC. REY: On the map.

REPORTER: Okay, because there was a question earlier where someone asked specifically about Mendocino National Forest, and this shows quite a bit of Mendocino National Forest parcels.

SEC. REY: Okay. I was going off the very first list. It may be that the map is an update. We do know that the very first list had some omissions just because they weren't entered in the database properly. So the map is the more recent and therefore more relevant information.

MR. JIRON: Our next question is from Tim Reiterman from the LA Times.

REPORTER: For those of us who weren't at the subcommittee hearing this morning, number one was there a vote and if so what was that? And secondly, could you elaborate please on the steps that the congressional review will take? Which committees, what's the timetable for those reviews?

SEC. REY: First part of your question is very easy; it was an oversight hearing so nothing was voted on. All that happened was discussion occurred. The second part of your question is a little more difficult because it involves making predictions, and as Yogi Berra said, Predictions are tricky especially when they're about the future.

The committees of jurisdiction for this legislation are in the Senate, the Senate Energy and Natural Resources Committee which is chaired by Senator Pete Domenici from New Mexico. And in the House, the House Resources Committee chaired by Richard Pombo in California and the House Agriculture Committee chaired by Bob Goodlatte from Virginia. In the House two committees share joint jurisdiction over this measure.

The steps that would be taken if Congress proceeded under the regular order is that the Senate and House Budget Committees would in the development of the FY 2000 budget resolution identify the reauthorization of the Secure Rule Schools Act as something that should occur and provide funding within the budget resolution to fund that reauthorization.

Then the authorizing committees which I just mentioned would pass the authorizing legislation to effectuate the reauthorization and to execute whatever mechanisms are necessary for funding it. Each body would pass its own bill; they would go to conference, iron out the differences, the conference report would come back, be enacted by the House and Senate.

That's what would happen under the regular order, which usually isn't the regular order.

But as of yet we're only at the early stages of this-- to wit, the authorizing and appropriations committees have held three oversight hearings on the budget proposal where this has been discussed; there have been three hearings on the record about it. The Senate Budget Committee has marked up and reported its budget resolution. In that resolution they put a place-holder for this indicating that if the authorizing committees pass legislation that is revenue-neutral that has revenue raisers or funding cuts included in it or funding cuts associated then it's consistent with the budget resolution and not subject to a point of order.

Now what I described is a placeholder, and that's exactly what it is, essentially recognition this is something that has to be done but that nobody's figured out yet a way to pay for it. But if and when they do that it can be enacted by the authorizing committees without a budget point of order which would require a super majority in the House and Senate to enact.

But that's as far as the process has gotten. The full Senate will debate the budget resolution I believe maybe next week. The House has scheduled to take up the budget resolution in the Budget Committee sometime in late March or early April. Then I'm going to guess after the Budget Committees have done whatever they're going to do then the authorizing committees will turn to the task of reauthorizing the Secure Rule Schools Bill and try to evaluate how it would be paid for assuming it's not paid for in one or the other budget resolutions. It is not paid for in the Senate budget resolution. We don't know yet what the House will do.

REPORTER: One quick follow-up question. You mentioned you still haven't come out with an alternative way of --

SEC. REY: That's not what I said. We have an alternative. It's everybody else who hasn't come up with an alternative.

REPORTER: You have an alternative. Have you looked at other alternatives besides your alternative?

SEC. REY: Yes.

REPORTER: What sorts of things have you looked at?

SEC. REY: In the development, you've asked a question now that is going to cause every other reporter on this line to roll their eyes. I'll apologize.

REPORTER: Well why don't you be very brief.

SEC. REY: We looked at a number of alternatives during the development of the budget process, and an alternative to be successful has to score the right way to offset a mandatory expenditure. All of the other alternative that we looked at either didn't score any revenues at all, didn't score revenues within the right timeframe, or didn't score mandatory revenues to offset a mandatory expenditure.

Obviously another set of alternatives other than raising revenues is to cut expenses, but we didn't find within the Forest Service or Department of Interior budget \$800 million worth of mandatory spending that could be cut. That's why we looked at revenue raisers.

On the revenue raisers we looked at are accelerated oil and gas leasing to liquidate or eliminate the backlog of applications to drill. That did not score any mandatory revenues. We looked even at the always popular proposal to open up ANWAR to oil and gas exploration. That scores mandatory revenues but not within the timeframe necessary to reauthorize this legislation.

So what we did was look at a fairly large number of alternatives. Many of those alternatives are being looked at now by people who don't like the one we came up with. And they're getting some of the same responses from the Congressional Budget Office and the Office of Management and Budget budget scorekeepers that we got which is indicated by the fact they haven't come up with anything else.

