

**DRAFT REPORT FOR
EQC**

6/26/14

The management of Forest Service and Bureau of Land Management lands in Montana has a significant and direct bearing on Montana's environment, education funding, economy, culture, wildlife, and the health, safety, and welfare of our citizens



Evaluating Federal Land Management in Montana

An identification of significant
risks, concerns, and solutions
Environmental Quality Council 2013-14



Environmental Quality Council Members

Before the close of each legislative session, the House and Senate leadership appoint lawmakers to interim committees. EQC members can serve up to three 2-year terms if re-elected and reappointed.

Members must be appointed before the 50th legislative day in accordance with 5-16-101, MCA.*

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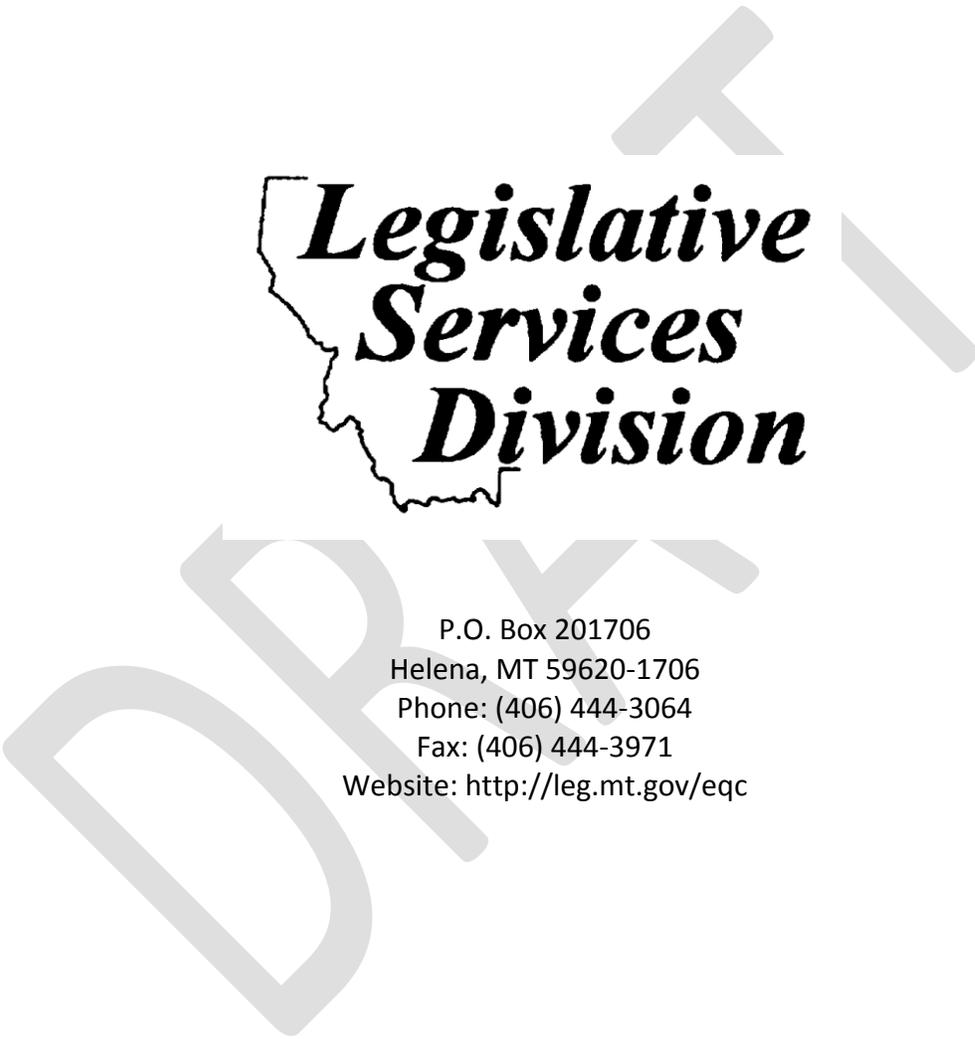
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* This information is included in order to comply with section 2-15-155, MCA.

This report is a summary of the work of the Environmental Quality Council, specific to the EQC's 2013-2014 study of federal land management as required by Senate Joint Resolution No. 15 and outlined in the 2013-14 work plan. Members received additional information and public testimony on the subject, and this report is an effort to highlight key information and the processes followed by the EQC in reaching its conclusions. To review additional information, including written minutes, exhibits, and audio minutes, visit the ETIC website:

www.leg.mt.gov/eqc



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Contents

Introduction	4
Step One: Survey of Montana Counties.....	7
SJ15 COUNTY SURVEY: COUNTY RESPONSES.....	11
Step Two: EQC Field Trip of 10 Mile Watershed.....	16
Step Three: SJ15 Study Matrix – Risks & Concerns.....	17
Step Three: SJ15 Study Matrix – Corrections and Conditions	21
Step Three: SJ15 Study Matrix – Barriers Preventing Correction	24
Step Three: SJ15 Study Matrix – Solutions & Actions.....	25
Step Four: Recommendations.....	28
Step Five: Suggested Legislative Actions	30
Forestry Provisions in 2014 Farm Bill.....	31
Governor’s Nomination of Restoration Projects	31
Press Release Announcing Nomination	31
County Recommendations for Restoration Priority Projects	36
Index to SJ15 speakers.....	38
Sept. 11, 2013 EQC.....	38
History and policy overviews of federal land management	38
Jan. 8, 2014 EQC.....	38
Feb. 20, 2014 SJ15 Work Group.....	38
March 6, 2014 SJ15 Work Group	38
March 19, 2014 EQC	38
April 14, 2014 SJ15 Work Group	39
April 28, 2014 SJ15 Work Group	39
May 14, 2014 EQC.....	39
Index to SJ15 additional materials	40
Timber management, wildfire, and fuel treatment.....	40
Costs of wildland fire management	40
Federal land management effects on water and wildlife	40
Federal land management and air quality related to wildfire.....	41

Litigation and appeals of federal land projects..... 41

Multiple use and access issues on federal land 41

Invasive weeds, pests, and disease on federal lands..... 41

Federal reimbursements to local governments for federal lands 42

Scientific integrity of federal decision making..... 42

Federal management of Yellowstone National Park bison..... 42

Economic information related to production from federal lands 42

Endangered Species Act information..... 43

Jurisdiction over federal land..... 43

Livestock grazing on federal lands 43

Overview of Federally Held Public Lands 45

Compensation for Public Lands 45

Opposition to Federal Management..... 47

State and Local Involvement..... 50

Federal Laws and Regulations..... 50

Montana Laws 53

State and Federal Agreements 55

Collaborative Efforts 57

Appendixes

Introduction

Over 29% of the land within Montana, about 27.4 million acres, is managed by federal agencies. Many of Montana's natural resources occur on these federally-managed lands, including timber, grazing, forage, minerals, coal, oil and gas, water, and wildlife. Management of these lands can greatly affect local economies, tax base, employment opportunities, public safety, the surrounding environment, and recreational opportunities.

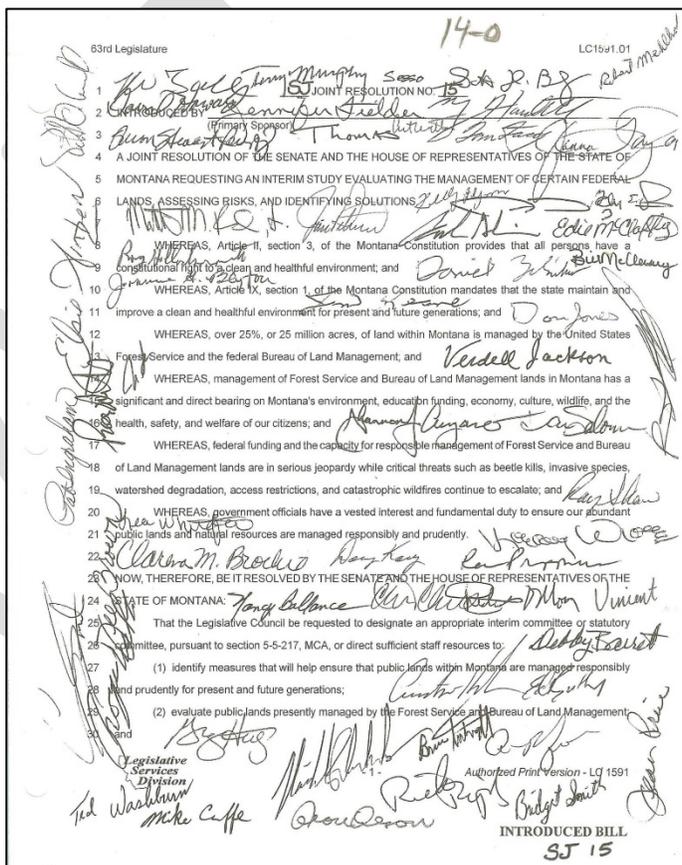
This report is produced as a result of the 63rd legislature's passage of Senate Joint Resolution 15 (SJ-15) which authorized an interim study evaluating the management of certain federal lands, specifically U.S. Forest Service and Bureau of Land Management lands in Montana.

SJ-15 drew strong bi-partisan support as evidenced by the 60 co-sponsors and unanimous approval upon its introduction in the bi-partisan Senate Natural Resources Committee (14-0).

SJ-15 went on to win 83% overall approval from Montana's 63rd Legislature, and was ranked by the legislature as Montana's number two overall interim study priority.

SJ-15 was assigned to the Environmental Quality Council (EQC) 2013-14 Interim Committee, a bi-partisan committee comprised of an equal number of democrat and republican legislators along with four members of the public. The Governor's Natural Resource Policy Director served as an ex-officio member of EQC. The EQC Chairman appointed a bi-partisan working group of four legislators to conduct the SJ-15 study.

SJ-15 Working Group members met by teleconference twice monthly and reported to EQC at regularly scheduled full council meetings. The work group developed and sent a survey to county commissioners in counties containing 15% or more federally managed public lands. Next they prepared a matrix to begin outlining concerns, desired corrections, barriers, and recommended actions. Extensive testimony and data were gathered and discussed throughout the process. All Work Group and EQC meetings were properly noticed and open to the public.



SJ-15 drew strong bipartisan support as evidenced by the 59 Democrat and Republican co-sponsors and 14-0 unanimous approval upon its introduction in the Senate Natural Resources Committee.

SENATE JOINT RESOLUTION 15

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY EVALUATING THE MANAGEMENT OF CERTAIN FEDERAL LANDS, ASSESSING RISKS, AND IDENTIFYING SOLUTIONS.

WHEREAS, Article II, section 3, of the Montana Constitution provides that all persons have a constitutional right to a clean and healthful environment; and

WHEREAS, Article IX, section 1, of the Montana Constitution mandates that the state maintain and improve a clean and healthful environment for present and future generations; and

WHEREAS, over 25%, or 25 million acres, of land within Montana is managed by the United States Forest Service and the federal Bureau of Land Management; and

WHEREAS, management of Forest Service and Bureau of Land Management lands in Montana has a significant and direct bearing on Montana's environment, education funding, economy, culture, wildlife, and the health, safety, and welfare of our citizens; and

WHEREAS, federal funding and the capacity for responsible management of Forest Service and Bureau of Land Management lands are in serious jeopardy while critical threats such as beetle kills, invasive species, watershed degradation, access restrictions, and catastrophic wildfires continue to escalate; and

WHEREAS, government officials have a vested interest and fundamental duty to ensure our abundant public lands and natural resources are managed responsibly and prudently.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee or statutory committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to:

- (1) identify measures that will help ensure that public lands within Montana are managed responsibly and prudently for present and future generations;
- (2) evaluate public lands presently managed by the Forest Service and Bureau of Land Management; and
- (3) prepare a report and recommendations to the Legislature, including:
 - (a) an assessment to analyze available information pertaining to the Forest Service and Bureau of Land Management lands within Montana and identify significant concerns or risks associated with these lands relative to:
 - (i) environmental quality;
 - (ii) economic productivity and sustainability;

- (iii) public health, safety, and welfare;
- (iv) consistency with state and local objectives;
- (v) ownership and jurisdictional responsibilities; and
- (vi) other aspects as considered appropriate by the assigned interim committee;

(b) a survey of county commissions whose counties contain 15% or more land area under the management of the Forest Service and/or Bureau of Land Management, incorporating their responses into the report;

(c) identification of solutions and goals to improve concerns or risks identified by subsection (3)(a);

(d) investigation of all lawful mechanisms, including actions implemented in other states, that may aid in achieving desired goals; and

(e) recommendations to agencies and the Legislature of necessary actions to achieve solutions and goals.

BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2014.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 64th Legislature.

-END-

Step One: Survey of Montana Counties

During the summer of 2013, the SJ-15 Working Group developed and mailed a series of questions to ask of all the Boards of Commissioners representing Montana Counties that where 15% of the county's land is managed by the U.S. Forest Service (USFS), the Bureau of Land Management (BLM) or a combination of the two.

Twenty-eight of the 35 counties surveyed responded, although every county did not answer every question. The survey questions along with the number and percentage of county commission responses directly pertaining to each question are noted in the following summary.

The responses helped the EQC identify the greatest risks and concerns in each county and explore all possible solutions to correct significant problems.

SJ-15 SURVEY: SECTION 1 - PUBLIC HEALTH, SAFETY, AND WELFARE

1. Do current wildfire conditions on federal lands within your county pose a significant threat to:

- 22 Public Health and Safety (88%)
- 23 Public Property (92%)
- 24 Private Property (96%)
- 1 Unsure (4%)

2. Do you believe fire hazard on federally managed lands should be reduced to protect public health and safety within your county?

- 23 Yes (88%)
- 1 No (4%)
- 2 Unsure (8%)

3. Regarding the water supply your citizens use, does current federal land management of watersheds:

- 2 Optimize water yield (9%)
- 14 Diminish water yield (64%)
- 6 Have no impact (27%)

4. How important is it for people of your county to have motorized access to public lands for sustenance activities such as gathering wood, picking berries, harvesting wild game, etc.?

- 24 Very Important (96%)
- 0 Not Important (0%)
- 1 Unsure (4%)

5. Is there an adequate supply of motorized roads on federal lands in your county to accommodate emergency ingress/egress, facility maintenance, public access, and resource management?

- 6 Yes (23%)
- 13 No (50%)
- 7 Unsure (27%)

6. Regarding multiple-use recreational access routes on federal lands, does your county desire:

- 17 Increased Multi-Use Access (68%)
- 0 Reduced Multi-Use Access (0%)
- 8 Keep Access As Is (32%)

SJ-15 SURVEY: SECTION 2 - ENVIRONMENTAL QUALITY

7. Do you believe current fuel loads on any of the federal lands within your county could result in severe, uncontrollable, or catastrophic wildfires?

- 24 Yes (96%)
- 1 No (4%)
- 0 Unsure (0%)

8. Is a high intensity wildfire on federal lands likely to cause a loss of important fish & wildlife habitat or harm Threatened or Endangered Species in your county (e.g. grizzly bears, lynx, sage grouse, black-footed ferret, bull trout)?

- 19 Yes (79%)
- 4 No (17%)
- 1 Unsure (4%)

9. Are environmental threats such as noxious weeds and bark beetle adequately controlled on federal lands within your county?

- 3 Yes (13%)
- 19 No (79%)
- 2 Unsure (8%)

10. Does the air quality in your county fall below acceptable health standards due to smoke originating from fires on federally managed lands?

- 16 Yes (62%)
- 5 No (19%)
- 5 Unsure (19%)

SJ-15 SURVEY: SECTION 3 - ECONOMIC PRODUCTIVITY AND SUSTAINABILITY

11. Is the Payment in Lieu of Taxes (PILT revenues) your county derives from federally managed lands equivalent to the amount that actual land taxation of these lands would bring?

- 2 Yes (9%)
- 21 No (91%)

12. Is the amount your county derives from the Secure Rural Schools (SRS) funds equivalent to the amount that your county could derive from responsible harvest or extraction of natural resources?

- 2 Yes (10%)

18 No (90%)
 13. Is the economic productivity and number of related private sector jobs commensurate with the resource production capacity of the federally managed lands within your county?

1 Yes (4%)
16 No (64%)
8 Unsure (32%)

14. Are federal policies for Threatened or Endangered Species adversely impacting private land owners, businesses, industries, or citizens within your county?

21 Yes (88%)
1 No (4%)
2 Unsure (8%)

15. Has federal land management resulted in adverse impacts to your county's economy?

17 Yes (71%)
2 No (8%)
5 Unsure (21%)

16. Do you believe changes in federal land management are necessary to increase your county's economy, employment opportunities, or tax base?

20 Yes (77%)
1 No (4%)
5 Unsure (19%)

SJ-15 SURVEY: SECTION 4 - CONSISTENCY WITH STATE AND LOCAL OBJECTIVES

17. Are federal land management actions consistent with your county's objectives?

1 Yes (4%)
18 No (75%)
5 Unsure (21%)

18. Would your county like state assistance incorporating local government objectives into federal land management actions?

12 Yes (48%)
8 No (32%)
5 Unsure (20%)

SJ-15 SURVEY: SECTION 5 - OWNERSHIP & JURISDICTIONAL RESPONSIBILITIES

19. Has your county experienced conflicts with federal ownership or jurisdictional responsibilities?

12 Yes (52%)
 11 No (48%)

20. How much influence do you believe special interests have on the ability of federal agencies to develop and implement effective land and resource management plans on federal lands in your county?

- | | |
|-----------|-------------------|
| <u>1</u> | None (4%) |
| <u>2</u> | Moderate (8%) |
| <u>23</u> | Significant (88%) |

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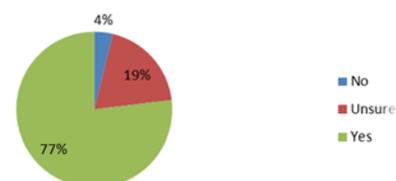
SJ15 COUNTY SURVEY: COUNTY RESPONSES

Surveyed counties were asked to describe their most significant concerns with federal land management, including current and past relations and communications with federal agencies and other relevant factors legislators should be aware of, and provide any ideas that may help reduce risks or resolve concerns. Many counties provided supplemental information which can be found in Appendix K or at <http://leg.mt.gov/content/Committees/Interim/2013-2014/EQC/Committee-Topics/sj-15/county-survey-results.pdf>

Selected results are displayed on following pages along with comments.

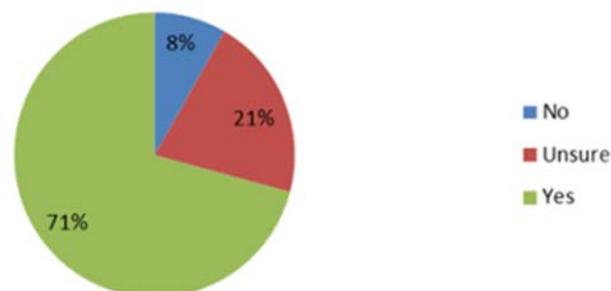
More and more access is being denied because of the policies for threatened and endangered species. Jobs are lost with lumber mills shutting down. Forests are not being harvested, creating unhealthy forests which become diseased and burn. Forest fires kill animals and fish, degrade air and water quality, and in some cases burn homes and infrastructure. Tourists come here to see healthy forests, not blackened trees and ground.
Flathead County

Are Federal Land Management Changes Needed to Improve the Local Economy and Tax Base?



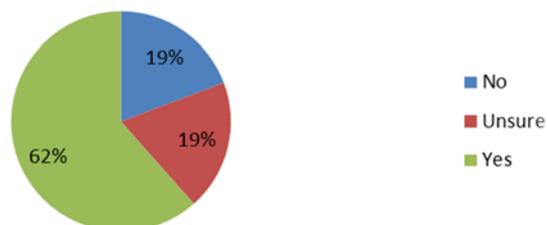
Non-extraction federal land management activities provide numerous local jobs including wildland fire fighters, contractors involved in implementing best management practices, and restoration professionals to name a few. Our economy benefits both directly and indirectly from the federal land within Missoula County's borders.
Missoula County

Does Federal Land Management Adversely Effect County Economy?

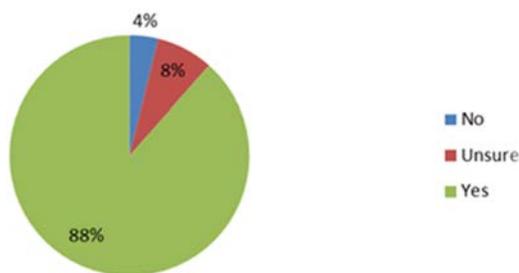


*Air quality is affected by smoke originating from fires on all lands- federal, state, county and private.
Broadwater County*

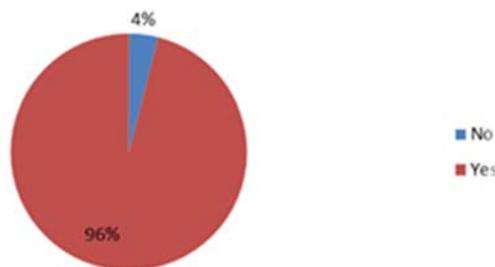
Does Smoke from Fires on Federal Land Reduce Air Quality Below Acceptable Health Standards?



Should Fire Hazards Be Reduced on Federal Land?



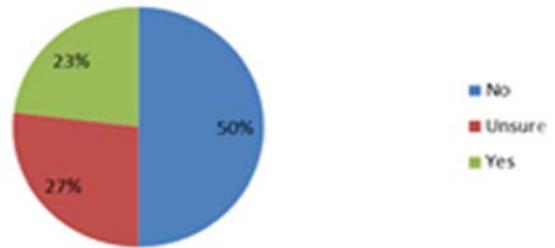
Could Current Fuel Loads on Federal Land Result in Catastrophic Wildfire?



*In past years, when wild land fires have occurred on federal lands, the air quality has consistently fallen below acceptable health level during both day and night for the duration of the fire. Those with allergies or chronic disease have been required to either stay indoors or wear masks if they need to leave home.
Flathead County*

Most projects identified by the Lolo National Forest have road closures incorporated in them. Like most counties in the West we are forced to accept these projects due to the lack of projects. Mineral County

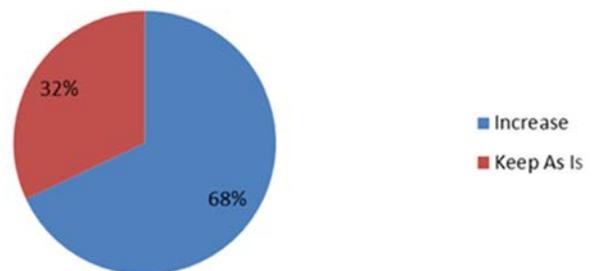
Is there an Adequate Supply of Motorized Roads on Federal Land?



Importance of Motorized Access on Federal Lands for Sustenance Activities?



What Should be Done About the Amount of Multiple Use Access?

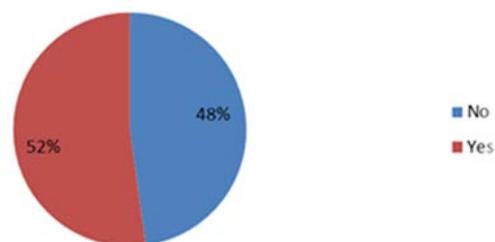


Our concerns with Federal Land Agencies is the longevity of road closures. This makes it extremely difficult for the aging population of our County to enjoy the Public Lands within Fergus County. It also makes it difficult for our Emergency Services to access many areas. As an example we had a foreign tourist lost this summer who still has not been found. We believe more access may have helped find this gentleman or may have alleviated him getting lost in the first place. Again, the pressure of closing more roads is not coming from our constituents but from outside influence groups. Fergus County

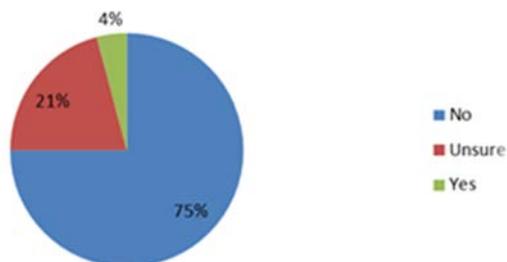
The most troublesome thing for our County is the lack of coordination between the federal property managers and our County government. Valley County needs livestock and agriculture production, and many federal policies are not favorable to those producers.

Valley County

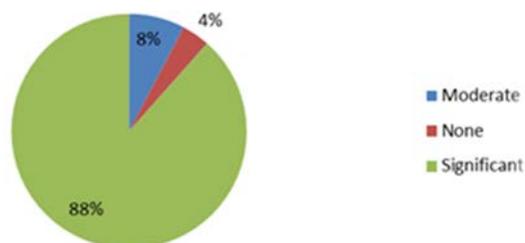
Has County Experienced Conflict with Federal Ownership or Jurisdiction?



Is Federal Land Management Consistent with County Objectives?



What is Influence of Special Interests on Federal Land Management?



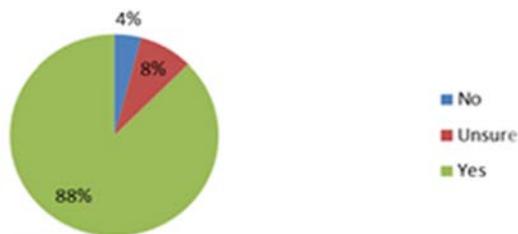
Counties work well with the Forest Service and their desired plans - special interest groups are hurting our communities - they are the problem. Extremist views are destructive. Our county works well with Federal agencies - the problem is the ability of a citizen, or group, to stop a vetted and studied project with only a stamp and no responsibility for the result.

Broadwater County

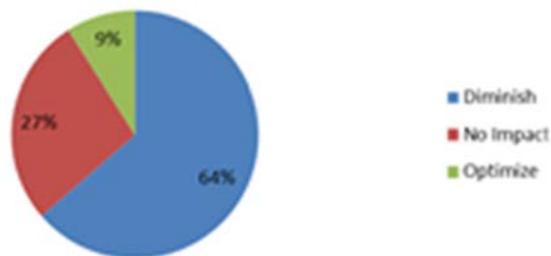
The U.S. Fish and Wildlife Service continues to miss statutory deadlines for biological opinions on projects. This includes timber sales and new mining activities that have been in the permitting process for numerous years. The main focuses in Lincoln County due to the Endangered Species Act are the grizzly bear and bull trout. The delay in these mandatory biological opinions continues to delay numerous projects that have been in the planning process for years. This situation also restricts the Forest Service on their proposed projects. In discussions with the USFWS, they state that they are underfunded, understaffed, and working in the most litigious region in the State requiring them to do more extensive work on the opinions they provide.

Lincoln County

Does Endangered Species Act Adversely Effect Business, Landowners, and Citizens?



What is Effect of Federal Land Management on Water Yield?



Poor land management results in unhealthy watersheds which result in higher downstream yields, which may result in a larger capture of water in reservoirs to the benefit of downstream users or recreationalists.

Lewis & Clark County

Step Two: EQC Field Trip of 10 Mile Watershed

In September 2013, representatives of the USFS accompanied members of EQC and City of Helena personnel on a field trip of the 10 Mile watershed and Chessman Reservoir in Lewis and Clark National Forest. This site was selected because it provides a clear example of the critical linkage between conditions on the National Forest and nearby communities.



Members of EQC, USFS, and City of Helena toured the 10 Mile watershed near Helena, MT where 95% of the trees are dead.

According to the City of Helena, this watershed provides 70% of the City of Helena's water supply. The U.S.F.S. supervisor testified that 95% of the trees within the watershed are dead from a bark beetle infestation that proliferates in dense, even aged stands of timber like this.

The testimony and field trip revealed the watershed is at extreme risk of intense wildfire, erosion, and related siltation and toxins which are likely to result in severe interruption and contamination of Helena's primary water supply.

At the time of the field trip, the USFS was in the final stages of a long running collaborative process and hoping it would result in broad support for plans to treat the affected acres using a combination of logging and prescriptive burning.



EQC members view the canal and duct system which carries water from Chessman Reservoir to Helena, MT.

Concurrently, the City of Helena was working with adjacent landowners and actively reducing the woody fuels on property owned by the city and several pieces of private land in the immediate vicinity of the high mountain reservoir and canal system which supplies water to the city several miles below.

Shortly after the field trip, the Forest Service's proposed fuel reduction project was met with formal objections and, although the agency now considers the objections resolved, the project is subject to litigation

under Equal . The State of Montana Department of Natural Resources and Conservation (DNRC) has since entered into a Memorandum of Understanding (MOU) with the USFS to allow the state to take the lead in administering the timber sale in this project area.

Step Three: SJ15 Study Matrix – Risks & Concerns

The SJ-15 Working Group developed the SJ-15 [study matrix](#) to help outline:

- A. risks and concerns,
- B. desired corrections,
- C. barriers preventing those corrections,
- D. possible solutions, and
- E. recommended action items.

A. RISKS & CONCERNS:

1. **INFRASTRUCTURE:** Excessive wildfire fuel loads due to insect, disease, and/or lack of active management place infrastructure on or near federally managed lands at risk - including electrical transmission lines, transportation facilities, communication towers, water systems, and other utilities. Costs associated with insurance, damage, and repair could be significant.
2. **NEIGHBORING COMMUNITIES:** Excessive wildfire fuel loads due to insect, disease, and/or lack of active management on federally managed lands in Wildland-Urban Interface (WUI) place neighboring public and private property, facilities, infrastructure and communities at risk. Costs associated with insurance, damage, and repair could be significant.
3. **WATER:** Excessive wildfire fuel loads and intense wildfires on federally managed lands threaten, poison, and/or physically impair municipal drinking water supplies as well as water supplies for residential, recreational, agricultural, natural, and other uses outside municipal watersheds. Watersheds are not being managed to maximize water yield. Costs associated with damage and repair could be significant.
4. **FISH & WILDLIFE:** Large, intense fires on federally managed lands kill fish & wildlife, destroy habitat, poison water, and cause displacement which adversely impacts surviving populations of fish & wildlife beyond the burned area.
5. **AIR QUALITY:** Significant health risks, premature death, and other adverse impacts to Montana citizens and visitors due to high volumes of smoke/toxic air pollution generated by large, intense fires on federally managed lands. In addition to health dangers, prolific and lingering smoke restricts activities, displaces people from their homes and communities, impedes scenic views, and disrupts tourism.
6. **REDUCED MULTIPLE USE ACCESS:** Decommissioning and closing roads and trails severely diminishes access for desirable multiple use activities including resource management,

sustenance and recreational uses, emergency ingress/egress, inholdings, and commercial extraction of natural resources.

7. **INVASIVE PESTS, DISEASE, AND NOXIOUS WEEDS:** Proliferation of invasive pests, disease, and noxious weeds is prevalent on federally managed lands and waters.
8. **PILT, SRS, ROYALTIES:** The substitute funding sources counties rely upon are unreliable and unpredictable due to dependency on renewed congressional approval and the ability of the federal government to pay. PILT & SRS equate to a very low percentage of actual taxable value & resource production capabilities. Use of funds allocated to local governments is restricted by Congress.
9. **INADEQUATE FUNDING:** Inadequate federal funding and/or prioritization for proper resource management, wildfire fuel reduction, wildfire rehabilitation, maintenance and repair of infrastructure, multiple-use access, and fire suppression.
10. **SCIENTIFIC INTEGRITY:** Inaccurate, selective, biased, and/or outdated science and technology are being used in resource management plans, reports, administrative rules, federal policies, decisions, and enforcement.
11. **MISSION CONFLICT:** Several federal laws, executive orders, and rules are in conflict with the original purpose and authority related to federal land acquisitions, federal reservations, and the mission of managing agencies. This has resulted in contradictory policies and management constraints that are sometimes adversarial to the environment, economy, as well as public health, safety, and welfare.
12. **HABITAT CAPACITY:** USFWS does not consider range or carrying capacity of habitat on federal lands when determining target populations of predators and other wildlife.
13. **YPN BISON–** Bison populations are expanding beyond Yellowstone National Park boundary into Montana, creating jurisdictional questions, adverse range and environmental impacts, risk of disease transmission, property damage, and other management problems for the state of Montana.
14. **USFSW** is not placing a priority on acknowledging adverse impacts of predators, invasive plant species, and wildfire on Sage Grouse populations. Comprehensive management considerations associated with multiple species seems lacking.

15. **TIMBER INDUSTRY VIABILITY:** Although an over-abundance of timber exists in many national forests, the viability of timber and wood products industries and related jobs and infrastructure are threatened by bureaucratic impediments, declining forest health, and unpredictable supply due to federal policies, litigation and administrative costs, and management constraints.
16. **OWNERSHIP:** Federally managed public lands might be sold or collateralized to private parties or foreign nations without state legislature's consent.
17. **OWNERSHIP:** Checkerboard pattern of federal lands makes management and public access difficult.
18. **UNFAVORABLE TIMBER MANGEMENT:** Unmanaged, overpopulated timber stands contribute to insect infestations, declining timber health, drought, intense wildfire, reduced watershed yields, and adverse effects on wildlife habitat. Policies favoring weak, less useful timber like pine instead of stronger more useful fir and larch are bad for commercial supply. Not cutting in accordance with sustained yield capabilities.
19. **ADVERSE IMPACTS OF ESA:** Adverse impact on state, counties, private property, industry, lives, use permits, and livelihoods associated with protected species policies and the magnitude of unknown costs and consequences. Arbitrary listings. Slow-cumbersome delisting process.
20. **NON-ESSENTIAL CLASSIFICATION:** Lands, resources, and personnel assigned to manage these resources that are so critical to Montana's economy and environment, and many Montanan's way of life and happiness, have been deemed non-essential and shut down by the federal government.
21. **UNSUSTAINABLE ECONOMICS:** Revenues generated by BLM go to DC Treasury. USFS no longer generates positive revenues. Mineral royalties vulnerable to national politics and Montana in the minority.
22. **PUBLIC INVOLVEMENT:** Notification and decisions, policies, meeting formats, length of documents, and technical procedures favor paid participation and disenfranchise average citizens leaving local residents, land owners, forest users, and small communities feeling overwhelmed and powerless.
23. **OWNERSHIP:** Unconstitutional acquisitions and contradictory retention policy versus enabling act/statehood compact. Are past, present and proposed acquisition and disposal of public lands consistent with constitution and enabling act? Is the state receiving our 5% share of disposal proceeds per the Enabling Act.

