

Statement of Congressman Paul A. Gosar, D.D.S (AZ-04)
Appropriations Subcommittee on Interior, Environment, and Related Agencies
Members' Day Hearing
February 28, 2017

Thank you Mr. Chairman for the opportunity to testify before the Subcommittee. I'm Congressman Paul Gosar and I represent Arizona's Fourth Congressional District. I am also Chairman of the Congressional Western Caucus, Chairman of the House Committee on Natural Resources Subcommittee on Energy and Mineral Resources, and Vice-Chairman of the House Committee on Oversight and Government Reform Subcommittee on the Interior. Critical programs and oversight activities addressed by the Interior, Environment, and Related Agencies Appropriations bill fall under my purview as a result. I would like to take this opportunity to discuss several of those here today.

The first important program I would like to advocate for today is the Payments in Lieu of Taxes (PILT) program. PILT was first signed into law in October 1976 and was created to compensate local governments for large quantities of un-taxable federal lands within their jurisdiction. Local property and sales taxes typically fund county governments allowing them to provide essential services like law enforcement, infrastructure and education needs. The inability for counties to collect local taxes on federal lands is particularly burdensome, especially when counties often provide critical services on these very lands. PILT funding helps offset the losses of these critical revenues and allows for the continuation of essential services.

Over 90% of federally owned land is located in the Western half of the United States. In Arizona, less than 18 percent of land is privately held and taxable by state and local governments. PILT payments are distributed to 49 different states and nearly 1,850 counties throughout the nation. Massive federal ownership of land in the West also causes local governments to miss out on substantial tax revenues from potential energy extraction, mining,

timber harvesting, and various other forms of economic development. In fiscal year 2015, the national average for PILT payments was 72.4 cents per acre. This figure is nowhere near the amount of revenue that would be generated if these lands were able to undergo economic development and value-based taxation. This disproportionately impacts rural areas where access to government resources is already more difficult than in larger cities.

PILT was a mandatory program from fiscal year 2008 through fiscal year 2012. Since that time, PILT has been subject to annual appropriations and funding has been unpredictable. In fiscal year 2015, funding for PILT was provided. This was accomplished as a portion of PILT funding was provided through the National Defense Authorization Act and the majority of PILT funding was provided through the 2015 Consolidated and Further Continuing Appropriations Act. However, this approach subjected PILT to sequestration and caused significant uncertainty for county budgets. Congress fully-funded PILT in fiscal year 2016. The Department of the Interior has estimated \$480 million is necessary to fully-fund PILT in fiscal year 2017. I am a strong supporter of PILT and call on this body to provide full-funding for PILT for fiscal year 2017, fiscal year 2018 and beyond.

The next program I would like to advocate for deals with on-the-ground sage grouse conservation. The fiscal year 2017 House Interior and Environment Appropriations bill provided an increase of \$12 million above the fiscal year 2016 level for these purposes. Sage grouse conservation and management is an issue best accomplished on the ground by states and local stakeholders. While Arizona does not have to deal with Sage Grouse issues directly, this is an important issue that impacts Western Caucus Members and communities throughout the West. The Subcommittee should continue to provide funding for local conservation and management purposes. This Subcommittee and the full Appropriations Committee should also work with

Western members to defund the de facto sage grouse listing implemented by the Department of Interior through the Resource Management Plan (RMP) and Land and Resource Management Plan (LRMP) amendments. These misguided amendments were not warranted and sought to prevent responsible mineral production and other activities across 11 western states, including 67 million acres of land administered by the Bureau of Land Management (BLM) and the United States Forest Service, and tens of millions acres of Federal mineral estate.

The fiscal year 2017 Interior and Environment Appropriations bill included numerous prohibitions and riders that were important to Western communities and I would like to thank you all for including those provisions. I would like to ask for the Subcommittee to again retain the following provisions that were passed by the House in last fiscal year's bill: a rider prohibiting the Environmental Protection Agency's (EPA's) Attempt to expand the Clean Water Act through unlawful guidance; a provision allowing for responsible State Management of Mexican wolf populations; a rider blocking funds for the EPA to implement its Waters of the United States (WOTUS) Rule; a provision prohibiting funds for the Social Cost of Carbon; a rider prohibiting the EPA from implementing new greenhouse gas regulations for new and existing power plants and eliminating funding for greenhouse gas "New Source Performance Standards"; a prohibition on the EPA from imposing duplicative financial assurance requirements; a prohibition on the regulation of the lead content of ammunition and fishing tackle.

Unfortunately, the Obama Administration also churned out numerous job-killing regulations since last fiscal year's bill was passed. We have been addressing many of those in the House with the Congressional Review Act. However, many of those rules also need to be addressed through the fiscal year 2018 Interior, Environment, and Related Agencies Appropriations bill.

These include but are not limited to the BLM's Venting and Flaring Rule, BLM's Planning 2.0 Rule, the Office of Natural Resources Revenue's revision of the Federal Mineral Production Valuation Rule and numerous others.

I appreciate the opportunity to testify today. I would like to thank all members of the Subcommittee for your important work and hope this fiscal year's bill is just as good as the excellent legislation passed by the House last year. The Western Caucus and the members of my Subcommittees look forward to coordinating with you all closely and building on that effort. Thank you Mr. Chairman and with that I yield back.