

**FUNDING OF ENVIRONMENTAL INITIATIVES AND  
THEIR IMPACT ON LOCAL COMMUNITIES**

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**OVERSIGHT HEARING**

BEFORE THE  
SUBCOMMITTEE ON FORESTS AND FOREST HEALTH  
OF THE

**COMMITTEE ON RESOURCES  
HOUSE OF REPRESENTATIVES**

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

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FEBRUARY 15, 2000, WASHINGTON, DC.

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**Serial No. 106–87**  
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Printed for the use of the Committee on Resources



Available via the World Wide Web: <http://www.access.gpo.gov/congress/house>  
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# OVERSIGHT HEARING ON FUNDING OF ENVIRONMENTAL INITIATIVES AND THEIR IMPACT ON LOCAL COMMUNITIES

TUESDAY, FEBRUARY 15, 2000

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON FOREST AND FOREST HEALTH,  
COMMITTEE ON RESOURCES,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2 p.m., in room 1334, Longworth House Office Building, Hon. Helen Chenoweth-Hage (Chairperson of the Subcommittee) presiding.

## STATEMENT OF THE HON. HELEN CHENOWETH-HAGE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mrs. CHENOWETH-HAGE. The Subcommittee is meeting today to hear testimony on the funding of environmental initiatives and their impact on local communities.

In last week's *Economist* magazine, one of the lead stories was about non-governmental organizations, or NGO's. The article said that "the general public tends to see them as uniformly altruistic, idealistic, and independent. But they are often far from being 'non-governmental', as they claim. And they are not always a good force". The *Economist* goes on to say that NGO's "deserve much sharper scrutiny". That is what we are doing here today: examining the funding of NGO's environmental initiatives on the national forests and their impact on local communities.

A full Committee hearing on the "Impact on Federal Land Use Policies on Rural Communities" was held on June 9, 1998. At that hearing, it was pointed out that in States with a high percentage of Federal land, there is a significant urban-rural prosperity gap. Urban areas are booming while rural areas are reeling. Many witnesses attributed this to Federal land management policies and outlined specific examples of how current Federal land management policies have had devastating impacts on the economies of their communities. Several witnesses pointed out that many of the destructive Federal policies were implemented as a result of NGO environmental advocacy, financed by tax exempt grants from private charitable foundations.

Environmental groups are relying more and more on wealthy non-profit foundations to fund their operations. According to a recent article in the *Boston Globe*, foundations invest at least \$400 million a year in environmental advocacy and research. The largest environmental grant-maker, the \$4.9 billion Pew Charitable

Trusts, gives more than \$35 million annually to environmental groups.

Advocacy for national forests policy initiatives appears to be largely financed by charitable foundations through tax-free grants. For example, the Clinton-Gore Administration's Roadless Initiative may withdraw up to 60 million acres of National Forest Lands for multiple use. This initiative appears to have been organized and funded by charitable foundations, primarily the Philadelphia-based Pew Charitable Trusts.

Since September 1998, Pew has given the National Audubon Society more than \$3.5 million in tax-free grants to organize the Heritage Forests Campaign, a coalition of about a dozen environmental groups. The sole objective of the Campaign appears to be the creation of widespread public support for the Clinton-Gore Administration's initiative to restrict access on 60 million acres of national forest lands.

The Heritage Forests Campaign illustrates several potential problems with foundation-financed environmental political advocacy, namely, the lack of fair, broadbased representation and the absence of accountability. Particularly disturbing is this Administration's acquiescence to the Campaign in the setting of policy. At a recent hearing on the Roadless Initiative, I asked George Frampton, Director of the Council on Environmental Quality, for the names of all those attending any meetings he held regarding the development of this initiative. The list he sent in response is a who's-who in the environmental community. Even more telling is that not one individual representing recreation, industry, academia, county commissioners, or local schools were in attendance. Only representatives of the national environmental groups participated.

Now only was the public excluded during these meetings, but so was Congress. The Administration's Roadless Initiative appears to be an attempt to bypass the role of Congress. Under Article IV, Section 3 of the United States Constitution, Congress possesses the ultimate power over management and use of lands belonging to the United States. If the Roadless Initiative is universally popular, why can't the Heritage Forests Campaign get it enacted by Congress through the normal legislative process? Administrative directives such as the Roadless Initiative bypass Congress and centralize policymaking authority within the hands of unelected bureaucrats in the executive branch. Foundation-funded advocacy groups make back room deals thus denying the average citizen a voice and input into the policy through their elected representatives in Congress. As a result, our Government becomes more remote and unresponsive to the needs of the average citizen.

To whom is the Heritage Forests Campaign accountable? This Campaign is put together by foundations, not the participants. The grantees are accountable to the foundations that fund them, not even their own members. Foundations have no voters, no customers, no investors. The people who run big foundations are part of an elite and insulated group. They are typically located hundreds or even thousands of miles from the communities affected by policies that they advocate. They receive little or no feedback from those affected by their decisions, nor are they accountable to any-

one for promoting policies which adversely affect the well being of rural people and local economies. Today's witnesses will tell us how their communities are being crushed by an inaccessible and faceless movement wielding great power and influence.

The Economist is right to say that NGO's deserve much sharper scrutiny. I agree, but even more important is the issue of the undue influence being granted these groups by the Administration. As we progress through this and future hearings, I believe it will become clear that this isn't an issue concerning the environment—not at all—but rather one concerning power and its use for political ends, with rural communities being trampled in the process.

[The prepared statement of Mrs. Chenoweth-Hage follows:]

**STATEMENT OF THE HONORABLE HELEN CHENOWETH-HAGE**  
**at Oversight Hearing on**  
***Funding of Environmental Initiatives and Their Impact on Local Communities***  
**February 15, 2000**

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In last week's *Economist* magazine, one of the lead stories was about non-governmental organizations or NGOs. The article said that "the general public tends to see them as uniformly altruistic, idealistic, and independent. But they are often far from being "non-governmental", as they claim. And they are not always a force for good." The *Economist* goes on to say that NGOs "deserve much sharper scrutiny." That is what we are doing here today: examining the funding of NGO environmental initiatives on the national forests and their impact on local communities.

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The *Economist* is right to say that NGOs "deserve much sharper scrutiny." I agree, but even more important is the issue of the undue influence being granted these groups by the Administration. As we progress through this and future hearings, I believe it will become clear that this isn't an issue concerning the environment but rather one concerning power and its use for political ends -- with rural communities being trampled in the process.

Mrs. CHENOWETH-HAGE. And now the Chairman recognizes Mr. Smith, the Ranking Minority Member, for any statement he may have.

**STATEMENT OF THE HON. ADAM SMITH, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF WASHINGTON**

Mr. SMITH OF WASHINGTON. Thank you, Madam Chair. I think there are some good things that we are going to discuss today, and some issues that are very legitimate to raise and to talk about. There are also some things that I am troubled about about this approach.

What is good, and what I think is very fair to raise, are issues of policy. There are a variety of different environmental policies, the Roadless Initiative being one of them; what is the proper use for our public lands—I think all of those things should be discussed as broadly as possible in as many open hearings as is humanly possible—and I think all of that is very good.

What I am puzzled about is why we seem to think, whether you agree with them or not—and we live in a democracy, and part of being in a democracy means that people you disagree with have a right to express those opinions and have a right to advocate for those opinions in just about any way they see fit within the law—the Pew Trusts and a variety of others are doing just that. You may disagree with what they are doing. You may disagree with their policies and, if you do, I would strongly urge you—as, in fact, you have done—to form groups with opposite opinions, and lobby your Members of Congress, and lobby the Administration, and go about the democratic process the way it should be done. But for us to have a hearing and say that a group of people who happen to advocate a particular set of policies that some folks don't like, somehow need to be held up to higher scrutiny than any other group that is advocating a policy, is a little bit ridiculous to me.

When you look at environmental policy, I hear all the time from the other side, "Oh, corporations have undue influence". You know, back in the early part of the Republican Congress in 1995 and 1996, there were endless accusations that corporations were actually drafting the amendments or drafting the legislation that was going to affect environmental policy, and at the time I was not as troubled by that as most people. I was troubled by some of the policies, I will grant you, but the fact that citizens of our country were out advocating for a position, trying to exercise influence, is what this process is all about. I mean, to hold these people up and say, "No, you are not supposed to do that", as I said, is just ridiculous.

And it seems to me that the focus of this hearing is saying that these trusts, charitable trusts—individuals, really—who come together to advocate for a position don't have a right to do so is ridiculous. They absolutely have a right to do so. And if you disagree with them, organize on the other side, lobby your Members of Congress, lobby the Administration, and try to get that position changed.

Now, it was mentioned the Roadless policy is not universally popular. Absolutely, it is not. I can tell you in my area it is not. I have people on both sides of that issue, many who strongly advocate for it for a variety of different reasons, many others who think that it

is an absolutely horrible idea. And I have heard from both of them, and that is great. I hope I continue to hear from both of them, and all sides in between and beyond, and I hope the Administration does, too.

Now, it is quite possible the Administration will adopt a policy that some folks don't like. It is quite possible that Members of Congress sitting up here will adopt policies that these folks don't like, and they will scream bloody murder about it, and that, too, is fine. But it is not fine to stand up here and say "How dare these folks advocate for a position". That is what we do in this country. That is what makes this country so great. People have a right to advocate for whatever positions they believe in. They have a right to marshal their resources toward doing that within the bounds of campaign finance laws, but they have the absolute right to do that.

So, I hope that the bulk of this hearing will focus on some of these policies. I think we are going to have some excellent testimony from folks who are affected by these policies and who will challenge some of them, and then we, as lawmakers, as we are, will make a decision on what is right, what is wrong, what we think is in the best interest of people. But these folks have a right to say their piece, the Pew Trust and all the people who are affiliated have a right to say their piece.

And I will make one closing comment. I think we, as legislators, have this tendency whenever we are losing an argument, to attack the process, and I submit to you that that is to our own detriment. Just as in the 1995 and 1996 years when people on the other side were attacking not just the policies but the process, who were saying, "Gosh, it is just horrible that these corporations are talking about environmental policy, that proves the whole system is corrupt". Flip it around, you have people saying, "Look at the way these environmentalists are advocating policies, that is just horrible and an abuse of the process".

Both sides, when you do that, you damage the whole process. You damage your own ability to pass an issue because back in 1995 and 1996, if it was the environmentalists saying the process was flawed, well, now, if they start to get the upper hand and win using the same methods that their enemies used before, they have indicted a process they are now participating in. The process works fine on both sides.

Advocate, push, use your influence, lobby, do what your democracy allows you to do, and I hope you will come out on top, but let us not condemn the process just because we happen to lose an argument. I think that is very damaging to democracy and very damaging to the people's belief in our democracy, which is suffering from just such a problem right now.

So, I hope the hearing will focus on issues and not criticizing people for merely advocating things that they believe in.

Mrs. CHENOWETH-HAGE. I ask for unanimous consent for Mr. Nethercutt and Mr. Cannon to sit in with this Committee at this hearing. If there is no objection, so ordered.

I will now introduce our panel. I feel we have a very outstanding panel today, and I look forward to hearing from all four of you.

Mr. Ron Arnold is Executive Vice President of the Center for the Defense of Free Enterprise, Bellevue, Washington, and author of a

number of very enlightening books, and one that prompted this hearing. Welcome, Mr. Arnold.

Mr. Jeff Lyall, Disabled Outdoorsman from Catawba, Virginia. Welcome.

And Mr. Antonio DeVargas, Officer of Rio Arriba County Land Planning Department, La Madera, New Mexico, and it is really good to see you again. Welcome.

And now I would like to ask Mr. Nethercutt to introduce the next witness.

Mr. NETHERCUTT. Thank you, Chairman, and thank you for allowing the members of the Subcommittee to sit for a few minutes to take a moment to introduce Diana White Horse Capp.

I must say, as a member of the Appropriations Committee on the Interior Subcommittee, it helps us, Chairman, to have this oversight assessment that goes on in an Authorizing committee and the Resources Committee to help us understand a little better appropriate appropriations for the expenditure for taxpayer dollars. So I am delighted to have a chance to sit in this hearing for a time.

But it is a pleasure for me to introduce Diana White Horse Capp this afternoon to the Subcommittee. She is a resident of Ferry County, Weshington, in the northeastern corner of the 5th Congressional District, which I represent. This is some of the most beautiful country in the State of Washington, and Diana is certainly a part of the landscape. She has been very active in Federal land management and property rights issues. Her diverse heritage and culture have given her great insight into these important issues. She is an asset to our community in Eastern Washington, and I am delighted that she could be here today, and welcome her on behalf of this Subcommittee, and proudly representing the east side of the State of Washington. Thank you, Madam Chairman.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Nethercutt.

As explained in our first hearing, it is the intention of the Chairman to place all outside witnesses under the oath. This is a formality of this Committee that is meant to assure open and honest discussion and should not affect the testimony given by the witnesses. I believe that all of you were informed of this and were sent a copy of the Committee rules. So, if you will stand and raise your right arm to the square.[Witnesses sworn.]

Mrs. CHENOWETH-HAGE. The Chair recognizes Mr. Arnold for his testimony.

**TESTIMONY OF MR. RON ARNOLD, EXECUTIVE VICE PRESIDENT, CENTER FOR THE DEFENSE OF FREE ENTERPRISE, BELLEVUE, WASHINGTON; ACCOMPANIED BY MR. JEFF A. LYALL, DISABLED OUTDOORSMAN, CATAWBA, VIRGINIA; MS. DIANA WHITE HORSE CAPP, CHAIRMAN, UPPER COLUMBIA RESOURCE COUNCIL, CURLEW, WASHINGTON; AND MR. ANTONIO DeVARGAS, OFFICER, RIO ARRIBA COUNTY LAND PLANNING DEPARTMENT, LA MADERA, NEW MEXICO**

**TESTIMONY OF MR. RON ARNOLD**

Mr. ARNOLD. Madam Chairman, Members of the Committee, my name is Ron Arnold. I am the Executive Vice President of the Center for Defense of Free Enterprise, a nonprofit organization based

in Bellevue, Washington. The Center does not accept and has never received Government funds.

Madam Chairman, I would like to thank you for holding this hearing today. It is timely, indeed. My Center recently completed a book-length study on the finding of environmental initiatives and their impacts on rural communities. The book is titled *Undue Influence: Wealthy Foundations, Grant-Driven Environmental Groups, and Zealous Bureaucrats That Control Your Future*.

In a nutshell, the message of *Undue Influence* is that the environmental movement is a three-cornered structure beginning with tax-exempt foundations which devise multi-million-dollar environmental programs to eliminate resource extraction industries and private property rights. The foundations direct their funds to the second leg of the triangle, environmental groups with insider access to the third leg, executive branch agencies. This powerful "iron triangle" unfairly influences Federal policy to devastate local economies and private property.

In the brief time since *Undue Influence* was released last October, so many new outrages have come from the executive branch that they demand separate attention. Therefore, my Center has documented these new developments in a special report titled *Power To Hurt*, which is being released at this hearing. You will find it attached to my written testimony.

If you will turn to page 4 of *Power To Hurt*, you will see how the first leg of the triangle works. Joshua Reichert, the Pew Charitable Trusts' Environmental Director, once wrote, "For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials buttonholed, all in a symphonic arrangement".

Madam Chairman, there is evidence that the Pew Charitable Trusts planned an end-run around Congress and arranged the Clinton Administration's new policy to eliminate access to almost 60 million acres of Federal land. They did it by an initiative they called the Heritage Forest Campaign. Pew grants of more than \$3 million have gone to the second leg of this triangle, the National Audubon Society. Audubon funneled the money to 12 other environmental groups under its supervision. You will find the list on page 5.

Audubon got a letter of support signed by 170 members of the House of Representatives for their access closure program. One wonders how they did that without using tax-subsidized Pew money to lobby Congress.

But that was not enough. Audubon hired the Mellman Group, Inc., the President's own pollster, to produce results saying that the public favored wilderness over jobs. They had to justify destroying thousands of rural jobs for an urban movement's political victory.

Audubon gave those poll results to the third leg of the triangle, the White House Chief of Staff. Shortly thereafter, President Clinton sent his October 13, 1999 memo to the Secretary of Agriculture calling for permanent roadless status for those 60 million acres of Federal land.

Audubon was able to produce this controversial result because its new Director of Public Policy is Dan Beard, who came straight from

the Clinton Administration, where he served as head of the Bureau of Reclamation.

Pew is only one of dozens of foundations orchestrating our lives behind the scenes. The Turner Foundation last spring approached a cluster of environmental groups offering a \$5 million grant to create a new group that would enhance their mailing lists by adding legislative districts, voting records, party affiliations and other political data for each name, which would be prohibitively expensive for individual groups to do by themselves. That new group, called the Partnership Project, is now compounding its members' electioneering power at the ballot box. The facts about the Partnership Project are on page 6 of *Power To Hurt*.

If there is any doubt that the foundations are deliberately planning the elimination of resource extraction, one has only to examine an actual grant proposal to a wealthy foundation. Madam Chairman, you will find the full text of the grant application that created the Southwest Forest Alliance beginning on page 15 of *Power To Hurt*. The disastrous results of the Coalition are spelled out in shameful detail on page 9. Only little operations totally dependent on government timber were destroyed, not the big corporations that own their own private timberlands.

Madam Chairman, in my researches I found that every segment of America's resource extraction economy—food, clothing and shelter—has been targeted by some coalition funded by wealthy foundations. This is an intolerable program of rural cleansing. Foundations are not accountable to anyone. They are totally unregulated.

Madam Chairman, these are serious charges. The Center urges Congress to investigate the undue influence documented in *Power To Hurt*.

Thank you again, Madam Chairman, for holding this hearing.  
[The prepared statement of Mr. Arnold follows:]

TESTIMONY OF RON ARNOLD  
Before the U. S. House of Representatives, Committee on Resources,  
Subcommittee on Forests and Forest Health  
February 15, 2000  
THE FUNDING OF ENVIRONMENTAL INITIATIVES AND  
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In a nutshell, the message of *Undue Influence* is that the environmental movement is a three-cornered structure beginning with tax-exempt foundations which devise multi-million-dollar environmental programs to eliminate resource extraction industries and private property rights. The foundations direct their funds to the second leg of the triangle, environmental groups with insider access to the third leg, executive branch agencies. This powerful "iron triangle" unfairly influences federal policy to devastate local economies and private property.

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# POWER TO HURT

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THE ROLE OF  
WEALTHY PRIVATE FOUNDATIONS  
IN UNDERMINING CONGRESSIONAL POLICY  
ON THE NATIONAL FORESTS

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SUPPLEMENT TO THE BOOK  
*UNDUE INFLUENCE*

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A REPORT BY  
THE CENTER FOR THE DEFENSE OF  
FREE ENTERPRISE

## Power to Hurt: Introduction

In October of 1999, the Center for the Defense of Free Enterprise placed into pre-release Ron Arnold's book-length study, *Undue Influence: Wealthy Foundations, Grant-Driven Environmental Groups, and Zealous Bureaucrats That Control Your Future*.

The book's central point was: big foundations give billions in grants to elitist organizations that have privileged access to government agencies with an environmental agenda that requires the elimination of all resource extraction industries, first from federal lands, then from other government and private lands. Their combined power to hurt is overwhelming.

*Undue Influence* provided documentation. The three-cornered power center of foundations, environmental groups and government employees works in concert to:

- cut off the flow of natural resources from America's federal lands, ending the supply of water, timber, minerals, food and fiber that citizens use every day.
- tighten their regulatory grip on private property so owners can't use what they own—and can't get compensation for what they lose.
- increase the size of government by taking more and more private land for nature preserves, greenways, "heritage" sites, and "growth management" areas—even though *government already owns nearly half the nation*.
- widen the rural-urban prosperity gap. While cities enjoy a booming economy, rural communities suffer severe economic pain brought on by the "iron triangle" through bans on logging, mining, ranching, farming, and all forms of natural resource production.
- sway the media that Americans rely on, influencing readers and viewers to believe what the "iron triangle" wants them to believe.
- dismantle industrial civilization piece by piece.

However, as *Undue Influence* went into major release in February 2000, the few months since it emerged from the printer had seen one outrage after another emerge from the iron triangle of foundations, environmental groups and government officials.

Wealthy foundations created projects to foreclose all development of 60 million acres of federal land, funded environmental groups to do their political advocacy, and manipulated the White House with insider influence to administratively declare the coveted lands beyond any human habitation, tourist facilities, vehicular access or resource development.

Wealthy foundations created an electioneering machine in the form of a new group that will enhance the mailing lists of major environmental groups by adding voter records, legislative districts, demographic information, party preferences and other election-oriented data designed to forward a strictly political agenda.

New national monuments were created by presidential proclamation in areas long advocated for wilderness status by foundation-funded environmental groups with insider access to the Secretary of the Interior, who recommended to the President a lengthy list of areas for administrative designation as national monuments, regardless of the communities and natural resource industries that would be damaged.

All this was done in a way that avoided Congressional approval, foreclosed public debate, and excluded those hurt by the administrative actions, a most undemocratic method.

Therefore, the Center for the Defense of Free Enterprise compiled the information in this White Paper as a report to Congress that will supplement and confirm the findings in the book *Undue Influence*.

Updates may be tracked on the Web at <http://www.undueinfluence.com>.

This report was produced by the Center for the Defense of Free Enterprise in the public interest. Permission to reproduce portions of this report is granted.

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### 3 Power to Hurt

## THE HIDDEN POWER

**WEALTHY FOUNDATIONS ARE MANIPULATING PUBLIC POLICY**

**POINT:** TAX-EXEMPT AND SUPPOSEDLY CHARITABLE FOUNDATIONS ARE GIVING MONEY AND MARCHING ORDERS TO MAJOR ENVIRONMENTAL GROUPS THAT HAVE SPECIAL ACCESS TO GOVERNMENT OFFICIALS IN ORDER TO SHAPE NATIONAL POLICY AGAINST RESOURCE INDUSTRIES AND PRIVATE PROPERTY.

**POINT:** JOSHUA REICHERT, ENVIRONMENTAL DIRECTOR OF THE \$4.7 BILLION PEW CHARITABLE TRUSTS, ONCE WROTE, "*FOR CONSIDERABLE SUMS OF MONEY, PUBLIC OPINION CAN BE MOLDED, CONSTITUENTS MOBILIZED, ISSUES RESEARCHED, AND PUBLIC OFFICIALS BUTTON-HOLED, ALL IN A SYMPHONIC ARRANGEMENT.*" REICHERT WROTE THAT IN A PROSPECTUS TO RECRUIT OTHER WEALTHY FOUNDATIONS IN FORMING THE NATIONAL ENVIRONMENTAL TRUST, A MEDIA GROUP RUN BY AL GORE'S FORMER PRESS SECRETARY, ARLIE SCHARDT. AMERICANS HAVE NO IDEA HOW MUCH THEIR MINDS HAVE BEEN REARRANGED BY THIS FOUNDATION-MADE PROJECT.

**POINT:** FOUNDATIONS CREATE LARGE-SCALE INITIATIVES USING A SINGLE GROUP AS A "FISCAL AGENT" TO FUNNEL THE MONEY TO NUMEROUS GROUPS, WHICH DISGUISES THE SOURCE OF THE INITIATIVE AND GIVES THE APPEARANCE OF POPULAR SUPPORT.

**POINT:** CONCENTRATIONS OF WEALTH AND POWER THAT RESTRAIN ECONOMIC ACTIVITY OR EXERCISE UNDUE INFLUENCE OVER PUBLIC POLICY HAVE LONG BEEN SUBJECT TO GOVERNMENT REGULATION. YET THERE IS NO SPECIFIC REGULATION OF THE TRIANGLE OF PRIVATE FOUNDATIONS, GRANT-DRIVEN ENVIRONMENTAL GROUPS AND ACTIVIST FEDERAL EMPLOYEES WHICH ACTS IN CONCERT TO DESTROY RURAL GOODS-PRODUCING ECONOMIES AND UNDULY INFLUENCE PUBLIC POLICY. THEY WERE NOT ELECTED. THEY ARE NOT ACCOUNTABLE.

## THE HIDDEN POWER

**EXAMPLE: THE HERITAGE FOREST CAMPAIGN**

**POINT:** THE PEW CHARITABLE TRUSTS CREATED THE "HERITAGE FOREST CAMPAIGN" TO PUSH FOR DECLARING "ROADLESS" STUDY AREAS AS "WILDERNESS," TO SHUT OUT ALL VEHICULAR TOURISM, HUMAN COMMUNITIES AND RESOURCE DEVELOPMENT.

**POINT:** SINCE SEPTEMBER, 1998, PEW HAS GIVEN THE NATIONAL AUDUBON SOCIETY \$3,565,000 IN TAX-FREE GRANTS TO SERVE AS FISCAL AGENT OF THE CAMPAIGN, FUNNELING MONEY TO 12 OTHER ENVIRONMENTAL GROUPS UNDER ITS SUPERVISION.

**POINT:** THE 12 SUPERVISED GROUPS ARE: 1) NATURAL RESOURCES DEFENSE COUNCIL, 2) EARTHJUSTICE LEGAL DEFENSE FUND, 3) THE WILDERNESS SOCIETY, 4) OREGON NATURAL RESOURCES COUNCIL, 5) AMERICAN LANDS ALLIANCE, 6) US PUBLIC INTEREST RESEARCH GROUP, 7) NATIONAL ENVIRONMENTAL TRUST, 8) ALASKA RAINFOREST CAMPAIGN, 9) SOUTHWEST FOREST ALLIANCE, 10) SOUTHERN APPALACHIAN FOREST COALITION, 11) SIERRA NEVADA FOREST PROTECTION CAMPAIGN AND 12) FOREST WATER ALLIANCE.

**POINT:** THE NATIONAL ENVIRONMENTAL TRUST RECEIVED MORE THAN \$12.2 MILLION IN PEW GRANTS FROM 1996-1999. SOUTHWEST FOREST ALLIANCE WAS CREATED BY \$750,000 IN PEW GRANTS TO THE NATIONAL AUDUBON SOCIETY. PEW ALSO GAVE \$1.5 MILLION IN GRANTS FOR THE "ROADLESS" INITIATIVE DIRECTLY TO OTHER MEMBERS OF THE HERITAGE FOREST CAMPAIGN.

**POINT:** AUDUBON USED THE ENTRÉ OF THEIR POLICY DIRECTOR, FORMER CLINTON ADMINISTRATION BUREAU OF RECLAMATION HEAD DAN BEARD, TO PLACE A PRO-WILDERNESS PUBLIC OPINION POLL WITH THE WHITE HOUSE CHIEF OF STAFF TO PERSUADE PRESIDENT CLINTON TO DECLARE 60 MILLION ACRES OF FEDERAL LAND PERMANENTLY "ROADLESS," EFFECTIVELY "WILDERNESS."

**5 Power to Hurt**

## THE HIDDEN POWER

**EXAMPLE: THE PARTNERSHIP PROJECT**

**POINT:** THE TURNER FOUNDATION APPROACHED A CLUSTER OF ENVIRONMENTAL GROUPS EARLY IN 1999 TO PROPOSE THAT THEY JOIN FORCES IN A MEMBERSHIP LIST ENHANCEMENT PROJECT TO STRENGTHEN THEIR COLLECTIVE ABILITY TO INFLUENCE PUBLIC POLICY. THE TURNER FOUNDATION APPROVED A \$5 MILLION GRANT IN JULY, 1999 TO LAUNCH THIS INITIATIVE.

**POINT:** A NEW GROUP WAS FORMED FOR THE PURPOSE, CALLED THE PARTNERSHIP PROJECT. IT DOES NOT HAVE A MEMBERSHIP AND DOES NOT MARKET ITSELF AS A SEPARATE ENTITY. ITS PRIMARY PURPOSE IS TO ENHANCE THE MEMBERSHIP LISTS OF PARTICIPATING ENVIRONMENTAL GROUPS WITH INFORMATION SUCH AS LEGISLATIVE DISTRICTS, PHONE NUMBERS, E-MAIL ADDRESSES, VOTING HISTORY, AND DEMOGRAPHIC PROFILES. (THESE ENHANCEMENTS WOULD BE PROHIBITIVELY EXPENSIVE WERE EACH ORGANIZATION TO ADD THEM INDEPENDENTLY.)

**POINT:** ELEVEN GROUPS PARTICIPATE: NATIONAL AUDUBON SOCIETY; NATIONAL WILDLIFE FEDERATION; NATIONAL PARKS AND CONSERVATION ASSOCIATION; NATURAL RESOURCES DEFENSE COUNCIL; ENVIRONMENTAL DEFENSE FUND; DEFENDERS OF WILDLIFE; THE WILDERNESS SOCIETY; AMERICAN RIVERS; EARTHJUSTICE LEGAL DEFENSE FUND; UNION OF CONCERNED SCIENTISTS; AND THE ISAAC WALTON LEAGUE.

**POINT:** PARTICIPANTS AGREE TO JOIN IN 2 OF 3 TO 5 COLLABORATIVE CAMPAIGNS PER YEAR. THREE CAMPAIGNS HAVE BEGUN, INCLUDING ONE ON THE CLINTON ADMINISTRATION'S "LANDS LEGACY INITIATIVE" AFFECTING FOREST SERVICE LANDS. THIS COMBINE FUNCTIONS AS A SUPERLOBBY WITH NO CLEAR REPORTING REQUIREMENTS OR PUBLIC DISCLOSURE.

**EXAMPLE: THE NORTHERN FOREST ALLIANCE**

**POINT:** IN 1990, CHUCK CLUSEN OF LAURANCE ROCKEFELLER'S FOUNDATION, THE AMERICAN CONSERVATION ASSOCIATION, BEGAN WORKING WITH MAJOR ENVIRONMENTAL GROUPS THAT CREATED THE NORTHERN FOREST ALLIANCE TO NATIONALIZE 26 MILLION ACRES OF PRIVATE LAND IN 4 STATES INTO FEDERAL OWNERSHIP FOR NATURE PRESERVES. THE APPALACHIAN MOUNTAIN CLUB WAS THE FISCAL AGENT.

