LAND MANAGEMENT AGENCY

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND LANDS

OF THE

COMMITTEE ON RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

H.R. 2941

TO IMPROVE THE QUANTITY AND QUALITY OF THE QUARTERS OF LAND MANAGEMENT AGENCY FIELD EMPLOYEES, AND FOR OTHER PURPOSES

MARCH 5, 1996—WASHINGTON, DC

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LAND MANAGEMENT AGENCY FIELD EMPLOYEES

TUESDAY, MARCH 5, 1996.

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS, COMMITTEE ON RESOURCES,

Washington, DC.

The subcommittee met, pursuant to call, at 10:00 a.m., in room 1324, Longworth House Office Building, Hon. James V. Hansen (chairman of the subcommittee) presiding.

STATEMENT OF HON. JAMES V. HANSEN, A U.S. REPRESENTATIVE FROM UTAH; AND CHAIRMAN, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

Mr. HANSEN. The meeting will come to order. Today, we will listen to very important testimony on legislation which Mr. Hefley has introduced to improve housing for land management agency personnel. It would be deja vu all over again for me to say that it is an important piece of legislation.

But what is unusual with respect to H.R. 2941 is not that it is important to any member of this body, but rather to the thousands of park rangers, Forest Service personnel, and others who are required to live in the substandard government housing scattered throughout the country.

There is an old saying that Park Service employees are paid in sunsets. While I believe that is true in some respects, I think that when the day is over and the sun has set, these hardworking employees deserve a decent place to hang their broad-brimmed hats.

The housing crisis has been thoroughly studied and documented by GAO, as well as the Administration. Many persons have worked on this issue in recent years, from the Appropriation Committee to the National Park Foundation.

In fact, even Secretary Babbitt made it a point to pick up a hammer for a photo-op in Tennessee. Despite all the work which has gone toward addressing this issue, it clearly cannot and will not be fully addressed until some additional authority is provided to the agencies.

The legislation before us today is a comprehensive effort to address this problem. It ensures that existing funds will be directed toward the most pressing needs and, even more importantly, provides a variety of tools which could be used to encourage the private sector to become involved in addressing the housing problem.

Private sector funding, combined with increased employee responsibility, have the potential not only to help erase the current

backlog, but also to place the program on a firm foundation so that we are not back here facing another housing problem in 30 years.

Therefore, I commend Mr. Hefley for tackling the problem and following in the footsteps of Senator Wallopp who worked so long and hard to pass companion legislation in the last two Congresses. Since the issue has already been thoroughly aired, it is time to move forward.

Therefore, I want to alert members that I intend to mark up this legislation later this month, and I look forward to any input from them in a timely fashion. I hope that this will be one effort where we can work on a bipartisan to find a solution which is long, long overdue.

Mr. HANSEN. I thank you people for being here today. As you all know, there are 100 meetings going on right now, and we expect members to come dribbling in, as they normally do. And we will move ahead with the first panel.

Our first panel is Mr. Barry Sullivan, Association of National Park Rangers. There is a sign there that tells you where you are. I don't know if it is on both sides or not. Mr. Michael O. Hill, Association of National Park Rangers; and Mr. Steve Iobst, president, Association of National Park Maintenance Employees. We do appreciate you being with us today, and thank you for taking the time to be here. May I ask you how much time you need to give your presentation?

Mr. SULLIVAN. Approximately five minutes.

Mr. HANSEN. Everybody feel OK with that?

Mr. HILL. Five minutes will do.

Mr. HANSEN. All right. If you will look in front of you there, you see those little lights on. Christina will turn that green light on, and when that goes on, you have five minutes. However, the yellow light will tell you, you are winding up, and the red light means that we throw you off the stand. Not really, but if you do need a couple minutes more, please let us know. We are grateful for your being here. And, Mr. Sullivan, we will start with you, and you have got five minutes. The floor is yours, sir.

STATEMENT OF BARRY SULLIVAN, ASSOCIATION OF NATIONAL PARK RANGERS

Mr. SULLIVAN. Thank you, Mr. Chairman. I appreciate the opportunity to appear before this group and discuss a little bit of the issues regarding National Park Service housing. I am and would like to state for the record on annual leave at this time, not representing the National Park Service, though I am a National Park Service employee, a park ranger at Delaware Water Gap National Recreational Area in New Jersey.

I would like just to talk a little bit about park housing specifically and personally as it applies to me. I have been with the Park Service approximately 20 years and have lived in government housing approximately 17 of those 20 years.

Recently, we have seen some significant improvements in park housing that has come over the last few years. The present administration of the National Park Service, as well as Congress, has supported some of those improvements. Some dollars have been put into the park housing, and we have seen some improvements.

However, the magnitude of the problem that is out there, and I will address some of those issues specifically, but the magnitude is well beyond the scope of what those dollars that were put into the housing can nearly come to compensate. The problem is enormous, and the issues are important to the park rangers.

Personally, the house that I live in is a historic house. It was built during the chestnut blight in the 1930's. It is a nominated for National Register property. It is a large farmhouse. And as most large farmhouses built during those days, it lacks insulation. It has had significant problems with roof leakage and such. It has a slate roof, very expensive to maintain. The house is situated in an area where we keep fire equipment, gas tanks for gas pumps and such for vehicles, as well as maintenance storage.

My residence there is required by the agency which means that I, in fact, am required to live there. I have no choice where I live but must live in that particular house. The rent is set up by a system which addresses the fair market value in the local location.

In 1991, there was a northeast regional assessment, and during that assessment, which was done by the Bureau of Land Management, it was determined that the rents in Delaware Water Gap were not commensurate with housing outside of the park.

And as a result of that, there were some significant increases. My rent, which presently at that time, 1991, was approximately $6,000, was going to jump up to over $9,000 per annum. And in addition to that, I pay approximately $3,000 in utilities, again, a lot of fuel oil because of the lack of insulation.

The rent, that $9,000 combined with the $3,000, would bring the rent issue up to about $12,000 I would be paying in housing. In 1991, my salary based on my pay stubs was about $36,500 which meant that approximately one-third of my entire salary was scheduled to go into housing. That was significant to me, as well as my family, and that expressed a lot of concern. We expressed a lot of concern, and some of that I believe was probably what precipitated some of the first rounds of this housing bill.

Those issues of the rent, as well as the required occupancy, have really had a significant impact on the National Park Service and the park rangers specifically. I have seen some impacts on morale, the esprit de corps. The Park Service and the park rangers is a proud tradition, and the park rangers that have worked for me in those 20 years, some of the finest people in the world, have really taken some hits all along the way with required occupancy and park housing and rents in general.

I think this bill starts the process to look at some of those inequities. I think that there are some excellent provisions to it. My distinguished colleague here, Mr. Mike Hill, is going to address some of those in regards to the Association and how it feels. But I think that some of those issues that are out there and some of the issues that this bill talks about are important issues, and I look forward to seeing the bill moved forward.

[Prepared Statement of Mr. Sullivan follows:]

STATEMENT OF BARRY SULLIVAN, ASSOCIATION OF NATIONAL PARK RANGERS

Mr. Chairman, I appreciate the opportunity to appear before your subcommittee today to talk about the conditions of employee housing in our National Parks. Please allow me to introduce myself, my name is Barry Sullivan, and I speak to you this

morning as a member of the Association of National Park Rangers. While I am a National Park Service employee, I am here today on my own time, and have taken annual leave to provide testimony before you. Professionally, I am a National Park Ranger presently working at the Delaware Water Gap National Recreation Area (NJ/PA). My current position is as the New Jersey District Ranger, I manage a program that is responsible for the protection of the approximately 2 million park visitors and the 35,000 acres under the care of the NPS in the NJ District. I have been in this position for the past seven years, though my Park Service career goes back nearly 20 years with assignments in six National Park Service areas across the nation. I am a GS–12 employee, married with two children. This is the first time I have addressed such a distinguished group, but I sought this opportunity because I, and the members of the Association of National Park Rangers, believe there is room for improvement in the National Park Service's housing program.

I am here this morning to speak with you regarding experiences, both personal and those of my coworkers regarding life in Government housing. I presently live in government housing as a required occupant, which means my occupation of the residence is a requirement of my employment. In my nearly twenty years of employment as a park ranger I have lived more than 17 years in government housing, all of which was as a required occupant. I have lived in Government housing in Staten Island, NY; Medora, ND; Sparta, NC and in my present house in Walpack, NJ.

During 1991 the Bureau of Reclamation conducted a housing survey to determine the fair market value for "rents" that NPS rangers pay for Government housing in several regions. This survey is conducted every five years. During the five year gap between surveys the rents rangers pay was increased by the CPI each year. As a result of this survey it was determined (by the contractor conducting the survey) that the rents charged for government housing in the Delaware Water Gap NRA was not commensurate with rents outside of the park. (One wonders why rents are based on the fair market value when salaries are not). Calculations were made utilizing the findings from this survey, and as a result the rent I pay to the Government for housing that I am required to live in was scheduled to increase from nearly $6,000. per year to $9,000. per year, in addition I pay approximately $3,000. in utilities. In 1991 my base salary was $36,965. As a result of the increases I was looking at paying approximately ⅓ of my base salary into housing expenses. That is significant. Fortunately Congress, realizing the impact of this increase on families and morale, put a 10 percent annual cap on the increase in rent. Even with the cap in place my rent has risen to over $7,000. plus utilities.

I would like to digress from the rent issue for a moment to discuss "Required Occupancy", and Government housing in general, as it applies to National Park Rangers. Required occupancy was established to provide a presence in the parks to protect resources, provide services to the public, protect historic structures, and to provide rapid emergency response. It is a significant benefit to the Service. It is highly impactful on the lives of employees and families who must live under its terms. During the past few years I have answered the phone or door on my residence while "off-duty" for official business approximately 105 times each year. (I am required to keep a log). These calls have ranged from true emergency calls, to visitors lost, looking for Manhattan at 2:30 am. Generally I am not compensated for these incidents. my residing in this area has proved of benefit to the Government and the visitor numerous times by reducing response time during search, and rescues, fires, law enforcement and other emergency incidents. Required occupancy has a cost, and it is the occupant who pays the price. As a Park Ranger in a required occupancy situation I have no say in the location or type of residence the NPS places me in. Nor do I have any opportunity to negotiate over rent or conditions under which I must live. And finally while being put in a situation where I have no opportunity to purchase a residence during my career I am denied the chance to develop equity in a house for my retirement years. I have presently paid over $60,000. for housing in my present house. That's $60,000 for the house, zero for the employee.

The residence that I live in a historic farm, built during the chestnut blight of the 1930's. My closest neighbor is approximately 1.5 miles away, grocery store and hospital facilities approximately 26 miles away. During the year prior to my occupancy of this structure both the residence and the out buildings were broken into and vandalized. The barns and outbuilding of the farm complex are used as a fire cache (house), maintenance storage, gas station and salt storage ares. Several times daily I have trucks and other vehicles driving through and gassing up at my residence. As a historic structure the building is in disrepair, it is rated by the NPS as "fair", lacks insulation (I pay for fuel oil), and does not meet many building codes. It is heavily infested with insects and rodents. All of these situation impact on me, but more importantly on my spouse and children. When I talked with my peers about coming to Washington to testify on this bill, several of them expressed sur-

prise, for each of them knows many other park residences which are in far worse condition than mine. Indeed, and unfortunately that is true. I have seen rangers living under these conditions. Several of them are in may home park, others are in other parks across the nation. Rangers living in trailers not fit from human occupancy. In structures that leak, are structurally unsound, contain safety hazards, and which in many areas would be judged uninhabitable. Yet they live in them. Yet they pay rent. These situations are combining to rip at the heart of the National Park Service, the morale, the esprit de corps and the professionalism of the National Park Ranger. I see it in the staff I supervise and in the new recruits we must hire to fill in behind the highly trained and committed rangers who leave the Service because of these conditions. We need help.

In the past few years the management of the National Park Service and Congress has made attempts to help remedy these housing problems. But the magnitude of the task is enormous, and these efforts while significant, fall far short of the solution. Your support is needed. The bill before you H.R. 2941, the "Housing Improvement Act or Land Management Agencies" will begin a process to deal with the inequities identified above. This bill is important to help maintain the health of the National Park Service. The Association of National Park Rangers, an organization representing 1600 rangers supports this legislation. Legislation that is critical to assuring that the U.S. National Park Service remains the world example that it has been since 1872.

I thank you for this opportunity to come before your and share with you conditions which significantly impact on my life, the lives of my coworkers, and my ability to do my job. A job which I and others are deeply committed to, protecting the incredible resources of this nation. A job which is dozen by the finest people in the world.

I would be pleased to answer any questions you may have, Thank you.

Mr. HANSEN. Thank you, Mr. Sullivan; appreciate your testimony. Mr. Hill.

STATEMENT OF MICHAEL HILL, ASSOCIATION OF NATIONAL PARK RANGERS

Mr. HILL. Mr. Chairman, thank you for the opportunity to testify here today. The Association of National Park Rangers has testified in the past two Congresses in favor of similar legislation. I am pleased to represent the officers and members of the Association who, again, voice their support of a bill that addresses the embarrassing housing situation in our National Parks, Forests, Reservations, and other public lands.

I am here on my own time and at my own expense as a representative of the Association of National Park Rangers. Our views have not been reviewed, approved, or disapproved by the National Park Service, the Department of the Interior, or the Office of Management and Budget.

Our Association was formed in 1977. It is a professional organization comprised of about 1,600 National Park Service rangers and other employees from all regions, salary grades, and specialties. ANPR is neither a union nor a bargaining unit, but rather a volunteer association formed to advance the ranger profession and support the National Park System and the National Park Service. We limit our activities to the presentation of factual, impartial, professional perspectives. As an association, we have been very concerned about the particular issue since our founding.

I have been a Park Ranger for almost 23 years now, Mr. Chairman, and I have been required to rent my home from the government for 18 of those years in six different parks. In previous hearings on this issue, a great fuss was made about the ranger living in a shipping container on San Miguel Island in Channel Islands

National Park. Well, I lived on San Miguel Island before the ranger-in-a-box days. In those days it was a tent.

Only three years ago, after 20 years of public service, my family and I finally began to purchase our first house and live the American dream. I will have the mortgage paid off when I am 75 years old. My personal situation is actually rather typical of that of the members of our Association. Mr. Sullivan has already spoken about some of the actual conditions that some of our members face, and we will be happy to answer questions on that.

Some of the factual information pertinent to this particular issue is startling; bathtubs and toilets suddenly disappearing through the floor while in use; employee-paid utility bills consuming two-thirds of a family's total housing budget; rent paid to the government eating over half of a family's monthly income; rats climbing into bed with babies. These occurrences are facts.

Now, we don't object to being required to rent our house from the government as a condition of employment. Sometimes there is simply nothing else available because the park itself is so far from town. Sometimes it is the best way to keep vandals and the ravages of time from destroying a building or an important event occurred or where historically important people lived or worked.

Often, the only way that rangers can be made available to find people who get lost, to keep them alive and deliver them to a hospital after an automobile accident, or put out fires in government or concession-owned buildings in the wee small hours is to have them living on-site.

In many places, we are the police, the fire department, and the paramedics all rolled into one. If somebody has a problem, we fix it. We don't have the people to provide 24-hour-a-day emergency coverage with on-duty people. But we do have a 24-hour-a-day responsibility to provide those services. Required occupancy is one tool to do that. It is in the public interest that we have people living in the parks for a variety of reasons.

But it is never in the public interest to order people to live in a building that is unsafe, that ruins the family's finances to heat or cool, or places dedicated, hard working American citizens in the awkward position of having to choose between paying exorbitant rents for marginal housing or turning their backs on public service in order to make enough money to put a decent roof over their families' heads.

