

The original documents are located in Box 16, folder “Grazing Fees” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE
WASHINGTON

*Interior
Talk w/ max*
DECISION

February 27, 1976

MEMORANDUM FOR: JIM CANNON
FROM: GEORGE W. HUMPHREYS *cut*
SUBJECT: Representative Santini and Colleagues
request to meet with the President
re grazing fees

The subject of the discussion will obviously be an appeal to the President to reverse his decision to increase grazing fees on public lands this year. The fees were to have been increased incrementally starting in 1969 and were to reach fair market value by 1980.

The President decided to waive the increase in 1975 because of economic conditions unfavorable to the ranchers. The increase announced in January 1976 is the point of contention.

My judgment is that if the President is not willing to reverse his decision, you and Lynn should see the delegation. If, on the other hand, the decision is potentially reversible, the President should grant the request.

I have obviously not prepared a recommendation for you, pending your decision. I am attaching Steve McConahey's memo to you for further information.

Attachment
a/s



JIM SANTINI
NEVADA

WASHINGTON OFFICE:
1403 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-5955

DISTRICT OFFICES:
SUITE 4-520 FEDERAL BUILDING
300 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89101
TELEPHONE: (702) 385-6575
SUITE 2024 FEDERAL BUILDING
300 BOOTH STREET
RENO, NEVADA 89502
TELEPHONE: (702) 734-5657

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 19, 1976

COMMITTEES: 2-20
INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
WATER AND POWER RESOURCES
PUBLIC LANDS
MINES AND MINING

INTERSTATE AND
FOREIGN COMMERCE

SUBCOMMITTEES:
TRANSPORTATION AND COMMERCE
OVERSIGHT AND INVESTIGATIONS

SELECT COMMITTEE ON AGING

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C. 20500



Dear Mr. President:

We are writing to request a meeting with you on a matter of the greatest concern to ourselves and our States.

Recently, the Department of Interior compounded the already serious economic problems of America's stock operators by announcing a 51% increase in the fee charged for stock grazing on the public lands. If fully implemented, this new policy will cost Western cattlemen and wool growers more than Five Million additional dollars in 1976. Given current economic conditions — cost of agriculture production up 25% since 1973, selling price of Western cattle down nearly 20% since 1973 — this proposed increase in grazing fees will be a fatal blow to many Western stock operators.

America's consumers will also suffer as a direct consequence of this grazing fee increase. Consumers will eventually absorb the increased grazing cost and may additionally be confronted with a dwindling supply of meat. Therefore, from both consumer's and producer's perspectives, the increased grazing fee is untimely, ill-advised, and will impair your Administration's success in controlling inflation.

Furthermore, because recent court decisions raise the imminent possibility of reductions in grazing allotments and because the West is in the grip of a severe drought, the proposed 51% grazing fee increase is especially burdensome this year. A partial rollback of this fee increase would, under these circumstances, be particularly welcome and appropriate.

As representatives of Western states, we have sought support within the Department of Interior for a partial rollback of this fee increase. In meeting with Secretary Kleppe and with the Bureau of Land Management Director, Curt Burkland, we were advised that you alone could reverse or revise the 1976 fee schedule. We, therefore, request the opportunity to discuss with you the 1976 fee, as well as proposals for a revised fee formula.

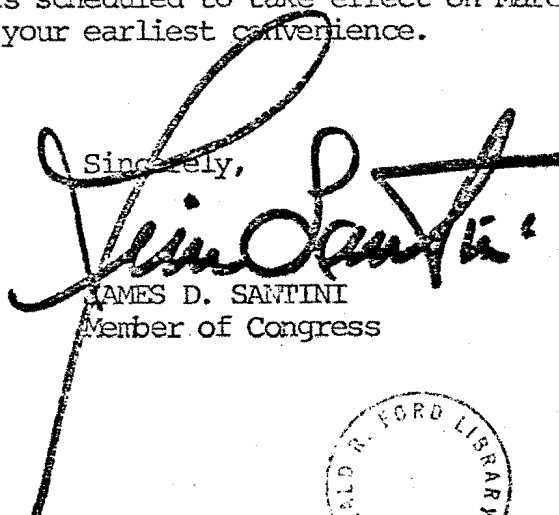
The Honorable Gerald R. Ford
February 19, 1976
Page Two

It is our hope that a formula can be agreed upon by the Administration, the Congress and the livestock industry that will assure a future grazing fee that is related to costs of production. The basic concept was agreed to in 1974 by both the Departments of Interior and Agriculture. Only through such a formula can we provide the opportunity for our vital family ranches to survive.