**POINT: 32 GROUPS ARE PART OF THE NORTHERN FOREST ALLIANCE:**

1) THE ADIRONDACK COUNCIL; 2) APPALACHIAN MOUNTAIN CLUB; 3) APPALACHIAN TRAIL CONFERENCE; 4) ASSOCIATION FOR THE PROTECTION OF THE ADIRONDACKS; 5) CONSERVATION LAW FOUNDATION; 6) DEFENDERS OF WILDLIFE; 7) GARDEN CLUB OF AMERICA; 8) GOOD WOOD ALLIANCE; 9) GREEN MOUNTAIN CLUB; 10) GREEN MOUNTAIN FOREST WATCH; 11) MAINE AUDUBON SOCIETY; 12) NATIONAL AUDUBON SOCIETY; 13) NATIONAL WILDLIFE FEDERATION; 14) NATURAL RESOURCES COUNCIL OF MAINE; 15) NATURAL RESOURCES DEFENSE COUNCIL; 16) NEW ENGLAND FORESTRY FOUNDATION; 17) NEW HAMPSHIRE RIVERS COUNCIL; 18) NEW HAMPSHIRE WILDLIFE FEDERATION; 19) NEW YORK LEAGUE OF CONSERVATION VOTERS; 20) NEW YORK RIVERS UNITED; 21) RESIDENTS' COMMITTEE TO PROTECT THE ADIRONDACKS; 22) SIERRA CLUB; 23) SIERRA STUDENT COALITION; 24) STUDENT ENVIRONMENTAL ACTION COALITION; 25) TROUT UNLIMITED—BASIL WOODS JR. CHAPTER; 26) TRUST FOR PUBLIC LAND; 27) VERMONT ALLIANCE OF CONSERVATION VOTERS; 28) VERMONT AUDUBON COUNCIL; 29) VERMONT LAND TRUST; 30) VERMONT NATURAL RESOURCES COUNCIL; 31) THE WILDERNESS SOCIETY; 32) WORLD WILDLIFE FUND.

**POINT:** THE AMERICAN CONSERVATION ASSOCIATION HAS GIVEN \$50,000 FOR THE ALLIANCE; JESSIE B. COX CHARITABLE TRUST \$525,000; SURDNA FOUNDATION \$200,000; JOHN MERCK FUND \$325,000; GERALDINE ROCKEFELLER DODGE FOUNDATION \$65,000; PEW CHARITABLE TRUSTS \$750,000; MORIAH FUND \$135,000; RICHARD KING MELLON FOUNDATION \$100,000; WEEDEN FOUNDATION \$20,000. THE SOLE PURPOSE OF THIS TAX-EXEMPT MONEY WAS TO NATIONALIZE PRIVATE PROPERTY.

**POINT:** THE ALLIANCE STRATEGY OF "TAKE IT ALL BACK" BY FEDERAL DESIGNATION CAUSED A HUGE BACKLASH AND FAILED. NOW CONSERVATION EASEMENTS ARE THEIR MAIN FOCUS, PERMANENTLY HAMPERING USE OF PRIVATE PROPERTY. ONLY GOVERNMENT OR ITS LAND TRUST SURROGATES WILL BUY SUCH LAND, ULTIMATELY PRODUCING THE SAME RESULT: NATIONALIZATION OF RURAL PRIVATE LANDS.

## THE HIDDEN POWER

**EXAMPLE: THE SOUTHWEST FOREST ALLIANCE**

**POINT:** IN 1994, THE NEW MEXICO STATE DIRECTOR OF THE NATIONAL AUDUBON SOCIETY SUBMITTED A GRANT PROPOSAL TO THE PEW CHARITABLE TRUSTS, RECEIVING \$750,000 TO CREATE A POWERFUL COALITION OF NEARLY 50 GROUPS THAT COULD ELIMINATE RESOURCE EXTRACTION INDUSTRIES FROM FEDERAL LANDS IN THE SOUTHWEST. AUDUBON WAS THE FISCAL AGENT.

**POINT:** THE 50-GROUP COALITION, ORIGINALLY CALLED THE "DESERT FORESTS CAMPAIGN" AND LATER RENAMED SOUTHWEST FOREST ALLIANCE, WAS DELIBERATELY DESIGNED TO TAKE ADVANTAGE OF THE POVERTY AND SPARSE POPULATION OF RURAL AREAS SO URBAN VALUES COULD BE IMPOSED ON SURROUNDING FEDERAL LANDS.

**POINT:** THE GRANT PROPOSAL STATED: "NINETY PERCENT OF SOUTHWEST FORESTS ARE MANAGED BY THE U.S. PARK OR FOREST SERVICE THE REST IS MANAGED BY THREE NATIVE AMERICAN NATIONS. WITH SO FEW AGENCIES INVOLVED, ALL THE FEDERAL ENVIRONMENTAL MANDATES, STRATEGIZING AND COORDINATION WILL BE MADE EASIER."

**POINT:** THE GRANT PROPOSAL STATED: "THE TIMBER INDUSTRY IS A MINOR ECONOMIC FORCE IN THE SOUTHWEST. ITS CONTINUED AND INEVITABLE DECLINE WILL NOT CAUSE THE KIND OF UPHEAVAL EVIDENT IN THE NORTHWEST."

**POINT:** ELEVEN GROUPS, NOT 50, WERE THE ORIGINAL ORGANIZERS. MARICOPA AUDUBON, LED BY CHARLES BABBITT, BROTHER OF INTERIOR SECRETARY BRUCE BABBITT, WAS ONE OF THE ORIGINAL ORGANIZERS. THE ADDITIONAL GROUPS OF THE COALITION WERE ADDED LATER BY PAID RECRUITERS. THEIR IMPACT ON LOCAL FOREST COMMUNITIES HAS BEEN DEVASTATING (SEE PAGE 9).

## THE HIDDEN POWER

## LUMBER PRODUCTION BY SOUTHWEST STATES

Million Board Feet

STATE	1990	1992	1994	1996	1998
ARIZONA	388	274	191	105	78
NEW MEXICO	208	167	176	76	87
COLORADO	132	123	113	85	88
UTAH	69	54	37	54	67
TOAL	797	618	517	320	320

## CLOSED ARIZONA AND NEW MEXICO MILLS, 1992-1998

YEAR CLOSED	COMPANY	CITY	ST	PLANT	WORKERS
1998	PRECISION PINE & TIMBER INC.	WINSLOW	AZ	SAWMILL	25
1998	STONE	EAGER	AZ	SAWMILL	150
1996	PRECISION PINE & TIMBER INC.	EAGER	AZ	SAWMILL	25
1996	PRECISION PINE & TIMBER INC.	HEBER	AZ	SAWMILL	45
1995	KAIBAB INDUSTRIES	FREDONIA	AZ	SAWMILL	200
1995	PRECISION PINE & TIMBER INC.	PAYSON	AZ	SAWMILL	53
1994	PRECISION PINE & TIMBER INC.	WILLIAMS	AZ	SAWMILL	50
1993	STONE FOREST INDUSTRIES	FLAGSTAFF	AZ	SAWMILL	200
1995	MEDITE OF NEW MEXICO	LAS VEGAS	NM	BOARD-MDF	130
1995	MARSHALL LUMBER CO.	GRANTS	NM	SAWMILL	20
1994	NAVAJO FOREST PRODUCTS INDUSTRIES	NAVAJO	NM	SAWMILL	185
1993	BATES LUMBER COMPANY INC.	ALBUQUERQUE	NM	SAWMILL	95
1993	STONE FOREST INDUSTRIES	RESERVE	NM	SAWMILL	80
1992	DUKE CITY SAWMILL	VALLECITOS	NM	SAWMILL	20
1992	PONDEROSA PRODUCTS, INC.	NAVAJO	NM	BOARD - PART.	100
1992	DUKE CITY LUMBER CO., INC.	CUBA	NM	SAWMILL	50
1992	HANSEN & SONS LUMBER CO.	SANTA FE	NM	SAWMILL	10

Source: Paul F. Ehinger and Associates, Eugene, Oregon

## DOCUMENTION

**SOURCES****HERITAGE FOREST CAMPAIGN:**

**The Minutes of the National Audubon Society Board Meeting, held at Brewster Massachusetts on September 17-18, 1999, contain the following passage:**

**Conservation Update from Dan Beard:****Heritage Forest Campaign:**

There are 60 million acres of 1000 acre-plus plots in our National Forests that are still roadless. There is no hope of congressional action to preserve them as wilderness. Administrative protection is possible. We have raised the issue's visibility in the White House, but it's not enough. So we did a poll, using the president's pollster. He sent results to White House chief of staff. The poll shows that Americans, strongly, care about wilderness to the extent of favoring it over jobs. Even Republican men in intermountain states support it at the 50% level. The administration has said they will take some kind of action. We hope for an announcement from the president of some kind of administrative protection. We probably won't get all 60 million acres, but if we did it would represent the biggest chunk of land protection since the Alaska Lands Act.

The Pew Trust is pleased with the campaign so far. 2nd year funding will take it to January 2001: \$2.2 million for about 12 organizations under our supervision. Outside Magazine this month has a good cover article. Our visibility and credibility among fellow forest protection organizations has been raised. (comment from John Flicker - this grant came to us because of Dan Beard's reputation and good name.)

We had an email and letter writing campaign: there were about 200,000 responses; about 170K came from banners placed on services such as Juno; 25K came direct from environmental groups; NAS sent in 3K.

On this issue there is a lot of looking for leadership: I like it but let someone else go first. In Congress reaction we got a letter of support signed by 170 members; there is some senate support [40?]. The leadership knows roadless vote would now win, so they won't bring it to a vote.

**PARTNERSHIP PROJECT:**

**The Minutes of the National Audubon Society Board Meeting, held at Brewster Massachusetts on September 17-18, 1999, contain the following passage:**

**Partnership Project:**

The Partnership Project is a coalition effort of 11 national conservation organizations. The Project was founded with a grant from the Turner Foundation to facilitate the compilation of national conservation organization's membership lists, enhance those lists with publicly available demographic information, and use them in 3-5 collaborative campaigns per year. Other participating organizations include: National Wildlife Federation; National Parks and Conservation Association; Natural Resources Defense Council; Environmental Defense Fund; Defenders of Wildlife; The Wilderness Society; American Rivers; Earthjustice Legal Defense Fund; Union of Concerned Scientists; and the Isaac Walton League. World Wildlife Fund is also expected to join this effort.

The Partnership Project has launched three campaigns, including ones on the Clinton Administration's Lands Legacy initiative, the anti-environmental riders attached to appropriations bills, and global warming. Although each campaign is developed according to the particular issue and congressional targets, the communication methods generally involve print and radio advertisements in Washington, D.C. and congressional targets' home districts, phone banking and constituent "patch-throughs" to congressional offices, and direct mail with postcards to return to the administration. Response rates have been high. So far, President Clinton has received nearly 58,000 postcards urging him to veto legislation that contains anti-environmental riders. In addition, the patch-through phone calls have had a 40 percent response rate, translating into thousands of calls from our members to their elected officials.

**PARTNERSHIP PROJECT (continued):****Advantages of List Enhancement to Audubon**

List enhancement is the process of taking a membership list, matching it against information-rich sources such as state voter files and motor vehicle registration files, and "enhancing" the list with new data. These data could include: address and phone number updates; e-mail addresses; federal and state legislative districts; political party affiliation; demographic information such as age and gender; and, in the case of a joint list enhancement project with other organizations, how many members are common to multiple organizations.

**Why Participate in a List Enhancement Project?**

1. **Increased ability to communicate with supporters** Address and phone number updates, and in particular the addition of e-mail addresses to our membership files, will ensure that we have available a range of ways to communicate with our members and supporters.
2. **Better targeting for advocacy and fundraising** Members who vote consistently in primary and general elections tend to be more motivated and educated on issues, and hence are often the best targets when soliciting donors or recruiting volunteers.
3. **Greater understanding of your membership** Through list enhancement, an organization can gain important information about its membership, such as average age, geographic distribution, gender ratio, and in a joint list enhancement project, how many of its members belong to other organizations.

**How is an Enhanced List Used?****Advocacy:**

- Identify constituents of key legislators for grassroots lobbying purposes
- Target action alerts based on geography and voting frequency
- Recruit grassroots leaders based on their congressional district and voting frequency
- Turn out members in a particular county to a town meeting or legislative hearing
- Inform lawmakers of exactly how many of the organization's members are voting constituents

**Fundraising:**

- Focus fundraising efforts on high-frequency voters
- Develop prospecting lists based on group demographics

**Membership:**

Conduct membership appeals based on gender or age

To: Public Policy Committee

From: Dan Beard and Valerie Cook

Date: September 2, 1999

Re: Green Group List Project

This spring, the Turner Foundation approached the Green Group to propose that national conservation organizations join forces in a list project to strengthen our collective ability to advocate for environmental protection. The Turner Foundation approved a \$5 million grant in July to launch this initiative.

**Project Specifics**

A new nonprofit organization called the Partnership Project has been formed to implement the grant. A two-person staff will coordinate the list project and future fundraising efforts, but the Partnership Project will differ from a traditional organization in that it will not have a membership, nor will it attempt to market itself as a separate entity. Instead, the Partnership Project will work to accomplish the following:

1. Create momentum around overarching issues of national importance ("campaigns"); and
2. Enhance the membership lists of conservation organizations with information such as legislative districts, phone numbers, e-mail addresses, voting history, and demographic profiles. (These enhancements would be prohibitively expensive were each organization to add them independently.)

**PARTNERSHIP PROJECT (continued):**

Earthjustice Legal Defense Fund; Union of Concerned Scientists; and the Isaac Walton League. World Wildlife Fund is also expected to join this effort.

The Partnership Project has launched three campaigns, including ones on the Clinton Administration's Lands Legacy initiative, the anti-environmental riders attached to appropriations bills, and global warming. Although each campaign is developed according to the particular issue and congressional targets, the communication methods generally involve print and radio advertisements in Washington, D.C. and congressional targets' home districts, phone banking and constituent "patch-throughs" to congressional offices, and direct mail with postcards to return to the administration. Response rates have been high. So far, President Clinton has received nearly 58,000 postcards urging him to veto legislation that contains anti-environmental riders. In addition, the patch-through phone calls have had a 40 percent response rate, translating into thousands of calls from our members to their elected officials.

**Northern Forest Alliance Funders: from Foundation Center database.**

- 1990 **Jessie B. Cox Charitable Trust** gave \$60,000 "To develop site-specific strategy for long-term protection of New England's northern forests."
- 1991 **American Conservation Association, Inc.** gave \$35,000 "For protection of northern forest lands of Maine, New Hampshire, Vermont and New York."  
**Jessie B. Cox Charitable Trust** gave \$50,000 "For second-year support of Northern Forest Lands Project, effort to develop site-specific strategy for long-term protection of New England's northern forests."
- 1992 **Surdna Foundation, Inc.** gave \$100,000 "For continued support of Northern Forest Alliance, collaboration of leading New England and national conservation organizations to preserve northern forest lands."  
**American Conservation Association, Inc.** gave \$15,000 "For protection of northern forest lands of Maine, New Hampshire, Vermont and New York."  
**Jessie B. Cox Charitable Trust** gave \$40,000 "For final grant for Northern Forest Lands Project, effort to develop site specific strategy for long-term protection of New England's northern forests."  
**The John Merck Fund** gave \$65,000 "For Grassroots Action Project which assists environmental organizations in northern New England in developing more effective alliances with local communities and with interest groups outside traditional environmental movement."
- 1993 **Geraldine Rockefeller Dodge Foundation, Inc.** gave \$25,000 "To help coordinate and provide direction for newly founded Northern Forest Alliance, coalition of conservation organizations seeking to create sustainable management plan for Northern Forest."  
**Richard King Mellon Foundation** gave \$50,000 "To create system of protecting wildlands, promoting sustainable forests and supporting local economies while insuring ecological sustainability."  
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- 1994 **The Pew Charitable Trusts** gave \$350,000 "For matching grant for Campaign for the Northern Forests to establish forest reserves in northern New England and New York."  
**Compton Foundation, Inc.** gave \$25,000 for unspecified support.  
**Moriah Fund** gave \$70,000 "For data gathering and analyses of biodiversity and land use in U.S. Northern Forests and for Northern Forest Alliance to protect natural resources and strengthen community economies."  
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## DOCUMENTATION

**Northern Forest Alliance Funders: from Foundation Center database.**

- 1995 **The John Merck Fund** gave \$25,000 "To evaluate involvement with communities in Upper Androscoggin River area of Maine and New Hampshire to develop strategies for stabilizing local economy and protecting high-quality forest and water resources."  
**The John Merck Fund** gave \$50,000 "Toward launching Androscoggin Valley Project, which is aimed at increasing community involvement in local conservation projects and at assisting communities in developing strategies for sustainable economic diversification and job creation."  
**Richard King Mellon Foundation** gave \$50,000 "Toward Northern Forest Land Project to protect ecological resources."  
**Geraldine Rockefeller Dodge Foundation, Inc.** gave \$25,000 "To continue grassroots and education efforts to protect natural and human communities of Northern Forest."  
**Jessie B. Cox Charitable Trust** gave \$150,000 "For continued support of central office operations and state caucus outreach and organizing activities. Grant made through Appalachian Mountain Club."
- 1996 **Jessie B. Cox Charitable Trust** gave \$125,000 "For final grant for outreach, organizing and communications activities of Alliance state caucuses in Maine, New Hampshire and Vermont and for central office. Grant made through Appalachian Mountain Club."  
**Moriah Fund** gave \$65,000 "To promote protection and sustainable use of Northern Forests and for Northern Forest Alliance."  
**The Pew Charitable Trusts** gave \$400,000 "For campaign to establish public forest reserves in northern New England and New York."  
**The John Merck Fund** gave \$50,000 "For Androscoggin Valley Project, which seeks to increase community involvement in local conservation projects and to assist communities in rural area along Maine-New Hampshire border in developing strategies for sustainable economic diversification and job creation."  
**Weeden Foundation** gave \$10,000 "For continued support for protection of Northern Forest of New England."
- 1997 **Geraldine R. Dodge Foundation, Inc.** gave \$15,000 "For general support for Northern Forest Alliance, coalition of conservation organizations creating sustainable management plan for 26-million-acre Northern Forest."  
**Weeden Foundation** gave \$10,000 "For continued support for overall coordination and implementation of Campaign for the Northern Forest."

PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

THE FOLLOWING IS AN ACTUAL GRANT APPLICATION FROM THE NATIONAL AUDUBON SOCIETY TO THE PEW CHARITABLE TRUSTS REQUESTING HALF A MILLION DOLLARS TO FORM A POWERFUL COALITION WITH THE PURPOSE OF ERADICATING THE GOODS PRODUCING ECONOMY ON FEDERAL LANDS IN ARIZONA AND NEW MEXICO

Please attach a copy of this completed form to the front of you proposal (Fill out parts 5 and 6 only if they apply to your request.) The Trusts require only one copy of your proposal.

*Note: because of the volume of materials submitted to the Trusts, we cannot return anything submitted as part of a proposal.*

1. TAX NAME OF ORGANIZATION  
NATIONAL AUDUBON SOCIETY
2. ORGANIZATION ADDRESS:  
700 BROADWAY  
NEW YORK, NY 10003-9510
3. ORGANIZATION TELEPHONE (202)979-3000
4. NAME AND TITLE OF HEAD OF ORGANIZATION (Include degrees)  
MR. PETER A. A. BERLE  
PRESIDENT
5. NAME OF PROGRAM/SUBUNIT TO BE FUNDED:  
THE DESERT FORESTS CAMPAIGN
6. NAME AND TITLE OF HEAD OF PROGRAM/SUBUNIT (Include degrees)  
MR. DAVID HENDERSON  
NEW MEXICO STATE DIRECTOR - NATIONAL AUDUBON SOCIETY
7. GRANT REQUEST:  
(amount) \$225,000/yr. (duration) TWO YEARS  
(purpose) To build a campaign that will lead to the permanent protection of the Southwest forest ecosystem through a series of legislative and administrative forest reserves and citizen sponsored forest management plans.

Proposal received and complete. \_\_\_\_\_ For office use only  
 \_\_\_\_\_ / \_\_\_\_\_ Program/staff initials. \_\_\_\_\_ Log Number  
 \_\_\_\_\_ Date

**The Desert Forests Campaign**

*Protecting the Bio-Economic Diversity of Southwest Forest Ecosystems  
 A proposal before the Pew Charitable Trusts*

October, 1994

The Desert Forests Campaign seeks a two year \$225,000 per year funding commitment from Pew Charitable Trusts to secure permanent protection for the native biological, economic and cultural diversity supported by the Southwest's forest ecosystems. This will be accomplished through a series of legislative and administrative reserve proposals and management plans. The campaign will also influence agency-driven forest planning initiatives. Strategic administrative appeals and litigation will be used to maintain political pressure and preserve endangered forests and species. The Campaign is being jointly organized by every major forest advocacy group in Arizona and New Mexico. It represents the first attempt to systematically, pro-actively and permanently protect forests of the Southwest.

I. BACKGROUND THREATS AND OPPORTUNITIES

*Significance of Southwestern forests*

Biological Diversity

The Southwest is typically associated with redrock canyons and desert vistas, yet naturalists in this century and the last have been astounded by the diversity and size of our forests. Bailey's classic studies of forest mammals took place in New Mexico which has more ponderosa pine forest than any other state. Leopold's groundbreaking wildlife

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

management essays were based on the Mogollon Plateau - the world's largest contiguous ponderosa pine forest. Merriam developed the theory of life-zones here because Southwestern forests rise from desert to alpine tundra, encompassing more elevational/vegetative communities than any other area in North America.

Southwest forests are lush "sky islands" rising up from a vast desert landscape to offer precious shade, water and food to thousands of resident and migratory species. Because of their unique biogeography, Southwest forests are extremely diverse and sensitive to disturbance. Each of the 20 island forests of our ecological provinces has been isolated for over twelve thousands years, and has evolved to support and depend upon its own endemic flora and fauna. The Southwest, in fact, supports the greatest number of endemic forest species in North America. Endemism among plants, mammals, reptiles, amphibians and fish is particularly high. Mammal evolution is astounding. The Southwest has evolved its own grizzly bear, wolf, jaguar, coati, elk and river otter, as well as many species of bats, squirrels, chipmunks, voles, shrews and mice. Southwestern forests are also a crucial haven for endangered migratory songbirds. The Tonto National Forest contains the highest density of breeding songbirds in North America while Arizona supports the greatest avian diversity north of Mexico.

Linking the Sierra Madre Occidental, the Rocky Mountains and the Great Basin Ranges, the forests of the Southwest are not only a national concern, they are an international treasure. They are one of North America's keystone biodiversity hotspots.

### Economic/Cultural Diversity

Native tribes of the Southwest have an ancient tradition of carefully using forest resources. Though some ruins are over 40,000 years old and sites like Sky City on the Acoma Reservation have been continuously occupied for over 7,000 years, the forests of the Southwest remained in excellent ecological health up to the late 19th century. Traditionals still depend upon the dwindling high elevation forests for spiritual practices and to gather herbs and natural dyes.

Spanish culture has been a part of the Southwest for over 400 years. Small, historic, Spanish speaking communities like Vallecitos, Chimayo and Canon Plaza still dominate the mountains of northern New Mexico. Fire wood, latilla cutting, and small lumber mills have long been central part of these communities, they have come to depend upon the forests for their economic and cultural independence. Encroachment of industrial logging, especially in places, like the Vallecitos Sustained Yield Unit on the Carson National Forest threatens to destroy the economic base and independence of these communities.

### *Ecosystem Threats*

Massive overgrazing of the Southwest began in the 18th century when Padre Kino brought Spanish cattle and sheep to southern Arizona via Mexico. These non-desert adapted species quickly took to the highlands where they proliferated and decimated native watersheds which had not evolved under intense grazing pressure. By the late 1880's, cattle numbers were ten times what they are today. Many rivers had already dried up by 1884 when a drought left over 500,000 dead cattle scattered across the badly eroded landscape.

Industrial logging entered the Southwest in the 1860's with the building of the transcontinental railroad. With the exception of the Kaibab Plateau which was too remote and the Greater Gila Ecosystem which was still largely controlled by the Apaches, the Southwest's forests were highgraded for railroad ties and mining timber. Logging was focused on high grade trees between 250 and 500 years old. Such trees are nonexistent today.

The Forest Reserve System was created in the late 1880's to limit grazing abuse and systematize timber harvest. Selective highgrading continued up to the 1960's when new mill operators demanded more timber. Use of the shelterwood system from the 1960's up to the early 1990's massively increased timber production and road construction. Over half of the timber ever cut in the Southwest was cut in the last 30 years.

Historic photographs show enormous old growth ponderosa pine forests, trout streams tumbling through dense Douglas white fir forests, and snowy expanses of massive spruce. Over a hundred years of industrial forestry and overgrazing, however, have liquidated eighty-five percent of the total old growth and ninety-five percent of the ponderosa pine old growth. What remains is highly fragmented. Because so many of Southwest's forest species are

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

endemics with no place to retreat, they have suffered a wave of extinction unparalleled by any other North American forest system.

- The Southwest grizzly bear, Merriam's elk, and the Southwest river otter are extinct.
- The Mexican gray wolf, jaguar, thick-billed parrot, condor and Tarahumara leopard frog are extirpated.
- The Mount Graham red squirrel, Obscura Mountains least chipmunk, Chuska Mountains tassel-eared squirrel, Arizona water shrew, New Mexico meadow jumping mouse, spotted bat, occuli bat, Mexican spotted owl, Apache goshawk, Northern goshawk, Southwestern willow flycatcher, Gould's turkey, Jemez Mountain salamander, Chiricahua leopard frog, and New Mexico ridge-nosed rattlesnake are just a few of the imperiled native species.
- All of the Southwest's native trout, chubs and minnows are already listed as threatened or endangered.
- Eighty percent of all birds and one hundred percent of neotropical songbirds dependent upon Southwest ponderosa pine forests have suffered serious declines in the last 30 years.

Due to a massive appeal effort and Mexican spotted owl conservation measures, logging has decreased dramatically on the Southwest's eleven National Forests in the last five years. The Forest Service is now proposing a number of large scale "ecosystem management" plans in order to get the timber program back on track. Under the guise of "restoring forest health" and goshawk "habitat improvement," the Forest Service is setting its sights on the very last of the Southwest's mature forest. "Ecosystem management" in the Southwest has come to mean abolishing Forest standards and guidelines, and increasing salvage logging, and intensive livestock development and/or logging in roadless areas, wilderness areas, goshawk territories and even spotted owl territories. Logging on Native American lands (especially Navajo, Mescalero Apache and White River Apache lands) is even more intense.

Timber appeals have been successful in the past because the Forest Service has been quite random and unsophisticated in its approach. A series of new quasi-scientific initiatives, however, will make sale-by-sale battles much more difficult. It will also systematically increase logging levels.

- 1) All eleven National Forest Plans are being amended in 1995 to incorporate spotted owl and Northern goshawk management guidelines. The amendments will prescribe increased cutting levels in ponderosa pine across the region to "improve" goshawk foraging habitat.
- 2) A region wide Forest Health Initiative is being developed which will mandate aggressive salvage logging of windthrow, mistletoe and beetle infested forests. As happened in the Northwest salvage timber sales have increased dramatically since the listing of the spotted owl as a threatened species.
- 3) "Ecosystem projects" are being developed on every National Forest to restore the ponderosa pine community to a mythical "park-like savanna" which the Forest Service claims existed prior to the European invasion. This mistaken vision, more than any other, will massively increase logging throughout the Southwest, converting the vast majority of our forests to monoculture rangelands.
- 4) In response to pressure to remove cattle from riparian areas, the National Forests are proposing massive upland water developments which will increase upper watershed degradation.
- 5) The Bureau of Indian Affairs has massively expanded its timber program during the last decade, so much so that its 10 year timber supply is exhausted. It is now proposing to increase cutting levels in the Chuska Mountains beyond the ten year limitation.
- 6) The desecration of Mt. Graham by the University of Arizona's international observatory complex is but one assault on Native American cultural values. A proposed coal mine in the Cibola National Forest threatens to drain a lake sacred to the Zuni People, while recreational developments continually encroach on Native American sacred sites throughout the region.
- 7) The encroachment of internationally owned Duke City Lumber on the Vallecitos Sustained Yield Unit in northern New Mexico is threatening Hispanic communities which have depended upon the forest for four hundred years. Because Vallecitos was supposed to be reserved for community operators, local loggers have joined forces with environmentalists to stop the cutting. Timber sales are still being planned and cut, however.

#### *Opportunities*

It is readily apparent that this new level of threats is a response to successful, if less than systematic, environmental activism. The Forest Service has adopted our language, coopted our concepts, and become more sophisticated in its management and justification. It is now time for the environmental movement evolve as well. The next five years offers an excellent opportunity for the environmental community to come together in a systematic pro-active campaign to attain permanent forest protection through the legislation of a network of forest reserves and conservation biology based management plans.

#### 17 Power to Hurt

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

Structurally, the Southwest is in an excellent position to attain this goal.

- An informal network of all the major forest activists already exists. We are remarkably unified in our vision and are well poised to organize a major campaign. In the last few years we have worked together on numerous lawsuits, petitions, and appeals. Most recently, we worked to together to produce a comprehensive critique of the Kaibab National Forest's proposed Forest Plan amendment.
- Because clearcutting has not been the predominant method of logging. Southwest forests have not been converted to tree farms. Significant, unprotected roadless areas and mature forest still exists.
- Because Southwest forests are so diverse and support so many endemic species, they are uniquely suited to a biodiversity based forest campaign.
- The Southwest is unique in that virtually all its water originates on National Forest land. Clean, abundant water is far and away the most valuable resource in this arid region and is in direct conflict with excessive logging.
- Ninety percent of Southwest forests are managed by the U S Park or Forest Service. The rest is managed by three Native American Nations. With so few agencies involved, all with federal environmental mandates, strategizing and coordination will be made easier.
- The timber industry is a minor economic force in the Southwest. Its continued and inevitable decline will not cause the kind of upheavals evident in the Northwest.
- Tourism is the Southwest's largest industry. Arizona is the most popular destination birding area in the country. Permanently protecting our forests will increase and diversify the region's economy.
- The Southwest is one of the most urbanized regions in the Country. Seventy-five percent of its population lives in Albuquerque, Tucson or Phoenix. The other twenty-five percent is largely concentrated in a handful of smaller cities. This population is recreationally oriented and can be reached very efficiently.
- Native American and traditional Hispanic cultures continue to thrive and are recognized as integral parts Southwestern culture. These communities and the values they represent are dependent upon healthy forest ecosystems.

Temporarily, a systematic forest campaign must come together and make significant achievements in the next five years. A short window of opportunity is currently present. Researchers in the last decade have produced a host of scientific studies documenting the decline of biodiversity and ecological integrity in Southwestern forests. The current democratic Presidency and Congress offers a unique and possibly limited opportunity for legislative reform. The appointment of biologist, Jack Ward Thomas, as Forest Service Chief increases the chances of positive, proactive administrative relief.