We strongly support the passage of legislation that clearly establishes that providing employee housing is a necessary and important management tool for Federal land management agencies. We are pleased that H.R. 2941 recognizes that government housing is necessary in many locations for the effective management of public lands, and it is often critical in the recruitment and retention of qualified land management employees.

We also support passage of legislation that assures that the housing provided by these agencies is fair, safe, and adequate, and that the rental rates, including the cost of utilities, don't break the bank. We also support the passage of legislation that gives the Secretaries flexibilities that they don't currently have under the authorities that they have in order to try some different ways of providing this housing.

Mr. Chairman, the Association appreciates continuing interest of this committee on the issue of employee housing. We have tried to work on this for several years. We appreciate the committee's support, and the support of this committee is vital to our efforts to bring needed attention to the deplorable housing conditions facing many National Park Service employees. I would be pleased to answer any questions that the committee may have.

Mr. HANSEN. Thank you very much, Mr. Hill. Mr. Iobst.

STATEMENT OF STEVE IOBST, ASSOCIATION OF NATIONAL PARKS, MAINTENANCE EMPLOYEES

Mr. IOBST. Mr. Chairman, I appreciate the opportunity to be here today on my own time to present the position of the Association of National Park Maintenance Employees regarding H.R. 2941. The Association is made up of over 400 dues-paying maintenance employees and park managers throughout the National Park Service and has been in existence for six years.

I am currently the Acting Chief of the Facility Management Division for the National Park Service. In another six weeks, I will return to Rocky Mountain National Park in Colorado where, for the past seven years, I have been Chief of Facilities Management. One responsibility of mine is to manage the housing program at Rocky, including maintenance and repairs, rehabilitation, removal, new construction, and the administrative side as well. I had similar responsibilities for almost 10 years in Yellowstone National Park.

We commend the committee's effort to address employee housing issues which are complex, emotional, and have far-reaching consequences. We strongly support expanded authorities for the Secretaries of Interior and Agriculture. This statement deals specifically with housing of National Park Service employees.

A variety of solutions are needed because problems vary from park to park, and economics are different across the Service. The Service has made some progress through appropriated funds, a partnership with the National Park Foundation, as well as management techniques to address the housing problem. But more must be done.

The Association has several comments and suggestions that we feel will make the legislation more effective. I have been personally involved in three innovative approaches to housing solutions for Rocky Mountain National Park.

These included purchase of a private resort outside the park, a partnership with the Town of Estes Park, and a private developer proposal within the park working with Bank One. In all three cases, the National Park Service did not have the authority to move very far into these ventures or make commitments.

I would like to highlight a few of the Association's comments provided in our statement. We agree that the issue of salary as related to rents may not be what it once was. However, pay remains an issue for seasonal employees when faced with the availability and affordability of housing in many areas.

We agree that rent is based on averages and comparability. However, it is not related to the actual cost of providing and maintaining housing. We ask that the legislation authorize the Secretaries more flexibility to, one, set rents based on the actual cost of provid-

ing and maintaining housing; two, adjust base rents more frequently; three, not limit annual increases; four, continue to use survey information; but, five, allow rents to be capped on a percentage of one's income where applicable to avoid exorbitant rents.

The Association is encouraged by the language allowing the Secretary to make payments or contributions to reduce overall project costs when forming a partnership. Often, in forming a public-private partnership, we have learned that the success of that partnership can be directly tied to the ability of the National Park Service to be a contributing partner to show good faith and to assure the agency's concerns and requirements are adequately met.

In past attempts at ventures involving the private sector, involvement by other agencies—a local community or housing authority—would add strength and vitality to the venture.

The Association does not think it is necessary to legislate the requirements of Section 7, survey of existing facilities. The maintenance community in the National Park Service has been actively involved in assessing condition and needs, as well as providing significant documentation to develop a comprehensive housing improvement program.

Over the past three years, the National Park Service has made considerable progress to assist the agency's housing inventory, conditions, needs, and develop a logical approach to improving the availability and condition of employee housing.

Under Section 9, the authority for cooperative ventures for infrastructure, the Association is very supportive of the language in this section. We know that the National Park Service is continuously looking for opportunities beyond its boundaries to regionalize utility systems, develop cooperative maintenance programs, and join forces with other public works entities.

We would like to see this section expanded to include the authority for cooperative ventures for infrastructure serving any National Park Service facilities, as well as the provision of housing units.

The Association would like to suggest the following additions to this important legislation. Number one, we recommend that the Secretary be authorized to provide transportation for employees between their duty station and communities outside the parks. Employees must, of course, cover the cost of this service.

We recommend that the Secretary be authorized to study the feasibility of providing housing allotments to help with the cost of housing where the local market cost is too high. Reducing the need to upgrade or construct government housing—if I could have just a few more——

Mr. HANSEN. Go ahead. Finish your statement.

Mr. IOBST. This concept would also be utilized to assist employees that would like to enter the private housing market. This study would also evaluate a program that would allow employees to set aside a portion of their rent payment into a program similar to the thrift savings plan to, in essence, build equity.

In closing, the Association of National Park Maintenance Employees is encouraged by the committee's efforts to improve the National Park Service's ability to address employee housing. The need is urgent, and we ask that you act quickly. The Association is ready and able to work with the committee and the National Park

Service to assure that new and innovative approaches are available to address the housing needs of the agency. The Association would like to thank the Chairman and the members of the committee and the committee staff for the opportunity to appear here today. Thank you.

[Prepared statement of Mr. Iobst may be found at the end of hearing.]

Mr. HANSEN. Thank you, Mr. Iobst. We appreciate the testimony. If you would all stay right where you are, we have been joined by our good friend from Colorado, Mr. Hefley, who is the chief sponsor of this piece of legislation. And I would like to turn to him for any opening statement he may have at this time.

STATEMENT OF HON. JOEL HEFLEY, A U.S. REPRESENTATIVE FROM COLORADO

Mr. HEFLEY. Mr. Chairman, I do have an opening statement I think, and rather than give the opening statement now, we have the witnesses here. I would like for it to be included in the record. Let me just say I apologize first of all for being a little late in getting here and am glad you went ahead and began. I appreciate very much you going ahead and having these hearings.

Our desire is to try to help you with what evidently, from what these witnesses have said and what we have learned, is a very real problem. And we don't have any magic about how the best way to help you is. We want to work with you to work this out. I appreciate some excellent suggestions that have just been made by this panel.

It seemed to me there was one theme that ran through the panel and that was the need for flexibility, that you need—that one answer doesn't necessarily do it in all your locations, that you need transportation from the community. In some places, you need help within the park, and other places, that privatization might work somewhere else. And we want to incorporate the suggestions that have been made as we try to work on this legislation.

So what you see before you in this particular piece of legislation is not a finished product. It is a work in progress, and you are contributing greatly to that work. Maybe we can actually come up with some things that will be helpful to you. We certainly don't want to add to your burden. You have got enough problems in this area as it is. So with that, Mr. Chairman, I think I would suspend now, and we will go ahead with the witnesses.

[Prepared statement of Hon. Joel Hefley follows:]

STATEMENT OF HON. JOEL HEFLEY, A U.S. REPRESENTATIVE FROM COLORADO

Mr. HEFLEY. Mr. Chairman, I'm pleased that you've chosen to schedule a hearing on my parks housing bill so early in this legislative session. This has been a longtime problem of the Park Service and, I hope, we'll be able to come up with a formula to bring about some short-term solution.

As I said, this problem is not new. Twice, this subcommittee has asked the General Accounting Office to evaluate Park Service housing needs and twice, the GAO has found that more specific evaluations were needed from the Park Service. Further, the GAO suggested that the Park Service consider re-evaluating its management policies to address this need. Today, we will examine the steps the Park Service and other land management agencies have taken to address these needs.

In its two reports, the GAO found that approximately 60 percent of the Park Service's housing stock was in poor to fair condition. Of that, 15 percent, or over 600 units, were considered to be in poor shape. The Park Service has claimed $546 mil-

lion will be needed to upgrade employee housing, a figure the GAO says it cannot verify. Nevertheless, since 1989 the Congress has appropriated approximately $70 million to address NPS housing needs.

Today's hearing begins an attempt to find answers to these questions and solutions to the housing problem. We will also hear from representatives of other Land Management Agencies and some private groups about their efforts to address housing needs in a time of budget constraint. Several of these, I'm proud to say, have strong ties to may home State of Colorado.

Mr. Chairman, last year in the National Security Committee, we came up with a plan to upgrade the housing of military personnel around the world. Providing our personnel with proper housing gave me as much satisfaction as any debate we've had over grand defense strategy. Because we'll be able to see the results of that work in the faces of the people who live in that housing and, I believe, we'll see even better performance from personnel who are well housed.

Things should be the same for our Land Management employees. We cannot expect morale to be high in any agency that houses its employees in what NPS Director Roger Kennedy calls "third-world conditions." Nor can we expect new recruits to be attracted by the prospect of living in such housing.

Make no mistake, solving these problems will be no easy task. It is unlikely the Land management Agencies are going to see increased appropriations for anything in the near future, even for employee housing. We dealt with that in National Security by finding ways to attract private investment in such housing through loan guarantees and other incentives. We might look at something similar here.

We must also consider that the economies of scale are vastly different between the Department of Defense and the Land Management Agencies. We may have to consider changes in the ways we have approached employee housing.

Today's hearing begins an exploration as much as a solution. But clearly, this is an issue we should address and the bill before us today is a starting pint. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. The gentleman from New Mexico.

STATEMENT OF HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM NEW MEXICO

Mr. RICHARDSON. Mr. Chairman, employee housing is an important issue. The provisions of H.R. 2941 apply to all Federal land management agencies. Even though that is the case, most of the attention in both the Congress and the press on the issue of employee housing is centered on the National Park Service. This isn't surprising since the National Park Service has the largest housing inventory of any Federal agency, and more park employees are required to live in government housing than any other agency.

We have all seen examples of the deplorable employee housing. I have seen it. We know problems exist. What we lack are accurate assessments of each agency's housing needs, as well as concrete plans to address those needs. If we are to properly address this issue, I think the Congress needs an accurate assessment of employee housing requirements, the costs associated with those requirements, and a viable working plan to address housing needs.

I want to express my strong support to the field employees of our land management agencies who have had to live in rundown housing. While there is a valid need for employee housing that should be provided, such housing should be well maintained, safe, and affordable for these employees.

I think this bill, Mr. Chairman, is a good start. It adequately addresses the employee housing issue. We have to do it right. I thank you for holding this hearing.

Mr. HANSEN. Thank you. It has been interesting to hear your testimony regarding this. You know, in this business, sometimes we come up with a one-size-fits-all piece of legislation. We make more

problems than it is worth. So we kind of have to be very careful. And on occasion we will put something in, and someone reads it wrong, and all of a sudden we spend all our time trying to straighten up what really was in a piece of legislation. So we want to be very careful.

And, frankly, I would like to avoid legislation and let the thing work on its own. But I kind of get the impression from you three gentlemen that you basically agree with the bill, and as the gentleman from Colorado pointed out, there is nothing really sacred in here. We will switch it around any way that makes the thing work, and it is a working document that we will try to come up with.

Am I reading this right, that you are actually to the point that you feel it is time for Congress to move in and make some legislative changes? Or do you think this can be done administratively? Do one of you want to respond to that? Mr. Hill? Whoever? Just grab the mike and talk.

Mr. HILL. Mr. Chairman, we feel that legislation is appropriate because there are authorities that could be used if the Secretaries had them that would help to fix some of this stuff. There are also some, you know, fundamental questions about exactly how do we go about paying for the upkeep of these houses.

Some of the housing stock that we have in the National Park Service was designed and built to be houses. Others of the housing stock are historic structures that are historic for a variety of reasons. We got people that are required to live in lockkeeper's houses—well, I guess they were until the flood came by.

But, you know, we have got people that are living in historic structures that were never designed or intended to be houses, and yet we are having them live there. That is okay except the utility bill for some of these houses gets pretty big real quick because they are not insulated.

So right now the agency itself doesn't have the authority to make those kinds of adjustments to the level that it needs to be, and we think legislation could sure help out there.

Mr. HANSEN. Mr. Iobst.

Mr. IOBST. I would like to add to that, that I believe that having authorities legislated is important based on my familiarity with projects we have tried in Rocky Mountain National Park, as well as being involved in the Park Service's housing initiative the last few years. We have tried a variety of things to look at innovative solutions to involve the private sector.

And like I said earlier in my statement, we keep bumping up against not having the legislative authority to do some of those things. And in some cases, we have found a willing partner, but we cannot enter into an agreement because we do not have the authorities that are in this bill.

Mr. HANSEN. Mr. Sullivan, would you like to respond?

Mr. SULLIVAN. Yes. I concur with those statements. We seem to run into walls. Throughout the Park Service, there is an agreement to try to make improvements here, but we seem to continually run into walls. One of the issues that I see frequently and Mr. Hill addressed this is in the area of required occupancy where someone has been in required occupancy for almost their entire career.

They get to the point where they are ready to retire, and they have had no opportunity to develop any equity in any type of structure, and as a result, their entire retirement is forced to go into some sort of housing issues. And that is really prohibited by the existing legislation. I think there is some room there with some legislative changes to make some improvements in that area.

Mr. HANSEN. Well, we will look to you gentlemen to supply us with some of the things that you have given us in your testimony. A lot of them make a lot of sense to me. Do you see anybody out there that just wants to make political hay on this, or is this going to be a dedicated, honest effort to do something right without someone trying to further their political position?

Mr. IOBST. I think that it is something that is really needed for the National Park Service, and it is going to help us progress with a tremendous backlog of needs related to housing. I don't see this as something that has been politicized at all.

Mr. HANSEN. Well, as I stated in my opening comment, if we kind of refine this thing and get it moving, we want to be marking it up and go, and we would appreciate hearing from you. And I would appreciate hearing from members of the personnel of the Park Service, Forest Service and BLM, where we are putting this housing who would be supportive of the issue. And if they have anything that they want to add, this is a very open committee. We are more than willing to have people give us their input.

And I want to thank all three of you for taking the time on your own nickel to come here and the leave that you had to take for this. It is very kind of you, and also we respect that and appreciate it. So we will excuse you and move to the next panel.

Mr. RICHARDSON. Mr. Chairman?

Mr. HANSEN. Oh, excuse me. Mr. Richardson, do you have any questions further on this? If you would please take the floor.

Mr. RICHARDSON. Mr. Chairman, I just have one question because I won't be able to stay throughout Mr. Kennedy's testimony, and his testimony I would consider very valuable. If there is an endless pot of money and you had a choice between improving existing housing and giving park employees, say, or BLM employees a housing allowance, which would it be? Maybe if you could really rapidly answer that question. Don't say a case-by-case basis. Just tell me if you had priorities to make, what would you do?

Mr. HILL. You couldn't solve the problem with an either/or situation, sir. I mean, that is the answer. The honest answer is that you couldn't fix it all with allowances because some places there are no houses to rent on the private market. In other cases, we are putting some money in houses that we probably ought to be tearing down, but we are stuck with them right now. So I think——

Mr. IOBST. Yes. I would agree with Mike that there are places where there isn't anything affordable, there is not anything available in a private housing market adjacent to the park.

But in a lot of cases, I do know that park employees would appreciate the opportunity to have an allotment to allow them to enter the private housing market. That would, in turn, allow the Service to reduce its investment in infrastructure and long term maintenance needs in some instances.

Mr. HANSEN. Well, it is certainly not an either/or, is it? I mean, in some particular instances you find a place where it is just out of necessity to have a housing allowance; in other places out of necessity to fix the place up if I am reading that right. I mean, as I look at our park units, it would just seem that they don't all fit the one criteria or the other.