24. SHUTDOWN: Another federal budget crisis, i.e. “shutdown” like the one in October 2013 could once again close the public lands and treasured places controlled by the federal government.
25. JURISDICTION: Confusion or lack of clarity over jurisdiction of local, state, and federal governments.
26. PERMITS: Expense, uncertainty, and length of time to secure permits for cabin sites leases, grazing AUMs, outfitting, mineral extraction, oil & gas. Leases vulnerable to subjective approval, denial, classification, and/or revocation of permits. Complications – Grazing ESA, fencing requirements, water, etc.
27. LACK OF PRODUCTION: Available resources not being utilized at an acceptable rate -- saw timber, small wood, oil, gas, grazing, and mineral resources not being utilized enough. Canadian subsidized timber has negative effect on U.S. timber markets.
28. FACTS - PUBLIC PERCEPTION – Lack of education and awareness about the benefits of sustained yield active management, utilization of natural resources, and related impacts on economy, jobs, environment, communities.
29. HESITANCY: Some citizens, employees, permit holders, elected officials, etc. are hesitant to offer less than supportive or constructive criticism due to fear of offending federal decision makers, and/or suffering retribution via unfavorable funding and/or management outcomes.
30. CONGRESS: Ineffectiveness, complicated and contradictory policies, lack of: budget, financial security.
31. BRINGING NON LOCAL CONTRACTORS INTO AREAS WHERE LOCAL WORKERS WHO NEED WORK ARE AVAILABLE. Local employment opportunities are not emphasized. Federal policies favor women and minority businesses that most often come from outside the area.
32. BORDER SECURITY: Jeopardized by lack of motorized access for patrols and denial of placement of communications equipment.

Step Three: SJ15 Study Matrix – Corrections and Conditions

B. Desired Correction and/or Condition

1. Active, immediate vegetation management to protect transmission lines and other infrastructure from wildfire, post fire erosion and other risks that can be resolved via active vegetation management while maintaining a desirable ecologic composition and sustainable economic production where practical.
2. Active, immediate vegetation management to prevent intense wildfire and related damages to communities, public and private property, infrastructure, and facilities, especially in wild urban interface (WUI), while maintaining a desirable ecologic composition and sustainable economic production where practical.
3. Active, immediate vegetation management to prevent damages from intense wildfire and optimize water yield in municipal water sheds as well as other waters outside municipal watersheds, including residential, agricultural, recreational, industrial, and fisheries, while maintaining a desirable ecologic composition and sustainable economic production where practical.
4. Vegetation management to prevent premature death of fish and wildlife and destruction of habitat caused by intense wildfires and to optimize water yield to provide for all needs including human life, economy, and natural environment, while maintaining a desirable ecologic composition and sustainable economic production where practical.
5. Manage lands to ensure safe and healthy air quality levels. Actively manage vegetation to prevent catastrophic fire events and keep dangerous levels of pollutants from entering the air. Do not burn or let burn unless air quality standards can be met or it is necessary to prevent or contain destructive fires and no other means of doing so are available. Use fire to optimize environmental or economic productivity only when air quality standards are not exceeded.
6. Keep access roads intact and available for multiple uses, resource management, and future resource extraction. Prioritize funding for maintenance and repairs of access roads. Allow enough public use to prevent roads from brushing in. Encourage and accommodate volunteerism for maintenance and repairs on roads and trails. Encourage fire wooding to remove downed trees and maintain fire breaks along roads. Increase or preserve multiple use access for all ages, abilities, interests, and classes. Protect RS2477 locally owned roads.
7. Control aquatic pests, specifically mussels, at point source. Treat point source. Actively manage to control, contain, and prevent devastating pests from spreading.

8. Increase economic production. Generate positive revenue flows like they used to. Increase predictability of funding. Let willing states or counties own/manage public lands and generate their own revenues.
9. Encourage prioritization toward situational prevention vs. post emergency repairs. Increase resource based economic productivity to generate positive revenue flows like they used to. Improve predictability of funding. Let willing states/counties own/manage public lands, implement local priorities and generate revenues locally. Encourage funding for work force commensurate with land management goals and legal obligations.
10. Ensure scientific integrity. Require reports upon which policy decisions are based to follow scientific and statistical confidence standards and blind peer review typical of scientific journal publication. Remove bias, concentrate on facts instead of philosophy. Require minority report.
11. Establish clarity of mission and purpose for being and consistency of laws and regulations in accordance with that mission.
12. Base decision on carrying capacity balanced with multiple use -not unscientific political decisions. Take a programmatic approach to landscape habitat capacity, range, and multiple uses to optimize health of environment, species success, and desirable human uses of land. Prioritize protection of local social and economic values, including public health and safety. Optimize production of lands by utilizing grazing. Keep in mind livestock is restricted from moving freely, while wildlife flows across landscape.
13. Clarify jurisdiction, ownership and liability. Prevent adverse impacts to citizens, property, and range in Montana.
14. Retain state management of all fish and wildlife species. Recognize grazing's benefits to healthy plant communities. Need to recognize adverse impacts of cheat grass and other invasive species, wildfire, hunting, and predation on sage grouse.
15. Resource management which stimulates a viable timber industry and results in a broad distribution of mills across the state.
16. Require state legislature's consent prior to sale, transfer, or acquisition of federally controlled public lands within Montana. Do not encumber public lands as collateral to lenders.
17. Develop a fair and equitable system for consolidation of ownership to reduce difficulties in management, use, and access associated with land locked or limited access pieces.
18. Optimize health, resiliency productivity, of timber stands and watersheds. Manage forest and harvest timber to sustain biological diversity at a regional scale. Consider /Emulate most favorable range of historic variation spatially and with regard of intensity of disturbance. Reduce over populated stands

to prevent crown fires and increase wildlife forage vegetation and increase water yields. Cut sustained yield volumes.

19. Strive for viable populations of species while minimizing adverse impacts to local communities and counties. Reform ESA to reflect original intent of preventing species extinction versus expanding species abundance and distribution. Concentrate on protecting species as a whole instead of managing sub species and distinct populations.

20. Access, use, and management of public lands must be recognized as a top priority.

21. Sustainable economic management. Keep revenues generated locally on the unit or in the county.

22. Increase ability of local public to influence decisions while still meeting efficient project management.

23. Clarify ownership and under what jurisdiction it falls. Where does revenue go - how is it divided and how is it decided? Ownership map and verify record of title/deed.

24. No shutdown of public lands. Develop contingency plan to protect MT interests in event of shutdown in future. Assign higher priority to public lands and resources, i.e. essential status classification.

25. Clarify jurisdiction over resource management and health, safety, welfare of the people.

26. Size of cow should be considered in carrying capacity, AUM should be based on sustainability per range science not politics. Existing lease owners should have reasonable opportunity to retain their lease.

27. Increased resource production.

28. Increase public awareness. Inform public about opportunities and benefits associated with active resource use and responsible management. Document pre & post project conditions. Inform public about problems with obstructed management.

29. Transparency. Equal treatment. Raise standard of recording actions, decisions, public interaction & comments, i.e. public stream of assessment and decision processes.

30. State would make decision on land management.

31. Give more preference to local contractors.

32. Allow proper access and placement of surveillance equipment to stop illegal entry and drug running.

Step Three: SJ15 Study Matrix – Barriers Preventing Correction

C. Barriers Currently Preventing Correction

1. Unfavorable federal laws, policies, rules
2. Obstructive litigation & exploitation of EAJA and Judgment Fund “sue and settle”
3. Unfavorable agency priorities
4. Prolific flaws in NEPA documents
5. Lack of funding/personnel
6. Problematic financial model, adverse performance incentives.
7. Federal agency rule making inconsistent with legislative intent
8. Need intensive state scrutiny and action to avert unfavorable federal actions
9. Lack of understanding root law and jurisdictional authorities
10. Lack of coordination to achieve consistency with local government objectives
11. Prohibitions on active management causing intense fuel load and limited access for initial attack
12. Burn & “let-burn” fire use causes unhealthy or undesirable levels of smoke.
13. Management classifications - compliance standards
14. Paid/Stacked Collaboratives
15. Underappreciated value of access
16. Lack of credibility, scientific integrity
17. Lack of accountability

Step Three: SJ15 Study Matrix – Solutions & Actions

D. Possible Solutions/Actions

1. Acknowledge emergency condition where risk to public health, safety, or welfare is imminent.
2. Expand ROW for maintenance of utilities, roads, and infrastructure.
3. Generate resource based revenues and reinvest them in resource management, access.
4. MOU between Counties, State, & USFS to facilitate active management.
5. Educate state and local government on laws favorable to fuel reduction, multiple use access, economic production, state and local jurisdiction. Educate the public and policy makers on costs of fighting fire and repairing damage after intense wildfire versus benefits of fuel reduction and resource use to prevent intense wildfires (roughly 500 to 1 cost-benefit ratio). Better educate, document and publicize post project benefits, i.e. schools, institutions, PBS, firewise.
6. Establish state priorities and implement better monitoring and controls to protect state interests in federal rule making and other processes. Advocate and enforce laws favorable to fuel reduction, access, and economic production.
7. Increase local authority. Enable more involvement in decisions by County Commissioners. Allow local public land and resource management plans and growth policies to be used to coordinate with federal agencies. Insert local objectives and reflect pertinent data in federal land plans and decisions. Ensure state and federal plans and actions are consistent with local government plans and priorities.
8. Clarify, strengthen, and support state and local jurisdiction to protect public health, safety, and welfare of citizens, avert dangers such as intense wildfire, erosion events, shutdowns or lock outs.
9. Consider enabling legislation that would include a WUI building code and/or strengthen voluntary Firewise program. Apply and enforce on public lands also. Broaden opportunity and time frame for fuel treatments including burning.
10. Prioritize fuel reduction treatments in critical areas most susceptible to severe, adverse effects in order of priority - a. municipal/residential, b. agricultural, c. environmental, d. other economic (extractive and/or recreational). Coordinate and pre-plan to prevent intense wildfire in priority areas.
11. Assess habitat quality/wildlife carrying capacity in passive vs. active management and historic vs current use scenarios.
12. Enable volunteer maintenance contracts, offer workman's comp, other insurance, or exemptions to encourage and facilitate volunteerism on public trail and road projects.

13. Identify and inventory RS 2477 roads. Affirm local jurisdiction.
14. Work with counties to develop a prioritization system of access roads necessary for initial attack, management of municipal watersheds, future generation timber sales, emergency ingress/egress, multiple use access component, etc.
15. Experiment with rotational uses of motorized and non-motorized use in areas where demand for both is high.
16. Verify/Modernize definition of multiple use.
17. Consider S327 – HR2401 Good Neighbor Forestry Act,
18. Map/inventory pest infestations. Prioritize funding for most necessary and effective pest management. Promote statewide pest management consistency on all lands. Prioritize treatment areas to control, contain, and prevent devastating pests from spreading. Allow motorized access so land managers and private property owners can control pests on their lands.
19. Assess PILT vs. actual taxable value
20. Assess State vs. Federal Management Economics
21. Develop comprehensive analysis of compatibility of target fish or wildlife population with other present species, range, carrying capacity of habitat, and multiple uses including grazing and timber management. Integrate valid, updated scientific information into land management and target population considerations.
22. Enable state & local government to engage in coordination with USFWS and other federal agencies to advocate priorities established by elected officials and their resource specialists in affected areas. Provide expertise.
23. Active publicity of pre- project scoping, planning, actions. Require better public notification of proposed federal actions in affected communities. Advance notification of elected officials representing affected area. Provide open public hearings where comments are recorded at local meetings and made part of record.
24. Facilitate DNRC being able to take lead on timber sales or otherwise manage resources on certain federally held public lands in need of assistance.
25. Determine who gets ownership when designated use is abandon (Brandt case)? Can state acquire those abandon railroad ROW's?
26. What worked in other states? Task forces, select committees, legislation.

27. In case of another federal shutdown, allow state to take over task, i.e. logging contracts, until feds get back up and running. Prohibit “shutdown” of public access to areas that normally do not require daily federal supervision or maintenance, like USFS, USFWS, BLM lands and public highways.
28. Explore historic trends with AUM’s associated with various political entities. Separate range science from political decisions. Limit lease fee increases to avert cost spike. Look at averages instead of spikes.
29. Place higher priority on production goals. Look at national economy year by year compare extraction to commodity prices.
30. Lease or acquire federal public land and manage under state law in accordance with state and local priorities to improve forest or range health, provide multiple use access, sustained yield, economic production.
31. Streamline permitting.
32. Review the success of the cohesive strategy to prioritize and achieve desired condition in at risk areas.
33. Protect whistle blowers, critics, seek recourse for mistreatment. Develop an evaluation of fairness.
34. Give consideration/preference to local small businesses for contract work. Allow chance for competitive bids vs 10 year contract on stewardship.
35. Tax federal lands and allocate revenues to the municipal jurisdiction in which the land is located.

Step Four: Recommendations

Risks and concerns associated with federal land management are serious and numerous. Survey results from county commissioners, analysis of available information, and testimony received from citizens, agency staff, interest groups, elected officials and experts affirm the urgent need to correct the way federal public lands are managed.

It is imperative to achieve better and more active management of public lands to a) aid in reducing dangerous wildfire fuel loads, b) increase economic productivity, c) protect and provide multiple use public access, and d) increase wildlife diversity and carrying capacity where desirable.

These objectives should be implemented wherever compatible with one another and in balance with state and local priorities.

1. **REDUCE WILDFIRE FUELS:** The risk of catastrophic wildfire due to excessive fuel loads on federal lands poses foreseeable imminent risk to citizens, communities, watersheds, utilities, roads, wildlife, eco systems, air quality, other public infrastructure, and private property. Vegetation must be better managed to reduce the risk of intense wildfire, especially where people and our environment are most vulnerable. Grazing and logging are valuable and beneficial tools that should be used to reduce dangerous fuel loads wherever possible.
2. **INCREASE OR MAINTAIN MULTIPLE USE ACCESS:** Multiple use access to public lands is highly desirable and also necessary to serve a broad range of important purposes including resource management, reduction of wildfire fuel loads, initial attack for wildland firefighting, emergency ingress/egress including crime control and search and rescue, recreation, tourism, sustenance activities, economic productivity, and border security. 100% of the counties surveyed reported a desire to maintain or increase multiple use access on federally managed public lands. Only 23% reported an adequate supply of motorized roads on these public lands in their county. Federal agencies have been and continue to reduce multiple use access on public lands at unacceptable rates. Multiple use access needs to be maintained or increased in keeping with the desires of Montana citizens.
3. **INCREASE ECONOMIC PRODUCTION:** Economic production associated with natural resources on federally controlled public lands has fallen to a historic low. Production is not equivalent to the desirable level that could be achieved through a balanced approach to active management and use of natural resources, multiple use public access, or taxation of the land. 77% of the counties responding to the survey believe changes in federal land management are necessary to increase their county's economy, employment opportunities, or tax base. Economic productivity needs to be substantially increased where appropriate and desired by Montana citizens.

4. **STENGTHEN LOCAL INVOLVEMENT:** Rural citizens and communities affected most by federal public land management decisions should be provided with adequate resources, supporting statutes, and/or expertise to enable better representation of their interests in federal land and resource related processes.

5. **INCREASE ACCOUNTABILITY:** Ensure laws favorable to State and local priorities are being followed.

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Step Five: Suggested Legislative Actions

1. Establish a Federal Lands Committee that works to coordinate, collaborate, and assist Federal Land managers to resolve problems and expedite project planning and implementation. The intent is to work in partnership with federal land managers to help meet forest management goals and objectives including vegetation, wildlife and recreation and watershed by extending SJ-15 effort, expanding working group, and continuing to explore and implement solutions to address the risks, concerns, and recommendations identified in this report.
2. Provide for an attorney and paralegal in the DOJ to promote Montana's priorities and interests relevant to federally controlled public lands, natural resources, and wildlife.
3. Provide for a resource specialist at DNRC to expedite fuel reduction projects and economic production on federally controlled public lands.
4. Reallocate a portion of hunting license fees to provide multiple use public access on federally controlled public lands.
5. Reallocate a portion of hunting license fees to implement habitat enhancement work which increases big game carrying capacity and reduces wildfire fuels in restoration priority areas within federally controlled public lands.
6. Provide education and expertise necessary to assist counties in developing resource plans, implementing effective government to government relations, and incorporating local priorities in state and federal actions related to public land, natural resource, water, and wildlife issues.
7. Establish priorities in statute requiring state officials, whenever possible within the framework of their duties, to support efforts to implement the following priorities a) reduce dangerous wildfire fuel loads, b) increase economic productivity, c) protect and provide multiple use public access, and d) increase wildlife carrying capacity on federally managed public lands wherever compatible with local government objectives and the other priorities described herein.
8. Make it easier for volunteers to participate in work projects by creating an affordable group insurance policy that covers liability for injuries. This would require coordination with the Montana Auditor's office and insurance companies.
9. Consider enabling legislation that would include a WUI building code and/or strengthen voluntary Firewise program. Apply and enforce on public lands also. Broaden opportunity and time frame for fuel treatments including burning.

Forestry Provisions in 2014 Farm Bill

The 2014 Farm Bill passed by Congress included a number of forestry provisions, including some discussed by the EQC working group. Among the provisions in the bill are a permanent authorization of the stewardship authority under which Montana obtained an agreement in 2013.

The legislation also expanded the Good Neighbor Authority, which previously was limited to Colorado and Utah. Under the authority, states can take the lead for certain watershed restoration and protection projects.

The Forest Service also undertook the authority to designate insect and disease infestation treatment areas in each state at the request of the governor.

In April 2014, Montana Gov. Steve Bullock nominated more than 5 million acres as “priority landscapes” in need of forest management.¹ The areas are characterized by declining forest health, a risk of substantially increased tree mortality or an imminent risk to public infrastructure, health, or safety.”²

While the nomination included areas in each of the state’s national forests, specific projects were not included. The SJ15 working group sent a letter to 35 counties with the most federal land asking for details about areas in need of forest management.³

Governor’s Nomination of Restoration Projects

Press Release Announcing Nomination

Governor Bullock Identifies National Forest Landscapes For Priority Attention

Priority landscapes the result of collaboration between industry and conservationists; will create more jobs for Montanans

HELENA – Recognizing the urgent need to address the failing health of our National Forests, today Governor Steve Bullock nominated landscapes in Montana for priority forest restoration work.

The Agriculture Act of 2014, commonly referred to as the “Farm Bill,” sets forth a process where the Governor of a state may nominate area landscapes that are impacted by insects and disease, to the Secretary of Agriculture. If those landscapes are then designated by the Secretary, forest management in those areas will be pursuant to an efficient and prioritized planning process, with rigorous science and allowing for full public involvement. Only those areas characterized by declining forest health, a risk of substantially increased tree mortality, or an imminent risk to public infrastructure, health, or safety, may be nominated.

¹ Map of Priority Landscapes. <http://dnrc.mt.gov/Forestry/priority-landscapes/pdf/statewide.pdf>

² <http://governor.mt.gov/Portals/16/docs/040714%20FarmBillLandscapeNominations%20Release%20Final.pdf>

³ <http://leg.mt.gov/content/Committees/Interim/2013-2014/EQC/Committee-Topics/sj-15/forest-restoration/county-response-results.pdf>

In the letter to the US Department of Agriculture, Bullock said: “There is a lot of work to be done in the woods: to reduce fire risk, protect communities and municipal water supplies, and preserve and repair key streams and fisheries. In addition, our national forests, if sustainably managed, can be valuable carbon stores and play an important role in combating climate change. The health of our integrated wood products industry is critical as we look toward the future – the forest industry workforce is a vital tool to implement forest restoration projects that address these issues.”

At over 5 million acres, these proposed priority landscape nominations appear to be relatively large. However, these nominations will chart the course for national forest management for the next 15 years. The scale of these nominations provides the flexibility to address forest health and restoration needs during that time period, and creates broad opportunity for Montanans to work together.

Additionally, it is important to note that these are landscapes being nominated, not actual projects. Specific projects will be identified which will occur within the priority landscapes, but work will not occur on the entirety of the acres nominated.

Many of these nominated landscapes arise from diverse groups of Montanans who are already working together to build forest management projects that meet a variety of needs, not only providing logs on trucks and reduced wildfire risk, but also restored trout streams and elk habitat, among other community objectives.

Groups working on identifying landscapes for nomination, and the projects proposed to occur within those landscapes, include:

- Representatives from the logging and wood products industry;
- Conservation groups including:
 - Trout Unlimited;
 - The Greater Yellowstone Coalition;
 - The Yaak Valley Forest Council; and
 - Blackfoot Challenge
- County Commissioners from affected counties;
- National Forest supervisors; and
- National Forest district rangers.

As a yardstick to measure progress, Bullock says his “expectation [is] that the Forest Service will prioritize projects that accomplish a few important objectives:

- Meaningfully address forest health issues at a landscape scale, mitigating wildfire risks to make our communities safer;
- Provide wood to local mills, sustaining and creating jobs and boosting our local economies;

- Strengthen collaborative citizen efforts that build broad-based projects to not only address hazardous fuels, but also aggressively conduct needed restoration work for fisheries and wildlife; and
- Generate revenues that are sufficient to pay for the costs of implementing the projects.

"I believe that the Farm Bill Forestry Title represents a tremendous opportunity to move national forest management in Montana beyond the conflict and stagnation of the past two generations," Bullock said. More effort will be necessary by all of those involved to improve the health of our national forests, but I am optimistic that these nominations are an important first step toward achieving that end."

"You can't drive across Montana without noticing the devastation caused by the pine beetle. We must take action to clean up our forests. Between the Farm Bill and my Forest Jobs and Recreation Act, we have an opportunity to turn dead, red trees into good-paying jobs and healthy forests. I urge Secretary Vilsack to take a close look at Governor Bullock's proposal," Sen. Jon Tester said of the proposal.

"Montana forests need better management to restore forest health, improve fish and wildlife habitat, and reduce the risk of fire," said Senator John Walsh, the only Montana representative serving on an agriculture committee with oversight of the Farm Bill. "When I worked with the National Guard, forest fires threatened both our residents and our tourism industry, and cost money and resources to control and extinguish. I applaud Governor Bullock for taking advantage of this important Farm Bill initiative and look forward to working with him and Montana's stakeholders to implement it."

On May 20, Chief of the U.S. Forest Service approved Montana's nomination with some modification for areas that did not meet the criteria required for designation.

Bullock's letter to the US Department of Agriculture can be found at:

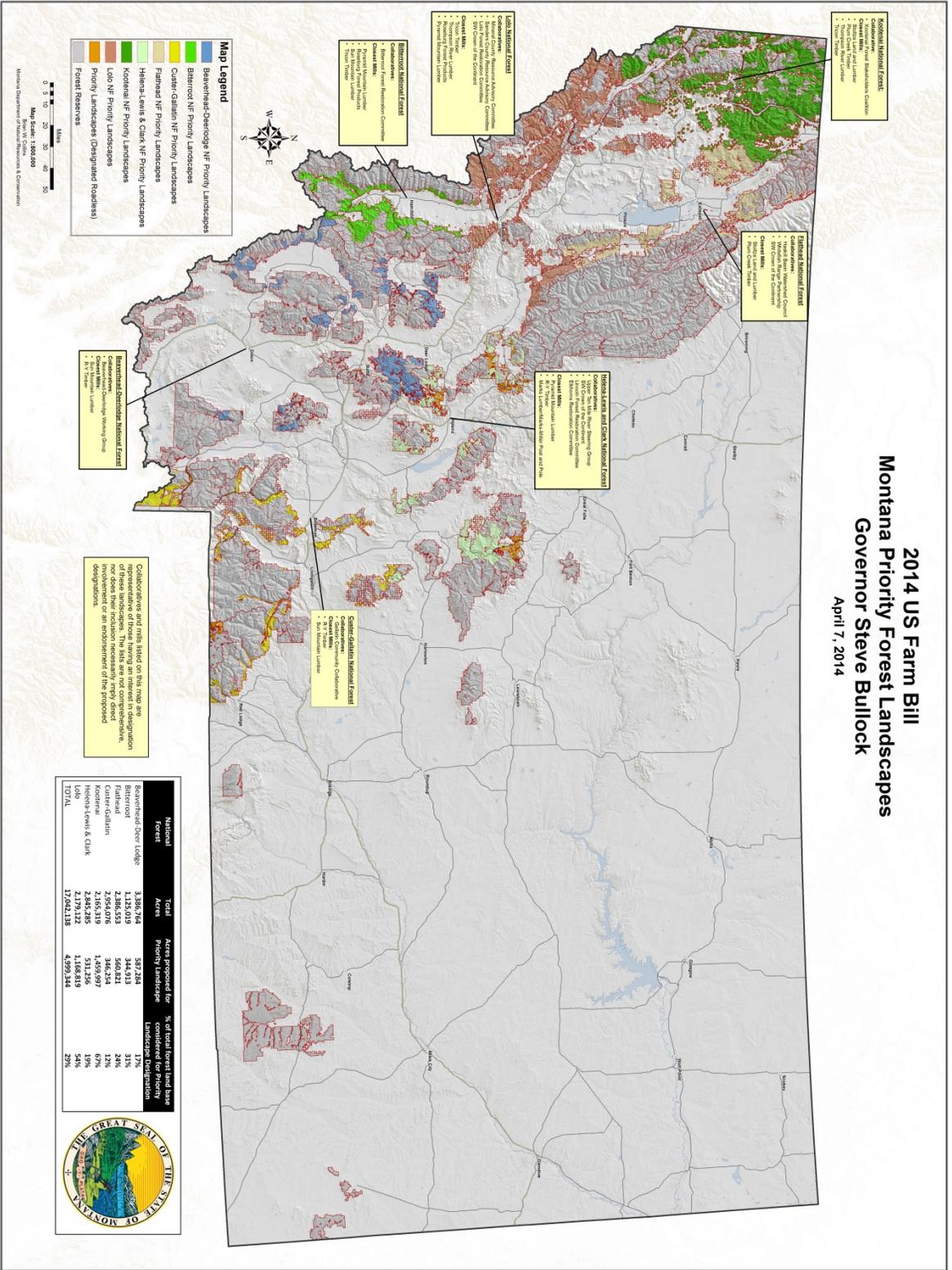
http://governor.mt.gov/docs/040714_FarmBillDesignations.pdf

A map of Bullock's proposed landscapes can be found below or at: <http://dnrc.mt.gov/Forestry/priority-landscapes/pdf/statewide.pdf>

The letter from Tidwell to Bullock and the approved map are at:

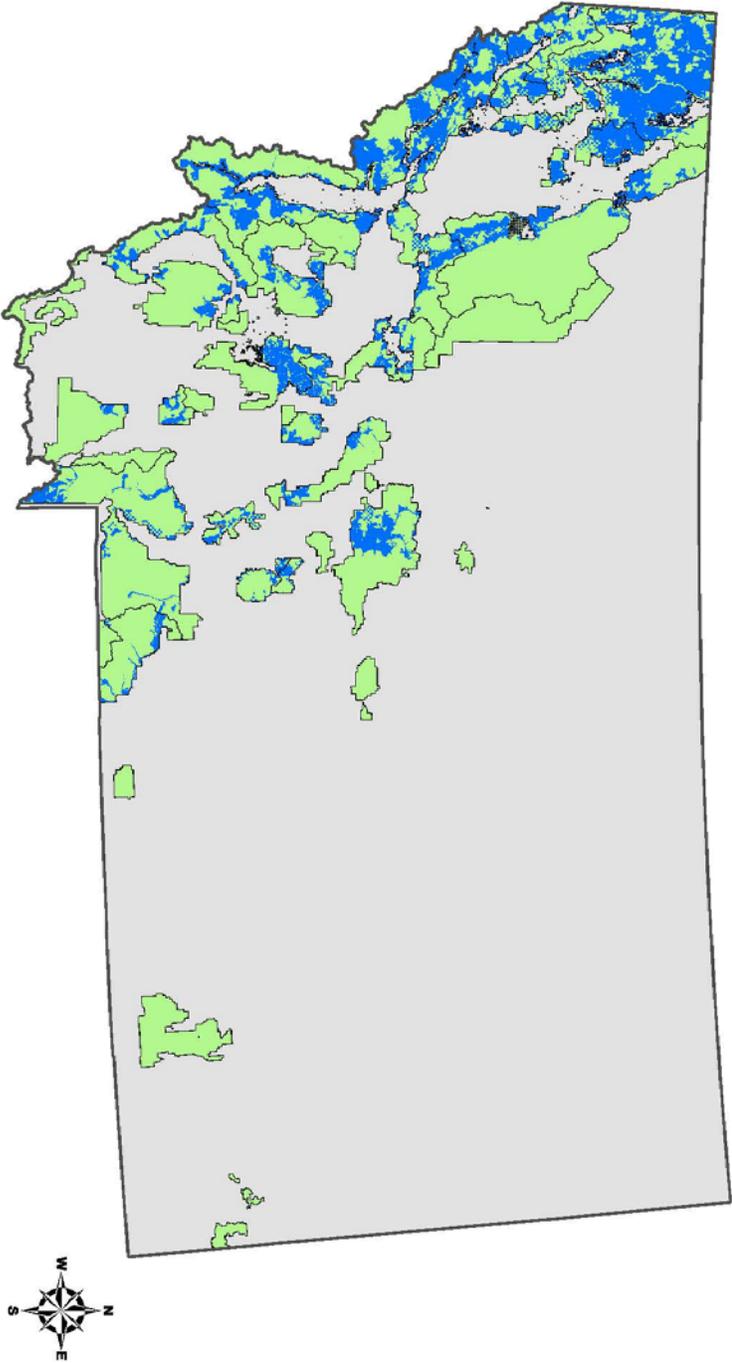
<http://www.fs.fed.us/farmbill/areadesignations.shtml>

2014 US Farm Bill Montana Priority Forest Landscapes Governor Steve Bullock April 7, 2014





National Forest System Lands Designated Under Section 602 of the Healthy Forest Restoration Act in Montana



Note: Data displayed are for informational purposes only and depict designations made under section 602 of the Healthy Forest Restoration Act. Please contact Tony Tooke for details: tooke@fs.fed.us

Map created by USFS Geospatial Service and Technology Center on May 12, 2014

County Recommendations for Restoration Priority Projects

The governor did not identify specific forest projects in his nomination. The SJ15 Work Group asked counties with 15% or more federal land to identify specific projects in need of forest restoration. The counties were asked to focus the list of specific projects on areas characterized by declining forest health, a risk of substantially increased tree mortality, or an imminent risk to public infrastructure, health, or safety.

Six counties responded, including Beaverhead, Jefferson, Missoula, Park, Powell, and Ravalli.

“The Beaverhead County Commissioners are pleased that Governor Steve Bullock has identified three landscapes totaling 214,028 acres in our area,” commissioners wrote. “The Commissioners believe this will have a positive impact on the overall forest health in the North, West, and South Big Hole.”

The Jefferson County Commission commented on the Boulder River Salvage and Vegetation Management Project.

“Property and lives in this area are in extreme risk due to the condition of the forest, particularly in around the Towns of Boulder and Basin,” Commissioner Leonard Wortman wrote. “Some fire behavior experts have described Boulder as like being at the end of a blow-torch under the right conditions. The Jefferson County Commissioners are considering declaring a State of Emergency due to the dangerous condition of the B-D and Helena forest land located within Jefferson County. It is imperative that work begins very soon to start mitigating these hazardous conditions.”

Park County suggested work in the areas of Rock Creek, Cook City, Bear Creek Crevice Mountain near Gardiner, and the north end of Boulder River Road, near Green Mountain.

Missoula County commissioners wrote, “Missoula County is aware that the hazardous conditions existing on our national forests pose a threat to our constituents, public infrastructure, and public health. Therefore, we see timely treatment of these forest conditions as a high priority.”

The Ravalli County Commission listed projects north and east of Downey Mountain, Canyon Creek Road, Maple Creek drainage, Mclean Creek drainage, the Sawtooth bridge and Sawdust Road. The commission also requested an increase in grazing allotments on a number of parcels.

The Powell County Commission is concerned about the Eastside Forest Stewardship Project.

“The project started approximately seven years ago when the Watershed Restoration Coalition approached the Board of Commissioners with a request for help addressing the Pine Bark Beetle kill in the forest and the threat of health and safety of our citizens. The Board approved \$80,000 for a pre NEPA study and later Senator Tester earmarked \$1,000,000 for a full NEPA study by a private contractor. The Deer Lodge-Beaverhead did not feel the quality of the study was adequate and repeated this study

themselves. During this time, the new Forest Plan came about and reduced the approximately 30,000 acres of harvestable timber to approximately 2,000 acres.

“At the present time, the only thing that has been done is the removal of dead trees that would fall across the roads. A fire in this area could conceivably extend all the way to the Ten Mile project and the city of Helena.

“We still feel this should be a number one priority.”

Complete responses can be found here: <http://leg.mt.gov/content/Committees/Interim/2013-2014/EQC/Committee-Topics/sj-15/forest-restoration/county-response-results.pdf>

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Index to SJ15 speakers

Sept. 11, 2013 EQC

History and policy overviews of federal land management

- [Martin Nie](#), University of Montana
- [Jay O'Laughlin](#), University of Idaho

Federal management responsibilities and issues

- [Tom Schmidt](#), Northern Region Deputy Regional Forester
- [Theresa Hanley](#), BLM Associate State Director

Private land management perspective

- Doug Mote, Mote Lumber

Jan. 8, 2014 EQC

A discussion of laws affecting ownership, jurisdiction and management of federal lands and an offering of solutions to effect desired improvements.