The last Southwest Regional Forester retired after the environmental community unanimously called for his resignation. He was recently replaced by Charles Cartwright, assistant head of Ecosystem Management for the Forest Service. Cartwright's background and interests may make him more open to true ecosystem management. Having a supportive Regional Forester is a significant opportunity.

As required by the National Forest Management Act, all eleven National Forests will revise their Forest Plans in the next five years which will guide Forest management for the next decade. Forest planning offers an excellent opportunity for environmentalists to formulate independent, science based Forest Plan proposals and promote comprehensive regional planning. Regional Forest Plan amendments to include Mexican spotted owl and Northern goshawk management plans will offer the first opportunity for citizen review and challenge of the Southwest's guiding conservation plans. A successful challenge to the plans would entirely change forestry in the Southwest.

Finally, other regions such as the Southern Appalachians and Northern Rockies are currently organizing or proposing similar campaigns. These efforts will lend credibility to one another, creating a favorable climate for systematic regional and national forest protection.

PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

II. THE DESERT FORESTS CAMPAIGN

*Campaign Strategy*

**Forest Proposals**

Ecologically based forest management proposals will be developed for each ecosystem including every National Forest and Native American Nation which choose to participate. The proposals will form the core of the legislative and Forest Plan proposals. They will also be used for multi-species conservation plans, public education and administrative resistance.

Forest proposals will include detailed maps, management prescriptions, and strategies to protect economic and cultural resources. Proposals will be tailored to the unique biological and cultural character of each ecosystem (see Table 1). Diversity and local planning will be the keystone of the legislative and Forest Plan proposals. Maps will include ecological communities, habitat conditions, reserves, buffers, corridors, sustainable use zones, and critical watersheds and wildlife areas. Management prescriptions will be based on ecological communities, indicator species and endangered species. They will include detailed species viability assessments. Economic protection strategies will include restoration initiatives such as stream enhancement, riparian recovery, and road closure, as well as sustainable use area to be managed for small scale mills and ranches. They will include detailed economic profile and impact analyses. Cultural protection strategies will preserve historic and sacred Native American sites and ensure traditional uses.

Table 1. FOREST PROPOSAL ISSUES FOR SELECTED SOUTHWEST ECOSYSTEMS

ECOSYSTEM/ MANAGEMENT EMPHASIS	BIOLOGICAL ISSUES	CULTURAL ISSUES
<i>Kaibab Plateau</i>  Biological/cultural reserve	Extensive residual old growth, highly fragmented contains the Southwest's source Northern goshawk population. Mexican spotted owl already extirpated.	Borders Grand Canyon National Park, many native American sites, logging induced floods have devastated the Havasupai Reservation
<i>Mogollon Plateau</i>  Restoration, water quality, recreation	Little old growth or roadless; produces most of Arizona's water, only corridor between southern New Mexico and northern Arizona/Utah	Popular urban recreation and second home area
<i>Sky Island Ecosystem</i>  Biodiversity Conservation area	Extreme diversity and endemism, many endangered species, jaguar reintroduction, surrounded by conservation areas	Popular Tucson recreation area, San Carlos Apache sacred sites, Mt. Graham
<i>Greater Gila Ecosystem</i>  Old growth, wilderness, wildlife	Extensive roadless, wilderness and old growth, densest Mexican spotted owl population, wolf, jaguar and condor reintroduction endemic trout	Support within Gila N.F. to deregulate large White Mountain Apache holdings, very active wise use presence
<i>Southern Rockies</i>  Sustainable use	Wilderness, roadless, residual old growth, native trout, corridor to Southern Rockies	Many Native American sites, historic use by Hispanic communities, support from Vallecitos logging cooperative

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

Forest proposal development will be coordinated by Forest Conservation Council in conjunction with local grassroots activists, biodiversity activists and the scientific community. As the Sky Island and Northern New Mexico proposals are largely developed, they will be completed first and serve as prototypes for the rest of the region.

Congressman Bill Richardson of New Mexico has expressed great interest in the legislative proposal and will likely introduce our legislative package. He previously introduced and lobbied for the successful Jemez Mountains National Recreation Area which eliminated pumice mining in Northern New Mexico.

#### Biodiversity Advocacy

National Forest Management Act and Endangered Species Act petitions, appeal and litigation have provided the environmental movement its strongest tools. They have been used less than strategically, however, when focused on single species. Activists in the Southwest have petitioned for 32 endangered species and have thus far been very successful in strategically using these laws to obtain permanent ecosystem protection, create administrative legal tools, and create acute pressure points in need of immediate conservation resolution. They have used the laws proactively to administratively petition for million acres of critical habitat, including 16 entire watersheds, for the endangered Gila Trout.

Because of its extreme diversity and endemism, the Southwest is particularly well suited to biodiversity activism. More forest species are listed as endangered in the Southwest than any other region. More than a dozen species need to be added to the list including Gooding's onion, Hess's fleabane, Blumer's dock, Arizona water shrew, Chuska Mountains tassel eared squirrel, Obscura Mountains least chipmunk, spotted bat, occult bat, Apache goshawk, Northern goshawk, western yellow-billed cuckoo, Rio Grande cutthroat trout, and Chiricahua leopard frog.

Listed species will be used in strategic multi-species litigation and administrative appeals to protect critical forest stands and watersheds. Unlisted species will be subjects of Endangered Species Act petitions. Multi-species, ecosystem based recovery plans and critical habitat petitions will be developed and incorporated as integral parts of the forest plan proposals.

Formatted species summaries will be used by activists around the region for use in administrative appeals. White papers documenting the biodiversity crisis in the Southwest will be developed for widespread use in public education, media, litigation, and appeals. White paper topics will include Impact of Cattle Grazing and Logging on Native Southwest Trout, The Neotropical Songbird Crisis in Southwestern Forests, Decline of Native Southwest Amphibians, Status of Old Growth Forests in the Southwest, Impacts of Cattle Grazing on Southwestern Forests, and Mistletoe, Bark Beetles, Fire Suppression and the "Forest Health" Crisis.

A Scientific Panel will be convened and jointly funded by the Campaign and the Forest Service to assess current forest conditions and biodiversity needs. Such panels have been highly successful in the Pacific Northwest and Alaska. They are currently being pursued in the Sierra Nevada and the Southern Appalachians. In addition, the Campaign will work closely with biologists and ecologists from state and tribal agencies to develop working relationships that can add credibility to our Biodiversity Advocacy component in the media and influencing public opinion.

A Biodiversity Initiative petition will be filed with the Forest Service Chief in Washington, D.C. in order to draw attention to the biodiversity management crisis in the Southwest. It will seek administrative review and be used as a media and public education tool.

Finally, the Biodiversity component will include extensive work with grassroots coordinators and grassroots activists to implement an aggressive administrative resistance program. In the Southwest, the Forest Service and the Bureau of Indian Affairs are currently proposing logging, roadbuilding, mining, water developments and recreational facilities in biologically critical roadless, old growth and wilderness areas. The Forest Service is also dramatically increasing salvage and "forest health" timber sales throughout the region. These projects continue to degrade Southwest forest ecosystems and jeopardize the integrity of the forest reserve proposals. Within the Biodiversity component, the Campaign will monitor, comment on and appeal projects throughout the region which threaten Forest ecosystem integrity.

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

Appeals will be filed in coordination with and on behalf of local grassroots groups. In the event that local groups choose to file their own appeals, the Campaign will provide biological, silvicultural and legal support.

The Campaign will also work to assure appropriate budget allocations for the Southwest Region of the Forest Service. Misdirected appropriations ensure misplaced emphasis on resource extraction, while making restoration virtually impossible.

The Biodiversity component of the Campaign will be coordinated by the Greater Gila Biodiversity Project, the Southwest Center for Biological Diversity and Earthlaw.

### *Urban Mobilization and Media/Public Education*

Because the Southwest populace is largely concentrated in less than a dozen urban centers, with 75% in Phoenix, Tucson and Albuquerque, it can be efficiently reached by a directed urban mobilization campaign. Mobilizing public support will be crucial to effectively reach the legislature and create widespread interest in forest reform.

In year one we will conduct strategic planning sessions with professional consultants to develop a compelling message best suited to the unique geographical and cultural conditions of the Southwest. We anticipate the first years design work to include:

1. - An analysis of strengths, weaknesses, opportunities, and threats (SWOT), to determine (a) what successful/unsuccessful media messages Southwest forest activists have utilized; (b) how well we are packaging the meaning of our activism; (c) what our strengths and weaknesses as a movement are, (d) what resources are available within our coalition; (e) what resources need to be brought in from outside.
2. Polling and/or focus groups to gauge current public sentiment and knowledge, determine how well our message has gotten across, how well the industry and the anti-environmental movement's message has gotten across, and assess how much desert-dwelling urbanites know about Southwest forests and their plight; development of a compelling vision and a messages targeted at specific audiences at specific times.
3. Design of an outreach program capable of transmitting and selling the vision and messages.
4. A public relations professional in Phoenix has agreed to work pro-bono to develop an initial vision, message and communications plan.

We expect to begin the outreach education campaign in earnest by year two. An urban canvass will begin operating in year two as part of the outreach program. New Mexico PIRG has expressed interest in contracting canvass work in New Mexico.

### *Grassroots Support Network*

Developing an effective grassroots network is critical. Grassroots activists will be instrumental in developing and lobbying for local forest proposals. They will also file administrative appeals and provide on the ground knowledge to all facets of the campaign.

Grassroots activists will be teched-up and tied into an electronic network which includes computers, faxes, modems, a Desert Forest Conference on Econet, and a regular newsletter. Good communication among activists is necessary to develop consistent positions, quick, effective response, and timely, accurate information flow.

Media, mapping, forestry and appeals workshops will be regularly organized in each of the three eco-regions to create activist groups where they are needed to support existing activists. A forestry specialist will also be available to aid in on ground analysis.

Two grassroots activists will be hired to organize Northern New Mexico, Northern Arizona, and the Southern forests. The Sierra Club Plateau Group, which has experience organizing forest watch groups on the Mogollon Plateau will help develop the grassroots campaign.

## PEW GRANT APPLICATION - THE STRATEGIC ATTACK PLAN

### III. CAMPAIGN STRUCTURE

The Desert Forests Campaign is being organized by Arizona Audubon Council, Carson Forest Watch, Earthlaw, Forest Conservation Council, Forest Guardians, Forest Trust, Greater Gila Biodiversity Project, Maricopa Audubon, Sierra Club Plateau Group, Southwest Center for Biological Diversity, and Southwest Audubon. National Audubon Society will act as the Campaign's fiscal sponsor.

The Campaign be overseen by an 11 member board representing the Campaign organizers. The Board will be responsible for setting overall campaign goals and priorities, fiscal oversight, hiring staff, awarding grants, electing a Steering Committee and establishing a scientific review panel.

An Advisory Board representing groups or individuals knowledgeable about and committed to protecting Southwest forest biodiversity will be established. The Advisory Board will provide input and advise to the Board from a variety of academic and activist orientations.

A Steering Committee of 5 people will act on behalf of the Board. The Steering Committee will ensure Campaign goals, strategies, and programs are implemented. They will also be responsible for fund raising,

A full time Campaign Administrator will manage campaign finances, inter-organization communication, coordinate fundraising, and act as a liaison between various program Elements. The Campaign Administrator will serve as the primary contact person for the media, foundations, agencies, and politicians. The Administrator will be supported with one half time staffer.

Forest Conservation Council will coordinate forest proposals with the aid of local activists. Staff requirements include 2.5 FTE and two consultants. The Southwest Center for Biological Diversity / Greater Gila Biodiversity Project will coordinate listing petitions, status reviews, conservation plans, and white papers. Staff requirements include 2.5 FTE and two consultants. Three full-time coordinators will manage the grassroots support network and administrative resistance components. Additional support will be allocated at the discretion of the Board of Directors.

### IV. PROJECT BUDGET AND REQUEST TO PEW CHARITABLE TRUSTS

The Desert Forest Campaign seeks \$225,000 per year for two years from the Pew Charitable Trusts to implement The Desert- Forest Campaign in Arizona and New Mexico. The Campaign is a three year, \$1,514,100 commitment by a network of grassroots and national environmental organizations. National Audubon Society will serve as the fiscal sponsor for the Campaign, with participating organizations receiving contracts from NAS to implement specific Campaign components. The following budget narrative provides an explanation of revenues and expenditures depicted on the budget form attached, and discussed year by year changes in the allocation of project funds as they are adjusted to meet the changing emphasis of the campaign as it evolves over a three year period.

#### Revenue

In year one, total project revenue is expected to be \$496,545 with Pew Charitable Trusts contributing \$225,000, or 45% of the total. Other foundations will contribute \$226,145. Existing commitments to individual groups implementing portions of the Campaign include the Turner Foundation, for biodiversity advocacy, grassroots mapping, litigation and appeals (\$50,000), the Harder Foundation for appeals and public education work (\$10,000), the Sierra Club (\$2,000) for mapping, the McCune Foundation (\$15,000) for economic and cultural resource effects analysis of Conservation Plans, and the Ruth Brown Foundation (\$5,000) for biodiversity advocacy. Other foundations being solicited by participating organizations for Campaign related work include the W. Alton Jones Foundation, the Ruth Mott Fund, Recreation Equipment Incorporated, the Santa Fe Community Foundation, the Surdna Foundation, the C S Fund, Foundation for Deep Ecology, [Temson(?)] Foundation and Fund for Wild Nature, the Rockefeller Foundation, the Florence Schumann Foundation, the Nathan Cummings Foundation and the Tides Foundation.

Additional revenues are expected from business sponsors (\$10,000), including the Business for Social Responsibility network in New Mexico, from individual members of Participating organizations (\$15,000), and direct funding of campaign costs and labor from participating organizations (\$20,400); [END OF AVAILABLE DOCUMENT]

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

**Bob Voight, Maine**

The environmentalists used the spotted owl to control the forest in the Northwest. Since 1988 the environmentalists have tried ruse after ruse to control the 16 million acres of forest in Maine. They all failed. Now they are using the salmon, under the Endangered Species Act, to attain forest control. The U.S. Fish & Wildlife Service and the National Marine Fisheries Service are their weapons of choice to fulfill the Endangered Species Act listing, and thus control the entire watershed, most of the forest of Maine. Over the next decade fishing, fish farming and the forest industry will be shut down, with no recourse, no citizen choice. The major opponent of the Maine forest economy is the Northern Forest Alliance, a coalition of 34 state and national environmentalist groups with a budget of \$100 million, much of which comes from the John Merck Fund, Pew Charitable Trusts and Jessie B. Cox Charitable Trust. The juggernaut of extreme environmentalism rolls on, squashing citizens beneath its weight.

**Ted Miller, Pulp and Paperworkers Resource Council, Gorham, New Hampshire**

For the past one hundred years, Berlin and Gorham, NH have depended on their pulp and paper mills. Indeed, it has been shown that 70% of all jobs in Coos County (northern New Hampshire) depend on those mills. In 1992 the local pulp and paper industry was in a deep recession. As a non-salaried worker in those mills I can testify they were in need of major investment in equipment upgrades and routine maintenance. The hydro dams owned by the mill provide over 60% of their own power. The licenses to operate those dams on the Androscoggin River came up for renewal by FERC.

Without warning, an environmental coalition calling itself the Conservation Coalition emerged, consisting of the Appalachian Mountain Club, the Conservation Law Foundation, Trout Unlimited, American Rivers Inc., and American Whitewater Affiliation. They filed for intervention on the dam relicensing. Backed by a \$250,000 yearly grant from Pew Charitable Trusts over the next three years, this coalition cost the Berlin-Gorham mills millions of dollars at a time they truly could not afford it.

The Coalition demanded that the mill owners provide a buffer within 4000 feet of the shoreline, increased water flows over the existing dams resulting in less power generation, serious restrictions on use of the entire watershed, and a supplemental EIS.

It took three years for FERC to relicense the hydro dams. The Conservation Coalition had cost James River Corp. millions of dollars. Over three hundred jobs were lost. The Berlin-Gorham mills were more dilapidated. Funds badly needed for equipment upgrades were diverted to legal wrangling.

Environmental groups backed by foundations continue to injure the people of northern New Hampshire.

**Erich Veyhl, Massachusetts**

Destruction of dams and the beginning of using Atlantic Salmon as a surrogate endangered species for Federal control of the watershed: The environmentalists have been harassing several dam operations in order to destabilize private industry in Maine, forcing them to sell their assets. They cost Bowater millions in the fight to relicense the Great Northern Paper Co. dams. They succeeded recently in forcing the Edwards dam to be demolished over the objections of its owner and have been openly harassing an existing dam operation at Basin Mills. The Federal government, with environmentalist pressure, is now threatening an Atlantic Salmon ESA listing.

The American Rivers Conservation Council, Inc. Washington, DC: \$20,000 Support towards a collaborative project of American Rivers, Natural Resources Council of Maine, and the Atlantic Salmon Federation to remove the Edwards Dam on the Kennebec River in Maine.

Sierra Club Legal Defense Fund \$25,000: To support legal costs of challenging the proposed Basin Mills Dam project on the Penobscot River.

A straightforward attempt to influence judges throughout New England: Massachusetts Bar Foundation / Flaschner Judicial Institute Boston, MA: \$46,500 To support a collaborative project of the Massachusetts Executive Office of Environmental Affairs, Environmental Law Institute, and Flaschner to develop and present an environmental program for judges throughout New England.

**Brian Bishop, Rhode Island**

Residents of upstate New York and northern New England are threatened with emotional and financial ruin. I have literally seen foundation driven ideas bleed these communities dry.

The Appalachian Mountain Club has become a virtual clearing house for attacks on northern forest citizens, with the group receiving numerous grants on its own and in combination with other organizations which are aimed at undermining the forest economy and limiting development opportunity. The AMC in concert with Maine Audubon, Audubon Society of NH, and the Conservation Law Foundation received a three year grant of \$315,000 from the Jesse B. Cox Charitable Trust "to prioritize high value natural lands in the north woods of New England, and to promote a greenline strategy for the northern forests."

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

This is funding for a direct assault on the citizens of the northern forest and their way of life. To make matters worse, these grants have been leveraged with the free use of federal land in the White Mountain National Forest in a most inappropriate collusion between the US Forest Service and the Appalachian Mountain Club which conducts lobbying and direct action activities from a "hiking" facility on the White Mountain National Forest. Memos indicate that the Forest Service and the AMC conduct business as a virtual partnership in which the Forest Service provides facilities to the AMC which in turn lobbies the federal government which the Forest Service is unable to do. Thus, in directing the AMC, the Jesse B. Cox Charitable Trust gains the additional ability to give virtually the same direction to the Forest Service.

The residents of the northern forest states are open to dialogue within their communities with the intent of providing for a sustainable future in the north country, but they are set upon by outside influences, i.e. undue influences, seeking to do for the northeast what they have already done to the northwest. If this is acceptable to Congress, I am ashamed to be a citizen of this country.

**Matt Bennett, Tennessee**

In early 1995, ten local, regional, and national environmental organizations banded together to form the Southern Appalachian Forest Coalition (SAFC). Located in Asheville, North Carolina, SAFC is an umbrella group created to execute a unified political and media strategy to influence the management of the region's five million acres of public land. According to an article published in the Asheville Citizen-Times, the group's agenda included stopping clearcutting, protecting road-less areas and old-growth forests, and protecting wildlife and stream corridors. The article also mentioned that SAFC was not a membership organization and that funding would come entirely from foundation grants. SAFC owed more than just its funding to foundations. Its very creation was the result of a meeting sponsored by the Pew Charitable Trusts that suggested environmental groups could be more effective if they formed coalitions to lead and coordinate their efforts.

Using a coalition member, the Southern Environmental Law Center, as its fiscal agent, SAFC's annual budget now approaches \$1 million. Their Form 990 lists grants from, among others, The Lyndhurst Foundation, Pew Charitable Trusts, Turner Foundation, W. Alton Jones Foundation, and the Merck Family Fund. These impressive resources and the ability to hire a sizeable full-time staff give SAFC a disproportionate influence in the National Forest planning process. Other forest users are often precluded from participating in the planning meetings due to job related responsibilities. The results are obvious; largely due to their influence, timber production is no longer included as a multiple-use outcome in the preferred alternative of the Region 8 National Forest Management Plans.

Foundation support has changed the rules of the game in the forest planning process. Public participation is skewed when a cadre of full-time activists, who do little else, is pitted against citizens who must earn a living and raise a family during the time when meetings are typically held. Sadly, from the standpoint of democratic participation, this domination will be further exaggerated by the Forest Service's proposed new planning rule with its emphasis on collaborative decision making. Too often those sitting at the table will be the ones that are paid to be there, the rest of the public having been excluded by the necessity of earning a living elsewhere.

**Jan Michael Jacobson, Florida.**

I have been Director of the Everglades Institute for the last twenty years. Prior to that I was, among other things, chairman of a Sierra Club chapter and thus a member of the Florida Sierra Club's Florida Executive Committee (FLEXCOM).

It is my considered opinion that Mr. Arnold is both factually correct and politically astute in his analysis of the relationships between environmental groups and government agencies.

Indeed, I left FLEXCOM over an abuse regrettably all too similar to those documented by Mr. Arnold. These abuses were easily predictable from a Constitutional perspective, being what the Founders knew would occur if power was not balanced and checked.

We in the environmental movement organizations, and the officers in particular, departed from historically tested, and proven, American control of power; we allowed vast sums to be controlled by a handful of people. We assumed that they were "good people". At the beginning (say, early 1960's) many were.

But money and power do predictable things to even the best of us, as Lord Acton observed so long ago. It is my opinion, based on my experience and research, that unaccountable power is perhaps even more likely to corrupt than absolute power.

And the environmental movement is not accountable to anyone, in large part not even its members.

**Julie Smithson, Ohio:**

Our area is under threat of being declared a National Wildlife Refuge by the actions of corrupt officials of the U.S. Fish & Wildlife Service, acting in collusion with The Nature Conservancy, which is attempting to impose

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

one of its restrictive "Bioreserve" projects on our farming community.

The Columbus Foundation and Affiliated Organizations, a consortium of urban foundations unconcerned about rural economies and the property rights of farmers, gave The Nature Conservancy a grant of \$25,000 in 1996 "For Darby Bioreserve Project, including hiring riverkeeper to promote citizen-based protection of Big and Little Darby Creeks."

Despite massive opposition to the Project by our local citizens, the USFWS continues to act under the influence of The Nature Conservancy and their funders in the Columbus Foundation consortium to cripple our farm community.

We request that Congress fully investigate this foundation-funded attempt to destroy the economy of our local farm community.

**Laura Busby, Arkansas**

The McKnight Foundation is the source of so much money that harms residents along the entire Mississippi River that it is almost impossible for most people to understand.

During the 1998 McKnight gave many millions for its "Mississippi Program" in grants to Environmental Support Center in Washington, D.C., the National Wildlife Federation, Tides Center, and many others that affect our area.

A Mississippi River Main River Levee Project was halted by a lawsuit filed by the Sierra Club, Audubon Society and other foundation-funded environmental organizations that asked for and received a delay in a California court. The delay allowed time for water to seep under the levee to into a street inside the city limits of West Memphis, Arkansas. The seepage was declared a "slide," a life-threatening danger. The slide was tardily reported to the Corps of Engineers and repaired just in time.

There was never an apology from any organization that delayed our levee's completion. Human life was definitely at the bottom of their list of priorities.

**John C. Martin, Colorado**

The Grand Mesa National Forest in west central Colorado has established Travel Management after a ten year effort. One plan was scrapped, public comment in addition to a "working group" that met for 18 months finally came up with a decision in 1995. The 1995 decision was appealed by over 300 Off Highway Vehicle (OHV) groups and individuals, and at a meeting with the Forest Service Supervisor, a settlement agreement was signed. With the good faith work of the public, organizational representation and the agency, the more expensive route of a court action was avoided.

Over \$100,000 in state OHV funds have been spent to date and another \$65,000 is dedicated to achieve balance between OHV needs and the forest. This year, the Forest Service will complete the terms of the settlement agreement. Years of mutual trust between the public and the agency, founded in that agreement, have made the difficult issues easier to deal with, fostered by mutual trust.

Because of the President's definition of a road, the roadless initiative will close existing roads on all the areas where user dollars and hundreds of hours of volunteer time have made the trail system better for the people and the forest. I guess "no good deed will go unpunished by the current administration." Ten years of public involvement, five years of partnership between the public and the agency will have no merit or value.

**Judy Keeler, Bootheel Heritage Association, New Mexico**

Our area is under siege by various environmental groups and federal agencies. When The Nature Conservancy (TNC) failed to sell the Gray Ranch to the US Fish and Wildlife Service for a Wildlife Refuge in 1991, they sold it to another nonprofit organization called the Animas Foundation (a Missouri private operating foundation, 1997 Assets: \$37,907,924; Income \$4,666,644) in 1993, while retaining for themselves a conservation easement on the property. John Cook, Vice President of Natural Resources for TNC, is on the board of directors for the Animas Foundation. In 1994 Mr. Cook also helped organize a group called the Malpai Borderlands Group (1998 assets: \$860,295; Income \$355,940), of which he is currently co-director. TNC's general council, Michael Dennis, is also the Malpai Group's general council. The Group's application for tax exempt status, drafted by Dennis, states they intend to develop and implement a "comprehensive land management strategy" for nearly one million acres in Southwest New Mexico and Southeast Arizona. They intend to manage this area "in cooperation" with federal and state agencies.

Since incorporation of these two nonprofit entities, individuals living within the 1 million acres have been pressured by federal agencies to cooperate in this strategy. According to a MOU signed in April of 1993, the ecosystem of the area would be restored using fire. Pressure began to be applied to local residents when a "fire map" of

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

the area was developed in 1995. Land owners had been asked to submit a copy of their individual allotments to the Animas Foundation. Many cooperated. The maps were then compiled into one large map that became known as the "Malpai Borderlands area". Next, the Forest Service began to pressure individuals to allow naturally occurring fires to burn their allotments. The Forest Service also began to develop a fire plan for the area that included "naturally occurring", and prescribed fires. They recommended individuals "grassbank" on the Gray Ranch to reduce the "costs" associated with these fires. This was not acceptable to many because it involved placing a conservation easement on their property to be held by the Malpai Group.

In addition to the prescribed fires, the residents were "strongly encouraged" to: 1) preserve "open space" by limiting subdivision on their private property; 2) adopt Chihuahua leopard frogs to be placed in their dirt tanks; 3) develop a Conservation Agreement with Assurances for prairie dogs, which the Animas Foundation relocated to the Gray Ranch over the objections of the county; and 4) offer protection for jaguars that never inhabited the area. Most recently, they have had their allotments mapped by US Fish and Wildlife for "occupied habitat", and the whole Hidalgo County designated "occupied range" for jaguar. Simultaneously, the New Mexico Wilderness Coalition, headed by Dave Foreman, former Earth First leader, is pushing for the area to be designated a wilderness.

Preserving "open space", as perpetuated by the Malpai Borderlands Group and TNC, has the potential to create the greatest economic harm to the county and its residents. Already one of the poorest counties in the state of New Mexico, the closing of Phelps Dodge's Hidalgo Smelter, has left little tax base on which to operate. Further restricting development will be the death knell. It is evident the Malpai Group is being positioned to become recipients of any mitigation fees extorted from local businesses and residents that do decide to develop their private property. Presently this county has one of the highest occurrences of endangered and special status species in the state, as identified by TNC. These species can easily be used to leverage their "buyout" of the area.

Funding for the Animas Foundation and the Malpai Borderlands Group has come from grants given by federal agencies, chiefly the Forest Service which funds a position to administer the Malpai Borderlands agenda, and the National Resources Conservation Service, which also funds a position for the Malpai Group. Large foundation donations have been made by: Liz Claiborne - Art Ortenberg Foundation, Clark Family Foundation, Doris Duke Foundation, General Motors, Hewlett Foundation, JR Short Milling Co, Mildred Andrews Fund, McCune Foundation, Moriah Fund, Nadalynn Conway Trust, National Fish and Wildlife Foundation, Norcross Wildlife Foundation, Orvis Company, Orvis-Perkins Foundation, Perkins Charitable Foundation, Point Foundation, Thaw Charitable Trust, Tides Foundation, Wallace Research Foundation, and Wolf Creek Foundation.

We respectfully request Congress fully investigate these foundation grants and federal agency involvement in this clear attempt to destroy our county's economy.

### Rachel Thomas, Arizona

From December 8, 1995 The Nature Conservancy (TNC) notified the Bureau of Reclamation (BOR) of their interest in accepting and managing a fund established for the purpose of mitigating endangered species impacts at Roosevelt Lake, Arizona. On March 18, 1996 a federal grant was given to TNC for \$25,000. May 24, 1996: the amount was increased by \$25,000 to file an option to purchase Saddle Mountain Lakes, a commercial fish farm and ranch operation. August 19, 1996: a draft grant was transmitted to TNC which was the agreement between BOR and TNC for \$4,198,804.00 with \$1,747,426.00 federal funds obligated by Jennis L. Hemingway, BOR. September 18, 1996: the total amount for the mitigation activities was increased by Hemingway to \$4,422,804. November 15, 1996: a fully executed copy of the grant was transmitted from BOR to TNC. November 22, 1996: a request by TNC for funds to purchase a nut harvester (\$6,000) and a Massey-Ferguson 650 Tractor (\$7,500). December 3, 1996: approval for purchase of equipment by BOR.

### Mike Noel, Utah

Michael Noel is a retired 25 year federal employee. Mike worked in the Kanab Bureau of Land Management (BLM) office in Southern Utah for 22 years. During that period he received numerous special achievement awards and quality step pay increase awards for outstanding performance in his job. Mike never received any yearly evaluation rating below a superior. He was a good worker and was well respected by many different supervisors and by the citizens in the community in which he worked and lived. During the last 6 years of his employment with the BLM Mike was assigned as the project manager for the preparation of the Environmental Impact Statement for the Andalex Coal Mine Proposal know as the Warm Springs EIS. There were a total of 3 federal agencies BLM, Office of Surface Mining, US Park Service, 1 Utah State Agency, the division of Oil Gas and Mining and a private, government selected, consultant, ENSR in Boulder Colorado that provided input, review and consultation on the EIS.

After 5 years of work on the EIS and several months prior to the intended release of the Draft EIS to the public, the document was sent to the Washington Office for review. During this time the EIS was reviewed at the

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

highest levels of the Interior Department and because the impacts of the proposed action on the federal lands were found to be minor to moderate and completely mitigatable, Noel and his project manager joint lead counterpart with the OSM, Floyd McMullen, were subjected to intense scrutiny and pressure to change the impacts identified in the EIS.

