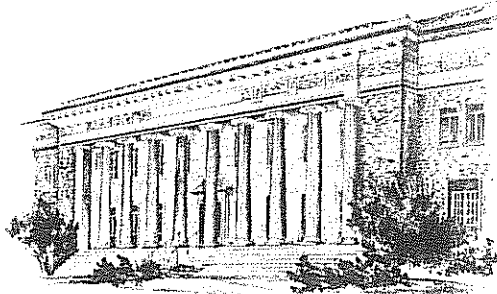


Board of Supervisors
COUNTY OF TEHAMA

*District 1 – Steve Chamblin
 District 2 – Sandy Bruce
 District 3 – Dennis Garton
 District 4 – Bob Williams
 District 5 – Burt Bundy*



Tehama County Courthouse

*Williams J. Goodwin
 Chief Administrator*

January 14, 2014

The Honorable Congressman Jared Huffman
 999 Fifth Ave., Ste 290
 San Rafael, CA 94901

The Honorable Congressman Doug LaMalfa
 1453 Downer Street, Ste A
 Oroville, CA 95965

The Tehama County Board of Supervisor's wishes to voice support for the August 28, 2013 letter by the Plumas County Economic Recovery Committee (PCERC), which is attached. Tehama County contains public lands that are within the Shasta, Lassen, Mendocino and Trinity National Forests. The proposed change to the US Code, specifically USC 579C, would provide the rightful distribution of fire settlement funds when our county suffers loss of the potential revenue base due to catastrophic wildfire on public lands. As the PCERC letter states, our counties are not recovering the potential 25% revenue from sales that were in the planning or implementation stage within these burned areas. In addition, the counties potential 25% revenue base from these burned areas is set back for decades.

As the climate change and under management of our public land continues and is getting worse, our counties cannot continue to suffer the consequences without due consideration. This consideration is well lined out in the PCERC letter. The Tehama County Board of Supervisor's supports this proposed change in the USC 579C. Our County cannot continue to see the decline in SRS funds along with the uncertainty of future funds. The following table outlines Tehama Counties SRS support and steady decline;

Year	Amount Received	Reduction from 2008 ▲ Baseline
2008	\$ 2,227,083	
2009	\$ 2,004,375	\$ 222,708 (10.0%)
2010	\$ 1,806,412	\$ 420,671 (18.5%)
2011	\$ 1,434,075	\$ 793,008 (35.6%)
2012	\$ 1,344,802	\$ 882,281 (39.6%)
	Total Amount Reduced	\$ 2,318,668

- As the above table displays, Tehama County Roads and Schools have seen a \$882,281 reduction in payments in 2012 which is 39.6 percent less than the 2008 historic level addressed under Public Law Act of May 23, 1908 (P.L. 60-136, Ch. 192, 35 Stat. 260, as amended; 16 U.S.C. 500, 553 56d), for 2012. Tehama County has seen a financial impact of losing a total of \$2,318,668 since 2009 due to the decreasing annual Secure Rural School payments.
- Only one of the three National Forests within Tehama County even reached their attainment targets for FY 2012, that being the Lassen National Forest. Tehama County is overly concerned with the overall performance of our National Forests in terms of future 25% funds if the SRS funding goes away or if there is not a drastic change in the management of our overcrowded forests.

The following table illustrates why we are concerned.

Forest	Target (ccf)	Accomplishment (ccf)	Percent	Permits (firewood) (ccf)	Biomass (ccf)	Sawlog (ccf)
Lassen	96,000	97,027	101	14,323(14.8)	32,102 (33)	50,601(52.2)
Mendocino	18,400	9,871	54	2,035 (20.6)	401 (4.1)	7,435 (75.3)
Shasta-Trinity	128,275	103,398	81	15,084 (14.5)	29,803(28.9)	58,511(56.6)

Data from Region 5 data tables presented to the Sustainable Forest Action Coalition.

This table illustrates the low volume of products sold that contribute to the 25% fund as well as the overall low percentage of sawlogs that are the main revenue source for these 25% funds.

