

June 5, 2008

Open Letter to the Citizens of Oregon:

It is with profound disappointment that I write to you today about the recent developments surrounding my bill to reauthorize the Secure Rural Schools or “county payments” program. Rarely before in my service to Oregon have I been as frustrated in my attempts to do the right thing for the people of this great state. I appreciate this opportunity to talk to you about what’s happening.

I am very proud of the fact that the vote on Thursday was the first stand-alone vote on county payments in eight years, since the Secure Rural Schools and Community Self-Determination Act was passed into law in 2000. A majority of the House voted in support of rural schools and communities. This is an amazing achievement.

When the Secure Rural Schools program was originally considered by Congress in 2000, I expressed significant reservations that not making the program permanent was a mistake. However, I was a minority in that view, and final legislation terminated the program in 2006.

I began working with Rep. Walden and other interested Members of Congress to reauthorize the program three years ago. However, the Republican-controlled House, Senate, and White House did not place a priority on reauthorization. Indeed, the program expired in 2006 without any movement towards finding a solution to the growing crisis in our rural communities. This, despite the overwhelming consensus that the Secure Rural Schools program was a huge success, not only in moving rural communities towards more sustainable economies, but also in bridging the often-wide divide regarding sound forest management.

The new congressional leadership responded quickly to the expiration of county payments, and I reached out to my Republican colleagues to craft a bipartisan reauthorization bill. First, I introduced HR 17, the Secure Rural Schools and Community Self-Determination Reauthorization Act of 2007, with Congressman Walden in January 2007. Although this bill had 140 cosponsors, it had two problems: not only was it not paid for as required by the rules of the House, but also it was referred to the House Agriculture Committee, which had refused to take up the bill.

In May 2007, Speaker Pelosi and the Democratic Leadership heard our call for a short-term, one year reauthorization of the Secure Rural Schools program, and provided another year of funding in an emergency supplemental spending bill. This money was designed to tide us over until we could secure a longer term county payments solution, and gave us a much needed lifeline.

Trying again at a long term extension of county payments, I introduced HR 3058, the Public Land Communities Transition Act in July 2007. This time, we drafted the legislation so as to ensure that the House Natural Resources Committee, of which I am a member with many years of seniority, would have jurisdiction over the bill. Moreover, the Chairman of the Committee, Representative Nick Rahall, understands the plight of rural communities and the importance of the Secure Rural Schools program, and was eager to take up my bill. And, importantly, the bill was consistent with House rules and basic accounting principles: it was paid for with real dollars. The Committee quickly took up the bill, held hearings, and passed it.

Last summer, the Natural Resources Committee also considered HR 2337, the Energy Policy Reform and Revitalization Act of 2007, which included language that would have provided an avenue to reauthorize Secure Rural Schools. Unfortunately, the Senate did not include this language in the energy bill that eventually became law. In the fall of 2007, language to reauthorize the program was included in HR 6, the Energy Independence and Security Act of 2007. Although this reauthorization passed both houses of Congress by overwhelming margins in late 2007, the reauthorization language was stripped out of the bill by Republican Senators who sided with big oil companies and protected their profits, over the welfare of rural counties. Therefore, the reauthorization did not become law.

After the failure to include a reauthorization in the energy bills, late last year and into this year I spearheaded many letters to the House Leadership and Appropriators, urging these decision makers to include a reauthorization in any legislative vehicle that was moving. We focused on

omnibus spending bills as well as the energy bill that eventually became law, but ultimately an extension of Secure Rural Schools faltered in the Senate and did not become law.

Congressman Walden was right to call for bringing HR 3058 to the floor for a vote. That's why I joined him in the attached letter to Majority Leader Hoyer in January of this year asking that HR 3058 be scheduled for a vote. In the letter, [both Congressman Walden and I expressed our support for HR 3058, including in the mechanism to pay for the bill](#)

. We also highlighted the urgency of the crisis facing our counties without Secure Rural Schools, and the bipartisan backing enjoyed by this program. At no time did Mr. Walden indicate to me that the offset in HR 3058 was a deal breaker, and following that letter, both Mr. Walden and I took the House floor on several occasions to draw attention to the pending emergency facing rural counties in Oregon and across the country.

In early May, House Minority Whip Congressman Blunt engaged Majority Leader Hoyer in a conversation on the floor regarding the status of HR 3058. The Minority Whip indicated that he had been asked by Mr. Walden to seek the support of the Majority Leader in bringing HR 3058 to the floor for a vote, and spoke about the importance of Secure Rural Schools and the bipartisan support it enjoyed. During that conversation, neither Mr. Blunt nor Mr. Walden raised any concerns with HR 3058, or the method of payment. Instead, they stressed the urgency of bringing it to the floor for a vote.