Despite the preparation and review by over 100 federal, state, and private resource specialists, these politically appointed Washington Office Interior Department managers were unhappy with the document. Noel and McMullen held firm to the findings in their document and were not willing to make changes based merely on the fact that the green bureaucracy in Washington wanted the project stopped. During this review process with Washington Office, Noel was in fact demoted from project manager to assistant project manager and his duties were severely restricted.

In September of 1996 the Grand Staircase Escalante National Monument was created with the statement by Bill Clinton that the area must be protected from coal development. This is of course was a lie and was only a means for the administration to invoke the Antiquities Act to create the monument.

After the creation of the monument, Noel became persona non grata in the BLM and was told that he was to be reduced from a GS 12 to a GS 11 grade. The normal occurrence would have been to give Noel a promotion and an award for completing the complex and highly controversial EIS that would have been legally defensible in a court of law.

Noel opted for an early out with a 20% reduction in retirement benefits and went to work as the executive director for the Kane County Water Conservancy District. Last year he organized the Color Country Chapter of People for the USA in Kanab and another Chapter in neighboring Garfield County. Noel and over 1000 members of PFUSA in Kane County are working with local and state government elected representatives and citizens to try and overturn the monument designation through the judicial process. He is also fighting water rights issues and the RS2477 road battle with the BLM to keep them from closing over 1279 miles of county roads in the new monument.

Mr. Noel's experience is not a isolated one. Many former BLM employees including Mr. Jim Parker, former BLM state director for Utah and Ed Sherick, former Monticello Utah Area Manager are also actively involved in helping the rural counties in Utah protect their rights against the green agenda of the Clinton Gore administration. After reading Ron Arnold's book *Undue Influence*, Mike contacted him to thank him for his presentation of the "real facts concerning the creation of the GSENM"

#### Shauna Johnson, Utah

Three years ago, a diverse group of County residents and agencies formed a committee to develop a plan to protect the floodplain of the Virgin River with a locally-driven plan that would protect private property rights, the economy of the region, and the sensitive and endangered species of fish that USFWS had identified in the river. We worked for three years, in close cooperation with USFWS, BLM, Park Service, State of Utah, to develop a plan that would satisfy USFWS requirements. The Grand Canyon Trust were invited to be part of the process, and did participate, and in October of 1999, our plan was approved and signed off on by all participants, and published and publicly implemented. This plan was supposed to alleviate the need for Critical habitat designation for the Virgin River floodplain which is 85% private property and the main source of water for our whole area.

During the entire process, the GRAND CANYON TRUST, funded by grants from THE GENERAL SERVICE FOUNDATION-\$10,000/yr.; the PINCUS FAMILY FUND-\$30,000/yr.; GEORGE S. and DOLORES DORE ECCLES FOUNDATION-\$37,500/yr.; the FORD FOUNDATION-\$200,000/yr.; the J.S. and JESSIE E. QUINNEY FOUNDATION-\$37,000/yr.; attempted to usurp and undermine our efforts, even as they were supposed to be working on the planning team. They tried to start a separate committee, tried to bring in their own fish biologists to refute the science behind the plan, and applied for a large grant, stating that the Virgin River Planning committee was supporting them. Their overt behavior throughout the whole process caused the plan to take a lot longer than it should have, but in the end, they signed off on it as did the USFWS. Within 2 weeks of the implementation of our Plan, the USFWS listed our river as Critical habitat, despite the fact that they had signed an agreement when we did the plan. They were strongly encouraged to do this by the Grand Canyon Trust, who have openly stated that they will see their goals implemented on the entire river.

This is causing great difficulty for planning and land use efforts by private citizens and local governments, and is negatively impacting local economies. We have an excellent locally-driven management plan, and we hope that you will help us reestablish its authority, by investigating the breach of trust by the Grand Canyon Trust and the USFWS, and the foundations that helped pay for the harm that has been done.

## TARGETS OF HURT: COMMENTS FROM AROUND THE NATION

**Rich Petaja, Montana**

Liz Claiborne, who operates a \$26 million foundation, and Art Ortenberg, who, with Claiborne, operates a separate \$39 million foundation, together own a \$2 million home on Lake Lindbergh in Montana.

Their view across the lake looks at timbered private land, presently undeveloped. Claiborne and Ortenberg apparently wished to keep their view free of other homes and urged their environmental movement friends to support the purchase of virtually all the private lakefront visible from their home by the U.S. Forest Service with public money.

The Forest Service agreed after a number of local environmental groups urged them to buy the private lakefront property, and the multi-million-dollar sale is now being transacted through the Trust for Public Land.

The Liz Claiborne and Art Ortenberg Foundation gave \$12,500 to the Five Valleys Land Trust in 1998, and other sums to other environmental groups that supported the federal purchase of this private land.

Our bureaucrats appear to be catering to a landed gentry with taxpayer funds.

**Marcia H. Armstrong, California**

1) In the last decade, the Klamath Forest Alliance has appealed every grazing permit renewal decision on the Klamath National Forest except one. Every one of the appeals has been over-ruled by the regional office. This has caused a great deal of unnecessary expense, time and effort by Forest Service staff and the grazers, taking resources from actual range management.

2) In the last decade, Felice Pace of the Klamath Forest Alliance has worked to undermine the spirit and effectiveness of the Scott River Watershed Coordinated Resource Management Planning (CRMP) Group, acting in bad faith until the group disbanded and reconstituted to purge itself of Mr. Pace and his disruptive tactics. KFA had repeatedly used the consensus process in the past few years to block decisions. After two incidents when KFA's representative, Felice Pace, acted in a physically aggressive manner toward other participants, the group requested that another KFA representative be appointed. The CRMP was refused. The group disbanded as a CRMP and reconstituted as the Scott River Watershed Council comprised of members that are representative only of themselves and not of any group.

3) Klamath Forest Alliance is funded by Weeden Foundation, \$20,000, 1997; The Homeland Foundation, \$15,000, 1997; Richard & Rhoda Goldman Fund, \$20,000, 1997; W. Alton Jones Foundation, \$80,000, 1997; Foundation for Deep Ecology, \$10,000, 1996; Compton Foundation, \$10,000, 1996; W. Alton Jones Foundation, \$25,000, 1996; W. Alton Jones Foundation, \$25,000, 1995; W. Alton Jones Foundation, \$30,000, 1992; W. Alton Jones Foundation, \$30,000, 1991; The Needmor Fund, \$10,000, 1991; The Needmor Fund, \$13,000, 1991.

### Consequences and Questions

POINT: THE POWER TO DESTROY AMERICA'S GOODS-PRODUCING ECONOMIES IS NOW CONCENTRATED IN THE HANDS OF A FEW INFLUENTIAL WEALTHY FOUNDATIONS, GRANT-DRIVEN ENVIRONMENTAL GROUPS AND ACTIVIST FEDERAL EMPLOYEES. SHOULD THIS CONCENTRATION OF WEALTH AND POWER BE REGULATED?

POINT: REPORTING REQUIREMENTS FOR PRIVATE FOUNDATIONS ARE SO LAX THAT THE PUBLIC CANNOT DISCOVER THEIR GRANTS OR EXAMINE THEIR INVESTMENT PORTFOLIO CONTENTS FOR CONFLICTS. SHOULD THE REPORTING REQUIREMENTS FOR PRIVATE FOUNDATIONS BE STRENGTHENED? SHOULD PUBLIC ACCESS TO THIS INFORMATION BE MADE MANDATORY?

### Call for Investigation

CONGRESSIONAL INVESTIGATIONS OF PRESCRIPTIVE PRIVATE FOUNDATIONS FUNDING GRANT-DRIVEN ENVIRONMENTAL GROUPS WHOSE MEMBERS ARE IN FEDERAL EMPLOYMENT POSITIONS THAT WOULD PERMIT UNDUE INFLUENCE OVER AGENCY DECISIONS.

CONGRESSIONAL INVESTIGATION OF THE POWER TO HURT ACROSS THE UNITED STATES AND A REPORT ON THE ACTUAL STATE OF THE NATION IN TERMS OF HARMED PARTIES WITH SUGGESTED REMEDIES.

\$10.00

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OF FREE ENTERPRISE**

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The Center for the Defense of Free Enterprise was founded on July 4, 1976, by a coalition of concerned citizens to promote and defend the principles of the American free enterprise system. To that end, the Center for the Defense of Free Enterprise conducts many educational and legal action projects designed to better inform the public about the benefits of the free enterprise economic system. This report is one of a periodic series on the problems of free enterprise.

Additional copies of this report are available for \$10.00 from the address below. Questions concerning this report should be addressed to: Editor, "Power To Hurt" For more information, please contact:

**CENTER FOR THE DEFENSE  
OF FREE ENTERPRISE**

Liberty Park  
12500 N.E. Tenth Place  
Bellevue, Washington 98005  
(425) 455-5038  
FAX (425) 451-3959  
Web Site: <http://www.cdfc.org>  
Email: [editor@cdfc.org](mailto:editor@cdfc.org)

Mrs. CHENOWETH-HAGE. Thank you, Mr. Arnold.  
The Chair now recognizes Mrs. White Horse Capp for her testimony.

**TESTIMONY OF MS. DIANA WHITE HORSE CAPP**

Ms. CAPP. Madam Chairman, Committee Members, thank you for this hearing.

I am Diana White Horse Capp, from Ferry County, Washington, 4.6 million acres in the Kettle Mountains, 7200 people. I am Chairman of the Upper Columbia Resource Council.

Madam Chairman, history shows the elite gain power by pitting the masses against each other. Our Constitution, based on the Iroquois Great Law of Peace, is intended to prevent such abuses.

Elite foundations now funnel their wealth to environmental groups who pit the masses against each other. Rural Americans are condemned as savages just as Natives once were. Rural Natives and whites work in the same occupations. Our welfare is connected. The south half of my county is Colville Reservation. On the north half, Colvilles and other Native descendants live in peace with whites. The community is intermarried. We cannot afford the division these foundations instigate.

The environmental elite use Native people. They preach about Tribal Rights and promise to restore justice. Yet they do little for Native people but use them as poster children to buy the clout of Treat Rights in their lawsuits. Local activists courted favor on the Reservation and the Colville Indian Environmental Protection Alliance emerged. This is a foundation grant handled by Winona LaDuke, a Native recruiter from Minnesota, daughter of the late Sun Bear, and it is targeted to fight people like me in Ferry County. LaDuke's webpage here says that the Colville group she funds is opposed to gold mining on the Reservation. But this article from High Country News says that that same group successfully lobbied the Tribal Council to oppose Crown Jewel Mine. Madam Chairman, the Crown Jewel Mine is not on the Reservation, it is 30 miles away, minimum. This kind of deception puts a smear on the Tribe's name. These activists have come in and they have stirred up political upheaval on the Reservation. I am told that there are Tribal members who are intimidated and they would like the FBI to step in.

The environmental elite use the grassroots groups to destroy our rural culture. Our county is crippled by their attacks on timber, mining and ranching. Jobs are very scarce. Our children feel hopeless. These elite have really raped our children's future. These grants target Ferry County, along with the others I have shown, with \$105,000 just to silence the so-called "incivility" of people like me concerned with human rights. These grants go through Environmental Media Services, and that outfit is headed by Arlie Schardt, Al Gore's former Press Secretary. It looks pretty political to me.

Slick media activists hound urbanites, screaming that rural cultures destroy the planet when, in fact, we feed and shelter them. The 1998 National Wilderness Conference announced its plan for Wilderness designation of the Kettle Range. Ferry County is the Kettle Range. Their millions wage a high-dollar war for Wilderness

in Ferry County along with Kettle Range Conservation Group. Our county is beautiful, and they covet that beauty enough to rape our culture. We don't want to be squeezed out. This cultural genocide must be acknowledged. Cultural genocide is why the Kootenai Tribe has joined Idaho's fight against Wilderness. This petition by Bret Roberts of the Ferry County Action League has already collected 2,000 area resident signatures against Wilderness designation.

What is worse is that Federal insiders reshape policy to destroy rural cultures. There is a map here that shows some of the plans coming at us that are going to squeeze us out. Colville National Forest's Public Affairs Officer took vacation time to campaign for more Wilderness. Pacific Biodiversity Institute boasts that Government agencies request their wilderness maps. And, indeed, here is the Wilderness Society map in a local Forest Service plan, and it says "For planning purposes". This is a grant to an environmental group that says that this group's lynx study will be used by the Forest Service for management purposes. This Nature Conservancy job ad says that their biologists write policy on Indiantown Gap Military Reservation. That really rubs salt in the wound for me. Indiantown Gap was taken away from my mother's people in 1932 by Government troops. I don't want something like that happening to my children, too.

Madam Chairman, this genocidal juggernaut must be stopped. Thank you.

[The prepared statement of Ms. Capp follows:]

## TESTIMONY OF DIANA W.H. CAPP

Madame Chairman, Committee Members, thank you for this hearing.

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Elite foundations now funnel their wealth to environmental groups who pit the masses against each other. Rural Americans are condemned as savages just as Natives once were. Rural Natives and Whites work in the same occupations. Our welfare is connected. The South Half of my county is Colville Reservation. On the North Half, Colvilles and other Native descendants live in peace with Whites. The community is intermarried. We cannot afford the division these foundations instigate.

The environmental elite use Native people. They preach about Tribal Rights and promise to restore justice. Yet they do little for Native people but use them as poster children to buy the clout of Treaty Rights in their lawsuits. Local activists courted favor on the Reservation and Colville Indian Environmental Protection Alliance emerged. This is a foundation grant handled by Native recruiter Winona LaDuke of Minnesota to fight people like me in Ferry County. (See page 2) LaDuke's webpage says the Colville group she funds is opposed to gold mining on the Reservation. (pg 3) But this article says that group lobbied the Tribal Council to oppose Crown Jewel Mine. (pg 4) Madame Chairman, the Crown Jewel Mine isn't on the Reservation-- it's 30 miles away, minimum. This kind of deception smears the Tribe's name. Political upheaval rocks the Reservation and some Tribal members want the FBI to step-in.

These foundations use environmental groups to destroy rural cultures. Our county is crippled by their attacks on timber, mining, and ranching. Jobs are scarce. Our children feel hopeless-- the elite have raped their future. These grants target Ferry County with \$105,000 just to silence the so-called "incivility" of people like me concerned with human rights. (pg 5) These are grants to Environmental Media Services! They're headed by Arlie Schardt-- Al Gore's former Press Secretary!

Slick media activists hound urbanites, screaming that rural cultures destroy the planet, when in fact we feed and shelter them. The 1998 National Wilderness Conference announced its plan for Wilderness designation of the Kettle Mountain Range-- Ferry County is the Kettle Range. Their millions wage a high dollar war for Wilderness in Ferry County along with local Kettle Range Conservation Group. (pg 6) Our county is beautiful. They covet this beauty enough to rape our culture! We don't want them to squeeze us out. This cultural genocide must be acknowledged. That's why the Kootenai Tribe joins Idaho's fight against more Wilderness. (pg 7) This petition by Bret Roberts of Ferry County Action League is signed by \_\_\_\_\_ area residents opposed to more Wilderness.

Federal insiders reshape policy to destroy rural cultures. This map shows some of the plans to push us out. Colville National Forest's Public Affairs Officer took vacation time to picket for more Wilderness. Pacific Biodiversity Institute boasts that government agencies request their wilderness maps. (pg 8) This Wilderness Society map is part of a local Forest Service Plan. (pg 9) This environmental group's grant says their lynx study will be used by the Forest Service. (pg 10) This job notice (pg 11) even says Nature Conservancy biologists write policy on Indiantown Gap Military Reservation-- adding salt to the wound. You see, government troops forced my Mother's people out of Indiantown Gap in 1932. I don't want that happening to my children, too!

Madame Chairman, this juggernaut must be stopped. Thank you.

page 2

## Tides Center (Honor the Earth Fund)

1998: \$10,000

The Tides Center actively promotes change toward a healthy society, one founded on principles of social justice, broadly shared economic opportunity, a robust democratic process, and sustainable environmental practices. The grant supports Honor the Earth Fund's work to assist Northwest Tribal communities in addressing their environmental challenges through public outreach and education, and direct funding of Native grassroots organizations.

**Address:** PO Box 29907  
San Francisco, CA 94129-0907

**Contact:** Carl Pascual

**Phone:** 415-561-6300

**Fax:** 415-561-6301

**E-mail:** cpascual@tides.org

**Web Site:** <http://www.tides.org>

**Project Office:** Honor the Earth Fund  
PO Box 75423  
St. Paul, MN 55101

**Contact:** Wilona LaDuke

**Phone:** 218-854-7472

**Fax:** 218-854-7473

**E-mail:** [honortheearth@earthlink.net](mailto:honortheearth@earthlink.net)

**Web Site:** <http://www.honortheearth.com>



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Application Procedures



Bulletin News



Issues



Service Area



Question Answer

<http://www.tides.org/grantees.cfm?grantee=391>

1/30/00

## Grantee

## Tides Center (Honor the Earth Fund)

1998: \$10,000

The Tides Center actively promotes change toward a healthy society, one founded on principles of social justice, broadly shared economic opportunity, a robust democratic process, and sustainable environmental practices. The grant supports Honor the Earth Fund's work to assist Northwest Tribal communities in addressing their environmental challenges through public outreach and education, and direct funding of Native grassroots organizations.

**Address:** PO Box 29907  
San Francisco, CA 94129-0907

**Contact:** Carl Pascual

**Phone:** 415-561-6300

**Fax:** 415-561-6301

**E-mail:** cpascual@tides.org

**Web Site:** <http://www.tides.org>

**Project Office:** Honor the Earth Fund  
PO Box 75423  
St. Paul, MN 55101

**Contact:** Wilona LaDuke

**Phone:** 218-854-7472

**Fax:** 218-854-7473

**E-mail:** [honortheearth@earthlink.net](mailto:honortheearth@earthlink.net)

**Web Site:** <http://www.honortheearth.com>



Grantees



Application Procedures



Bulletin News



Issues



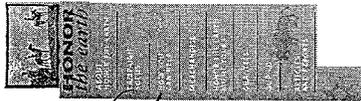
Service Area



Question Answer

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page 3

ENVIRONMENTAL JUSTICE

Native communities in the United States hold 4% of the land, and after the federal government represent the second largest land holding interest. Those lands are our essence. Honor the Earth is based on defense of this land and the culture of sustainability on which thousands of years of Native American society is based. The threats of an industrial society on our lands are daunting and have impacted our communities heavily.

Hydro-electric dams have devastated our salmon and our communities from James Bay, Canada to Columbia River tribes in the Northwest. Now proposals for dams in Quebec, Labrador and British Columbia continue these threats.

Two thirds of the uranium and one third of all low sulfur coal reserves lie on our lands. Communities impacted by mining include Northern Cheyenne, Crow, and Navajo (Dine), where 1,200 open pit uranium mines sit abandoned.

50 billion board feet of timber stand on our reservations and comprise our forests. Massive logging threatens our lands and forest cultures.

There have been more than 100 separate proposals to dump toxic waste in Native communities over the last decade. Incinerators, landfills and garbage dumps continue to assault us. Many communities are still demanding clean up of old dump and superfund sites.

In defense of our homelands, Honor the Earth has provided funding to and advocated for numerous Native environmental justice organizations in an ongoing effort to support grassroots resistance to the destruction of our lands and way of life.

A few of these groups include:

Anishnaabe Nijiji: Working to prevent the development of a massive sulfide mining project at the Mole Lake Sokoogon Reservation and 17

<http://www.honortheearth.com/justice.html>

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[www.honortheearth.com/justice.html](http://www.honortheearth.com/justice.html)

other sites throughout the ceded territory in present day Wisconsin.

**The Indigenous Women's Environmental Network.** An ad-hoc group of aboriginal women in Saskatchewan, Canada, working to stop uranium mining, clear-cutting, damming of river systems and nuclear waste storage proposals in the region.

**Colville Indian Environmental Project.** A grassroots organization opposed to gold mining on the Colville Indian Reservation.

**Exakt Rainforest Preservation Fund:** Working to protect ancestral Eyak lands from clearcutting and devastation. The Exxon Valdez oil spill heavily impacted this area and now a "settlement agreement" could lock the Eyak people into a contract with logging companies for years to come. This groups is setting a precedent in challenging the imposed structure and inherent inequality of the Alaskan Native corporations.

## Indian Law Resource Center

1999: \$10,000

The Indian Law Resource Center provides legal assistance to indigenous peoples in the Americas who are working to protect their land resources, human rights, environment, and cultural identity. The grant supports a project to educate Northwest tribes about benefits from the successful shutdown of open-pit gold mines and promote better ties between tribes and environmental organizations.

Address 602 North Ewing Street  
Helena, MT 59601

Chairman Robert Coulter

Phone 406-449-2006

Fax 406-449-2031

E-mail [ml@indianlaw.org](mailto:ml@indianlaw.org)

Web Site <http://www.indianlaw.org>



The Bullitt Foundation: [info@bullitt.org](mailto:info@bullitt.org)  
Returns to: [bma@bullitt.org](mailto:bma@bullitt.org)

[www.bullitt.org/grantee.cfm?grantee=30](http://www.bullitt.org/grantee.cfm?grantee=30)

page 4  
Not that the Confederated Tribes couldn't use the money. The confederation isn't large - 4,000 members live on the reservation and another 4,000 are scattered around the Northwest. The tribal economy is poor, explains Business Council Chairman Joe Pakootas, a youthful-looking 40-year-old former construction worker.

Tribal government and the tribe's economic development corporation are the main employers on the reservation. Gambling generates more than half the tribe's \$45 million payroll. Even so, 28 percent of the Colville tribes' reservation population lives below the poverty line. The reservation's average household income of about \$19,760 lags behind that of the two counties it's situated in.

Nonetheless, Pakootas rejects mining. "You know, we talk about seven generations in the future," says Pakootas. Mining "is good for today, not tomorrow. I prefer to have the ecology stable and pristine." The tribal council recently banned clear-cutting on the reservation in much the same spirit.

Once hardrock mining was banned on the reservation, the Indian Alliance turned its attention to Battle Mountain Gold's proposed Crown Jewel gold mine on Buckhorn Mountain. Buckhorn Mountain is well off the reservation, about 70 miles from Nappelen, the tribal headquarters where most of the tribe live. But the mountain and surrounding land were once part of the reservation, and the tribes still have rights to game, salmon and other natural resources on what is now national forest land.

The Tribal Business Council, responding to the Indian Alliance's continued lobbying, passed a resolution opposing the Crown Jewel. The tribes have filed a lawsuit in federal court against the U.S. Forest Service, challenging the validity of the environmental impact statement for the mine.

The tribes have also sued the state over the granting of water rights to the mine (both lawsuits have been joined with the environmental groups' lawsuits). Under treaties with the U.S., the tribes' fishing rights in the area amount to a senior water right.

Pakootas acknowledges that the Confederated Tribes' opposition has the potential to kill the mine, but "that's not how we're looking at it, at all," he says. "Our main goal is to protect the resources."

It's a neat twist to history. Gold played a major role in divesting the tribes of most of their homelands.

When the state's first gold strikes were made here in the 1850s, the entire upper Columbia Basin was controlled by the 11 aboriginal tribes that now make up the Confederated Tribes. As whites entered eastern Washington, many seeking gold, they pressured the U.S. government to push the nomadic tribes onto reservations.

In 1872, President Ulysses Grant set up the original Colville Reservation - more than 3 million acres between the Okanogan River and the Selkirk Mountains. A second reservation, the Moses-Columbia, was set up in 1879 under the leadership of Chief Moses of the Columbias. It was an immense tract bounded by the Cascades on the west, Lake Chelan on the south, and the Okanogan River on the east.

Almost as soon as the reservations were created, white farmers and gold miners led by pioneer Hiram "Okanogan" Smith began lobbying the federal government to open up the land.

Chief Moses complained to an Indian agent about the encroaching whites, "You white men have a nose like a good hunting dog sniffing out my country."

[http://www.bullitt.org/1998/aug31/dfr/Sidebar\\_Tribes\\_sar.html](http://www.bullitt.org/1998/aug31/dfr/Sidebar_Tribes_sar.html)

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## Tides Center (Environmental Media Services)

1999: \$5,000  
1998: \$40,000

The Tides Center actively promotes change toward a healthy society, one founded on principles of social justice, broadly shared economic opportunity, a robust democratic process, and sustainable environmental practices. The grants supported a project to develop a regional headquarters in Seattle, which will offer media skills services to Northwest environmental activists and organizations. The 1999 grant supports a project to assist environmental groups in Ferry County, Washington, in countering anti-environmental rhetoric that promotes inactivity.

**Address** PO Box 29907  
San Francisco, CA 94129-0907

**Contact** Carl Pascal

**Phone** 415-561-6300

**Fax** 415-561-6301

**Web Site** <http://www.tides.org>

**Project Office** Environmental Media Services, Western States Office  
1919 First Avenue, Suite 507  
Seattle, WA 98101

**Contact** Kristin Hyde Block

**Phone** 206-374-7795

**Fax** 206-374-7796

**E-mail** [kristin@ems.org](mailto:kristin@ems.org)

**Web Site** <http://www.ems.org>

## Tides Center (ONE/Northwest)

1998: \$55,000

The Tides Center actively promotes change toward a healthy society, one founded on principles of social justice, broadly shared economic opportunity, a robust democratic process, and sustainable environmental practices. The grant supports a project of Environmental Media Services to assist environmental groups in Ferry County, Washington, in countering anti-environmental rhetoric that promotes inactivity.

**Address** PO Box 29907  
San Francisco, CA 94129-0907

**Contact** Justin Probert

**Phone** 415-561-6300

**Fax** 415-561-6301

**E-mail** [jprobert@tides.org](mailto:jprobert@tides.org)

**Project Office** ONE/Northwest  
Nickerson Marina Building, 1050 W Ewing Street, Suite 30  
Seattle, WA 98119-1422

**Contact** Denise Joines

**Phone** 206-286-1235

**E-mail** [dj@onetw.org](mailto:dj@onetw.org)

**Web Site** <http://onetw.org>

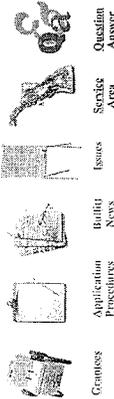
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Grantees Application Procedures Bulletin News Issues Service Area Question Answer

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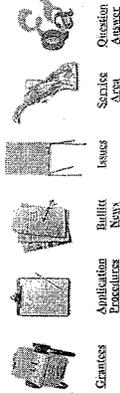
<http://www.undcenter.org/content/one.htm>

# Kettle Range Conservation Group

1999: \$20,000  
1998: \$10,000

Kettle Range Conservation Group seeks to protect natural ecosystem diversity in the upper Columbia River basin through the preservation of wilderness and ancient forests and through the promotion of sustainable resource use. In 1998, a one-year challenge grant supported efforts to expand the organization's research and conservation efforts to protect roadless areas and other sensitive and terrestrial species habitats in the Columbia River Highlands. The 1999 grant designates \$10,000 to support Kettle Range Conservation Group's overall operations and efforts to support the protection of wilderness areas, and \$10,000 to the organization's project to engage citizen groups in three counties in northwestern Washington in efforts to promote growth management objectives. This project will be done in coordination with 1000 Friends of Washington. (1998: \$10,000 Northwest Forests; 1999: \$10,000 Forests and Land Ecosystems; \$10,000 Growth Management and Transportation)

Address: PO Box 150  
Republic, WA 99166  
Contact: Timothy Coleman  
Phone: 509-775-3667  
Fax: 509-775-3454  
E-mail: [krg@telstar.com](mailto:krg@telstar.com)  
Web Site: <http://www.telstar.com/~krg>



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Return to: Janice Park

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## FERRY COUNTY GMA APPEAL COSTS THRU DECEMBER 1999

Through September 1998	\$63,899.82
Prosecutor's Costs (1998)	\$15,600.00
Prosecutor's Costs (Apr 96-Dec 96)	\$10,400.00
Planning Dept. Costs (Apr 96-Dec 96)	\$10,019.84
Commissioner's Costs (Apr 96-Dec 96)	\$ 3,596.08
September 1998 - December 1999	
Prosecutor (13 hours per week)	\$19,500.00
Four trips to Olympia (Lawsuit)	2,000.00
Planning (16 hours per week)	\$18,787.20
Planning Commission Review (9 members meet once a month)	\$ 2,700.00
Commissioners (2 hours each/week)	\$ 6,746.40
Clerk of the Board (2 hours per week)	\$ 1,856.00
<b>TOTAL</b>	<b>\$154,967.34*</b>

\*This amount reflects wages only. No overhead costs such as telephone calls, advertising, office supplies, Planning and Prosecutor's staff time, or travel time and expenses for Departments to hearings held out of the County are included in the above total.

It should also be noted that those hearings held outside of the County may be excluded participation by citizens who could not afford to make the trip to the hearing locations or who could not take an entire day of work in order to attend. No estimate is available of the travel costs incurred by those citizens who have been able to travel to out-of-County hearing locations.



### news

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- Legal
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- National
- Port
- Outs
- Restaurant
- Technology
- Travel
- Video
- Web
- World

February 3, 2000

- Regional
- Government & Politics
- In Court
- Tribal news
- Inland Northwest
- Energy
- Environment



## Kootenai Tribe joins suit over roadless area

Idaho wants Forest Service to extend comment period on proposal

One Owyhee - Associated Press

BOISE -- The Kootenai Tribe has joined Idaho Attorney General Al Lance's suit against the U.S. Forest Service over the Clinton administration's bid to set aside millions of forested acres in the state.

Idaho is asking the U.S. District Court to order an extended 120-day comment period on the proposal to preserve 40 million acres nationwide, with more than 8 million in Idaho. Lance and the tribe say the proposal is "unlawful" because it is about pulling the land off-limits as revealing which acres are involved.

"It is highly significant that Idaho is being joined by another sovereign in this action," Lance said. "All states have a strong interest in the relationship and the tribe has certain treaty rights with the United States."

He charges the government is trying to whitewash the fact that it has already made up its mind about whether to allow logging the land to run through before President Clinton leaves office in a year.

"We appreciate the opportunity to stand with the state of Idaho to protect our rights because the federal designation will have a substantial influence on our way of life," said Tribal Councilman Raymond Abraham said. "The action impacts our ancestral homeland which includes a large section of national forest."

Abraham said the Kootenais gather berries, medicinal herbs and wood in the forest, as well as cutting tepee poles.

State Controller J.D. Williams is a fellow state Land Board member with Lance. He said the roadless proposal would affect 500,000 acres of forest land, many of which are already depressed by the staggered mining industry.

"If we look at the impact of the roadless initiative, the greatest disappointment for me is the administration's cookie-cutter approach will have no effect, at least in the lower 48 states," Williams said.