As the grazing fee increase is scheduled to take effect on March 1, 1976, we would hope to meet with you at your earliest convenience.

With best regards, I am,

Sincerely,


JAMES D. SANTINI
Member of Congress

JDS:sq



Allen T. Howe

Nassad Rinnick

~~Harold Johnson~~

Paul Symms

Max Bauer

Chas Hansen

Ted Kisenbom

Gunn McKay

Ken Roebuck

Wm. R. G.

Sam Geiger

John B. Cerdan

Howard M. Cannon

Rene L. Baker

Jack Miller

Rory Feldwiler



Joseph M Montoya

John J. Connelley

William R. Gandy

Cassius P. Callahan



Feb. 12, 1976

Grazing Fees on Federal Lands
Background Paper

In January, the Secretaries of Agriculture and Interior announced the grazing fees to be charged on Federal lands for the 1976 grazing season. The fees were increased about 50% (see attached table).

The setting of fees always has been very controversial. Some say the fee is too high, and others say it is too low compared to rates charged for private lands.

The present system for determining grazing fees on national forests (Agriculture) and public domain rangelands (Interior) was implemented in 1969 after a long study and battle with grazing interests. The fees are based on fair-market value (FMV), calculated annually using private lease rates as a reference point and an agreed upon formula. Instead of immediately going to FMV, however, the difference between the lower fees prevailing before 1969 and the FMV was to be closed in ten annual increments. FMV would be reached by 1980. The annual increase was foregone in 1970 and the increase was limited to 3 percent in 1972. President Ford decided to forego the 1975 increase because of the then economic condition of ranchers.

The Congress is also interested in this issue. The Report by the House Interior Appropriations Subcommittee on the 1976 appropriations bill recommended the 1976 grazing fees be \$1.60 per animal unit month (AUM)^{1/} for the Forest Service and \$1.51 per AUM for the Bureau of Land Management (BLM). This is the fee level recommended by the Departments of Agriculture and the Interior and approved by the President. It was announced on January 2, 1976, and is effective for the grazing year beginning / March 1. The Committee report reaffirmed the Federal intention to achieve FMV by 1980.

^{1/}Animal unit month - a grazing unit comprised of one cow and its calf or the equivalent (5 sheep, etc.) foraging for one month.

<u>Fiscal Year</u>	<u>Fee per Animal Unit Month (AUM)</u>		<u>(\$ millions) Total Receipts</u>
	<u>Forest Service</u>	<u>Bureau of Land Management</u>	
1969	\$.60	\$.44	9
1974	\$1.11	\$1.00	18
1975 Formula	\$1.60	\$1.51	27
1975 Actual	\$1.11	\$1.00	18
1976 Fair Market Value	\$1.94	\$1.94	35
1976 Announced Rate	\$1.60	\$1.51	27

2-12-76



THE SECRETARY OF THE INTERIOR
WASHINGTON

Grazing fees

April 2, 1976

Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D. C. 20500

Dear Jim:

Following up our meeting of two days ago with members of Congress and the President regarding grazing fees, my suggestion on deferments is primarily based on something the President could approve that would be relatively easy to do and yet not harmful to the budget procedure.

Our regulations will not permit a flat deferment after grazing has commenced without a formal change in these regulations. This precludes any formal deferment policy for this grazing season which was the subject of discussion. However, we have adopted an alternate approach of billing by the Bureau of Land Management for this year to provide for semi-annual or quarterly payments in advance of grazing. This approach is in lieu of advance billing on an annual basis and, therefore, would have the effect of reducing the economic impact on the user while maintaining the integrity of our current regulations.

Here are some 1976 billing statistics:

(1) The Bureau of Land Management offered installment payments to permittees in February.

(2) Of the 10 grazing states, no requests for installment payments were received in 5 of those states.

