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County of Modoc**

**Date of Hearing: December 7, 2017**

**H.R. 3371 (Rep. Doug LaMalfa)**, to provide for the conveyance of an obsolete Over-The-Horizon Backscatter Radar System receiving station in Modoc County, California to promote economic development of this site. ***“Modoc County Land Transfer and Economic Development Act of 2017”***

Chairman McClintock, Ranking Member Hanabusa and distinguished members of the House Sub-Committee on Federal Lands; thank you for holding today’s hearing on H.R. 3371, the Modoc County Land Transfer and Economic Development Act of 2017.

My name is Elizabeth Cavasso, I testify to you as a member of the Modoc County Board of Supervisors and a former employee of the Modoc National Forest where I served from 1991 to 2006 as the Forest Fire Management Officer. Modoc County is located in north east corner of California, bordered by Oregon and Nevada. The county seat is Alturas, the only incorporated city in the county and located approximately 300 miles northeast of our state capitol, Sacramento. Our county spans across two and a half million acres, with a population of approximately 9,000 residents. Over 70% of Modoc County’s land mass is administered by the federal and state governments, with the majority being the United States Forest Service.

I look forward to explaining to you today why Modoc County believes that transferring the ownership of the de-commissioned Over-the-Horizon-Backscatter (OTHB) radar site from the Forest Service to Modoc County is a great benefit to both the American taxpayer and our local communities.

I believe a chronological history of the site in question will be beneficial to understanding why Modoc County asked Congressman LaMalfa to sponsor this legislation.

Establishment of the radar site began in the 1980s, when the Air Force obtained a special use permit/agreement with the Modoc National Forest to construct the Over-The- Horizon-Backscatter radar site on approximately 927 acres. An extensive National Environmental Policy Act analysis was completed and the radar site was constructed. At that time, given the site was to be completely altered, sufficient environmental and cultural mitigations were completed. The radar installation was completed, but only operated a few months in 1986, before being permanently closed in the early 1990s as its functions were now being accomplished by satellite.

Once de-commissioned, the radar specific equipment was removed and the site reverted to a “caretaker” status.

In 2010, a joint Finding of No Significant Impact was signed by the Forest Service and the Air Force. The Proposed Action was to undertake the removal of the remaining infrastructure and equipment. Utilities owned and operated by private companies and the four (4) wells would remain in place. The Proposed Action further directed the area be rehabilitated consistent with its pre-radar condition. At that time, the existing infrastructure included; buildings, water tanks, lighting, septic systems, generators, concrete pads, fencing, metal ground screens and other man-made structures. There was also a need to re-contour, remove the gravel/cinder surfacing, re-vegetate and restore the original drainage system.

With the affirmative action taken to move forward with the removal of the site’s improvements, the possibility of utilizing the taxpayer funded improvements at the radar site for a productive use rather than expending additional funding to return the site to pre- radar condition, Modoc County began to work towards a solution.

The site possessed many useful traits for potential economic development. The site is viewed as ideal for the development of renewable energy generation, due to the existing infrastructure and proximity to multiple transportation and utility corridors such as; major highways, railroad, natural gas pipeline and pumping station, electric transmission grid and an airport within a reasonable distance. The site is leveled, has multiple buildings, water and power. Access is off a county road and Forest Service road that can be accessible year round. There are no nearby neighbors.

Modoc County is similar to many rural western counties where the primary landowner is the federal government. The County was finding it difficult to provide essential services to its citizens with only a property tax base of 25 percent of the land. In addition, the federal in lieu tax payments (PILT and Secure Rural Schools) continue to decline. After some study, Modoc County believed the radar site could become the source of essential non-tax revenue stream.

The County approached the Forest Service about the possibility of leaving in place those site improvements which could prove useful for future economic development. The Forest Service communicated to the County, the special use permit was still in place with the Air Force and therefore would have to discuss the proposal with the lead agency. An example was as follows:

*“As you know, the improvements at the radar site, with the exception of the on-site wells and utilities, are the property of and administered by the Air Combat Command, U.S. Air Force. Any use or assumption of use of USAF owned facilities will require USAF approval separate from any feasibility study authorized the Modoc National Forest.”*

The Air Force’s response was to redirect the county to the Modoc National Forest, as they were required by the agreement to return the site to its original condition. Communication continued with both agencies for several years on the proposed economic developments.