- Tom France, National Wildlife Federation attorney
- [Ken Ivory](#), Utah state representative
- [Peter Kolb](#), MSU Extension forestry specialist
- [Doyel Shamley](#), natural resource consultant
- John Tubbs, DNRC director
- Martha Williams, UM Law School professor

Feb. 20, 2014 SJ15 Work Group

Relationship of land ownership to border security

- Craig Duff, U.S. Customs and Border Protection, Havre Sector
- Rafael Cano, Assistant Chief Office of Border Patrol, Washington, DC

USFS Region One timber program update

- Tom Martin, Assistant Director of Renewable Resource Management
- Jim Innes, stewardship, timber sale preparation and Secure Rural Schools coordinator

March 6, 2014 SJ15 Work Group

Contracting with the Forest Service – Acquisition and Procurement in Region One

- Frank Preite, Director, Acquisition Management, USFS, Region 1 and Region 4
- [Dell McCann](#), Procurement Analyst, USFS, Region 1

Volunteer Partnerships and Agreements with the Forest Service

- Joni Packard, Regional Volunteer, Youth and Service Program Coordinator; Regional Conservation Education Coordinator; USFS Northern Region Missoula
- Bruce Hunn, volunteer
- Nancy Mehaffie, volunteer

March 19, 2014 EQC

Local government interaction with federal land management

- [Doyel Shamley](#), Veritas Research Consulting

- [Randy Phillips](#), USFS Liaison to the National Association of Counties

April 14, 2014 SJ15 Work Group

Forest management issues in Mineral County

- Duane Simons, Mineral County Commissioner
- Laurie Johnston, Mineral County Commissioner,
- Angelo Ververis, Chairman, Mineral County Resource Advisory Group
- Josef Kuchera, Mineral County Resource Advisory Group
- Kevin Chamberlain, Mineral County Extension Agent

April 28, 2014 SJ15 Work Group

Update on forest management issues in Mineral County

- Kevin Chamberlain, Mineral County Extension Agent
- Josef Kuchera, Mineral County Resource Advisory Group
- Laurie Johnston, Mineral County Commissioner
- Duane Simons, Mineral County Commissioner

Update on forest restoration landscape nominations

- [Bob Harrington](#), DNRC state forester
- Christine Dawe, Acting Director, Renewable Resource Management, USFS Region 1

Update on Montana-USFS Stewardship Agreement

- [Bob Harrington](#), DNRC state forester

May 14, 2014 EQC

Other state's efforts related to federal land management

- Wyoming - Sen. Eli Bebout, chair Federal Natural Resource Management Committee
- Idaho - Sen. Chuck Winder, chair, Federal Lands Interim Committee;
- Idaho attorney Bill Myers
- Utah - Rep. Keven Stratton, Public Lands Caucus
- Nevada - Elko County Commissioner Demar Dahl, chair Nevada Land Management Task Force

Update on forest management issues in Mineral County

- [James D. Arney](#), senior forest biometrician, Forest Biometrics Research Institute
- Duane Simons, Mineral County Commissioner

Index to SJ15 additional materials

Timber management, wildfire, and fuel treatment

- [USFS Region 1 Presentation to Montana Public Service Commission, 2013](#)
- [Relationships between moisture, chemistry, and ignition of Pinus contorta needles during the early stages of mountain pine beetle attack, Forest Ecology and Management, 2012](#)
- [Review of Fuel Treatment Effectiveness in Forests and Rangelands, USDA Rocky Mountain Research Station, 2011](#)
- [Joint Science Fire Program, Fuel Treatment Effects and Effectiveness](#)
- [USDA Office of Inspector General Audit: Forest Service Large Fire Suppression Costs, 2006](#)
- [Forest Health Trends in Montana, 2000-2012, Montana DNRC](#)
- [2012 EQC letter to Congress urging aggressive timber management on federal land](#)

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- Chief Thomas Tidwell [congressional testimony](#), June 2013
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- [Montana Legislature Fire Suppression Committee 2008 report: The Price of Flame](#)
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- [Residential Wildfire Exposure Estimates for Western United States](#)

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- [Research on volume of water held by over-dense timber stands. Forests and Water in the Sierra Nevada: Sierra Nevada Watershed Ecosystem Enhancement Project, Sierra Nevada Research Institute, UC Merced](#)
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- [Painted Rocks Burned Area Report, 2011](#)
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- [Montana-Idaho Interagency Smoke Management Coordination Strategy](#) , wildfire focused
- [Montana-Idaho Airshed Group's Operations Guide](#), prescribed fire focused
- [Joint Science Fire Program, Smoke Management and Air Quality](#)
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- The relationship of respiratory and cardiovascular hospital admissions to the southern California wildfires of 2003 ([Abstract only](#))
- [California Wildfires of 2008: Coarse and Fine Particulate Matter Toxicity](#)
- [Estimated Global Mortality Attributable to Smoke from Landscape Fires](#)
- Particle size-dependent radical generation from wildland fire smoke ([Abstract only](#))

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- [Administrative Appeals in the Bureau of Land Management and the Forest Service, Congressional Research Service 2013](#)
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- [Information on Appeals, Objections, and Litigation Involving Fuel Reduction Activities, Fiscal Years 2006 through 2008, Government Accountability Office, 2010](#)

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- [Region One road information](#)
- RS2477 - [Consent Decree](#) for State of Utah, BLM, environmental groups Aug. 2013
- RS2477 Background - [Government Accounting Office Opinion, Feb. 2004](#)
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- [Testimony](#) for Dr. K. George Beck, U.S. House Natural Resources Committee, 2013. Three percent of existing federal acres infested with invasive weeds were treated and restored in 2009.
- [BLM email on weed control budget for Montana](#)
- [Bark Beetle tree mortality in Montana](#)
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- [Invasive Species: Major Laws and the Role of Selected Federal Agencies](#), Congressional Research Service Report 2013

- [Forest Service National Strategic Framework for Invasive Species Management](#)
- [Forest Service Authorities for Invasive Species Management](#)

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DRAFT

Overview of Federally Held Public Lands

The Forest Service manages about 17 million acres in Montana as part of Region One, which includes another 8 million acres in Washington, Idaho, and the Dakotas. The budget for fiscal year 2012 is almost \$273 million an 8% decrease from the prior year.

For the most recent year, fire management accounted for about \$81 million in expenditures. All other management expenditures, for such things as grazing, recreations, and habitat, was about \$116 million.

Appendix A

Revenues from Forest Service lands have decreased nationwide over the last two decades as well as in Montana. In 2012, the Montana portion of Region 1 brought in just more than \$7 million. Of that, about \$3.9 million is timber related revenue. Recreational user fees are the second largest money maker at about \$1.9 million. Grazing and other land uses account for about a half million each in revenue.

Appendix B

In Montana, the BLM manages almost 8 million acres of surface land and \$37.8 million acres of subsurface minerals. **Appendix C**

The Montana-Dakotas unit of the BLM has a budget of about \$78 million in fiscal year 2013, an 8% increase from the previous year. The largest category of spending last year was land resources, which is the general management of lands for renewable resources, commercial and recreation uses, forest health, and habitat. A decrease was planned for 2013.

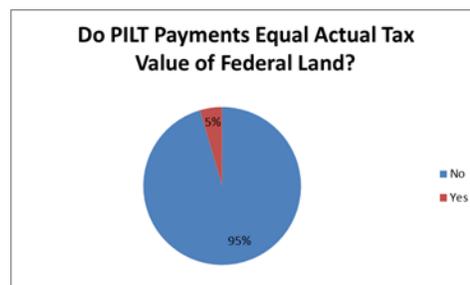
Almost \$8 million was spent in 2012 on energy and mineral management, a category planned to increase by almost another million dollars in 2013. More than \$12.5 million was spent for reduction of hazardous fuels and other fire-related costs. **Appendix D**

In fiscal year 2012, lands managed by the BLM in Montana produced about \$104 million in revenue, with almost \$99 million coming from mineral development. Coal was the largest money-maker at more than \$59 million. Grazing, timber, sales, recreation fees, and rights-of-way rentals made up most of the rest. **Appendix E**

Compensation for Public Lands

Federal lands are not subject to local or state taxes. For more than a century, Congress has been devising ways to compensate state and local governments for tax revenue that the federal land would have generated in taxes.

Revenue sharing is the oldest mechanism. The allocation of the revenue depends on the use that generates the money and historic purpose of the land. At least in the case of the Forest Service, revenue



sharing may be the simplest form of compensation. The agency returns 25% of gross revenues - be it generated from timber sales, grazing fees, or other uses - to be used for roads and schools within counties that have Forest Service land.⁴

In the mid-1970s, as the shift from disposal of federal lands to retention of was being articulated in law, a permanent source of funding for lost tax revenue was created. The Payment In Lieu of Taxes program includes a maximum per-acre payment that is reduced by the sum of revenue sharing payments and subject to a population cap.

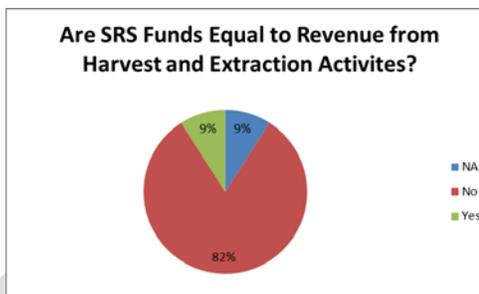
Declining timber sales and county payments in the 1990s led to the Secure Rural Schools Act of 2000, which provided counties with payments at the average of the three highest payments from 1986 to 1999. This act expired in 2012 but was renewed in 2013.

Revenue from BLM lands is allocated by individual laws.

Within a grazing district, about half of the grazing revenue benefits counties. Outside a district, the local share is generally 12%. About half of mineral royalties are sent to the states of origin. In Montana, 25% of the state's share goes to the county of origin.⁵

In 2012, Montana received \$99.1 million related to activities on federal lands, the largest portion, \$47.2 million, from mineral royalties. Almost half went to the state government, 40% to counties, 6% to schools and the rest to resource advisory councils and grazing districts.

See **Appendix F** for information on state and local payments. Mineral royalty payments to counties are included in **Appendix G**.



*Grazing allotment acreage reduction and increased fees has hurt the livestock producer.
Stillwater County*

⁴ Federal Land Management Agencies: Background on Land and Resource Management, February 27, 2001, Congressional Research Service. <http://www.nplnews.com/toolbox/fedreports/crs-fedlands.pdf>

⁵ 17-3-240, MCA.

Opposition to Federal Management

The 1970 report of the [Public Land Law Review Commission](#) and the subsequent passage of the Federal Land Policy Management Act were blows to Westerners who hoped the implied retention policy would be overturned. Instead, some disposal powers were repealed and the informal policy was put into black and white. The movement that ensued to turn federal lands over to the states is known as "The Sagebrush Rebellion" or "The Great Terrain Robbery."

The reaction included local ordinances, court challenges, federal regulatory changes, and proposals for new federal laws. Most efforts focused on BLM lands, but national forests also were included. Arizona, Hawaii, Idaho, New Mexico, Nevada, North Dakota, Utah, and Wyoming passed laws asserting state authority over federal land. Nevada's assertion that retaining the lands was unconstitutional was dismissed in court and none of the state laws were enforced.⁶

In general, the states asserted that federal lands were held in trust pending eventual disposal to the states.⁷

Montana legislators in 1981 offered two Sagebrush-related bills.

Senate Bill No. 123, sponsored by Sen. Mark Etchart, R-Glasgow, called for the title to federal lands transfer to the state.

It asserted that:

the attempted imposition upon the State of Montana by the Congress of the United States of a requirement in the Statehood Act that the state of Montana and its people "disclaim all right and title to the unappropriated public lands lying within (its) boundaries", as a condition precedent to acceptance of Montana into the Union, was an act beyond the power of the Congress of the United States and is thus void;

The bill claimed ownership of land, water, and minerals for federal lands outside of national parks, Indian reservations, national monuments, wilderness areas, and wildlife refuges, unless the refuge was larger than 400,000 acres.

Bernard Harkness of Dell, identified as chairman of the Sagebrush Rebellion, provided testimony that said, "The vesting of ownership and management of the public lands in Montana means a rebirth of the prestige and power of State Government and a long overdue withdrawal of the massive dominance and power of the federal bureaucracies in Montana."

⁶ Federal Land Ownership: Constitutional Authority and the History of Acquisition, Disposal, and Retention. 2007. Congressional Research Service.

⁷ Ibid.

Other supporters included the Montana Wood Products Association, Wool Growers, Montana Cowbellers, Cattleman's Association, and the Joint Council of Teamsters.

Opponents included the Audubon Society, a former forester for the Northern Region, and the Montana Environmental Information Center.

Fred Burnell of Stevensville noted that federal lands in western Montana are the source of much water.

"To break these lands by state boundaries and/or manage them through practices dictated by local rather than national needs would result in conditions critical and adverse to our national well being," said Burnell, representing the Montana Forestry School Alumni Executive Association.

Both opponents and supporters cited management of the Charles M. Russell National Wildlife Refuge as one factor among several for the legislation. In 1976, management responsibilities for the area were taken away from the BLM and given solely to the U.S. Fish and Wildlife Service.⁸

The bill passed the Senate, but died in the House. The other measure, House Joint Resolution No. 13, also died. It would have voiced legislative support for actions by western states to gain control of certain public lands within their boundaries.

At the national level, President Ronald Regan established the Property Review Board to review federal land for disposal.⁹

Although the president's action was seen as a nod to the sentiments of the Sagebrush Rebellion, the 1983 Montana Legislature reacted by passing a bill requiring the director of the Department of Natural Resources and Conservation to evaluate the sale or transfer of federal land within the state to determine:

whether there would be any impact on the management of state lands, on agricultural, wildlife, or recreational resources of the state, or on the cost of government services provided by the state, by any school district, or by any county, city, or other local government unit because of the sale or transfer.¹⁰

Concerns of westerners about federal land ownership and management continue to persist at the local, state, and national level.

⁸ History of the Refuge. http://www.fws.gov/refuge/Charles_M_Russell/about/history.html

⁹ The program stalled. The administration would not identify lands until Congress gave disposal authority and Congress would not approve the authority until lands were identified. Federal Land Ownership: Constitutional Authority and the History of Acquisition, Disposal, and Retention. 2007. Congressional Research Service.

¹⁰ 77-2-401, MCA.

In recent Montana legislative sessions, many bills addressed various aspects of federal land management, but three related specifically to disposal of federal land and another would have given land management power to counties.

House Joint Resolution No. 14 from 2007 said any sale of federal land proposed by Congress should include a right of first refusal at the appraised value for the state in which the federal land proposed for sale is located. It passed the Legislature.

In 2009, Senate Bill No. 34 broadened the existing definition of community decay to include the "natural accumulation of fuel, including noxious weeds, for fire that poses a threat to public health or safety." That would have allowed counties to regulate, control, and prohibit those particular aspects of community decay anywhere in the county. The bill passed the Senate but died in a House committee.

In 2011, House Bill No. 506 directed the Land Board to begin proceedings to have federally controlled lands that are not in accordance with the provisions of the United States Constitution transferred to Montana. It did not pass.

Senate Bill No. 254, also from 2011, gave the state eminent domain authority over federal lands except those possessed for the erection of certain buildings, including forts and dock yards. It passed the Legislature, but was vetoed.

Mineral County's economy is suffering due to this mismanagement of public lands within our county. We believe the solution is for the State of Montana or the local governments to reclaim the management of our states federally managed lands.
Mineral County

In addition to Montana, other states are debating federal land management too.

In 2012, Utah passed legislation requiring the United States to extinguish title to public lands and transfer title to the state before 2015.³⁷ The 2013 Legislature directed the Public Lands Policy Coordinating Office to conduct a study and economic analysis of the transfer of certain federal lands to state ownership.¹¹

¹¹ <http://le.utah.gov/~2012/bills/hbillenr/HB0148.pdf>

The 2013 Nevada Legislature created the Nevada Land Management Task Force to conduct a study addressing the transfer of public lands. Each of 17 counties has one representative on the task force, which is conducting the study in contemplation of Congress turning over federal land to the state by June 30, 2015.¹²

Wyoming in 2013 created a task force to study the transfer of public lands. The bill also requires the attorney general to report on possible legal options available to compel the federal government to relinquish ownership and management of specified federal lands in Wyoming.¹³

Idaho also created a committee to study of the process for the state to acquire title to and control of public lands controlled by the federal government.¹⁴

The Arizona Legislature in 2012 passed a law similar to Utah's, however it was vetoed by Gov. Jan Brewer, The veto message said the measure violated the state's Enabling Act as well as the Property Clause of the U.S. Constitution, which gives Congress the power to dispose of and set rules for federal property¹⁵

A bill proposed, but not passed, in Colorado would have required United States to cede or extinguish title to all agricultural public lands and transfer title to the state.¹⁶

State and Local Involvement

Federal Laws and Regulations

Management of federal lands in Montana and other states is the responsibility of federal agencies under powers granted by Congress. However, states and local entities may influence decisions in a number of ways.

Many land management decisions are subject to the National Environmental Policy Act, which requires federal agencies to integrate environmental considerations into the planning and decision-making process. Federal agencies required to comply with NEPA must do so in "cooperation with state and local governments" or other entities that have jurisdiction by law over the subject action or special expertise.¹⁷

¹² http://www.leg.state.nv.us/Session/77th2013/Bills/AB/AB227_R1.pdf

¹³ <http://legisweb.state.wy.us/2013/Enroll/HB0228V2.pdf>

¹⁴ <http://legislature.idaho.gov/legislation/2013/HCR021.pdf>

¹⁵ http://www.azleg.gov/legtext/50leg/2r/summary/s.1332bsfss_asvetoed.pdf

¹⁶

http://www.leg.state.co.us/clics/clics2013a/csl.nsf/fsbillcont/3BC575329E0E94BB87257A8E0073C714?Open&file=142_01.pdf

¹⁷ 42 U.S. Code § 4331

A cooperating agency can expect to be asked to provide information to the lead agency as well as providing some staff support. A cooperating agency will normally use its own funds. In short, cooperating agency status allows a state or local government a seat at the table when it comes to identifying issues and developing information.¹⁸

Cooperating agency status may provide a state and local government with better legal standing should

NEPA efficacies are currently a topic of concern and the Forest Service is evaluating them at the local, regional and national level. By improving and possibly streamlining the NEPA review process that has become overly burdensome for both the federal government and those who wish to participate in the comment process, land management projects could move from planning to implementation more quickly.
Missoula County

court action ensue. What cooperating agency status does not do is affect the lead agency's authority under NEPA.¹⁹

Laws governing the Forest Service and the BLM also speak to state and local influence. The Forest Service, under the Multiple-Use Sustained Yield Act of 1960 and the BLM under the Federal Land Policy and Management Act of 1976 are required to coordinate their natural resource and land planning processes with those of state, local, and tribal jurisdictions.

Changes to land and resource management plans on forest service lands must be coordinated with state and local governments.²⁰

The Forest Service is required to discuss the inconsistencies and document the extent to which the agency would reconcile its proposed action with the state or local plan or law.²¹ When designating roads and trails on Forest Service lands, the agency shall coordinate with counties, local governments, and tribal governments.²² However, federal regulations state that the Forest Service retains decision making authority and management may not be conformed to meet non-Forest Service objectives or policies.²³

¹⁸ 40 CFR 1501.6

¹⁹ Todd Everts, director of the Legal Services Office, has written extensively about state and local involvement in federal land management decisions. See Sept. 8, 2008 memorandum to the Fire Suppression Interim Committee. http://leg.mt.gov/content/Committees/Interim/2007_2008/fire_suppression/Cooperating_Agency_%20Status_Memo.pdf

²⁰ 16 U.S. Code § 1604

²¹ 40 C.F.R. 1506.2(d)

²² 36 CFR 212.53

²³ 36 CFR 219.4

The BLM planning process should be consistent with state and local plans to the "maximum extent" allowed by federal law. However, it should be noted that BLM regulations provide that where "state and local government policies, plans, and programs differ, those of the higher authority will normally be followed."²⁴

In addition to state, county, or city governments, other units of local government are eligible to coordinate. That includes school districts, irrigation districts, water quality districts, and fire districts. Coordination with federal land management agency planning processes can occur either through county growth policies or other local government authorized plans, policies, or laws.²⁵

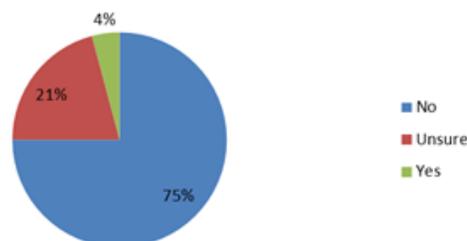
State and local entities have operated under these laws and regulations. Madison and Beaverhead counties were cooperating agencies for the revision of the Beaverhead-Deerlodge National Forest Plan.

*Because the Lolo National Forest is not adhering to our County Resource Use Plan the results are road closures, lost tax base, and loss of jobs.
Mineral County*

The counties of Jefferson, Madison, Beaverhead and the communities of Dillon and Whitehall were cooperating agencies on a proposal to build a transmission line.²⁶

A pilot project created by Congress in 2000 went further by providing a state with some authority to manage federal land. The threat of wildfire posed by dense stands of beetle killed trees led to the Good Neighbor pilot project. The legislation allowed the Colorado State Forest Service to reduce hazardous fuels and conduct other activities on national forest lands when doing similar work on Colorado state and private land. In some cases, the state could act as an agent of the federal government, however the projects are still covered by the National Environmental Policy Act.²⁷

Is Federal Land Management Consistent with County Objectives?



²⁴ 43 C.F.R. 1610.3-2

²⁵ Todd Everts memorandum to Rep. Chas Vincent, April 28, 2010.

²⁶ http://www.blm.gov/pgdata/etc/medialib/blm/mt/blm_programs/lands/msti.Par.79135.File.dat/MSTI-Winter-2012-Newsletter.pdf

²⁷ U.S. Government Accountability Office. Federal Land Management: Additional Documentation of Agency Experiences with Good Neighbor Authority Could Enhance Its Future Use. GAO-09-277, Feb 25, 2009 <http://www.gao.gov/products/GAO-09-277>

Subsequent legislation included the BLM and extended the authority to Utah. And earlier this year, the passage of the 2014 Farm Bill made the Good Neighbor Authority a nationwide policy.²⁸

Montana Laws

Montana legislators have long taken an interest in the management of federal lands within the state's borders. State laws on the subject focus on the authority state and local governments have when interacting with federal agencies.

Several Montana laws passed in recent years speak to involvement in federal land use decisions.

In 2007, the Legislature declared it the policy of the state, "to promote the sustainable use of all public forests within the state through sound management and collaboration with local, state, and federal entities."²⁹

To implement that policy, the Department of Natural Resources and Conservation:

- shall represent the state's interest in the federal forest management planning and policy process, including establishing cooperative agency status and coordination with federal agencies;
- may assist local government entities in establishing cooperative agency status and coordination with federal agencies;
- shall promote the development of an independent, long-term sustained yield calculation on Montana's federal forests;
- has the authority to intervene in litigation or appeals on federal forest management projects that comply with state policy and in which local and state interests are clearly involved or involve fuel-loading conditions that the department considers to be a significant threat to public health and safety;
- has the authority to enter into agreements with federal agencies to participate in forest management activities on federal lands; and
- shall participate in and facilitate collaboration between traditional forest interests in reaching consensus-based solutions on federal land management issues.³⁰

The Legislature did not appropriate funds specific to this statute and implementation of the provisions of 76-13-702, MCA that deal directly with the state engaging the federal government in land management decisions has been limited.

²⁸ Forestry Provisions in the 2014 Farm Bill, Congressional Research Service. <http://nationalaglawcenter.org/wp-content/uploads/assets/crs/R43431.pdf>

²⁹ 76-13-701, MCA.

³⁰ 76-13-702, MCA.

Amendments to 76-13-702, MCA to assist local government entities were made at the request of the Montana Fire Suppression Interim Committee, whose work in 2007 and 2008 included a study of federal land management.³¹

But the Fire Suppression Committee concluded that "federal agencies can implement very little change in forest management without change at the national and congressional levels."

In light of that finding, the committee sponsored a resolution urging Congress to grant a governor the authority declare a crisis when there is an excess of fire fuels on federal lands to create a process to fast-track a fuel reduction project. Another resolution sponsored by the committee asked that federal land management and wildfire policies be immediately modified to allow state and local governments to wildfire management activities and to minimize road closures that may restrict access to fight fires. Both resolutions passed the Legislature.³²

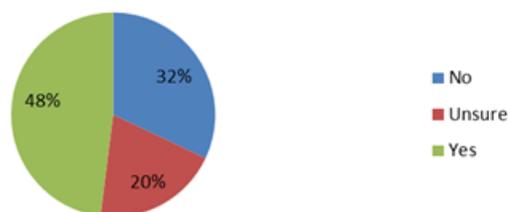
Realizing that the state may have more resources than local communities to deal with federal land management plans, the

Legislature in 2011 passed a bill allowing the Department of Commerce to advocate on behalf of local governments by reviewing, analyzing, and commenting on prospective impacts on local socioeconomic conditions from federal land management proposals. No requests to the department have been made.³³

The state, through the DNRC and the Department of Fish Wildlife and Parks provided legal support in 2012 in the form of an amicus brief for the Colt Summit Restoration and Fuels Project just north of Seeley Lake. **Appendix H**

We actively engage federal/and managers to ensure they are aware of our objectives as they relate to jobs, forest health, wildlife habitat, etc. In most instances we agree on management actions, but in cases where we have differing objectives we are usually able to come to a mutual understanding.
Missoula County

Is State Assistance Needed to Incorporate Local Objectives into Federal Land Management Actions?



³¹ http://leg.mt.gov/css/Committees/Interim/2007_2008/fire_suppression/default.asp

³² House Joint Resolutions Nos. 4 and 7.

³³ 90-1-18, MCA and 90-1-182, MCA

The 2013 Legislature passed several bills dealing with federal land management.

House Bill No. 169 clarified in statute that a county growth policy may be used as a resource management plan for the purposes of establishing coordination or cooperating agency status with a federal land management agency.³⁴

Two bills require the DNRC to advocate for federal legislation to establish a good neighbor policy that



Members of the EQC, Helena officials, and Forest Service officials inspect the Red Mountain Flume in September 2013.

would allow the secretary of the interior or the secretary of agriculture to enter into a cooperative agreement or contract that would authorize the state forester to reduce wildfire threats and protect watersheds on federal lands. Authority is sought in both bills to treat insect-infested trees and reduce hazardous fuels. Both Senate Bill No. 201 and Senate Bill No. 217 allow the attorney general to intervene in litigation or appeals.³⁵

State and Federal Agreements

Following the 2009 Legislature, the DNRC and Region One of the Forest Service signed a memorandum of agreement (MOA) acknowledging that both entities, "have obligations to the public in contributing to the quality of the human environment, the public health, and the regional economy and natural

³⁴ 76-1-607, MCA.

³⁵ <http://leg.mt.gov/bills/2013/billpdf/SB0201.pdf> <http://leg.mt.gov/bills/2013/billpdf/SB0217.pdf>

resource base. Our efforts will assist in maintaining a vibrant forest industry infrastructure in order to meet our natural resource goals." **Appendix I**

The agreement requires the Forest Service to:³⁶

- Serve as the responsible party for ensuring compliance with all applicable federal regulations and guidelines relating to federal land management planning and policy development.
- Systematically notify the DNRC of opportunities to participate in the development of individual Forest plan revisions and amendments at the Forest level and in future federal forest policy development at the Regional level.
- Retain decision making authority for management of the National Forests. This authority is not modified by the MOA.

The DNRC is required to:

- Participate in the development of individual Forest plan revisions, and Forest plan amendments. This may include, but is not limited to assisting in the development of draft planning documents and establishing environmental objectives and monitoring systems.
- Participate in the development of federal forest policy including but not limited to climate change, renewable energy standards, forest restoration, and water resource protection.
- Provide advice and information throughout the Forest plan revision or amendment process to enhance a cross-jurisdictional partnership. DNRC will provide information or data on particular issues, including social, economic and/or forest health and wildfire hazard concerns. DNRC may assemble and present the data or information with the assistance of experts retained by DNRC.



Under a new agreement, the state and the Forest Service will share costs to reduce fire hazards in the Ten Mile area.

This MOA does not obligate DNRC to expend funds at the request of the Forest Service in furtherance of activities contemplated by this MOA.

- Provide advice and information on regional management strategies and vegetation management project prioritization.
- Coordinate and communicate with the Forest Service regarding proposed planning documents and policies that require review and comment by the DNRC under this MOA.
- Work with the Montana forest products industry and the USDA- Forest Service Region One to improve communication and coordination regarding timber program issues, opportunities, and communications in order to sustaining a vibrant forest products infrastructure.

³⁶ The agreement expired in 2013. As of May 2014, revisions are under consideration. Correspondence with Bob Harrington, DNRC.

In September 2013, the DNRC and Northern Region of the USFS signed an agreement allowed under congressional authority “to achieve land management goals for the national forests that meet local and rural community needs.” The authority includes the ability to exchange goods, such as timber, for services, such as tree-thinning. Projects may include treatment of hazardous fuel loads, forest stand health improvements, and habitat enhancement. Non-timber related projects could include weed control and water-quality related improvements such as road maintenance, culvert replacements, and stream restoration. **Appendix J**



Chessman Reservoir is the primary drinking water source for the City of Helena.

The first project undertaking thought by the new agreement is logging and restoration work in the Ten Mile Watershed outside of Helena. The area supplies much of the drinking water for the city of Helena and has been hammered by mountain pine beetles in recent years, leaving thousands of dead trees around Chessman Reservoir. At risk is the Red Mountain Flume.

The EQC toured the area in September 2013 with city and federal officials.

Under the agreement, the state shares costs and personnel with the Forest Service. The project is on federal lands, but nearby lands have been treated for fuel reduction. The 490-acre project on Forest Service land include removal of trees that could fall and damage the flume. Fuel reduction along the flume and near the reservoir aims to reduce the chance the area would experience a high-intensity fire, creating buffer zones against erosion, ash and sediment damaging the flume or contaminating the reservoir during a forest fire.

Collaborative Efforts

There are representatives of varied groups in Montana with interests in federal land management that work within existing laws and regulations by forming collaborative groups.

Two of them include the Montana Forest Restoration Committee and the Southwestern Crown Collaborative.

The Montana Forest Restoration Committee formed in 2007 to help guide restoration of Montana’s national forests. Founding members included representatives of state and federal government, the wood products industry, environmental groups. The group's principles establish a “zone of agreement” where controversy, delays, appeals, and litigation are significantly reduced. The principles include

integrating restoration with socioeconomic well-being, an emphasis on sustainable management, and reestablishing fire as a natural process on the landscape.³⁷

There are local restoration committees in the Bitterroot, Helena and Lolo national forests as well as the Lincoln district and the Elkhorn Management Area. The group touts consensus on several projects.

In 2009, Congress established the Collaborative Forest Landscape Restoration Program. The goal is to encourage, "the collaborative, science-based ecosystem restoration of priority forest landscapes."³⁸

In 2010, the federal program awarded just more than \$1 million to the Southwestern Crown Collaborative, which covers the Bob Marshall Wilderness Complex and surrounding areas. State and federal officials are partners as well as representatives of other groups. Recent projects include stream restoration, weed control, and trail maintenance.³⁹

³⁷ <http://www.montanarestoration.org/home>

³⁸ <http://www.fs.fed.us/restoration/CFLRP/overview.shtml>

³⁹ <http://www.swcrown.org/>

Region, Station, and Area Allocations FY 2010 to FY 2012

Includes direct program + cost pool funding allocated to Regions, Stations, Areas, ASC and the National Headquarters in Washington, DC FY 2010 to FY 2012		Region 1 - Northern Region			Region 2 - Rocky Mountain Region		
<i>(dollars in thousands)</i>		FY10	FY11	FY12	FY10	FY11	FY12
Forest and Rangeland Research		\$2	\$0	\$0	\$42	\$58	\$63
State & Private Forestry							
	Forest Health Management - Federal Lands	\$2,885	\$3,136	\$2,015	\$2,729	\$2,614	\$1,331
	State Fire Assistance	1,886	1,702	1,297	3,077	2,416	1,954
	Forest Health Management - Cooperative Lands	496	835	435	684	1,123	1,623
	Volunteer Fire Assistance	446	425	425	776	741	740
	Forest Stewardship	618	1,165	700	1,138	2,388	1,240
	Forest Legacy Program	8,872	9,873	9,709	2,736	4,291	1,789
	Community Forest & Open Space Conservation	0	0	0	0	0	0
	Urban and Community Forestry	705	778	748	1,646	2,093	1,745
	Economic Action Program	0	0	0	0	0	0
	Forest Resources Information and Analysis	0	0	0	0	0	0
	International Forestry	0	0	0	0	0	0
Total State & Private Forestry		\$15,906	\$17,913	\$15,329	\$12,785	\$15,666	\$10,423
National Forest System							
	Collaborative Forest Landscape Restoration	\$0	\$45	\$6,503	\$0	\$4,438	\$4,149
	Land Management Planning	2,718	2,725	2,314	3,190	3,447	2,518
	Inventory and Monitoring	11,235	11,044	11,278	9,656	9,763	9,076
	Recreation, Heritage, and Wilderness	16,585	16,232	15,578	26,731	25,721	25,757
	Wildlife and Fisheries Habitat Management	10,660	10,441	0	8,925	8,683	9,289
	Grazing Management	5,337	5,210	6,216	7,821	7,735	8,946
	Forest Products	30,849	30,875	0	24,809	24,777	25,707
	Vegetation and Watershed Management	19,394	18,765	0	14,319	13,577	13,494
	Minerals and Geology Management	9,885	9,219	9,232	9,385	8,741	8,539
	Landownership Management	6,789	6,435	6,167	7,686	7,220	6,705
	Law Enforcement Operations	0	0	0	0	0	0
	Valles Caldera National Preserve	0	0	0	0	0	0
	Integrated Resource Restoration	0	0	58,698	0	0	0
Total National Forest System		\$113,452	\$110,990	\$115,986	\$112,521	\$114,102	\$114,180
Wildland Fire Management							
	Fire Preparedness	\$57,166	\$56,173	\$58,941	\$29,842	\$29,237	\$30,919
	Fire Operations -- Suppression	0	0	0	0	0	0
	Hazardous Fuels	24,896	22,510	17,325	30,236	30,354	27,327
	Rehabilitation and Restoration (NFP)	1,443	1,679	0	409	491	0
	Fire Research and Development (NFP)	0	0	0	0	0	0
	Joint Fire Sciences	0	0	0	0	0	0
	Forest Health Management -- Federal Lands (NFP)	3,060	2,913	1,993	3,500	3,333	1,919
	Forest Health Management -- Cooperative Lands (NFP)	971	2,082	1,590	897	1,560	1,164
	State Fire Assistance (NFP)	1,738	4,946	722	2,512	6,331	1,422
	Volunteer Fire Assistance (NFP)	707	706	500	840	839	593
	Collaborative Forest Landscape Restoration	2,029	7,059	0	1,446	114	0
Total Wildland Fire Management		\$92,010	\$98,067	\$81,070	\$69,682	\$72,258	\$63,345
Use of Prior Year Funds		\$0	\$0	\$0	\$0	\$0	\$0
FLAME Wildfire Suppression Reserve Fund		\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvement & Maintenance							
	Facilities	\$5,845	\$6,541	\$3,324	\$13,800	\$13,568	\$6,238
	Roads	19,395	16,098	15,289	25,768	22,841	19,081
	Trails	11,448	12,555	11,415	9,600	9,668	8,734
	Infrastructure Improvement	804	219	1,869	838	652	1,337
	Legacy Roads and Trails	12,149	5,158	0	4,187	3,699	3,644
Total Capital Improvement & Maintenance		\$49,641	\$40,572	\$31,897	\$54,193	\$50,428	\$39,035
Land Acquisition							
	Land Acquisition -- Land and Water Conservation Fund	\$831	\$1,359	\$831	\$272	\$699	\$541
	Acquisition of Lands for National Forests, Special Acts	0	0	0	0	0	0
	Acquisition of Lands to Complete Land Exchanges	0	0	0	0	0	0
Total Land Acquisition		\$831	\$1,359	\$831	\$272	\$699	\$541
Range Betterment Fund		\$271	\$270	\$0	\$513	\$505	\$0
Gifts, Donations, and Bequests for Research		\$0	\$0	\$0	\$0	\$0	\$0
Management of NF Lands for Subsistence Uses		\$0	\$0	\$0	\$0	\$0	\$0
TOTAL Forest Service (DISCRETIONARY)		\$272,114	\$269,172	\$245,113	\$250,008	\$253,717	\$227,587
Permanent Working Funds		\$20,351	\$14,918	\$14,383	\$19,602	\$15,019	\$16,432
Trust Funds		\$11,745	\$10,960	\$13,377	\$12,693	\$13,197	\$13,689
TOTAL ALL FUNDS		\$304,210	\$295,050	\$272,872	\$282,303	\$281,933	\$257,708

Totals do not include Payments to States.

