



United States  
Department of  
Agriculture

Forest  
Service

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### REPLY DUE FEBRUARY 2, 2000

On October 30, 2000, (Public Law 106-393), H.R. 2389, the Secure Rural Schools and Community Self-Determination Act of 2000 (Act) was signed into law by the President. This legislation ends rural communities' historic dependence on timber sale receipts to finance school and road construction. Although this connection served the nation well for many years, its flaws became evident in recent years as timber harvests and payment levels declined in response to changing social values and our maturing understanding of what is required to manage ecologically sustainable lands and waters. Passage of this bipartisan legislation represents a significant victory for rural communities that have experienced dramatic and different social and economic shifts in this decade, as well as an achievement of a key legislative component of the natural resource agenda.

Even as the legislation separates payments to states for schools and roads from timber harvests, it reconnects rural forest and grassland communities to the lands and waters that sustain them through implementation of collaborative restoration, maintenance, and stewardship projects.

Counties will have the option of continuing to receive payments under the 25 Percent Fund Act, or electing to receive their share of the average of the three highest 25 percent payments made to the state during the period of fiscal year 1986 through fiscal year 1999 (the full payment amount).

Counties that elect to receive their full payment amount, and would receive \$100,000 or more, are required to reserve no less than 15 and no more than 20 percent of their distribution for forest restoration, maintenance, or stewardship projects under Title II of the Act (Title II special projects), county projects under Title III (Title III projects), or both. The Act requires that consensus-based Resource Advisory Committees (RACs) be formed to recommend special projects funded under the Act. These committees are to be balanced and diverse with equal representation from industry, environmental groups, and local people. The appointments to the RACs are to be made within 180 days of the law's enactment.

Implementing the new legislation will provide an important test of our financial and program accountability. Title II projects are intended to foster cooperation and consensus among a wide array of forest users. The clear intent of Congress is that the emphasis of these projects be on maintenance and restoration. In addition, the Act requires that fully half of the special project funds be expended on road maintenance and watershed restoration.



In addition, Congress expects us to use these funds to test new methods of contracting. The Act requires that in year one, 15 percent of any stewardship projects involving the sale of merchantable timber employ one contract to accomplish the stewardship objective and another to sell any merchantable timber. In year four, the Act requires that 50 percent of all revenue generating stewardship projects employ separate contracts for the treatment and the sale of merchantable timber. We should be creative and flexible in implementing this provision of the Act. If we are successful, it can help to reduce controversial timber sales, provide jobs and economic activity, and restore the health, diversity, and resiliency of our forests and grasslands.

Please ensure that Forest Supervisors receive a copy of this letter, as they will need to take special care to avoid controversy in approving special projects recommended from the RACs. The consensus requirements of the RACs will assist with this goal. Instead of focusing expenditure of Title II funds on controversial old growth or roadless area timber sales, the emphasis of these projects will be on restoration, maintenance, and stewardship. Consistent with recent congressional and Administration action, Title II funds should be used to help reduce the risk of unnaturally intense wildfires in the wildland-urban interface, readily accessible municipal watersheds, and habitat for threatened and endangered species. Road, recreation, and facility maintenance should be strongly encouraged, as should treatment of noxious weeds and other invasive species. Rarely have we received such a clear mandate from both Congress and the Administration.

Although this Act presents a significant challenge to implement, it provides an excellent opportunity for the Forest Service to build better collaborative relationships with communities of place and interest, and local government officials. In doing so, we will advance ongoing efforts to restore watersheds, manage our road system, protect our rural and urban communities from unnaturally intense wildfires and reconnect communities to their public lands through consensus approaches to stewardship, restoration, and maintenance.

In order to expedite implementation of the Act, I am requesting that you begin coordinating with your local elected officials and community representatives in determining the geographic footprint for the RACs. Bear in mind that your consultation should be on an individual basis to avoid any potential Federal Advisory Committee Act (FACA) concerns.

The geographic boundaries of the Resource Advisory Committees will vary across the country. Some factors to consider in determining the footprint might be geographic overlap of the National Forest units with counties, boroughs, and local communities; amount of money distributed to a county; adjacent counties or forests with similar interests. Existing advisory committees that meet the requirements of the Act should be employed whenever possible. All of the RACs must be chartered under the requirements of the FACA. RACs may range in size from individual counties to entire States. The geographic scope of the RACs is less important than the fact that they operate on a consensus basis and are well balanced among environmentalists, user groups, and local people. Be creative.

Enclosed in this letter are some documents that may be helpful in your discussions with others on the Act. These include a flowchart of the processes outlined in the Act and a list of key dates for implementation. By the reply due date, please forward your written recommendations on the

geographic designation of the RACs for your Region. After the number, location, and size of the RACs have been determined, names of potential RAC members will be collected.

We are determining the procedures for calculating payments to states and the distributions to counties. The Financial Management staff in the WO will continue to process payments to states and will work with appropriate state officials to ensure future payments are distributed in compliance with the Act. At least 80 percent of these payments will continue to be used for the benefit of public schools and roads. Regions will continue to submit reports based on collections by proclaimed National Forest on a quarterly basis. This Act does not apply to receipt payments to Grasslands.

The WO Policy Analysis Staff is leading an analysis of options associated with implementation of the Act and the Office of Finance staff is analyzing new financial policy and financial system requirements to facilitate the implementation of this Act by July 2001. More information will be forthcoming. As we implement this Act, there undoubtedly will arise questions and issues relating to the Act. To facilitate the resolution of these issues, please direct questions to Maitland Sharpe (202-205-1775) or Joyce Casey (202-205-1751) of the Policy Analysis Staff.

*/s/ Mike Dombeck*

**MIKE DOMBECK**  
Chief

Enclosures

cc: Associate Chiefs  
Deputy Chiefs  
Station Directors  
Area Director