Mr. HILL. I think the issue, sir, is that our folks don't mind living in required occupancy for the good of the visitor and for the good of the park. But if they are forced to live there, they would like to have a decent place to live. And everybody else I think, given the option, would just as soon be building equity rather than paying rent.

Mr. HANSEN. Yes. I mean, what good is a housing allowance if you are 400 miles from the nearest place to use it?

Mr. HILL. Right.

Mr. IOBST. It is a mix, sir.

Mr. HANSEN. Well, thank you so very much. You have been very informative, and we are very much appreciate you being here. Thank you very much. We will now turn to our second panel. Mr. Roger Kennedy, Director of the National Park Service, and Mr. Mark Reimers, Deputy Chief of the Forest Service, would you please come up? Mr. Kennedy, it is always an honor to have you in front of us, sir.

Mr. KENNEDY. Thank you, sir.

Mr. HANSEN. Mr. Reimers, we appreciate you being with us again. Mr. Reimers has been in front of the committee a lot lately, and we appreciate him being here. Mr. Kennedy and Mr. Reimers, how much time do you need?

Mr. KENNEDY. Five for me I think. I would like to do two things, Mr. Chairman, if I may. I would like to give you my quick testimony, and then I think there are some numbers as to us and the other agencies. That may take another two minutes maybe but comparisons of numbers of people, numbers of units, and stuff that ought to go in the record.

Mr. HANSEN. Let us give you both seven minutes then. Would that be all right?

Mr. KENNEDY. Sure.

Mr. HANSEN. Then you would have ample time. If the red light goes on, we are not going to throw anything at you. You know that. We always appreciate having you with us, and so, Mr. Kennedy, we will turn the floor to you, sir.

STATEMENT OF ROGER KENNEDY, DIRECTOR, NATIONAL PARK SERVICE

Mr. KENNEDY. I am required to read to you the following sentence which says, "The Administration has not had time to complete its interagency consultation on this wide-ranging legislation. We will gladly provide legislative reports stating our position on the bill as soon as we have completed this interagency review." I would now like to testify on my own if I may, Mr. Chairman.

I would like to offer to you and to Mr. Hefley and potentially Mr. Richardson my thanks for what seems to me to be a very fine piece of legislation, absolutely headed in the right direction with the right intentions.

I further would like to thank you, Mr. Chairman, for your collateral endeavors in H.R. 2067 which, under the general cover of minor boundary adjustments, gives us more flexibility in some adjacent activity that will help housing as well. These are both very fine undertakings.

In particular, I want to associate my views with those of my colleagues that have just testified to you. Mr. Iobst, in particular, referred to Section 7 and Section 9 in ways with which I wholly concur. I would like to go, if I may, quickly through those areas in which I would like to just add a little stress.

But, in general, my testimony is we think this is the way to go. This is the time to do this on a bipartisan basis, and I hope you will move it ahead as rapidly as you can. I want to thank you and Mr. Hefley and Mr. Richardson for undertaking this process right now. We need it.

We need the flexibility to do things in association with private parties in ways that have been rendered difficult, as Mr. Iobst and others have testified, by the existing state of legislation. It is not primarily a money matter at the initiation. It is a matter of getting partners to do things they can do on a profitable basis so we can get on with this.

There are two or three pages in here of the finest kind of interagency prose in my prepared testimony which I would like to submit for the record. But I would like to stress that I do not personally feel that we need a whole lot more study with regard to the necessities for cooperative agreements and the other provisions that are in this bill that we have talked to this committee about many times before.

We know quite a lot about that. Maybe we need to study it in another 15 or 20 minutes, but we have spent a lot of time studying. It is time to get on with those things so the Secretary and the Director and others have got the flexibility to move.

With respect as well to flexibility, we do, of course, have some specific suggestions which are in my prepared testimony about adjustments in the bill where we think it gets down to providing too little flexibility, and those are at the back end of my provided testimony.

In general, the difficulty for our folks is at once the provision of additional money to care for those properties lying within the parks where people do have to be to protect the parks and the people who come there. But we must move as quickly as we can to place housing outside of parks and not just for our own employees, for other people's employees who have got to be there to do the work in the parks in many cases on a seasonal basis, which is of enormous importance to the proper care of those parks.

Years ago, we concluded that we needed partners in operating parks, sometimes called concessionaires, sometimes called cooperating association. Those folks have employees too, and the way to handle their needs, as our needs, are in adjacent communities. And some of the provisions of this bill will make—and the other bill to which I referred—will make that more likely to happen.

And it will mean that people have got a place to go that they can afford because it is built by other parties. We need the opportunity to commit to occupy over extended periods, thereby providing a

stream of revenue which any developer will need to do that kind of work.

In general, our comments as to tinkers and adjustments are in my formal testimony. I do want to echo Mr. Iobst's comments with respect to another big study. That is Section 7. I know that thanks to the Bureau of Indian Affairs' own endeavors to get a handle on their needs, we are in the process finally of the development through their private contractor.

They have tested and found and has now gone through 95 percent of their needs. The BIA has taught us some things about the proper and effective way of assessing location by location the real needs. That is underway anyway. I don't think you need to legislate it.

I think, Mr. Chairman, that concludes my summary. I am offering you an enthusiastic endorsement for this process. I hope it can move forward on a bipartisan basis. We need greater flexibility. Of course we need more money too, but let us start with the flexibility and get on with that.

Now, if I may, I would like to offer you just some comparative numbers with regard to what we and the other agencies have and need, and I think I can do this fairly rapidly if I am lucky. With regard to the National Park Service, we have about 22,000 employees full-time or part-time. We have about 1,800 of them that are in required occupancy out of a total of about 5,100 total units of housing.

Our circumstances are very, very different from the other agencies, and they are as follows: in the Bureau of Reclamation, there are 865 residences owned. The number of required occupancy is too small to reckon. In the Forest Service, there are 5,170 housing units of which 75 are required out of a total number of employees of about 40,000—very different proportions.

In the case of the BIA, there are about 4,000 housing units of which about one-quarter, 1,200, are required out of a total number of employees of 16,600. In the case of the BLM, there are 250 units, and this I think is a significant point, only four of those are required because they have an entirely different kind of operation out of a total number of 8,800 employees.

And with the Fish and Wildlife Service, there are a total number of FDEs of 3,220. Total number of units 769—I am sorry. It has been strongly suggested by my staff that I referred to FDEs. How many bodies then? Between 20 and 22,000 depending on how many seasonal you have got working in any particular year. OK. That is for us.

Fish and Wildlife Service, 3,220 FDEs. We all know that is not a body count. That is a full-time equivalent count. That is as close as you can get. 769 total housing units of which about half, 365, are required occupancy—just so that the difference among these agencies is clear.

We have got a lot of people as the BIA does of people that have got to be on the scene; in their case largely for health and other—and educational purposes; in our case because we have to preserve and protect and take care of the people who get there. Thank you, Mr. Chairman.

[Prepared statement of Mr. Kennedy may be found at the end of hearing.]

Mr. HANSEN. Thank you, Mr. Director; appreciate it. Mr. Reimers.

STATEMENT OF MARK REIMERS, DEPUTY CHIEF, FOREST SERVICE

Mr. REIMERS. Yes. Mr. Chairman, Mr. Hefley, Mr. Richardson, pleasure to be here with you today and talk about this legislation. I do have with me Kathleen Connelly, the Deputy for Administration, as well as somebody both from engineering and property management if we get into detailed questions.

One of the points I would like to make is that there are some distinctions between the Park Service and the Forest Service with regard to the need. When you look at our testimony, you will see that we raise a number of questions. And I would like to try to sort of point that out as Mr. Kennedy did.

At most of our locations, housing is predominantly provided by the private sector, and our employees live in local communities. And it is not hard for any of you to picture the National Forest System and to remember the green land with a lot of white lands within the boundary. And so typically our people live in the communities. As was mentioned by Mr. Kennedy, we almost never require somebody to live in housing. There are some major differences.

As you are aware, the Park Service has to deal with exclusive jurisdiction with regard to law enforcement. We primarily depend on local authorities for law enforcement so we don't have that kind of requirement. So if you looked across the National Forest System, you would see us predominantly in the communities.

I think in most cases rangers on our districts would not be living in the ranger houses anymore but are actually in the communities. That is their preference quite often because of the proximity to schools, to hospitals, and other circumstances.

So I think there is a significant difference between the situation of the Forest Service with regard to the needs of housing and the Park Service. And even though our testimony raises a number of concerns, we try to clearly point out that we were not trying to judge the Park Service need, but rather what are the opportunities and needs of the Forest Service and their employees.

I have lived in housing on the National Forest System in at least three circumstances. I do recall some of it not being of the most expensive nature, and I can remember other that was quite adequate. And so I think there are some significant differences, and those were pointed out in the GAO report of 1994 between the agencies and their needs.

From our own standpoint, the provision in Section 3 and later the definition that relates to that reasonable value, we have been able to operate under the OMB circular that deals with rental and construction of government quarters and feel that has basically worked well for us. The money that we collect goes into a fund, and we are able to reuse that. That amounts to between 6 and $7 million a year that we collect in rentals, and all that money goes back to the maintaining of those quarters.

Now, you will see in my testimony that we do have a backlog of maintenance of $159 million, and so there is a dilemma. Much of the housing that we have was constructed in the 30's and 40's. Most of you have passed the old ranger station dwellings. They were all painted the same color in the West so you always could pick them out. In many cases, those are no longer used by the ranger, but they are used by other employees.

But there is a backlog of maintenance that ties to many of the new laws such as accessibility for people with maybe a disability, the question of energy retrofitting—the problem that was pointed out by previous witnesses of the fact that we didn't insulate and do some of the other things. We have dwellings that need that work.

We have also had to deal with asbestos. So we do have a backlog of maintenance to deal with. But we are not seeking really to expand our role in providing housing. We are continuing to try to depend on people getting housing in the communities where they live. Largely, I think that is accessible.

Clearly, we have circumstances where we have particularly gone to build bunkhouses. If you looked in our 86'—I mean, our 96' appropriations, you would see that the specific things we have needed to do is build some bunkhouses in remote locations for crew. So that is sort of a background of a picture.

When you look at Section 4, the joint public-private sector housing, we raise some concerns there with the concept of a long-term lease. As we try to work through the problems in these communities, generally we would rather see that the housing would actually be built on private land which is normally available in most of these communities, and then people would—you know, it would be built in the private sector. Our people would compete in the community for that housing so we don't really see a need for that kind of authority.

We have some of the same questions with Section 5 in the question of a joint employee-agency housing program. Again, most of our people are getting their housing in the private sector. If they choose to buy a home, they do that, and then we do have authority to help with relocation. Most of our employees actually do—are mobile. After a period of time, they move to another area. And so the relocation helps out that problem of investing and moving ahead.

With regard to the leasing of seasonal quarters, we have some concerns with what we conceive of as moving more into the housing business for the Forest Service which we are not anxious to do. Now, as Mr. Hefley is probably aware, we are doing an intensive study in Vail, Colorado involving all of the Federal partners—ourselves, the community government, HUD, the Governor's Office.

We are trying to look through there and determine, you know, what are the needs for that community, how should all of the Federal agencies interact in order to meet that need, and how to proceed.

Now, we have the authority to do most of what we see at this point as required with regard to dealing with that pilot study. We may learn from it that we lack an authority, but at this point in time, we think we have the authority to move it. But we want to do it in conjunction with the city fathers in Vail.

We want to have agreement if there is a need for low income or mid-income housing that it is done in the community context, and we work it through that way. We agree with the previous witness that Section 7—we don't need any more surveys with regard to the kind of housing we have or where it is located.

So I guess in conclusion, another suggestion was made of the possibility of studying a housing allowance. We would be open to that kind of study to see if there is a mechanism that would be helpful.

Generally, we see at this point in time for the Forest Service that under existing authorities and based on the land pattern that we have and the availability of private land and private housing that we can deal with most of our dilemmas. We do have a backlog of maintenance that needs to be addressed.

We sometimes have a very specific problem in very remote locations, but a number of the authorities in this bill, it would be hard to imagine how you would ever encourage a private investor into some of our most difficult circumstances, say, in Alaska. The only alternative we think sometimes in a very remote location is, in fact, for the Federal Government to build the housing. We do get some construction dollars, some maintenance dollars in our budget to do that.

So that concludes my testimony. We want to work with the committee though. If you continue to have this authority to apply to us that we work it through so that we have the discretion to do what makes sense as opposed to any kind of a requirement that would require us to move in a particular direction. Thank you very much.

[Prepared Statement of Mr. Mark Reimers may be found at the end of hearing.]

Mr. HANSEN. Thank you, Mr. Reimers. Mr. Hefley.

Mr. HEFLEY. Thank you very much, and, again, Mr. Chairman, I think the testimony has been excellent with these two panelists. Let me—Mr. Reimers first. I think you bring up Vail, and I think that is a good example of one size not fitting all.

In the Vail valley there, there is no medium or low income housing, and I would think your rangers would have a great deal of difficulty there. So I have been pleased that you are doing that study. And as I understand it, you have no kind of housing allowance now, do you?

Mr. REIMERS. That is correct, we don't.

Mr. HEFLEY. Roger, I can't tell you what a pleasure it is for you and I to be on the same side of an issue, but even at that, I don't think we have been very far apart in the past.

Mr. KENNEDY. No, sir. I don't find this unusual but keep going.

Mr. HEFLEY. I think we have got one little problem we need to sit down still, and I think maybe now is the time to do it and work on. But this I think is something we can both wholeheartedly try to work on to deal with. The Forest Service testified that most of their folks are in the community, and, in reality, most of your folks are in the community as well.

Mr. KENNEDY. Sure.

Mr. HEFLEY. And I would think—I know for many of those communities, particularly around Rocky Mountain, Grand Lake, and

Estes and so forth, they love it for your folks to be in the community. They have become an integral part of the community, and they are proud of you. Is there a policy within the Service to try to keep as many of them in a community as you actually can?

Mr. KENNEDY. Sure. But as you suggested a minute ago, what is true of Vail is true of Estes Park. That is a pretty tough place for some people that are not making a lot of money to get on with a decent life and decent housing. And it is exactly those circumstances which are the biggest problem.

Well, of course, we want them to live in the community. Some people come seasonally. It is very tough to get seasonal quarters. We need to get on with this and do that on an economically sound basis. That is why we think this is a good way to go.

Mr. HEFLEY. You know, Mr. Hansen and I are on the National Security Committee and worked last year to develop the privatization housing for the military. And one of the things that we have struggled with is that we are dealing with a very different scale.

Mr. Reimers mentioned in Alaska. Well, you know, you have a few housing units up there hard to attract. With a military base, you might have a few hundred. Does the difference in scale preclude us from getting private——

Mr. KENNEDY. No, it really does not. What we have got going now in the first place is a real consensus based on an awful lot of testimony that we got to get on with this and free us up to make arrangements with the private sector. That is the first thing. That is an important change. There is just no difference about that so far as I can tell.

Secondly, we have a reanimated National Park Foundation which is in a position now to take some leadership to make arrangements, not just to find the money, but to find the partners and get on with it in a businesslike way. We had a meeting the other day in Boulder about private—in Denver it was with a whole range of private folks to move on this.

Now, we find that we encounter the aforesaid impediments to get on with it in a businesslike way, which you are in the process of trying to get out of the way for us. The presence of a business-based enterprise which has common purposes with us—that is, the National Park Foundation—is a great blessing in this picture. It is a relatively new entry in solving this process. So between us and you and the Foundation, I think we can move on this now.

Mr. HEFLEY. Well, Roger, would you—you know, you don't have to go through it in detail today, but we keep hearing about these regulatory structures that limit what you can do. Would you go over your situation——

Mr. KENNEDY. Sure.