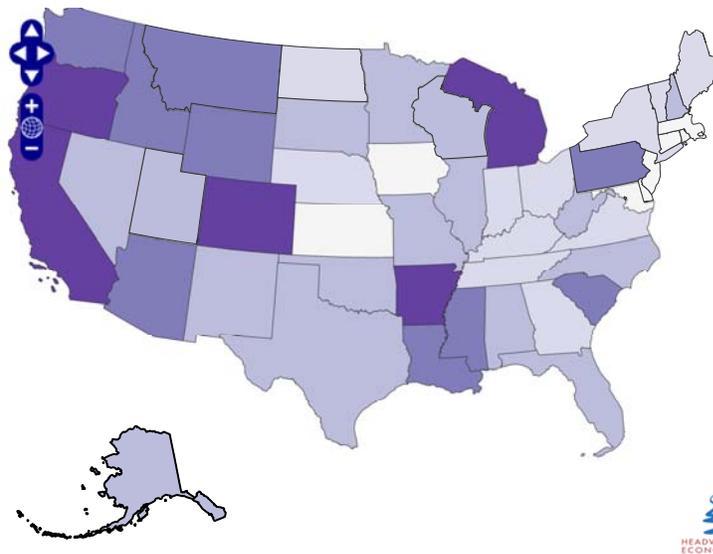
Permanent & Trust Fund amounts represent allocations for current year operations, not total receipts.

Appendix B

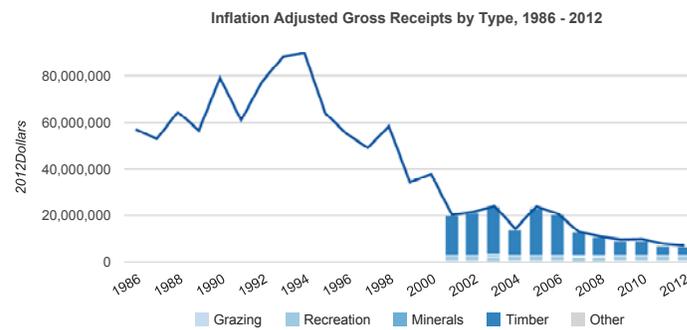
National Forest Gross Receipts from Commercial Activities, FY 1986-2012

Explore and Download National Forest Gross Receipts Statistics [Related Research »](#)

National Forests	
National Forest Regions	
States	
Gross Receipts in 2012 Dollars	
	< \$1M
	\$1M to \$5M
	\$5M to \$10M
	> \$10M
	No National Forests
Montana	
Class 1 - Timber	282,574
Class 2 - Grazing East	
Class 3 - Land Use	552,141
Class 4 - Recreation Spec Uses	1,993,127
Class 5 - Power	158,220
Class 6 - Minerals	21,310
Class 7 - Recreation User Fees	1,822
Class 8 - Grazing West	465,036
Class 9 - Quartz Crystals	
Total NFF Receipts	3,474,229
Knudson Vanderberg	1,444,364
Timber Purchaser Road Credits	
Specified Road Credits	240,336
Timber Salvage Sales	1,922,651
TPTP Revenue	
Grand Total	7,081,581



Montana



Note: From 1986 – 2000 the U.S. Forest Service provided only total revenues. Beginning in 2001, revenues were broken out by source.

[Download Data](#) (3.5MB Excel File)

[Data, Methods, Definitions, and Resources](#) (179K PDF)

National Forest Gross Receipts from Commercial Activities, FY 1986-2012

What's This?

This interactive map allows users to view and download data on gross receipts from all commercial activities on National Forests. Receipts are grouped in nine class codes (sources of receipts) associated with the National Forest Fund (NFF) and five additional class codes of receipts, deposits, or credits associated with the timber sale program (for a full description of the class codes, see the box on page 2).

Data are displayed in the map at the National Forest, State, and National Forest Region scale for the period Fiscal Year 1986 to 2012. Data are available to download at the Proclaimed National Forest, National Forest, State, and Forest Service Region scale.

Note: Headwaters Economics will update the map and database download as more data become available.

Why is it Important?

National Forests provide important economic opportunities to adjacent communities, ranging from commercial timber, grazing, and minerals extraction to recreation and the provision of ecosystem services such as clean air and water. The economic opportunities change over time and vary from community to community based on forest resources and policy, and also on community characteristics including access to markets, education, and tourism infrastructure.

Communities with federal public lands also receive payments to compensate for the non-taxable status of federally managed lands. Historically, these payments were linked to the value of gross receipts, and with the expiration of the Secure Rural Schools and Community Self-Determination Act at the end of FY 2011, payments again will be linked to commercial activities on public lands. Congress is considering extending or reforming how county payments are funded, and understanding historic and current levels of gross receipts will help decision-makers make better decisions.

The Forest Service makes statistics on gross receipts available to the public only for the last several years (currently FY 1986-2012), and only by downloading pdf's published on its website, making trend and comparative analysis difficult. These interactive maps allow users to track trends and easily compare gross receipts from timber, recreation, grazing, and other commercial uses of public lands across geographies. The download option makes data available in Microsoft Excel for more sophisticated analysis.

Additional Information about Receipts

National Forest Gross Receipts are reported by Proclaimed National Forest in the following classes and are used to calculate the 25% Payment to States:

Class 1 - Timber. Amounts collected and deposited into the timber sale deposit fund from the sale of timber and certain other forest products such as posts, poles and firewood. (It does not include interest, fines, penalties, or amounts in excess of contract stumpage rates collected in timber trespass, timber property, or other timber settlement activities.)

Class 2 - Grazing East (grazing except 16 Western States.) Amounts collected for all grazing trespass settlements for resource value and grazing fees, regardless of class of livestock, received for forage consumed on other than the sixteen western States (Class 8).

Class 3 - Land Use. Amounts collected for land uses including resource value of trespass settlements and entire amounts of pasture permit fees. (It does not include fees from land uses related to power, minerals, or recreation uses covered in other classes.)

Class 4 - Recreation Special Uses. Amounts collected for all types of recreation use except user fees collected under Land and Water Conservation Fund (class 7).

Class 5 - Power. Amounts collected for uses authorized by Forest Service permits or easements for all types of power generating projects and power transmission line rights-of-way

Class 6 - Minerals. Amounts collected from sale of minerals and permit fees. Includes mineral lease and permit fees collected by the United States Department of the Interior on acquired lands having National Forest status but does not include any mineral revenue derived from National Forest land which was established from the public domain.

Class 7 - Recreation User Fees. Amounts collected for admission and user fees at designated Land and Water Conservation Fund areas.

Class 8 - Grazing West. Amounts collected for grazing fees in national forests in the sixteen western States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.

Class 9 - Quartz Crystals. Amounts collected subject to Public Law 100-446 for quartz in Arkansas.

The following deposits, credits and collections are included in the calculation for sharing 25% of receipts in Payments to States:

KV Revenue includes collections under the Knutson-Vandenberg Act of June 9, 1930, as amended (16 U.S.C. 576-576b). The K-V Act authorizes collections from timber sale purchasers for sale area improvement work including reforestation.

Purchaser Road Credit and Specified Road Costs are, generally, credits, deposits or adjustments to payments by purchasers of timber sale contracts.

The Timber Salvage Sale receipts are payment for salvageable material used to facilitate the timely removal of timber damaged by fire, wind, insects, diseases, or other events.

TPTP, Timber Sale Pipeline Restoration Fund, is used for restoring the timber sale "pipeline" and addressing backlog recreation project needs. These funds are revenue from timber sales released under section 2001(k) of the fiscal year 1995 Supplemental Appropriations for Disaster Assistance and Recessions Act, minus payments to States and local governments and other necessary deposits (sec. 60.1, para. 27).

Source: U.S. Forest Service Secure Rural Schools Payments and Receipts, *Additional information about receipts*.

Data Sources

USDA Forest Service Secure Rural Schools Payments and Receipts, Receipts Reports. ASR 13-2, National Forest Statement of Receipts by State. FY 1986 to FY 2012.

http://www.fs.usda.gov/wps/portal/fsinternet!/ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gjAwhwtDDw9_AI8zPwhQoY6BdkOyoCAPkATIA!/?ss=119985&navtype=BROWSEBYSUBJECT&cid=null&navid=101130000000000&pnavid=101000000000000&position=BROWSEBYSUBJECT&type=main&pname=Secure%20Rural%20Schools-%20Payments%20and%20Receipts.

Note: Headwaters Economics will update the map and database download as more data become available.

Additional Resources

Headwaters Economics *Economic Profile System-Human Dimensions Toolkit* allows users to produce free, detailed socioeconomic profiles at a variety of geographic scales. The EPS-HDT software includes a detailed county-scale report on timber employment and income for every county in the nation. EPS-HDT was designed and funded in partnership with the Bureau of Land Management and the U.S. Forest Service. Download and install for free at <http://headwaterseconomics.org/tools/eps-hdt>.

In addition to Gross Receipts, Headwaters Economics also produced an interactive map, the Timber Cut and Sold Report for FY 1980-2012, that allows users to view and download cut and sold data on timber volume, value, and price at the National Forest, State, and National Forest Region scale:

<http://headwaterseconomics.org/land/commercial-activities-national-forests>.

See a summary of all Headwaters Economics analysis on county payments for examples of how these data can provide information that helps decision-makers make better decisions:

<http://headwaterseconomics.org/tools/county-payments-research/>.

Contact

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BLM ACREAGE - MONTANA FY 2012

Appendix C

COUNTY	SURFACE ACRES	SUBSURFACE ACRES
BILLINGS FIELD OFFICE		
Big Horn	0	39,140
Carbon	219,647	693,563
Golden Valley	7,844	67,365
Musselshell	101,904	251,516
Stillwater	5,560	244,542
Sweet Grass	15,834	357,493
Wheatland	1,195	84,623
Yellowstone	76,780	125,941
SUBTOTAL	428,764	1,864,183
WESTERN MONTANA DISTRICT OFFICE		
BUTTE FIELD OFFICE		
Beaverhead	12,868	60,715
Broadwater	68,619	287,366
Deer Lodge	5,377	255,469
Gallatin	7,284	662,407
Jefferson	94,285	586,914
Lewis & Clark	75,520	1,174,040
Park	8,323	913,681
Silver Bow	45,042	254,198
SUBTOTAL	317,318	4,194,790
WESTERN MONTANA DISTRICT OFFICE		
DILLON FIELD OFFICE		
Beaverhead	642,890	2,251,670
Madison	248,042	1,178,085
SUBTOTAL	890,932	3,429,755
WESTERN MONTANA DISTRICT OFFICE		
MISSOULA FIELD OFFICE		
Flathead	0	2,380,049
Granite	38,423	741,855
Lake	0	170,182
Lincoln	0	1,739,372
Mineral	0	626,654
Missoula	19,822	652,466
Powell	93,265	729,530
Ravalli	0	1,115,073
Sanders	0	900,684
SUBTOTAL	151,510	9,055,865
CENTRAL MONTANA DISTRICT OFFICE		
LEWISTOWN FIELD OFFICE		
Cascade	24,704	269,537
Chouteau (LFO)	40,851	108,526
Fergus	347,111	619,138
Judith Basin	11,770	351,011

BLM ACREAGE - MONTANA FY 2012

Meagher	9,795	510,332
Petroleum	325,852	443,151
Pondera	1,289	180,415
Teton	19,845	379,687
SUBTOTAL	781,217	2,861,797
HILINE DISTRICT OFFICE MALTA FIELD OFFICE		
Phillips	1,078,672	1,806,249
HILINE DISTRICT OFFICE GLASGOW FIELD OFFICE		
**Valley	**1,013,853	**1,398,147
HILINE DISTRICT OFFICE HAVRE FIELD OFFICE		
Blaine	452,598	771,154
Chouteau (HFO)	68,758	196,289
Glacier	1,083	390,431
Hill	14,132	153,771
Liberty	7,001	68,524
Toole	27,869	124,312
SUBTOTAL	571,441	1,704,481
SUBTOTAL ALL HDO	**2,663,966	**4,908,877
EASTERN MONTANA DISTRICT OFFICE MILES CITY FIELD OFFICE		
Big Horn	27,272	358,128
Carter	503,790	1,196,783
Custer	332,459	749,202
Daniels	200	390,517
Dawson	62,016	630,214
Fallon	115,261	254,410
Garfield	493,491	1,859,966
McCone	200,808	900,120
Powder River	255,875	1,510,503
Prairie	447,462	601,804
Richland	51,601	795,482
Roosevelt	4,197	327,372
Rosebud	230,056	752,721
Sheridan	261	871,159
Treasure	748	25,301
**Valley	**0	**1,398,147
Wibaux	26,033	213,797
SUBTOTAL	**2,751,530	**12,833,626

BLM ACREAGE - MONTANA FY 2012

MONTANA TOTAL	**7,985,237	**37,750,746
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****Valley County only added in once**

NOTES:

Chouteau Co. split between Havre Field Office and Lewistown Field Office

TOTAL SURFACE 109,609

TOTAL SUBSURFACE 304,815

Valley Co split between Glasgow Field Office and Miles City Field Office

TOTAL SURFACE 1,013,853

TOTAL SUBSURFACE 1,398,147

One of the reports that has been historically used for this report was pulling incorrect data from the Acreage Inventory database. Worked with IT to correct the situation 1/9/2013.

Appropriated Expenditures		
Budget Activity	FY2012 Spent	FY2013 Planned*
1000 Land Resources	\$16,180,205	\$15,492,000
1100 Wildlife and Fisheries	\$3,272,380	\$4,074,000
1150 Threatened and Endangered Species	\$1,228,983	\$1,180,000
1200 Recreation Management	\$4,122,629	\$4,230,000
1300 Energy and Minerals	\$7,996,252	\$8,865,000
1311 APD Processing Fee Account	\$1,529,232	\$1,404,000
1400 Realty and Ownership Management	\$3,277,965	\$3,214,000
1492 Communications Site Management	\$55,154	\$23,000
1600 Resource Protection and Maintenance	\$3,722,321	\$4,234,000
1650 Facilities Maintenance (includes 1660)	\$4,012,378	\$6,715,000
1711 NLCS - Natonal Monuments & National Conservation Areas	\$1,560,241	\$1,571,000
1770 Challenge Cost Share	\$688,259	\$231,000
1800 Workforce and Organization Support	\$4,147,526	\$3,800,000
1990 Mining Law Administration	\$1,501,774	\$1,527,000
2110 Construction	\$2,574	\$0
3111 Land Acquisition - Land and Water Acquisition Fund	\$1,156,000	\$5,572,000
3130 Acquisition Management - Land and Water Acquisition Fund	\$60,638	\$108,000
5900 Forest Ecosystems Health and Recovery	\$364,716	\$737,000
8100 Range Improvements, Public Domain Land	\$829,117	\$371,000
8200 Range Improvements, L.U. Lands	\$1,481,676	\$190,000
9141 Permit Processing Improvement Fund Expenditures	\$1,848,226	\$466,000
9420 Federal Lands Highway Program (ISTEA)	\$133,879	\$0
9620 Forest Pest Control	\$39,967	\$19,000
9820 Forest Service Cadastral Survey	\$20,814	\$41,000
LF1000 Fire Use and Management and Preparedness	\$6,960,391	\$6,779,000
LF2000 Emergency Stabilization and Rehabilitation	\$193,952	\$1,000
LF3100 Hazardous Fuels Reduction	\$5,508,385	\$4,345,000
LF3300 Deferrerd Maintenace and Capital Improvements	\$320,111	\$2,986,000
TOTAL	\$72,215,745	\$78,175,000

*2013 Planning Target Allocations with Carryover - Subject to Change (01/07/13)

Table 3-26. STATEMENT OF RECEIPTS BY SOURCE, FISCAL YEAR 2012

	Mineral Leases and Permits /a/	Sales of Timber	Sales of Land and Materials	Grazing Leases, Licenses, and Permits		
				Section 3	Section 15	Other
Alabama	\$0	\$0	\$0	\$0	\$0	\$0
Alaska	275,255	0	307,910	0	0	0
Arizona	262,632	75	948,335	351,504	152,967	0
Arkansas	0	0	0	0	0	0
California	1,392,393	268,553	743,245	107,424	106,052	0
Colorado	1,196,440	39,477	464,950	497,498	61,640	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	(52)	0	0	0
Idaho	76,028	(42,598)	231,337	1,374,301	39,303	0
Indiana	0	0	(71)	0	0	0
Iowa	0	0	0	0	0	0
Louisiana	1,194	0	0	0	0	0
Michigan	0	0	0	0	0	0
Minnesota	0	0	4,377	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	(126)	0	0	0
Montana	1,884,906	602,375	215,879	1,062,007	233,489	521,265
Nebraska	0	0	0	0	1,725	0
Nevada	1,039,054	27,267	10,649,922 /b/	1,874,197	12,320	0
New Mexico	3,109,833	48,137	4,297,665	1,652,644	274,913	31,540
North Dakota	2,850	0	7,643	0	12,402	0
Oklahoma	0	0	0	0	130	0
Oregon	67,142	20,238,229	338,376	1,090,293	40,710	8,187
South Dakota	0	33,747	20	212	180,460	0
Texas	0	0	0	0	0	0
Utah	743,399	12,701	690,381	1,139,825	0	0
Virginia	0	0	0	0	0	0
Washington	39,927	385,681	1,600,485	0	42,350	0
Wisconsin	0	0	1,000	0	0	0
Wyoming	2,714,132	40,522	2,358,258	1,375,147	643,096	0
Total Operating Revenue	\$12,805,185	\$21,654,166	\$22,859,534	\$10,525,052	\$1,801,557	\$560,992

Table 3-26. STATEMENT OF RECEIPTS BY SOURCE, FISCAL YEAR 2012--continued

	Mineral Leases and Permits /a/	Sales of Timber	Sales of Land and Materials	Grazing Leases, Licenses, and Permits		
				Section 3	Section 15	Other
Percent	9.06%	15.31%	16.17%	7.44%	1.27%	0.40%
Mining Claim and Holding Fees /c/	\$65,776,392					
Application for Permit to Drill Fees	\$34,261,500					
Non-Operating Revenue /d/	\$36,230,011					
Grand Total	\$149,073,088	\$21,654,166	\$22,859,534	\$10,525,052	\$1,801,557	\$560,992

Table 3-26. STATEMENT OF RECEIPTS BY SOURCE, FISCAL YEAR 2012—continued

	Fees and Commissions	Rights-of-Way Rent	Rent of Land	Recreation Fees	Other Sources	Total
Alabama	\$0	\$0	\$328	\$0	\$0	\$328
Alaska	540	272,415	111,344	314,159	6,491	1,288,114
Arizona	931	10,596,072	245,588	1,464,512	843	14,023,459
Arkansas	300	0	0	0	0	300
California	650	17,929,759	134,452	3,621,085	9,861	24,313,474
Colorado	1,337	1,768,007	35,861	569,964	752	4,635,926
Delaware	50	0	0	0	0	50
District of Columbia	0	0	0	0	116	116
Florida	100	480	0	0	0	528
Idaho	13,274	1,948,833	37,996	786,507	76,657	4,541,638
Indiana	0	0	0	0	0	(71)
Iowa	100	0	0	0	0	100
Louisiana	100	0	0	0	0	1,294
Michigan	50	0	0	0	0	50
Minnesota	550	0	1,300	0	0	6,227
Mississippi	10	0	0	0	0	10
Missouri	160	0	0	0	0	34
Montana	2,210	260,745	58,395	382,530	1,075	5,224,876 /e/
Nebraska	0	179	0	0	0	1,904
Nevada	1,302	7,742,420	118,502	3,641,559	8,429	25,114,972
New Mexico	3,099	2,738,231	6,612	461,802	(118)	12,624,358 /e/
North Dakota	120	891	0	0	0	23,906
Oklahoma	0	0	0	0	127	257
Oregon	771	1,493,350	109,173	2,523,073	277,907	26,187,211 /f/
South Dakota	110	13,586	0	0	46	228,181
Texas	0	0	0	0	1	1
Utah	2,563	2,933,515	20,263	3,061,573	11,162	8,615,382
Virginia	0	0	0	61,515	296	61,811
Washington	40	108,279	11,368	0	141	2,188,271
Wisconsin	120	19,417	0	0	250	20,787
Wyoming	5,228	4,882,057	30,371	254,134	2,621	12,305,566
Total Operating Revenue	\$33,715	\$52,708,236	\$921,553	\$17,142,413	\$396,657	\$141,409,060

Table 3-26. STATEMENT OF RECEIPTS BY SOURCE, FISCAL YEAR 2012–concluded

	Fees and Commissions	Rights-of-Way Rent	Rent of Land	Recreation Fees	Other Sources	Total
Percent	0.03%	37.27%	0.65%	12.12%	0.28%	100.0%
Mining Claim and Holding Fees /c/						\$65,776,392
Application for Permit To Drill Fees						\$34,261,500
Non-Operating Revenue /d/						\$36,230,011
Grand Total	\$33,715	\$52,708,236	\$921,553	\$17,142,413	\$396,657	\$277,676,963

- /a/ Includes bonus bids and first year rentals. All subsequent rents and royalties are collected by the Office of Natural Resources Revenue (ONRR), which performs revenue management functions formerly performed by the Minerals Management Service (MMS). Information on revenue collected by the ONRR or the MMS may be found on the ONRR’s website at <http://www.onrr.gov/>.
- /b/ Includes Southern Nevada Public Land Management Act (SNPLMA) collections of \$7,766,644.
- /c/ Includes mining claim collections of \$1,455,528 and mining claim holding fee collections of \$64,320,864.
- /d/ Includes receipts from fines, penalties, forfeitures, recovery fees, service charges, and road maintenance of \$35,463,526; interest received from delinquent debt of \$14,321; interest from investments under SNPLMA of \$717,513; and interest from the Lincoln County Land Act of \$34,651.
- /e/ Includes Land Utilization Project lands purchased by the Federal Government under Title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012) and subsequently transferred to the Department of the Interior. Bankhead-Jones Farm Tenant Act receipts from livestock grazing and other resources totaled \$2,422,663.
- /f/ Includes Oregon & California receipts of \$19,228,680, Coos Bay Wagon Road receipts of \$1,628,456, and receipts from public domain sales and other categories of \$5,330,075.



**Reported Revenues
Federal Onshore in Montana
For FY 2012
By Accounting Year**

Revenue Type	Commodity	Product	2012		
			Sales Volume	Sales Value	Revenue
Reported Royalties	Coal (ton)	Coal (ton)	22,630,600.00	\$383,177,462.42	\$44,508,350.67
	Gas (mcf)	Coal Bed Methane (mcf)	2,330,308.44	\$6,467,396.25	\$793,229.72
		Gas Lost - Flared or Vented (mcf)	334.77	\$2,140.88	\$267.63
		Processed (Residue) Gas (mcf)	54,826.03	\$203,175.82	\$22,858.76
		Unprocessed (Wet) Gas (mcf)	15,559,417.76	\$35,759,587.54	\$4,110,183.76
		NGL (gal)	Gas Plant Products (gal)	2,077,678.04	\$3,793,845.33
	Oil (bbl)	Condensate (bbl)	199.00	\$15,609.08	\$1,951.14
		Drip or Scrubber Condensate (bbl)	1,192.50	\$101,409.13	\$10,653.91
		Oil (bbl)	2,667,306.38	\$231,342,865.57	\$27,458,762.85
	Other Products	Sulfur (lton)	4,992.88	\$45,533.16	\$3,181.06
Rents	Coal				\$112,056.00
	Hardrock				(\$3,259.00)
	Oil & Gas				\$2,294,207.38
	Phosphate				\$1,409.00
Bonus	Coal				\$14,630,440.00
	Oil & Gas				\$4,228,945.75
Other Revenues	Oil & Gas				\$235,827.76
Total				\$660,909,025.18	\$98,706,189.95

A Profile of Federal Land Payments

State of Montana

Produced by
Economic Profile System-Human Dimensions Toolkit
EPS-HDT
August 9, 2013

About EPS-HDT

About the Economic Profile System-Human Dimensions Toolkit (EPS-HDT)

EPS-HDT is a free, easy-to-use software application that produces detailed socioeconomic reports of counties, states, and regions, including custom aggregations.

EPS-HDT uses published statistics from federal data sources, including Bureau of Economic Analysis and Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

The Bureau of Land Management and Forest Service have made significant financial and intellectual contributions to the operation and content of EPS-HDT.

See www.headwaterseconomics.org/eps-hdt for more information about the other tools and capabilities of EPS-HDT.

For technical questions, contact Ray Rasker at eps-hdt@headwaterseconomics.org, or 406-570-7044.



Headwaters Economics is an independent, nonprofit research group. Our mission is to improve community development and land management decisions in the West.



www.blm.gov

The Bureau of Land Management, an agency within the U.S. Department of the Interior, administers 249.8 million acres of America's public lands, located primarily in 12 Western States. It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.



www.fs.fed.us

The Forest Service, an agency of the U.S. Department of Agriculture, administers national forests and grasslands encompassing 193 million acres. The Forest Service's mission is to achieve quality land management under the "sustainable multiple-use management concept" to meet the diverse needs of people while protecting the resource. Significant intellectual, conceptual, and content contributions were provided by the following individuals: Dr. Pat Reed, Dr. Jessica Montag, Doug Smith, M.S., Fred Clark, M.S., Dr. Susan A. Winter, and Dr. Ashley Goldhor-Wilcock.

Table of Contents

	Page
Federal Land Payments	
What are federal land payments?	1
How are federal land payments distributed to state and local governments?	2
How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?	3
How important are federal land payments to state and local governments?	4
How important are federal land payments to state and local governments (user input data)?	5
Federal Land Payment Programs	
What are Payments in Lieu of Taxes (PILT)?	6
What is Forest Service Revenue Sharing?	7
What is BLM Revenue Sharing?	8
What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?	9
What are Federal Mineral Royalties?	10
Data Sources & Methods	11
Links to Additional Resources	12

Note to Users:

This report is one of fourteen reports that can be produced with the EPS-HDT software. You may want to run another EPS-HDT report for either a different geography or topic. Topics include land use, demographics, specific industry sectors, the role of non-labor income, the wildland-urban interface, the role of amenities in economic development, and payments to county governments from federal lands. Throughout the reports, references to on-line resources are indicated by superscripts in parentheses. These resources are provided as hyperlinks on each report's final page. The EPS-HDT software also allows the user to "push" the tables, figures, and interpretive text from a report to a Word document. For further information and to download the free software, go to:

www.headwaterseconomics.org/eps-hdt

Federal Land Payments

What are federal land payments?

This page describes all federal land payments distributed to state and local governments by the geography of origin.

Components of Federal Land Payments to State and Local Governments by Geography of Origin, FY 2012 (2012 \$s)

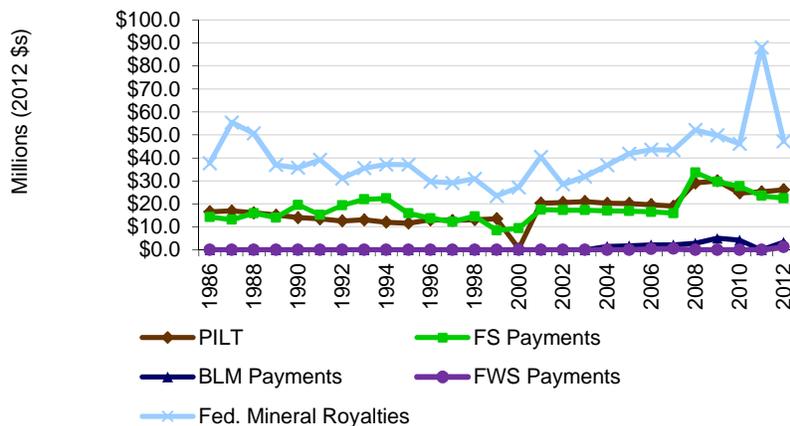
	Montana	U.S.
Total Federal Land Payments by Geography of Origin (\$)		
PILT	99,190,548	2,902,317,025
Forest Service Payments	26,151,999	393,044,454
BLM Payments	22,460,192	323,195,391
USFWS Refuge Payments	3,320,902	64,789,838
USFWS Refuge Payments	1,215,706	0
Federal Mineral Royalties	47,257,455	2,125,288,105

Percent of Total

PILT	26.4%	13.5%
Forest Service Payments	22.6%	11.1%
BLM Payments	3.3%	2.2%
USFWS Refuge Payments	1.2%	0.0%
Federal Mineral Royalties	47.6%	73.2%

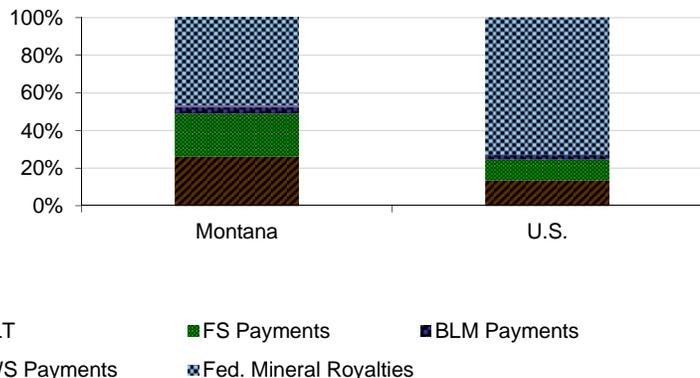
- From FY 1986 to FY 2012, Forest Service revenue sharing payments grew from \$14,293,261 to \$22,460,192, an increase of 57 percent.

Components of Federal Land Payments per FY, Montana



- In FY 2012, Federal Mineral Royalties made up the largest percent of federal land payments in Montana (47.6%), and USFWS Refuge Payments made up the smallest (1.2%).

Components of Federal Land Payments, FY 2012



Data Sources: U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

What are federal land payments?

What do we measure on this page?

This page describes all federal land payments distributed to state and local governments by the geography of origin.

Federal land payments: These are federal payments that compensate state and local governments for non-taxable federal lands within their borders. Payments are funded by federal appropriations (e.g., PILT) and from receipts received by federal agencies from activities on federal public lands (e.g., timber, grazing, and minerals).

Payments in Lieu of Taxes (PILT): These payments compensate county governments for non-taxable federal lands within their borders. PILT is based on a maximum per-acre payment reduced by the sum of all revenue sharing payments and subject to a population cap.

Forest Service Revenue Sharing: These are payments based on USFS receipts and must be used for county roads and local schools. Payments include the 25% Fund, Secure Rural Schools & Community Self-Determination Act, and Bankhead-Jones Forest Grasslands.

BLM Revenue Sharing: The BLM shares a portion of receipts generated on public lands with state and local governments, including grazing fees through the Taylor Grazing Act and timber receipts generated on Oregon and California (O & C) grant lands.

USFWS Refuge: These payments share a portion of receipts from National Wildlife Refuges and other areas managed by the USFWS directly with the counties in which they are located.

Federal Mineral Royalties: These payments are distributed to state governments by the U.S. Office of Natural Resources Revenue. States may share, at their discretion, a portion of revenues with the local governments where royalties were generated.

Federal Fiscal Year: FY refers to the federal fiscal year that begins on October 1 and ends September 30.

Why is it important?

State and local government cannot tax federally owned lands the way they would if the land were privately owned. A number of federal programs exist to compensate county governments for the presence of federal lands. These programs can represent a significant portion of local government revenue in rural counties with large federal land holdings.

Before 1976, all federal payments were linked directly to receipts generated on public lands. Congress funded PILT with appropriations beginning in 1977 in recognition of the volatility and inadequacy of federal revenue sharing programs. PILT was intended to stabilize and increase federal land payments to county governments. More recently, the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) decoupled USFS payments from commercial receipts. SRS received broad support because it addressed several major concerns around receipt-based programs--volatility, the payment level, and the incentives provided to counties by linking federal land payments directly to extractive uses of public lands.

PILT and SRS each received a significant increase in federal appropriations in FY 2008 through the Emergency Economic Stabilization Act of 2008. Despite the increased appropriations, SRS is authorized only through FY 2011, PILT only through FY 2012, and federal budget concerns are creating uncertainty for the future of both.

Methods

Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and some states that make discretionary distributions of mineral royalties and some BLM payments.

Significance of Data Limitations: USFWS data limitations are relatively insignificant at the federal level (data gaps on local distributions of USFWS Refuge revenue sharing is less than one percent of total federal land payments in FFY 2009) but may be important to specific local governments with significant USFWS acreage. Federal mineral royalties represent a more significant omission in states that share a portion of royalties with local governments. Federal mineral royalties made up 68% of federal land payments in the U.S. in FFY 2008.