It is the Tehama County Board of Supervisor's hope that you will support this change to bring recognition to this unfair practice that only compensates the Department of Justice for their work as well as the Federal land management agencies. Our county schools and roads should not be ignored when such long term loss of a revenue source is taken away. We understand and support restoration of these public lands, but only when these same agencies are diligent in salvaging and reforestation of the majority of these acres, not the current 10 percent or less of all burned acres. To assist in this effort, the Tehama County Board of Supervisors also ask for support of sustainable Forest Action Coalition's August 20, 2013 letter which outlines specific benefits from HR1526. This letter is also attached and you should have received a copy of this letter that was sent to Senator Feinstein. The Tehama County Board of Supervisor's thanks you for your consideration in these matters.

Sincerely,



STEVE CHAMBLIN, Chairman
Tehama County Board of Supervisors

Cc:

U.S. Senator Diane Feinstein
One Post Street, Ste 2450
San Francisco, CA 94104
Fax: (415) 393-0710

U. S. Senator Barbara Boxer
70 Washington Street, Ste 203
Oakland, CA 94607
Fax (202) 224-0454

Congressman Tom McClintock
8700 Auburn-Folsom Rd., Ste 100
Granite Bay, CA 95746
Fax: (916) 786-6364

Congressman John Garamendi
412 G Street
Davis, CA 95616
Fax: (530) 753-5614

Congressman Ami Bera
11070 White Rock Road
Rancho Cordova, CA 95670
Fax: (916) 635-0514

Congressman Jeff Denham
4701 Sisk Road, Ste 202
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Fax: (209) 579-5028

Congressman Devin Nunes
264 Clovis Avenue, Ste 206
Clovis, CA 93612
Fax: (559) 323-5528

Congressman Kevin McCarthy
4100 Empire Dr., Ste 150
Bakersfield, CA 93309
Fax: (661) 637-0867

Mr. Bill Wickman
Sustainable Forest Action Coalition
542 Main St.
Placerville, CA 95667

Plumas County
Economic Recovery Committee

"To enhance Plumas County's economic vitality through our natural resources"

Tom Hayes,
CEO,
Eastern Plumas
Health Care

John Kimmel
Certified Public
Accountant

Doug Lafferty
CEO, Plumas District
Hospital

Mark Lathrop
Sierra Pacific
Industries

Chuck Leonhardt
Plumas Tax Assessor

Bob Marshall
Plumas-Sierra
Rural Elec. Co.

Jan Prichard
Alliance for Workforce
Development

John Sheehan
QLG Member

Lori Simpson
County Supervisor

Charlotte Smith
Smith Financial
Services

Mike Taborski
Publisher,
Feather Publishing

Sherrie Thrall
County Supervisor

Leslie Tigan
Portola
City Administrator

Jeff Titcomb
Indian Valley
Chamber

Kevin Trutna
President, Feather
River College

Linda Wagner,
CEO,
Seneca Health Care

Bill Wickman
Consultant,
American Forest
Resource Council

Mike Wood
Union Rep.,
CIC, UBC,
QLG member

August 28, 2013

The Honorable Senator Feinstein

Dear Senator Feinstein:

The Plumas County Economic Recovery Committee (PCERC) would like to take this opportunity to ask your assistance with a section of the US Code. The specific section is USC Section 579C Availability of funds received from forfeitures, judgments, compromises, or settlements.

The exact language of the Section is;

Any moneys received by the United States with respect to lands under the administration of the Forest Service (1) as a result of the forfeiture of a bond or deposit by a permittee or timber purchaser for failure to complete performance of improvement, protection, or rehabilitation work required under the permit or timber sale contract or (2) as a result of a judgment, compromise, or settlement of any claim, involving present or potential damage to lands or improvements, shall be covered into the Treasury and are hereby appropriated and made available until expended to cover the cost to the United States of any improvement, protection, or rehabilitation work on lands under the administration of the Forest Service rendered necessary by the action which led to the forfeiture, judgment, compromise, or settlement: Provided, That any portion of the moneys so received in excess of the amount expended in performing the work necessitated by the action which led to their receipt shall be transferred to miscellaneous receipts.

The PCERC understands that these USC Codes are the codification of the general and permanent laws of the United States. As such, Congress determines by law the content of the positive law titles of the Code.

The PCERC asks that you consider revision of this language to take into account the issue of resources being lost within Counties with public lands which are not considered. With our current fire situation and the large volumes of merchantable old-growth timber that is being lost, our counties are losing the very resources that historically contributed to the

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Twenty-five Percent Act of 1908. In addition, current management of post fire restoration and litigation have led to a vast reduction in the salvage and reforestation of these burned acres. Today, less than 10 percent of all burned acres are salvaged and reforested. Because of this practice and lack of proper management, our counties do not receive 25% funds from salvage of fire areas as well as do not have our public lands reforested for future resources into the same fund.