Mr. HEFLEY [continuing]. and share with us before we take this to a vote in committee which one of those do we need to make doggone sure that we get rid of or change so that you can——

Mr. KENNEDY. The Foundation itself needs a little more flexibility. I think we have legislation up for you and Mr. Hansen. I can't remember the precise provisions in the minor boundary adjustments bill that are collateral to this bill, but they need to go forward also. And we will seek to sharpen up the prepared testimony

so that it is a little more specific with regard to what we need to get changed now.

I think that in the course of getting this prepared testimony up to you, we were a little less vigorous in our support of some of the provisions of the bill that are specifically responsive to the point you are raising. And we can do that in the next week or so to get on with this.

Mr. HEFLEY. That would be great because if we don't do this right the first time——

Mr. KENNEDY. Yes. Absolutely.

Mr. HEFLEY. You know, the conclusion that I have come to in trying to deal with this is that while the scale isn't the same as with the Defense Department, the bottom line is the same.

Mr. KENNEDY. Sure.

Mr. HEFLEY. And the bottom line is that we can't get there from here with appropriated funds and our old ways of doing things. We have to be innovative if we are to solve these problems.

Mr. KENNEDY. Absolutely. And the scale is big enough, Mr. Hefley. If we pull together—boxcar the Park Service's requirements alone, let alone what we can boxcar in from others, it is a familiar device in the financing of housing, that we pull a lot of units having comparable characteristics into common securities that are then put on a market which can receive those aggregates. That is the basis for a lot of other housing legislation. We just need to apply those principles in a businesslike way to our needs. The volume is big enough.

Mr. HEFLEY. Super. Thank you, Mr. Kennedy.

Mr. HANSEN. Thank you, Mr. Hefley. Let me just in generalities go over a few things if I could. You both kind of proposed or quoted OMB policy as a reason to oppose those elements in the bill which provide for special consideration to your employees in terms of housing.

I think Mr. Hefley, who Chairs the Committee on Military Construction, has a huge problem over there that he is constantly wrestling with. And to a certain extent, we do give special consideration to the military constantly. I don't know how else you could do it.

Somebody is on ADAC and somebody else is in some wild spot. Well, there is some comparability here. You say we would like to live in the cities. How do you do that for Bryce Canyon?

Mr. KENNEDY. You don't. You are entirely right, Mr. Hansen.

Mr. HANSEN. They have got to drive all the way to Panguitch if they could find anything, and I doubt that they could. How do they do it in some of these other areas? So I almost think there isn't a one-size-fits-all. I think you have got to have some flexibility. Maybe I am wrong on this thing. Maybe Forest Service is a little different. I agree with Mr. Reimers that basically they can live in cities.

I look at the Jim Bridger National Forest. I look at up around Kemmerer, up around Sweetwater County and those areas. I wonder how those guys do it in some of those areas. Boy, they got a long way to go if they are going to take care of the responsibilities of a forest ranger. So I——

Mr. KENNEDY. Mr. Hansen, I think my colleague from the Forest Service was referring to communities, but he didn't necessarily mean big towns I think.

Mr. HANSEN. Well, coming from a little town myself, I get nervous when they get over 600 people in a town so I can well understand what that is like. My little town has gone from—when I was on the city council years ago—1,600 to 12,000. I am seriously thinking of moving to Cokeville, Wyoming, but I don't think Barbara Cubin would appreciate it.

Anyway, when you speak for the Interior Department, obviously, the greatest need is with the National Park Service, but you are here speaking for the Interior Department basically, Mr. Kennedy.

Mr. KENNEDY. I am, sir.

Mr. HANSEN. What is the need for other Interior—BLM, people like that, Reclamation folks? You gave us some statistics which I appreciate, but they are relatively minor compared to your agency, aren't they?

Mr. KENNEDY. Yes.

Mr. HANSEN. And the BIA. You know, those folks—there are a lot of reservations around. I would be curious to know where we are coming from.

Mr. KENNEDY. Sure. These folks that are here to do that if you want them to are Kenneth Brenneman from the Fish and Wildlife Service, Allen Naranko of the BIA, Bruce Brown of the Bureau of Reclamation, and Lew Klinge of the BLM. They are here. Would you like to hear from them?

Mr. HANSEN. Well, your testimony has that in it, and I am sure they have written testimony. Is that correct, if I may ask? Can they give us testimony regarding—can you supply us with testimony regarding these issues or would you please?

Mr. KENNEDY. Could we go a little bit informal at this point, Mr. Hansen, and ask them if they would like to supplement what I had to say that is already out?

Mr. HANSEN. Fine. Bring them up.

Mr. KENNEDY. Is that OK?

Mr. HANSEN. Give us a brief supplement. Just come up to that mike by Mr. Kennedy. State your name, who you represent, and give us a quick response to my question if you would.

STATEMENT OF LEW KLINGE, BUREAN OF LAND MANAGEMENT

Mr. KLINGE. I am Lew Klinge with the Bureau of Land Management, and I don't have any formally prepared testimony, but I do have a few facts and figures if you would be interested in it. BLM manages a great deal of land in the West, and out of our 11,000 employees, at peak season, which includes probably 3,000 seasonals, we have about 253 housing units. 153 of those units are dorm rooms, 41 houses, about 14 duplexes, a couple of cabins, a few trailer pads. We consider ourselves to be the landlord of last resort; have as few units as possible.

Most of our units house seasonal firefighters. So we are not a big player in this game, but we do have some employees—I think four—we have four of our units are required occupancy mostly for security and to deter vandalism.

And these people do face a lot of the problems that were discussed earlier here with having to pay fairly large rents for housing that is not anything that you or I would live in if we had a choice. I don't know what else I would say exactly.

Mr. KENNEDY. That is fine.

Mr. HANSEN. Do you have anybody who actually lives in an area that they can't be in a city regardless of the size?

Mr. KLINGE. We have got people——

Mr. HANSEN. Can you give me an example?

Mr. KLINGE. Some extremely remote areas of Alaska that, you know, they are a little more than cabins. I do think at this point all of our facilities have got indoor plumbing, but they are extremely remote, and there just is no other housing available.

Mr. HANSEN. But it is really infinitesimal compared to Mr. Kennedy and Mr. Reimers?

Mr. KLINGE. Yes, yes, absolutely.

Mr. HANSEN. Appreciate that. What about BIA? Are they here?

STATEMENT OF ALLEN NARANKO, BUREAN OF INDIAN AFFAIRS

Mr. NARANKO. Good morning. My name is Allen Naranko. I represent the Bureau of Indian Affairs. Currently, we are pleased to announce that we are completing our housing study for employee housing. We have basically looked at about 90 percent of the housing stock for the Bureau of Indian Affairs, and upon completion of it, we will have some very, very good statistical information about the housing conditions of the Bureau of Indian Affairs and the methodology of feasibility in order to rehab, replace, or do whatever we need to address housing needs within the Bureau of Indian Affairs.

Mr. HANSEN. Don't you have agents that are on reservations?

Mr. NARANKO. The people that we are housing predominantly are schoolteachers, law enforcement people; very isolated locations as you well know.

Mr. HANSEN. I see. I appreciate that. Bureau of Reclamation—do we have anybody to respond on that?

STATEMENT OF BRUCE BROWN, BUREAN OF RECLAMATION

Mr. BROWN. Thank you, Mr. Chairman. My name is Bruce Brown. While the Bureau of Reclamation owns about 868 housing units, most of those are from regional construction camps, and actually our need is probably the reverse of what the current trend is. We need to be able to dispose of a lot of those.

Most of the 165 employees that we have living now are living in things like locktender's quarters, but for the most part, they are not required. We can probably—there is adequate housing in the local communities.

Mr. HANSEN. All right. That has been very informative. I appreciate that. If you want to give us additional information regarding any of those, please feel free to do it. We would appreciate it. I guess we really have no further questions for this panel.

We do appreciate all of the testimony, and you folks who in an impromptu way had to stand up, we really appreciate you being

here with us. We want to move ahead with this legislation, but we want to make sure we are on solid ground before we do it.

Our last panel is Mr. Herb Cooper-Levy, Executive Director, National Association of Housing Cooperatives; Mr. Jack A. MacAllister, Chairman Emeritus, U.S. West, Incorporated. If these gentlemen would come up? Thank you, gentlemen, for being with us. Five minutes—do you need more? Five, OK. Christina will turn it on. Is that right? Is it Cooper-Levy? Am I pronouncing that correctly?

Mr. COOPER-LEVY. That is correct, sir.

Mr. HANSEN. Thank you both for being with us. We will turn to you, Mr. Cooper-Levy. You will be first.

STATEMENT OF HERB COOPER-LEVY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF HOUSING COOPERATIVES

Mr. COOPER-LEVY. I am the Executive Director of the National Association of Housing Cooperatives. The word cooperative is used in this piece of legislation in three different ways. What I am here to talk about principally is the way it is used in Section 4 which is as a private business. Cooperatives exist in the United States. There are 45,000 of them. 100 million Americans belong to them. Credit unions, rural electrics, rural telephones are all cooperatives.

Housing cooperatives exist in 30 states providing over 1 million units of housing. They are a flexible solution to the problem of providing housing—a private market solution—that can be used to solve—one solution that can be used to solve the problem before you.

Housing cooperatives are the most successful form of housing that the U.S. Government has ever been involved with. The Federal Housing Administration's programs are so successful that the mortgage insurance premiums that were collected for the FHA–213 program were entirely returned to the cooperatives that paid them.

Housing cooperatives are a corporate form of home ownership. It is a way in which using the authority that has been suggested in this legislation, that of a long-term land lease, that the pad underneath the house could be leased by the housing cooperative corporation, along with any improvement as necessary, to provide for improvement of that housing, to provide for construction of additional housing, and to in the process provide equity to the employees who earlier testified that they would like to acquire equity.

Housing cooperatives exist both as concentrated developments and scattered developments. Concentrated—most of us have seen reference to co-ops in New York City. Well over half of the cooperatives in the United States are in the New York City metropolitan area.

But there are National Housing Cooperatives as well. The most successful one is Cooperative Services, Incorporated. It has over 10,000 units serving elderly families in Maryland, Michigan, Massachusetts, and California.

Our organization has worked with both the U.S. Army and the U.S. Navy to design housing cooperative programs for their personnel, senior enlisted, junior officer personnel who cannot afford housing who are forced to travel huge distances to acquire suitable housing that is affordable to those families. And we have designed

programs for those agencies to provide ownership opportunities through the cooperative model.

The means by which this could work is by seeking private investment and capitalizing that private investment by the ability to pay on the part of the employees and improving the existing housing and in constructing additional housing on an as-needed basis.

A National Housing Cooperative could be established which would include a couple of units in one park, a couple of units in another park, a couple of units in another service area, a couple units from another—one of the many agencies that are involved in—a couple units in any one of the agencies who have a deficit in the provision of adequate and suitable housing.

I am not suggesting that this means is the only means to provide an answer to the problem but simply a market tested private approach in which we can flexibly participate in solving the problem that is before you. And without resorting to reading what is written, I would be available to answer any questions.

[Prepared Statement of Mr. Cooper-Levy may be found at the end of the hearing.]

Mr. HEFLEY. [presiding] Fine. Thank you very much. Mr. MacAllister.

STATEMENT OF JACK A. MACALLISTER, CHAIRMAN EMERITUS, U.S. WEST, INCORPORATED

Mr. MACALLISTER. Thank you.

Mr. HEFLEY. Mr. MacAllister, are you still a resident of Colorado since your retirement from U.S. West?

Mr. MACALLISTER. I have been staying busy—plenty busy.

Mr. HEFLEY. I bet you have. Good to have you here.

Mr. MACALLISTER. Thank you very much, Congressman. I am Jack MacAllister, and I have been a member of the National Park Foundation Board from 1989 to 1995. I am currently what is called an alumni member of the Board and working on Friends of the Park Committee. And prior to that time, I had a great deal of interest in National Parks.

One of the things that has struck me over the years is the quality of the people who are attracted to the National Parks and the National Forests. They truly represent some of the great people of our country. And yet many of them have been forced to live in very substandard housing.

I have seen many of those houses because as I visit National Parks all over the country, I introduce myself to the park superintendent and ask to see the housing. And much of it is really a disgrace to our park system and to our employees and to our country.

I think that the National Park Foundation is just beginning to become interested in this. Secretary Babbitt has declared this a number one priority. Director Kennedy has been working with the Foundation to try to find some innovative solutions to solving this problem. And certainly we have just heard one I think.

But it isn't a case of where all of the National Parks need this help. As has been pointed out before, just last weekend, I was at Golden Gate National Historic Park in San Francisco. It is fundamentally an old Army base, Fort Mason, and they have very ade-

quate housing. But I have also been in places where they have old dilapidated, rusted-out house trailers that are really a disgrace.

The National Park Foundation has attempted to get started on this program, and I would characterize that only as a get-started program. We have identified several parks that we have tried to focus on instead of trying to solve all the problems in all the parks everywhere. We have tried to focus on some parks that have really needed help.

I think the most success we have had is probably in my prepared remarks in the Isle Royale National Park in Michigan. And it just gives you kind of a glimpse of what could be happening because under the leadership of another alumni Director, Donald Thurber, they raised something over $350,000, and have gotten some cooperating agreements with various builders and the National Guard, and have been able to put up a dormitory and a couple ranger family homes just to see if they could do it. And they did it at a lot less cost than would have normally cost us to build the facilities. And it just showed us in the Park Foundation that it could be done.

I am sure the Park Foundation has maintained a high level of interest in this program. If we can find a direction that can be productive, I am sure that there will be an all-out effort to raise private funds to help support this. It is a grand way for the United States Government to leverage their money by matching grants that could possibly be made to supplement the money raised from the private sector.

I think it is a job that is long overdue that needs to be done, and I was really thrilled to hear that you were sponsoring this legislation which gives us the flexibility we need to move ahead. And I am convinced that with this flexibility and with the determination of the private sector that we could come together and provide decent housing and provide the opportunity for Park Service employees to build equity in their home.

[Prepared Statement of Mr. MacAllister may be found at the end of hearing.]

Mr. HEFLEY. Thank you very much both of you; again, excellent testimony. Both of you would agree that to bring the private sector into it makes sense?

Mr. MACALLISTER. Absolutely.

Mr. HEFLEY. In one way or another? And, Mr. MacAllister, with the Park Foundation, you folks have done some wonderful things. But it is my understanding from your testimony that you submitted that it is too big a job just for the Park Foundation to try to do?

Mr. MACALLISTER. Yes. I think it is probably too big a job for just the Foundation to do. I think the Foundation can be an important player and wants to be an important player. But the job is pretty big. It has been deferred for a long time. And there is a lot of pent-up need.

Mr. HEFLEY. Mr. Levy, one of the recurring themes from our panelists here is the concern about not building any equity when you are in the Park Service and you are living in required housing. The military has that problem. The pastor of a church who has a parsonage has that problem.

The governor—Jack, you would remember Dick Lamb, our longtime governor in Colorado, complained about the fact when he left office he had no equity in a home. He had lived in the governor's mansion all those years. He had no equity in a home.

The suggestion you make, Mr. Levy, as I understand, would allow them to take some of the benefits of homeownership with them as they move. Would you talk about that just a little bit?

Mr. COOPER-LEVY. Certainly. The ownership in a cooperative is a dual relationship. You own an ownership interest in the corporation which, in turn, owns the housing, and it may or may not own the land. And you are also a tenant to that corporation. The corporation need not be in one physical location. As I mentioned, there is at least one very successful national housing cooperative.

As a Park Service employee or other land management employee moved from site to site, they could transfer their ownership interest from one house owned by the housing cooperative to another house owned by the housing cooperative.