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W., M. Lynne Corn, and Carol Hardy Vincent. 1999. Federal Land Management Agencies' Permanently Appropriated Accounts. Congressional Research Service Report RL30335.

Trends in federal land payments are closely tied to commodity extraction on public lands. For more on the economic importance (in terms of jobs and income) of these activities, see the EPS-HDT Socioeconomic Measures report and other industry specific reports at headwaterseconomics.org/eps-hdt⁽¹⁾.

For data on federal land ownership, see the EPS-HDT Land Use report at headwaterseconomics.org/eps-hdt⁽¹⁾.

Data Sources

U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payments

How are federal land payments distributed to state and local governments?

This page describes how federal land payments are distributed to state and local governments by geography of origin.

Distribution of Federal Land Payments to State and Local Governments by Geography of Origin, FY 2012 (2012 \$s)

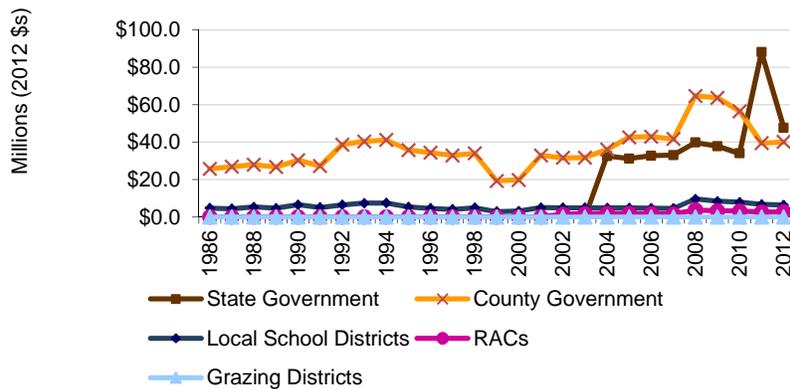
	Montana	U.S.
Total Federal Land Payments by Geography of Origin (\$)		
State Government	99,190,548	2,902,317,025
County Government	47,655,379	2,126,066,386
Local School Districts	40,133,739	604,077,390
RACs	6,377,067	123,460,025
Grazing Districts	2,713,307	35,424,877
	2,311,056	13,435,599

Percent of Total

State Government	48.0%	73.3%
County Government	40.5%	20.8%
Local School Districts	6.4%	4.3%
RACs	2.7%	1.2%
Grazing Districts	2.3%	0.5%

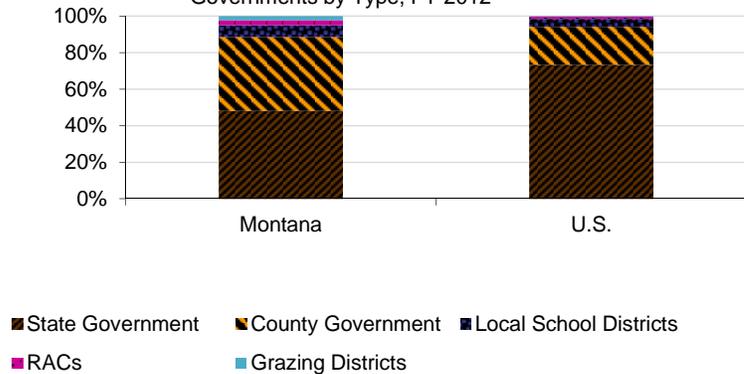
- From FY 1986 to FY 2012, the amount county governments received in federal land payments grew from \$25,723,884 to \$40,133,739, an increase of 56 percent.

Distribution of Federal Land Payments to State and Local Governments per FY, Montana



- In FY 2012, State Government made up the largest percent of federal land payments in Montana (48%), and Grazing Districts made up the smallest (2.3%).

Distribution of Federal Land Payments to State and Local Governments by Type, FY 2012



Data Sources: U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

How are federal land payments distributed to state and local governments?

What do we measure on this page?

This page describes how federal land payments are distributed to state and local governments by geography of origin.

Why is it important?

A variety of state and local governments receive federal land payments, and the way these payments are distributed explains who benefits. For example, PILT is directed to county government only, while USFS payments are shared between county government and schools. If USFS payments decline, the PILT formula ensures that county government payments will increase, but school districts will not share in the increased PILT payments. While PILT and SRS have decoupled local government payments from commercial activities on public lands, all the federal land payments delivered to state government (mineral royalties, BLM revenue sharing payments) are still linked directly to how public lands are managed. This means state legislators and governors have a different set of expectations and incentives to lobby for particular outcomes on public lands than do county commissioners or school officials.

Methods

State Government Distributions: Consist of: (1) federal mineral royalties and (2) portions BLM revenue sharing. States make subsequent distributions to local government according to state and federal statute (see note about data limitations).

County Government Distributions: Consist of: (1) PILT; (2) portions of Forest Service payments including Secure Rural Schools and Community Self-Determination Act (SRS) Title I and Title III, 25% Fund, and Forest Grasslands ; (4) BLM Bankhead-Jones; (4) USFWS Refuge revenue sharing; and (5) discretionary state government distributions of federal mineral royalties where these data are available.

Local School District Distributions: Consist of portions of SRS Title I, 25% Fund, and Forest Grasslands.

Resource Advisory Council (RAC) Distributions: Consist of SRS Title II. These funds are retained by the Federal Treasury to be used on public land projects on the national forest or BLM land where the payment originated. Resource Advisory Committee (RAC) provides advice and recommendations to the Forest Service on the development and implementation of special projects on federal lands as authorized under the Secure Rural Schools Act and Community Self-Determination Act, Public Law 110-343. Each RAC consists of 15 people representing varied interests and areas of expertise, who work collaboratively to improve working relationships among community members and national forest personnel.

Grazing District Distributions: Consist of BLM Taylor Grazing Act payments.

Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W., M. Lynne Corn, and Carol Hardy Vincent. 1999. Federal Land Management Agencies' Permanently Appropriated Accounts. Congressional Research Service Report RL30335.

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Data Sources

U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payments

How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?

This page describes the amount of money distributed to county governments (federal land payments distributed to the state, school districts, grazing districts, and RACs are excluded) based on the permitted uses of federal land payments.

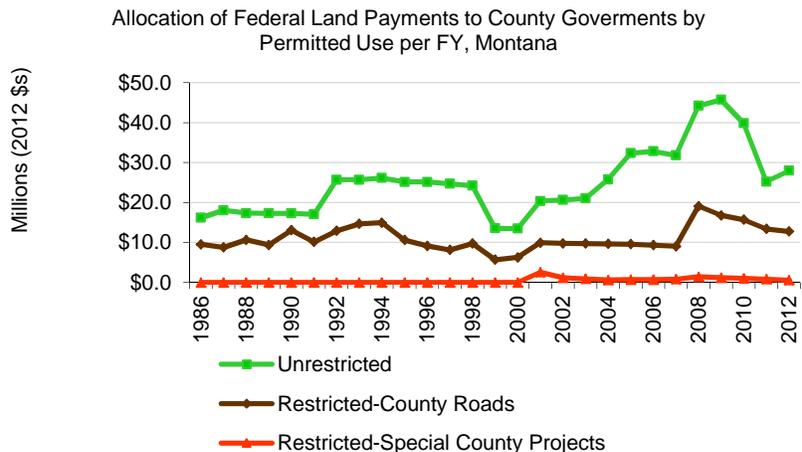
Allocation of Federal Land Payments to County Government by Permitted Use, FY 2012 (2012 \$)

	Montana	U.S.
Total Federal Land Payments to County Government (\$)		
Unrestricted	40,133,739	604,077,390
Restricted-County Roads	27,979,627	430,431,476
Restricted-Special County Projects	12,773,284	153,867,499
Restricted-Special County Projects	596,534	15,997,209
Percent of Total		
Unrestricted	69.7%	71.3%
Restricted-County Roads	31.8%	25.5%
Restricted-Special County Projects	1.5%	2.6%

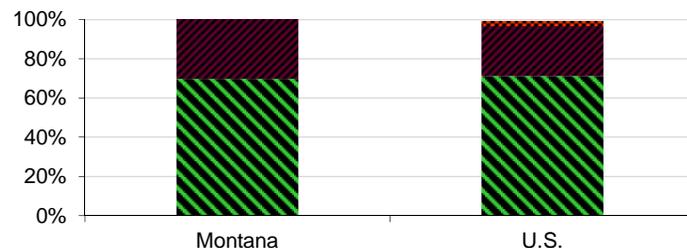
- From 1986 to 2012, unrestricted federal land payments grew from \$16,190,279 to \$27,979,627, an increase of 73 percent.

- From FY 1986 to FY 2012, federal land payments restricted to county roads grew from \$9,533,605 to \$12,773,284, an increase of 34 percent.

- In FY 2012, unrestricted federal land payments were the largest type of payment to the county government in Montana (69.7%), and restricted-special county projects were the smallest (1.5%).



Allocation of Federal Land Payments to County Governments by Permitted Use, FY 2012



- Restricted-Special County Projects
- Restricted-County Roads
- Unrestricted

Data Sources: U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?

What do we measure on this page?

This page describes the amount of money distributed to county governments (federal land payments distributed to the state, school districts, grazing districts, and RACs are excluded) based on the permitted uses of federal land payments.

Why is it important?

County governments can incur a number of costs associated with activities that take place on federal public lands within their boundaries. For example, counties must maintain county roads used by logging trucks and recreational traffic traveling to and from federal lands, and they must pay for law enforcement and emergency services associated with public lands. Several federal land payment programs, particularly those from the Forest Service, are specifically targeted to help pay for these costs.

Methods

Unrestricted: Consist of (1) PILT, (2) U.S. Fish and Wildlife Service Refuge Revenue Sharing, and (3) any distributions of federal mineral royalties from the state government.

Restricted--County Roads: Consist of (1) Secure Rural Schools and Community Self-Determination Act (SRS) Title I, (2) Forest Service 25% Fund, (3) Forest Service Owl payments (between 1993 and 2000 only), and (4) Forest Grasslands. Federal law mandates payments be used for county roads and public schools. Each state determines how to split funds between the two services.

Restricted--Special County Projects: Consist of (1) SRS Title III funds that are distributed to county government for use on specific projects, such as Firewise Communities projects, reimbursement for emergency services provided on federal land, and developing community wildfire protection plans.

Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W. 2008. The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties. Congressional Research Service Report RL33822.

Data Sources

U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payments

How important are federal land payments to state and local governments?

This page describes federal land payments as a proportion of total county and state government general revenue.

Federal Land Payments as a Share of Total General Government Revenue, Thousands of FY 2007 (2012 \$s)

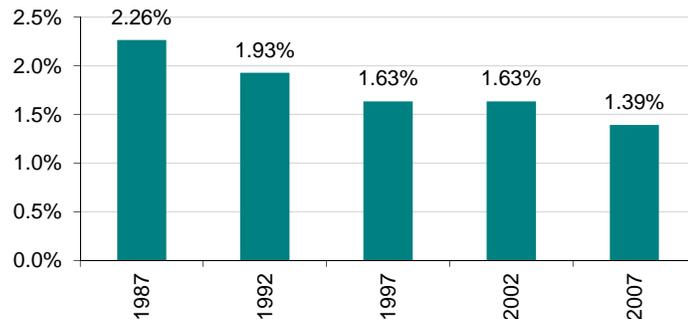
	Montana	U.S.
Total General Revenue	5,747,145	na
Taxes	2,568,231	na
Intergovernmental Revenue	2,008,049	na
Total Charges	550,388	na
All Other (Miscellaneous)	620,477	na
Federal Land Payments (FY 2006)	79,992	3,178,970

Percent of Total

Taxes	44.7%	na
Intergovernmental Revenue	34.9%	na
Total Charges	9.6%	na
All Other (Miscellaneous)	10.8%	na
Federal Land Payments (FY 2006)	1.4%	na

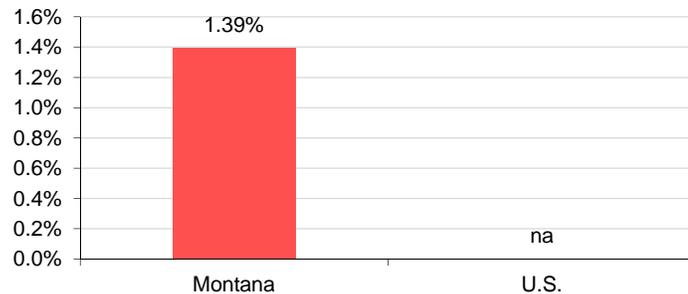
Federal Land Payments per FY, Percent of Total General Government Revenue, Montana

- From FY 1987 to FY 2007, federal land payments shrank from 2.3 to 1.4 percent of total general government revenue, a decrease of 39 percent.



Federal Land Payments, Percent of Total General Government Revenue, FY 2007

- In FY 2007, federal land payments as a percent of total general government revenue in Montana was 1.4%.



Data Sources: U.S. Department of Commerce. 2009. Census Bureau, Governments Division, Washington, D.C.; U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

How important are federal land payments to state and local governments?

What do we measure on this page?

This page describes federal land payments as a proportion of total county and state government general revenue.

Reporting Period: State and local financial data is from the U.S. Census of Governments, conducted every five years. The latest was for Fiscal Year (FY) 2007. Federal land payments reported for FY 2006 are received by state and local government during FY 2007.

Interactive Table: Census of Government county financial statistics are based on a national survey and may not match local government financial reports. The interactive table on the next page allows the user to input data gathered from primary sources to avoid these data limitations and update data for the latest year.

Taxes: All taxes collected by state and local governments, including property, sales, and income tax.

Intergovernmental Revenue: Payments, grants, and distributions from other governments, including federal education, health care, and transportation assistance to state governments, and state assistance to local governments.

Total Charges: Charges imposed for providing current services, including social services, library, and clerk and recorder charges.

All Other (Miscellaneous): All other general government revenue from their own sources.

Why is it important?

County payments are an important component of local government fiscal health for a handful of rural counties with a large share of land in federal ownership. For counties with fewer public lands and larger economies, federal land payments are a small piece of a much broader revenue stream. Counties most dependent on federal land payments are affected most by changes in distribution and funding levels. For these counties, volatility and uncertainty makes budgeting and planning difficult.

Methods

Reporting Period: The Census of Government FY covers the period July 1 to June 30 for most states and counties and does not match the federal FY beginning October 1 and ending September 31. Federal land payments reported for the current FY are often distributed to counties during the following FY. For example, Forest Service payments authorized and appropriated for FY 2007 are delivered to counties in January of 2008, during the Census of Government FY 2008. To correct for the different reporting periods, federal land payments allocated in FY 2006 are compared to local government revenue received in FY 2007.

Federal Land Payments Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).

Census of Governments Data Limitations: (1) county financial statistics may not match local government financial reports for three main reasons: (a) The Census of Government defines the general county government as the aggregation of the parent (county) government and all agencies, institutions, and authorities connected to it (including government and quasi-governmental entities). This may differ from the way local governments define themselves for budgeting purposes; (b) different reporting periods between the Census of Governments fiscal year and the reporting period used by local governments (for example, some counties use a calendar year for reporting purposes); and (c) survey methods introduce error; (2) the last published edition of the Census of Governments was FY 2007, before the recent increase in payments from SRS and PILT; and (3) federal land payments data limitations may under-represent the importance of federal land payments relative to other sources of county revenue.

Additional Resources

U.S. Census Bureau State and Local Government Finance statistics can be downloaded at: census.gov/govs/estimate/⁽²⁾.

For a detailed description of Census of Governments survey methods, survey year (fiscal year), and definitions, see: 2006 Government Finance and Employment Classification Manual at census.gov/govs/⁽³⁾.

Schuster, Ervin G. and Krista M. Gebert. 2001. Property Tax Equivalency on Federal Resource Management Lands. *Journal of Forestry*. May 2001 pp 30-35.

Ingles, Brett. 2004. Changing the Funding Structure: An Analysis of the Secure Rural School and Community Self-Determination Act of 2000 on National Forest Lands. Environmental Science and Public Policy Research Institute, Boise State University.

Data Sources

U.S. Department of Commerce. 2009. Census Bureau, Governments Division, Washington, D.C.; U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payments

How important are federal land payments to state and local governments?

This page compares federal land payments as a proportion of total general county government revenues, based on local government financial data entered directly into the table by the user.

Instructions: Use the Interactive Table below to input data (enter data only in the shaded cells). Data entered will automatically update the table and figures below. See the Instructions in the Study Guide for help on where to find county data.

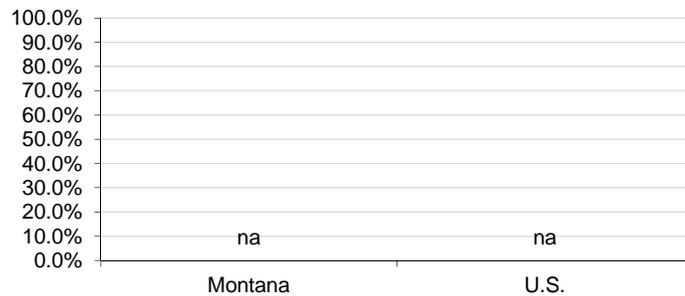
Federal Land Payments as a Share of Total General Government Revenue, Thousands of FY 2007 (2009 \$s)

	Montana	U.S.
Total General Revenue	0	na
Taxes		na
Intergovernmental Revenue		na
Total Charges		na
All Other (Miscellaneous)		na
Federal Land Payments (FY 2009)	40,133,739	604,077,390

Percent of Total

Taxes	na
Intergovernmental Revenue	na
Total Charges	na
All Other (Miscellaneous)	na
Federal Land Payments (FY 2009)	na

Federal Land Payments, Percent of Total General Government Revenue, FY 2007



Data Sources: U.S. Department of Commerce. 2009. Census Bureau, Governments Division, Washington, D.C.; U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

How important are federal land payments to state and local governments?

What do we measure on this page?

This page compares federal land payments as a proportion of total general county government revenues, based on local government financial data entered directly into the table by the user.

Why is it important?

Federal land cannot be taxed by state and local governments, reducing their tax capacity and potentially making it difficult for jurisdictions with significant federal land ownership to fund basic services, including education, transportation, and public safety. In addition, local governments in

Instructions

1. Enter County Data into Interactive Table: Fill in the shaded cells in the Interactive Table with data you obtain from the county's Audited Financial Statements or Annual Financial Reports. Data entered into the Interactive Table will automatically update all relevant tables and figures on this page.

Audited Financial Statements: Most states require county governments to complete annual audits of government financial reports and to report these to the state. Audited annual financial statements are the best source for local financial data because they report statistics for the entire general county government as a whole, and they are standardized, allowing for easy comparison between geographies.

Annual Financial Reports: Using unaudited financial statements from the county government is another option. Annual financial statements are less desirable because they often are not aggregated for the general county government, but are organized into funds. Annual financial reports are not standardized across local governments and some work may be required to understand the accounting basis for these reports.

2. Enter Federal Land Payments Data: Fill in the shaded cells in the Interactive Table with federal land payments data for the year immediately prior to the year for which you entered government financial data. These data can be found on page 2 of this report, or in the hidden "Calcs" worksheet. To unhide worksheets, right click on any worksheet tab and click unhide.

3. Update Text in Tables, Figures, and Bullets: Table and figure headings and bullets that describe the reporting period and geographies covered must be updated to reflect the year of data entered, and the geographies covered.

Additional Resources

Honadle, Beth W., James M. Costa, and Beverly A. Cigler. 2004. *Fiscal Health for Local Governments*. Elsevier Academic Press. San Diego.

If you have questions about how to use the Interactive Table, contact Headwaters Economics at eps-hdt@headwaterseconomics.org, or (406) 570-5626.

Data Sources

U.S. Department of Commerce. 2009. Census Bureau, Governments Division, Washington, D.C.; U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.; U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.; U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payment Programs

What are Payments in Lieu of Taxes (PILT)?

This page describes Payments in Lieu of Taxes (PILT).

PILT Eligible Acres by Agency, FY 2012

	Montana	U.S.
Total Eligible Acres	27,294,552	603,387,852
BLM	7,813,106	241,861,793
Forest Service	17,020,333	187,590,701
Bureau of Reclamation	272,428	3,972,758
National Park Service	1,203,604	76,429,319
Military	0	328,137
Army Corps of Engineers	558,640	7,945,024
U.S. Fish and Wildlife Service	426,441	85,236,773
Other Eligible Acres	0	23,347
PILT Payment (2012 \$s)	26,151,999	393,044,454
Avg. Per-Acre Payment (2012 \$s)	0.96	0.65

Percent of Total

BLM	28.6%	40.1%
Forest Service	62.4%	31.1%
Bureau of Reclamation	1.0%	0.7%
National Park Service	4.4%	12.7%
Military	0.0%	0.1%
Army Corps of Engineers	2.0%	1.3%
U.S. Fish and Wildlife Service	1.6%	14.1%
Other Eligible Acres	0.0%	0.0%

Payments in Lieu of Taxes (PILT) per FY, Montana



- From FY 1986 to FY 2012, PILT payments grew from \$16,617,280 to \$26,151,999, increased of 57 percent.

Avg. Per-Acre Payment (2012 \$s)



- In FY 2012, Montana had the highest average per-acre PILT payment (\$0.96), and the U.S. had the lowest (\$0.65).

Data Sources: U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.

Study Guide and Supplemental Information

What are Payments in Lieu of Taxes (PILT)?

What do we measure on this page?

This page describes Payments in Lieu of Taxes (PILT).

Congress authorized PILT in 1976 in recognition of the volatility and inadequacy of federal revenue sharing payment programs to compensate counties for non-taxable federal lands within their borders (Public Law 94-565). PILT increases and stabilizes county government revenue sharing payments by paying counties based on a per-acre average "base payment" that is reduced by the amount of revenue sharing payments and is subject to a population cap.

A low average per-acre PILT payment may indicate significant revenue sharing payments from the previous year or that the county's population is below the population cap that limits the base per acre payment.

PILT is permanently authorized, but congress must appropriate funding on an annual basis. PILT was typically not fully funded until FY 2008 when counties received a guarantee of five years at full payment amounts (FY 2008 to FY 2012 payments).

Why is it important?

As county payments became more important to local government after WWII (largely due to high timber extraction levels to fuel the post-war housing and economic growth), volatility became an issue. PILT increased and stabilized payments by funding counties from congressional appropriations rather than directly from commodity receipts. PILT payments are also important because they are not restricted to particular local government services, but can be used at the discretion of county commissioners to fund any local government needs.

Additional Resources

The U.S. Department of the Interior maintains an online searchable database of PILT payments and eligible PILT acres by county and state total. Data are available back to FY 1999 at: doi.gov/nbc/index.cfm⁽⁴⁾.

Schuster, Ervin G. 1995. PILT - Its Purpose and Performance. *Journal of Forestry*. 93(8):31-35.

Corn, M. Lynne. 2008. PILT (Payments in Lieu of Taxes): Somewhat Simplified. Congressional Research Service Report RL31392.

Data Sources

U.S. Department of Interior. 2009. Payments in Lieu of Taxes (PILT), Washington D.C.

Federal Land Payment Programs

What is Forest Service Revenue Sharing?

This page describes Forest Service revenue sharing programs, including the Secure Rural Schools and Community Self-Determination Act (SRS), 25% Fund, and Forest Grasslands.

Forest Service Revenue Sharing Payments, FY 2012 (2012 \$s)

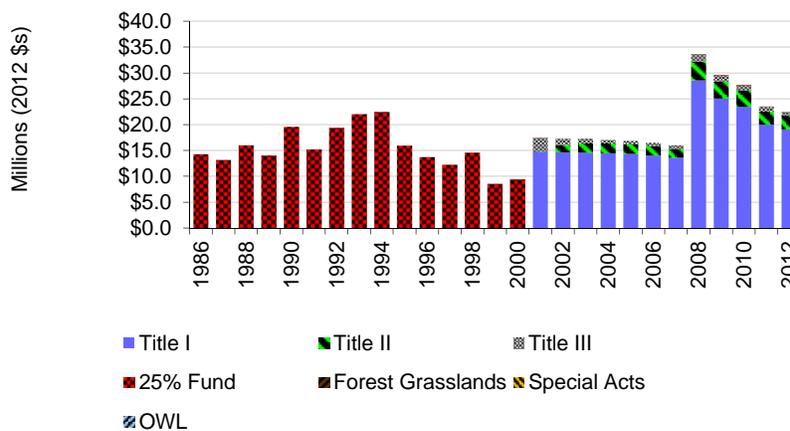
	Montana	U.S.
Forest Service Total	22,460,192	323,195,391
Secure Rural Schools Total	22,380,415	305,792,128
Title I	19,070,573	259,777,009
Title II	2,713,307	31,939,953
Title III	596,534	14,075,166
25% Fund	79,777	11,240,438
Forest Grasslands	0	0
Special Acts	0	6,162,825

Percent of Total

Secure Rural Schools Total	99.6%	94.6%
Title I	84.9%	80.4%
Title II	12.1%	9.9%
Title III	2.7%	4.4%
25% Fund	0.4%	3.5%
Forest Grasslands	0.0%	0.0%
Special Acts	0.0%	1.9%

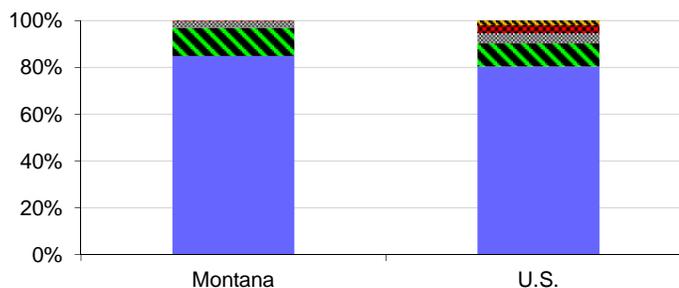
Forest Service Revenue Sharing per FY, Montana

- From FY 1986 to FY 2012, Forest Service revenue sharing payments grew from \$14,293,261 to \$22,460,192, an increase of 57 percent.



- In FY 2012, Title I payments were the greatest portion of Forest Service revenue sharing in Montana (84.9%), and Forest Grasslands were the smallest (0%).

Forest Service Revenue Sharing, FY 2012



■ Title I ■ Title II ■ Title III ■ 25% Fund ■ Forest Grasslands ■ Special Acts

Data Sources: U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

What is Forest Service Revenue Sharing?

What do we measure on this page?

This page describes Forest Service revenue sharing programs, including the Secure Rural Schools and Community Self-Determination Act (SRS), 25% Fund, and Forest Grasslands.

U.S. Forest Service 25 Percent Fund: The 25% Fund, established in 1908, shares revenue generated from the sale of commodities produced on public land with the county where the activities take place. Twenty-five percent of the value of public land receipts are distributed directly to counties and must be used to fund roads and schools. States determine how to allocate receipts between these two local services.

The Secure Rural Schools and Community Self-Determination Act of 2000 (SRS), or Public Law 106-393: SRS was enacted in FY 2001 to provide 5 years of transitional assistance to rural counties affected by the decline in revenue from timber harvests on federal lands. SRS was reauthorized for a single year in 2007, and again in 2008 for a period of four years. The SRS Act has three titles that allocate payments for specific purposes.

- Title I - these payments to counties make up 80 to 85 percent of the total SRS payments and must be dedicated to funding roads and schools. States determine the split between these two services, and some states let the counties decide.
- Title II - these funds are retained by the federal treasury to be used on special projects on federal land. Resource advisory committees (RACs) at the community level help make spending determinations and monitor project progress.
- Title III - these payments may be used to carry out activities under the Firewise Communities program, to reimburse the county for search and rescue and other emergency services, and to develop community wildfire protection plans.

What is the Relationship Between the 25% Fund and SRS? Counties elect to receive Secure Rural Schools Payments, or to continue with 25% Fund payments. Most counties have elected to receive Secure Rural Schools payments. Some counties, particularly in the East, continue to prefer 25% Fund payments to Secure Rural Schools.

Forest Grasslands: Forest Grasslands are lands acquired by the Forest Service through the Bankhead-Jones Farm Tenant Act of 1937 (P.L. 75-210). The Act authorized acquisition of damaged lands to rehabilitate and use them for various purposes. Receipts from activities on Forest Grasslands are shared directly with county governments.

Special Acts: These include Payments to Minnesota (Act of June 22, 1948, 16 U.S.C. 577g), payments associated with the Quinault Special Management Area in Washington (P.L. 100-638, 102 Stat. 3327), and receipts from the sale of quartz from the Ouachita National Forest in Arkansas (§423, Interior Appropriations Act for FY1989; P.L. 100-446, 102 Stat. 1774). Payments to Minnesota provides a special payment (75% of the appraised value) for lands in the Boundary Waters Canoe Area in St. Louis, Cook, and Lake counties. The Forest Service shares 45 percent of timber receipts from the Quinault Special Management Area with both the Quinault Indian Tribe and with the State of Washington. Congress directed the Forest Service to sell quartz from the Ouachita National Forest as common variety mineral materials (rather than being available under the 1872 General Mining Law), with 50 percent of the receipts to Arkansas counties with Ouachita National Forest lands for roads and schools.

Why is it important?

USFS revenue sharing is the largest source of federal land payments to counties on a national basis (federal mineral royalties are distributed to states). For some counties it provides a significant portion of total local government revenue. Payments became important after WWII when timber harvests on the National Forests increased sharply in response to post-war housing and economic growth.

As the timber economy shifted and ideas about public land management changed, harvests declined and county payments along with it. Congress addressed these changes by authorizing "owl" transition payments in the Pacific Northwest, and later extended the concept of transition payments nationally in 2000 with the SRS act. SRS changed USFS revenue sharing in three fundamental ways: SRS (1) decoupled county payments from National Forest receipts traditionally dominated by timber, (2) introduced new purposes of restoration and stewardship through Title II funds that pay for projects on public lands, and (3) addressed payment equity concerns by adjusting county and school payments based on economic need (the Title I formula is adjusted using each county's per capita personal income).

SRS transition payments are only authorized through FY 2011, at which point Congress must decide to extend and/or reform SRS, or allow it to expire. If SRS expires, counties will again receive payments from the 25% Fund, recoupling payments directly to commercial activities on public land.

Additional Resources

Secure Rural Schools and Community Self Determination Act payments available at: fs.usda.gov/pts/⁽⁵⁾.

Gorte, Ross W. 2008. The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties. Congressional Research Service Report RL33822.

Data Sources

U.S. Department of Agriculture. 2009. Forest Service, Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Federal Land Payment Programs

What is BLM Revenue Sharing?

This page describes BLM payments to states and local governments. Payments are derived from a variety of revenue-generating activities on BLM land, including revenue from the sale of land and materials, grazing, and minerals leasing.

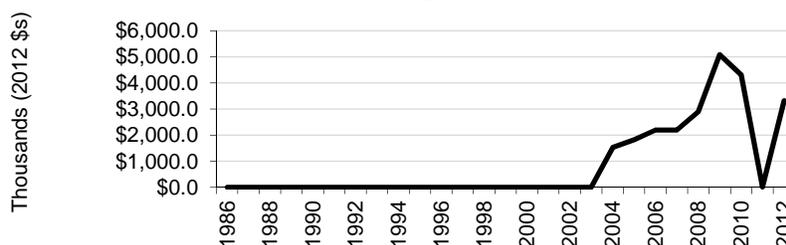
BLM Payments to States and Local Governments, FY 2012 (2012 \$s)

	Montana	U.S.
Total BLM Payments (\$)	3,320,902	64,789,838
Proceeds of Sales	611,922	10,527,859
Mineral Leasing Act	0	220,448
Taylor Grazing Act	2,311,056	13,435,599
State Payments	397,924	4,559,487
National Grasslands	0	0
O&C and CBWR land grants	0	36,046,446
Title I	0	30,639,479
Title II	0	3,484,924
Title III	0	1,922,043

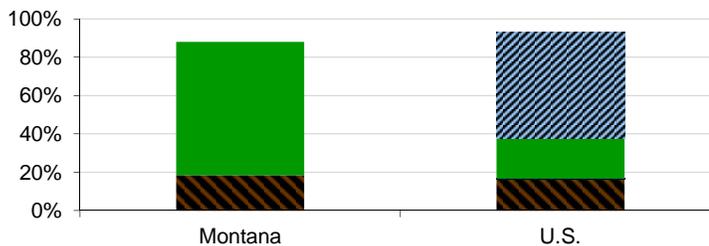
Percent of Total

Proceeds of Sales	18.4%	16.2%
Mineral Leasing Act	0.0%	0.3%
Taylor Grazing Act	69.6%	20.7%
State Payments	12.0%	7.0%
National Grasslands	0.0%	0.0%
O&C and CBWR land grants	0.0%	55.6%
Title I	0.0%	47.3%
Title II	0.0%	5.4%
Title III	0.0%	3.0%

BLM Revenue Sharing per FY, Montana



BLM Revenue Sharing, FY 2012



- In FY 2012, Taylor Grazing Act payments were the greatest portion of BLM revenue sharing in Montana (69.6%), and Mineral Leasing Act payments were the smallest (0%).



Data Sources: U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

Study Guide and Supplemental Information

What is BLM Revenue Sharing?

What do we measure on this page?

This page describes BLM payments to states and local governments. Payments are derived from a variety of revenue-generating activities on BLM land, including revenue from the sale of land and materials, grazing, and minerals leasing.

Proceeds of Sales: These include receipts from the sale of land and materials.

Mineral Leasing Act: These include Oil and Gas Right of Way lease revenue and the National Petroleum Reserve - Alaska Lands. Royalties from mineral leasing on BLM lands are distributed by the Office of Natural Resources Revenue.

Taylor Grazing Act: The Taylor Grazing Act, June 28, 1934, established grazing allotments on public land and extended tenure to district grazers. In 1936 the Grazing Service (BLM) enacted fees to be shared with the county where allotments and leases are located. Funds are restricted to use for range improvements (e.g., predator control, noxious weed programs) in cooperation with BLM or livestock organizations.

- Section 3 of the Taylor Grazing Act concerns grazing permits issued on public lands within grazing districts established under the Act.
- Section 15 of the Taylor Grazing Act concerns issuing grazing leases on public lands outside the original grazing district established under the Act.