In addition to economic development, the site is the epicenter for the Western Juniper encroachment analyzed in the Sage Steppe Ecosystem Restoration Strategy Environmental Impact Statement completed by Modoc County, Bureau of Land Management and the Modoc National Forest in 2008. This document laid out a forty (40) year window for treating millions of acres of juniper encroached rangelands within the boundary of both agencies. However, the

treatments were being curtailed by the increasing cost of fuel for transporting the biomass chips two hundred (200) miles round trip to the nearest power generation facility.

Modoc County found it difficult to attract interest from potential developers due to the lack of control and unreliability of the future condition of the site. The County formed a local working group, in an attempt obtain agreements from the two agencies to allow the valuable improvements to remain in place.

There was extensive discussion of several options which included requesting a transfer of land ownership or requesting a special use feasibility permit from the Forest Service. In September of 2013, the County formally requested a permit in order to acquire some site control to conduct Feasibility of Producing Renewable Power study. The permit was granted in July of 2014.

The County was successful in obtaining funding through the Modoc County Resource Advisory Committee to commission a “fatal flaw” study on the feasibility of producing and transporting renewable power from the site to the transmission grid. The study revealed the feasibility of this type of potential project located on the site.

Indications were the slow progress of re-habilitating the site was about to change with the likelihood of increased appropriations to accelerate the pace of cleanup. While the County was agreeable to the re-habilitation efforts to remove some contaminants, we remained concerned other valuable improvements would be destroyed. The County contracted with a Washington D.C. based consultant, Mark Rey (a former USDA Under Secretary) to assist in arranging a meeting with officials who could make the decisions we believed would serve both the taxpayers and the local communities well.

Our consultant’s first advice was to ensure there was a letter of support for the County’s efforts in place at the Forest Service’s Washington Office from both the Modoc National Forest and Region Five (5) Forest Service. To accomplish this through the Forest Service’s process took from June 2015 to January 2016. Once these letters were in place, the appropriate officials in both USDA and the Air Force were identified and invitations were extended to hold discussions with the County. Congressman LaMalfa, graciously offered to host and facilitate this meeting.

After lengthy discussions and seeing the pace of restoration increasing, the County moved to acquire ownership of the land outright. In June 2017, Modoc County asked Congressman LaMalfa’s aid in transferring the property to County ownership. The County felt this action was the only method to retain valuable improvements for future economic development from being destroyed.

Modoc County truly believes the transfer of property to county ownership is advantageous to both the county and the federal government. A substantial savings to the federal government will be realized by preserving the existing improvements. Reduction of expenditures is evident in the proposed contract with the Army Corps of Engineers for 2.1 million dollars to demolish the buildings. If not repurposed, there will be additional expenditures for re-contouring, surface removal, and re-vegetation.

When the County is successful in establishing a solar farm development, the likelihood of a biomass power generation facility will substantially increase. A biomass facility will assist the Modoc National Forest in removing excess hazardous fuel from timber sales which often cannot be transported off site due to the over burdensome costs. This practice increases the fuel load and

risk of catastrophic wildfire. A facility located in close proximity to the Modoc National Forest will reduce the haul circle and resolve the transportation issue.

In addition, funding available through the Sage Grouse Initiative are being expended to treat mass quantities of juniper encroached Sage Steppe rangeland. However, because of distance to the nearest biomass facility, none of this material is being chipped and transported. The juniper is cut with no outlet other than to remain in the forest increasing the hazardous fuel load. This practice significantly reduces the benefits of juniper removal treatments in regards to improved wildlife habitat, increased forage production, and enhanced water quantity.

It is anticipated there will be improvement in the renewable energy market in California. The Forest Service has the potential to sell juniper biomass which could fund the next round of treatments as the Sage Steppe Ecosystem Restoration Strategy suggested.