In the process, the development of this corporation at its establishment could set either a price—a controlled price to limit the resale of the ownership interest so that it remained affordable to persons in a similar situation in the future and allow a limited equity, or it could leave that price to whatever market exists and let the marketplace determine the value of the transfer of the ownership interest.

In either event, the occupant's monthly charges would go toward building equity. They would be the same form of ownership equity as exists from any other form of homeownership. Since 1942, the Internal Revenue Code recognized housing cooperatives as one of the ways that persons could own housing. And there have been housing cooperatives functioning in the United States since 1876.

Mr. HEFLEY. Well, of course, I think that would be a tremendous thing if we could do that and they could develop some equity as they go along. I feel very strongly that when we have government employees and we require them to live in government housing that we provide them decent housing.

And as I have looked at a lot of military bases, as well as park facilities, many of those facilities are Third World quality. And there is a tremendous backlog. And as we said earlier, you can't get there from here probably under the normal circumstances.

Now, Jack, you and the Foundation worked on this project at Rocky Mountain National Park. And would you tell us a little bit about the roadblocks you ran into when——

Mr. MACALLISTER. Well, we were trying to find a solution to at least get started at Rocky Mountain National Park. And we discovered a summer home facility at a resort I guess you would describe it that was located right adjacent to the park that was for sale. And it had about as I recall 25 or 30 housing units of various sizes on the lot.

Our thought was that if we could buy that, and I think the price was something over $1 million—1.2 million or something like that—if we could buy that facility and then turn it over to Park Service employees who could renovate the facilities under certain codes and guidelines, and then have a covenant which would require them to sell them to future Park Service employees who

needed the service, that it would give us an opportunity to start a cooperative. We weren't calling it a cooperative, but that is the idea.

We got to the point where we thought we had a pretty good deal put together, but by the time we were able to get the appropriate approvals and get a sight on just how much money we were going to have to put up and who would manage the facility, who would collect the rent and who would sell the properties and take care of the business end of it, they got another offer, and it went away.

I think that with the legislation that is currently being proposed, I haven't thought this quite through yet, but it seems to me that with many of the provisions that are in that law, we would probably have been able to move much faster on that deal and perhaps concluded it in time to make a deal.

So I think that it is probably a good example of an opportunity that went by the boards simply because the time involved in putting it together didn't allow us to act quickly enough to take advantage of kind of a unique situation in the marketplace at that particular time.

Mr. HEFLEY. Mr. Pombo, do you have any questions of the panel?

Mr. POMBO. Just one question. Just to follow up on what you were just talking about, it would involve private housing and it would have some type of a deed restriction on it that would say, for example, that it had to go to future employees or that employees of such and such an agency would be the ones who would purchase that?

Mr. MACALLISTER. Well, the original thought we had on it was pretty much that, that the idea of buying this and making it available in the first place would be for Park Service employees. The second idea would be to put some restriction on it so they couldn't just sell it in the general market, and the housing would eventually go away. But it would remain as a resource for Park Service employees who had to live in Estes Park, and because of the price of housing in Estes Park find it very, very difficult.

Mr. POMBO. There is somewhat of a precedent in terms of low income housing or first-time buyer housing that has been established. I know in California we have used that extensively, that a buyer would come in, whether it is a first time home buyer or a low income home buyer, purchase a piece of property, a housing unit like that, they would be able to hold it for a given set of time.

And if anytime within that—I believe that the one in my district was 10 years—anytime within that 10 years they had to sell it to another low income buyer or to a first time home buyer. So there is somewhat of a precedent.

In this particular case if you are looking at creating an inholding in Federal land, the deed restriction would have to be for a longer period of time. But if that were the case, then you would have to do it that way.

Mr. MACALLISTER. This particular example was outside of the Federal land. It was on private land just adjacent to the National Park. But you are right. If it were using Federal land, there would have to be some thought-out provisions that would appropriately deal with that.

Mr. POMBO. Anything that would create more private property I am all for it.

Mr. COOPER-LEVY. If I may, Mr. Chairman, we did some work with the U.S. Army and the U.S. Navy looking at this question and its interplay with the Fair Housing Amendments and determined that there could very clearly be a priority given for occupancy and the very first priority for the class of persons for whom the housing was to be designed. But to make it exclusively for those persons violated the Fair Housing Amendments.

The likelihood is that the demand that I have heard will far exceed the capacity of any private entity to meet all the deficit, but that the corporation would need to be established if it were established on a multisite basis or even on a single-site basis. So that it did not exclusively and in perpetuity limit its occupancy.

The reality is that housing cooperatives cannot discriminate on the basis of any protected class, but they can discriminate on the basis of who will make an effective member to the corporation and certainly take into account as a priority for occupancy those persons who have the greatest deficit in housing living in substandard or housing that is far distant while serving their public purpose.

Mr. POMBO. Mr. Chairman, under what provision did you say that there would—you ran into a problem with making it——

Mr. COOPER-LEVY. Exclusive?

Mr. POMBO [continuing]. exclusive?

Mr. COOPER-LEVY. Fair Housing Amendments of 1988.

Mr. POMBO. Thank you.

Mr. HEFLEY. Thank you very much. And, again, the testimony was excellent. And I am going to bring the committee to a close I think unless there is anyone else in the room that has something they want to add at this point, and I don't see anyone. So we will adjourn the committee. We do plan to mark this up I think on the 28th of March so if any of you have specific suggestions about how we can improve the legislation between now and the 28th of March, please give that to us so that we can incorporate as many of the suggestions as necessary to make this thing work properly. And thank you very much for your testimony today. The committee is adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned and the following has submitted for the record:]

PREPARED STATEMENT OF HON. LINDA SMITH, A U.S. REPRESENTATIVE FROM WASHINGTON

Mr. CHAIRMAN, I appreciate your holding a hearing on the issue of employee housing in our National Parks. This is an issue that merits serious consideration and must be resolved by this Congress.

The National Parks in Washington State are a real Source of pride of my constituents. We consider these National Parks to be the crown jewels of the entire Park System, on par with even the Grand Canyon. However, while the natural wonders in these parks are we-preserved, the housing structures can be characterized as horrible.

At Olympic National Park, people can see the fines remnant of Pacific Northwest rain forest, rare Roosevelt elk and 50 miles of wild, scenic ocean shore. If these same tourists look closely enough they will also find substandard and dilapidated housing units for hard working seasonal employees.

At Mt. Rainier national Park, visitors would not only see the greatest single peak glacial system in the United States, they would also see what the Park Service admits are deplorable housing conditions for park employees.

Don't get me wrong. These conditions are not the fault of National Park official. They work for a Park System with massive backlogs in operations and maintenance because Congress loves to create new National Parks without allocating new resources. I believe it's time that we give some attention to this backlog and a good place to start is with employee housing.

I support H.R. 2941 because we need to start to develop other sources of funding toward solving this problem, possibly by giving the private sector a guaranteed rental stream in return for upgrading employee housing.

I look forward to working with may colleagues to give our federal employees on our public lands a decent place to live.

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104TH CONGRESS
2D SESSION

H. R. 2941

To improve the quantity and quality of the quarters of land management agency field employees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1996

Mr. HEFLEY introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To improve the quantity and quality of the quarters of land management agency field employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Housing Improvement
5 Act for Land Management Agencies".

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—
8 (1) the provision of employee housing for Fed-
9 eral land management agencies is necessary for the

1 effective management of Federal lands in many loca-
2 tions;
3 (2) current government housing does not meet
4 the needs of land management agencies at many lo-
5 cations, in terms of either quantity or quality, for
6 field employees whose duties require their residence
7 on Federal lands;
8 (3) current government housing rental rates are
9 based on local or regional comparability studies;
10 however, salaries for most government employees are
11 set nationally and are far behind comparable salaries
12 for similar work;
13 (4) current rental levels, which are based on av-
14 erage rents in the region for comparable housing,
15 are unrelated to the actual cost of providing the
16 housing;
17 (5) lack of acceptable quality, affordable hous-
18 ing both on and off Federal lands is resulting in sig-
19 nificant recruitment and retention problems at a
20 number of field units of the land management agen-
21 cies; and
22 (6) significant opportunities exist to better in-
23 volve the private sector in resolving the housing defi-
24 cit for land management agencies.
25 (b) PURPOSES.—The purposes of this Act are—

(1) to develop an adequate supply of quality housing units for field employees of Federal land management agencies within a reasonable time frame;

(2) to substantially expand the alternatives available for construction and repair of essential government housing;

(3) to rely on the private sector to finance or supply housing in carrying out this Act, to the maximum extent possible, in order to reduce the need for Federal appropriations;

(4) to ensure that housing is affordable to all field employees of Federal land management agencies;

(5) to provide increased opportunities for the ownership of housing by field employees, together with the equity and tax benefits associated with home ownership; and

(6) to ensure that adequate funds are available to provide for long-term maintenance needs of field employee housing.

SEC. 3. GENERAL AUTHORITY.

To promote the recruitment and retention of qualified personnel necessary for the effective management of public lands, and notwithstanding any provision of section 5536

of title 5, United States Code, to the contrary, the Secretary of Agriculture and the Secretary of the Interior are authorized to make available employee housing and essential amenities, on or off the lands under the administrative jurisdiction of the Secretary concerned, and to rent or lease such housing to field employees of the respective Department at a reasonable value.

SEC. 4. JOINT PUBLIC-PRIVATE SECTOR HOUSING PROGRAMS.

(a) LEASE TO BUILD PROGRAM.—

(1) GENERAL AUTHORITY.—The Secretary concerned may—

(A) lease Federal land and interests in land to qualified persons for the construction of field employee quarters and essential amenities for any period not to exceed 50 years; and

(B) lease developed and undeveloped non-Federal land for providing field employee quarters.

(2) COMPETITIVE LEASING.—Each lease under paragraph (1)(A) shall be awarded through the use of publicly advertised, competitively bid, or competitively negotiated contracting procedures, except that a lease to an employee housing cooperative may be awarded noncompetitively if construction on the

1 leased land is then competitively bid or competitively
2 negotiated.
3 (3) TERMS AND CONDITIONS.—Each lease
4 under paragraph (1)(A)—
5 (A) may provide that the lessee operate
6 and maintain the field employee quarters dur-
7 ing the term of the lease;
8 (B) shall require that the construction and
9 rehabilitation of field employee quarters be done
10 in accordance with the requirements of the land
11 management agency and local applicable build-
12 ing codes and industry standards;
13 (C) shall contain such additional terms and
14 conditions as may be appropriate to protect the
15 Federal interest, including limits on rents the
16 lessee may charge field employees for the occu-
17 pancy of quarters, conditions on maintenance
18 and repairs, and agreements on the provision of
19 and charges for utilities and other infrastruc-
20 ture;
21 (D) may provide that, upon termination of
22 the lease, the contractor shall abandon the
23 quarters constructed on the property subject to
24 such lease vest in the United States or restore
25 the property to its natural state; and

(E) may be granted at less than fair market value if the Secretary determines that such lease will improve the quality and quantity of field quarters available.

(4) PROCEEDS.—Any proceeds from any lease under paragraph (1)(A) may, notwithstanding any other provision of law, be retained by the land management agency entering into such lease and shall be used for payment of any costs related to the housing program, including administration, maintenance, repair, rehabilitation, and construction activities incurred by the agency with respect to such lease, property subject to such lease, or any other employee housing project owned by, or under the jurisdiction or control of, such agency. Any surplus proceeds from such leases shall be retained by the agency for these purposes until expended.

(5) CONTRIBUTIONS BY UNITED STATES.—The Secretary may make payments or contributions in kind to reduce the costs of planning, construction, or rehabilitation of quarters under a lease under this subsection. The obligation of the United States to make payments under a lease under this subsection in any fiscal year is subject to the availability of appropriations for that purpose.

1 (6) THIRD PARTY PARTICIPATION.—A lease
2 under this subsection may include provision for par-
3 ticipation by a third party, when third party pres-
4 ence is needed or required, and approved by the Sec-
5 retary concerned.
6 (b) RENTAL GUARANTEE PROGRAM.—
7 (1) GENERAL AUTHORITY.—The Secretary con-
8 cerned may enter into a lease to build arrangement
9 as set forth in subsection (a) with further agreement
10 to guarantee, subject to the availability of appropria-
11 tions, the occupancy of field employee quarters units
12 constructed or rehabilitated under such lease. A
13 guarantee made under this subsection shall be in
14 writing.
15 (2) LIMITATIONS.—The Secretary concerned
16 may not guarantee—
17 (A) the occupancy of more than 97 percent
18 of the units constructed or rehabilitated under
19 such lease; and
20 (B) a rental rate that exceeds the rates es-
21 tablished under section 10(b).
22 (3) RENTAL TO GOVERNMENT EMPLOYEES.—A
23 guarantee may be made under this subsection only
24 if the lessee agrees to permit the Secretary con-

1 cerned to utilize for housing purposes any units for
2 which the guarantee is made.
3 (4) FAILURE TO MAINTAIN A SATISFACTORY
4 LEVEL OF OPERATION AND MAINTENANCE.—A guar-
5 antee shall be null and void if the lessee fails to
6 maintain a satisfactory level of operation and main-
7 tenance.
8 (c) JOINT DEVELOPMENT AUTHORITY.—
9 (1) IN GENERAL.—The Secretary concerned
10 may use authorities granted by statute in combina-
11 tion with one another in the furtherance of providing
12 affordable field employee housing.
13 (2) CONDITION.—The Secretary concerned may
14 condition private development upon provision and
15 management of field employee housing for the Fed-
16 eral Government in the affected location.
17 (d) CONTRACTS FOR THE MANAGEMENT OF FIELD
18 EMPLOYEE QUARTERS.—
19 (1) GENERAL AUTHORITY.—The Secretary con-
20 cerned may, subject to available appropriations,
21 enter into contracts for the management, repair, and
22 maintenance of field employee quarters.
23 (2) TERMS AND CONDITIONS.—Any such con-
24 tract shall contain such terms and conditions as
25 such Secretary concerned deems necessary or appro-

1 priate to protect the interests of the United States
2 and assure that safe, affordable quarters are avail-
3 able to that agency's field employees.
4 (3) RENTS.—Notwithstanding any other provi-
5 sion of law, any such contract may provide for the
6 setting of rents at rates to be determined by the
7 Secretary concerned in accordance with this Act and
8 for their collection.

9 **SEC. 5. JOINT EMPLOYEE-AGENCY HOUSING PROGRAMS.**

10 (a) SALE OF QUARTERS.—
11 (1) GENERAL AUTHORITY.—The Secretary con-
12 cerned may sell field employee quarters to field em-
13 ployees of the agency or a cooperative whose mem-
14 bership is made up exclusively of field employees of
15 the agency.
16 (2) INTEREST IN LANDS.—The sale of quarters
17 under paragraph (1) shall be limited to a leasehold
18 interest in lands.
19 (b) LEASE OF QUARTERS.—The Secretary concerned
20 may lease Federal land to field employees of the agency
21 or a cooperative made up of field employees of the agency
22 for purposes of constructing employee housing and essen-
23 tial amenities.

1 (c) RIGHT OF FIRST REFUSAL.—The Secretary con-
2 cerned shall have right of first refusal when any property
3 transferred under this section is for sale.

4 (d) COVENANTS.—The Secretary concerned may es-
5 tablish such covenants as may be appropriate to the prop-
6 erty, upon its sale by the Secretary under this section.

7 (e) FAIR MARKET VALUE.—The Secretary concerned
8 may sell or transfer employee quarters under this section
9 for less than fair market value if the Secretary determines
10 that such a sale or transfer will improve the quality of
11 field employee quarters available and keep the quarters
12 affordable at the salary ranges of field employees normally
13 occupying them.