Lance said the Forest Service has until next Tuesday to remedy what he calls its refusal to extend the public comment period by four months.

The Feb. 8 hearing is before U.S. District Judge Edward Lodge who is presiding over the Idaho Conservation League, The Wilderness Society and the American Lands Alliance to counter Idaho's lawsuit against the Forest Service.

## What are your thoughts on Kootenai Tribe joins suit over roadless area

If you have a comment or reply to this story that you'd like to share, fill in the form and click submit. Your Rights are limited to 250 characters. Your e-mail address will be printed. No profanity or abusive statements will be printed.

Your comment:

Text input field for user comments.

Your Email Address:

Text input field for email address.

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### PBI mapping last Northwest wild areas

Rich Lashier - Outdoor Editor

For five years, a dedicated group of virtual county biologists at the Pacific Biodiversity Institute (PBI) in Winthrop, Wash., has been mapping the Northwest's remaining wild areas.

"Our goal is to provide information on landscape characteristics related to wildlife habitat so the information can be used by state and federal agencies to make better decisions," said Peter Morrison, who plays a lead role in the nonprofit research group.

In the 1970s and early '80s, the U.S. Forest Service mapped and inventoried public lands. Called RARE 1 and RARE 2, each Roadless Area Review and Evaluation attempted to define roadless areas that should either be considered for wilderness or opened to development.

"We've learned there was no standardized method used by all the forests," Morrison said. "The inventories in most cases were deeply flawed."

The Wenatchee National Forest mapped about 90 percent of the roadless areas larger than 5,000 acres that qualified for wilderness, Morrison said.

"That's nearly as good as (PBI) can do with advanced technology," he said.

"On the other hand, the Colville National Forest mapped only about 50 percent of the lands that qualified under the 1984 Wilderness Act."

Scientists panels looking more closely at Eastern Washington have found that roadless areas are important to maintaining ecological integrity, Morrison said.

"The Forest Service has done a pretty good job of mapping the roads," he said. "We've gone beyond that with a detailed look at areas that don't have roads, evaluating their size and location and deciding whether their shape is not too irregular."

"We've come up with a method that's scientifically credible and can be recreated by government."

"I've worked for the Forest Service and I'm respected in the scientific community," Morrison said. "You're an information provider and we try hard to maintain objectivity."

PBI's method uses the latest U.S. Geological Survey resources overlaid with aerial photography and on-the-ground verifications, Morrison said.

"Using all these sources, we've produced maps that are more accurate, accurate, which is better than the USGS information used for land development," he said.

"In Washington, we found 880,000 acres of un inventoried roadless national forest lands that are in one or more of the roadless areas or other protected wildlife habitat. These areas have been considered for wilderness, but they weren't."

The institute is completing similar maps and studies for Idaho and other Western states.

"From a biological perspective, these are some of the most important areas," Morrison said. "They tend to be lower elevations, with the most habitat types."

"In many cases they simply weren't inventoried. In other cases, they were part of inventoried roadless areas but the boundaries weren't drawn correctly."

"Curiously, the official boundaries tended to be drawn way up the hillsides that have the best forest cover and the highest timber volumes and the best old growth forests."

PBI is funded from a variety of sources, Morrison said, noting that "Primarily, it's under-funded."

"Much of the work is volunteered, but we get money from foundations and conservation groups."

"Government agencies are interested in our maps and they request them, but they want them for free."

Although mapping methods have advanced dramatically in recent years, "There is no technical reason the Forest Service could not have completed the roadless area maps at some point during the last 30 years," Morrison said.

This Center (Pacific Biodiversity Institute)



1999 \$10,000

The Tides Center actively promotes change toward a healthy society, through education, research, and economic approaches to public lands, and sustainable environmental practices. The grant supported the work of the Pacific Biodiversity Institute in the fields of ecology, conservation biology, and natural resource management. \$10,000 was awarded as a one-time challenge grant. This award is administered through the Conservation Foundation for Washington and Oregon. This grant promotes better roads/land use practices.

Address: PO Box 2090, Winthrop, WA 98862  
Phone: 509-966-2400  
Fax: 509-966-3378  
E-mail: pbi@pbi.org

Client: Forest Service  
Phone: 509-966-2400  
Fax: 509-966-3378  
E-mail: pbi@pbi.org

Project Officer: Pacific Biodiversity Institute  
Winthrop, WA 98862

Client: Forest Service  
Phone: 509-966-2400  
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Fax: 509-966-3378  
E-mail: pbi@pbi.org

Project Officer: Pacific Biodiversity Institute  
Winthrop, WA 98862



### PBI mapping last Northwest wild areas

Rich Lander - Outdoor editor

For five years, a dedicated group of virtual volunteers known as the Pacific Biodiversity Institute (PBI) has been busy mapping the Northwest's remaining wild areas.

"Our goal is to provide information on landscape characteristics related to wildlife habitat so the public, agencies and politicians have better information on the Northwest's remaining wild areas," said Peter Morrison, who plays a lead role in the nonprofit research group.

In the 1970s and early '80s, the U.S. Forest Service conducted two major inventories of the Northwest's remaining wild areas. Called RARE 1 and RARE 2, each followed a Review and Evaluation attempt to define roadless areas that should either be considered for wilderness or opened to development.

"We've learned there was no standardized method used for all the planning and mapping. The inventories in most cases were deeply flawed."

The Wenatchee National Forest mapped about 90 percent of the roadless areas larger than 5,000 acres that qualified for wilderness, Morrison said.

"That's nearly as good as (PBI) can do with advanced technology," he said.

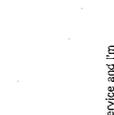
"On the other hand, the Colville National Forest only mapped out about 54 percent of the lands that qualified under the 1984 Wilderness Act."

Scientists are looking more closely at Eastern Washington have found that roadless areas are important to maintaining ecological integrity, Morrison said.

"The Forest Service has done a pretty good job of mapping the roads," he said. "We've looked at that with a detailed look at areas that don't have roads, evaluating their size and location and factoring whether their shape is not too irregular."

"We've come up with a method that's scientifically credible and can be recreated by government."

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Tides Center (Pacific Biodiversity Institute)

### Tides Center (Pacific Biodiversity Institute)

1998 \$15,000  
The Tides Center actively promotes change toward a healthy society. We are founded on principles of social justice, locally shared economic development, and environmental protection. The grant supported the work of the Pacific Biodiversity Institute, an organization that conducts scientific research on the health of watersheds. \$10,000 was awarded as a one-time challenge grant. The remaining \$5,000 was awarded as a one-time challenge grant. The Tides Center provides information on Washington and Oregon that will promote better land-use decisions.

Address: PO Box 29007  
Oakland, CA 94629  
Phone: 415-561-0211  
Fax: 415-561-0201  
E-mail: [advance@tides.org](mailto:advance@tides.org)

Project Office: Pacific Biodiversity Institute  
PO Box 298  
Oakland, CA 94629

Client: Peter Morrison  
Phone: 509-966-2400  
Fax: 509-966-1778  
E-mail: [peter@pbiweb.org](mailto:peter@pbiweb.org)

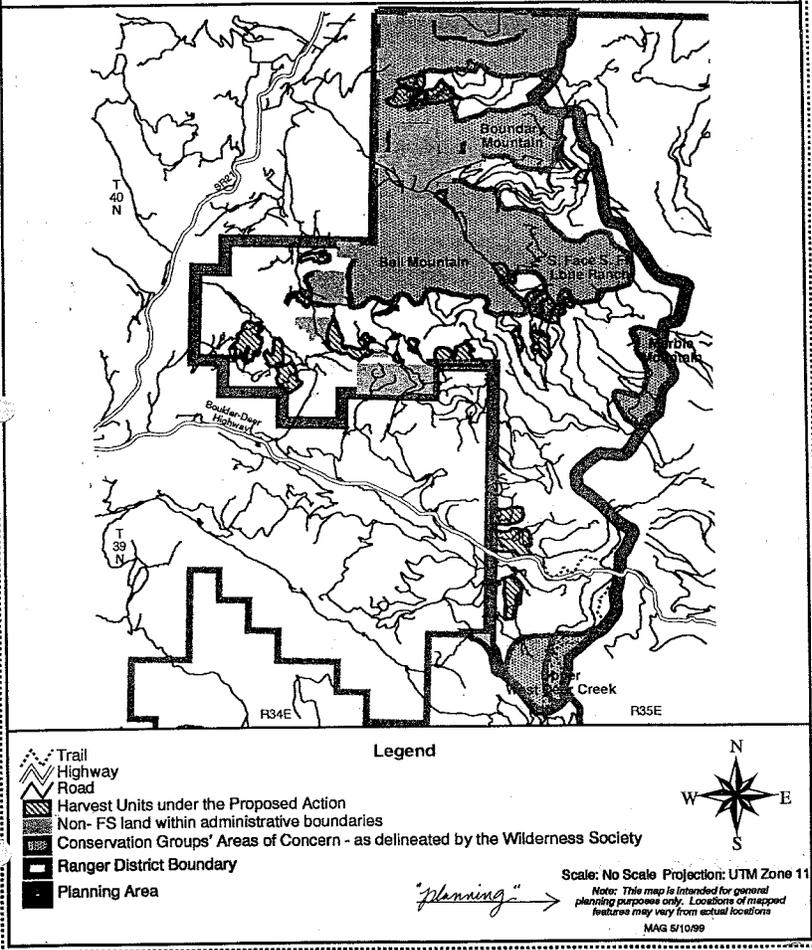
Web Site: <http://www.pbiweb.org/>



Creation Application Index Sector  
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*From the Lone Deer Ecosystem Management Project page 9*  
*Environmental Assessment U.S. Forest Service, Cozelle National Forest*

Figure III-11: Conservation Groups' Areas of Concern, Harvest Units in Proposed Action





11 2602 page

Indianatown Gap

9. Perform other duties as assigned by the Project Manager.

**MINIMUM ENTRANCE REQUIREMENTS:**

1. An undergraduate degree in planning and natural resources and 1-2 years of related experience, or equivalent combination of skills, education and experience.
2. Knowledge of the disciplines of planning and ecology preferred, as well as experience in map making and animal population estimation.
3. Ability to work independently, set priorities, simultaneously manage multiple priorities, and organize work.

4. Excellent oral and written communication skills. Demonstrated ability to develop a constructive working relationship with a wide variety of people (often in challenging situations), sell ideas, and conduct meetings to accomplish tangible results.

5. Computer literacy in word processing, spreadsheet and database management preferred.

6. Willingness and ability to act as an integral member of the burn management team at Ft. Indianatown Gap.

7. Willingness and ability to work both in the office and out of doors, the latter at times occurring during periods of inclement weather and in areas of difficult, and at times hazardous, terrain and conditions.

8. Red Cross (or equivalent) first aid and CPR certified and/or willingness to attend courses to obtain and maintain certification.

9. Have own vehicle and automobile insurance for travel to local sites, for training, and for visits to The Nature Conservancy's Conshohocken office (approx. two hour drive from Anville).

**CONTACT:** Ladd Williams, Project Manager  
Department of Military & Veterans Affairs  
Environmental Unit  
Ft. Indianatown Gap Military Reservation  
Anville, PA 17003-5002

The Nature Conservancy is committed to diversity in the work place, with particular emphasis on areas in which minorities have been historically under-represented in the environmental professions. We strongly encourage African-American, Hispanic/Latino, Asian/Pacific Islanders and Native Americans to apply.

<http://www.tnc.org/involvement/join/jobs/990119092417SCI.htm>



11 2602 page

**TITLE:** Conservation Specialist

**DESCRIPTION:** The Conservation Specialist will work for The Nature Conservancy as a natural resource planner and will be located at the PA National Guard Environmental Unit on base at Ft. Indianatown Gap in Anville, PA, located 1/2 hour northeast of Harrisburg. This person will assist the Project Manager in preparing and carrying out the stewardship portion of conservation plans for Ft. Indianatown Gap.

The Conservation Specialist will help coordinate a variety of resource plans (from existing information) and integrate these plans with a Site Conservation Plan for a rare butterfly, whose habitat falls within the military training area. The Conservation Specialist will participate in stewardship activities undertaken by The Nature Conservancy and take primary responsibility for The Nature Conservancy's management research and biological monitoring.

The Conservation Specialist will be supervised by the Project Manager (also located at Ft. Indianatown Gap). Funding is available for this position for 1 year, with possible annual renewal.

**DUTIES:**

1. Assist in the development of a site conservation plan for Ft. Indianatown Gap.
2. Help develop, in concert with conservation partners, the Natural Resource Plan component for an Integrated Training Area Management Plan for Ft. Indianatown Gap.
3. Act as an integral member of the Ft. Indianatown Gap fire management crew for The Nature Conservancy and participate in invasive removal program.
5. Lead Nature Conservancy efforts to monitor the regal fritillary and conduct research related to regal fritillary habitat restoration.
6. Document all rare species occurrences for The Nature Conservancy's Biological Conservation Database.
7. Assist Project Manager with management tasks for TNC interns.
8. Serve as the naturalist for the Pennsylvania National Guard at Ft.

<http://www.tnc.org/involvement/join/jobs/990119092417SCI.htm>

## Grants 1998 - Present

### Grant history for:

Kettle Range Conservation Group  
PO Box 150  
Republic, WA  
99196

Phone: 509-775-3454  
Web Site: [www.lejaveer.com](http://www.lejaveer.com)  
E-Mail: [lejaveer@lejaveer.com](mailto:lejaveer@lejaveer.com)

Grant Amount: \$ 15,000.00

Grant Year: 1998  
Program Area: Endangered Ecosystems  
Description: To protect and restore  
wilderness, ancient forest  
and ecosystem values in the Columbia River highlands of eastern  
Washington and south-central British Columbia.

The Burreed Foundation  
1901 Second Avenue, Suite 910  
Seattle, WA 98101  
Phone: 206-468-7222  
[bbf@burreed.org](mailto:bbf@burreed.org)

© 1996, The Burreed Foundation

### Our Grantees (Wilderness)

#### Kettle Range Conservation Group

PO Box 150  
Republic, WA 99196

Phone: 509-775-2017

Fax:

E-Mail: [lejaveer@lejaveer.com](mailto:lejaveer@lejaveer.com)

Web Site: [www.lejaveer.com](http://www.lejaveer.com)

Grants History:  
1998: \$15,000 for the Wild Washington Campaign  
1998: \$15,000 for the Columbia Mountains Wilderness Campaign  
1997: \$15,000 for the Columbia Mountains Biodiversity Project  
1996: \$5,000 for the Columbia Mountains Biodiversity Project

### Grantees: Environmental Media Services

#### Our Grantees

##### Environmental Media Services

1320 18th St NW Suite 500

Washington, DC 20036

Phone: 202-463-6670

Fax: 202-463-6671

E-Mail: [info@ems.org](mailto:info@ems.org)

Web Site: [www.ems.org](http://www.ems.org)

##### Northwest Office:

1922 1st Ave SE

Seattle, WA 98101

Phone: 206-374-7795

Fax: 206-374-7796

##### Grants History:

1999: \$25,000 for the Wild Washington Media Campaign

[http://www.wilderness.org/orgs/foa\\_ems.htm](http://www.wilderness.org/orgs/foa_ems.htm)

#### Our Grantees

##### Green Fire Productions

PO Box 121

Edgewood, OR 97140

Phone: 541-486-4070

Fax:

E-Mail: [gmfr@aol.com](mailto:gmfr@aol.com)

Web Site:

##### Grants History:

1998: \$15,000 for Video work on Washington wilderness

#### Kettle Range Conservation Group

Republic, WA 99196

To advocate protection of roadless areas and ancient forest stands in the Colville, Okanogan and Wenatchee National Forests in northern Washington state.

*(W.A. Jones Foundation) 1998*

#### Klamath Forest Conservation Group

Republic, WA

To protect ancient forests and conduct forest watch activities in the Columbia River highlands of northwest Washington state.

*(W.A. Jones Foundation)*

#### Klamath Forest Alliance

Elma, CA

To build a community-based constituency for forest protection, and to influence Forest Service management in northern California and southwestern Oregon.

#### Lakeview Bay Conservation Society

Queen Charlotte City, Haida Gwaii

<http://www.w.a.jones.org/annual97/bopmw7.html>

Mrs. CHENOWETH-HAGE. Thank you very much, Ms. Capp.  
The Chair now recognizes Mr. Jeff Lyall. Jeff.

**TESTIMONY OF MR. JEFF A. LYALL**

Mr. LYALL. Thank you, Madam Chairman and members of the Committee. I am honored to have the opportunity to testify before you here today. My name is Jeff Lyall. I am 32 years of age, and I live in the Blue Ridge Mountain region of Southwest Virginia.

In June 1991, I received a level C5-6 spinal cord injury as the result of an auto accident. I was an avid outdoorsman. I liked to hike, backpack, camp, hunt, fish, et cetera, mostly on National Forest lands in Virginia and North Carolina.

Madam Chairman, I still enjoy the outdoors, but wheelchairs are poor off-road vehicles. So, in 1995 I modified a Jeep CJ to become my new legs and feet, and this gave me access to the outdoors once again. However, not long after that, I discovered that the vast majority of off-highway vehicle roads on National Forest lands in my area have been closed down. Now I can't enjoy the outdoors by the only means available to me, and neither can anyone else with a mobility impairment.

In the Blacksburg and New Castle Ranger districts where I live in Virginia, there are some 66 gated National Forest off-highway vehicle roads, which represent 110 miles of potential forest access, but there is a problem. Of these 66 roads, only nine are open during certain times and zero are open year round.

Hikers and mountain bikers can use them anytime they like, but because my feet and those of some of my friends consist of four wheels and a motor, we are denied access. If that is not discrimination on the basis of a disability by an agency of the Federal Government, nothing is.

Carla Boucher is the attorney for United Four Wheel Drive Association, which is an international organization that represents four wheel drive enthusiasts. She is bringing a lawsuit against the Forest Service on road closure issues. She has documented that less than 2 percent of all forest visitors use Wilderness areas, but those areas take up about 18 percent of all National Forest lands.

On the other hand, off highway users, who represent 35 percent of all forest visitors, traditionally use roads on less than 2 percent of Forest Service lands. So, it seems that the Forest Service caters to 2 percent of the visitors to Wilderness areas, while closing roads that take up less than 2 percent of the total National Forest System.

In the Fall of 1998, I began talks with local National Forest officials. I discovered that the Forest Service has adopted a policy they refer to as "Obliterate Roads", meaning they intend to gate and destroy as many off-highway vehicle roads as possible. Since these roads are the only viable access to these public lands by a mobility-challenged person, this is, in effect, a Federal Policy of Discrimination against the estimated 54 million disabled people in the United States, not to mention the millions in the senior community who enjoy the outdoors but are not able to travel as they once did.

Mrs. Boucher found that 76,300 miles of Forest Service roads are now closed, which represents one in every five miles. Just last year the Forest Service closed 683 miles out of 800 miles of off-highway

vehicle roads in the Daniel Boone National Forest, effectively eliminating motorized access to this area as well.

Within the past year, three off-highway vehicle roads in my own backyard, which have been open since the 1950's and 1960's, were bulldozed and gated, cutting off my access to these areas also. In essence, the Forest Service is saying, "if you can't walk, we don't want you in our forests".

This has got to stop. And the people behind it have to be stopped. Mrs. Boucher has found that these road closures have been pushed by environmental groups funded by large foundations and working with Clinton Administration insider.

Mrs. Boucher found that the National Audubon Society pushed the President to permanently preserve 450 million acres of roadless areas. The Pew Trusts funded the Audubon Society, which will funnel more than \$3 million to 12 environmental organizations to pressure the Forest Service to shut down more roads.

So, I now understand that it isn't simply a line officer with the Forest Service who is shutting me out of our National Forests. It isn't even simply a matter of some local or national environmental organization trying to shut down the forests. It is large, rich foundations such as the Pew Charitable Trusts that are discriminating against me and the entire disabled community by funding environmental groups to push policies such as "gate and obliterate".

I cannot fight them alone. I am respectfully requesting congressional investigation into the involvement of large foundations in making land management policy for the Forest Service.

Thank you for the opportunity to testify before you today.

[The prepared statement of Mr. Lyall follows:]

Thank you, Madam Chairman, and members of the Committee. I am honored to have the opportunity to testify before you here today. My name is Jeff Lyall. I am thirty-two years of age. I live in the Blue Ridge Mountains of Southwest Virginia.

In June of 1991, I received a level C5-6 spinal cord injury as the result of an auto accident. I was an avid outdoorsman. I liked to hike, backpack, camp, hunt, and fish, mostly on National Forest lands in Virginia and North Carolina.

Madam Chairman, I still enjoy the outdoors, but wheelchairs are poor off road vehicles. So in 1995 I modified a Jeep CJ to become my new legs and feet. This gave me access to the outdoors once again.

However, not long after that I discovered that the vast majority of OHV roads on National Forest lands in my area have been closed down. Now I can't enjoy the outdoors by the only means available to me - and neither can anyone else with a mobility impairment.

In the Blacksburg and New Castle Ranger districts where I live in Virginia, there are some 66 gated National Forest OHV roads with 110 miles of potential forest access. But there's a problem. Of these 66 roads, only 9 are open during certain times and zero are open year round!

Hikers and mountain bikers can use them any time. But because my feet, and those of some of my friends, consist of four wheels and a motor, <sup>we are</sup> I am denied access. If that's not discrimination on the basis of disability by an agency of the Federal Government, nothing is.

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*which means* Mrs. Boucher found that 76,300 miles of Forest Service roads are now closed. ~~One in every 5 miles of Forest Service roads are closed.~~ Just last year, the Forest Service closed 683 miles out of 800 miles of OHV roads in the Daniel Boone National Forest, effectively eliminating motorized access.

Within the past year, three OHV roads in my own backyard, which have been open since the 1950's and 60's, were bulldozed and gated, cutting off my access to these ~~National Forest lands~~ <sup>National Forest lands</sup>. In essence the Forest Service is saying, "if you can't walk, we don't want you in our forests"!

This has got to stop. And the people behind it have to be stopped. Mrs. Boucher has found that these road closures have been pushed by environmental groups funded by large foundations and working with Clinton administration insiders.

Mrs. Boucher found that the National Audubon Society pushed the President to permanently preserve 40 million acres of roadless areas. The Pew Trusts funded the Audubon Society, which will funnel more than \$3 million to 12 environmental organizations to pressure the Forest Service to shut down more roads.

So, I now understand that it isn't simply a line officer with the Forest Service who is shutting me out of our National Forests. It isn't even simply a matter of some local or national environmental organization trying to shut down the forests. It is large, rich, foundations such as the Pew Charitable Trusts that are discriminating against me and the entire disabled community by funding environmental groups to push policies such as "Gate and Obliterate."

I cannot fight them alone. I am respectfully requesting Congressional investigation into the involvement of large foundations in making land management policy for the Forest Service. Thank you for the opportunity to testify before you today.

Mrs. CHENOWETH-HAGE. Thank you very much, Mr. Lyall.  
The Chair now recognizes Mr. Antonio DeVargas. Ike.

**TESTIMONY OF MR. ANTONIO DeVARGAS**

Mr. DeVARGAS. Madam Chairman, members of the Committee, my name is Antonio DeVargas. I am the President of La Compania Ocho, a for-profit, minority-owned business in the logging and processing of timber, located in the small mountain village of Vallecitos, New Mexico. Unemployment in Vallecitos and the surrounding communities is more than 20 percent.

Madam Chairman, I thank you for holding this hearing today and am honored at the privilege of being invited to testify.

La Compania Ocho operates with the Carson National Forest. As a direct result of frivolous litigation brought by Forest Guardians, a Santa Fe-based, self-proclaimed guardian of the forests, La Compania has been severely crippled in its ability to work. Although the Federal courts have consistently ruled in our favor, the delays created by Forest Guardians have had a devastating impact on La Compania Ocho and on the villages which surround Vallecitos. Forest Guardians has been able to pursue its vindictive and punishing litigation campaign because of the grants it and its allies have received from certain large foundations.

This campaign against our way of life and our efforts to create a local, sustainable economy has been based on half-truths, distortion, and outright lies and has been propped up by the seemingly endless supply of money for litigation. Numerous foundations have been involved in supporting the campaign to destroy the Hispanic village lifestyle. For example, the Pew Charitable Trusts has funneled money to the New Mexico Audubon Society under the auspices that the money would be used to benefit the villages of northern New Mexico, including those in the Vallecitos area. In fact, those moneys were used to try and destroy our villages.

Foundation money has also been used to create coalitions, the member groups of which are often like Potemkin villages, organizations consisting of only or two people. The people involved have been able to successfully create the impression for their funding sources that they are mass organizations with large bases of support in the coalitions. One example is a group called Carson Watch, based in Penasco, New Mexico.

When I refer to the false information and distortion of the truth that are disseminated by these environmentalists, I am referring to their "mantra" that the forest is being clear cut and that harvesting of timber exceeds the growth of the forest.

As an example, I would like to present figures that are documented on a 73,000 acre tract of land in the Carson National Forest in the El Rito Ranger District. In 1986, our organization requested a site specific inventory in the Vallecitos area. This inventory revealed that this tract of land had 380 million board feet of timber, that the forest was growing at the rate of 12 million board feet per year, that 9 million board feet could be harvested sustainably, and the forest plan allowed for the harvest of 7.2 million board feet per year.

Since 1994, less than 4 million has been harvested and, due to appeals and litigation brought by various environmental groups

funded by organizations mentioned above, that figure has dropped to less than 1 million per year for the past 3 years. There has been no clear cutting of timber in this area in my memory or the memory of my parents or grandparents.

Another area in which the lies and misinformation are utilized is when the funding proposals assert that these groups work with local and indigenous communities. Nothing could be further from the truth. In fact, on the few occasions that they have engaged local villages from affected communities, what they say that they plan to do is the exact opposite of their intentions, and the only reason these engagements even occur is so that they can document that they did meet with the community.

The fact that there was no consensus and that strong opposition to their plan was expressed is never documented in their proposals and so they present a very rosy picture that gives the appearance of cooperation and collaboration with local villages but, in fact, was a manipulative ploy to misinform the funding sources and the general public.

We, the people of New Mexico, would like to see the U.S. Congress take swift and decisive action to put an end to this abuse of privilege, and restore our ability to create an economy based on access to the natural resources that are an integral part of our custom, culture, tradition, and right to the pursuit of happiness. Our commitment in response is to be good and responsible stewards who will make sure that our activities are sustainable environmentally, economically, culturally and in concert with the tenet of protecting our heritage for future generations.

Thank you again, Madam Chairman, for holding this hearing and affording me the privilege and honor of presenting my testimony on behalf of my company, my village, my county, and the countless other rural people whose lives have been devastated by the abuse of the Endangered Species Act and other environmental laws that are well meaning but are being abused.

[The prepared statement of Mr. DeVargas follows:]

**TESTIMONY OF ANTONIO DeVARGAS**  
Before the U.S. House of Representatives, Committee on Resources  
Subcommittee on Forests and Forest Health  
February 15, 2000

**THE FUNDING OF ENVIRONMENTAL INITIATIVES AND  
THEIR IMPACT ON LOCAL COMMUNITIES**

Madam Chairman, members of the Committee, my name is Antonio DeVargas. I am the President of La Compania Ocho, a for-profit, minority owned business engaged in the logging and processing of timber, located in the small mountain village of Vallecitos, New Mexico. Unemployment in Vallecitos and the surrounding communities is more than 20k.

Madam Chairman, I thank you for holding this hearing today and am honored at the privilege of being invited to testify.

La Compania Ocho operates within the Carson National Forest. As a direct result of frivolous litigation brought by Forest Guardians, a Santa Fe-based, self-proclaimed "guardian" of the forests, La Compania has been severely crippled in its ability to work. Although the federal courts have consistently ruled in our favor, the delays created by Forest Guardians have had a devastating impact on La Compania Ocho and on the villages which surround Vallecitos. Forest Guardians has been able to pursue its vindictive and punishing litigation campaign because of the grants it, and its allies, have received from certain large foundations.

This campaign against our way of life and our efforts to create a local, sustainable economy has been based on half truths, distortion, and outright lies and has been propped up by the seemingly endless supply of money for litigation. Numerous foundations have been involved in supporting the campaign to destroy the Hispanic village lifestyle. For example, the PEW Charitable Trusts has funneled money to the New Mexico Audubon Society under the auspices that the money would be used to benefit the villages of northern New Mexico, including those in the Vallecitos area. In fact, those monies were used to try and destroy our villages. (see Attachments A and B.)

Foundation money has also been used to create "coalitions" the member groups of which are often like Potemkin villages – "organizations" consisting of only one or two people. The people involved have been able to successfully create the impression for their funding sources that they are mass organizations with large bases of support in the "coalitions." One example is a group called Carson Watch, based in Penasco, New Mexico. (See Attachment C).

When I refer to the false information and distortion of the truth that are disseminated by these environmentalists I am referring to their "mantra" that the forest is being clear cut and that harvesting of timber exceeds the growth of the forest. As an example, I would like to present figures that are documented on a 73,000 acre tract of land in the Carson National Forest in the

El Rito Ranger District. In 1986 our organization requested a site specific inventory in the Vallecitos area. This inventory revealed that this tract of land had 380 million board feet of timber; that the forest was growing at the rate of 12 million board feet per year; that nine million board feet could be harvested sustainably and the forest plan allowed for the harvest of 7.2 million board feet per year. Since 1994, less than four million has been harvested, and due to appeals and litigation brought by various environmental groups funded by organizations mentioned above, that figure has dropped to less than one million per year for the past three years. There has been no clear cutting of timber in this area in my memory or the memory of my parents or grandparents.

Another area in which the lies and misinformation are utilized is when the funding proposals assert that these groups work with local and indigenous communities. Nothing could be further from the truth. In fact, on the few occasions that they have engaged local villagers from affected communities, what they say that they plan to do is the exact opposite of their intentions, and the only reason these engagements even occur is so that they can document that they did meet with the community. The fact that there was no consensus and that strong opposition to their plan was expressed is never documented in their proposals and so they present a very rosy picture that gives the "appearance," of cooperation and collaboration with local villagers, but, in fact, was a manipulative ploy to misinform the funding source and the general public.

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Thank you again Madam Chairman for holding this hearing and affording me the privilege and honor of presenting my testimony on behalf of my company, my village, my County and the countless other rural people whose lives have been devastated by the abuse of the Endangered Species Act and other environmental laws that are well meaning but are being abused.