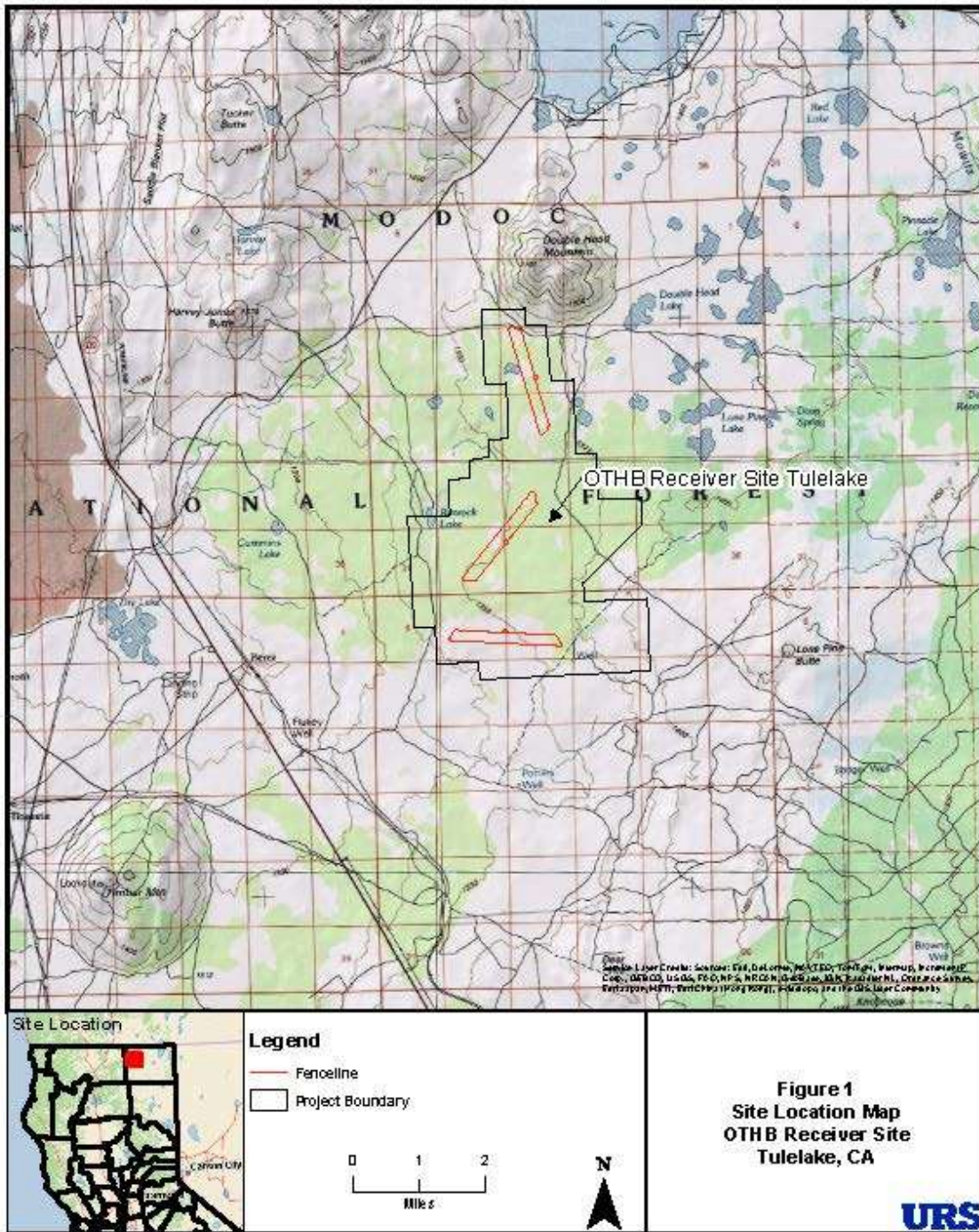
Transfer of the property ownership would be a positive step toward the County realizing its desired non-tax revenue stream. There are several forms in which this revenue could materialize. The simplest means would be as lease payments from a solar/wind development. There also may be the combination of lease dollars and royalty payments from some form of hybrid public/private partnership. Regardless of the form of the business structure that is formed, the County has no intention of ever managing day to day operations. Preliminary discussions with multiple solar development firms have been conducted regarding power generation. Until control is established by the county, no further discussion will be held.

In addition, to the revenue stream development of the site should also provide some of the benefits expected from a more traditional approach to economic growth projects. There will be construction jobs, increased taxes and with the advent of a biomass facility a substantial increase in permanent jobs. Modoc County believes the transfer of ownership is an opportunity for the federal government to contribute to the wellbeing of our schools and severely disadvantaged communities without any additional funding.