14 (f) PROCEEDS.—The proceeds under this section
15 may, notwithstanding any other provision of law, be re-
16 tained by the land management agency and shall be used
17 for payment of any costs related to the housing program,
18 including rehabilitation and construction activities, in-
19 curred by the agency with respect to property subject to
20 this section or any other employee housing project owned
21 by, or under the jurisdiction or control of, such agency.
22 Any surplus proceeds under this section shall be retained
23 by the agency for those purposes until expended.

24 (g) RULE OF CONSTRUCTION.—Disposal of employee
25 quarters under this section to field employees and coopera-

1 tives whose membership is made up exclusively of field em-
2 ployees is not disposal of excess Federal real property
3 under the Federal Property and Administrative Services
4 Act of 1949 (40 U.S.C. 471 et seq.).

5 **SEC. 6. LEASING OF SEASONAL EMPLOYEE QUARTERS.**

6 (a) GENERAL AUTHORITY.—Subject to subsection
7 (b), the Secretary concerned may lease quarters at or near
8 an installation in the United States for use as seasonal
9 quarters. The rent charged to field employees under such
10 a lease shall be that amount which is equal to reasonable
11 value.

12 (b) LIMITATION.—The Secretary concerned may only
13 issue a lease under subsection (a) if the Secretary finds
14 that there is a shortage of adequate and affordable sea-
15 sonal quarters at or near such installation and that—

16 (1) the requirement for such seasonal field em-
17 ployee quarters is temporary; or

18 (2) leasing would be more cost effective than
19 construction of new seasonal field employee quarters.

20 (c) UNRECOVERED COSTS.—The Secretary concerned
21 may pay the unrecovered costs of leasing seasonal quarters
22 under this section from annual appropriations for the year
23 in which such lease is made.

24 (d) PROCEEDS.—Proceeds from the rental of sea-
25 sonal quarters under this section may, notwithstanding

1 any other provision of law, be retained by the land man-
2 agement agency and shall be used for any costs related
3 to the housing program, including rehabilitation and con-
4 struction activities incurred by the agency with respect to
5 property subject to this section or any other employee
6 housing project owned by, or under the jurisdiction or con-
7 trol of, such agency. Any surplus proceeds under this sec-
8 tion shall be retained by the agency for those purposes
9 until expended.

10 (e) RENTAL TO NONGOVERNMENTAL PERSONS.—
11 The Secretary concerned may rent seasonal quarters on
12 Government lands to nongovernment persons during those
13 times that such units are not required for seasonal em-
14 ployees.

15 **SEC. 7. SURVEY OF EXISTING FACILITIES.**

16 (a) IN GENERAL.—Within 2 years after the date of
17 enactment of this Act, the Secretary concerned shall—

18 (1) complete a condition assessment for all field
19 employee housing for land management agencies
20 under their respective jurisdictions, including the
21 physical condition of such housing and the necessity
22 and suitability of such housing for the effective pros-
23 ecution of the agency mission, using existing infor-
24 mation; and

1 (2) develop an agency-wide priority listing, by
2 structure, identifying those units in greatest need
3 for repair, rehabilitation, replacement, or initial con-
4 struction.
5 (b) CERTIFICATION.—Each Secretary concerned shall
6 review the list to certify that Government housing is pro-
7 posed—
8 (1) only where reasonable value private sector
9 housing is not available; and
10 (2) where needed for the convenience of the
11 Government to carry out agency mandates.
12 (c) SUBMISSION.—Each Secretary shall submit a re-
13 port summarizing the study under this section to the Com-
14 mittees on Resources and Appropriations of the House of
15 Representatives and the Committees on Energy and Natu-
16 ral Resources and Appropriations of the Senate.
17 **SEC. 8. USE OF HOUSING-RELATED FUNDS.**
18 (a) APPROPRIATIONS.—Expenditure of any funds au-
19 thorized and appropriated for new construction, repair, or
20 rehabilitation of housing under this Act shall follow the
21 housing priority listing established by the agency under
22 section 7, in sequential order, to the maximum extent
23 practicable. No more than 20 percent of the funds appro-
24 priated for these purposes shall be spent on other than
25 actual construction activities.

1 (b) RENTAL INCOME.—

2 (1) SPECIAL FUND.—Notwithstanding title 5,
3 United States Code, or any other provision of law,
4 rents and charges collected by payroll deduction or
5 otherwise for use or occupancy of quarters of agen-
6 cies identified in this Act shall, after the date of en-
7 actment of this Act, be deposited in a special fund
8 in each agency, to remain available until expended,
9 for the maintenance and operation of the quarters of
10 that agency.

11 (2) REIMBURSABLE ACCOUNT.—All funds gen-
12 erated from rental income shall be deposited to a re-
13 imbursable account at no lower than the agency re-
14 gional office level in order to ensure maximum effi-
15 ciency in fund utilization.

16 (c) SET-ASIDE REQUIREMENT.—For all units of
17 housing where the actual rent charged is less than the
18 amount of funding necessary to maintain all field em-
19 ployee housing in good condition or upgrade such housing
20 to good condition, the manager of that unit or subunit
21 shall set aside such additional funds from normal operat-
22 ing accounts as are necessary to maintain housing in good
23 condition or upgrade field employee housing to good condi-
24 tion over a reasonable period of time.

1 (d) BUDGET LINE ITEM.—The Presidents' proposed
2 budget to Congress for the first fiscal year beginning after
3 enactment of this Act, and for each subsequent fiscal year,
4 shall identify specifically, in a separate line item for each
5 land management agency, non-construction funds to be
6 spent for housing maintenance and operations which are
7 in addition to rental receipts collected.

8 **SEC. 9. AUTHORITY FOR COOPERATIVE VENTURES FOR IN-**
9 **FRASTRUCTURE.**

10 The Secretary is authorized to enter into cooperative
11 agreements or joint ventures with local and State govern-
12 mental agencies, other Federal agencies, Indian tribes,
13 and private entities either on or off the lands subject to
14 the jurisdiction of the Secretary, to provide appropriate
15 and necessary utility and other infrastructure facilities in
16 support of field employee housing facilities provided under
17 this Act.

18 **SEC. 10. GENERAL PROVISIONS.**

19 (a) CONSTRUCTION LIMITATIONS ON FEDERAL
20 LANDS.—The Secretary concerned may not utilize any
21 lands for the purposes of providing field employee housing
22 under this Act which could impact primary resource values
23 of the area or adversely affect the mission of the Depart-
24 ment. Further, any construction carried out under this

1 Act shall be fully consistent with approved land manage-
2 ment agency plans.
3 (b) RENTAL RATES.—
4 (1) ESTABLISHMENT.—The Secretary con-
5 cerned shall establish reasonable value rental rates
6 for all quarters occupied by field employees of land
7 management agencies.
8 (2) ANNUAL ADJUSTMENTS.—The Secretary
9 concerned may make annually an adjustment for a
10 calendar year in the rental rates established under
11 paragraph (1). Such adjustment may not exceed the
12 Department of Labor's then applicable Consumer
13 Price Index Residential Rent Series annual adjust-
14 ment factor.
15 (c) AVAILABILITY OF QUARTERS.—In carrying out
16 this Act and section 5911 of title 5, United States Code,
17 with respect to land management agencies, the Secretary
18 concerned shall determine the availability of quarters on
19 the basis of the existence, within reasonable commuting
20 range of well-constructed and maintained housing suitable
21 to the individual and family needs of the field employee
22 at a reasonable value.
23 **SEC. 11. DEFINITIONS.**
24 For purposes of this Act—

1 (1) the term "employee" means an employee of
2 an agency or an officially enrolled volunteer;
3 (2) the term "essential amenities" means day
4 care, laundromats, and recreational facilities and
5 such other amenities as the Secretary deems appro-
6 priate.
7 (3) the term "field employee" means an em-
8 ployee who is exclusively assigned to perform duties
9 at a field unit (including but not limited to a forest,
10 park, or refuge) and does not include any person as-
11 signed to any regional or other central office.
12 (4) the term "land management agency"
13 means—
14 (A) the National Park Service, United
15 States Fish and Wildlife Service, Bureau of
16 Land Management, Bureau of Reclamation,
17 and Bureau of Indian Affairs, Department of
18 the Interior; and
19 (B) the Forest Service, Department of Ag-
20 riculture;
21 (5) the term "primary resource values" means
22 resources which are specifically mentioned in the en-
23 abling legislation for that field unit or other resource
24 value recognized under Federal statute;

1 (6) the term "quarters" means quarters owned
2 or leased by the Government;
3 (7) the term "reasonable value" means—
4 (A) in the case of field employees whose
5 pay is not based on local comparability, a base
6 rental rate which is comparable to private rent-
7 al rates for comparable housing facilities and
8 associated amenities, but not more than the na-
9 tional average of rental rates for renters inclu-
10 sive of utilities, whether paid as part of rent or
11 paid directly to a third party, as determined by
12 the most recent survey of American housing
13 rental rates by the Bureau of the Census, De-
14 partment of Commerce; and
15 (B) in the case of field employees whose
16 pay is established on the basis of local com-
17 parability, the value which is established on the
18 basis of local or regional housing market sur-
19 veys conducted pursuant to regulations issued
20 under section 5911 of title 5, United States
21 Code;
22 (8) the term "seasonal quarters" means quar-
23 ters typically occupied by field employees who are
24 hired on assignments of 180 days or less; and

1 (9) the term "Secretary concerned" means the
2 Secretary of the Interior or the Secretary of Agri-
3 culture, as appropriate.

4 **SEC. 12. AUTHORIZATION.**

5 There is authorized to be appropriated such sums as
6 may be necessary to carry out this Act.

○

WORKING FOR THE NATIONAL PARKS
ANPME
ASSOCIATION OF NATIONAL PARK MAINTENANCE EMPLOYEES

MARCH 5, 1996

STATEMENT OF STEVEN F. IOBST, PRESIDENT , ASSOCIATION OF NATIONAL PARK MAINTENANCE EMPLOYEES BEFORE THE HOUSE OF REPRESENTATIVES NATIONAL PARKS, FORESTS, AND LANDS SUBCOMMITTEE, CONCERNING HR 2941, THE HOUSING IMPROVEMENT ACT FOR LAND MANAGEMENT AGENCIES.

Mr. Chairman and members of the committee; I appreciate the opportunity to be here today, on my own time, to present the position of the Association of National Park Maintenance Employees regarding HR 2941, the Housing Improvement Act for Land Management Agencies. The Association is made up of dues-paying maintenance employees and park managers throughout the National Park Service and has been in existence for six years. I am currently the Acting Chief of the Facility Management Division for the National Park Service. In another six weeks I will return to Rocky Mountain National Park in Colorado where, for the past seven years I have been the Chief of Facility Management. One responsibility of mine is to manage the housing program at Rocky, including maintenance and repairs, rehabilitation, removal, new construction and the administrative side as well. I had similar responsibilities for almost ten years in Yellowstone National Park. It is our belief that HR 2941 addresses housing for public lands employees in ways that here-to-for the Secretaries of Interior and Agriculture have been limited. While the Association does not support all aspects of this legislation, we commend the committee's effort to address employee housing issues which are complex, emotional, and have far-reaching consequences. We strongly support expanded authorities for the Secretaries of Interior and Agriculture which allow them to enter into contracts and agreements with private entities to provide housing for employees on or off public lands. This Statement deals specifically with the housing of National Park Service employees.

It is the Association's understanding that HR 2941 consists of several authorities and requirements related to the housing of employees that will assist in the management of National Park Service areas. These are;

Authority to rent or lease housing on, or off, public lands

Authority to lease Federal land and non-Federal land for the construction of employee housing for up to 50 years

The provision that leases may be granted at less than fair market value and a third party may participate

The provision that proceeds from leases or sale of employee housing may be retained by the National Park Service

Authority to sell housing to field employees or to an employee cooperative, limited to a leasehold in land

The provision that the sale of employee housing may be at less than fair market value under certain conditions

The provision that non-occupied housing can be leased to seasonal employees and non-government persons

The requirement that a condition assessment of all housing be performed and a Service-wide priority list be developed

The requirement that additional non-construction funds be set aside to maintain housing where income does not cover the cost of operation and maintenance

Authority to set rental rates at a reasonable value and annually adjust those rents at a rate not to exceed the Department of Labor's applicable Consumer Price Index Residential Rent Series annual adjustment factor

The association realizes that the National Park Service needs a variety of opportunities as well as flexibility in dealing with employee housing. A variety of solutions are needed because problems vary from park to park and economics are different across the Service. The Service has made some progress through appropriated funds, a partnership with the National Park Foundation, as well as management techniques to address the housing problem. But more must be done. The Association of National Park Maintenance Employees have several comments and suggestions that we feel will make the legislation more effective and pertinent in addressing employee housing. I have been personally involved in three innovative approaches to housing solutions for Rocky Mountain National Park. These included purchase of a private resort outside the park; a partnership with the Town of Estes Park; and a private developer proposal within the Park working with Bank One. In all three cases the National Park Service did not have the authority to pursue very far into the ventures, or make commitments.

SECTION 2. FINDINGS AND PURPOSES

(a)(3) We disagree that salaries "are far behind comparable salaries for similar work." Wage grade employees' salaries are based on a regional survey and with the advent of Ranger Futures, the issue of salary as related to rents is not what it once was. However, pay remains an issue for seasonal employees when faced with the availability and affordability of housing in many areas.

(a)(4) We agree that rent is based on averages and comparability, however it is not related to the actual cost of operating and maintaining housing. We feel that the actual

cost of providing housing to employees should be a major consideration in establishing rents. Readjusting base rental rates every five years is too infrequent. Compounding the problem would be the limitation set in SECTION 10, (b) RENTAL RATES, (2) ANNUAL ADJUSTMENTS

"Such adjustments may not exceed the Department of Labor's the applicable Consumer Price Index Rent Series annual adjustment factor"

Because of the five year interval, negative adjustments and corrections applied to the base rent, and a limit on the annual increase; rents in many areas are well below the cost to provide housing as well as comparable rents in the local community. This situation is personified by the fact that an employee who, due to availability or personal preference, may pay half again as much or even twice the rent to live in comparable housing in the local community. We ask that this legislation authorize the Secretaries more flexibility to 1) set rents based on the actual cost of providing and maintaining housing, (2) adjust base rents more frequently, (3) not limit annual increases, (4) continue to use survey information, BUT (5) allow rents to be capped on a percentage of one's income where applicable to avoid exorbitant rents.

SECTION 4. JOINT PUBLIC-PRIVATE SECTOR HOUSING PROGRAMS

(a)(1)(A) The period of 50 years is troubling. This may be seen as a target more than a limit and may lock the agency into too long of a term to allow for effective management of the lease contract. The analogy is the long-term contracts with concessioners and the inability to effect significant changes for the benefit of the agency and or employees. The other concern is that the term "interests" needs to be clarified or defined.

(a)(5) The Association is encouraged by this language allowing the Secretary to make payments or contributions to reduce overall project costs. Often in forming a public-private partnership, the success of that partnership can be directly tied to the ability of the National Park Service to be a contributing partner to show good faith and to assure the agency's concerns and requirements are adequetly met.

(a)(6) We are also encouraged by the language in this section. In past attempts at ventures involving the private sector; involvement by other agencies, a local community, or Housing Authority adds strength and vitality to the venture.

SECTION 5. JOINT EMPLOYEE-AGENCY HOUSING PROGRAMS

(a)(1) The Association is concerned that the language in this section is not specific enough to prevent the sale of housing, within the park, to employees. The National Park Service should be given the responsibility to clearly define what constitutes a cooperative. This would also affect SECTION 5 (b). This entire section while, well intentioned, will be hard to administer. We would like the intent to allow increased opportunities for employees to own housing, and subsequently reduce the

government's responsibility to provide housing.