## ATTACHMENT A

La Compania Ocho  
P.O. Box 695  
La Madera, New Mexico 87539

May 10, 1996

Chairperson and Members of the Board  
The Pew Charitable Trust  
One Commerce Square  
2005 Market St. Suite 1700  
Philadelphia, PA 19103-7017

Dear Ladies and Gentlemen,

I am writing as a representative of La Compania Ocho, and for many Hispanic residents of Northern New Mexico, to address grave concerns about your proposed funding of The Southwest Forest Alliance. In a recent issue of High Country News, there was a story that the Pew Charitable Trust promised to grant \$500,000.00 to the Southwest Forest Alliance. If this is true, we feel obligated to vehemently oppose your support of these particular environmental institutions.

This proposed funding comes as a surprise to La Compania Ocho, we have long supported your foundation's work in Northern New Mexico. We have also supported the environmental movement in using the resources of Northern New Mexico in a sustainable and an environmentally conscious ways. Yet, our love of the land is not merely an aesthetic exercise, but an approach which is tied to our culture, our religion and our lives.

La Compania Ocho is a Hispanic owned logging operation, formed a few years ago to fulfill the mandates of the Vallecitos Sustained Yield Unit. Every member lives in the Vallecitos area, and have deep ties to the community and the land. To fully understand what the effects that Southwestern Forest Alliance actions have on the people of Northern New Mexico, one must understand the unique history of land ownership, land use and land stewardship of Northern New Mexico.

The vast majority of the Forest Service land in Northern New Mexico was originally land grant land, which most historians and the Hispanic residents of Northern New Mexico see as land which the Federal Government and private individuals stole, through dubious legal maneuvering, from the communities of Northern New Mexico. Under Spanish and Mexican law, the common lands of community land grants were used to provide resources for residents of the community. Because these lands were held in common, the management of these land were managed on a

sustainable yield basis, before that term had any meaning under Federal Law Resource management was largely a practical matter. Communities allowed individual use of the resources, but they never would allow individuals to misuse or over-use the resource. Common sense would mandate that such a practice would necessarily impair the survival of the people.

Also, the destruction of any species, especially one so culturally important as the Mexican Spotted Owl, would not only be unwise, but culturally and religiously profane. One need not have to look for deep sociological studies, but only read Rudolfo Anaya's regional classic, *Bless me Ultima*, to understand that the owl holds special significance to the people of Northern New Mexico.

For several decades the Forest Service in New Mexico ignored the mandates of the Treaty of Guadalupe Hildago and its own mission in treating the long-time residents of Northern New Mexico as second-class citizens. They ignored sustainable yield mandates and acquiesced to big business in ruining the environment which surround the communities like Vallecitos. For years, the Forest Service and huge multinational timber companies were "thick as thieves." The Forest Service consistently looked the other way when these non-local timber companies practiced their egregious cutting practices.

The purpose of this letter is not to re-hash the sins of the past, but rather to provide insight to the reasons why continued sustainable use of the Forest Service land by La Compania is such an important consideration in this case.

Members of La Compania Ocho, have consistently fought against the Forest Service, taking public stands against the Forest Service for helping non-local timber harvesting companies destroy the living resources of Northern New Mexico. Over a decade ago we filed a NEPA lawsuit to stop Uranium exploration in the Carson National Forest. In 1994 we filed a Federal Civil Rights Suit against the Forest Service alleging race discrimination, retaliation and preferential treatment for Duke City Lumber Company in regard to timber sales within the Unit and employment practices. This lawsuit was settled in a manner which makes possible, for the first time, that locals may be able to fulfill the objectives of the Sustained Yield Forest Management Act which is to utilize forest wood products in a manner which will provide stability to the traditional Hispanic Villages in the Unit. A key portion of the settlement is that La Compania may purchase 75% of the La Manga timber sale. The other 25% must also be sold to local residents of the Unit. The sawmill formerly owned by Duke City will now be in the hands of local residents. This is a historic opportunity for our people to achieve self determination.

The La Manga sale has been ready for several months now. Yet, we cannot proceed in putting people back to work because of the Phoenix injunction halted all timber sales in Arizona and New Mexico. The Forest Guardians, Forest Conservation Council, Carson Forest Watch, and The New Mexico Audubon Society, members of Southwest Forest Alliance, who are located in Santa Fe, brought this action without the knowledge, and with complete disregard for the welfare of Northern New Mexican villagers. This action was based on protecting the Mexican Spotted Owl, a bird that does not, and never has resided in the Unit or anywhere near it. Additionally these groups have filed a separate lawsuit in New Mexico seeking to block the La Manga sale to La Compania.

We believe it is important to distinguish La Compania Ocho from other large multi-national logging corporations. I think that you can agree that these multinational extractive resource corporations, have no incentive to care about the environment, the people, or the culture of the lands which it exploits for purely economic gain. If things get too politically hot, they can move to Georgia, Malaysia, Canada, or any other place to impetuously cut timber. La Compania, not only doesn't have the financial resources, but sincerely doesn't have the desire to ravage the environment in which they live and survive. To do so would be sheer folly.

La Compania was formed in the hope that local participation of the timber resource could stem the tide of the egregious timber practices of the past, and to fulfill the mandates of the Sustained Yield Management Act. The Vallecitos Sustained Yield Unit was created by Congress in the 1940's expressly to provide employment and stability to the economically depressed Vallecitos area. The Vallecitos Sustained Yield Unit is one of the last of the units to survive. As a locally owned company whose operators live in the communities, La Compania will be politically accountable for any actions that would, in any way impair the local communities ability to use or enjoy the land or water, an accountability that multi-national corporations do not have. As we have done in the past, La Compania will continue to fight against unsustainable uses in the future.

Given our own environmental and cultural activism, we sincerely thought that we would have a natural alliance with the particular environmental groups which you seek to fund. Indeed, we were a timber operation which met and consulted with the Sierra Club and other environmental groups before we cut a single tree. As evidence that we seek the mutual goals of mainstream environmentalists I have enclosed an article from a nationally known environmentalist who has spoken out against the extreme actions of the members of the Southwestern Forest Alliance. While we have support of many environmentalists in the region, the Southwestern Forest Alliance has refused to create a dialogue with us. Instead they sought to enjoin any logging in the Vallecitos Sustained Yield Unit. We are at a loss to understand how any group, especially one that has the support of Pew Charitable Trusts would have the cold-hearted vision to completely disregard the survival of the people of Northern New Mexico, one of the poorest regions in America.

We see the Southwestern Forest Alliance's strategy as a war of attrition. They seek to hold up the resources of Northern New Mexico until the indigenous people of Northern New Mexico are forced to leave due to poverty and starvation. If you decide to fund the Southwest Forest Alliance without getting the full story, you have unwittingly help these environmental groups destroy the vibrant culture of Northern New Mexico. I am writing you because I believe that you do not have the same vision, you have supported the diversity of cultures and the dream of living together, and we hope that you support our efforts to achieve these goals.

I truly believe that the present course being advanced by several extreme local environmental groups can only lead to the loss of support to worthy environmental causes. Indeed, the improper use of the Endangered Species Act, will only lead the Congress to strip it of its true meaning, and we will all be poorer for the folly and short-sightedness of the Southwest Forest Alliance.

Unfortunately, three extreme local groups are part of the Southwest Forest Alliance which is to be the recipient of half a million dollars from the Pew Charitable Trust. It is extremely difficult for poor communities to fight against the money for frivolous litigation, and especially in this case where money is used as a weapon against the poor and disenfranchised of Northern New Mexico.

I have included a tape of several news reports aired on KUNM, a public radio station in New Mexico. This tape does an excellent job of providing a fair context of all the issues in this case. Prior to making any final decisions on the proposed grant to the Southwest Forest Alliance, I would like to extend an open invitation to the board members of the Pew Charitable trust to come to Northern New Mexico and meet the people and to look at the land in question. The situation is not what the Southwestern Forest Alliance purports, and a fact finding tour might advance the environmental cause that is important to us all.

Sincerely,



Antonio De Vargas  
La Compania Ocho, Inc.

THE PEW CHARITABLE TRUSTS ATTACHMENT B

One Commerce Square  
2005 Market Street, Suite 1700  
Philadelphia, Pennsylvania 19103-7017

Telephone: 215.575.9030  
Facsimile: 215.575.4939

July 30, 1996

Antonio DeVargas  
La Compania Ocho, Inc.  
P.O. Box 695  
La Madera, New Mexico 87539

Dear Mr. DeVargas:

I am writing in response to your May 10, 1996 letter to the Pew Charitable Trusts regarding the Trusts support for the Southwest Forest Alliance.

It may be helpful for me to describe the forest program that the Trusts' Environment department has developed over the past five years and where the grant to the Southwest Forest Alliance fits into that program. The goal of the forest and marine protection program is to halt the destruction and further degradation of forests and marine ecosystems in North America. Within this goal are two specific objectives that relate to forests. First, to protect old-growth forest ecosystems; and second, to encourage the adoption of forest management practices that protect the diverse ecological values of forests on public lands.

To reach these objectives the Trusts have been pursuing a number of different strategies including working with regional coalitions of conservationists in various parts of the country seeking to achieve protection of old growth forest ecosystems on public lands through engaging the land management agencies (Forest Service and Bureau of Land Management) in large-scale regional planning processes. The Trusts is currently supporting regional forest campaigns in Southeast Alaska, British Columbia, the Eastside of the Cascades, the Northern Rockies, the Southern Appalachian mountains, and Northern New England and New York, and the Southwest.

The Southwest Forest Alliance is a coalition of more than 50 local, regional and national conservation groups in New Mexico and Arizona who have joined together with a common purpose of protecting forest resources and promoting sustainable use of those resources. The Alliance is developing both forest-level and regional conservation plans that seek to integrate its principles of protection and sustainability into proposals for the public and the Forest Service to consider. In addition to the conservation plans, the Alliance also commissions scientific and policy research regarding forest management issues. Public outreach and education is also a significant priority for the Alliance.

We understand that the issues in the Southwest are complex and appreciate your input regarding the situation in Northern New Mexico. Thank you for contacting the Pew Charitable Trusts.

Sincerely,

Joshua S. Reichert  
Director, Environment Program

The Pew Memorial Trust  
The J. Howard Pew Freedom Trust

The Mabel Pew Myrin Trust  
The J. N. Pew Jr. Charitable Trust  
The Medical Trust

The Mary Anderson Trust  
The Knollbrook Trust

## Your Community Voice in the Carson

## ATTACHMENT C

Re: Southwest Forest Alliance



Carson Forest Watch

Box 15 Llano, NM • 87543 • 505-587-2

Sept. 17, 1997

Lauren Reichelt  
Rio Arriba Forest Round Table

Dear Ms. Reichelt,

Several of your recent letters to the Rio Grande Sun and the Albuquerque Journal have been highly critical of the Southwest Forest Alliance, and their funding proposals. As a long time resident of the Penasco area and a Southwest Forest Alliance Board member, I am concerned regarding both the negative tone of your letters, and the numerous errors and misinformation in them.

As you are aware from several recent letters sent to you by Alliance members and former members, (Jeremy Krueger and Sam Hitt), the grant proposals to which you refer to were from 1994, and have since been much changed and revised. They focus on community outreach and education, and broader representation. The economic and cultural diversity component is every much as important to the current PEW proposals as the biological and ecological components, because we realize that community health is inter-related with forest health. Our goals from the first PEW proposals were ecological and economic sustainability, as the two cannot be separated.

The "Desert Forests Campaign" to which you refer was an early name for this Alliance and campaign, because we were focusing upon Southwest ecosystems. This was only a name to submit to PEW for our proposal, and was much discussed at our earliest organizing meeting near Reserve, NM several years ago. (Henry Carey was at this meeting, I believe) At any rate - Forest Trust is a member of the SW Forest Alliance, and is working with Jeremy on several forest restoration projects being proposed.

While we agree with your discussion of the Wise-use movement being funded by resource extractive industry money, and that recreation and tourism often do not benefit local communities or cultural diversity - I do not know where you got the idea that the PEW proposal focuses on recreation and tourism. The SW Forest Alliance is not promoting recreational tourism as a substitute for commercial logging of old growth trees, as you suggest. Please review the

Any fool can destroy trees. They cannot run away; and if they could, they would still be destroyed — chased and hunted down as long as fan or a dollar could be got out of their bark hides, branching horns, or magnificent hole backbones... Through all the wonderful, eventful centuries since Christ's time — and long before that — God has cared for these trees, saved them from drought, disease, avalanches, and a thousand straining, leveling tempests and floods; but he cannot save them from fools — only little men can do that.

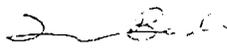
Forests Forever! publication by the Alliance, which details some ecological concerns with Southwest forests, and proposes numerous forest restoration projects to improve forest biodiversity and restore healthy ecosystems. This restoration includes thinning of smaller diameter trees, which could provide both jobs and wood products to local communities. The Forest Service has already agreed to implement a restoration project in the Gila National Forest, and Jeremy is beginning a dialogue with the Carson and Santa Fe National forests to do restoration projects on several Districts. This will involve community support and participation, and is a first step towards what we hope will be positive community partnerships.

As an employee of Rio Arriba County, and a grant writer and Round Table member - I do not understand why the diversity of Rio Arriba County is not addressed. This county is rapidly growing, and becoming more diverse culturally. Polarizing people, and using racial issues to separate people will not help Rio Arriba County grow in a healthy and sustainable way. You mention that the Round Table meets regularly to discuss "collaborative approaches to sustainable forest use." This is what the SW Forest Alliance is also working towards, and I hope that we can join together towards this goal. But continued bashing of groups like the Alliance does not seem like a productive way to work towards sustainable forest use. The "Zero Cut, Zero Grazing" is NOT part of any Alliance proposal, and litigation is a minor part of this campaign to insure protection of forest ecosystems. Community organizing and outreach and participation is a major part of the proposals. Again - further polarizing readers and community members using these terms just spreads more mis-information regarding efforts of various environmental organizations. The SW Forest Alliance is not a plaintiff in these recent lawsuits, and our restoration proposals are an effort to work with the Forest Service and communities.

The Forest Alliance seeks to be inclusive, rather than exclusive - as does the Green Party. Environmental justice is a main part of the Green party platform. The New Mexico Green party has worked for several years to insure that its platform recognizes the importance of community use and access to the National Forests. Many Green Party members have spent countless volunteer hours developing a sustainable firewood use policy, and were some of the most vocal community voices during the "firewood crises" last year, speaking for protection of community firewood gathering. I am a Green party member, and a Forest Guardian member. As one of the plaintiffs in the early Mexican spotted owl case, I had many conversations with concerned Green party members regarding the firewood program Carol Miller in particular worked to insure that the Greens develop a sustainable firewood program. She has always supported traditional community access to National Forest lands, and she was critical of our litigation. Many people talk about "environmental justice", but Carol Miller is one of the few people I know who actually practice it. She was a valuable contribution to some early dialogue between Truchas Land Grant folks and Forest Guardians at Max Cordova's store. You really owe her an apology for your letter to the Rio Grande Sun.

I hope that in the future, the SW Forest Alliance can work with community residents and the Forest Service towards improving forest habitat. This will benefit wildlife and watersheds, as well as communities. I hope also that the logging of old growth trees and destruction of sensitive wildlife habitat and watersheds will be reversed, and restoration forestry involving local communities will replace destructive forest practices of the past. I also hope that Rio Arriba County will support such efforts, rather than further polarize local communities, and celebrate diversity, rather than criticize it.

Sincerely,  
Joanie Verde  
Llano, N.M.



Mrs. CHENOWETH-HAGE. Thank you very much.

I am going to step out of the order of things, the manner in which I usually conduct this hearing, simply to make a comment. Usually, the Chair recognizes other members for questions at this time, but I just want to say that I have been a Committee Chair for going on my fourth year now, and of all the oversight hearings that we had held—and we have held a lot of them—this may be the most remarkable of all of the hearings.

The testimony that I have heard today is very startling, and I agree with the Ranking Member's assessment about this country, America, being a land where people can still lobby and have access to their elected officials, but I guess I just depart a little bit in expressing my concern that it is known to all of us who work in this world of politics, that money is the "mother's milk" of successful politics, and therein lies the touchstone and the reason why we are having this hearing. When you see a charitable trust that amounts to \$4.9 billion, who can fund one program and one organization to the tune of millions and millions of dollars. I am sure that Mr. Arnold, Mr. Lyall, Ms. Capp and I have never had the benefit of being so well funded.

Usually, these organizations have to scramble and pass the hat. I see some union people in the audience today. Even they had to take leave from their jobs to come back. People pass the hat and send people back to Washington, but it is sad to recognize—and this didn't happen just in this Clinton Administration, believe me. I want you to know I would be holding this hearing if Ronald Reagan were still President, if George Bush were still President, because some of this started in those Administrations. But without regard to who is sitting in the White House, this is a malignant mess and the metastasis is growing very quickly, and it is destroying rural America. It is destroying lives. And I guess some day we in the Congress have to come face-to-face with the fact that those who have a lot of money either have a lust for power or care very little about this being the "land of opportunity" for others, too, who may not be as well off as they are. And because this Congress funds grants that eventually make their way into the organizations that prevent those who live in rural districts from achieving the success that many of these who are heads of these foundations have been able to enjoy, we have jurisdiction, and we have a responsibility.

This still is the "land of opportunity" for everyone, no matter whether you were born of privilege and parents who head foundations or whether you were born a carpenter's son or dairyman's daughter, like I was. So, I thank you very much for your testimony. I think you are very courageous and brave for bringing this issue to us.

And now the Chair recognizes Mr. Peterson for his questions.

Mr. PETERSON. I thank the Chairwoman. I come from the eastern part of this country, but I come from what I call the "eastern West". My district is northern tier Pennsylvania. It is rural. It is the most rural district east of the Mississippi. We timber, oil was discovered, we mine for coal, we manufacture, we process oils and chemicals, and we farm, and my view is they are all under attack—at least they are where I come from.

But I guess I would like to ask a quick question, and make a few more comments. Those who you speak of, foundations and Federal agencies who work together to common goals, I hear often their No. 1 issue is urban sprawl. Would you agree with that, that one of their top issues is urban sprawl? Is that what you hear also?

Mr. ARNOLD. Yes.

Mr. PETERSON. But I claim and tell them often they are causing it because, as they force the people who timber, the people who produce oil, people who mine for coal, people who manufacture/process, and our farmers who are being devastated today as we speak, as they leave the rural lifestyle, they go to the urban/suburban areas to try to make a living, and they cause the urban sprawl. And so while they destroy us, they are also destroying their own backyards, which in my view makes little sense.

I guess a question I would like to ask is, the use of lawsuits is a very popular ploy, whether it is to stop timbering or stop any kind of rural economics, and I often find those who propose the lawsuits never seem to have a job or at least a visible employer. In your research and work, any of you, have you found how these people—are they indirectly funded by somebody? It always seems like it is somebody hanging out that gets a university professor to pro bono the lawsuit, and the process starts with no investment and often shut down many operations.

Mr. ARNOLD. Congressman Peterson, let me try and answer that as quickly as I can. The short answer is, yes, they are getting money from somewhere. I would have to refresh my memory to get the numbers, but I think in your area, in the Allegheny, you have a thing called the Allegheny Defense Fund, if I am not mistaken.

Mr. PETERSON. That is correct.

Mr. ARNOLD. It has no visible means of support, but it does have a means of support. If you look carefully into the grant giving of a well known environmental group called Heartwood in Indiana, you will find that grants go from there, funneled through Heartwood to that little group, to do the interesting things they do in your area, and the money comes from a group of foundations we call the "Usual Suspects" at my Center because their names show up everywhere that the kind of thing you are talking about happens, somebody with no visible means of support suddenly has a ton of money to sue people for things that you wonder why they are suing them.

Mr. PETERSON. Well, they also have expertise because they are better at PR than most of us who get elected. They get quoted continually in the papers as if they are experts, and as if they are local folks, yet nobody knows them, nobody sees them, they don't belong to anybody's church, they are not a part of any community that I am aware of, but yet they constantly speak as experts on these issues as if they had credentials.

I guess I would just like to quickly mention the other issue, the "Roadless" issue, which is sort of the current issue, and you so carefully explained how this was promulgated.

But I have tried to be fair about this issue. I have tried to be thoughtful. But spending a lot of time in the woods myself—I grew up spending a lot of time in the forest, and I still do—and I know in the rural area I live, the people that spend time there, when an

area is roadless, very few people enter it. Is that true? Very few people use—most people my age don't even want to be on a roadless area very far for fear of a health problem. I have always had good direction. My father would go a mile from the road and he would always get lost, so he never traveled—though he was not fearful, he didn't travel very far from a road because he would get lost. He had no sense of direction. I have always had a good sense of direction, could figure out how to get home, but I know in hunting you go a mile from the road, you are alone. There is nobody there. I mean, if there is not a road, you have closed the forest to human consumption, except a very few hikers—percentage of population, it wouldn't be even a fraction of a percent that would go in. Do you figure that is an accurate observation?

Mr. ARNOLD. I do, and you are out in the woods a lot more than I am.

Mr. LYALL. Yes, sir. On this whole issue, that is my point of view. Like a person who can walk, they have the option, they can go wherever they want to go, just as I used to, sir. Now, to a disabled person, a mobility challenged person, the only access that we have to the outdoors is through free existing roads. I mean, that is just it. And what access is there is just a very, very small part—like where I live it, talking about these roads here, if every one of these 66 roads opened up to give disabled access to the forest, that would open up approximately 120 acres. And in the two ranger districts where I live, there are 400,000 acres. And I have been dealing with the Forest Service trying to open up these roads to 120. I have asked for 120 out of 400,000 acres, and I have been getting a very hard time with that. I mean, I have not just been dealing on a local level, but I have also been dealing on a national level.

One gentleman I was talking with in the Forest Service up here in DC., we were talking about this issue, and he was telling me about, well, our policy might be different than what it is now, but we get a lot of pressure from these groups like Mr. Arnold has been talking about, that I don't know nothing about. And as far as from the disabled community's point of view—you know, I have done research—and right now there are approximately 54 million disabled people in the United States, but we are spread out. The disabled community is interwoven throughout the fabric of America—big city, small town, rural, rich, poor—and it is not an organized group, and therefore it is not given any consideration to, which is an abomination, in my point of view.

Mr. PETERSON. Thank you. Well, I think anybody who has had any health problems, anybody who is aging and are not quite as strong as they might have been at one time, you are really limiting our forests to a very few people.

I guess the frustrating thing that I find is that rural people—and I don't know that much of America is aware of what is happening to rural America. I intend to be outspoken about it, but rural people have little ability to fight major foundations and Government agencies combined.

I was at a hearing this morning where one of these Government agencies—and I will leave it nameless—was asked by the Chairman of a Committee, an important Committee, Appropriations Committee, if they were willing to give that Committee 60 days' no-

tice on purchases of land they were going to make—and I would have thought not approval, just notice—and the head of that organization paused and stuttered and stammered and tried not to answer the question. I mean, where are we when we have Government funded agencies who think their decisions should not be reviewed by Congress, let alone the public? And I think that shows the elitism that we have that the common goal they have and the good they think they know is so great that the people be damned, and that is not what democracy is about. That is not what this country is about. But it is what is happening in this Administration and departments of Government and with the help of foundations, and I applaud all of you for being willing to investigate and document as you have.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Peterson.

The Chair recognizes Mr. Smith, and I want to say that since we have one panel today, I have been rather lenient on the lights, and we will have a second round. Mr. Smith.

Mr. SMITH OF WASHINGTON. Thank you, Madam Chair. First of all, I want to say—I don't want to ask a lot of questions about the policy except to say that I think the statements that are made about the policy battles going on in this country are very well made.

There is a definite disagreement about how we should handle our public lands, and I think it has been laid out fairly well what the concerns are about the current policy, and that is the impact that it has on rural America. And I will even say that I agree with a significant chunk of that assessment. We have a significant problem in this country where rural America is suffering economically while the rest of the country does very well and, as public policy-makers, we need to figure out some way to change that. There are a variety of different avenues to get there, but we are not there now. And I think it is perfectly appropriate to raise challenges to the policies that would exacerbate that problem and figure out how to solve them.

What I am curious about is the approach that says people who disagree with me on a policy do not have a right to advocate that policy, because I hear this all the time. In my 10 years in politics, it seems like undue influence is basically that influence that is exercised by the person who disagrees with me, and I hear this from both sides. I mean, everything that has been testified here, we could take all four of you away, put four environmentalists up there, and have them talk to us about corporate trusts and, believe me, I don't think corporations are underrepresented in terms of how much money they put into trusts. Many of them, timber industry, various industries who are interested in resource extraction fund a trust to do precisely the same thing that the environmentalists are trying to do on the opposite side. This is not peculiar to one group.

So I think it is a little unfair to hold a hearing that focuses on one group as if they have invented something brand new in public policy advocacy that is horribly upsetting the balance of the process. As far as having access, that is always an issue. And Democrats can sit up there and squawk about all the Republican access on a variety of different issues.

So, what I am curious about is, with all this stated, what should be the policy? I mean, are we saying that the Pew Trusts does not have a right to exist? Are we saying that basically trusts such as that—and keep in mind that when you are doing this, you are going to paint a pretty broad brush. I don't know who funds, I don't even know if you are a nonprofit trust, or who it is that funds that, or whether or not it is public—and there are a lot of different trusts advocating a lot of different positions out there.

What structurally and fundamentally is wrong with that funding process, and if you could put aside for a moment the environmental aspect of it, how should the law be changed, and how should these people not have the right, in essence, to spend their money and use their time to advocate what they want to advocate for? And, yes, I direct this primarily to Mr. Arnold.

Mr. ARNOLD. “Undue influence” is the name of a crime. That is why it is the title of the book that I wrote. It is also the name of a civil tort. Those can be handled in a court.

I am petitioning for redress of grievance not before a court, but before Congress, which is a fundamental right that I have.

Mr. SMITH OF WASHINGTON. Absolutely.

Mr. ARNOLD. And as a citizen and as an executive of a nonprofit 501(c)(3) with my 990's right here for your investigation. Our total income, none of which was from foundations, for 1999 was \$26,812. I take no compensation and never have since I have been there in 1984.

Mr. SMITH OF WASHINGTON. I doubt seriously your trust is a large part of the problem. There are others, however.

Mr. ARNOLD. But to answer your question about what do you do, how do you change the law, one thing, I think, is that the matter of fairness can be addressed by the IRS. It has done a considerable job of making these trusts transparent because there are recent regulations that require divulging of where the grants went that are actually taken seriously for the first time, and one of the reasons I was able to produce this book is because the documents were finally available without spending many, many thousands of dollars going through the foundation centers' records to find where those grants were. They did not have to give me their 990's, now they do, but they don't have to tell me where their investment portfolio is, so that if I want to find out the W. Alton Jones Foundation—which I do have their 990's for 1993 but not since because they won't give them to me—that if they have investments in Georgia Pacific to the tune of about \$1.4 million, in Louisiana Pacific to the tune of about \$1.2 million, and in Western Mining to the tune of something like 600,000 shares—and I would have to look to see what those numbers really were—I would like to know that. I think that is simply a matter of public transparency, and I do believe that the law should be changed so that it doesn't matter who—it is me, them, anybody—where the money comes from should be visible to the public.

Mr. SMITH OF WASHINGTON. I think that is a very good answer. I guess I would just close by saying I think making it more transparent and apparent to folks where advocates are coming from, where they are getting their money, and where they are sending their money, is something that I can certainly, 100 percent, sup-

port. Again, I think it is a little unfair of this hearing to point out people who advocate for an environmental position and say that they are somehow doing something different than what a lot of different advocates are for a variety of different positions. I can assure you, they are not. They are living by the rules as they currently exist. Corporations, people on both sides of this issue are doing that, and I would hope in the interest of balance in terms of how we approach this issue, that folks in the audience and on this panel understand that if we want increased transparency so we know where the money is coming from that influences issues, we shouldn't single out any one group. There are quite a few different ones who deserve in depth analysis to figure out where that money is coming from, and I applaud, frankly, efforts like Mr. Arnold's to expose that, at least let people know what is going on, but I don't want to stop the process of democracy and folks being able to advocate for positions that they believe in, even if we may disagree with them. Thank you, Madam Chairman.

Mrs. CHENOWETH-HAGE. Mr. Cannon, you are recognized for your questions.

Mr. CANNON. Thank you very much, Madam Chair.

First of all, I would like to thank the panel for being here today. Mr. Lyall, in my district we have the new Grand Staircase-Escalante National Monument that was done just 3 years ago, and just in the last couple of months the Administration has come out with its plan for that area and—surprise, surprise—90 percent of the roads in that area have been—by the way, that is a 2 million acre area—and 90 percent of the roads have been illegally shut down, and that area now has as its only recourse the courts to sue the Administration, which they are doing over that issue.

Ms. Capp, in my district I have the largest number of Native Americans. I have the Ute Tribe and the Navajo Tribe in the southeast of the state—in the northeast is my Ute Tribe. And, Mr. DeVargas, you mentioned the unemployment in the Vallecitos area. The unemployment in our Native American area is about the same, between 20 and 40 percent unemployment. And just last year—this year, this cycle—the budgeting by the oil and gas drilling companies in that area plummeted from about a proposed \$96 million to virtually nothing. I think two wells will be drilled in that area where 20 or 30 had been planned before.

So, when we talk about the pain that is being inflicted on rural areas, it is not that we as public administrators have to do something about that, this Administration is causing the pain. I mean, the pain wouldn't exist unless there was an affirmative and aggressive action to do so.

About a year ago, Patrick Kennedy, who is the Chairman of the Democratic Congressional Campaign Committee, now says that we who are friends of the Democratic Party have written off rural America. The next day, the Minority Leader, Dick Gephardt, pointed out that he—that is, Patrick Kennedy—didn't mean to say that.

Now, Mr. Gephardt didn't say that Patrick Kennedy didn't mean what he said, he just pointed out that he didn't mean to actually say it because, in fact, that is, I think, the difference between parties at this point in time.

I might just point out one thing for the record. There is a difference between tax-exempt foundations that pump money into public activity and private corporations that pay taxes. Normally, I ask questions, I don't get off on my soapbox in these circumstances, but let just add one other fact.

We are now going through a remarkable renaissance of individual responsibility and opportunity in America largely caused by the Internet and the access that individuals have to information, and I personally want to thank you, Mr. Arnold, for the answer to your question, which Mr. Smith also agreed with, when you talked about transparency. I have this great faith in the American public. If they have access to information, they will make the right decisions. I don't care how anybody attempts to influence anybody about anything, I care about the hiding of those attempts. And perhaps now I can just shift into a question.

Can you give us a little background, Mr. Arnold, on the Heritage Forest Campaign—that is, who initiated it, how was it set up, how successful has it been, and why?