National Grasslands: Revenue derived from the management of National Grasslands under the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012), and Executive Order 10787, November 6, 1958.

Oregon and California Land Grants: These include (1) the Oregon and California (O&C) land grant payment and (2) Coos Bay Wagon Road (CBWR) payment administered by the Secure Rural Schools and Community Self-Determination Act. Amounts include Title I, Title II, and Title III payments (see the Forest Service revenue sharing section in this report for definitions and information on the Secure Rural Schools and Community Self-Determination Act).

Why is it important?

The BLM is the nation's largest land owner, and activities that take place on BLM lands can be extremely important to adjacent communities. Similarly, the non-taxable status of BLM lands is important to local government who must provide services to county residents, and provide public safety and law enforcement activities on BLM lands. BLM revenue sharing programs provide resources to local governments in lieu of property taxes (and these revenue sharing dollars are supplemented by PILT).

Methods

BLM data on this page are from BLM FRD 196 and FRD 198 reports. The FRD 196 reports receipts by county and state of origin while the FRD 198 reports actual distribution amounts to state and local governments. FRD 198 is not available for some years, so the FRD 196 report is used. To arrive at distribution amounts from receipts, the Legal Allocation of BLM Receipts (Table 3-31 of BLM Public Land Statistics) was used. Some error is likely. In addition, some data are obtained directly from states. Distribution statistics obtained from the state or local government are related to the previous FY's reported distributions (BLM distributions reported for federal FY 2008 are received and reported by state and local government in FY 2009.)

Additional Resources

BLM Public Land Statistics are available at the Annual Reports and Public Land Statistics website:

blm.gov/wo/st/en/res/Direct_Links_to_Publications/ann_rpt_and_pls.html⁽⁶⁾.

Information about the Taylor Grazing Act is available at: blm.gov/wy/st/en/field_offices/Casper/range/taylor.1.html⁽⁷⁾.

Data Sources

U.S. Department of Interior. 2009. Bureau of Land Management, Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt.

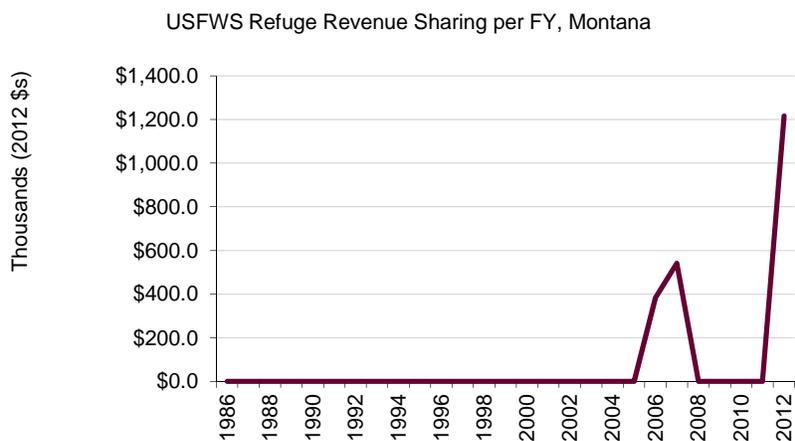
Federal Land Payment Programs

What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?

This page describes U.S. Fish and Wildlife Service Refuge revenue sharing.

USFWS Refuge Revenue Sharing Payments, FY 2012 (2012 \$s)

	Montana	U.S.
USFWS Refuge Revenue Share	1,215,706	0



Study Guide and Supplemental Information

What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?

What do we measure on this page?

This page describes U.S. Fish and Wildlife Service Refuge revenue sharing.

Twenty-five percent of the net receipts collected from the sale of various products or privileges from Refuge lands, or three-quarters of one percent (0.75%) of the adjusted purchase price of Refuge land, whichever is greater, is shared with the counties in which the Refuge is located.

Why is it important?

National Wildlife Refuges and other lands administered by the U.S. Fish and Wildlife Service do not pay property taxes to local governments. The Refuge revenue sharing program is intended to compensate counties for non-taxable Refuge lands. As with other revenue sharing programs, these payments can be important if USFWS ownership is a large percentage of all land in the county, reducing the ability of the local government to raise sufficient tax revenue to provide basic services. In addition, linking payments to revenue derived from USFWS lands can create incentives for local government officials to lobby for particular uses of public land.

Methods

Data Limitations: The USFWS publishes a database of Refuge revenue sharing payments for FY 2006 and FY 2007 only, and does not make data available for other years for the nation. Data on Refuge revenue sharing may be obtained directly from the receiving county government. County governments may request county-specific Refuge revenue sharing payment data from U.S. Fish and Wildlife Services, Division of Financial Management, Denver Operations.

Significance of Data Limitations: Data limitations are relatively insignificant on the national scale (USFWS Refuge revenue sharing payments were about 4% of total federal land payments for the United States in FY 2007), however they may be significant for counties that have large areas managed by USFWS.

Additional Resources

A detailed description of USFWS Refuge revenue sharing payments is available on the U.S. Fish and Wildlife Service Realty website at: fws.gov/refuges/realty/rrs.html⁽⁸⁾.

The Refuge Revenue Sharing Database is available at: fws.gov/refuges/realty/RRS/2007/RevenueSharing_Search_2007.cfm⁽⁹⁾. The database currently only includes payments for FY 2006 and FY 2007. The agency does not provide data for the nation for additional years.

Data Sources

U.S. Department of Interior. 2007. U.S. Fish and Wildlife Service, Washington, D.C.

Federal Land Payment Programs

What are Federal Mineral Royalties?

This page describes components of federal mineral royalty distributions to state and local governments.

Federal Mineral Royalties by Source, FY 2012 (2012 \$s)

	Montana	U.S.
Total Federal Royalty	47,257,455	2,125,288,105
Royalties	40,638,766	1,780,047,913
Coal	22,024,320	395,253,669
Natural Gas	7,433,548	526,526,796
Gas Plan Products	157,901	157,165,064
Oil	11,187,884	624,962,787
Other	-164,887	76,139,597
Non-Royalty Revenue	6,618,689	341,207,786
Rents	1,110,404	23,808,205
Bonus	9,248,904	347,036,932
Other Revenues	-3,740,619	-29,637,351
Geothermal	0	3,718,406
GOMESA	0	314,000

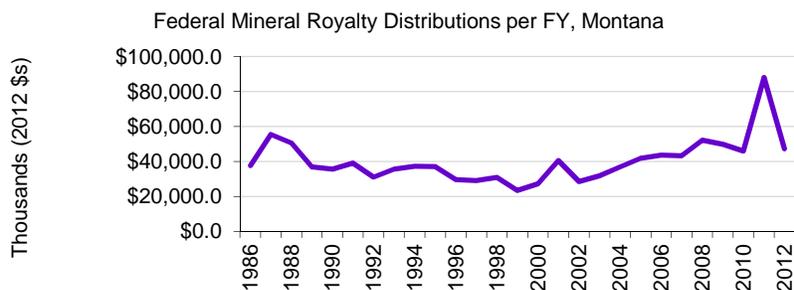
Percent of Total

	Montana	U.S.
Royalties	86.0%	83.8%
Coal	46.6%	18.6%
Natural Gas	15.7%	24.8%
Gas Plan Products	0.3%	7.4%
Oil	23.7%	29.4%
Other	-0.3%	3.6%
Non-Royalty Revenue	14.0%	16.1%
Rents	2.3%	1.1%
Bonus	19.6%	16.3%
Other Revenues	-7.9%	-1.4%
Geothermal	0.0%	0.2%
GOMESA	0.0%	0.0%

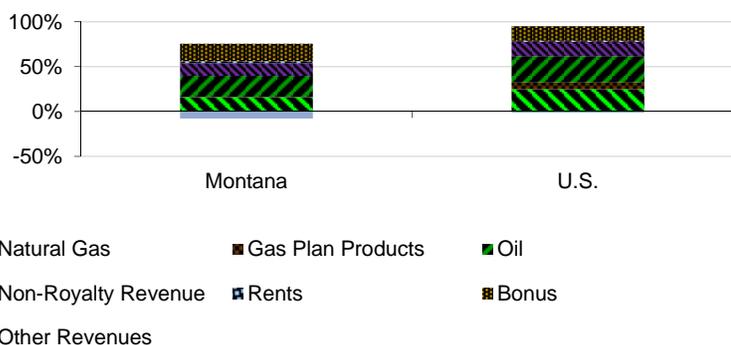
From FY 1986 to FY 2012, federal mineral royalties grew from \$37,705,299 to \$47,257,455, an increase of 25 percent.

- In FY 2012, oil royalties were the largest component of federal mineral royalties in the U.S. (29.4%), and other were the smallest (3.6%).

- In FY 2012, bonus were the largest component of federal mineral non-royalty revenue in the U.S. (16.3%), and other revenues were the smallest (-1.4%).



Components of Federal Mineral Royalty Distributions, FY 2012



Data Sources: U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.

Study Guide and Supplemental Information

What are Federal Mineral Royalties?

What do we measure on this page?

This page describes the components of federal mineral royalty distributions to state and local governments across geographies, and trends for the region.

Royalties, rents, and bonus payments from mining activities on federal land are shared with the state of origin (49% of revenue is returned to states and 51% is retained by the federal government). In addition, revenue from geothermal production on federal lands and a share of royalties from offshore drilling the Gulf of Mexico (GOMESA) are shared directly with county governments. State and local governments determine how to spend their share of federal mineral royalties within broad federal guidelines (priority must be given to areas socially or economically impacted by mineral development for planning, construction/maintenance of public facilities, and provision of public services).

Royalties: Royalty payments represent a stated share or percentage of the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease. A royalty is due when production begins.

Geothermal: Geothermal payments are distributed directly to counties where the activity takes place.

GOMESA: The Gulf of Mexico Energy Security Act of 2006 (GOMESA) makes distributions of offshore federal mineral royalties to coastal states and communities. The four states and their eligible political subdivisions receiving revenues from the GOMESA leases include Alabama, Louisiana, Mississippi, and Texas.

Rents: A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the right to a lease.

Bonuses: Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to a lease.

Other Revenues: A disbursement that is not a royalty, rent, or bonus. Other revenue may include minimum royalties, settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration.

Why is it important?

Mineral royalties are the largest source of revenue derived from extractive activities on public lands. Mineral extraction can place significant demands on federal, state, and local infrastructure and services. Royalty revenue helps meet some of these demands. They are also designed to provide an ongoing public benefit from the depletion of non-renewable resources owned by the public.

Methods

Data Limitations: State governments that receive federal mineral royalty distributions often choose to pass through a share of federal distributions directly to the local government of origin (the location where the royalties were generated). For example, Montana distributes 25 percent of the state government's share of federal mineral royalties with the county of origin. Because information about royalties by county of origin and state government distributions to local governments are not published by ONRR, EPS-HDT users must contact each state directly for these data. Headwaters Economics includes a list of state distribution policy, links to data, and contact information for Western U.S. States in the EPS-HDT Federal, State, and Local Government Financial Data Methods and Resources document. http://headwaterseconomics.org/wphw/wp-content/uploads/EPS-HDT_Federal_Land_Payments_Documentation_1-30-2011.pdf.

Additional Resources

Headwaters Economics provides a methods document specific to the EPS-HDT Federal Lands Payments report that includes a list of state distribution policy, links to data, and contact information for Western U.S. States in the EPS-HDT Federal, State, and Local Government Financial Data Methods and Resources document: headwaterseconomics.org/wphw/wp-content/uploads/EPS-HDT_Federal_Land_Payments_Documentation_1-30-2011.pdf⁽¹⁰⁾.

For more definitions, see the Glossary of Mineral Terms, Office of Natural Resources Revenue available at: onrr.gov/Stats/pdfdocs/glossary.pdf⁽¹¹⁾.

Data Sources

U.S. Department of Interior. 2012. Office of Natural Resources Revenue. Washington, D.C.

Data Sources & Methods

Data Sources

The EPS-HDT Government report uses published statistics from government sources that are available to the public and cover the entire country. All data used in EPS-HDT can be readily verified by going to the original source. The contact information for databases used in this profile is:

- **U.S. Census of Governments**
Census Bureau, U.S. Department of Commerce
www.census.gov/govs
Tel. 800-242-2184
- **U.S. Bureau of Land Management**
U.S. Department of Interior
www.blm.gov
Tel. 202-208-3801
- **U.S. Fish and Wildlife Service**
Realty Division, U.S. Department of Interior
www.fws.gov
Tel. 703-358-1713
- **U.S. Forest Service**
U.S. Department of Agriculture
www.fs.fed.us
Tel. 800-832-1355
- **U.S. Office of Natural Resources Revenue**
U.S. Department of Interior
www.onrr.gov
Tel. 303-231-3078

Methods

EPS-HDT core approaches

EPS-HDT is designed to focus on long-term trends across a range of important measures. Trend analysis provides a more comprehensive view of changes than spot data for select years. We encourage users to focus on major trends rather than absolute numbers.

EPS-HDT displays detailed industry-level data to show changes in the composition of the economy over time and the mix of industries at points in time.

EPS-HDT employs cross-sectional benchmarking, comparing smaller geographies such as counties to larger regions, states, and the nation, to give a sense of relative performance.

EPS-HDT allows users to aggregate data for multiple geographies, such as multi-county regions, to accommodate a flexible range of user-defined areas of interest and to allow for more sophisticated cross-sectional comparisons.

Adjusting dollar figures for inflation

Because a dollar in the past was worth more than a dollar today, data reported in current dollar terms should be adjusted for inflation. The U.S. Department of Commerce reports personal income figures in terms of current dollars. All income data in EPS-HDT are adjusted to real (or constant) dollars using the Consumer Price Index. Figures are adjusted to the latest date for which the annual Consumer Price Index is available.

Links to Additional Resources

For more information about EPS-HDT see:

www.headwaterseconomics.org/eps-hdt

Web pages listed under Additional Resources include:

Throughout this report, references to on-line resources are indicated by superscripts in parentheses. These resources are provided as hyperlinks here.

- 1 www.headwaterseconomics.org/eps-hdt
- 2 www.census.gov/govs/estimate/
- 3 www.census.gov/govs/
- 4 www.doi.gov/nbc/index.cfm
- 5 www.fs.usda.gov/pts/
- 6 www.blm.gov/wo/st/en/res/Direct_Links_to_Publications/ann_rpt_and_pls.html
- 7 www.blm.gov/wy/st/en/field_offices/Casper/range/taylor.1.html
- 8 www.fws.gov/refuges/realty/rrs.html
- 9 www.fws.gov/refuges/realty/RRS/2007/RevenueSharing_Search_2007.cfm
- 10 headwaterseconomics.org/wphw/wp-content/uploads/EPS-HDT_Federal_Land_Payments_Documentation_1-30-2011.pdf
- 11 www.onrr.gov/Stats/pdfdocs/glossary.pdf

**Components of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$s)**

	County Region	U.S.
Total Federal Land Payments by Geography of Origin (\$)	51,927,772	2,902,317,025
PILT	26,151,999	393,044,454
Forest Service Payments	22,460,192	323,195,391
BLM Payments	3,315,582	64,789,838
USFWS Refuge Payments	1,215,706	0
Federal Mineral Royalties	0	2,125,288,105
Percent of Total		
PILT	50.4%	13.5%
Forest Service Payments	43.3%	11.1%
BLM Payments	6.4%	2.2%
USFWS Refuge Payments	2.3%	0.0%
Federal Mineral Royalties	0.0%	73.2%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Beaverhead County, MT	Big Horn County, MT	Blaine County, MT	Broadwater County, MT	Carbon County, MT	Carter County, MT	Cascade County, MT	Chouteau County, MT
Total Federal Land Payments by Geography of Origin (\$)	2,207,364	22,035	964,252	832,022	903,291	453,178	549,095	397,900
State Government	1,799	0	31,430	0	12	1	-190	0
County Government	1,619,931	14,073	804,974	706,068	877,621	277,908	509,148	360,420
Local School Districts	377,918	0	0	80,676	10,341	34,199	36,661	8,821
RACs	106,813	0	0	34,203	0	0	0	0
Grazing Districts	100,902	7,962	127,848	11,075	15,317	141,070	3,476	28,658
Percent of Total								
State Government	0.1%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
County Government	73.4%	63.9%	83.5%	84.9%	97.2%	61.3%	92.7%	90.6%
Local School Districts	17.1%	0.0%	0.0%	9.7%	1.1%	7.5%	6.7%	2.2%
RACs	4.8%	0.0%	0.0%	4.1%	0.0%	0.0%	0.0%	0.0%
Grazing Districts	4.6%	36.1%	13.3%	1.3%	1.7%	31.1%	0.6%	7.2%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
Total Federal Land Payments by Geography of Origin (\$)	906,080	358	39,955	614,825	658,004	1,296,080	4,005,185	1,953,621
State Government	13,728	0	18	0	195,013	4,310	0	0
County Government	816,162	0	21,728	514,132	39,367	1,171,274	3,194,006	1,719,307
Local School Districts	0	0	0	72,786	0	30,257	530,203	152,339
RACs	0	0	0	27,322	0	0	280,976	80,731
Grazing Districts	76,190	358	18,210	584	423,624	90,239	0	1,245
Percent of Total								
State Government	1.5%	0.0%	0.0%	0.0%	29.6%	0.3%	0.0%	0.0%
County Government	90.1%	0.0%	54.4%	83.6%	6.0%	90.4%	79.7%	88.0%
Local School Districts	0.0%	0.0%	0.0%	11.8%	0.0%	2.3%	13.2%	7.8%
RACs	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%	7.0%	4.1%
Grazing Districts	8.4%	100.0%	45.6%	0.1%	64.4%	7.0%	0.0%	0.1%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Garfield County, MT	Glacier County, MT	Golden Valley County, MT	Granite County, MT	Hill County, MT	Jefferson County, MT	Judith Basin County, MT	Lake County, MT
Total Federal Land Payments by Geography of Origin (\$)	367,360	990,723	70,794	1,084,923	107,892	1,352,220	339,866	438,905
State Government	4	0	0	222	0	11,880	4	14
County Government	207,723	978,242	65,191	775,623	105,383	1,202,594	236,458	422,592
Local School Districts	0	12,109	5,423	235,569	0	100,674	65,749	16,225
RACs	0	0	0	66,580	0	28,454	34,843	0
Grazing Districts	159,634	372	180	6,930	2,509	8,618	2,812	75
Percent of Total								
State Government	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%
County Government	56.5%	98.7%	92.1%	71.5%	97.7%	88.9%	69.6%	96.3%
Local School Districts	0.0%	1.2%	7.7%	21.7%	0.0%	7.4%	19.3%	3.7%
RACs	0.0%	0.0%	0.0%	6.1%	0.0%	2.1%	10.3%	0.0%
Grazing Districts	43.5%	0.0%	0.3%	0.6%	2.3%	0.6%	0.8%	0.0%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
Total Federal Land Payments by Geography of Origin (\$)	2,988,175	73,265	5,659,239	335,180	1,376,851	686,626	1,419,399	2,319,345
State Government	67	0	0	0	4	0	13	679
County Government	2,640,785	69,596	3,588,711	277,867	1,034,416	496,820	982,851	1,993,683
Local School Districts	222,812	0	1,433,793	0	196,524	146,445	340,343	252,786
RACs	118,077	0	636,735	0	104,146	41,391	96,193	71,446
Grazing Districts	6,434	3,669	0	57,313	41,762	1,970	0	750
Percent of Total								
State Government	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
County Government	88.4%	95.0%	63.4%	82.9%	75.1%	72.4%	69.2%	86.0%
Local School Districts	7.5%	0.0%	25.3%	0.0%	14.3%	21.3%	24.0%	10.9%
RACs	4.0%	0.0%	11.3%	0.0%	7.6%	6.0%	6.8%	3.1%
Grazing Districts	0.2%	5.0%	0.0%	17.1%	3.0%	0.3%	0.0%	0.0%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Musselshell County, MT	Park County, MT	Petroleum County, MT	Phillips County, MT	Pondera County, MT	Powder River County, MT	Powell County, MT	Prairie County, MT
Total Federal Land Payments by Geography of Origin (\$)	218,106	1,653,465	193,095	935,892	277,791	730,707	1,906,721	253,682
State Government	10,818	0	13,882	88,588	0	0	0	2,068
County Government	158,331	1,340,279	81,529	467,737	249,063	489,779	1,401,477	145,893
Local School Districts	0	203,649	0	0	27,629	127,575	328,444	0
RACs	0	107,922	0	0	0	36,057	174,056	0
Grazing Districts	48,957	1,615	97,684	379,567	1,099	77,296	2,745	105,721
Percent of Total								
State Government	5.0%	0.0%	7.2%	9.5%	0.0%	0.0%	0.0%	0.8%
County Government	72.6%	81.1%	42.2%	50.0%	89.7%	67.0%	73.5%	57.5%
Local School Districts	0.0%	12.3%	0.0%	0.0%	9.9%	17.5%	17.2%	0.0%
RACs	0.0%	6.5%	0.0%	0.0%	0.0%	4.9%	9.1%	0.0%
Grazing Districts	22.4%	0.1%	50.6%	40.6%	0.4%	10.6%	0.1%	41.7%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Ravalli County, MT	Richland County, MT	Roosevelt County, MT	Rosebud County, MT	Sanders County, MT	Sheridan County, MT	Silver Bow County, MT	Stillwater County, MT
Total Federal Land Payments by Geography of Origin (\$)	3,223,711	34,765	2,902	238,746	2,625,396	679	658,139	511,491
State Government	45	0	0	470	0	0	13,589	0
County Government	2,636,806	18,412	1,456	162,194	1,623,069	605	573,342	454,725
Local School Districts	383,583	0	0	25,668	655,140	0	41,629	42,222
RACs	203,277	0	0	0	347,186	0	22,061	13,425
Grazing Districts	0	16,353	1,446	50,413	0	74	7,518	1,118
Percent of Total								
State Government	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	2.1%	0.0%
County Government	81.8%	53.0%	50.2%	67.9%	61.8%	89.1%	87.1%	88.9%
Local School Districts	11.9%	0.0%	0.0%	10.8%	25.0%	0.0%	6.3%	8.3%
RACs	6.3%	0.0%	0.0%	0.0%	13.2%	0.0%	3.4%	2.6%
Grazing Districts	0.0%	47.0%	49.8%	21.1%	0.0%	10.9%	1.1%	0.2%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	Sweet Grass County, MT	Teton County, MT	Toole County, MT	Treasure County, MT	Valley County, MT	Wheatland County, MT	Wibaux County, MT	Yellowstone County, MT
Total Federal Land Payments by Geography of Origin (\$)	761,634	753,245	56,075	2,678	1,078,491	181,168	16,540	198,642
State Government	0	0	0	0	3,875	0	0	260
County Government	594,122	678,912	51,522	254	927,677	155,749	9,169	186,984
Local School Districts	106,914	46,710	0	0	0	25,250	0	0
RACs	56,658	24,754	0	0	0	0	0	0
Grazing Districts	3,940	2,868	4,553	2,424	146,939	170	7,371	11,398
Percent of Total								
State Government	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.1%
County Government	78.0%	90.1%	91.9%	9.5%	86.0%	86.0%	55.4%	94.1%
Local School Districts	14.0%	6.2%	0.0%	0.0%	0.0%	13.9%	0.0%	0.0%
RACs	7.4%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grazing Districts	0.5%	0.4%	8.1%	90.5%	13.6%	0.1%	44.6%	5.7%

**Distribution of Federal Land
Payments to State and Local
Governments by Geography of
Origin, FY 2012 (2012 \$\$)**

	County Region	U.S.
Total Federal Land Payments by Geography of Origin (\$)	51,927,772	2,902,317,025
State Government	392,604	2,126,066,386
County Government	40,133,739	604,077,390
Local School Districts	6,377,067	123,460,025
RACs	2,713,307	35,424,877
Grazing Districts	2,311,056	13,435,599
Percent of Total		
State Government	0.8%	73.3%
County Government	77.3%	20.8%
Local School Districts	12.3%	4.3%
RACs	5.2%	1.2%
Grazing Districts	4.5%	0.5%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	Beaverhead County, MT	Big Horn County, MT	Blaine County, MT	Broadwater County, MT	Carbon County, MT	Carter County, MT	Cascade County, MT	Chouteau County, MT
Total Federal Land Payments to County Government (\$)	1,619,931	14,073	804,974	706,068	877,621	277,908	509,148	360,420
Unrestricted	963,094	14,073	807,704	535,924	863,605	191,284	420,434	347,947
Restricted-County Roads	756,972	0	0	161,593	20,713	68,500	73,432	17,669
Restricted-Special County Projects	93,462	0	0	8,551	0	18,123	19,428	0
Percent of Total								
Unrestricted	59.5%	100.0%	100.3%	75.9%	98.4%	68.8%	82.6%	96.5%
Restricted-County Roads	46.7%	0.0%	0.0%	22.9%	2.4%	24.6%	14.4%	4.9%
Restricted-Special County Projects	5.8%	0.0%	0.0%	1.2%	0.0%	6.5%	3.8%	0.0%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
Total Federal Land Payments to County Government (\$)	816,162	0	21,728	514,132	39,367	1,171,274	3,194,006	1,719,307
Unrestricted	816,162	0	21,728	341,018	39,367	1,120,871	2,525,242	1,431,047
Restricted-County Roads	0	0	0	145,791	0	60,606	1,061,997	305,135
Restricted-Special County Projects	0	0	0	27,322	0	0	0	0
Percent of Total								
Unrestricted	100.0%	na	100.0%	66.3%	100.0%	95.7%	79.1%	83.2%
Restricted-County Roads	0.0%	na	0.0%	28.4%	0.0%	5.2%	33.2%	17.7%
Restricted-Special County Projects	0.0%	na	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	Garfield County, MT	Glacier County, MT	Golden Valley County, MT	Granite County, MT	Hill County, MT	Jefferson County, MT	Judith Basin County, MT	Lake County, MT
Total Federal Land Payments to County Government (\$)	207,723	978,242	65,191	775,623	105,383	1,202,594	236,458	422,592
Unrestricted	231,856	954,183	54,907	245,521	107,798	976,045	104,762	565,670
Restricted-County Roads	0	24,254	10,862	471,845	0	201,651	131,696	32,498
Restricted-Special County Projects	0	0	0	58,258	0	24,897	0	0
Percent of Total								
Unrestricted	111.6%	97.5%	84.2%	31.7%	102.3%	81.2%	44.3%	133.9%
Restricted-County Roads	0.0%	2.5%	16.7%	60.8%	0.0%	16.8%	55.7%	7.7%
Restricted-Special County Projects	0.0%	0.0%	0.0%	7.5%	0.0%	2.1%	0.0%	0.0%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
Total Federal Land Payments to County Government (\$)	2,640,785	69,596	3,588,711	277,867	1,034,416	496,820	982,851	1,993,683
Unrestricted	2,194,492	69,596	593,728	282,165	650,641	167,273	216,975	1,424,836
Restricted-County Roads	446,293	0	2,871,892	0	393,638	293,330	681,707	506,332
Restricted-Special County Projects	0	0	123,092	0	0	36,217	84,169	62,516
Percent of Total								
Unrestricted	83.1%	100.0%	16.5%	101.5%	62.9%	33.7%	22.1%	71.5%
Restricted-County Roads	16.9%	0.0%	80.0%	0.0%	38.1%	59.0%	69.4%	25.4%
Restricted-Special County Projects	0.0%	0.0%	3.4%	0.0%	0.0%	7.3%	8.6%	3.1%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	Musselshell County, MT	Park County, MT	Petroleum County, MT	Phillips County, MT	Pondera County, MT	Powder River County, MT	Powell County, MT	Prairie County, MT
Total Federal Land Payments to County Government (\$)	158,331	1,340,279	81,529	467,737	249,063	489,779	1,401,477	145,893
Unrestricted	174,354	932,369	95,536	529,604	200,922	202,695	797,168	145,893
Restricted-County Roads	0	407,910	0	0	55,341	255,534	657,874	0
Restricted-Special County Projects	0	0	0	0	0	31,550	0	0
Percent of Total								
Unrestricted	110.1%	69.6%	117.2%	113.2%	80.7%	41.4%	56.9%	100.0%
Restricted-County Roads	0.0%	30.4%	0.0%	0.0%	22.2%	52.2%	46.9%	0.0%
Restricted-Special County Projects	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	0.0%	0.0%

**Allocation of Federal Land
Payments to County
Government by Permitted Use,
FY 2012 (2012 \$s)**

	County Region	U.S.
Total Federal Land Payments to County Government (\$)	40,133,739	604,077,390
Unrestricted	27,977,708	430,431,476
Restricted-County Roads	12,773,283	153,867,499
Restricted-Special County Projects	596,534	15,997,209
Percent of Total		
Unrestricted	69.7%	71.3%
Restricted-County Roads	31.8%	25.5%
Restricted-Special County Projects	1.5%	2.6%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Beaverhead County, MT	Big Horn County, MT	Blaine County, MT	Broadwater County, MT	Carbon County, MT	Carter County, MT	Cascade County, MT	Chouteau County, MT
Total General Revenue	7,573	16,193	10,261	5,594	8,380	4,166	47,336	7,233
Taxes	3,764	7,044	3,757	2,047	5,127	1,406	27,366	4,293
Intergovernmental Revenue	2,155	5,802	4,572	1,552	2,476	2,175	6,277	2,025
Total Charges	803	2,268	855	1,704	284	391	10,886	528
All Other (Miscellaneous)	851	1,079	1,077	291	493	194	2,807	387
Federal Land Payments (FY 2006)	978	3,512	1,022	507	898	225	380	279
Percent of Total								
Taxes	49.7%	43.5%	36.6%	36.6%	61.2%	33.7%	57.8%	59.4%
Intergovernmental Revenue	28.5%	35.8%	44.6%	27.7%	29.6%	52.2%	13.3%	28.0%
Total Charges	10.6%	14.0%	8.3%	30.5%	3.4%	9.4%	23.0%	7.3%
All Other (Miscellaneous)	11.2%	6.7%	10.5%	5.2%	5.9%	4.7%	5.9%	5.4%
Federal Land Payments (FY 2006)	12.9%	21.7%	10.0%	9.1%	10.7%	5.4%	0.8%	3.9%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
Total General Revenue	8,098	2,538	12,764	na	19,483	10,112	64,189	58,551
Taxes	4,496	1,615	4,722	na	3,083	5,321	36,388	31,926
Intergovernmental Revenue	1,528	686	2,595	na	14,579	2,651	10,662	6,651
Total Charges	808	151	3,836	na	732	1,384	13,704	15,219
All Other (Miscellaneous)	1,266	86	1,611	na	1,089	756	3,436	4,756
Federal Land Payments (FY 2006)	553	3	347	373	2,850	826	3,337	1,204
Percent of Total								
Taxes	55.5%	63.6%	37.0%	na	15.8%	52.6%	56.7%	54.5%
Intergovernmental Revenue	18.9%	27.0%	20.3%	na	74.8%	26.2%	16.6%	11.4%
Total Charges	10.0%	5.9%	30.1%	na	3.8%	13.7%	21.3%	26.0%
All Other (Miscellaneous)	15.6%	3.4%	12.6%	na	5.6%	7.5%	5.4%	8.1%
Federal Land Payments (FY 2006)	6.8%	0.1%	2.7%	na	14.6%	8.2%	5.2%	2.1%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Garfield County, MT	Glacier County, MT	Golden Valley County, MT	Granite County, MT	Hill County, MT	Jefferson County, MT	Judith Basin County, MT	Lake County, MT
Total General Revenue	3,092	10,822	1,161	8,087	16,665	9,395	2,928	20,251
Taxes	1,324	5,866	748	2,724	8,188	4,882	1,815	11,638
Intergovernmental Revenue	785	3,632	270	1,250	4,021	2,148	751	2,781
Total Charges	100	776	45	3,875	2,594	682	108	2,441
All Other (Miscellaneous)	883	548	97	238	1,862	1,684	254	3,392
Federal Land Payments (FY 2006)	173	653	55	645	100	920	287	371
Percent of Total								
Taxes	42.8%	54.2%	64.4%	33.7%	49.1%	52.0%	62.0%	57.5%
Intergovernmental Revenue	25.4%	33.6%	23.3%	15.5%	24.1%	22.9%	25.6%	13.7%
Total Charges	3.2%	7.2%	3.9%	47.9%	15.6%	7.3%	3.7%	12.1%
All Other (Miscellaneous)	28.6%	5.1%	8.4%	2.9%	11.2%	17.9%	8.7%	16.7%
Federal Land Payments (FY 2006)	5.6%	6.0%	4.8%	8.0%	0.6%	9.8%	9.8%	1.8%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
Total General Revenue	52,901	3,521	17,478	3,386	16,395	3,142	5,315	87,050
Taxes	28,025	1,566	6,325	1,796	7,098	1,799	2,078	48,068
Intergovernmental Revenue	9,992	1,531	6,839	1,192	2,318	826	1,773	20,468
Total Charges	10,459	245	2,670	89	6,139	242	793	11,005
All Other (Miscellaneous)	4,426	179	1,644	310	839	275	671	7,509
Federal Land Payments (FY 2006)	2,038	70	7,080	613	376	300	991	1,594
Percent of Total								
Taxes	53.0%	44.5%	36.2%	53.0%	43.3%	57.3%	39.1%	55.2%
Intergovernmental Revenue	18.9%	43.5%	39.1%	35.2%	14.1%	26.3%	33.4%	23.5%
Total Charges	19.8%	6.9%	15.3%	2.6%	37.4%	7.7%	14.9%	12.6%
All Other (Miscellaneous)	8.4%	5.1%	9.4%	9.2%	5.1%	8.7%	12.6%	8.6%
Federal Land Payments (FY 2006)	3.9%	2.0%	40.5%	18.1%	2.3%	9.6%	18.6%	1.8%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Musselshell County, MT	Park County, MT	Petroleum County, MT	Phillips County, MT	Pondera County, MT	Powder River County, MT	Powell County, MT	Prairie County, MT
Total General Revenue	4,338	12,539	942	11,099	16,253	5,487	6,867	2,053
Taxes	2,370	6,891	364	2,091	3,431	2,393	2,941	866
Intergovernmental Revenue	1,061	1,028	273	7,153	1,492	1,357	2,268	697
Total Charges	400	2,937	172	718	10,893	1,508	701	239
All Other (Miscellaneous)	508	1,683	133	1,136	437	229	956	251
Federal Land Payments (FY 2006)	184	1,112	138	2,171	208	288	1,073	266
Percent of Total								
Taxes	54.6%	55.0%	38.7%	18.8%	21.1%	43.6%	42.8%	42.2%
Intergovernmental Revenue	24.4%	8.2%	29.0%	64.5%	9.2%	24.7%	33.0%	34.0%
Total Charges	9.2%	23.4%	18.2%	6.5%	67.0%	27.5%	10.2%	11.6%
All Other (Miscellaneous)	11.7%	13.4%	14.1%	10.2%	2.7%	4.2%	13.9%	12.2%
Federal Land Payments (FY 2006)	4.2%	8.9%	14.6%	19.6%	1.3%	5.3%	15.6%	13.0%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Ravalli County, MT	Richland County, MT	Roosevelt County, MT	Rosebud County, MT	Sanders County, MT	Sheridan County, MT	Silver Bow County, MT	Stillwater County, MT
Total General Revenue	24,219	21,986	10,191	11,608	11,521	7,789	na	10,369
Taxes	15,051	4,498	6,716	4,954	6,154	2,456	na	6,830
Intergovernmental Revenue	5,245	14,132	2,373	4,493	3,426	3,793	na	1,659
Total Charges	2,204	1,866	608	919	1,232	392	na	625
All Other (Miscellaneous)	1,719	1,490	494	1,242	708	1,148	na	1,254
Federal Land Payments (FY 2006)	2,098	283	29	1,245	2,142	38	417	334
Percent of Total								
Taxes	62.1%	20.5%	65.9%	42.7%	53.4%	31.5%	na	65.9%
Intergovernmental Revenue	21.7%	64.3%	23.3%	38.7%	29.7%	48.7%	na	16.0%
Total Charges	9.1%	8.5%	6.0%	7.9%	10.7%	5.0%	na	6.0%
All Other (Miscellaneous)	7.1%	6.8%	4.8%	10.7%	6.1%	14.7%	na	12.1%
Federal Land Payments (FY 2006)	8.7%	1.3%	0.3%	10.7%	18.6%	0.5%	na	3.2%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	Sweet Grass County, MT	Teton County, MT	Toole County, MT	Treasure County, MT	Valley County, MT	Wheatland County, MT	Wibaux County, MT	Yellowstone County, MT
Total General Revenue	11,631	7,622	19,524	1,407	10,284	2,397	3,542	74,844
Taxes	3,613	3,794	3,289	703	4,691	1,365	670	51,967
Intergovernmental Revenue	1,272	1,291	3,385	268	3,712	550	2,412	5,625
Total Charges	6,473	2,402	11,834	102	747	257	218	11,997
All Other (Miscellaneous)	273	135	1,016	334	1,134	225	242	5,256
Federal Land Payments (FY 2006)	430	499	107	205	781	117	329	134
Percent of Total								
Taxes	31.1%	49.8%	16.8%	50.0%	45.6%	57.0%	18.9%	69.4%
Intergovernmental Revenue	10.9%	16.9%	17.3%	19.0%	36.1%	23.0%	68.1%	7.5%
Total Charges	55.6%	31.5%	60.6%	7.2%	7.3%	10.7%	6.2%	16.0%
All Other (Miscellaneous)	2.4%	1.8%	5.2%	23.8%	11.0%	9.4%	6.8%	7.0%
Federal Land Payments (FY 2006)	3.7%	6.6%	0.5%	14.6%	7.6%	4.9%	9.3%	0.2%