MR. JIRON: Our next question is a follow-up from Frank Shopp, Pioneer Press. Go ahead, Frank.

REPORTER: You got a lot of small miners up here that work, do little dredge work and very small mining operations. What is going to happen to any of the parcels that have mining plants on them and will this proposed legislation preclude the land going up for sale from anyone staking a new claim?

One other small question, did you guys consider opening up any of this land for homesteading? That would then put it on the tax roll.

SEC. REY: Let me take your first question first. Very, very few of these acres have any valid existing rights associated with mining activities on them. None of them have patented claims on them. We do in the legislation reserve the right to retain the authority to administer any valid existing rights, but I don't think that's going to be a problem in the hardrock area, and I'm certain it's not going to be a problem in the oil and gas area because in many cases these lands, tracts are so small and isolated if there was developable oil and gas reserves they're probably developed already by the adjacent owners.

Once we sell that into private ownership however, the decision about whether to do any additional or new mineral exploration will be subject to the desires of the next owner, not us. That will be somebody else's decision to reach, although again I don't think this is going to be an issue where we're going to see a lot of new mining activity one way or another.

If these lands are conveyed into private ownership they will enter the county tax roll, and rather than homesteading them which was the mechanism for conveying land from federal to private ownership in the 1800s, we're proposing to offer them at fair market value, and if they're going to be conveyed into private ownership through an auction to the highest bidder.

MR. JIRON: Our last question today is from Estelle Fennelle, follow-up, KMEZ radio.

REPORTER: Mr. Rey, one final question. You mentioned with regard to the Mark Twain that most of the parcels were acquired in the 1930s, somewhat degraded. Is this typical of the parcels you're talking about, or have some of them been in the National Forest longer and are some of them better quality?

SEC. REY: They are all of about the same nature in terms of quality. They're not strictly speaking the crown jewel. Those in the Eastern National Forest typically fit the pattern of the Mark Twain. They were lands acquired in tax delinquencies in the '30s, '40s and '50s. The lands in the Western National Forests are typically former public domain lands that came into Forest Service ownership over time as we've engaged in land trades with the Bureau of Land Management. So they have always been in public ownership, albeit not in National Forest ownership.

MR. JIRON: Okay. I think we've pretty well finished the questions. In a couple seconds I'm going to turn over to Under Secretary Rey just to do a quick wrap-up for us. Reporters, if you have follow-up questions, please dial our main Press Office number at 202-205-1134. If you need to schedule follow-up interviews with Under Secretary Rey please let me know. You can reach me through that number. Then also again our website address is www.fs.fed.us. Thank you.

SEC. REY: Okay. I'll wrap up because there's not much left to be said. I think I'll just mention two things.

One, this is a proposal where discussion is going to continue, and it should continue. Land sales are a sensitive proposition, and it's important that if this proposal goes forward that we and the Congress get it right.

But second, even though land sales are a sensitive proposition there's nothing either unprecedented or particularly notable about them. And some of the dialog we've heard today has been that this is something nobody's ever thought of before and it's a radical new idea that doesn't deserve further consideration.

The fact is, in this Congress alone the Forest Service has been asked to testify on 24 different pieces of legislation proposed by members of Congress to convey Forest Service land out of Forest Service ownership. Total acreage discussed in those 24 bills is in excess of 34,000 acres.

So land sales, land acquisition, land conveyance has been a more or less routine part of the dialog of how best to structure and manage the National Forest system.

Second point I'd make is that this is a case not where people are disagreeing on the outcome they want to achieve. As I said earlier, virtually everybody who's spoken to this issue one way or another has spoken in favor of reauthorizing the Secure Rural Schools legislation. To my way of thinking, that's a good thing. More often than not in these kinds of public policy debates, we're disagreeing over the eventual outcome and that's a much more fundamental disagreement than disagreeing on the mechanisms for getting there.

But given that agreement, I don't think anybody who involves themselves in this debate should be given a free pass. The issue is not, do you like this alternative? The issue is not exclusively do you like this alternative for funding reauthorization or not? Rather the issue should be if you don't like this alternative for whatever reason what is your alternative to provide the funding to secure the school systems involved?

Because students don't go to school on promises; they go to school on the resources that in this case we provide for rural school systems that have grown dependent on the management of the federal lands that in some cases surround them.

With that, I wish you all a good day. We'd be happy to answer any questions you've got today or later.

MR. JIRON: Thank you again very much for joining our press phone call. Again our number in Washington, DC is 202-205-1134. Our website address is www.fs.fed.us.

Thank you again for joining us.

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