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REPORT
111–394

BLM CONTRACT EXTENSION ACT

JANUARY 12, 2010.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RAHALL, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 3759]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 3759) to authorize the Secretary of the Interior to grant economy-related contract extensions of certain timber contracts between the Secretary of the Interior and timber purchasers, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

Amend the title so as to read:

A bill to authorize the Secretary of the Interior to grant economy related contract extensions of certain timber contracts between the Secretary of the Interior and timber purchasers, and for other purposes.

PURPOSE OF THE BILL

The purpose of H.R. 3759 is to authorize the Secretary of the Interior to grant economy-related contract extensions of certain timber contracts between the Secretary of the Interior and timber purchasers.

BACKGROUND AND NEED FOR LEGISLATION

The Nation's recent economic downturn has dramatically impacted the forest products industry, especially those companies reliant on wood from federal lands. At the peak of the housing market in June 2006, housing starts reached more than 2.2 million; that compares to fewer than 500,000 housing starts in January 2009. The timber industry has been directly affected by the fall of the housing market and the continued uncertainty about its recovery.

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Currently, the U.S. Forest Service has several options for helping timber companies adjust economically unviable timber contracts, but the Bureau of Land Management (BLM) does not have the same authorities. As a result, there are many timber companies which negotiated contracts three years ago with the BLM but can no longer afford to remove the timber based on the current contract terms.

In an attempt to help rural economies and struggling timber companies, H.R. 3759 would allow the Secretary of the Interior to add three years to the current contract expiration date. This would give companies the opportunity to wait for a better economic climate in which to remove timber from BLM lands, rather than mutually agreeing with the BLM to cancel their current contracts.

COMMITTEE ACTION

H.R. 3759 was introduced on October 8, 2009 by Representative Peter DeFazio (D–OR). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on National Parks, Forests and Public Lands. On November 5, 2009, the Subcommittee held a hearing on the bill, at which a representative of the Department of the Interior testified that the Administration supports the goal of the legislation.

On November 18, 2009, the Subcommittee was discharged from further consideration of H.R. 3759 and the full Natural Resources Committee met to consider the bill. Subcommittee Chairman Raúl Grijalva (D–AZ) offered a long title amendment to correct an error in the long title. The amendment was agreed to by unanimous consent. H.R. 3759, as amended, was then favorably reported to the House of Representatives by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as ordered reported, is to authorize the Secretary of the Interior to grant economy-related contract extensions of certain timber contracts between the Secretary of the Interior and timber purchasers, and for other purposes.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 3759—BLM Contract Extension Act

CBO estimates that enacting H.R. 3759 would not significantly affect the federal budget. Enacting the bill would have a negligible impact on direct spending and would not affect revenues. H.R. 3759 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 3759 would permit the Secretary of the Interior to extend, by up to three years, the expiration date of certain timber contracts. Under such contracts, timber purchasers harvest federally owned timber, generating offsetting receipts (a credit against direct spending) to the federal government. Based on information from the Bureau of Land Management, CBO estimates that extending those contracts would not significantly affect total receipts from timber harvests over the next 10 years. The amount of timber harvested from federal lands is largely driven by market conditions. Enacting H.R. 3759 could result in additional receipts from timber contracts that are extended under the bill, but we expect that those increases largely would be offset by forgone receipts from harvesting activity that would otherwise occur under other contracts.

The CBO staff contacts for this estimate are Deborah Reis and Megan Carroll. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

EARMARK STATEMENT

H.R. 3759 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

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