

September 26, 2007

**WASHINGTON, DC**—U.S. Rep. Peter DeFazio (D-Springfield) today lauded passage of the Public Land Communities Transition Act of 2007, legislation that would reauthorize the successful "county payments" law for an additional four years. The legislation, HR 3058, was introduced in July by DeFazio and Rep. Nick Rahall, Chairman of the House Natural Resources Committee. During today's mark-up DeFazio offered an amendment in the nature of a substitute to reduce the cost of the bill and to change the offsets used to fund the bill. The bill was approved by a voice vote.

"The county payments program is the lifeblood of rural counties across America who serve as stewards of our federal lands," DeFazio said. "These rural counties cannot continue to survive indefinitely in crisis mode. They need certainty, and they need time to transition and plan how they're going to operate with reduced federal assistance. This legislation accomplishes that goal. I appreciate Chairman Rahall's leadership, and the support of committee members today who helped move a solution forward for the sake of our rural communities."

Of Oregon's 36 counties, 32 received payments through the program totaling over \$282 million last year. Because of the large amount of timber historically harvested from federal lands in Oregon, Oregon counties have received significant payments from the program, with the Fourth District of Oregon receiving the most federal investment.

Before the program was passed in 2000, DeFazio had pushed to make the program permanent program. However, due to objections by some in the timber industry and even some county officials, the program was modified to be a six year program. As the program faced expiration last year, counties in Oregon and across the nation began to close libraries, lay off county employees, curtail sheriff patrols, early-release prisoners, curtail search and rescue operations, deny mental health services, and, at least one county is on the brink of declaring bankruptcy and giving up their county status.

Earlier this year, DeFazio and others made numerous attempts to extend the program, and ultimately were successful in getting a one year extension of the program attached to the emergency supplemental appropriations bill earlier this year. Counties will receive funding under that law through next June. However, given the uncertainty of continued federal assistance,

many counties have continued to slash funding for vital services like education, health care, and law enforcement.

In July, DeFazio and Rep. Nick Rahall, Chairman of the House Natural Resources Committee introduced HR 3058, the Public Land Communities Transition Assistance Act of 2007. The bill is based on the Wyden formula originally offered earlier this year. That proposal, mirrored in H.R. 3058, is a multi-year reauthorization of the county payments program, ramps down funding for the program 10% per year, while ramping up the Payments-in-Lieu of Taxes (PILT) program during the same four year timeframe.

In response to testimony during a July hearing on HR 3058, DeFazio made several changes to the bill, and today offered an amendment in the nature of a substitute to address those concerns. First, the substitute made several changes in the bill to reduce the overall cost of the legislation. Those changes include extending the Secure Rural Schools program through 2011 rather than 2012, which will result in a cost saving of \$761 million. The substitute also ramps up PILT payments over three years, rather than to immediately fully fund PILT. This change will result in a cost saving of about \$112 million.

Finally, the substitute changed the "offsets" to pay for the bill. As introduced, the bill would have authorized the Interior Secretary to raise revenue from commercial activities to offset the costs of the bill. However, during the July hearing several Republican members expressed concerns about those offsets. The substitute uses the fees from Outer Continental Shelf oil and gas leases to pay for the bill.

Total cost of the bill is estimated at \$2.7 billion over four years. The Congressional Budget Office estimates the OCS fees will provide \$2.875 billion over five years.

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