The current situation in Plumas County is:

The Moonlight fire started on September 3, 2007 and was declared contained on September 15, 2007. The fire burned 64,997 acres. The Plumas NF proceeded with a NEPA document addressing road side hazard treatment, which was appealed. The Forest then started over with an Environmental Impact Statement that addressed road side hazard and other area treatments into a single document. This document was litigated on July 22, 2009 and involved 6,300 acres or less than 10% of the total burned area. Final settlement agreement between Sierra Pacific Industries and the Justice Department was \$147 million in dollars and property value (\$55 million cash and 22,500 acres of SPI land).

Consider that the Forest Service has received settlements of \$102 million (Storrie), \$17 million (Rich) and now \$147 million on the Moonlight Fire settlement. This is a total of \$174 million and 22,500 acres that will be taken off of county tax rolls as well as future Timber Yield Taxes.

We know that as a result of these fires, many millions of board feet of valuable timber were burnt and destroyed. This destruction has had a twofold impact on Plumas County Roads and Schools. First, projects planned in the Moonlight Fire boundary could not be implemented. For example, the Environmental Impact Statement for the Diamond Project was produced in the fall of 2005. This project was litigated and appealed in 2007, the same year that the Moonlight Fire occurred. If this project had been approved and implemented, 14,200 acres of treatment would have produced 15 million board feet of saw logs and 36,000 bone dry tons of biomass. This was all green timber volume and its value cannot be recovered. As a result, the potential revenue was lost, including the 25 percent of receipts that should have been returned to the Plumas County Treasury. Some eventual revenue was realized from the fire salvage, but at a far reduced value because of the time it took to finally sell and log the associated volume. The difference in the final revenue and the planned revenue from the Diamond Project is a direct financial loss to Plumas County.

Secondly, of the approximately 65,000 acres that were burned, only 12,414 acres, or approximately 20 percent of the acres, have been reforested. Site preparation was not performed prior to this reforestation effort, but salvage logging was performed on some of the acres. As a result, these areas are highly susceptible to future wildfire and loss. We witnessed this scenario last summer as the Chips Fire consumed the un-salvaged acres left by the Storrie Fire. It will be decades before Plumas County may see any revenue from these devastated areas.

DOJ uses green timber value of all the timber burned in these fires to determine the final settlement amount. Then, the Forest Service does not even salvage 10% of the burned areas because of threat of litigation as well as the time it takes to get through the NEPA document process and the deterioration factor greatly reduces any value that is recovered at this low percentage.

In addition to the low percentage of actual acres salvaged, the actual reforestation of these burned acres is only slightly higher than the salvaged acres. The real hazard for future timber production and value is the fact that reforestation is occurring in non-treated stands that then produce tens of hundreds of tons of standing snags that fall in the future plantations. This situation only increases the threat that a future fires will burn through these plantations and extend the actual time period when the County would see any future revenue generated on these public lands.

We are well aware that the Secure Rural Schools Act of 2000, as well as the two subsequent extensions, has provided some relief from this local and specific situation. However, contributions from Secure Rural Schools funding has declined significantly each year. At this time, there is no certainty that future relief will be available from the Secure Rural Schools Act.

This table lists the amounts that Plumas County Roads and Schools received under the latest five year extension as well as the current one year extension.

Year	Amount Received	Reduction from 2008 ▲ Baseline
2008	\$ 6,750,169	
2009	\$ 6,075,152	\$ 675,917 (10.0%)
2010	\$ 5,475,137	\$ 1,275,032 (18.9%)
2011	\$ 4,346,602	\$ 2,403,567 (35.6%)
2012	\$ 4,076,021	\$ 2,674,148 (39.6%)
	Total Amount Reduced	\$7,028,664

As the above table displays, Plumas County Roads and Schools have seen a \$2,674,148 reduction in payments in 2012 which is 39.6 percent less than the 2008 historic level addressed under Public Law Act of May 23, 1908 (P.L. 60-136, Ch. 192, 35 Stat. 260, as amended; 16 U.S.C. 500, 553 56d), for 2012. Plumas County has seen a financial impact of losing a total of **\$7,028,664 since 2009** due to the decreasing annual Secure Rural School payments.