(3) Of the remaining 5 states, only 24 requests were received out of 9,135 individual billings.

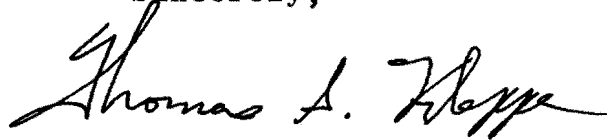
(4) Of the 9,135 billings, 6,661 have already been paid in full.



- 2 -

In summary, I think we have a minor problem and it is being addressed with little or no difficulty, and we will continue unless the President wishes us to do otherwise.

Sincerely,

A handwritten signature in cursive script, reading "Thomas S. Kleppe". The signature is written in dark ink and is positioned above the printed name.

Thomas S. Kleppe



THE WHITE HOUSE
WASHINGTON

April 5, 1976

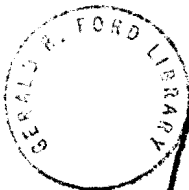
TO: JIM CANNON

FROM: STEVE McCONAHEY

For your information XX

Comments:

Attachment



cc: George Humphreys

Grazing Fees

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TAFT:

S. 3212. A bill for the relief of Johnny Chua. Referred to the Committee on the Judiciary.

By Mr. CANNON:

S. 3213. A bill relating to the use of certain grazing fees collected by the Secretary of the Interior. Referred to the Committee on Interior and Insular Affairs.

By Mr. DURKIN (for himself and Mr. McIntyre):

S. 3214. A bill to declare certain waters in the State of New Hampshire to be nonnavigable for certain purposes. Referred to the Committee on Commerce.

By Mr. HUMPHREY (for himself, Mr. McGovern, Mr. Clark, Mr. Symington, Mr. Culver, and Mr. Mondale):

S. 3215. A bill to amend section 142 of title 13 and section 411(a) of title 7, United States Code, to prevent a change in the definition of a farm prior to June 30, 1976, to relieve the Secretary of Commerce of the responsibility for taking censuses of agriculture every fifth year, and require the Secretary of Agriculture to collect comparable information using sampling methods. Referred to the Committee on Post Office and Civil Service and the Committee on Agriculture and Forestry, jointly, by unanimous consent.

By Mr. BARTLETT (for himself, Mr. Nunn, and Mr. Bellmon):

S. 3216. A bill to amend chapter 85 of title 5, United States Code, so as to provide that unemployment compensation for those ordinarily steadily employed but who have become temporarily, involuntarily unemployed which is payable to a Federal employee for any week shall be reduced (but not below zero) by the benefits payable to him with respect to such week under a Federal pension system. Referred to the Committee on Labor and Public Welfare.

By Mr. BEALL:

S.J. Res. 135. A joint resolution to amend the Regional Rail Reorganization Act of 1976. Ordered held at the desk, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 3213. A bill relating to the use of certain grazing fees collected by the Secretary of the Interior. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill designed to require that funds collected through so-called grazing fees be expended solely for range improvement purposes, except where otherwise specifically designated for payment to the State or Indian tribes.

I believe the original intent of Congress is being subverted when these funds are used for extraneous purposes.

We have heard a lot of nonsense about how the livestock producers are being given a free ride on Federal land and how the ranges are deteriorating from livestock grazing.

At present, the rancher is the only individual who pays anything for range use and it is he who returns meat products to

the Nation from a resource which is limited to very few purposes.

Cattlemen object to the BLM's using range improvement money for purposes other than range improvement. Another problem is that under most circumstances, ranchers are not even permitted to use their own funds to make range improvements until recently ordered impact statements are completed—which could mean a wait of up to 13 years in some areas.

The rancher supports the multiple use concept for the public lands and is understandably mystified when his use of the range is somehow made to appear improper. Conversion of the limited forage of the ranges to animal protein is certainly one of its most efficient uses. This can be done, as it has for many years, without significant disruption of the wildlife and scenic values of the ranges.

Mr. President, the question of range deterioration is one which has not been settled, in my opinion. People who have seen Nevada, for instance, know the ranges have never been a verdant splendor. But the ranchers have a tremendous stake in the quality of grazing and in many parts of the State, they assure me the ranges are better now than when they began ranching many years ago. These are people who have a constant and intimate knowledge of range conditions.