(c) We are concerned that if the Secretary did not exercise the right of first refusal; the employee or cooperative could sell to anyone, thus rendering that housing unit unavailable for other National Park Service employees. This section plus SECTION 5 (e) should include language that allows the Secretary the ability to limit the amount of equity gained in a housing unit sold to an employee (or cooperative) as well as limiting the resale cost to another employee. While we do not have specific language at this time, we feel that the Secretary should be given the flexibility to develop sufficient terms and conditions for the sale and resale of employee housing which would include the ability to retain funding to in-turn exercise the option.

SECTION 6. LEASING OF SEASONAL EMPLOYEE HOUSING

(e) This provision of the legislation may be problematic. It makes sense if the agency is allowed to generate additional revenue to be spent on improving housing. But if rents are set to only cover operating and maintenance costs, then we question the benefit. If the intent is to improve the economic viability of a private venture to provide housing, then the Association supports this section.

SECTION 7. SURVEY OF EXISTING FACILITIES

The Association does not think it is necessary to legislate the requirements of this section. The maintenance community in the National Park Service has been actively involved in assessing condition and needs of employee housing. We have provided significant documentation to develop a comprehensive housing improvement program. Over the past three years the National Park Service has made considerable progress to assess the agency's housing inventory, conditions, needs; and develop a logical approach to improving the availability and condition of employee housing. The priority lists for addressing the backlog of housing needs is well thought out and is administered with some flexibility to address project schedules, economies of scale, construction seasons, and changing employee needs.

SECTION 8. USE OF HOUSING RELATED FUNDS

The Association feels that the requirement in section (a) regarding sequential order is too restrictive and could create inefficiencies. We also feel that income generated at a park should remain at that park to be spent on housing operation and maintenance needs. We do not support the additional administrative overhead regarding these funds. We also do not support the set-aside requirement as described in section (c). This would in effect take funds away from already insufficient operating funds currently

directed toward other aspects of park maintenance operations. We do support section (d), a specific line-item in the National Park Service budget for operational funds to be spent specifically on housing maintenance as long as it does not deplete other operational funds in the National Park Service budget. This would go a long way to reduce the amount of subsidy from operational funds currently needed to maintain housing.

SECTION 9. AUTHORITY FOR COOPERATIVE VENTURES FOR INFRASTRUCTURE

The Association is very supportive of the language in this section. We know that the National Park Service is continuously looking for opportunities beyond its boundaries to regionalize utility systems, develop cooperative maintenance programs, and join forces with other public works entities. We would like to see this section expanded to include the authority for cooperative ventures for infrastructure serving any National Park Service facilities, as well as the provision of housing units.

SECTION 10. GENERAL PROVISIONS

With regard to this section's reference to rental rates, the position of the Association was given earlier in this Statement.

SECTION 11. DEFINITIONS

The Association requests that the term "field employees" in section (3) be expanded to include cooperators and contractors to not preclude the housing of non-National Park Service employees that assist the agency in the administration and management of park areas. There are also central office employees duty stationed at field areas for the advantage of the agency. We do not support the definition of the term "reasonable value" as presented in section (7), (A) and (B). This language sets up a scenario where there would be different rental rates for the same housing unit, in the same park, on the basis for which the respective employees pay is set, regardless if the pay is the same. Because of significant investment in infrastructure and the associated maintenance costs; utility costs should be separate from base rental rates. The Association realizes that the issue of rent is complex and emotional. We encourage the committe to include language that gives the Secretary the authority to set rents based on factors that assure they are localized, comparable, consider the actual cost of providing housing, as well as fair.

In addition to the comments outlined above, the Association would like to suggest the following additions to this important legislation.

1) We recommend that the Secretary be authorized to provide transportation for employees between their duty station and communities outside the parks. Employees must, of course, cover the cost of this service.

2) We recommend that the Secretary be authorized to study the feasibility of providing housing allotments to employees to help with the cost of housing where the local market cost is too high, reducing the need to upgrade or construct government housing. This concept could also be utilized to assist employees that would like to enter the private housing market. This study would also evaluate a program that would allow employees to set aside a portion of their rent payment into a program similar to the Thrift Savings Plan to in essence build equity.

In closing, the Association of National Park Maintenance Employees is encouraged by the committees efforts to improve the National Park Service's ability to address employee housing. The need is urgent and we ask that you act quickly. There are opportunities for the private sector to make significant contributions to the Service's housing needs. The National Park Service has pursued many public-private ventures to address housing, only to run into a brick wall because most were beyond the statutory authority of the agency. The Association is ready and able to work with the committee and the National Park Service to assure that new and innovative solutions are available to address the housing needs of the agency.

The Association thanks the Chairman, members of the committee, and committee staff for the opportunity to appear before you today.

Steven F. Iobst, President
Association of National Park Maintenance Employees

STATEMENT OF ROGER G. KENNEDY, DIRECTOR OF THE NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS OF THE HOUSE RESOURCES COMMITTEE ON H.R. 2941, THE HOUSING IMPROVEMENT ACT FOR LAND MANAGEMENT AGENCIES.

MARCH 5, 1996

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you today to present the views of the Department of the Interior on H.R. 2941, the Housing Improvement Act for Land Management Agencies. We support the intent to improve government-provided housing, but have a number of issues to resolve concerning H.R. 2941. The Administration has not had time to complete its interagency consultation on this wide-ranging legislation. We will gladly provide a legislative report stating our position on the bill as soon as we have completed this interagency review.

H.R. 2941 consists of a variety of authorities and requirements related to employee housing that are designed to assist Federal land managers in the administrative and management functions. H.R. 2941 would authorize the Secretaries of Agriculture and the Interior to rent or lease housing and essential amenities on or off public lands to field employees; to lease Federal and non-Federal land for construction of employee housing for up to 50 years; and to sell housing to field employees or to an employees'

cooperative. H.R. 2941 also authorizes the Secretaries to lease housing to seasonal employees or to lease such housing to non-government persons when it is not occupied by seasonal employees. The bill also requires a condition assessment of field housing and an agency-wide priority list for repair and rehabilitation and states that at units where the rent charged does not cover the cost of maintenance, the manager will set aside additional funds from operating accounts to maintain housing in good condition. Finally, the bill authorizes the Secretaries to set rental rates at a reasonable value and to make annual adjustments in rental rates.

The Department strongly supports efforts to improve the availability of adequate housing for Federal employees where suitable privately-owned housing is not available. We commend Rep. Hefley and others for recognizing the housing problems of the Federal land management agencies. As you know, we are exploring the use of partnerships, or other arrangements with the private sector, to help us meet our housing needs, but some changes in statutory authority could provide the added flexibility to address this challenge. A single solution cannot meet our needs Department-wide because housing problems vary significantly from unit to unit, but we recognize the efforts to incorporate a variety of options into this bill.

Although the conditions for a number of employees have improved over the past few years, many park service employees still live in deplorable conditions. We have begun to ameliorate this problem by investing in employee housing and taking a number of steps to improve the conditions of the professionals who work in our parks. However, we must do more. We would like to work with the committee to see that housing conditions improve and employees' needs are being met. In addition, with continuing budget constraints, we need the flexibility to use creative and innovative partnerships to meet our housing requirements.

In addition to comments that will be included in our legislative report following the necessary interagency review, I would offer the following recommendations now. The findings in section 2(a) state that current government housing does not always meet the needs of land management agencies in terms of either quantity or quality. We would like to suggest that our challenge is not one of quantity, but rather availability. We recommend that the word "quantity" be replaced with the word "availability." Section 2 further finds that salaries are far behind comparable salaries for similar work. Recently, many field employees for the NPS saw a substantial pay increase over the last two years as a result of the "Rangers Futures" effort. Another large sector of field employees are wage grade employees whose pay has always been based on locality.

We recommend that the findings be adjusted to reflect our efforts to improve salaries. Finally, the findings state that lack of affordable housing is resulting in significant recruitment and retention problems at a number of land management agency field units. We feel that while these instances do exist, they are few in number. Affordable housing is but one of many factors that may influence an employee's decision. We recommend the findings be modified to take this fact into consideration.

We are concerned by the statement in section 2(b) that one of the purposes of the bill is to ensure housing is affordable to all field employees of Federal land management agencies. We feel that this purpose can be misunderstood as suggesting that we should subsidize a housing program based on affordability and designed to provide additional compensation for our employees. To be sure no one misunderstands, we recommend this purpose be deleted from the bill.

Section 3 authorizes the Secretaries to make employee housing and essential amenities available on or off public lands at a reasonable value to promote the recruitment and retention of qualified personnel necessary for the effective management of public lands. Although we certainly want to recruit and retain qualified personnel, the Administration supports the well-established policy prohibiting the use of rents and related charges as

an inducement in the recruitment and retention of employees. Section 3 would contradict this government-wide policy set forth under 5 U.S.C. 5536 and implemented under OMB Circular A-45. It would create a special class of Federal employees with benefits that are unavailable to employees in other agencies or living in private housing.

Reasonable value, as defined in Circular A-45, is determined by the rule of equivalence, and rental charges are set at levels equal to those prevailing for comparable private housing located in the same area, after adjustments for isolation and other amenities that may be lacking in the government housing. This principle ensures rental costs and effective compensation for employees living in government housing will be approximately the same as the rental costs and effective compensation of the majority of government employees living in private sector housing.

Although we recognize that inferior housing can be an impediment to recruitment and retention of qualified employees (in certain high-cost and remote areas), the best way to address this problem is to invest in housing and improve salaries, which we have done. We are all familiar with stories of employees living in substandard housing, however, these situations are certainly not the norm. For those employees that do live under unacceptable conditions, we have recently worked with OMB to modify Circular

A-45 so that it no longer requires rental assessments in certain living conditions.

Section 4 provides specific authorities needed to take advantage of various options with the private sector. These authorities have a number of consequences that we have not adequately reviewed through our interagency process.

Section 4 authorizes the Secretaries to lease Federal land and interests in land to qualified persons for the construction of housing. There are a number of issues to address such as, what is meant by the term "interests." Does it, for instance, include buildings, utilities, water rights, etc.? We recommend that the term "interests" be clarified so we can ensure that our leases conform to the intent of Congress. We also encourage the committee to consider the Administration proposal transmitted last May to provide authority to lease facilities within and outside of the boundaries of park units for employee housing and visitor services.

Section 4 also states that the Secretaries may guarantee occupancy of employee quarters but the guarantee shall be null and void if the lessee fails to maintain a satisfactory level of operation and maintenance. One change needed would be to allow the Secretary to terminate the lease and not just nullify the guarantee.

Section 5 authorizes the Secretaries to sell housing to field employees of the agency or a cooperative whose membership is made up exclusively of the agency's field employees. This could raise numerous opportunities for conflict of interest. In addition, some of the provisions of this section are subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Budget Reconciliation Act (OBRA) of 1990 and would increase the deficit. We will have to address these and other issues in our follow-up legislative report.

Section 5(d) authorizes the Secretaries to establish covenants appropriate to the property upon the sale of the property, but does not appear to allow the Secretaries to enforce such covenants.

The disposal of Federally owned buildings, improvements or facilities managed by the Bureau of Indian Affairs is set forth in 25 U.S.C. § 443a. That statute authorizes the Secretary of the Interior to convey such property to a Tribe, and or group upon their request. Given the unique status of land managed by the Bureau of Indian Affairs, we support the provisions of 25 U.S.C. §443a and request that Indian Lands specifically be excluded from the provisions of Section 5 of the bill.

Section 6 which authorizes the Secretaries to lease seasonal quarters on government land to nongovernment persons during times they are not required for seasonal employee use. Finding a profitable, off-season use for seasonal housing can provide opportunities for an arrangement that is of mutual benefit to a private enterprise and the Service, but we must balance that with the additional costs of year-round maintenance and government liability.

Section 7 requires the Secretaries to complete a condition assessment, by bureau, of all existing government-owned employee housing under their respective jurisdictions, including the physical condition and suitability vis-a-vis the effective prosecution of bureau missions. As a part of this assessment, each agency would be required to prepare a priority list of all such facilities in terms of greatest need for repair, replacement, or initial construction and provide Congress with a report on this list. From the standpoint of the NPS, the requirement to conduct a survey of existing facilities would impose no unusual hardship, as such a survey is an ongoing requirement of each park manager. However, we believe this section is unnecessary because we are already taking action in this area. As a result of the recent GAO reports on our employee housing program, the NPS entered into an agreement with the Bureau of Indian Affairs to have a private consultant perform condition assessments,

private market analyses, and feasibility studies at four NPS locations. These comprehensive, independent studies include extensive information on inventory and condition assessments to identify rehabilitation required to bring existing units up to maintainable condition. Capital improvement projects are coded and included for quick and easy sorting by category; for example, all life/safety projects can be identified and associated costs calculated. The NPS expects to have the preliminary reports within the next 30-60 days and will be reviewing this process to see if it has Servicewide merit.

Section 8 requires that any funds authorized and appropriated for new construction, repair, or rehabilitation of housing would be spent in accordance with the priority list identified in section 7, to the maximum extent practicable. We oppose this provision. To establish a nationwide priority list that would automatically dictate how funds would be spent to upgrade or replace employee housing would not be wise in our view. Each housing unit should be considered on its own merits, and park managers must be given the flexibility to make their own judgments based on local conditions at the time. We can envision many circumstances that could make it impossible to pursue a pre-existing schedule for rehabilitating a particular housing unit, and this provision would prevent us from skipping to a lower priority unit that was ready for rehabilitation. Enactment

of the provisions of section 8 would necessitate an additional administrative layer at the Washington Office at a time when we are working to reduce administrative overhead at the NPS.

Section 8 also states that no more than 20 percent of funds appropriated for these purposes shall be spent on other than actual construction activities. We support this concept and have worked hard over the last several years to reduce our planning, design, compliance and contract supervision costs. However, we do not believe this should be legislated and recommend that the language be deleted from the bill.

Section 8 also requires that rents be deposited in a special fund within each agency and that all funds generated from rental income be deposited in an account at no lower than the regional office level. In our view, these provisions are unnecessary and overly burdensome. The NPS accounting operations center is exploring the possibility of reimbursement directly to the parks -- bypassing the regional (field) level all together. This is an effort to streamline the procedure and make it consistent with our restructuring plan. Therefore, we recommend that the rental income not be restricted to deposition in regional (field) accounts.

Section 8 requires that managers, at units where rental income does not cover housing maintenance costs, set aside funds from operating accounts to cover the difference. It further requires a budget line item identifying non-construction funds to be spent for housing maintenance and operations beyond the amounts collected through rental receipts. We believe these provisions are also unnecessary and overly burdensome, and recommend they be deleted.

Section 9 authorizes the Secretary to enter into cooperative agreements or joint ventures with others to provide appropriate and necessary utility and other infrastructure facilities in support of field employee housing. We will need more time to review the implications of this provision and will provide additional recommendations in our legislative report.

Section 10 requires the Secretary to determine the availability of quarters on the basis of the existence, within reasonable commuting range, of well-constructed and maintained housing, suitable to the individual and family needs of the field employee at a reasonable value. We recommend that the term "availability of quarters" be consistent with the OMB Circular A-11, which states that housing should be available within a 60-minute, one-way commute or two-hour round trip commute.

The definition of "reasonable value" in section 11 contradicts the government-wide policy, set fourth under 5 U.S.C. 5536 and implemented under OMB Circular A-45. We believe the definition of "reasonable value" should remain as it currently is under OMB Circular A-45.

In closing, we believe an examination of other alternatives to the current methods of providing employee housing would be useful. You may recall that in its 1994 report, "National Park Service: Reexamination of Employee Housing Program is Needed," GAO recommended that the Park Service explore the possibility of providing housing allowances or subsidies to employees when local housing is not affordable. Although we must consider government-wide requirements, such a study could lead to more cost-effective solutions in high-cost areas of the country.