Working with my Leadership, I secured an agreement to bring HR 3058 to the floor for a vote in mid-May. However, upon communicating this agreement to Mr. Walden, I began to hear of resistance from the other side of the aisle to the bill. Somehow, this bipartisan effort to extend critical payments to counties was becoming very partisan, and I agreed to hold off on a floor vote to attempt to address these concerns.

I also reconsidered a set of offsets that we had discussed in early 2007 as potential pay-fors for Secure Rural Schools. Although I was willing to use these offsets, they were problematic for many Members on both sides of the aisle. Therefore, we stuck with the offset in HR 3058, which had already been passed by the House three times.

As evidenced by the floor debate on Wednesday on my bill, the "problems" with HR 3058 fall into two categories, neither of which have merit.

First, some have claimed that the offset used to pay for the reauthorization – closing a loophole in some oil and gas leases – is illegal, and that the Majority has broken a promise that it would not be used. Although I'm not a lawyer, the Congressional Research Service – which does employ lawyers – has written several reports confirming that the offset is perfectly legal. I cannot argue with that.

And, there was never a promise made by myself or any other Member that we would remove the oil and gas offset from HR 3058. Instead, I have always been very clear with Mr. Walden and others that that offset – which has been approved by the House three times in the past 18 months – was merely a placeholder in order to get HR 3058 to the Senate. Once in the other chamber, Senators Wyden, Baucus, and others have made it repeatedly clear that county payments will be paid for using tax offsets: they just need a legislative vehicle, and they will take care of paying for the program. I welcome the Senate's assistance, and have tried hard to give my Senate colleagues what they have asked for: a bill that they can amend and fund.

Clearly, Representative Walden was aware that funding county payments would be paid for by closing loopholes in oil and gas leases. I am especially puzzled by his recent opposition to this pay-for, given that Congressman Walden voted for a bill that would have expanded offshore oil drilling and closed the oil and gas lease loophole two years ago when the Republicans controlled Congress.

Second, some have claimed that because the version of HR 3058 brought to the floor on Wednesday did not include full funding of payments-in-lieu-of-taxes (PILT), another promise was broken. This is simply not true. There was never any promise to retain PILT in HR 3058. Instead, I decided to remove it from the bill in order to bring the cost of the bill down, and, importantly, because the White House has said that it will veto the bill if it contains mandatory full funding of PILT. I did not see a reason to go down that path, when Congress can fully fund PILT through the regular appropriations process at any time, including when Congress considers the Interior Appropriations bill in the next few weeks. Moreover, Oregon receives only about \$6.5 million dollars in PILT; but receives *\$255 million* in Secure Rural Schools payments. So, I don't understand why some members would vote against HR 3058 on the basis of an additional \$1.5 million in PILT payments versus \$255 million in Secure Rural Schools payments, especially when we can get the PILT money through other means.

That brings us to Wednesday.

On the House floor on Wednesday, the debate on HR 3058 very rarely touched on the value of the Secure Rural Schools program. We all seem to agree – I think – that county payments is a good thing, and should be reauthorized. Instead, the debate focused on how to pay for the program.

The pay-for I have proposed has been passed by wide margins in the House three times, with broad bipartisan support. Mr. Walden put forth a proposal late on Tuesday that would take us in a much different direction. That proposal, a bill that was first introduced in 2006 and was most recently introduced late last month, has only Republican cosponsors. It is a bill to increase drilling in the Outer Continental Shelf, and to develop liquid coal technologies, very controversial proposals that are not supported by some of the very states it is supposed to benefit. It is not a bill to pay for county payments, although a portion of the bill closes the oil and gas lease loophole I am proposing to close in order to pay for HR 3058. Interestingly, Mr. Walden is not a cosponsor of either this bill, or the bill introduced in 2006.

The debate over how to pay for county payments has very likely threatened perhaps the last chance that we have to reauthorize county payments. It is a needless debate. HR 3058 is paid-for in a responsible manner. Sending HR 3058 to the Senate for consideration was the next step in the legislative process; and once there, this bill could have been paid for by tax offsets – or other means – supplied by that chamber.

Most importantly, the debate over how to pay for county payments is wasting time that we simply do not have to spare. Secure Rural Schools will expire at the end of this month. At that point, not only will our rural counties be thrown into chaos, but it also may be impossible to reclaim the momentum we now have for reauthorizing the program. You can be sure that I will do everything that I can to ensure that that does not happen. But, we will need the support of all Members whose Districts are affected by Secure Rural Schools, regardless of political party. As I said yesterday on the floor, when you're faced with tough choices, the well-being of your constituents must always take precedence over the interests of your political patrons.

Sincerely,

Peter DeFazio

Member of Congress

[Click here to read the letter to the Speaker from Representatives DeFazio and Walden](#)