



Opening Statement
Full Committee Hearing on PILT/SRS
Chairman Lisa Murkowski
May 2, 2017

Good morning, everyone. The committee will come to order.

We're here today to examine two important federal payment programs, Secure Rural Schools and Payment in Lieu of Taxes. From a broader perspective, we are also here to consider what Congress can do to provide greater fiscal certainty in resource-dependent communities with tax-exempt federal lands.

This is an issue that hits home for many of us, and many of our residents. In Alaska, the Forest Service controls approximately 22 million acres of land, including 17 million acres in the Southeast region. This is the area that Mayor Landis, of the Ketchikan Gateway Borough, and who is here with us today, hails from. There's not a lot of private land in the region—only about 190,000 acres, and just a fraction of that is in the borough. That's not much of a tax base.

Alaska is a resource-dependent state. Our communities rely on the federal government to be a good neighbor and partner to support jobs and economic opportunity on federal lands. In the Tongass, that relationship used to be largely focused on timber production. In the past, that created good-paying jobs to support families. It generated income that could be shared with communities to provide such essential services as schools. Yet, today, we are barely cutting any trees in our nation's largest national forest—just three million board feet last year. Our remaining mills are hanging on by a thread, and so are some of the people who work at them.

For too long, the federal government has failed to be a good neighbor and partner. When we are not allowed to develop our resources, rural communities across our state suffer. We lose jobs. We lose revenues. And we become more and more dependent on federal programs like SRS and PILT to make up the difference.

For example, the Petersburg City School District, in the Petersburg Borough, received about \$550,000 last year from Secure Rural Schools, equal to nearly one-third of the borough's contribution to its \$8.3 million budget. According to the Superintendent, the loss of these funds will put librarians, counselors, music and arts programs, and all extracurricular programs at risk. In the Chugach School District, SRS funding represented 3.9 percent of the annual budget for the 2016 school year, but 6 percent as a percentage of teaching staff. The bottom line is that this funding translates directly to teaching jobs in many schools in my state.

And Alaska's story is not unique—boroughs, counties and parishes around the country with large swaths of federal lands face real challenges to developing sustainable economies. Many communities, that were once reliant on timber production, have seen little come in behind the mills that shuttered. Reducing timber production has not been particularly good for the health of our forests, either. It has created a wildfire problem

of epic proportions across much of the West, with over 40 percent of the national forest system in need of some kind of hazardous fuel reduction treatment.

So I am not suggesting we turn back the clock to the so-called timber hay days, but we can't allow the status quo to continue. Instead, Congress must act – for the health of our forests and for the survival of our rural communities.

First, we have to work together in the short-term to continue both the Secure Rural Schools and Payment in Lieu of Taxes programs. The testimony we are going to hear today will demonstrate why that is critical.

But we also need to find a better way in the long-term.

We need to pick up where we left off with respect to wildfire and forest management reform. In the last Congress, our committee did a lot of good work on these issues. And we wrote the type of policy that will help provide the jobs and economic activity our rural and forested communities so desperately need.

We also need to do more to gain access to our federal lands for sustainable economic development. This should include opportunities for states and counties to partner with the federal government to manage those lands. We have seen a lot of doors close over the years—but hopefully in a new administration, it is time to start opening some of them back up again.

Finally, if we are going to retain federal lands in federal ownership, we need to be creative in thinking about and funding payments for tax-exempt lands. And that includes taking a hard look at ideas like a permanent natural resources trust and other options for revenue sharing because the annual scramble that goes on around here to find funding does not provide the certainty or stability that our rural communities need to provide services to their people.

And I know that every member of this committee is visited by people who come around once a year, truly pleading with us, to give them some certainty with regards to their SRS and PILT funding.

I feel for our rural communities. I see the effects of federal failures every time I travel in Southeast Alaska. I also look at our policies, and I know we can do better.

That's why we've called this hearing. That's why look forward to hearing from our witnesses about what we need to do to make our federal lands work better for communities. And that's why today is not just another oversight hearing—but hopefully the start of a longer-term effort to do better by the people who live in rural America.

Senator Heller has asked me to submit a statement in support of the PILT program for the record, which I will do now, unless there are any objections.

I'll now turn to Senator Cantwell for her comments this morning.

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