Through a Freedom of Information Request in 2012, we have determined that through 2011 the agency has spent \$20839,841 of the Storrie and Rich fire settlements. Of that, \$11,962,417 was spent of agency salaries, travel/training, communication and fleet. The remainder or \$8,887,424 has gone to actual contracts and grants and agreements. This illustrates a concern from the County in that 54.7% of all funds for restoration are going to overhead and the remainder into actual work. This illustrates another reason why PCERC feels strongly that our counties should also have the opportunity to share in settlement dollars since these public lands do not contribute to their tax base and are now taken out of the normal revenue producing stream due to the wildfires. It appears that the agency has put more emphasis on overhead and supplementing budgets versus actual restoration on the ground.

The PCERC understands the original Act of 1908 as well as the language changes to the 25% Revenue that was contained in H.R. 1424. The important change that occurred that now should be considered in our proposal to change USC Section 579C is:

Secure Rural Schools extension language as stated in H.R. 1424, Title I-Secure Payments For States and Counties Containing Federal Land, Sec. 102. Payments to States and Counties. (3) Source of Payment Amounts. - The payment to an eligible State or eligible county under this section for a fiscal year shall be derived from-
“(B) any revenues, fees, penalties, or miscellaneous receipts, ...

Further review of H.R. 1424 in Title IV – Miscellaneous Provisions, Sec. 403. Treatment of Funds and Revenues. (b) FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES AND COUNTIES.

(1) Act of May 23, 1908. - The sixth paragraph under the heading “FOREST SERVICE” in the Act of May 23, 1908 (16 U.S.C. 500) is amended in the first sentence by striking “twenty-five per centum” and all that follows through “shall be paid” and inserting the following: **“an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid”**.

When Plumas County reviews these sections of H.R. 1424, we feel that all revenue, including those received from the Settlement cases is due and should have been considered in our County payment. However, the Chief of the Forest Service denied this claim and cited USC 579C as the reason.

The PCERC feels that a change in the language of USC 579C is appropriate to take into consideration all of the changes that have occurred in the way our Counties now receive our rightful share of historic 25% receipts as required by the Act of 1908. Congress has mandated the changes in various laws such as NEPA, ESA, EAJA and others such as the Northwest Forest Plan that was mandated and implemented by Presidential mandate. Because of these laws and mandates, there should be appropriate change made in USC 579C to allow our counties to receive the rightful share of fire settlement dollars when they occur. It is our counties who are losing the decades of potential revenue from these wildfires, and we should be entitled to upfront recover of 25% of those settlement dollars to assist in maintaining our schools and roads budgets during the decades it will take to realize future revenue.


The PCERC asks your leadership in proposing the following language change in USC 579C;

Any moneys received by the United States with respect to lands under the administration of the Forest Service (1) as a result of the forfeiture of a bond or deposit by a permittee or timber purchaser for failure to complete performance of improvement, protection, or rehabilitation work required under the permit or timber sale contract or (2) as a result of a judgment, compromise, or settlement of any claim, involving present or potential damage to lands or improvements, shall be covered into the Treasury and are hereby appropriated and made available ***and deposited as stipulated by the Act of 1908, 25% of all fire settlement dollars, after costs sustained by Department of Justice Attorneys, and the remaining 75% will be*** expended to cover the cost to the United States of any improvement, protection, or rehabilitation work on lands under the administration of the Forest Service rendered

necessary by the action which led to the forfeiture, judgment, compromise, or settlement:
Provided, That any portion of the moneys so received in excess of the amount expended in performing the work necessitated by the action which led to their receipt shall be transferred to miscellaneous receipts.

Your office previously worked on the behalf of Plumas County in the request to the Chief of the Forest Service in this matter, and we greatly appreciate your assistance. It is the PCERC hope and desire that we can continue to work with you to bring awareness as well as recommendations on the changes discussed above.

Sincerely,

A handwritten signature in cursive script that reads "Bill Wickman".

Bill Wickman
Chairman PCERC

Cc:

Senator Boxer
Senator Heller
Congressman McClintock
Congressman Garamendi
Congressman Bera
Congressman Denham
Congressman LaMalfa
Congressman Nunes
Congressman Huffman
Congressman McCarthy
PCERC