I urge early consideration of the question on range fee use.

By Mr. DURKIN (for himself and Mr. McIntyre):

S. 3214. A bill to declare certain waters in the State of New Hampshire to be nonnavigable for certain purposes. Referred to the Committee on Commerce.

Mr. DURKIN. Mr. President, I had hoped that I would not have to introduce this piece of legislation today. Unfortunately, the mindless and faceless bureaucracy at the Coast Guard and Department of Transportation has left no alternative.

Very simply, this bill reverses an administrative decision made by the Coast Guard last September in which the Federal Government declared two inland lakes in New Hampshire to be part of a potential navigable waterway, and thus under Coast Guard jurisdiction. The two lakes are probably known to many in this Chamber, Lake Winnepesaukee and Lake Winnisquam. They lie at the heart of New Hampshire, and the heart of her tourist area.

What is particularly annoying, Mr. President, is that the Coast Guard claim to jurisdiction over these lakes comes 35 years after the Motorboat Act of 1940—the act in which the Coast Guard was given authority to intervene in waters it determined to be navigable.

And what is particularly frustrating is that the Coast Guard, despite all pleas for commonsense, continues to view these lakes as navigable. The framers of the Constitution would have flipped their powdered wigs if they could have foreseen that the commerce clause could become so blind as to ignore tortuous rocks, dams, waterfalls, and shallow spots of

the Merrimack River leading to these lakes. To put it bluntly, you would have trouble getting up the Merrimack in a rubber raft.

The worst part of this unnecessary Federal intrusion is that New Hampshire has one of the toughest and best State-run boat safety programs in this country, with standards far above those proscribed by the Federal Government. Our patrols on the two lakes in question are frequent and thorough.

What is the Coast Guard offering us instead. An opportunity to lower our boating safety standards, and standards on polluting two beautiful lakes already in some environmental danger. It is offering reckless boat operators the possibility of reduced liability in case of accidents on the lake involving personal injury. And it is offering us \$35,000 more in boat safety money if our legislature changes a perfectly adequate boat numbering system.

We've been round the horn on all sorts of meetings on this assinine bureaucratic effort by the Coast Guard, Mr. President. There are legal complications, there are fiscal considerations, there are a number of practical problems to iron out as the boating season draws near.

But the commonsense is lost on the Coast Guard and Department of Transportation. We do a good job. They promise to do an inferior job. So why not leave New Hampshire alone.

Listen to the chief of Coast Guard congressional liaison, at a meeting with the New Hampshire delegation.

The people who are most horrified by navigability determinations such as these are our own operations people, who have to muster the resources to cover another area.

The same liaison officer admits that New Hampshire has a tougher set of safety regulations than those required under the Federal act. The Federal legislation, he said, was meant to create a uniform standard for boat safety, and to assist the States whose boating programs were deficient. But I cannot believe that Congress supposed that States like New Hampshire whose boating requirement exceeded the Federal guidelines would be penalized for their nonconformity and forced to give up their superior program. The point of the law was to lift up the inferior, not bring down the superior.

There was a loophole in that 1971 Boat Safety Act. It allows the Transportation Secretary to issue an exemption from any provision of the act if he considers that boating safety will not be adversely affected. Yet despite weeks of personal effort aimed at an exclusion, Secretary Coleman informed me last week that he could not agree to such a solution to this problem.

Faced with the approach of a summer season that threatens to be nothing short of chaos on our once-proud lakes, I am offering a simple legislative solution to the Coast Guard encroachment. I am glad to be joined by the distinguished senior Senator from New Hampshire (Mr. McIntyre). I hope this bill will be quickly referred to a hearing, and will add to the pressure on the Coast Guard

94TH CONGRESS
2D SESSION

S. 3213

IN THE SENATE OF THE UNITED STATES

MARCH 26, 1976

Mr. CANNON introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

Relating to the use of certain grazing fees collected by the Secretary of the Interior.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, notwithstanding any other provision of law, on and
4 after the date of the enactment of this Act, all moneys
5 collected by the Secretary of the Interior under the author-
6 ity of the Act of June 28, 1934, as amended (43 U.S.C.
7 315), commonly known as the Taylor Grazing Act, as graz-
8 ing fees, except where such moneys are currently earmarked
9 for specific uses under the provisions of sections 10 and 11
10 of the Taylor Grazing Act, and the Act of June 23, 1938



1 (43 U.S.C. 315m-1), shall be available, when appropriated
2 by the Congress, solely for use by the Secretary of the
3 Interior for the construction, purchase, or maintenance of
4 range improvements. Such moneys, when so appropriated,
5 shall remain available until expended.

