

and offer sufficient incentives for sound long-term resource management practices.

Critics have suggested that S. 1459 provides for grazing and livestock activities as the dominant use on the allotments. That is simply not true. The bill explicitly provides that the public lands will continue to be accessible to all multiple-use activities.

It has also been suggested that this legislation will curtail public participation in the decisionmaking process. The public's opportunity to participate in the NEPA and FLPMA processes is not affected by this legislation. It does, however, address the problem of who can appeal allotment management decisions by limiting appeals to persons who have affected interests. This will enable Federal land managers to review appeals more expeditiously and will shorten the delays in achieving a final implementation plan. This process will allow permittees and lessees to carry out their business without the heavy financial losses usually associated with lengthy delays.

Most importantly, this legislation provides for periodic monitoring of rangeland resource conditions. The Secretaries of Agriculture and the Interior have the ability to amend allotment plans where resource conditions dictate. I believe that the bill therefore reflects a wide variety of environmental and user concerns; and I urge its favorable consideration.

Mr. CAMPBELL addressed the Chair. The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. I thank the Chair.

Mr. President, I would like to take this opportunity to clarify the issue grazing fees on public lands. As I mentioned before in my opening statement, I believe there is a grave misperception about ranchers who utilize public lands. For those of you unfamiliar with ranchers or the ranching business, let me tell you that it is not a lucrative business. I believe it is this misperception that drives the efforts to try to hike up the grazing fees to unacceptable heights. Opponents of the new fee structure proposed in S. 1459, argue that ranchers don't pay fair market value. Well, I would like my colleagues to explain to the rest of us, how one can determine what fair market value is.

For example, when doing a fair market value appraisal, appraisers compare the value of similarly situated pieces of property—they compare apples with apples. When opponents of the proposed grazing fee compare the prices charged to lease private or State lands with the grazing fees ranchers pay for BLM or Forest Service lands, however they are comparing apples with oranges. They simply are not the same thing.

My friends from Arkansas and Vermont, are attempting to draw comparisons between apples—State lands, and oranges—Federal lands, to legitimize their logic. States fees are struc-

tured under an entirely different scenario than Federal fees. State lands are administered for completely different purposes and goals compared to Federal lands. To compare the fee dollars and cents on a chart is simply not fair.

With their amendments, my colleagues are attempting to utilize the State fee structure to create a more fair return to the Government and taxpayer. However, as I have stated before, this logic is flawed.

If we follow this rationale utilized in this amendment, by implementing the State rate fees, we might as well streamline the process and manage the public lands according to State management systems. Heck, if we charge a grazing fee according to State rates, manage the Federal lands like State lands, we might as well turn the whole operation and ownership over to the States. I suspect there are many Members in this body that would not agree with this type of logic.

Furthermore, the grazing fee structure in the Bumpers amendment is fundamentally unfair to ranchers. This proposal does not fully consider the investment that ranchers already have made in building their lots and stock ponds. In addition, the profit margins for many ranchers is small, and thousands of ranchers have already fallen into bankruptcy. Raising the fees as this amendment proposes to do will drive even more ranchers into economic insolvency.

Mr. President, the fee structure proposed by S. 1459 would establish a fair system. It is a very simple and straightforward method for calculating the grazing fee that would apply to western BLM and Forest Service lands.

Quite simply, you would take the 3-year average of the total gross value of production of beef cattle for the 3 years preceding the grazing fee year—based on data supplied by the Economic Research Service of the USDA—and multiply that number by the 10-year rolling average of 6-month Treasury bills. That number would be divided by 12, the number of months in a year. The dividend would be the grazing fee, expressed in dollars per animal unit month. S. 1459 would increase the fee by an average of about 50 cents per AUM.

Anyone who truly understands the grazing fees, will understand that there is only one agency that really attempts to compile data about private leased lands—it is the USDA's Economic Research Service—and that is why they are the source of the critical data used in this fee formula.

Mr. President, I am deeply concerned about this misperception of grazing fees that has become a symbol representing unfair subsidies and environmental degradation. Fee increases are imminent, and most people here understand that. However, these increases must be carefully structured with appropriate data. S. 1459 achieves this, by establishing a grazing fee formula that protects the rancher while allowing for

equitable returns to the Federal Government.