**Federal Land Payments as a
Share of Total General
Government Revenue,
Thousands of FY 2007 (2012 \$s)**

	County Region	U.S.
Total General Revenue	832,575	na
Taxes	414,394	na
Intergovernmental Revenue	195,929	na
Total Charges	155,256	na
All Other (Miscellaneous)	66,996	na
Federal Land Payments (FY 2006)	48,188	3,178,970
Percent of Total		
Taxes	49.8%	na
Intergovernmental Revenue	23.5%	na
Total Charges	18.6%	na
All Other (Miscellaneous)	8.0%	na
Federal Land Payments (FY 2006)	5.8%	na

**PILT Eligible Acres by Agency,
FY 2012**

	County Region	U.S.
Total Eligible Acres	27,294,552	603,387,852
BLM	7,813,106	241,861,793
Forest Service	17,020,333	187,590,701
Bureau of Reclamation	272,428	3,972,758
National Park Service	1,203,604	76,429,319
Military	0	328,137
Army Corps of Engineers	558,640	7,945,024
U.S. Fish and Wildlife Service	426,441	85,236,773
Other Eligible Acres	0	23,347
PILT Payment (2012 \$\$)	26,151,999	393,044,454
Avg. Per-Acre Payment (2012 \$\$)	0.96	0.65
Percent of Total		
BLM	28.6%	40.1%
Forest Service	62.4%	31.1%
Bureau of Reclamation	1.0%	0.7%
National Park Service	4.4%	12.7%
Military	0.0%	0.1%
Army Corps of Engineers	2.0%	1.3%
U.S. Fish and Wildlife Service	1.6%	14.1%
Other Eligible Acres	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Beaverhead County, MT	Big Horn County, MT	Blaine County, MT	Broadwater County, MT	Carbon County, MT	Carter County, MT	Cascade County, MT	Chouteau County, MT
Forest Service Total	1,335,165	0	0	285,022	31,054	120,822	129,522	26,491
Secure Rural Schools Total	1,335,165	0	0	285,022	0	120,822	129,522	26,491
Title I	1,134,890	0	0	242,269	0	102,699	110,093	26,491
Title II	106,813	0	0	34,203	0	0	0	0
Title III	93,462	0	0	8,551	0	18,123	19,428	0
25% Fund	0	0	0	0	31,054	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	100.0%	na	na	100.0%	0.0%	100.0%	100.0%	100.0%
Title I	85.0%	na	na	85.0%	0.0%	85.0%	85.0%	100.0%
Title II	8.0%	na	na	12.0%	0.0%	0.0%	0.0%	0.0%
Title III	7.0%	na	na	3.0%	0.0%	15.0%	15.0%	0.0%
25% Fund	0.0%	na	na	0.0%	100.0%	0.0%	0.0%	0.0%
Forest Grasslands	0.0%	na	na	0.0%	0.0%	0.0%	0.0%	0.0%
Special Acts	0.0%	na	na	0.0%	0.0%	0.0%	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
Forest Service Total	0	0	0	273,222	0	90,863	1,873,176	538,204
Secure Rural Schools Total	0	0	0	273,222	0	90,863	1,873,176	538,204
Title I	0	0	0	218,578	0	90,863	1,592,200	457,473
Title II	0	0	0	27,322	0	0	280,976	80,731
Title III	0	0	0	27,322	0	0	0	0
25% Fund	0	0	0	0	0	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	na	na	na	100.0%	na	100.0%	100.0%	100.0%
Title I	na	na	na	80.0%	na	100.0%	85.0%	85.0%
Title II	na	na	na	10.0%	na	0.0%	15.0%	15.0%
Title III	na	na	na	10.0%	na	0.0%	0.0%	0.0%
25% Fund	na	na	na	0.0%	na	0.0%	0.0%	0.0%
Forest Grasslands	na	na	na	0.0%	na	0.0%	0.0%	0.0%
Special Acts	na	na	na	0.0%	na	0.0%	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Garfield County, MT	Glacier County, MT	Golden Valley County, MT	Granite County, MT	Hill County, MT	Jefferson County, MT	Judith Basin County, MT	Lake County, MT
Forest Service Total	0	36,363	16,286	832,251	0	355,677	232,288	48,723
Secure Rural Schools Total	0	36,363	16,286	832,251	0	355,677	232,288	0
Title I	0	36,363	16,286	707,414	0	302,326	197,445	0
Title II	0	0	0	66,580	0	28,454	34,843	0
Title III	0	0	0	58,258	0	24,897	0	0
25% Fund	0	0	0	0	0	0	0	48,723
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	na	100.0%	100.0%	100.0%	na	100.0%	100.0%	0.0%
Title I	na	100.0%	100.0%	85.0%	na	85.0%	85.0%	0.0%
Title II	na	0.0%	0.0%	8.0%	na	8.0%	15.0%	0.0%
Title III	na	0.0%	0.0%	7.0%	na	7.0%	0.0%	0.0%
25% Fund	na	0.0%	0.0%	0.0%	na	0.0%	0.0%	100.0%
Forest Grasslands	na	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
Special Acts	na	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
Forest Service Total	787,182	0	5,065,511	0	694,308	517,383	1,202,411	893,080
Secure Rural Schools Total	787,182	0	5,065,511	0	694,308	517,383	1,202,411	893,080
Title I	669,105	0	4,305,684	0	590,162	439,776	1,022,050	759,118
Title II	118,077	0	636,735	0	104,146	41,391	96,193	71,446
Title III	0	0	123,092	0	0	36,217	84,169	62,516
25% Fund	0	0	0	0	0	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	100.0%	na	100.0%	na	100.0%	100.0%	100.0%	100.0%
Title I	85.0%	na	85.0%	na	85.0%	85.0%	85.0%	85.0%
Title II	15.0%	na	12.6%	na	15.0%	8.0%	8.0%	8.0%
Title III	0.0%	na	2.4%	na	0.0%	7.0%	7.0%	7.0%
25% Fund	0.0%	na	0.0%	na	0.0%	0.0%	0.0%	0.0%
Forest Grasslands	0.0%	na	0.0%	na	0.0%	0.0%	0.0%	0.0%
Special Acts	0.0%	na	0.0%	na	0.0%	0.0%	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Musselshell County, MT	Park County, MT	Petroleum County, MT	Phillips County, MT	Pondera County, MT	Powder River County, MT	Powell County, MT	Prairie County, MT
Forest Service Total	0	719,481	0	0	82,970	450,716	1,160,373	0
Secure Rural Schools Total	0	719,481	0	0	82,970	450,716	1,160,373	0
Title I	0	611,559	0	0	82,970	383,109	986,317	0
Title II	0	107,922	0	0	0	36,057	174,056	0
Title III	0	0	0	0	0	31,550	0	0
25% Fund	0	0	0	0	0	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	na	100.0%	na	na	100.0%	100.0%	100.0%	na
Title I	na	85.0%	na	na	100.0%	85.0%	85.0%	na
Title II	na	15.0%	na	na	0.0%	8.0%	15.0%	na
Title III	na	0.0%	na	na	0.0%	7.0%	0.0%	na
25% Fund	na	0.0%	na	na	0.0%	0.0%	0.0%	na
Forest Grasslands	na	0.0%	na	na	0.0%	0.0%	0.0%	na
Special Acts	na	0.0%	na	na	0.0%	0.0%	0.0%	na

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Ravalli County, MT	Richland County, MT	Roosevelt County, MT	Rosebud County, MT	Sanders County, MT	Sheridan County, MT	Silver Bow County, MT	Stillwater County, MT
Forest Service Total	1,355,179	0	0	77,080	2,314,575	0	147,072	149,169
Secure Rural Schools Total	1,355,179	0	0	77,080	2,314,575	0	147,072	149,169
Title I	1,151,902	0	0	77,080	1,967,388	0	125,011	126,793
Title II	203,277	0	0	0	347,186	0	22,061	13,425
Title III	0	0	0	0	0	0	0	8,950
25% Fund	0	0	0	0	0	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	100.0%	na	na	100.0%	100.0%	na	100.0%	100.0%
Title I	85.0%	na	na	100.0%	85.0%	na	85.0%	85.0%
Title II	15.0%	na	na	0.0%	15.0%	na	15.0%	9.0%
Title III	0.0%	na	na	0.0%	0.0%	na	0.0%	6.0%
25% Fund	0.0%	na	na	0.0%	0.0%	na	0.0%	0.0%
Forest Grasslands	0.0%	na	na	0.0%	0.0%	na	0.0%	0.0%
Special Acts	0.0%	na	na	0.0%	0.0%	na	0.0%	0.0%

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Sweet Grass County, MT	Teton County, MT	Toole County, MT	Treasure County, MT	Valley County, MT	Wheatland County, MT	Wibaux County, MT	Yellowstone County, MT
Forest Service Total	377,721	165,025	0	0	0	75,825	0	0
Secure Rural Schools Total	377,721	165,025	0	0	0	75,825	0	0
Title I	321,063	140,272	0	0	0	75,825	0	0
Title II	56,658	24,754	0	0	0	0	0	0
Title III	0	0	0	0	0	0	0	0
25% Fund	0	0	0	0	0	0	0	0
Forest Grasslands	0	0	0	0	0	0	0	0
Special Acts	0	0	0	0	0	0	0	0

Percent of Total

Secure Rural Schools Total	100.0%	100.0%	na	na	na	100.0%	na	na
Title I	85.0%	85.0%	na	na	na	100.0%	na	na
Title II	15.0%	15.0%	na	na	na	0.0%	na	na
Title III	0.0%	0.0%	na	na	na	0.0%	na	na
25% Fund	0.0%	0.0%	na	na	na	0.0%	na	na
Forest Grasslands	0.0%	0.0%	na	na	na	0.0%	na	na
Special Acts	0.0%	0.0%	na	na	na	0.0%	na	na

**Forest Service Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	County Region	U.S.
Forest Service Total	22,460,192	323,195,391
Secure Rural Schools Total	22,380,415	305,792,128
Title I	19,070,573	259,777,009
Title II	2,713,307	31,939,953
Title III	596,534	14,075,166
25% Fund	79,777	11,240,438
Forest Grasslands	0	0
Special Acts	0	6,162,825

Percent of Total

Secure Rural Schools Total	99.6%	94.6%
Title I	84.9%	80.4%
Title II	12.1%	9.9%
Title III	2.7%	4.4%
25% Fund	0.4%	3.5%
Forest Grasslands	0.0%	0.0%
Special Acts	0.0%	1.9%

**BLM Payments to States and
Local Governments, FY 2012
(2012 \$s)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
Total BLM Payments (\$)	92,664	358	18,231	584	618,637	97,177	0	1,245
Proceeds of Sales	2,746	0	4	0	0	2,628	0	0
Mineral Leasing Act	0	0	0	0	0	0	0	0
Taylor Grazing Act	76,190	358	18,210	584	423,624	90,239	0	1,245
State Payments	13,728	0	18	0	195,013	4,310	0	0
National Grasslands	0	0	0	0	0	0	0	0
O&C and CBWR land grants	0	0	0	0	0	0	0	0
Title I	0	0	0	0	0	0	0	0
Title II	0	0	0	0	0	0	0	0
Title III	0	0	0	0	0	0	0	0
Percent of Total								
Proceeds of Sales	3.0%	0.0%	0.0%	0.0%	0.0%	2.7%	na	0.0%
Mineral Leasing Act	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%
Taylor Grazing Act	82.2%	100.0%	99.9%	100.0%	68.5%	92.9%	na	100.0%
State Payments	14.8%	0.0%	0.1%	0.0%	31.5%	4.4%	na	0.0%
National Grasslands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%
O&C and CBWR land grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%
Title I	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%
Title II	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%
Title III	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	na	0.0%

**BLM Payments to States and
Local Governments, FY 2012
(2012 \$s)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
Total BLM Payments (\$)	25,524	3,669	0	57,313	43,305	4,877	16	1,564
Proceeds of Sales	19,023	0	0	0	1,540	2,907	3	136
Mineral Leasing Act	0	0	0	0	0	0	0	0
Taylor Grazing Act	6,434	3,669	0	57,313	41,762	1,970	0	750
State Payments	67	0	0	0	4	0	13	679
National Grasslands	0	0	0	0	0	0	0	0
O&C and CBWR land grants	0	0	0	0	0	0	0	0
Title I	0	0	0	0	0	0	0	0
Title II	0	0	0	0	0	0	0	0
Title III	0	0	0	0	0	0	0	0
Percent of Total								
Proceeds of Sales	74.5%	0.0%	na	0.0%	3.6%	59.6%	16.7%	8.7%
Mineral Leasing Act	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%
Taylor Grazing Act	25.2%	100.0%	na	100.0%	96.4%	40.4%	0.0%	47.9%
State Payments	0.3%	0.0%	na	0.0%	0.0%	0.0%	83.3%	43.4%
National Grasslands	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%
O&C and CBWR land grants	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%
Title I	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%
Title II	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%
Title III	0.0%	0.0%	na	0.0%	0.0%	0.0%	0.0%	0.0%

**BLM Payments to States and
Local Governments, FY 2012
(2012 \$s)**

	Ravalli County, MT	Richland County, MT	Roosevelt County, MT	Rosebud County, MT	Sanders County, MT	Sheridan County, MT	Silver Bow County, MT	Stillwater County, MT
Total BLM Payments (\$)	54	16,353	1,446	50,977	0	74	28,271	1,118
Proceeds of Sales	9	0	0	94	0	0	7,164	0
Mineral Leasing Act	0	0	0	0	0	0	0	0
Taylor Grazing Act	0	16,353	1,446	50,413	0	74	7,518	1,118
State Payments	45	0	0	470	0	0	13,589	0
National Grasslands	0	0	0	0	0	0	0	0
O&C and CBWR land grants	0	0	0	0	0	0	0	0
Title I	0	0	0	0	0	0	0	0
Title II	0	0	0	0	0	0	0	0
Title III	0	0	0	0	0	0	0	0
Percent of Total								
Proceeds of Sales	16.7%	0.0%	0.0%	0.2%	na	0.0%	25.3%	0.0%
Mineral Leasing Act	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
Taylor Grazing Act	0.0%	100.0%	100.0%	98.9%	na	100.0%	26.6%	100.0%
State Payments	83.3%	0.0%	0.0%	0.9%	na	0.0%	48.1%	0.0%
National Grasslands	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
O&C and CBWR land grants	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
Title I	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
Title II	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%
Title III	0.0%	0.0%	0.0%	0.0%	na	0.0%	0.0%	0.0%

**BLM Payments to States and
Local Governments, FY 2012
(2012 \$s)**

	County Region	U.S.
Total BLM Payments (\$)	3,315,582	64,789,838
Proceeds of Sales	611,922	10,527,859
Mineral Leasing Act	0	220,448
Taylor Grazing Act	2,311,056	13,435,599
State Payments	392,604	4,559,487
National Grasslands	0	0
O&C and CBWR land grants	0	36,046,446
Title I	0	30,639,479
Title II	0	3,484,924
Title III	0	1,922,043

Percent of Total

Proceeds of Sales	18.5%	16.2%
Mineral Leasing Act	0.0%	0.3%
Taylor Grazing Act	69.7%	20.7%
State Payments	11.8%	7.0%
National Grasslands	0.0%	0.0%
O&C and CBWR land grants	0.0%	55.6%
Title I	0.0%	47.3%
Title II	0.0%	5.4%
Title III	0.0%	3.0%

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Beaverhead County, MT	Big Horn County, MT	Blaine County, MT	Broadwater County, MT	Carbon County, MT	Carter County, MT	Cascade County, MT	Chouteau County, MT
USFWS Refuge Revenue Share	193,596	0	2,730	0	6,698	0	4,146	5,196

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Custer County, MT	Daniels County, MT	Dawson County, MT	Deer Lodge County, MT	Fallon County, MT	Fergus County, MT	Flathead County, MT	Gallatin County, MT
USFWS Refuge Revenue Share	0	1,919	0	0	0	10,203	393,233	16,875

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Garfield County, MT	Glacier County, MT	Golden Valley County, MT	Granite County, MT	Hill County, MT	Jefferson County, MT	Judith Basin County, MT	Lake County, MT
USFWS Refuge Revenue Share	24,133	195	578	0	2,415	0	0	175,576

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Lewis and Clark County, MT	Liberty County, MT	Lincoln County, MT	McCone County, MT	Madison County, MT	Meagher County, MT	Mineral County, MT	Missoula County, MT
USFWS Refuge Revenue Share	0	0	0	4,298	9,863	0	0	0

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Musselshell County, MT	Park County, MT	Petroleum County, MT	Phillips County, MT	Pondera County, MT	Powder River County, MT	Powell County, MT	Prairie County, MT
USFWS Refuge Revenue Share	16,023	0	14,007	61,867	7,200	0	53,565	0

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Ravalli County, MT	Richland County, MT	Roosevelt County, MT	Rosebud County, MT	Sanders County, MT	Sheridan County, MT	Silver Bow County, MT	Stillwater County, MT
USFWS Refuge Revenue Share	44,250	0	2,484	0	64,988	59,800	0	4,680

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	Sweet Grass County, MT	Teton County, MT	Toole County, MT	Treasure County, MT	Valley County, MT	Wheatland County, MT	Wibaux County, MT	Yellowstone County, MT
USFWS Refuge Revenue Share	0	8,090	10,875	0	15,600	0	0	623

**USFWS Refuge Revenue
Sharing Payments, FY 2012
(2012 \$s)**

	County Region	U.S.
USFWS Refuge Revenue Share	1,215,706	0

Appendix G

Allocation of Excess Federal Royalties for FY 2010			
Total Monies Received in FY 2010 Pursuant to 30 U.S.C. 191			\$ 45,906,409.63
25% of the Total Monies Received			\$ 0.25
Total Monies Distributed to Eligible Counties			\$ 11,476,602.41
SOURCE: Montana Legislative Fiscal Division			
		Total	By
		Distribution	County
	County	By County	Percentages
1	Beaverhead	\$ 20,566.76	0.00179206
2	Big Horn	\$ 3,774,312.84	0.32887023
3	Blaine	\$ 141,083.62	0.01229315
4	Broadwater	\$ 5,984.32	0.00052144
5	Carbon	\$ 276,068.26	0.02405488
6	Carter	\$ 57,611.27	0.00501989
7	Chouteau	\$ 12,983.50	0.00113130
8	Custer	\$ 4,242.42	0.00036966
9	Daniels	\$ 3,249.69	0.00028316
10	Dawson	\$ 268,253.48	0.02337395
11	Fallon	\$ 1,581,681.24	0.13781790
12	Fergus	\$ 5,440.98	0.00047409
13	Gallatin	\$ 45.08	0.00000393
14	Garfield	\$ 11,576.66	0.00100872
15	Glacier	\$ 6,020.01	0.00052455
16	Golden Valley	\$ 3,088.70	0.00026913
17	Hill	\$ 20,516.01	0.00178764
18	Lewis & Clark	\$ 2,359.90	0.00020563
19	Liberty	\$ 11,717.69	0.00102101
20	Madison	\$ 3,040.19	0.00026490
21	McCone	\$ 598.83	0.00005218
22	Meagher	\$ 2,534.29	0.00022082
23	Musselshell	\$ 14,415.60	0.00125609
24	Petroleum	\$ 30,120.25	0.00262449
25	Phillips	\$ 503,633.42	0.04388350
26	Pondera	\$ 7,596.49	0.00066191
27	Powder River	\$ 153,571.38	0.01338126
28	Prairie	\$ 77,068.65	0.00671528
29	Richland	\$ 531,829.41	0.04634032
30	Roosevelt	\$ 52,453.94	0.00457051
31	Rosebud	\$ 3,018,451.21	0.26300913
32	Sheridan	\$ 13,798.17	0.00120229
33	Stillwater	\$ 3,685.10	0.00032110
34	Sweet Grass	\$ 2,764.61	0.00024089
35	Teton	\$ 304.44	0.00002653
36	Toole	\$ 81,048.33	0.00706205
37	Treasure	\$ 415,852.23	0.03623479
38	Valley	\$ 38,704.54	0.00337247

39	Wheatland	\$ 144.07	0.00001255
40	Wibaux	\$ 317,255.92	0.02764371
41	Yellowstone	\$ 928.93	0.00008094
	Total Distribution	\$ 11,476,602.41	1.00
Allocation of Excess Federal Royalties for FY 2011			
Total Monies Received in FY 2011 Pursuant to 30 U.S.C. 191			\$ 43,956,043.43
25% of the Total Monies Received			\$ 0.25
Total Monies Distributed to Eligible Counties			\$ 10,989,010.86
		Total	By
		Distribution	County
	County	By County	Percentages
1	Beaverhead	\$ 15,691.94	0.00142797
2	Big Horn	\$ 4,521,428.67	0.41145001
3	Blaine	\$ 133,019.55	0.01210478
4	Broadwater	\$ 5,665.31	0.00051554
5	Carbon	\$ 278,729.21	0.02536436
6	Carter	\$ 47,253.47	0.00430007
7	Chouteau	\$ 21,082.55	0.00191851
8	Custer	\$ 949.76	0.00008643
9	Daniels	\$ 1,616.43	0.00014710
10	Dawson	\$ 300,874.50	0.02737958
11	Fallon	\$ 1,615,724.14	0.14703090
12	Fergus	\$ 4,136.29	0.00037640
13	Gallatin	\$ 2,941.93	0.00026772
14	Garfield	\$ 21,200.30	0.00192923
15	Glacier	\$ 5,951.17	0.00054156
16	Golden Valley	\$ 3,058.66	0.00027834
17	Hill	\$ 11,729.65	0.00106740
18	Lewis & Clark	\$ 2,541.54	0.00023128
19	Liberty	\$ 12,547.64	0.00114184
20	Madison	\$ 1,319.50	0.00012007
21	Mccone	\$ 2,531.48	0.00023036
22	Meagher	\$ 626.96	0.00005705
23	Musselshell	\$ 33,495.78	0.00304812
24	Park	\$ 29.43	0.00000268
25	Petroleum	\$ 24,405.01	0.00222086
26	Phillips	\$ 452,789.32	0.04120383
27	Pondera	\$ 7,641.33	0.00069536
28	Powder River	\$ 157,098.95	0.01429600
29	Prairie	\$ 92,317.12	0.00840086
30	Richland	\$ 328,331.46	0.02987816
31	Roosevelt	\$ 11,924.76	0.00108515
32	Rosebud	\$ 1,999,438.96	0.18194895

33	Sheridan	\$ 13,451.61	0.00122410
34	Stillwater	\$ 3,363.07	0.00030604
35	Sweet Grass	\$ 1,351.04	0.00012294
36	Teton	\$ 269.28	0.00002450
37	Toole	\$ 59,377.06	0.00540331
38	Treasure	\$ 365,608.66	0.03327039
39	Valley	\$ 36,443.03	0.00331632
40	Wheatland	\$ 173.03	0.00001575
41	Wibaux	\$ 390,071.14	0.03549647
42	Yellowstone	\$ 810.13	0.00007372
	Total Distribution	\$ 10,989,010.86	1.00
Allocation of Excess Federal Royalties for FY 2012			
Total Monies Received in FY 2012 Pursuant to 30 U.S.C. 191			\$ 43,087,471.21
25% of the Total Monies Received			\$ 0.25
Total Monies Distributed to Eligible Counties			\$ 10,771,867.78
			Total
			Distribution
	County	By County	Percentages
1	Beaverhead	\$ 18,378.20	0.001706
2	Big Horn	\$ 4,093,023.32	0.379973
3	Blaine	\$ 107,306.16	0.009962
4	Broadwater	\$ 590.89	0.000055
5	Carbon	\$ 332,070.63	0.030828
6	Carter	\$ 45,632.05	0.004236
7	Chouteau	\$ 9,572.60	0.000889
8	Custer	\$ 1,311.46	0.000122
9	Daniels	\$ 28,471.78	0.002643
10	Dawson	\$ 304,355.27	0.028255
11	Fallon	\$ 1,739,585.25	0.161493
12	Fergus	\$ 4,552.12	0.000423
13	Gallatin	\$ 102.57	0.000010
14	Garfield	\$ 18,165.30	0.001686
15	Glacier	\$ 6,644.27	0.000617
16	Golden Valley	\$ 3,087.22	0.000287
17	Hill	\$ 8,976.00	0.000833
18	Lewis & Clark	\$ 3,091.72	0.000287
19	Liberty	\$ 18,763.25	0.001742
20	Madison	\$ 1,313.91	0.000122
21	McCone	\$ 518.02	0.000048
22	Park	\$ 29.31	0.000003
23	Petroleum	\$ 40,863.55	0.003794
24	Phillips	\$ 364,350.85	0.033824
25	Pondera	\$ 8,298.78	0.000770
26	Powder River	\$ 251,996.77	0.023394

27	Prairie	\$ 94,662.25	0.008788
28	Richland	\$ 625,872.00	0.058102
29	Roosevelt	\$ 43,459.77	0.004035
30	Rosebud	\$ 1,699,393.60	0.157762
31	Sheridan	\$ 25,125.31	0.002332
32	Stillwater	\$ 14,928.42	0.001386
33	Teton	\$ 329.20	0.000031
34	Toole	\$ 64,794.62	0.006015
35	Treasure	\$ 385,582.91	0.035795
36	Valley	\$ 27,514.10	0.002554
37	Wheatland	\$ 215.10	0.000020
38	Wibaux	\$ 378,362.12	0.035125
39	Yellowstone	\$ 577.12	0.000054
	Total Distribution	\$ 10,771,867.78	1.00
Allocation of Excess Federal Royalties for FY 2013			
Total Monies Received in FY 2013 Pursuant to 30 U.S.C. 191			\$ 44,201,109.18
25% of the Total Monies Received			\$ 0.25
Total Monies Distributed to Eligible Counties			\$ 11,050,277.28
		Total	By
		Distribution	County
	County	By County	Percentages
1	Beaverhead	\$ 16,657.99	0.001507
2	Big Horn	\$ 3,497,845.28	0.316539
3	Blaine	\$ 82,510.68	0.007467
4	Broadwater	\$ 381.73	0.000035
5	Carbon	\$ 303,610.08	0.027475
6	Carter	\$ 37,556.20	0.003399
7	Chouteau	\$ 5,398.64	0.000489
8	Custer	\$ 1,305.98	0.000118
9	Daniels	\$ 2,999.07	0.000271
10	Dawson	\$ 319,937.66	0.028953
11	Fallon	\$ 1,376,503.65	0.124567
12	Fergus	\$ 3,478.59	0.000315
13	Flathead	\$ 1,017.18	0.000092
14	Gallatin	\$ 43.54	0.000004
15	Garfield	\$ 14,551.73	0.001317
16	Glacier	\$ 5,489.61	0.000497
17	Golden Valley	\$ 3,425.43	0.000310
18	Hill	\$ 5,693.42	0.000515
19	Lewis & Clark	\$ 2,823.60	0.000256
20	Liberty	\$ 6,379.61	0.000577
21	Madison	\$ 1,303.17	0.000118
22	Mccone	\$ 402,889.63	0.036460

23	Musselshell	\$ 1,269,881.35	0.114919
24	Petroleum	\$ 12,420.59	0.001124
25	Phillips	\$ 193,767.27	0.017535
26	Pondera	\$ 4,183.78	0.000379
27	Powder River	\$ 304,844.81	0.027587
28	Prairie	\$ 74,177.10	0.006713
29	Richland	\$ 374,999.58	0.033936
30	Roosevelt	\$ 61,578.93	0.005573
31	Rosebud	\$ 1,749,778.43	0.158347
32	Sheridan	\$ 130,038.13	0.011768
33	Stillwater	\$ 19,994.63	0.001809
34	Sweet Grass	\$ 1,062.97	0.000096
35	Teton	\$ 321.59	0.000029
36	Toole	\$ 53,025.02	0.004799
37	Treasure	\$ 389,184.49	0.035219
38	Valley	\$ 12,772.17	0.001156
39	Wheatland	\$ 213.97	0.000019
40	Wibaux	\$ 305,484.10	0.027645
41	Yellowstone	\$ 745.92	0.000068
	Total Distribution	\$ 11,050,277.28	\$ 1.00

I. INTRODUCTION

Montana Department of Natural Resources & Conservation and Montana Department of Fish, Wildlife & Parks have jointly moved the Court for leave pursuant to Local Rule 7.5(a) to file an Amicus brief in support of the United States Forest Service and United States Fish & Wildlife Service determination in the collaborative administrative process below to undertake the Colt Summit Restoration and Fuels Reduction Project in Montana. This brief is submitted to support the motion for leave to file. All counsel for parties have been contacted, Plaintiffs do not oppose the motion and the United States takes no position on the matter.

II. AMICUS INTEREST IN THIS MATTER

The two agencies of the State of Montana making this request to file an amicus brief do so because they have an independent duty to the citizens of the state under state law to protect our forest resources and wildlife habitat, and protect our citizens from fire hazards. That duty to Montana Citizens is supported by the outcomes of the Colt Summit project's projected benefits to the forestry and wildlife resources of the state.

Montana's Department of Natural Resources and Conservation (DNRC) is required by § 76-13-104 M.C.A. under state law to "ensure the protection of land under state and private ownership and to suppress wildfires on land under state and

private ownership.” Furthermore the DNRC is required to cooperate with all public and other agencies in the development, protection, and conservation of the forest, range and water resources of the state. Since enactment by the 2007 legislature, it has been a priority of the legislature “to minimize property and resource loss resulting from wildfire,” and furthermore, that “sound forest management activities to reduce fire risk, such as thinning, prescribed burning, and insect and disease treatments, improve the overall diversity and vigor of forested landscapes and improve condition of related water, wildlife, recreation, and aesthetic resources,” and that “development of fire protection guidelines for the wildland-urban interface is critical to improving public safety and for reducing risk and loss.” See, §76-13-115 M.C.A. Those duties which fall upon the DNRC require the agency to work cooperatively with all forest resource entities to meet the legislative goals and priorities. One step in protecting the forest resource and improving public safety and reducing risk and loss is for the State of Montana, through the DNRC, to join in collaborative fuels reduction and restoration projects of the very nature at issue here. Reduction of dangerous fuels from diseased and dead stands, particularly where fuel stands are in close proximity to homes and other structures, is a critical aspect of protecting private and state property in Montana and ensuring the safety of its citizens.

The State of Montana, through both its Department of Fish, Wildlife and Parks (DFWP) and Fish, Wildlife and Parks Commission, has specific statutory mandates for the supervision, management, and regulation of wildlife and wildlife habitat. See, Mont. Code Ann. §§ 87-1-201 and 87-1-301. DFWP is also authorized under § 87-1-709 M.C.A. to cooperate with the United States and enter into agreements for wildlife restoration and for the purpose of carrying on any wildlife restoration project. Furthermore, both Montana DNRC and DFWP have significant interest in protecting the collaborative process along with protecting the resources involved in the project.

These Montana agency duties relative to fire protection and suppression and wildlife habitat are distinct from the interests of the duties of the United States and are best presented as a separate amicus perspective to assist the court in its review of the issues in this matter.