94TH CONGRESS
2D SESSION

S. 3213

A BILL

Relating to the use of certain grazing fees
collected by the Secretary of the Interior.

By Mr. CANNON

MARCH 26, 1976

Read twice and referred to the Committee on Interior
and Insular Affairs



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

cc: Humphreys

April 13, 1976

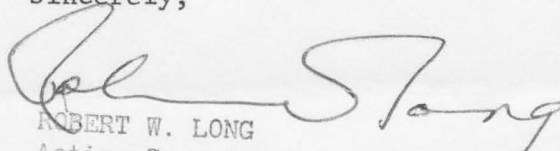
Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C. 20500

Dear Mr. Cannon:

We see no problem with Secretary Kleppe's position on grazing fees in his letter of April 2, 1976. The Bureau of Land Management's approach to installment payments will not present us with any difficulty.

Our regulations do not permit a deferment of fees payment. However, upon showing of real and acute need, we may allow a permittee to pay his fees in two equal installments. In such a case, the first installment is payable in advance of the period grazed, and the second installment at a later date but in advance of actual period grazed.

Sincerely,


ROBERT W. LONG
Acting Secretary



APR 14 1976

Geo
Thompson
THE WHITE HOUSE
WASHINGTON

May 5, 1976

REQUEST

MEMORANDUM FOR: JIM CANNON
FROM: GEORGE W. HUMPHREYS
SUBJECT: GRAZING FEES

Paul to Max
5/6/76
Let it be
Jim

You asked where we are on grazing fees, and did we ever "get back to the Hill".

The attached letter to you from Secretary Kleppe was the only "action" taken following the meeting with the President and the Western representatives.

The installment payment plan does not, of course, offer the relief sought by the grazers. They want another waiver of the increase this year, and would like to reopen the whole issue for the future.

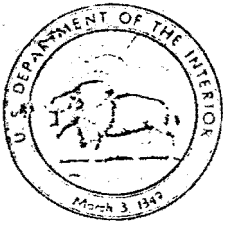
OMB is presently "looking into" several alternatives, and is discussing the matter with various members who were at the meeting. There have been suggestions offered, such as basing the fee structure on production costs, eliminating any attempt to seek a relationship to private rates, etc.

Since the President did not indicate any desire to give on the issue, OMB feels their investigation into alternative approaches is the appropriate reaction. I concur.

Other than the individual contacts between OMB and some of the Senators and Congressmen, plus Interior's responses to individual Hill inquiries, there has been no White House position given in any formal way. I would recommend that we stay where we are on the matter, letting OMB continue to seek a possible relief formula, and letting Interior (and Agriculture) take the heat.

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THE SECRETARY OF THE INTERIOR
WASHINGTON

April 2, 1976

Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D. C. 20500



Dear Jim:

Following up our meeting of two days ago with members of Congress and the President regarding grazing fees, my suggestion on deferments is primarily based on something the President could approve that would be relatively easy to do and yet not harmful to the budget procedure.

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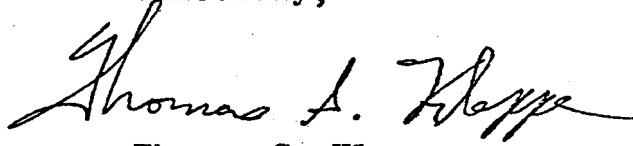
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4/1/76

In summary, I think we have a minor problem and it is being addressed with little or no difficulty, and we will continue unless the President wishes us to do otherwise.

Sincerely,

A handwritten signature in cursive script, reading "Thomas S. Kleppe". The signature is written in dark ink and is positioned above the typed name.

• Thomas S. Kleppe