I would like to abbreviate my comments because I know my colleagues want to get out of here at a decent hour this evening. I was over in the office listening to the Senator from Arkansas and the Senator from Vermont, and I have to tell you I think they are just simply missing the target. I would ask my colleagues to oppose both their amendments.

As I understand the Jeffords amendment in the second degree, is attempting to put corporate interests in the same category as the family rancher, who has spent years and years of hard work to make his ranch grow. I think that is a mistake. It seems to me that we are confusing the issue of large and small ranchers and real ranchers with corporate operations.

I know in our State of Colorado we give special 100-year awards to ranchers and farmers. If the family has stayed with the land for 100 years, we give them an award at our State fair every year to try to encourage them to stay on the land. Many of those ranchers have sacrificed a great deal and their families have sacrificed too in order to make the ranch grow.

Some have done well over the years and invested in other things, but their primary income still comes from the ranch. This reality is a little different than the reality I have heard described by the two Senators and their amendments. I understand that the amendments that are being offered now are an attempt to try to get the corporate people out of ranching, and both Senator BUMPERS and Senator JEFFORDS mentioned Anheuser-Busch and Hewlett-Packard and a number of others, Simplot and Texaco, and so on.

I think most of us recognize that there are corporations in America that have bought ranches or bought permits to use as some kind of a tax shelter. I understand that. Most of us understand that. That is not who we are trying to protect. I know the Senator from Wyoming [Mr. THOMAS] and I have a lot of friends who fall into the first category that I was trying to describe. Those people who have worked the land, stuck to the land and sacrificed to keep the land are the ones we are concerned about. We are not in any way trying to protect the big corporations from using ranching legislation as a tax writeoff.

It would seem to me what they should introduce perhaps is an amendment to prevent nonranchers from buying permits, or to specify the criteria for permittees. It seems to me that is who they are trying to identify are those people who are abusing or misusing, if I can use their words, the system of ranching and the system of using permits.

Now, I wanted to also respond to the Senator from Arkansas question of quote, "Where does the money go?" I will tell you where the little money ranchers gain in profit goes. It goes

onto Main Street. It goes into hardware stores, and it goes into the grocery stores, and it goes into the used car lot and everywhere else—the banks, too, if there is some left over. Maybe it even goes for recreation or vacations. For the most part, however, usually the little that is left over goes back into the ranch to improve the ranch. I don't think people understand that ranching is the economic backbone for many rural communities in the West. When one rancher goes down, the whole community is affected. People up in the administration like to talk about the interconnectedness of ecosystems. Well, the rural ranching communities are a great example of an interconnected community. One element goes down, and the whole system crashes.

It seems to me, knowing what I do, as a western Senator, about ranching, when you kill the ranching industry—you also kill Main Street. I believe a disproportionate increase in a fee could do just that, and there are many studies that have indicated that a fee increase would indeed have devastating repercussions for the rancher and the community. This is obviously a serious issue to many small towns in the West, in probably eight or nine States at the very least. A blind and politically driven fee increase would result in putting real hard-working people on the welfare lines, and destroying property tax bases in our region. I do not think that is what our goal ought to be.

The Senator from Arkansas also mentioned one person in particular which he used to convince folks, in his catch-all kind of shotgun attack, that large ranchers are the same as corporate ranchers. That man was a man by the name of Dan Russell. I happen to personally know Dan Russell, although I do not know him well. I met him years ago, clear back in the 1960's. I disagree strongly with the Senator from Arkansas' characterization of his operation as some type of heartless, profit-driven corporate industry.

Dan Russell's family has ranches for almost 100 years on both sides of the Sierra Nevada Mountains in California and Nevada, too. He probably made 98 percent of his money or more from ranching, although he has probably invested in other things, too. Yes, he did make money, but I do not think that is against the law and it should not be against the law.

Dan Russell may have made money, but one factor that the Senator from Arkansas failed to mention is that Dan is known as one of the most community-minded people in the foothills of the Sierra Nevada Mountains. Dan's profit has been a profit for his community. If you go to Folsom, CA, a small town northeast of Sacramento, you find the Dan Russell Arena, which Dan donated. A lot of events are held there for the community. He is known as a civic leader and community-minded citizen who has made his money through real ranching, not because he

had an interest in Texaco or something else. Dan's contributions to his local community should be commended, not condemned.