Mr. ARNOLD. Let me try to do that, Congressman Cannon. The understanding that I have, according to the documents from Pew Charitable Trusts and according to their Website, is that it is titled a Pew Initiative, which tells me that it was the brainchild of Joshua Reichert, a single individual who is the Environmental Director of the Pew Charitable Trusts.

He is typically the model of the "coalition". His whole way of thinking is that you can't just do things with one organization, you must have a coalition. And in order to make a coalition work, as the Environmental Grantmakers Cluster of Foundations discovered to their dismay in 1992 when they tried a different model and it didn't work, you have to have a single money funneler, a fiscal agent that can actually get on top of a bunch of other groups that actually get a lot of the money, and tell them what to do. In other words, the marching orders come from the top—in this case, Joshua Reichert—they go down to National Audubon Society, they go from there to 12 organizations which, according to their own board minutes of their own meeting of the National Audubon Society, they say they are "supervising" 12 other environmental groups.

Now, I am not quite sure what the IRS would think about that—one 501(c)(3) supervising other 501(c)(3)'s. Now, my board would not allow me to be supervised by anybody, not for very long. I would give notice that I didn't work there anymore.

So, that is a very remarkable thing about what I found in their minutes of their own Audubon Society Board meeting which, incidentally, you will find verbatim exactly as I copied them from their own meetings, on page 10 of Power To Hurt.

Let me, if I may—I don't know how much time I have here—it says—and this is from Dan Beard, the man who was formerly in the Clinton Administration. "There are 60 million acres of 1,000-acre-plus plots in our National forests that are still roadless"—and a comment on that, they are in no such way roadless. They have things a lot of people drive vehicles on, they just don't qualify under a very mushy definition that suits their political purposes for what does it mean, a "road".

“There is no hope of congressional action to preserve them as wilderness. Administrative protection is possible. We have raised the issue’s visibility in the White House, but it is not enough, so we did a poll using the President’s pollster. He sent results to White House Chief of Staff—poll shows that Americans strongly care about wilderness to the extent of favoring it over jobs. Even Republican men in inter-mountain states supported at the 50 percent level. The Administration has said they will take some kind of action. We hope for an announcement from the President of some kind of administrative protection. We probably won’t get all 60 million acres, but if we did it would represent the biggest chunk of land protection since the Alaska Lands Act. The Pew Trusts is pleased with the campaign so far. Second year funding will take it to January 2001, \$2.2 million for about 12 organizations under our supervision”—what is that about? “Outside magazine this month has a good cover article. Our visibility and credibility among fellow forest protection organizations has been raised. Comment from John Flicker”—he is the head of Audubon, that means that he made this comment himself—“This grant came to us because of Dan Beard’s reputation and good name”. Well, I didn’t say that, I got that out of their board minutes.

OK. So I think that gives you the most thorough answer. Just read their own documents and see what they are doing. The thing about it is, you have to know where to look. The average person who goes into Audubon’s Website couldn’t find that. Why not? Why don’t we know about this stuff as it is going on? I want to know who is trying to put all of my members out of business before and while they are doing it, so I can do something that will counter it. That is just not fair, and that is something that those transparency laws certainly could do something about, fair notice.

Mr. CANNON. Thank you, Mr. Arnold. I note, Madam Chair, that the light is not illuminated, but I suspect my 5 minutes have passed, and so I yield back.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Cannon.

Mr. Udall is recognized for questions.

Mr. TOM UDALL. Madam Chair, thank you very much. I initially would just like to submit a statement and ask unanimous consent to submit a statement for the record.

Mrs. CHENOWETH-HAGE. Without objection, so ordered.

Mr. TOM UDALL. Thank you. Mr. DeVargas, welcome and welcome to the entire panel. I would like to direct my questions primarily to Antonio DeVargas.

La Compania Ocho is not the first company to lumber in the sustained yield area, is that correct?

Mr. DEVARGAS. That is correct, Congressman Udall.

Mr. TOM UDALL. Could you tell me the company that was logging in that area prior to when you set up?

Mr. DEVARGAS. Prior to us setting up, it was a corporation that was a subsidiary of Hanson Industries, Ltd., and the name of it was Duke City Lumber Company.

Mr. TOM UDALL. How would you differentiate your business, this lumber operation, from the lumber operations of the corporations that were your predecessors in the area?

Mr. DEVARGAS. They were a very large corporation. Hanson Industries, Ltd. is based in London. They had pretty much a colonial mentality over the people there. They were very predatory in their practices not only in terms of their employment practices over the people there, but also in terms of how they did their lumbering.

There was strong opposition from the local community to their methods and the extent of harvesting that was occurring and, in fact, the local communities were consistently fighting Duke City Lumber Company and the Forest Service.

Mr. TOM UDALL. And could you compare your approach—I think you have stated the earlier actions of the other corporations, the foreign corporations—how you approach this and what the reaction of the local community is?

Mr. DEVARGAS. I believe that the local community being land-based and being rural and being from there and being vested in the land is much more—I think we are better stewards, and I think that we have a greater respect for the land because we cannot see destroying the land of our ancestors. Our village, as many of them, are 400 years old. The Native American villages are even older than that. And there's logging going on and timbering going on on the reservations in New Mexico, and nobody is arguing with the levels of harvest there, and it is because the people from there do care about the land and the water and the air. Corporations from outside the country or from outside the region don't have that same responsibility to the locals.

Mr. TOM UDALL. Now, Mr. DeVargas, you talk about land-based and being there 400 years, and a lot of this is intertwined with the land grants, is it not, the Spanish Land Grants and the land grant issue in northern New Mexico?

Mr. DEVARGAS. That is correct, Congressman Udall.

Mr. TOM UDALL. Can you tell this Subcommittee about the important role the land grants have in the traditional lifestyle of New Mexico's Hispanic villages and local economies?

Mr. DEVARGAS. The land grants were the basis of community survival. Without them, it was not possible for communities to survive. The sovereign of Spain, when we were under the sovereignty of Spain, that government recognized that. When we were under the sovereignty of Mexico, that government recognized that. Under the sovereignty of the United States, that has not been recognized. So, we are not in any position to develop our own economy based on a sustainability for our villages.

Mr. TOM UDALL. Looking at the history of land grants in New Mexico, how has your business and the community's ability to support themselves been affected by what has happened to community land grants in New Mexico?

Mr. DEVARGAS. The community land grants in New Mexico have been swallowed up by either large corporations or the Federal Government. They no longer exist in fact. They exist in the people's consciousness, they exist in the people's hopes and dreams, but in fact they don't exist, and this is what has rendered our community so helpless.

Upon losing the land grants, basically what happened is our villages were condemned to the poverty levels that we now experience.

Mr. TOM UDALL. How were New Mexico's community land grants impacted by the way the United States implemented the Treaty of Guadalupe Hidalgo?

Mr. DEVARGAS. The Treaty has never been implemented, Mr. Congressman. I believe that the Treaty was violated before the ink was dry.

Mr. TOM UDALL. Could you tell the Committee how that happened and what injustices were perpetrated on the people of northern New Mexico?

Mr. DEVARGAS. The acquisition of the land by the Federal Government and private individuals were done through chicanery, outright fraud, just by dispossessing people, even through violence. There was a notorious organization that was based in Santa Fe during the territorial days called the Santa Fe Ring. It consisted of politicians, judges, and lawyers that just basically circumvented the laws, and really rendered the Treaty invalid. It has never been implemented. That Treaty has never been implemented. So, for the people there it has been very difficult. It has been very difficult to understand how a people can be discriminated in that manner, considering that in fact when the United States got its independence from England, from Great Britain, it would not have been able to, without the help of Spain. And, in fact, I have documents that show that all of the Spanish holdings, all the people that were under Spanish rule, were required to pay taxes to support the war effort for the 13 Colonies of the United States. New Mexico was very active in the Civil War and protecting the Union. Just about every person that I know—in my family anyway, my great-grandfather fought in the First World War, my dad in the Second, my relatives in the Korean, myself in Vietnam, my cousins in the Persian Gulf War and other areas. The Hispanic contribution to the defense of this country is very, very well documented, and it just seems very strange that we would have to defend treaties of the U.S. Government in other countries when our Treaty has not been recognized.

Mr. TOM UDALL. Thank you, Mr. DeVargas. One of the things, and I know you know it very well, is that Treaty said to the people that decided to stay, the Treaty between Mexico and the United States of America, that the people that decided to stay in the United States—people were allowed to go back—but to stay in that area, that the United States would take the affirmative action of protecting their culture, protecting their property, and protecting their rights and their language. And, in fact, as you have very eloquently stated, that has not happened, and it is a great injustice that I think the people of northern New Mexico feel. I have taken a bill that was passed through the House of Representatives the last time around and introduced that identical bill on the anniversary of the Treaty of Guadalupe Hidalgo, and that bill is here in the Congress. I believe it is subcommittee, and I would just ask the Chair—I look forward to maybe working with you on that because I think these two issues are very intertwined, the issue that the panel has been asked to speak to today, and also this issue of the land grants is one that I think is a big injustice that needs to be corrected by the U.S. Government. Thank you, Madam Chair.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Udall. That was a very interesting line of questioning.

And so it is clear then, in your opinion, that the Treaty of Guadalupe Hidalgo was signed, agreed upon, but has not been honored by this Government?

Mr. DEVARGAS. That is correct, Madam Chairman, but I would like to go a little bit further and state that in my view the kind of injustice that was perpetuated against the people under that treaty, the same mentality that led to that is the same mentality that is driving the elite groups to now not only discriminate against Hispanics, but to discriminate against rural people in general, and I believe that many of the motives behind this is to disenfranchise rural people and make sure that the forests in the United States, in the western part of the United States, become playgrounds only for the rich.

Mrs. CHENOWETH-HAGE. Thank you very much.

The Chair recognizes Mr. Sherwood.

Mr. SHERWOOD. Thank you, Madam Chairman. Mr. DeVargas, if I could continue in that line, and we will leave the Treaty of Guadalupe Hidalgo and go on to your settlement with the Forest Service in the suit of 1994. And I read that you were to be able to purchase 75 percent of the La Monga timber sale, and yet that has not happened, and I understand that that was a suit against race discrimination, retaliation and preferential treatment for Duke City Lumber Company, and you got a pretty good settlement, you thought at the time, out of that suit. But what has happened recently that has kept you from reaping the benefits of winning that suit in 1994?

Mr. DEVARGAS. Mr. Congressman, there have been several factors in that, not the least that we had to fight the Forest Guardians in two Federal courts in Arizona, one Federal in New Mexico, and we had to go all the way to the Ninth Circuit Court of Appeals in San Francisco. For a small corporation like ours consisting of five people who had to mortgage their homes just to even fund the corporation, it cost us enormous sums of money. And obtaining financing for a small corporation such as that during a climate where everything is litigated—in fact, La Monga sale has not all been put up at this point, we have purchased two portions of that. We have purchased 800,000 feet under La Monga whole timber sale, and we have purchased 450,000 in the Bonito timber sale. And we have invested in our lumber mill, which is a small lumber mill, and we are going forward with it. However, the pipeline—every sale is appealed, and it is appealed indefinitely, and it is all very, very expensive to a small corporation such as us.

Mr. SHERWOOD. What was their basis for stopping—for suing in court to have you stop your purchase of this standing timber, that they didn't want the timber cut, or what is their brief—what are their arguments here? I realize that is a complicated—but in short detail.

Mr. DEVARGAS. Basically, they say it is kind of like a “mantra”—it is the last 5 percent of whole growth timber. That is what they say about every timber sale. They say it is the last 5 percent of old growth timber in that area, which is just simply not true.

Mr. SHERWOOD. Describe the timber in that sale to us.

Mr. DEVARGAS. That sale consists of mixed conifer, Ponderosa Pine, Douglas Fir, and white fir. It averages—the elevation is anywhere from 7200 feet to around 9800 feet. It is an area that has been logged before. It was logged very lightly in the past, more lightly than other areas. The prescriptions for logging on that sale, I feel, is a responsible prescription. It is something that the community can live with, doesn't feel it is an excessive harvesting. There has been no clear cutting, none whatsoever.

Mr. SHERWOOD. It is a reasonably arid site, or if there is big timber it is not too arid. What are the problems that you have with logging, do you have erosion problems or siltation?

Mr. DEVARGAS. I don't think we have any of those problems, Mr. Congressman. The arguments against logging La Monga is just that they don't want it logged, basically. It is kind of strange because we have a situation where they say they want us to do forest restoration work, such as thinning—and this is part of the deception that happens all the time—but then they initiate a zero-cut position. And our forests are overgrown. I mean, how do you justify zero-cut with thinning of the forest? It doesn't make sense to us.

There is also a 150- or 250-acre environmentalist retreat located in that area, and so if the La Monga timber sale is put off-limits to grazing and logging, it would automatically increase the size of that particular retreat for environmentalists to 16,000 acres.

Mr. SHERWOOD. What was the story behind the acquisition and sale of your wood processor?

Mr. DEVARGAS. The Forest Guardians came up with what they considered their position to save the village of Vallecitos economically, and basically that position—it came out in the newspaper that that is what Mr. Hitt and the Forest Guardians wanted to do. And what it was really was a study that we had done ourselves. And so they were able to acquire something like \$38,000 for a wood processor so that we could process firewood. They did that at the same time that they were filing a lawsuit that stopped all firewood cutting. And so we received a \$38,000 wood processor that we couldn't use. And we were tied up in litigation with the Forest Guardians over the firewood and the logging for almost 3 years. That machine was rendered totally useless.

Mr. SHERWOOD. In your northern New Mexico villages, what other means of livelihood is there? What is the other industry besides the forest-related industries?

Mr. DEVARGAS. It is either local government, city or county, schools, the Los Alamos National Labs, and Santa Fe is about 85 miles away where there is some manufacturing, very limited. That is about it.

Mr. SHERWOOD. Thank you very much. I very much enjoyed hearing the panel.

Mrs. CHENOWETH-HAGE. I want to advise the members that we have just been called to a 15-minute vote on one of the suspension bills, and then after that there will be a 5-minute vote on the journal. And I also want to let you know that we will adjourn for 30 minutes when I recess the Committee, and then we will come back and we will have a second round of questions.

I do want to ask Mr. Arnold before we go, you have a section in your book on Undue Influence, a chapter entitled "Oh, God", and

it is very interesting. I think you have pretty well tied how the trusts are even moving into the churches to try to influence them. I am looking at page 101 where it indicates that the Pew Charitable Trusts donated \$135,000 to Christianity Today, “to convene a forum on population and consumption issues among leading evangelical theologians and analysts, and to produce a special issue of Christianity Today on global stewardship”.

Now, Mr. Arnold, it appears that there is a strange connection here. The Congress funds grants. These grants are acquired by these trusts. Then the money is used to have an influence that is a negative influence on our First Amendment, the separation—although it isn’t included, the word “separation” of church from state—nevertheless, the purpose was to separate the influence of Government in the churches, and it looks like the string is going right into the churches. Am I reading that right?

Mr. ARNOLD. I believe so, Madam Chairman. I think the text there gives you enough to go on. This was a very truncated version of what I actually found, which was stacks and stacks of the “best religion money can buy”, is what it added up to. And, of course, the foundations put piles of money in that isn’t documented in here that, at your request, I could supply sheet after sheet.

Mrs. CHENOWETH-HAGE. Would you please do so?

Mr. ARNOLD. I will do that, Madam Chairman.

Mrs. CHENOWETH-HAGE. We will recess the Committee right now for 30 minutes, and we will be back at that time and we will begin with questions from the Chairman and then go to the remaining members. Thank you.[Recess.]

Mrs. CHENOWETH-HAGE. The Committee on Forest and Forest Health will reconvene.

I would like to begin my line of questioning with Ms. Capp. Ms. Capp, I wonder if you could put the map up again. Mike, if you would do that. Thank you.

[Map retained in Committee files]

I was intrigued with this map although we didn’t get much detail about the map. So, I wonder, for me and for the record, if you could go over that in a little more detail.

Ms. CAPP. For the sake of being able to hear me, I am not going to stand over there and point at it, Ron is going to point at it.

As I said, what this map basically illustrates is the plans that are afoot that are really going to squeeze us out of Ferry County. And I want to point out that this map is in process. It doesn’t even contain everything that is coming at us. In fact, we have regulations and campaigns coming at us so fast we don’t really know what to address first.

Basically, the left-hand side of the map is Ferry County. That white space you see there in the middle, that is not Ferry County. It is bordered by the Kettle River there on the right side. The yellow is proposed lynx range. The green is Forest Service land. The little sections that you see sectioned off there—some of them have numbers—are the Forest Service’s ecosystem management plans that are being implemented which, when you look at what is being proposed in those plans, they bear an incredible similarity to the Interior Columbia Basin Ecosystem Management Project, only they

seem to be implemented now on a chunk-by-chunk basis, one watershed at a time.

You can't see very well there, but the Columbia and the Kettle River which flows through Ferry County—despite the fact that numerous biology experts and field biologists have told me that the Kettle River is not, nor has it ever been, bull trout habitat, we still have various people at the Federal and State level who would like the Kettle River to be bull trout habitat, so that is another thing that is threatening us. And one of the worst things about that is that—well, just for example, Dave Smith of the University of British Columbia is one of the people that I interviewed when I did a report on bull trout for the Kettle River Advisory Board, and Dave told me that in no uncertain terms the Kettle River is not bull trout habitat. Its natural characteristics are too low flow and warm temperature. In fact, a hydrological report that was done some years back for WYRA purposes states that the Kettle can exceed 16 degrees centigrade in the summertime with absolutely no human use whatsoever, and 15 degrees is the maximum for adult bull trout.

So, one of the reasons that is important is because we have plans coming at us for endangered species or threatened species that aren't really even natural to our area. At any rate, the main point that I would like people to take from that map—now you can't see the lower half—is Colville Indian Reservation, and that is about—that portion of the county is about the same size as the top. The county is about 4.6 million acres. Only 15 percent of that is private property. And this is a natural resource producing community. Those are the jobs that we have there.

If we are squeezed out of the National Forest, there is not going to be any employment—maybe Job Corps will still be out there, although I don't know who would want to work there, but the rest of the employment in the county is Department of Social and Health Services, the school district, the county government—which, by the way, now is only open 4 days a week. So, if there is no other employment in the area, the school is going to go. In fact, one of the ways that all this has impacted us is that up in Curlew, the Curlew School District where I live, we have under 300 students, kindergarten through 12th grade, very small school. Last year, we had to lay off four full-time teachers. Our first grade teacher now has 60 students. We have teachers who are now doing the best that they can to teach subjects that never really were their forte. The whole community is really suffering.

Mrs. CHENOWETH-HAGE. That is quite amazing. You know, the national environmental groups often say that our forests need to be protected from development. Are forests in your area threatened by development? And my second question is, is the lynx listed on the endangered species list, or endangered?

Ms. CAPP. Not yet, but there is a big push to get it listed. That is one of the things that is to frustrating about the massive amounts of money that these groups have to do their PR and the way that they can really twist the facts to get urbanites really to vote and petition rural people into oblivion.

Their campaigns give the impression that our National Forests are—when they use the word “development”, what comes to most

people's mind is that we have factories and industry and suburban sprawl coming right up to the edge of these so-called "roadless" areas which, in fact, we don't. I mean, in a county of only 7200 people, you can imagine there is not much of anything in the way of building.

And the other thing is the way they carry on about development and roads. People in the urban areas get the impression that we have blacktop highways going through the National Forests and, of course, the Forest Service would be frivolous to be trying to maintain things like that but, in fact, we don't. What we have is a bunch of little one-lane dirt roads. So, no, there is no development threatening the National Forests in our area.

Mrs. CHENOWETH-HAGE. Thank you, Ms. Capp.

At this time I would like to yield to Mr. Peterson for his questions. He had some questions he was concerned about.

Mr. PETERSON. Thank you, Madam Chair.

Mr. Arnold, and anyone else who wants to, but I want to make sure I understand what you are telling us. I haven't had time to read the book, but we have a picture here of large foundations like the Pew Foundation, who join hands and fund large national organizations like the Audubon Society, and who somehow collaborate with the Administration and the White House and the Vice President and the President's Environmental Council sort of become the War Room for these efforts. And they have ability, the Interior Department, the Department of Agriculture, EPA, smaller organizations like the BLM, the Forest Service and the Park Service all to manage information and manipulate public policy. Is that a fair assessment?

Mr. ARNOLD. Congressman Peterson, you have that exactly right. I wouldn't change that in any way.

Mr. PETERSON. OK. Well, I also know something that surprised me here, I don't have a good audit of it of where all it is, but I know we spend a lot of money here in Washington funding organizations that have nothing to do with Government but who are very related to associations and organizations that represent different interest groups around the country, but they get a lot of Federal money. At the State level, where I came from and have more expertise, that didn't happen. We didn't fund our opposition or those who are promoting ideas.

Are you aware of how Government tax dollars gets into this mix, too, besides the use of public offices where public policy is made?

Mr. ARNOLD. Yes, sir, I do. As a matter of fact, one of the chapters is called Zealous Bureaucrats, and it deals extensively with that. The gist of it is that you can trace probably half a billion dollars in any given year, we suspect that there is probably four times that—that is based on a guess of a reporter from the Boston Globe, whom I respect quite well—\$4 billion dollars we can't find. We can find about half a billion dollars, and it goes from groups like the Fish and Wildlife Service and the Fish and Wildlife Service Foundation, which is a quasi-Governmental group which gives grants to private environmental groups, some of which then come back and lobby. They are primarily for improvement of infrastructure on National Wildlife Refuges, such detailed things as that.

On the other hand, you get grants from the EPA. Now, one of the things I will give them credit for is there is a Website that anyone can access, that lists their grants. The catch is they don't list all of them and, in fact, they don't list the most interesting ones, which you have to have special software and a computer beyond a desktop in order to access it, but the kind of money that we are seeing going from EPA goes directly to very advocacy oriented groups. It also gets back to them through the route of going to academics who see a particular issue—let us say, an air quality issue—they will go to an M.D. studying children's asthma syndromes, and then Carol Browner will, as the head of the EPA, use that in testimony saying that we have to stiffen up the air quality regulations—which, as a matter of fact, did happen. And there are quite a few episodes of that nature documented.

We have also heard, but cannot confirm and would urge this Committee do some investigation on it, that actually Mrs. Browner was, in fact, hosting on a regular basis foundation funders in her personal office, and telling them where they should be putting their money. Like I say, I can't verify that, I have that from a couple of whistleblower types who are not quite brave enough to blow the whistle, but that is something I think that should she be required to testify for other things, that certainly needs to be brought up.

Mr. PETERSON. But are you aware of where—you did mention several—but should we have a prohibition of tax dollars being utilized to fund any organization on any side of any issue? I mean, somehow there should be a firewall from Government funding advocacy groups? Now, I guess the question I wanted to ask and it slipped by me was, the Foundation, Fish and Wildlife Foundation, is that all tax dollars or is that a blend?

Mr. ARNOLD. No, that is not. That is a combination of tax dollars and private funders, so as I say, it is quasi-Governmental, so that there was one person who became a board member under very unusual circumstances, who donated a million dollars to the Fish and Wildlife Foundation. So, yes, private individual grants can go into it, and a number have, as a matter of fact. So, it is a mix.

And to answer your first question, should there be a firewall, I am certainly no legislator, but I have hired enough lawyers to know that is a can of worms. I think that to go in that direction probably would invite prohibitions that would probably hurt really worthy causes. I think that protecting National Wildlife Refuges is a good idea. Using them as a way to put people out of existence is not a good idea. I am not able to see how you would differentiate in a law which has to apply to everybody that wouldn't really hurt a lot of good things. So, that one needs a lot more thought than I have given to it in order to be able to say, yes, you should do something that prohibits tax-exempt organizations from using tax money to lobby with. I don't know how you would actually do that.

It would be nice to have that all visible and transparent, and that, I think, the simple matter of public disclosure is probably—for one thing, it would be a very popular issue. I can't imagine any citizen of the United States that likes things going on behind their back that influences their lives as much as is documented in this book.

And so public disclosure, I think, really is the way to go, rather than strict prohibitions. Again, that is up to Congress, which is why we are talking to you because we need your ideas and your help as well as you getting ours. But I see the route into clarity on this going through public disclosure. If we knew while they were planning the Heritage Forest Campaign that they were going to do it, that there was a fair notice requirement when any large coalition got together—now, stop and think of what this Pew thing was. It was 12 groups working together. If those were for-profit groups, they would all be in jail. That is a clear violation of the Sherman Antitrust Act of 1890, to do that kind of thing if you are a for-profit. And I am not sure that perhaps something of that nature about working in combines, or illegal—you know, price fixing for the for-profits—how about policy fixing? I don't know if that even means anything under our Constitution, but there has to be some investigation of this coalition model. Nothing happens except in coalitions anymore, in the environmental movement, or any kind of what they call "progressive", more left-leaning type of movement, and what to do about that, I think, is let us lift the rock and "let the sun shine in".

Mr. PETERSON. Well, the frustration I have had is that they seldom want a public discussion. It is a mass manipulation of information, to then manipulate public policy, and it is a huge—it is like McDonald's selling hamburgers. I mean, that is what it is about.

Earlier we talked about the sprawl issue, and somebody just handed me here—a polling company talks "sprawl is now a bread-and-butter community issue like crime", said Jan Schaffer, Executive Director of the Pew Center for Civic Journalism, which sponsored the polling. Americans are divided about the best solution for dealing with growth, development and traffic congestion". Well, I think part of our argument needs to be, and part of the discussion needs to be, that if we stopped squashing rural America, they wouldn't be moving to the cities to cause the sprawl.

Mr. ARNOLD. Well, Congressman Peterson, let me also add to that, what in the name of Heaven are these foundations doing giving money to the media? Why is there such a thing as the Pew Center for Media? Are they buying newspaper reporters?

If you take a look, in fact, in this book on page 99 and 100, I documented that question. Here is a Public Media Center got \$300,000 from Pew Charitable Trusts, the Foundation for American Communications got \$75,000 from W. Alton Jones Foundation, the Center for Investigating Reporting got \$105,000 from the Schumann Foundation, on and on and on. There is so much money being poured into the media to assure proper environmental reporting, whatever that is, and you can imagine what their viewpoint is.

Why are the media taking the money? I don't know that. And I do know—I worked on a newspaper—

Mr. PETERSON. I think they will take anybody's money. They don't have to stand for election.

Mr. ARNOLD. That is true.

Mr. PETERSON. Of course, the number of people that watch the major media today is pretty small, in comparison, and I think it

is because of their spin, not because—if they reported—I think the success of Fox News is very much “We report, you decide” has caught on because the media doesn’t report, they tell you what portion they want you to know, and I think we all know that.

I want to commend you for your work, all of you, for speaking out, but I guess, in conclusion, my biggest concern as a Member of Congress—when I was in State Government for 19 years and I had a business for 26, so I come here with some experience—is the immenseness and the inability to put your arms around departments. I mean, it is like—I used to kid when I was in State Government about dealing with the Federal Government was like dealing with a foreign country, and I have been 4 years—and I am a bureaucracy fighter, I always was at the State level—but here it is like you can’t get at them. I mean, they are huge. They are almost nameless, faceless agencies that have—and we here in Washington have almost no process in the regulatory process, and that is lawmaking without public discussion, and it is what people fought and died for a long time ago, but the regulatory process in Washington is totally out of control, and Congress has almost no ability to influence it, or at least doesn’t, and I don’t think anybody can argue with that.

At the State level in Pennsylvania, we had a very effective agency that helped committee chairs and committees deal with regulations that were inappropriate, but you will find that presidents quickly find out that it is easier to regulate and write rules than it is to pass law because when you pass law you have to win a public debate. And, unfortunately, many of the problems we are fighting are because we have totally left go. Since Ronald Reagan, no one has had any influence on the regulatory progress, they have been totally free to write law and set policy without a public discussion, and we will pay down the road. Thank you very much.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Peterson, I appreciate your line of questioning.

Your book is very fascinating, Mr. Arnold, and I wanted to—I have a lot of questions to ask you. I am going to ask you some now on the record, and then I will be submitting more questions to you in writing.

It has always been just a strong tenet of the free-market system, freedom of enterprise, that when a company operates in their own self-interest, it is also to the self-interest and the betterment of those who work for them, those who can purchase their product, and so forth.

In looking at those corporations’ own self-interest, who are behind the Pew, Mellon, Alton W. Jones Foundations, all of those, why are they doing this? I mentioned in earlier comments that it was a growing metastasis, it is dark and ugly. What is their self-interest here? Have you been able to find anything?

Mr. ARNOLD. Well, Madam Chairman, unfortunately, the answer is yes, I have. Probably the most obvious answer is if you have a large corporation in something that we have all been talking about, timber, and they are, let us say, a big landowner that has fee land that they own, clear title, and they have very little that comes off Federal lands in the way of timber supply for their mills, but surrounding them are all kinds of middle-size and smaller competitors who go into the National Forest, take timber out, and compete ef-

fectively with that—sealed bid and all kinds of things. Now, if you were one of those large corporations, what would you do if you suddenly found that somebody was shutting down all of your competition on Federal lands? If I was a CEO, I would be like Harry Merlo, who once told the New York Times about 10 years ago, “Why should I pay money for a lawsuit to fight the spotted owl issue? All the court has done is given me a legal monopoly”.

Mrs. CHENOWETH-HAGE. And Harry Merlo was the CEO—

Mr. ARNOLD. Harry Merlo said that out loud. He was the CEO of Louisiana Pacific Corporation at the time, which is a very large private landowner, and in a business sense he was absolutely right for his stockholders. Why should he spend money on something that is only going to put his competitors out of business? But, you see, that is one of those double-edged swords.

Now what do you do if the free market says “I don’t care if you regulate the other guy out of business, and I will give money”, as we are seeing many large corporations giving money to the Nature Conservancy which buys private land and then sells it to the Federal Government at a markup, to the Wilderness Society even, to any kind of environmental group that advocates the shutdown of all resource extraction industry on Federal lands. What are we to make of those corporations doing that other than there is probably some competitive advantage in it for them. They are not stupid. I can’t imagine that is all out of altruism. I am sure they have figured it out.

Mrs. CHENOWETH-HAGE. So that is how the dots connect, and that is why you made the comment about the Sherman Antitrust Act, it is creating a monopoly.

Mr. ARNOLD. It is, Madam Chairman. I think that what is sauce for the goose is sauce for the gander. Why should not there be a nonprofit equivalent of that, only how would you do it without harming churches, the Civic Opera, hospitals? You see, that is where I am really hesitant to suggest such a thing, because it would hurt good people. There may possibly be a constitutional way to deal with those abuses, but it is the dilemma of a large society. There is no way you can run one without a bureaucracy, so you can’t fight bureaucracy per se, you have to fight bureaucratic abuse. And how you target a law that precisely so that it does not hurt good people but stems abuses is a question I think Congress needs to tackle seriously.