Finally, the current budget situation combined with the level of need for housing require us to look beyond traditional approaches. For instance, it might be helpful in some areas if the Secretaries were authorized to provide transportation to employees between their duty stations and communities outside the park--provided of course, that employees cover the cost of the service. This authority to provide transportation would help us avoid constructing housing inside park boundaries for employees who would

not otherwise have transportation to work.

We would be pleased to work with the Committee to develop language reflecting our suggested changes to H.R. 2941. Mr. Chairman, this concludes my prepared statement, I will be happy to answer any questions you may have.

STATEMENT OF
MARK REIMERS, DEPUTY CHIEF
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on National Parks, Forests and Lands
Committee on Resources

United States House of Representatives

Concerning H.R. 2941, a bill "To improve the quantity and quality of the quarters of field employees"

March 5, 1996

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to offer the views of the Department of Agriculture on H.R. 2941, the "Housing Improvement Act for Land Management Agencies." I am accompanied today by Kathleen Connelly, Deputy Chief for Administration.

The Department of Agriculture strongly supports the goal of having affordable, quality housing available to government employees. At most of our locations, housing is predominantly provided by the private sector and our employees live in local communities.

The Department of Agriculture recognizes its responsibility to provide affordable, quality housing for employees in certain remote locations and provides quarters in such circumstances nation wide. While we do have a backlog of needs to improve existing housing or provide additional housing in some locations,

we are largely able to meet these needs using existing authorities and funding mechanisms. While the Department of Agriculture would not object to establishing new authorities in law for other land managing agencies who may need them, we generally do not believe the additional authorities that would be provided in H.R. 2941 are necessary to improve housing for Forest Service employees. We should note, however, the Administration has not had time to complete its interagency examination of this wide-ranging legislation. The Administration will provide a legislative report stating our position on the bill as soon as we have completed this interagency review.

What the Bill Does

H.R. 2941 would augment the authorities of the Secretaries of the Interior and Agriculture to provide housing and amenities for government employee at reasonable rates where housing in unavailable in the private sector. These authorities include: public sector lease and development of employee housing; sale, lease, or transfer of employee housing to employees or employee cooperatives; and leasing of non-government facilities for employee housing.

H.R. 2941 would enhance or modify existing funding mechanisms and establish new ones. Receipts from public/private ventures and public/employee ventures would be available to the agency until expended for housing projects. Rental fees collected for use and

occupancy of quarters would be deposited in a special fund and available to each agency until expended for maintenance, construction, and operation of quarters. H.R. 2941 would also require that managers set aside appropriated funds as necessary to maintain or upgrade housing. H.R. 2941 would also require that the Administration request additional funding for employee housing in a separate line item for each land management agency in the President's budget.

H.R. 2941 would establish a national priority list for repair, renovation, and construction of housing. H.R. 2941 would also require surveys of housing available through the private sector, assessments of the condition and needed repairs or upgrades for existing quarters on public lands, and submission of a report to Congress.

H.R. 2941 would also authorize the use of government quarters by non-government employees when the quarters are not in use and change the way rents are established for employee housing.

Concerns About the Bill

The Department of Agriculture has concerns about a number of the provisions of H.R. 2941.

Currently, Forest Service rental revenues are deposited in a reimbursable account to be used for maintenance and improvement

of employee housing. We support the concept of charging reasonable rental rates for government quarters, however, the provisions of Section 3 of H.R. 2941 are inconsistent with current Administration policy prohibiting the reduction of rents and other related charges as an inducement to recruit or retain employees. This policy is articulated in Office of Management and Budget (OMB) Circular, A-45, Rental and Construction of Government Quarters.

Also Section 11(7) would change the formula for arriving at rental rates by defining "reasonable value" in a manner that is inconsistent with current Administration policy as articulated in OMB Circular A-45. Changing the formula would actually decrease revenues and increase the need for appropriated funds to pay for maintenance. With the current Forest Service $149 million backlog in housing needs, we recommend continuing with the current formula of setting rents based on market conditions. A rental strategy based on employee ability to pay would create an inequity for federal employees who do not occupy government housing and would reduce rental receipts at the same time appropriated funding sources are being reduced.

Section 4 of H.R. 2941 provides the authorities for new public/private "lease to build" programs to provide quarters through the private sector. While authority to work with private entities might be useful, Section 4 provides generous incentives to the private sector. These might result in placing

considerable pressure on the agencies to enter into these agreements especially in areas that are developing rapidly or have intense visitor use. Among other things, the "lease to build" program offers the private sector leases below fair market value for up to 50 years and rental guarantees. While these agreements might have a short-term benefit of providing new employee housing, the cost of leasing interest in public lands below market values, the costs of guaranteeing rent to developers, and the potential decline in condition of the housing over the length of the leases would be high.

Section 5 of H.R. 2941 authorizes public/employee housing programs including sale, lease, and transfer authorities to field employees and cooperatives of field employees for the purposes of constructing employee housing and amenities. The lease, sale, and transfer of interest in lands or housing on public lands to employees appears to present numerous opportunities for conflicts of interest. We are also concerned that they might be viewed as creating a special benefit available only to certain employees. We would like to see safeguards carefully crafted in law before we could support these programs.

Section 6(e) of H.R. 2941 would authorize the lease of government quarters used by seasonal employees by non-government people when the quarters are not in use. While this is a reasonable-sounding proposal, the liability issue for the government, the additional cost of year-round maintenance, and the pressure on the local

managers to provide housing to non-government workers at resorts and national scenic attractions would be undesirable.

While we believe that providing housing to non-government personnel should remain a function of the private sector, we are involved in activities to address this issue. The Forest Service and the Department of Housing and Urban Development are engaged in working with the Governor of Colorado, other Federal agencies, county and local governments, Forest Service permit holders, organizations concerned with low cost affordable housing, and other organizations in the Rocky Mountain Region to pilot solutions to affordable housing problems. The Forest Service realizes that we do not hold the key to the entire solution to providing affordable housing. However, we do provide certain expertise and authorities that can assist in arriving at a workable solution. Forest Service authorities to provide financial assistant in rural community development and technical assistance in real estate activities in rural areas can contribute to the solution. Land exchanges resulting in suitable land for housing is one example of constructive assistance. We are committed to working collaboratively to reach a solution that results in affordable housing for private sector employees.

We are also concerned about Section 7(a) of the bill that requires a national condition assessment of employee housing within two years and the development of a national priority list. The Forest Service uses a decentralized evaluation and

prioritization system for employee housing that works very well. Annually, local line officers evaluate the condition of all facilities, including employee housing, identifying construction and improvement needs, costs and priorities. High priority projects can be identified and financed at the local level. As part of the budget development process, each Region establishes regional priorities for facility construction, including housing, and these priorities are honored nationally to the extent possible with the annual appropriations.

We would object to the provision of Section 8(b)(2) that the rental receipts funds should no longer be managed at the local level but be elevated to the regional level. This would undermine the local manager's ability to accomplish the most needed work.

We are also concerned with the added requirement and cost of conducting a survey of the availability of housing within a reasonable commuting range of all duty stations in Section 10(c). We currently perform housing surveys according to the guidelines of OMB Circular A-45 in communities near our quarters with a population of 1,500 or greater (5,000 or greater in Alaska), to establish "comparable" rental rates for our own housing units. We would prefer to continue our current process rather than creating a new process.

PAYGO Implications of Funding Mechanisms

We are advised by the Office of Management and Budget that some of the provisions of H.R. 2941 would be subject to the Pay-As-You-Go (PAYGO) requirements of the Omnibus Budget Reconciliation Act (OBRA) of 1990. Because receipts from the sale or transfer of public assets may not be treated as revenue under the Budget Enforcement Act and the expediture of those receipts would be scored as direct spending, the net effect of H.R. 2941 would be to increase the deficit.

Closing

The Department of Agriculture is committed to providing adequate housing and appropriate amenities to our employees at remote locations where private sector housing is not available. We recognize that other Federal land managing agencies may not have the breadth of authority available to them or may have special circumstances when they need additional authorities. We welcome the opportunity to work with Congress on these issues.

This concludes my statement on H.R. 2941. I would be happy to answer any questions you might have.

National Association of Housing Cooperatives

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(703) 549-5201 FAX (703) 549-5204

March 4, 1996 Re: HR 2941

Chairman James Hansen
Subcommittee on National Parks, Forests & Lands
1324 Longworth
Washington, DC 20515

Mr. Chairman and Members of the Subcommittee:

I am Herb Cooper-Levy, Executive Director of the National Association of Housing Cooperatives (NAHC) and am present to testify in favor of passage of HR 2941. Organized in 1950, NAHC is the only nationwide housing cooperative organization. Its membership brings together professionals, organizations, individuals and residents who are all committed to the concept of resident homeownership . The NAHC Board includes housing professionals responsible for the development and management of cooperative housing as well as resident owners who are often members of boards of directors which oversee the management of their own developments, who act together with other resident owners in their area to affect state and local policies regarding multi-family homeownership, and who train others in the creation and continued functioning of sound, democratic, resident-owned developments.

Housing cooperatives are a form of multi-family home ownership. A housing cooperative is formed when people join with each other to form a corporation that owns or controls the building(s) and/or property in which they live. Each month they pay an amount that just covers the expenses of operating the property (including such items as mortgage, property taxes, maintenance, insurance, utilities and contributions to reserves). Housing cooperatives can be single family homes, group homes, mobile homes, townhouses, garden or highrise apartments. The purchase price of co-op membership can be restricted to assure affordability for incoming members or the price can be left to the market.

The concept of housing cooperatives being used to meet the needs of land management agency field employees is embodied in Section 4 of the proposed legislation.

NAHC has experience in working with the US Army and Navy in creating similar programs. We helped the US Army design the Soldiers Home and Retirement Equity program. With others, we designed the Navy Cooperative Housing Program. Each of these programs are designed for military personnel with senior enlisted or junior officer ranks, who cannot afford to purchase suitable housing. Each is designed to utilize base ground as the principal public contribution to a national housing cooperative, which would have the responsibility for designing, constructing, training prospective residents and occupying the housing cooperative. These housing cooperatives are national in scope. Service members who purchase an ownership interest in the housing cooperative could transfer the interest to other housing owned by the housing cooperative, should the service member be transferred.

In the bill before you, a similar system could be created. The land under the footprint of the housing created to house land management agency field employees could be leased to the housing cooperative, for a nominal fee and for a long-term lease (50 years), and the housing cooperative could build scattered single-family housing.

As the land management agency field employees may be transferred to other sites owned by land management agencies, either preexisting housing that is a part of the housing cooperative would be occupied by the land management agency field employee or the housing cooperative would cause additional dwellings to be available. Housing could be rehabilitated or newly-constructed.

The ownership interest would remain intact as the land management agency field employee moved from site to site, appreciating at whatever rate that had been set at the creation of the housing cooperative, i.e. at a price-controlled rate or at market value. The US Army and Navy chose a price-controlled rate to assure continued affordability for the occupants they wished to serve.

Cooperative Services, Incorporated operates the most successful national housing cooperative, serving over 10,000 elderly families in Maryland, Massachusetts, Michigan and California.

A national housing cooperative is both feasible and one solution to the problem of providing affordable, decent housing for land management agency field employees.

Testimony of Jack A. MacAllister

Chairman Emeritus, U.S. West, Inc.

Before the National Parks, Forests and Lands Subcommittee

of the

House Resources Committee

March 5, 1996

Good morning. My name is Jack MacAllister and I am Chairman Emeritus of US West, Inc. I also served on the board of the National Park Foundation from 1989 to 1995. I want to thank you for the opportunity to testify today on the importance of providing quality housing for National Park Service employees. I would like to speak briefly about the efforts of the National Park Foundation to address this issue by working with the private sector.

Congress created the National Park Foundation in 1967 to serve as the official non-profit partner of the National Park Service. The Foundation in authorized to solicit, accept and administer gifts of real and personal property and to utilize them for the benefit of the Nation Park Service. The creation of the Foundation represented a partnership between the public and private sector to serve the common good: the protection, preservation and enhancement of the National Park System. The Foundation provides direct support for Park units through a competitive grants program that serves as venture capital to seed creative efforts to conserve Park resources for future generations. With the help of private partners, the National Park Foundation has made grants of over $10 million to support projects in the National Parks during the past five years. The Foundation's board is a great reservoir of talent and many of its members are prominent CEO's.

In 1994, Secretary of the Interior Bruce Babbitt and National Park Service Director Roger Kennedy requested the Foundation's help in solving a problem plaguing many Parks. Deteriorating, unsafe, and sometimes almost uninhabitable housing located inside or outside our National Parks had created a housing crisis for Park employees. The Department of Interior and National Park Service had identified 2,863 substandard housing units in the National Park system. This included 659 trailers slated for removal and replacement with

suitable "permanent" houses by the end of 1996.

The National Park Foundation responded by launching the Housing Initiative led by a Task Force of National Park Foundation Board members, in which I participated. After researching the magnitude of the problem, the Task Force realized that addressing the system-wide housing needs was beyond the Foundation's means. The Task Force decided that each of its members should adopt one park in which to explore, test and demonstrate new approaches to solving the housing problem -- approaches that, if successful, could be replicated by the National Park Service on a larger scale, system-wide.

The Housing Initiative sought to attain three broad goals:

(1) To bring *real improvements* to the Target Parks in 1995;

(2) To create *affordable housing* outside the Parks; and

(3) To obtain *donations* of money, services, and materials in support of the undertaking.

The Housing Initiative Task Force focused on two types of housing problems:

(1) Where high costs of outside-the-Park housing force the Park to build and maintain inside-the-Park housing, the Task Force looked for innovative approaches to remedy the shortage of affordable housing; and

(2) Where Parks have no choice but to provide housing inside a Park, the Task Force sought donations to help upgrade, replace, or add to the existing housing as needed.

I would now like to focus on the successful outcomes of the Housing Initiative Task Force in two parks.

Our efforts at the Isle Royale National Park in Michigan have been almost the most successful to date. Volunteers led by National Park Foundation Founder and Historian Donald Thurber have raised over $350,000 to support new housing projects and improvements. The National Parks Service agreed to match these donations dollar for dollar. Mr. Thurber was able to organize a dedicated group of volunteers for fundraising as well as enlist the volunteer help of the 107th Engineering Battalion of the Michigan National Guard, the Home Builders Association of Superiorland and Northern Michigan University. Three buildings have been constructed at a cost of $158,000, including a duplex dormitory for the two Ranger families who staff Malone Bay. If these structures had been built commercially, they would have cost $414,000 -- more than twice as much as the actual cost. Isle Royale has taken a highly-organized approach to its housing efforts, and, as a result, has produced truly impressive on-the-ground results in a short period of time.

A second target park success was in the Great Smoky Mountain National Park, where there was an immediate need for housing for eight seasonal employees. In response to our outreach efforts, a local log home company contributed significant resources for the construction of this building. With support from other local donors, the building was erected in a one-day event, calling on the tradition of a barn raising, in which Secretary Babbitt participated.

Overall, the Housing Initiative effort raised more than half a million dollars in cash and in-kind contributions in its first year. Our efforts have improved the housing for many Park Service employees in our targeted parks.

The current backlog of housing needs will not be eliminated solely by Federal appropriations. I believe that the Housing Initiative Task Force's experiences after just one year establish a successful precedent for broader joint efforts between the private sector and the National Park Service to address park housing needs. In order to create these kinds of public-private partnerships, the National Park Service needs more flexibility and should be allowed to enter into agreements with private entities to assist with housing projects both within and outside park boundaries.

Thank you for the opportunity to testify. I would be happy to answer any questions this committee may have regarding my experiences with the National Park Foundation's Housing Initiative.

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