I would now like to address the issue of fair market value. This issue comes up in this debate time after time. There is a great misperception about the fees for public lands, as if, somehow, ranchers in the West are ripping off the taxpayer because they do not pay the same amount for their AUM as a rancher in some other State that has to rent private land. I have private land. My wife's family used to have permits. I can tell you there is a big difference between private land and permits on public lands. The public land permits do not have the same sorts of benefits you could get on private land. Developments, improvements, anything you would not have to pay or provide on private lands, you have to pay for out of your own pocket on public lands. You get a lot more for your money with private rentals than you do with the permits. I think it is simply a bad comparison.

I would like to illustrate the ludicrous nature of this comparison with a couple of examples. I live out West where, if you want to go get your own Christmas tree at Christmas, you can do it on public lands. You can get a \$5 permit from the Forest Service and go cut a tree. Virtually any tree of any size that you can carry out of there, is only \$5. Yet, if you go downtown to any city in America and you buy a tree on the lot, it will probably cost you \$5 a foot. So how do you go about comparing the two? If you use the same rationale in the amendment offered by the Senator from Arkansas, we should start charging folks \$5 a foot for the trees on Forest Service land. I have a hunch though, that if you told everybody who wanted to go out in the forest and cut his or her own Christmas tree, many of whom have built traditions off of this practice year after year, that we were going to charge them \$5 a foot for any tree they pack out of the forest, they would probably get pretty darned angry about it. Is it fair? How about this example: In Denver, CO, if you go to the zoo to see eagles, hawks, coyotes, snakes, alligators, elk, and deer or whatever kind of animal, you pay \$6. If you drive about 30 minutes from the zoo to the foothills of the Rocky Mountains, you could easily see a lot of these animals, and you wouldn't be charged a cent. Under the Senator from Arkansas' logic with fair market value, maybe we ought to charge anybody who wants to see a deer, who goes out in the forest, \$6 to go out and look at deer. There would be a national uprising if we even suggested something like that.

This business about fair market value is simply a classic case of apples and oranges. It does not fit and it is not fair.

Finally, I would like to address another example that demonstrates the difficulties in ranching on public lands.

Currently, under the rangeland reform regulations and the Bingaman substitute amendment, the permittees on public lands who have put money into improvements are not allowed to have any ownership over the investments they make. The ranchers simply have to put in that money themselves—there are no Federal grants to assist them—and they get very little in return in the end. Under the Domenici bill, there are real incentives for permittees to improve their allotments. Unless you provide real incentives for the rancher, the condition of the range will continue to be substandard. This is not the fault or responsibility of the rancher. It is the responsibility of the Federal Government. It just makes sense—people have to feel empowered, they have to feel like they have a stake in what they work on, in order for them to be proactive in improving the conditions.

In any event, I did want to come down just for a moment and voice my opposition to both the Jeffords amendment and the Bumpers amendment. I think they are both just shots in the dark, and by trying to go after the big corporations they will create casualties amongst the hard-working family ranchers of the West.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Madam President, just for a moment, I, too, cannot resist the opportunity to make some comment on what we have heard over the last few minutes. I guess it is because I have heard it a half a dozen times since I came here to the Congress in 1989. Every year this same thing goes on, we go through this same business.

Basically, the first decision you have to make is the question of, as the previous speaker said, "highly subsidized grazing." Let me quote for you a study that was made by Pepperdine University. It was a comparative analysis of economic and financial conditions. It happened to be in Montana, between ranchers who have Federal lands and those who do not. These are just a few of the findings.

Montana ranchers who rely upon access to Federal lands and grazing do not have a competitive advantage over other ranchers in the State. Livestock operators with direct access to Federal forage do not enjoy significant economic or financial advantages over ranchers who do not utilize Federal forage.

It goes on and on. This is not my study; it is an academic study from Pepperdine University.

The point of the matter is, there is a great deal of difference between what you buy in State lands and what you buy in private lands and what you get in public lands. The Senator was talking about comparing it to Arkansas. What do they get, 35, 40 inches of moisture a year? In Wyoming, we get 6 or 8. There is a substantial difference there. Out in the Red Desert, where much of this land is, it takes 100 acres for one animal unit year. That is what it takes. It is different.