Mrs. CHENOWETH-HAGE. I am still trying to connect the dots on some of the National Monuments. For the record, can you advise this Committee as to how the foundations may or may not have—but probably may—have benefited from the Utah National Monument designation?

Mr. ARNOLD. They created it, essentially. The Southern Utah Wilderness Society, in the person of Ken—and I don’t know how to pronounce his last name, it is in the book—took Katy McGinty, several years before the designation of Staircase Escalante National Monument, to the area and spent 2 weeks with her convincing her that it ought to become wilderness, which was not within her power as Chairman of the President’s Council on Environmental Quality to do, she couldn’t deliver that, but she said, “Let us see what we can do about a National Monument”.

About the same time, a memo came from the Office of the Secretary of the Interior to the Solicitor, who is the head lawyer of the agency, asking to analyze what you needed to do in order to declare a National Monument without any environmental examination, with no public debate about the environmental consequences. This was the Clinton Administration.

Why would the Clinton Administration, with Al Gore sitting in the second seat, ever want to do something without going through an environmental review? The only answer is, they wanted to act in secrecy. And in this case, they wanted to do what they did without anyone knowing it. As a matter of fact, the Resources Committee subpoenaed all of the resulting e-mails back and forth between the Interior Department and Katy McGinty's shop, including of her 12 or so assistants, about how are we going to fake up a letter so that the conditions that the Solicitor was told can be met. Those conditions were these: In order to declare a National Monument without having to go through environmental review, it had to come from the President's Office. Well, the idea for this one had come from the Secretary of Interior's Office which, if it does, becomes subject to the requirements of NEPA, the National Environmental Policy Act of 1969.

And so Katy McGinty and all of her people spent nearly a year passing notes back and forth, trying to fake up a letter from the President of the United States to Secretary Babbitt saying, "Hey, I have this great idea, and would you do this for me, and tell me all about this area that should be a National Monument". Under those circumstances, if that was really the case, the President has the authority to, in essence, deputize the Secretary of the Interior to become part of the White House so it doesn't have to go through environmental review.

So, in faking up this letter, which went through, I think, three or four drafts from the e-mails that your Committee was able to recover, it is very clear that they were lying through their teeth all the time. They knew exactly what they were going to do, and this Ken Raitt—I think is how you say his name, he was the person from the Southern Utah Wilderness Foundation—was back there with Sierra Club support, with all kinds of other support, some of which I do know and some of which I don't, from foundations and other environmental groups, pushing publicly that "there needs to be a great land legacy kind of program coming from the Clinton Administration because we are really annoyed at you because you supported the Timber Rider, President Clinton, and so we may leave you hanging in this next vote", which was the election of 1996. Clinton and Gore were both standing for re-election. The environmentalists were disaffected, and it looked like they were simply going to walk away and let them suffer the consequences.

So, what do you do to bring them back? Of course you declare National Monuments, which conveniently, not too long before the election, finally did happen, without the slightest knowledge of anyone in the State Delegation of Congress from Utah. They had no idea this was going to happen. They weren't even invited to the ceremony, which wasn't even held in Utah, it was held in Arizona at the Grand Canyon, and a whole bunch of—hundreds of environ-

mentalists showed up, who knew when to be there, and where to be, but nobody else in the country did.

So they acted in secrecy. They told flat-out lies. And I haven't seen that published anywhere except in this book and in the Resource Committee's report. So, maybe media don't think that is news, but when something that corrupt goes on in an Administration, I think it is news.

Mrs. CHENOWETH-HAGE. So to connect the dots from the foundations, it comes from the foundations into the Southern Utah Wilderness Society and from the foundations into the Sierra Club, who were working with and had prior knowledge of—working with Katy McGinty and had prior knowledge of the final execution by the President of a National Monument.

Mr. ARNOLD. Yes, they did.

Mrs. CHENOWETH-HAGE. A lot of that land is land that was used by cattlemen, some of it was school endowment lands, but there was a huge, rich coal deposit.

Mr. ARNOLD. And oil and natural gas.

Mrs. CHENOWETH-HAGE. Right. Can you connect the dots from those who are behind the foundations to those who are now managing to control that resource?

Mr. ARNOLD. Well, you get back to the law of supply and demand. If you know where your deposits of those minerals and valuable products are, and they are on private land or they are in another country where you can reach them, and somebody in Government wants to reduce the supply by locking up in some kind of designation where you can't gain access to it, what do you think is going to happen to the price of those products and the value of the remaining land?

So, again, you don't see many corporations crying the blues over that because now their own private holdings are worth more.

Mrs. CHENOWETH-HAGE. Ron, I want to get back to you. I do want to take care of a little bit of business here for Jeff Lyall.

Jeff, I just read a letter that you wrote, a very beautiful letter, and you have asked that it be submitted to the Committee and made a part of the permanent record.

Mr. LYALL. Yes, ma'am.

Mrs. CHENOWETH-HAGE. Without objection, that will be ordered.

Mr. LYALL. Thank you.

Mrs. CHENOWETH-HAGE. Ron, we have heard how rural communities are impacted by the large foundations. Do these effects spread beyond the rural areas, and how does it affect the country as a whole?

Mr. ARNOLD. It is a complicated question. I could give you the typical economist answer on the one hand and on the other hand, but I think in this issue there is no other hand. The answer is simple and straightforward. If you remove and destroy all resource extraction from the United States, what does that mean for where we get our supply of everything we can't get here? It has to be gotten elsewhere.

We get most of our bananas—I don't know of anyplace in the United States that grows a lot of bananas—we get them from somewhere else. We haven't fought banana wars for a while. But there is a lot of petroleum setting in the United States you can't

get at and, as I recall, we had a little war over oil not too long ago, Desert Storm.

If we push timber offshore, if we push mining offshore, if we push farming offshore, if we push ranching offshore, food, clothing and shelter—you know, even environmentalists get grumpy when they miss dinner.

So, I think are we going to be forced into facing something like timber wars with some other country to get their trees because we won't cut ours? It is not inconceivable. I don't say that that is what is going to happen, but if it happened with oil, why couldn't it happen with all the other things they are shutting out.

So, is it affecting the Nation as a whole? Possibly, we don't know. I mean, my crystal is no better than yours, but as far as immediate impacts that you can see now, if you take people out of the country—you know that old saying, "you can take the boy out of the country, but you can't take the country out of the boy"—well, when you take the boys and girls out of the country, you put them in the cities. Now, what does that do to concentration of population?

We have seen in the State where I live, even an attempt to address some of the urban problems by sending welfare families into rural areas because the State Government seemed to be able to think, well, how do you help rural areas? You send them urban things. Well, that is not the answer at all. You stop preventing them from doing rural things, like cutting trees and growing cows and food and other incidental things like that.

I think that a lot of people in urban areas simply haven't ever lived on the land. They have lost their roots not just to nature like the environmentalists claim, but to agriculture which grows all their food, to mining from which if it doesn't come from the ground it comes out of the water, so you have to have minerals to make fishhooks even when you get stuff out of the water. So, it is a matter of, like one engineer once told me, "You know the problem with people in cities is they don't understand that everything—that things are made of stuff, and stuff comes out of the ground".

Now, I don't know any simpler way to say it, but that struck me because it is so on-target, and it is so much like the problem that you see in urban areas—and this is not a joke. There was a farm poster contest in San Francisco, and one little boy submitted a poster that said "We don't need farmers where I live because there is a Safeway right across the street". That is the kind of mentality you are up against, and yet when they see people coming in from the country—oh, that is a bunch of rubes and hicks, and we don't like them, and they make crowding and urban sprawl has become a big deal"—well, who is doing it? It is the people who thoughtlessly support the depopulation and the rural cleansing that environmentalists are promoting and advocating and actually producing with the help of the Administration. Long-winded answer to a short question, Madam Chairman.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Arnold.

I wanted to ask Mr. DeVargas, what level of funding do the environmental groups have in your area, and how does it compare to the funding for the concerns that you represent?

Mr. DEVARGAS. I know that they have about a million and a half dollars as of the last funding cycle that I had a chance to see, and we don't get anything. So, the comparison is really striking.

As a former serviceman, one of the concerns that I have, that Mr. Arnold kind of alluded to, is that some of this stuff could really lead to some kind of danger to the country's security. If you kill the mining outfit, even just sinking a new shaft could take 5 years. If international shipping were to be disrupted by a serious war and we were totally dependent on all our raw products from somewhere else in order to fight a war, I think our national security is also at stake in a lot of these activities, and that is how I feel about it in terms of a threat to all of us. But in terms of the funding that we get for our activities, it is almost nonexistent.

Mrs. CHENOWETH-HAGE. I wish my colleagues could have heard that answer. Can you tell us the story behind the acquisition and what you did, the sale of your wood processor, and now you have a new piece of equipment? I think you have already put that in the record, haven't you?

Mr. DEVARGAS. Yes, I have.

Mrs. CHENOWETH-HAGE. Tell me the history of the Mexican spotted owl in your area.

Mr. DEVARGAS. There is none. There hasn't been any spotted owl. I believe in Santa Fe in the early 1800's, they were able to find one. In Taos, New Mexico, they said that they thought they had heard one. In the Hicorea area of northwestern New Mexico, they found two. They killed one of them to study it. That is the history there.

Now, I understand there are spotted owls in southern New Mexico. I don't know what the populations are, but in the northern part of the State where I live, there are none. There are no spotted owls.

Mrs. CHENOWETH-HAGE. What kind of impacts have the listing of the spotted owl had on your people?

Mr. DEVARGAS. Well, there have been a lot of mill closures. The cattlemen are very severely impacted. The access to the natural resources—it is not just the listing of the spotted owl—I mean, the assault on the community is really broad. It is not just like the spotted owl. When the spotted owl loses its credibility because the biology doesn't sustain it, then they will go to the willow flycatcher, and when that doesn't work, when science reveals that the real threat to the willow flycatcher is not the cattle, but the cowbirds, then they go on to something else. And, really, what I see happening over there is just taking the people off the land. That is the real priority.

Right now, the Bureau of Land Management and the Forest Service have enormous amounts of money to purchase land in the riparian areas. For us, what that does in terms of the impact on our county, it is manifold. For one thing, it continues to take away our tax base, the people's tax base. I mean, we have numerous wilderness areas in New Mexico, quite a few, and they are underutilized because, as mentioned earlier, people just—there is not that many people who are going to walk up there. Just in my area, there is probably over a million acres just in our area. There is the Pecos Wilderness, there is the San Padre Park, there is Wheeler

Peak, there is Bisty Badlands, Bandolier, and it just goes on and on.

Between the National Parks, the Monuments, pretty soon there is not going to be any land to support a tax base, and that affects our schools in the payment-in-lieu-of-taxes program because our county receives—most western counties that are surrounded by Federal land receive 25 percent of the revenues that they get in payment in lieu of taxes. Well, recreation doesn't bring us anything in lieu of taxes. The revenue from hunting and fishing licenses, they don't go to the counties, those go to the State Game Commission.

So, whenever you don't have grazing and you don't have logging or any kind of extractive industries, you have no payment in lieu of taxes. When 70 percent of the land is in Federal hands and you don't get payment in lieu of taxes, your county's budget is just really bad.

Mrs. CHENOWETH-HAGE. Well, Mr. DeVargas, I want to thank you for coming all the way out here to deliver your testimony. I want to thank all of the witnesses for their fine testimony and coming so far. Ms. Capp, you came clear across the country. Mr. Lyall, you came in, too, thank you very much. And, Mr. Arnold, I want to thank you.

Before I close the hearing, I want to begin with Mr. Lyall, and ask you to respond briefly to one final question for me. What is the most important thought that you want left with this Committee and on the permanent record?

Mr. LYALL. I think, ma'am, we just, like all the witnesses here—people—how can I say this, how would I like to—people are on the bottom of the totem pole when the environmental organizations, the Forest Service policy, when you look at all the policies, people are on the bottom of the totem pole. And why I say that, I deal with a gentlemen back home, they offer me a lot of excuses and they will tell me things like resource preservation. And what that means is that dirt, in their eyes, is more important than the quality of lives of millions of people.

I am here trying to represent and trying to improve the quality of life for millions of people who are already behind the 8-ball to start with, and dirt is given more consideration than that. And that is why I have a problem with that. And back home where I am from, I know a family—who wishes to remain anonymous—but they have a 17-year-old daughter with cerebral palsy, and they just got down—I think it took them over 2 years—a big fight with the Forest Service and some Virginia State Land as well. They gave these people an awful time just so they could get access for their daughter to use a motorized golf cart so that she could get into the outdoors around their house. She lived in the middle of some Forest Service land and there were some roads on it that they wanted to be able to take their daughter on. What is the big hurt? The road is there. Let them use it. And they gave these people, I mean, an awful time. It is really a shame what they did to them. And that just comes down to when resources, things like—well, they are important, I will give them their place—but when those things take precedent over the quality of people's lives, I don't think there is any excuse for that.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Lyall.

Mr. Arnold, what final thought would you like to leave with the Committee?

Mr. ARNOLD. Madam Chairman, I would like our country to wake up and realize what is being done to them by this "iron triangle" of wealthy foundations, grant-driven environmental groups, and zealous bureaucrats. Simply understanding that will do more to dry up that influence and to put it in a proper perspective and to reduce it to a manageable level, I think, than just about anything else.

Mrs. CHENOWETH-HAGE. Thank you, Mr. Arnold.

Ms. Capp?

Ms. CAPP. Well, there are basically two things that I would like to say. The first is something that I would like minority people and Native Americans in particular to understand, and that is just as these groups use certainly animal species as what they call "flagship" species, they use Native Americans as "flagships" species. And this sounds outrageous, but I am going to say it because I believe it—after seeing the billions and billions of dollars that these people have access to, I believe that they could have ended the problem with the Hopi removal a long time ago, had they wanted to, but I believe that the Hopi served as a great "flagship" species for them to rally other Native Americans around, to get them to fight, in particular, mining, which if we abandon environmentally responsible mining here, we are going to be getting our mined products from other countries where mining may not be done responsibly. So that is one thing that I really want to be looked at, how minority people are being used against one another and against their neighbors.

The other thing is that what I see happening now is it is currently manifesting what I clearly see as genocide against rural people in general. That is what is manifesting now. But I believe that down the road, if this trend continues, it is going to result in the economic devastation of this country, which of course will mean the devastation of our security. It is very important to me that this huge group of environmental grantmakers make their investment portfolios visible. It is hard to imagine that they are not somehow profiting from this.

Mrs. CHENOWETH-HAGE. Thank you. Thank you very much, Ms. Capp.

Mr. DeVargas.

Mr. DEVARGAS. I guess the most important thing that I would like to come out of here is that it doesn't matter if you are a rural dweller with a limited education and walk around in dirty blue jeans because you work in the woods or with cattle, or if you are a Native American and dress a little bit different. What I would like to see is the end of the demonization of people.

Whenever people are demonized, to me, that is a prelude to a war, to being able to allow mass society to have no empathy. So, I just think that the leastest of us should be treated the same as the ones with the mostest of us.

Mrs. CHENOWETH-HAGE. Very, very well said.

In closing, I again want to thank you and express my deep gratitude to you for the investment that you have made in at least ex-

posing this issue, this problem, and we have made great strides forward just in your willingness to expose the issue.

I am still baffled, and I will continue to search for the reason that the grantmakers who get together and make plans for the policies of ultimately negatively impact rural communities and human lives. I keep thinking that they do operate in their own self-interest, we know that, whether it is for good or whether it is for not so good, but I have to ask what is their self-interest because the forests are being destroyed. It is like wanting to take the car and they shut the car down and take the keys away and run the car out of gas, they are not going to be able to start that car again. It is like killing the goose that laid the golden egg while the golden egg is still being laid, and the golden egg is the American economic engine that has thrived so well because of mutual respect for human beings, people who could live together in peace and respect. The dehumanization of the people is a very appropriate term because that is exactly what is happening. What is frightening is if people can get together and plan policies that impact humans without a care in the world for that human being.

So, like John Adams said, this form of government was put together to be run by people who are lawful and moral people, and when we lose that kind of integrity, this is what has happened.

I still think that because people collude at the grantmakers' meetings and various other meetings, because they use the kind of power that they do, because they involve Government, that there is a huge civil rights case there, or a huge RICO case there. And even if the case were put together, this legal system, judicial system, has got to develop the judicial will to right this wrong. And I just pray to God that this judicial system has the kind of will that it had when it passed the Sherman Antitrust Act.

So, this will not be the end of my hearings on this issue. The Committee will continue to investigate, ask for more congressional investigations, asking for transparency reporting in actions by these grantmakers is a proper course. I will do my best to influence leadership along this line. I would ask that you work in your communities, to impress your Congressmen individually along this line. Openness in Government is so vitally important.

So, with that, I want to remind you that the record will remain open for ten working days, should you wish to add anything to your testimony or add any amendments to your written testimony, please work with my Committee staff, feel free to do so.

I will be submitting questions in writing to you. With that, again I want to thank you, and this hearing is adjourned.

[Whereupon, at 5 p.m., the Subcommittee was adjourned.]

[Additional correspondence follows:]

DON YOUNG, CHAIRMAN

**U. S. House of Representatives**  
**Committee on Resources**  
**Washington, DC 20515**  
November 16, 2000

Correspondence related to the February 15, 2000 hearing:

- 1) February 29, 2000 letter from Mr. Joshua S. Reichert of The Pew Charitable Trusts to the Subcommittee.
- 2) March 6, 2000 from Mr. Ron Arnold to the Subcommittee with two attachments.
- 3) April 27, 2000 letter from Mr. Joshua S. Reichert of The Pew Charitable Trusts to the Subcommittee with attached letter from Mr. Mark Dowie dated April 11, 2000.
- 4) August 9, 2000 letter from the Subcommittee to Mr. Joshua S. Reichert of The Pew Charitable Trusts requesting document for the record.

As of November 16, 2000, no reply has been received in response to the Subcommittee's August 9, 2000 letter.

THE PEW CHARITABLE TRUSTS

One Commerce Square  
2005 Market Street, Suite 1700  
Philadelphia, Pennsylvania 19103-7077

Joshua S. Reichert  
Director, Environment Program

Direct Telephone: 215.575.4740  
Facsimile: 215.575.4888  
E-mail: [jreichert@pewtrusts.com](mailto:jreichert@pewtrusts.com)  
<http://www.pewtrusts.com>

February 29, 2000

The Honorable Don Young  
Chairman  
Committee on Resources  
U.S. House of Representatives  
2111 Rayburn House Office Building  
Washington, DC 20515-0201

Dear Mr. Chairman:

During his appearance before the Forest and Forest Health Subcommittee on February 15, 2000, Mr. Ron Arnold incorrectly identified me as the author of the following statement both in his prepared testimony and in the submitted attachment to his testimony: "For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials button-holed, all in symphonic arrangement."

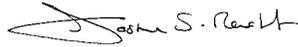
These are not words that I have ever written or spoken and they should not be attributed to me.

Therefore, I respectfully request that the permanent printed record of the Subcommittee's hearing include, immediately preceding or following Mr. Arnold's testimony, this letter of correction. In addition, I would request that the printed record of the hearing and the transcript include a footnote to the quotation erroneously attributed to me during Mr. Arnold's testimony, which references this letter. I would ask that the same corrections be made to the electronic records of the proceeding.

In addition to the relevant Members of the Committee, I am sending this letter to Mr. Arnold.

I appreciate your consideration of this request.

Respectfully,



Joshua S. Reichert  
Director, Environment Program

cc: The Honorable George Miller  
The Honorable Helen Chenoweth-Hage  
The Honorable Adam Smith  
Mr. Ron Arnold

The Pew Memorial Trust  
The J. Howard Pew Freedom Trust

The Mabel Pew Myrin Trust  
The J. N. Pew, Jr. Charitable Trust  
The Medical Trust

The Mary Anderson Trust  
The Knollbrook Trust

**FROM THE DESK OF RON ARNOLD**12505 N.E. 2<sup>nd</sup> St. Bellevue, WA 98005 425-454-9470 fax 425-451-3959

The Honorable Don Young  
 Chairman  
 Committee on Resources  
 U.S House of Representatives  
 2111 Rayburn House Office Building  
 Washington, DC 20513-0201

Dear Mr. Chairman,

Mr. Joshua Reichert of Pew Charitable Trusts has disputed the authenticity of a quote I attributed to him during my testimony before the Forests and Forest Health Subcommittee on February 15, 2000 (letter dated February 29, 2000).

The quote disputed by Mr. Reichert, "For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials button-holed, all in a symphonic arrangement," was taken verbatim from "Losing Ground: American Environmentalism at the Close of the Twentieth Century," by Mark Dowie, The MIT Press, Cambridge, Massachusetts, 1995, page 51. (copy attached)

On that page, Mr. Dowie quotes Mr. Reichert extensively and gives the disputed quote in a block quote footnoted, note 25. (copy attached)

The footnote 25 appears on page 269 of Dowie, and is attributed thus: Pew Charitable Trust. "Environmental Strategies: Concept Statement" (December, 1993), p. 6.

Mr. Dowie on page 51 calls the document "Mr. Reichert's proposal" and discusses it based on a personal interview with the clear meaning that Mr. Reichert was the author.

Perhaps Mr. Reichert will provide the Subcommittee with the complete document, "Environmental Strategies: Concept Statement," to clarify whether some other author wrote the quote Mr. Dowie used, or that it was in error.

In any case, Mr. Reichert's dispute is with Mr. Dowie, not with me. I used the quote in good faith, in context, by a credible source and from a careful publisher.

I have no reason to believe the quote is false or falsely attributed, respectfully considering Mr. Reichert's denial. Perhaps it slipped his mind.

Therefore, I stand by my use of the quote as accurate, accurately attributed, and accurately reflecting Mr. Reichert's state of mind at the time, until and unless Mr. Reichert can demonstrate that the referenced source document, or other evidence, shows otherwise.

Respectfully,



Ron Arnold

Cc: The Honorable George Miller  
 The Honorable Helen Chenoweth-Hage  
 The Honorable Adam Smith  
 Mr. Joshua Reichert

foundations take the initiative in collaborating with national and local environmental organizations, little improvement can be made in campaigning on national environmental issues." Reichert adds with emphasis that Pew would "never ask an environmental organization to change its agenda," though he acknowledges that they very well might do so to get the money dangled before them.<sup>24</sup>

The irony of Reichert's proposal is that it calls for using strategies borrowed from antienvironmental organizations, which initially coopted their most effective tactics from the environmental movement. "Special interest politics has spawned the career political consultant and the orchestrated issues campaign," says Reichert.

For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials buttonholed, all in a symphonic arrangement. There are media spots, direct mail drops, phone banks, and old fashioned lobbying, tactics employed in specific target areas, all informed by opinion research. While business and industry has made extensive use of them, environmentalists have been slow to employ and, equally important, to coordinate these new political arts. As a result environmentalism has fallen behind in a political arms race that requires even higher levels of organized constituent involvement to influence officials and engender administrative or legislative action.<sup>25</sup>

Reichert sees Environmental Strategies as a service bureau for both grassroots and national environmental organizations. He hopes that its existence will "institutionalize a relationship with grassroots organizations seeking to project a presence in Washington."

The main problem facing Reichert's scheme is lack of leadership. When I spoke with him in the summer of 1994 he had interviewed and considered scores of candidates for the top job at Environmental Strategies but found none of them suitable. I suggested a few candidates. He had either already rejected them or thought them inadequate to the task. "I don't want someone who knows the facts, or can articulate them persuasively, I want someone who wants to win and knows how," said Reichert. Who would be his dream applicant for the job? "James Carville," he said without a second's hesitation.<sup>26</sup>

Many organizations are insulted by Reichert's implicit assertion that they are failing or incompetent, particularly when he says things like "we started this because no organization was doing what we thought

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Notes

13. Nathan Newman and Anders Schneiderman, "Market Leftism," *Crossroads* (May 1994), p. 17.
14. Interview with Gillenkirk.
15. *National Environmental Study: Report and Supporting Data*, EOS (1993).
16. Environmental monthlies rely in varying degrees on revenue from national advertisers, who demand coated stock to convey their message. Thus they have been reluctant to print their magazines on anything less than 20 percent post-consumer recycled paper. *Sims* was the first to change to recycled paper, in November 1990.
17. Craver, Matthews and Smith, direct mail consultants in Washington D.C. A substantial portion of the rest, particularly at the National Wildlife Foundation, comes from the sale of posters, tee shirts, coffee mugs, and magazines.
18. EOS poll survey.
19. Interview with Schifferle.
20. Many believe that Greenpeace lost the bulk of its members during this period because of its vocal opposition to the Gulf War.
21. Interview with Sher.
22. Interview with Gillenkirk.
23. Pew Charitable Trust, *Environmental Strategies: Concept Statement* (December, 1993), p. 3.
24. *Ibid.*, p. 4.
25. *Ibid.*, p. 6.
26. Interview on September 26, 1994, with Josh Reichert, Environmental Director, Pew Charitable Trust.
27. Interview with Tim Hermack.
28. Green, Stephen G., "Who's Driving the Environmental Movement?" *The Chronicle of Philanthropy* (January 25, 1994), p. 6.
29. Quoted in *Chronicles of Philanthropy*, November 17, 1992, p. 7.
30. Quoted in William Greider, *Who Will Tell The People. The Betrayal of American Democracy* (New York: Simon and Schuster, 1992).
31. "Links With Activists Get Results in Environmental PR," *ODwyer's PR Services*, vol. 8, no. 2 (Feb. 1994), p. 1.
32. Quoted in "Corporations Jumping on the Environmental Bandwagon by Giving Dollars and Time," *Corporate Giving Watch*, vol. 12, no. 3 (May 1993), p. 1.

## THE PEW CHARITABLE TRUSTS

One Commerce Square  
2005 Market Street, Suite 1700  
Philadelphia, Pennsylvania 19103-7077

Joshua S. Reichert  
Director, Environment Program

Direct Telephone: 215.575.4740  
Facsimile: 215.575.4888  
E-mail: jreichert@pewtrusts.com  
http://www.pewtrusts.com

April 27, 2000

The Honorable Don Young  
Chairman  
Committee on Resources  
U.S. House of Representatives  
2111 Rayburn House Office Building  
Washington, DC 20515-0201

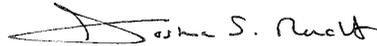
Dear Mr. Chairman:

I am writing to follow up my letter to the Committee dated February 29, 2000. For your convenience, I have enclosed all referenced communications. In that letter, I disputed the attribution to me in Mr. Arnold's testimony before the Forest and Forest Health Subcommittee on February 15, 2000 of the following quote: "For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials button-holed, all in symphonic arrangement." I asked that my letter correcting the misattribution be entered into the permanent printed record of the Subcommittee's hearing.

In a subsequent letter to the Committee, Mr. Arnold stated he would not stop attributing the quote to me because he was relying on an attribution in Mark Dowie's book, *Losing Ground*. The misattribution has since been brought to Mr. Dowie's attention and he has acknowledged his error by letter dated April 11, 2000. Therefore, I am asking that the Committee consider Mr. Dowie's letter acknowledging the misattribution in evaluating my request that the record be corrected.

Thank you for your consideration of this request.

Respectfully,



Joshua S. Reichert  
Director, Environment Program

Enclosures

cc: The Honorable George Miller  
The Honorable Helen Chenoweth-Hage  
The Honorable Adam Smith  
Mr. Ron Arnold

The Pew Memorial Trust  
The J. Howard Pew Freedom Trust

The Mabel Pew Myrin Trust  
The J. N. Pew, Jr. Charitable Trust  
The Medical Trust

The Mary Anderson Trust  
The Knollbrook Trust

Mark Dowie  
12642 Sir Frances Drake  
Point Reyes Station, CA 94956

April 11, 2000

Joy A. Horwitz, Esquire  
Director, Legal Affairs and General Counsel  
The Pew Charitable Trusts  
One Commerce Square  
2005 Market Street  
Suite 1700  
Philadelphia, PA 19103-7077

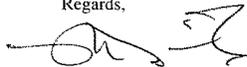
Dear Ms. Horwitz:

I am writing to acknowledge a misattribution on page 51 of my book, *Losing Ground*, regarding the block quote attributed to Joshua Reichert, director of The Pew Charitable Trusts' Environment program, in footnote 25. Although Mr. Reichert has said to me in an interview that he strongly believes that environmental groups need to respond more effectively to the tactics of environmental opponents, to my knowledge, the quotation was not written or spoken by him. Nor does it appear in the document entitled "Environmental Strategies: Concept Statement" (December, 1993), which I inadvertently listed as the source of the quotation.

The quoted language appeared in a report on environmental issue campaigns prepared by four individuals, including Tom Wathen, then an Environment program officer at Pew. Specifically, the quoted language was presented in a list of the most frequently cited reasons given by members of the environmental community, who had been interviewed by the report's authors, explaining why the environmental movement had failed to employ its assets as effectively as it might have.

I am sorry if this matter has caused you undue hardship.

Regards,

A handwritten signature in black ink, appearing to be 'Mark Dowie', with a stylized flourish at the end.

Mark Dowie

DON YOUNG, CHAIRMAN

**U.S. House of Representatives**  
**Committee on Resources**  
**Washington, DC 20515**  
August 9, 2000

Joshua S. Reichert  
Director, Environment Program  
Pew Charitable Trusts  
One Commerce Square  
2005 Market St, Suite 1700  
Philadelphia, PA 19103-7077

Dear Mr. Reichert

I have received your letter dated April 27, 2000 requesting that a series of letters from you, Mr. Ron Arnold and Mr. Mark Dowie concerning testimony by Mr. Arnold before my subcommittee be included in the hearing record. These letters are:

1. Your letter to the subcommittee dated February 29, 2000
2. A letter to the subcommittee from Mr. Arnold (undated)
3. Your letter to the subcommittee dated April 27, 2000
4. A letter to Ms. Joy Horwitz from Mr. Dowie dated April 11, 2000

I am including these letters as part of the hearing record for February 15, 2000. If this hearing is printed, the letters will also be included in the printed record.

For completeness, I am also interested in including the document entitled "Environmental Strategies: Concept Statement" in the record. It would help clarify both Mr. Dowie's letter and the issues that were examined during the hearing. Would you please send a copy of this document to me for inclusion in the hearing record?

I appreciate your efforts to clarify the hearing record.

Sincerely,



Helen Chenoweth-Hage  
Chairman

Subcommittee on Forests and Forest Health