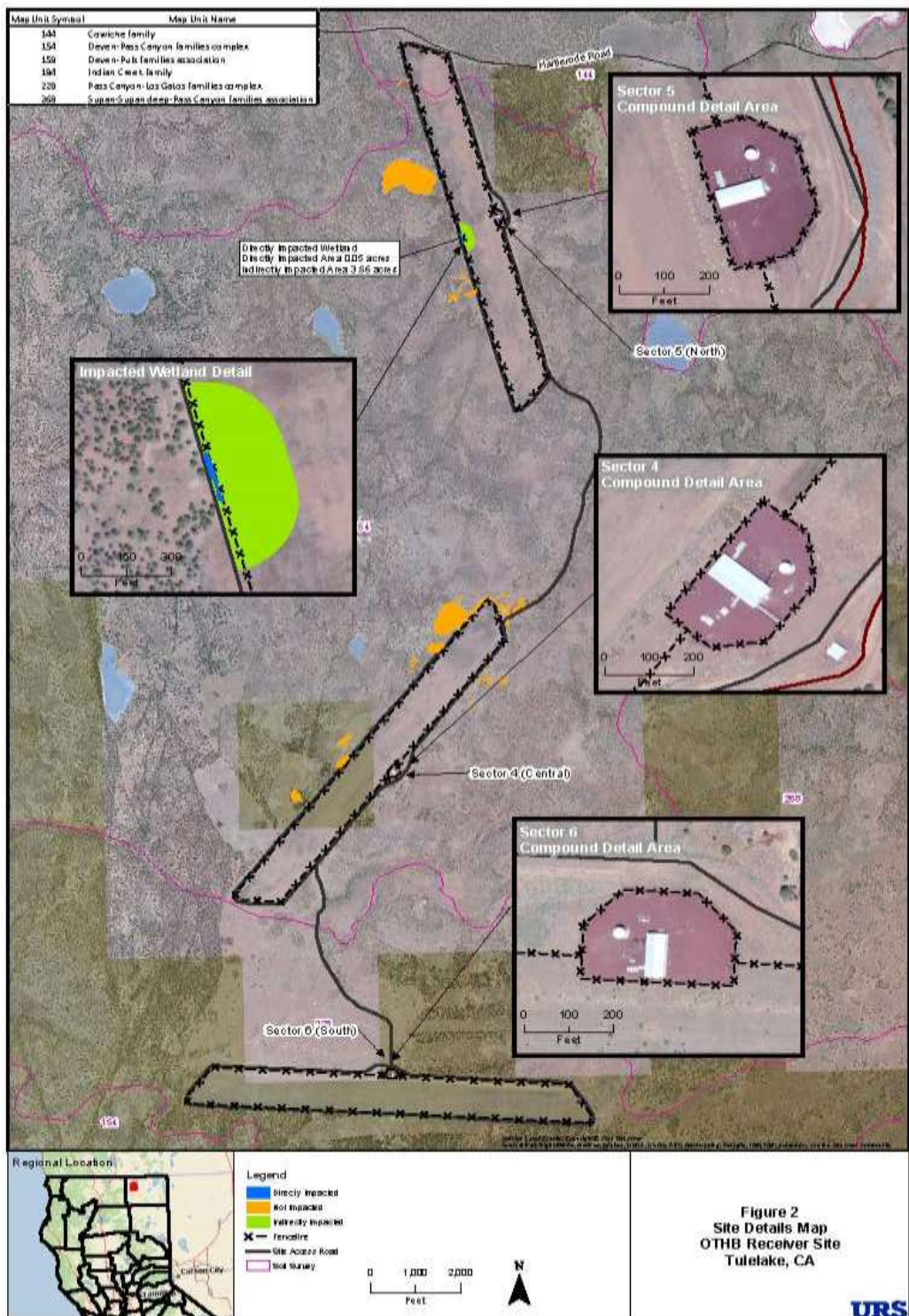
Modoc County has worked to retain the radar site improvements for future productive economic growth over the last seven (7) years. This has been a well-known effort and covered extensively in the local newspaper. During this span of time, there have been no objections voiced to the County about either managing the site through a special use permit or owning the site outright.

Mr. Chairman I have support letters regarding H.R. 3371 from the following agencies I would like to be submitted for the record; Superior California Economic Development, Northern Rural Training & Employment Consortium, Alliance For Workforce Development, Inc., Modoc County Farm Bureau, North Cal-Neva Resource Conservation and Development Council, Inc., Modoc Economic Development Corporation.

I wish to express my appreciation to the Federal Lands Sub Committee for giving me the opportunity to explain why we believe this legislation will benefit all concerned. In addition, we offer our most sincere appreciation to Congressman LaMalfa and to you, Mr. Chairman, for the consideration of our testimony.



January 2017



January 2017

January 2017 Statement of Basis Prepared by the United States Air Force