III. AMICUS BRIEF IS RELEVANT AND DESIRABLE

In matters before the court that involve issues of collaboration, along with both knowledge and expertise regarding the resources, the court may find significant value in the presentations and perspectives an amicus brief may provide. Even though the outcome regarding the Colt Summit Project is supported by the laws and regulations of the State of Montana, the state may provide that perspective from the view of its unique obligations to its citizens—all of which

will inure to the benefit of the considered analysis that must be undertaken by this court. The perspective of the issues and the merits of the decision that will be provided by the state should be a valuable tool for the court.

IV. TIMING OF AMICUS BRIEF

The State of Montana DNRC and DFWP represent to the Court that they will comply with the briefing schedule and the relevant deadline of February 27, 2012, for filing amicus in support of the project in this matter.

V. CONCLUSION

For the reasons stated above and with its desire to provide views on the merits as a friend of the court, the Montana DNRC and DFWP request that the Court grant their motion for leave to file an amicus brief in this matter.

Respectfully submitted this 25th day of January, 2012.

By 
Candace F. West
Mark C. Phares
Special Assistant Attorneys General
Montana Department of Natural
Resources & Conservation

By 
William A. Schenk
Special Assistant Attorney General
Montana Department of Fish,
Wildlife & Parks

Counsel for proposed *amici curiae*

CERTIFICATE OF SERVICE

I certify that on January 25, 2012, I served a copy of the foregoing Brief in Support of Unopposed Motion for Leave to File Amicus Brief via first class mail and electronic mail on the following:

Matthew Bishop
Western Environmental Law Center
103 Reeder's Alley
Helena, MT 59601
bishop@westernlaw.org

Mark Smith
9 United States Department of Justice
105 E. Pine Street
Missoula, MT
marksmith3@usdoj.gov

By *Candace L. West*

CERTIFICATE OF COMPLIANCE WITH LOCAL RULE 7.1(d)(2)(E)

I certify that this brief contains 851 words, exclusive of caption and certificates of service and compliance.

By *Candace L. West*

**COORDINATING AGENCY STATUS
MEMORANDUM OF AGREEMENT**
Between the
STATE OF MONTANA
And the
USDA FOREST SERVICE, NORTHERN REGION

This Memorandum of Agreement (MOA) is hereby entered into by and between the Montana Department of Natural Resources and Conservation, Forestry Division, hereinafter referred to as DNRC, and the USDA Forest Service, Northern Region, hereinafter referred to as the Forest Service.

I. PURPOSE:

In 2009, recognizing the effect federal resource management has on the State of Montana's ability to protect precious resources, the Montana legislature passed House Bill 44 (codified at Montana Code Annotated section 76-13-702), directing the DNRC establish cooperative agency status and coordination with the federal agencies. In addition, the Council on Environmental Quality (CEQ) regulations specifically address cooperating agency status (40 C.F.R. Sections 1501.6 & 1508.5) and the National Environmental Policy Act (NEPA) mandates that federal agencies responsible for preparing NEPA analyses and documentation do so "in cooperation with State and local governments" and other agencies with jurisdiction by law or special expertise. (42 U.S.C. Sections 4331(a), 4332(2)). Cooperating agency status is a major component of agency stakeholder involvement that neither enlarges nor diminishes the decision-making authority of any agency involved in the NEPA process. Benefits of enhanced cooperating agency participation in the preparation of NEPA analyses include: disclosing relevant information early in the analytical process; applying available technical expertise; avoiding duplication with other Federal, State, Tribal and local procedures; and establishing a mechanism for addressing intergovernmental issues.

II. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

DNRC is responsible for protecting and ensuring the present and future benefits of Montana's natural resources. Therefore, the DNRC has a high level of interest in the management of the National Forest System lands in Montana and the subsequent effect federal resource planning and policy have on Montana's ability to ensure present and future beneficial uses. The Forest Service recognizes that the DNRC has knowledge and expertise relative to natural resource planning, wildland fire protection, transportation, rural community stability and development, and other matters, all of which may be affected by federal planning policies, and project implementation. Additionally, the Forest Service and the DNRC both have obligations to the public in contributing to the quality of the human environment, the public health, and the regional economy and natural resource base. Our efforts will assist in maintaining a vibrant forest industry infrastructure in order to meet our natural resource goals.

III. THE FOREST SERVICE SHALL:

- A. Serve as the responsible party for ensuring compliance with all applicable federal regulations and guidelines relating to federal land management planning and policy development.
- B. Systematically notify the DNRC of opportunities to participate in the development of individual Forest planning revisions and amendments at the Forest level and in future federal forest policy development at the Regional level.
- C. Identify a principal contact for each proposed Forest planning document and/or Regional and National policy issue; and
- D. Retain decision making authority for management of the National Forests. This authority is not modified by this MOA.

IV. DNRC SHALL:

- A. Participate in the development of individual Forest plan revisions, and Forest plan amendments. This may include, but is not limited to; assisting in the development of draft planning documents and establishing environmental objectives and monitoring systems.
- B. Participate in the development of federal forest policy including but not limited to; climate change, renewable energy standards, forest restoration, and water resource protection.
- C. Provide advice and information throughout the Forest plan revision or amendment process to enhance a cross-jurisdictional partnership. DNRC will provide information or data on particular issues, including social, economic and/or forest health and wildfire hazard concerns. DNRC may assemble and present the data or information with the assistance of experts retained by DNRC. This MOA does not obligate DNRC to expend funds at the request of the Forest Service in furtherance of activities contemplated by this MOA.
- D. Identify a principal contact for each proposed Forest planning document and/or Regional and National policy issue.
- E. Provide advice and information on regional management strategies and vegetation management project prioritization; and
- F. Coordinate and communicate with the Forest Service regarding proposed planning documents and policies that require review and comment by the DNRC under this MOA.

- G. Work with the Montana forest products industry and the USDA - Forest Service Region One to improve communication and coordination regarding timber program issues, opportunities, and communications in order to sustaining a vibrant forest products infrastructure.

V. IT IS MUTUALLY AGREED AND UNDERSTOOD BY ALL PARTIES THAT:

- A. FREEDOM OF INFORMATION (FOIA) AND RIGHT TO KNOW. Any information furnished to the Forest Service under this MOA is subject to the Freedom of Information Act (5 U.S.C. 522). Any information furnished to DNRC under this MOA is subject to Montana's Right to Know provision found in Article II, Section 9 of the 1972 Montana Constitution, and its implementing legislation found in Title 2, Chapter 6 of the Montana Code Annotated
- B. DISPUTE RESOLUTION. Disputes concerning the content of land management plans, amendments and policy development or directives shall be resolved through good-faith efforts between the cooperators. In all instances involving questions regarding content or relevance of environmental data and analyses, evaluation and wording in preparing plans, amendments and policies, the Forest Service shall make the final determination on the inclusion, deletion, or modification of such items in the document. Should the Forest Service or DNRC prove unable to resolve disputes as described above, this MOA does not preclude the DNRC from pursuing relief through any applicable administrative or judicial review or litigation. Nothing in the MOA shall compromise or affect the rights of the DNRC to contest the outcome of plan revisions, plan amendments or federal natural resource policy development and/or adoption through any means available.
- C. PARTICIPATION IN SIMILAR ACTIVITIES. This MOA does not restrict the Forest Service or the DNRC from participating in similar activities with other public or private agencies, organizations, and individuals.
- D. PRINCIPAL CONTACT. The principal contacts for this MOA are:

Forest Service Contact

Leslie A. C. Weldon
Regional Forester
P.O. Box 7669
Missoula, MT 59807
Ph: (406) 329-3316
Fax: (406) 329-3347
E-Mail: laweldon@fs.fed.us

DNRC Contact

Robert Harrington
State Forester
2705 Spurgin Road
Missoula, MT 59804
Ph: (406) 542-4301
Fax: (406) 542-4217
E-Mail: rharrington@mt.gov

- E. NON-FUND OBLIGATION DOCUMENT. This MOA is neither a fiscal nor a funds obligation document. Any endeavor or transfer of anything of value involving reimbursement or contribution of funds between the parties to this MOA will be handled in accordance with applicable laws, regulations, and procedures including those for government procurement and printing. Such endeavors will be outlined in separate agreements that shall be made in writing by representatives of the parties and shall be independently authorized by appropriate statutory authority. This MOA does not provide such authority. Specifically, this MOA does not establish authority for noncompetitive award to DNRC and any contract or other agreement. Any contract or agreement for training or other services must fully comply with all applicable requirements for competition.
- F. ESTABLISHMENT OF RESPONSIBILITY. This MOU is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against the United States, its agencies, its officers, or any person.
- G. AUTHORIZED REPRESENTATIVES. By signature below, the cooperator certifies that the individuals listed in this document as representatives of the cooperator are authorized to act in their respective areas for matters related to this agreement.
- H. MODIFICATION. Modifications within the scope of this MOA shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.
- I. TERMINATION. Any of the parties may terminate the MOA in whole or in part in writing upon thirty (30) days written notice to the other party.
- J. COMMENCEMENT/EXPIRATION. The Memorandum of Agreement is executed as of the date of the last signature and is effective through December 31, 2013.

The authority and format of this MOA have been reviewed and approved for signature.

Elaine Hilliard
 Elaine D. Hilliard
 Grants & Agreements Specialist

12/3/09
 DATE

THE PARTIES HERETO have executed this instrument.

Leslie A. C. Weldon 12/3/09
 Leslie A. C. Weldon Date
 Regional Forester
 Northern Region One

Robert Harrington 12/3/09
 Robert Harrington Date
 State Forester
 Montana DNRC

Appendix A

I. State agency interests related to this MOA.

A. Montana Department of Natural Resources and Conservation (DNRC)

1. DNRC is responsible for promoting the stewardship of Montana's water, soil, forest, and rangeland resources and for the oversight of forest practices and oil and gas exploration and production. The department is organized into seven divisions Centralized Services Division, Conservation and Resource Development Division, Forestry Division, Trust Land Management Division, Water Resources Division, Oil and Gas Conservation Division, and Reserved Water Rights Compact Division. The Forestry Division provides wildland fire protection for private, state, and federal lands, conservation seedlings for state and private lands, provides assistance to private forest landowners, and regulates forest practices on private lands. The Trust Land Management Division is responsible for managing the surface and mineral resources of forestlands, grazing, agriculture, and other classified state trust lands to produce revenue for the benefit of Montana's public school system and other endowed institutions.
2. DNRC's statutory authorities include, but are not limited to, the Streamside Management Zone Law (Title 77, Chapter 5, Part 3) and the State Slash Law (Title 76, Chapter 13, Part 4)
3. DNRC's primary interest for the purposes of this MOA includes issues involving existing and future forest conditions, timber supply, maintaining rural communities, federal forest land allocations, transportation planning, interdependent issues on state trust lands, wildland fire protection, water quality and aquatic habitats.

Appendix J

FS Agreement No. 13-SA-11015600-063
Cooperator Agreement No.

MASTER STEWARDSHIP AGREEMENT

Between The
State of Montana Department of Natural Resources and Conservation
And the
USDA FOREST SERVICE, Northern Region

This Master Stewardship Agreement is hereby made and entered into by and between the State of Montana Department of Natural Resources and Conservation, hereinafter referred to as “DNRC,” and the USDA Forest Service, Northern Region, hereinafter referred to the “U.S. Forest Service,” under the provisions of the Consolidated Appropriated Resolution, 2003, Public Law 108-7, sec 323, amending Public Law 105-277, sec. 327 (Stewardship Authority).

Background: In 2003 Congress authorized the U.S. Forest Service and the Bureau of Land Management to enter into stewardship contracts and agreements “to achieve land management goals for the national forests that meet local and rural community needs.” The primary focus of this legislation is to achieve land management goals through stewardship projects awarded under contracts or agreements. Unique to the legislation is the ability to exchange goods for services that meet the land management objectives.

The area addressed in this Master Stewardship Agreement is known as the Northern Region. The project areas will be identified in the Supplemental Project Agreements (SPAs) and will lie within the National Forests of the Northern Region within the borders of the State of Montana. Each project area will include an un-estimated number of acres to be treated during the term of this Master Stewardship Agreement.

I. PURPOSE:

The purpose of this Master Stewardship Agreement is to document the cooperative effort between the parties for landscape restoration activities with the National Forests within the State of Montana in accordance with the following provisions and the hereby incorporated Template for Stewardship Supplemental Project Agreement (SPA), attached as Exhibit A.

II. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

The U.S. Forest Service is a land management agency dedicated to the wise use and management of National Forest System (NFS) lands, including the responsibility for maintaining and improving resource conditions.

The DNRC is a land management agency that operates similarly to the U. S. Forest Service. The mission of the DNRC is to sustainably manage Montana forests, rural lands, and communities through direct and cooperative wildland fire protection, sound forest management practices, and by promoting a viable forest and wood products industry.

The stewardship projects accomplished under this Master Stewardship Agreement may include, but are not limited to: commercial and non-commercial thinning of forest stands to meet a variety of objectives, such as, hazardous fuel treatments, forest stand health improvements, and habitat enhancement. In addition, stewardship projects that are non-timber related such as noxious weed control, hand slashing and piling for fuel reduction, water quality improvements such as road maintenance and improvements, culvert replacements, and stream restoration will also be accomplished.

This Master Stewardship Agreement will provide an opportunity for the parties to seek funding to expand partnership opportunities, and to garner new and additional support from partners, including but not limited to the timber industry, federal and non-federal entities, tribal entities, and DNRC's member and volunteers. Mission accomplishment for both parties will be furthered by the restoration of natural resources across the landscape.

All projects conceived under this Master Stewardship Agreement will undergo a collaborative process to determine specific habitat improvements. The collaborative process will ensure that the benefits of undertaking restoration activities are mutually beneficial to DNRC and the U.S. Forest Service as well as being beneficial to a wide diversity of interests involved in collaboration.

Both parties share an interest in improving the ecosystem condition and function of the landscape. A healthy landscape provides a variety of benefits beyond the needs of a single species, and therefore benefits both parties.

It is therefore mutually beneficial for the parties to work together to implement landscape restoration and enhancement projects.

In consideration of the above premises, the parties agree as follows:

III. THE PARTNER SHALL:

- A. LEGAL AUTHORITY. DNRC has the legal authority to enter into this Master Stewardship Agreement, and the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project, which includes funds sufficient to pay the non-Federal share of project costs, when applicable.

- B. Perform in accordance with any mutually approved Supplemental Project agreements tiered to this Master Stewardship Agreement.
- C. Explore any opportunities for additional support from other parties for projects associated with this Master Stewardship Agreement.
- D. Provide any necessary training and supervision to additional partners in C. above.
- E. Fully collaborate with the U.S. Forest Service in identifying and selecting future stewardship restoration projects in the project area.

IV. THE U.S. FOREST SERVICE SHALL:

- A. Have the Regional Forester or authorized designee approve all stewardship project proposals.
- B. Complete all necessary National Environmental Policy Act (NEPA) requirements.
- C. Inform DNRC of any changes in stewardship policy, law and regulations.
- D. Recognize DNRC's contribution, in a manner acceptable to both parties, in news releases, interpretive signs, photographs, or other media as appropriate.
- E. In mutual agreement with the DNRC, prepare and perform all Supplemental Project Agreements tiered to this Master Stewardship Agreement.

V. IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:

- A. PRINCIPAL CONTACTS. Individuals listed below are authorized to act in their respective areas for matters related to this Master Stewardship Agreement.

Principal U.S. Forest Service Contacts:

U.S. Forest Service Stewardship Coordinator	U.S. Forest Service Grants & Agreements Contact
Name: Jim Innes Address: 200 E. Broadway City, State, Zip: Missoula, MT, 59802 Telephone: 406-329-3149 FAX: Email: jinnes@fs.fed.us	Elaine Hilliard P.O. Box 7669 Missoula, MT 59807 406-329-3649 FAX: 406-329-3682 Email: ehilliard@fs.fed.us

Principal DNRC Contacts:

Partner Stewardship Coordinator	Partner Administrative Contact
Name: Paula Short Address: 2705 Spurgin Road City, State, Zip: Missoula, MT, 59804 Telephone: 406-542-4300 FAX: 406-542-4217 Email: paulashort@mt.gov	Name: Marci Anderson Address: 2705 Spurgin Road City, State, Zip: Missoula, MT, 59804 Telephone: 406-542-4300 FAX: 406-542-4217 Email: marcianderson@mt.gov

B. AVAILABILITY FOR CONSULTATION. Both parties agree to be available at mutually agreeable times, for continuing consultation to discuss the conditions covered by this agreement and agree to actions essential to fulfill its purposes.

C. ANNUAL MEETING. At a minimum, the parties will meet annually to discuss potential stewardship projects and jointly review the active stewardship project proposal list.

D. SUPPLEMENTAL PROJECT AGREEMENTS (SPA). Nothing in this Master Stewardship Agreement obligates either party to offer or accept any project proposals under this Master Stewardship Agreement. Any projects added to this Master Stewardship Agreement shall be by mutual consent of the parties through a specific SPA. At a minimum, an SPA shall:

1. Include language stating that the SPA will be made a part of this Master Stewardship Agreement thereby subjecting it to the terms of this Master Stewardship Agreement.
2. Include a map and description of the project area, treatment activities and corresponding treated acres, and other activities which may include other resource related projects.
3. Specify a method of designating trees for removal.
4. Describe the desired end result of the project(s).
5. Specify the exchange of goods for services. The U.S. Forest Service may apply the value of timber or other forest products removed as an offset against the cost of services received by DNRC.
6. Designate a U.S. Forest Service and DNRC official to monitor their respective responsibilities outlined in the SPA.
7. Include a Financial Plan to identify each parties contributions for projects identified in the SPA.
8. Identify appropriate bonding requirements.
9. Include any necessary forest restrictions and closure dates to allow DNRC to implement and complete the project(s) within the specified timeframes.
10. Provide necessary direction to DNRC to ensure compliance with appropriate laws and regulations to fulfill the terms of the SPA.
11. Identify any reporting requirements.
12. Be reviewed and approved by a delegated timber contracting officer when forest products will be disposed.

13. Be reviewed and approved by a U.S. Forest Service Grants & Agreements Specialist.
14. Be Mutually agreed to, in writing, by both parties and executed by the designated Forest Supervisor.

E. PERFORMANCE. The parties will perform in accordance with this approved SPAs.

F. EXCHANGE OF GOODS FOR SERVICES. SPA(s) may be completed where U.S. Forest Service goods are exchanged for DNRS's services; U.S. Forest Service funds are exchanged for DNRC's services; or a combination thereof.

G. TECHNICAL AND COST EVALUATION. Best approach determination is the evaluation method used by the Forest Service to approve stewardship agreement technical proposals. Such consideration shall primarily consider criteria other than cost. These non-price criteria include, but are not limited to:

1. The extent of mutual interest and benefit.
2. The advantages and effectiveness of mutual participation.
3. Joint expertise.
4. Past performance.
5. Technical approach
6. Factors relevant to cost such as volunteer participation, contribution from other parties, cost sharing, and so forth.
7. Ability to utilize, educate and/or train a local workforce.
8. Benefits to the local community.
9. Ability to complete work in a timely manner.
10. Experience in performing similar work.
11. Ability to conduct work in an environmentally sound manner.

H. NONLIABILITY. U.S. Forest Service does not assume liability for any third party claims for damages arising out of this Master Stewardship Agreement.

I. NOTICES. Any communications affecting the operations covered by this agreement given by the U.S. Forest Service or DNRC is sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in this Master Stewardship Agreement.

To DNRC, at the DNRC's address shown in this Master Stewardship Agreement or such other address designated within the Master Stewardship Agreement.

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

- J. PARTICIPATION IN SIMILAR ACTIVITIES. This Master Stewardship Agreement in no way restricts the U.S. Forest Service or DNRC from participating in similar activities with other public or private agencies, organizations, and individuals.
- K. ENDORSEMENT. Any of MT DNRC's contributions made under this Master Stewardship Agreement do not by direct reference or implication convey U.S. Forest Service endorsement of MT DNRC's products or activities.
- L. USE OF U.S. FOREST SERVICE INSIGNIA. In order for DNRC to use the U.S. Forest Service insignia on any published media, such as a webpage, printed publication, or audiovisual production, permission must be granted from the U.S. Forest Service's Office of Communications. A written request must be submitted and approval granted in writing by the Office of Communications (Washington Office) prior to use of the insignia.
- M. MEMBER OF U.S. CONGRESS. Pursuant to 41 U.S.C. 22, no United States member of, or United States delegate to, Congress shall be admitted to any share or part of this Master Stewardship Master Agreement, or benefits that may arise therefrom, either directly or indirectly.
- N. DRUG-FREE WORKPLACE.

1. DNRC agrees that it will publish a drug-free workplace statement and provide a copy to each employee who is engaged in the performance of any project/program that receives Federal funding. The statement must:
 - (a) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
 - (b) Specify the actions the recipient will take against employees for violating that prohibition; and
 - (c) Let each employee know that, as a condition of employment under any award, the employee:
 - (i) Must abide by the terms of the statement, and
 - (ii) Must notify the Cooperator in writing if they are convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than 5 calendar days after the conviction.
2. DNRC agrees that it will establish an ongoing drug-free awareness program to inform employees about
 - (a) The dangers of drug abuse in the workplace;
 - (b) The established policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation and employee assistance programs;
and

and

- (d) The penalties that may be imposed upon the employee for drug abuse violations occurring in the workplace.

3. Without the Program Manager's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this instrument, or the completion date of this instrument, whichever occurs first.

4. DNRC agrees to immediately notify the Program Manager if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the award/agreement number of each instrument on which the employee worked. The notification must be sent to the Program Manager within 10 calendar days after the DNRC learns of the conviction.

5. Within 30 calendar days of learning about an employee's conviction, DNRC must either.

- a. Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 USC 794), as amended, or
- b. Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

O. NONDISCRIMINATION. DNRC shall comply with all applicable Federal statutes relating to nondiscrimination. This includes all applicable requirements of all other Federal laws, Executive orders, regulations, and policies. These include but are not limited to Sections 119 and 504 of the Rehabilitation Act of 1973 as amended, which prohibits discrimination on the basis of race, color, religion, sex, age, national origin, marital status, familial status, sexual orientation, participation in any public assistance program, or disability.

P. ELIGIBLE WORKERS. DNRC shall ensure that all employees complete the I-9 form to certify that they are eligible for lawful employment under the Immigration and Nationality Act (8 USC 1324a). The Cooperator shall comply with regulations regarding certification and retention of the completed forms. These requirements also apply to any contract or supplemental agreement awarded under this instrument.

Q. STANDARD FOR FINANCIAL MANAGEMENT.

1. Financial Reporting

DNRC shall provide complete, accurate, and current financial disclosures of the project or program in accordance with any financial reporting requirements, as set forth in the financial provisions.

2. Accounting Records

DNRC shall continuously maintain and update records identifying the source and use of funds. The records shall contain information pertaining to the agreement, authorizations, obligations, unobligated balances, assets, outlays, and income.

3. Internal Control

DNRC shall maintain effective control over and accountability for all Forest Service funds, real property, and personal property assets. DNRC shall keep effective internal controls to ensure that all U.S. Federal funds received are separately and properly allocated to the activities described in the award/agreement. DNRC shall adequately safeguard all such property and shall ensure that it is used solely for authorized purposes.

4. Payments

Payment is typically made by reimbursement; advances may be used on a case-by-case basis and the need shall be documented. Do not use retained receipts for advance payment(s). An authority to allow advance payments will be added to the SPA. When applicable, DNRC shall establish and maintain specific procedures to minimize the time elapsing between the advance of federal funds and their subsequent disbursement. Any advance requested by DNRC must be expended within 30 days of receipt.

5. Source Documentation

The Cooperator shall support all accounting records with source documentation. These documentations include, but are not limited to, cancelled checks, paid bills, payrolls, contract and subgrant/contract documents, and so forth.

- R. AGREEMENT CLOSEOUT. The DNRC shall close out the Agreement within 90 days after expiration or notice of termination.

Any unobligated balance of cash advanced to the DNRC must be immediately refunded to the U.S. Forest Service, including any interest earned.

Within a maximum of 90 days following the date of expiration or termination of this Agreement, all financial performance and related reports required by the terms of the instrument must be submitted to the U.S. Forest Service by the DNRC.

If this Agreement is closed out without audit, the U.S. Forest Service reserves the right to disallow and recover an appropriate amount after fully considering any recommended disallowances resulting from an audit which may be conducted later.

- S. PROGRAM PERFORMANCE REPORTS. DNRC shall monitor the performance of the SPA activities to ensure that performance goals are being achieved.

Performance reports must contain information on the following:

- A comparison of actual accomplishments to the goals established for the period. Where the output of the project can be readily expressed in numbers, a computation of the cost per unit of output may be required if that information is useful.
- Reason(s) for delay if established goals were not met.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

DNRC shall submit semi-annual performance reports to the Forest Service Program Manager. These reports are due 30 days after the reporting period. The final performance report must be submitted either with the DNRC's final payment request, or separately, but not later than 90 days from the expiration date of the SPA's.

- T. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS. DNRC shall retain all records pertinent to this instrument for a period of no less than 3 years from the expiration or termination date. As used in this provision, records includes books, documents, accounting procedures and practice, and other data, regardless of the type or format. DNRC shall provide access and the right to examine all records related to this instrument to the U.S. Forest Service Inspector General, or Comptroller General or their authorized representative.

If any litigation, claim, negotiation, audit, or other action involving the records has been started before the end of the 3-year period, the records must be kept until all issues are resolved, or until the end of the regular 3-year period, whichever is later.

Records for nonexpendable property acquired in whole or in part, with Federal funds must be retained for 3 years after its final disposition.

DRNC shall provide access to any project site(s) to the U.S. Forest Service or any of their authorized representatives. The rights of access in this section shall not be limited to the required retention period but shall last as long as the records are kept.

- U. FREEDOM OF INFORMATION ACT (FOIA) AND RIGHT TO KNOW. Public access to Master Stewardship Agreement records shall not be limited, except then such records must be kept confidential and would have been exempted from disclosure pursuant to "Freedom of Information" regulation (5 U.S.c. 552), and/or pursuant to Montana's Right to Know

provision found in Article II, Section 9 of the 1972 Montana Constitution, and its implementing legislation, found in Title 2, Chapter 6 of the Montana Code Annotated.

- V. PUBLIC NOTICES. It is U.S. Forest Service's policy to inform the public as fully as possible of its programs and activities. DNRC is/are encouraged to give public notice of the receipt of this award/Master Stewardship Agreement and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

" of the U.S. Forest Service, Department of Agriculture, ."

DNRC may call on U.S. Forest Service's Office of Communication for advice regarding public notices. DNRC is/are requested to provide copies of notices or announcements to the U.S. Forest Service Program Manager and to U.S. Forest Service's Office Communications as far in advance of release as possible.

- W. RIGHT TO TRANSFER EQUIPMENT AND SUPPLIES. Equipment approved for purchase under this Master Stewardship Agreement is available only for use as authorized. The U.S. Forest Service reserves the right to transfer title to the federal government of any equipment with a current per-unit fair market value of \$5,000 or more purchased with U.S. Forest Service funding. Upon expiration of this Master Stewardship Agreement, DNRC shall forward an equipment inventory to the U.S. Forest Service, listing all equipment purchased with U.S. Forest Service funding throughout the life of the project. Disposition instructions shall be issued by the U.S. Forest Service within 120 calendar days from termination date of this Master Stewardship Agreement.
- X. FUNDING EQUIPMENT AND SUPPLIES. Federal funding under this Master Stewardship Agreement is not available for reimbursement of DNRC's purchase of equipment and supplies. Equipment is defined as having a fair market value of over \$5,000 per unit and a useful life of over one year.
- Y. PURCHASE OF ASSETS. Any assets (such as equipment, property, or improvements) purchased by the U.S. Forest Service with DNRC's contributions shall if expressly authorized by DNRC, shall become the property of the U. S. Forest.
- Z. CONTRACT REQUIREMENTS. If DNRC issue(s) a contract, it shall be awarded consistent with the State of Montana contracting law. Additionally, federal wage provisions (Davis-Bacon or Service Contract Act) are applicable to any construction contract developed and awarded under this Master Stewardship Agreement where all or part of the funding is provided with U.S. Forest Service funds. Davis-Bacon wage rates apply on all public works contracts in excess of \$2,000 and Service Contract Act wage provisions apply to service contracts in excess of \$2,500.
- AA. U.S. FOREST SERVICE ACKNOWLEDGED IN PUBLICATION AND AUDIOVISUALS. DNRC shall acknowledge U.S. Forest Service support in any

publications, audiovisuals, and electronic media developed as a result of this Master Stewardship Agreement.

BB. NONDISCRIMINATION STATEMENT – PRINTED, ELECTRONIC, OR AUDIOVISUAL MATERIAL. DNRC shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any federal funding.

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)"

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

If the material is too small to permit the full statement to be included, the material shall, at minimum, include the following statement, in print size no smaller than the text:

"This institution is an equal opportunity provider"

CC. REMEDIES FOR COMPLIANCE RELATED ISSUES. If DNRC materially fails to comply with any term of the instrument, whether stated in a Federal statute or regulation, an assurance, the agreement, or elsewhere, the U.S. Forest Service may take one or more of the following actions:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the DNRC or more severe enforcement action by the U.S. Forest Service;
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;
- (3) Wholly or partly suspend or terminate the current Master Stewardship Agreement for the DNRC's program;
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available, including debarment procedures under 7 CFR part 3017.

DD. TERMINATION BY MUTUAL AGREEMENT. This Master Stewardship Agreement may be terminated, in whole or part, as follows:

1. When the U.S. Forest Service and DNRC agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
2. By 30 days written notification by the DNRC to the U.S. Forest Service setting forth the

reasons for termination, effective date, and in the case of partial termination, the portion to be terminated. If the U.S. Forest Service decides that the remaining portion of the grant must not accomplish the purpose for which the grant was made, the U.S. Forest Service may terminate the Master Stewardship Agreement upon 30 days written notice.

If, in the case of a partial termination, the U.S. Forest Service determines that the remaining portion of the instrument will not accomplish the purposes for which the instrument was made, the U.S. Forest Service may terminate the Master Stewardship Agreement in its entirety.

Upon termination of an Master Stewardship Agreement, DNRC shall not incur any new obligations for the terminated portion of the Master Stewardship Agreement after the effective date, and shall cancel as many outstanding obligations as possible. The U.S. Forest Service shall allow full credit to DNRC for the U.S. Federal share of the non-cancelable obligations properly incurred by DNRC up to the effective date of the termination. Excess funds must be refunded within 60 days after the effective date of termination.

EE. ALTERNATE DISPUTE RESOLUTION – PARTNERSHIP AGREEMENT. In the event of any issue of controversy under this agreement, the parties may pursue Alternate Dispute Resolution procedures to voluntarily resolve those issues. These procedures may include, but are not limited to conciliation, facilitation, mediation, and fact finding.

FF. DEBARMENT AND SUSPENSION. DNRC shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the federal government according to the terms of 2 CFR Part 180. Additionally should DNRC or any of their principals receive a transmittal letter or other official federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.

GG. COPYRIGHTING. DNRC is/are granted sole and exclusive right to copyright any publications developed as a result of this Master Stewardship Agreement. This includes the right to publish and vend throughout the world in any language and in all media and forms, in whole or in part, for the full term of copyright and all renewals thereof in accordance with this Master Stewardship Agreement.

No original text or graphics produced and submitted by the U.S. Forest Service shall be copyrighted. The U.S. Forest Service reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for federal government purposes. This right must be transferred to any sub-agreements or subcontracts.

This provision includes:

- The copyright in any work developed by the DNRC under this Master Stewardship

Agreement.

- Any right of copyright to which the DNRC purchases ownership with any federal contributions.

HH. PUBLICATION SALE. The DNRC may sell any publication developed as a result of this agreement. The publication may be sold at fair market value, which is initially defined in this agreement to cover the costs of development, production, marketing, and distribution. After the costs of development and production have been recovered, fair market value is defined in this agreement to cover the costs of marketing, printing, and distribution only. Fair market value must exclude any in-kind or federal government contributions from the total costs of the project.

II. When DNRC is seeking bids for product removal and/or stewardship items, both parties agree that the product rates and stewardship item costs used at the approval of the SPA may be based upon tentative value and planned costs. Both parties agree to establish actual rates for both product and stewardship items prior to commencement of operations. DNRC will notify the U.S. Forest Service in writing 60 days in advance to request appraisal prior to seeking formal bids. Both parties agree to modify the SPA with these actual values and costs. Modified product values shall be greater than or equal to the reappraised rates and value.

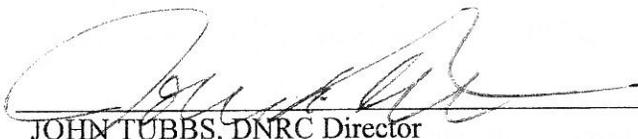
Post commencement of work, if there is a change from the established stewardship item rates, the SPA will be modified to increase or decrease the amount of services provided by DNRC, accordingly. Post commencement of work product value rate redeterminations are subject to authorizing regulation.

JJ. MODIFICATION. Modifications within the scope of this Master Stewardship Agreement must be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change. The U.S. Forest Service is not obligated to fund any changes not properly approved in advance.

The U.S. Forest Service and DNRC are not obligated to fund any changes not properly approved in advance.

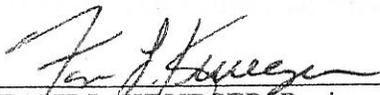
KK. COMMENCEMENT/EXPIRATION DATE. This Master Stewardship Agreement is executed as of the date of the last signature and is effective through 10/01/2023 at which time it will expire, signed and dated by all properly authorized, signatory officials.

LL. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this Master Stewardship Agreement. In witness whereof, the parties have executed this Master Stewardship Agreement as of the last date written below.



JOHN TUBBS, DNRC Director
Montana Department of Natural Resources and
Conservation

9-26-13
Date



FAYE L. KRUEGER, Regional Forester
U.S. Forest Service, Northern Region

9/25/13
Date

The authority and format of this Master Stewardship Agreement have been reviewed and approved for signature.

1/s // Elaine D. Hilliard 9/25/2013



9/25/13

ELAINE D. HILLIARD

Date

U.S. Forest Service Grants & Agreements Specialist

Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

