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S. HRG. 107–437

# NOMINATION HEARING FOR MARK REY AND HILDA GAY LEGG

## HEARING

BEFORE THE

## COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

JULY 26, 2001

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry



Available via the World Wide Web: http://www.agriculture.senate.gov

U.S. GOVERNMENT PRINTING OFFICE

79–498 PDF WASHINGTON : 2002

For sale by the Superintendent of Documents, U.S. Government Printing Office
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# CONTENTS


Page

HEARING(S):

Nomination Hearing for Mark Rey and Hilda Gay Legg ..... 01

**Thursday, July 26, 2001**

STATEMENTS PRESENTED BY SENATORS

Harkin, Hon. Tom, a U.S. Senator from Iowa, Chairman, Committee on Agriculture, Nutrition, and Forestry ..... 01
Craig, Hon. Larry, a U.S. Senator from Idaho ..... 05
McConnell, Hon. Mitch, a U.S. Senator from Kentucky ..... 02
Murkowski, Hon. Frank H., a U.S. Senator from Alaska ..... 03
Rogers, Hon. Harold, a U.S. Senator from Kentucky ..... 06

WITNESSES

Legg, Hilda Gay of Somerset, Kentucky, to be Administrator, Rural Utilities Service, United States Department of Agriculture ..... 10
Rey, Mark of Canton, Ohio, to be Under Secretary for Natural Resources and the Environment, United States Department of Agriculture ..... 08

APPENDIX

PREPARED STATEMENTS:

Baucus, Hon. Max ..... 42
Bunning, Hon. Jim ..... 31
Crapo, Hon. Mike ..... 30
McConnell, Hon. Mitch ..... 32
Legg, Hilda Gay ..... 37
Rey, Mark ..... 33

DOCUMENT(S) SUBMITTED FOR THE RECORD:

Legg, Hilda Gay, Biography ..... 60
Rey, Mark, Biography ..... 44
Support Letters and Testimonies for the Nomination of Mark Rey ..... 81
Opposition Letters and Testimonies for the Nomination of Mark Rey ..... 85

QUESTIONS AND ANSWERS

Harkin, Hon. Tom ..... 102
Baucus, Hon. Max ..... 145
Daschle, Hon. Thomas ..... 138
Lugar, Hon. Richard G. ..... 134

# NOMINATION HEARING: MARK REY AND HILDA GAY LEGG

**THURSDAY, JULY 26, 2001**

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
*Washington, DC.*

The committee met, pursuant to notice, at 10:41 a.m., in room SR–328A, Russell Senate Office Building, Hon. Tom Harkin, [Chairman of the Committee], presiding.

Present or submitting a statement: Senators Harkin, Conrad, Lugar, McConnell, Thomas, Allard, and Crapo.

**STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY**

The CHAIRMAN. The Senate Committee on Agriculture, Nutrition, and Forestry will come to order. I apologize to all for being late.

This morning we are considering two nominations for important positions at the Department of Agriculture. Mr. Mark Rey is nominated to serve as Under Secretary for Natural Resources and the Environment, and Hilda Legg is nominated to serve as Administrator of the Rural Utilities Service.

The committee welcomes you, Mr. Rey and Ms. Legg, and looks forward to your testimony.

The Under Secretary for Natural Resources and Environment oversees both the Forest Service and the Natural Resources Conservation Service at USDA. This position is one of great responsibility involving both public and private lands. The health and conservation of forests and agricultural lands is critically important to all of us. If we do not respect and properly care for the land, we will impoverish ourselves and future generations, both materially and spiritually.

The Under Secretary will have a crucial role in developing and carrying out our Nation's policies affecting farm and forest lands.

The Administrator of the Rural Utilities Service also has a very important responsibility involving the quality of life and economic progress of rural communities.

From its beginning, the Department of Agriculture has sought to help enhance the lives of Americans on farms and ranches and in small towns across our Nation. Since the formation of the Rural Electrification Administration under President Roosevelt, USDA has played a key role in helping rural America secure amenities that are taken for granted in urban areas. Yet even in times of national prosperity, rural communities still lag behind the rest of the

country. Surely we can do more both in Congress and the Department to help close that gap.

I am pleased to welcome our colleagues, Senator Murkowski, Senator Craig, and Congressman Rogers.

I would also like to recognize and welcome several members of Mr. Rey's family who are here. I will permit him to introduce them when we call upon Mr. Rey. Again, we are pleased to have all of you here.

I will turn to the distinguished ranking member, Senator Lugar, for any opening statement he may have.

Senator LUGAR. Thank you very much, Mr. Chairman. I will forego an opening statement. I am looking forward to the introductions by our colleagues of these distinguished nominees. I appreciate their willingness to serve. They are able people. For the record, as the Chairman knows, he and I are given the FBI file. I have examined those carefully in preparation for the hearing. We look forward to hearing the testimony.

Senator MCCONNELL. Mr. Chairman, if I may, I am also going to want to say a word about Hilda Legg, who is a friend and constituent of mine, whenever you think that is appropriate.

The CHAIRMAN. Well, I think now would be the appropriate time, Senator.

**STATEMENT OF HON. MITCH McCONNELL, A U.S. SENATOR FROM KENTUCKY**

Senator MCCONNELL. Mr. Chairman, I am pleased to join my friend and colleague, Hal Rogers, in introducing our constituent, Hilda Legg, of Somerset, Kentucky. Hilda is an old friend and former staffer from years ago who has had a truly distinguished career and is an outstanding choice by the President for the Rural Utilities Service.

Hilda is in Washington accompanied by her 16-month-old son, Dane, and we want to welcome you and him, wherever he may be.

The Rural Utilities Service is an agency dedicated to helping rural America finance water, electricity, and telecommunications projects, as well as providing loans and grants for rural distance learning and telemedicine projects.

The Administrator of RUS must be well versed in the needs of our rural communities and in the role that rural development projects play in the overall economy and the well-being of rural America.

Nobody could be better qualified for this job than Hilda, who comes to us from the Center for Rural Development, which is really the brainchild of Congressman Rogers, where she is presently serving as executive director and CEO. She has also served as past Alternate Federal Co-Chair of the Appalachian Regional Commission.

She has been responsible for the overall management of this center that I just referred to that has been a national model for economic development in rural areas. Her expertise includes agriculture, advanced technology, export assistance, and small business development.

Hilda is no stranger to the Senate. As I mentioned earlier, she was confirmed by the Senate as Co-Chair of the Appalachian Regional Commission. As Co-Chair, she worked with the Governors of

13 States and with a budget of over $190 million in a position aimed at job creation, building infrastructure, education and work force training, and numerous research projects.

She has a long resume, and in the interest of time, I am just going to hit on the highlights of her career, which, as I would suspect you expect me to say, the highlight of her career was when she worked for me.

[Laughter.]

The CHAIRMAN. Let's hear from her on that one.

Senator MCCONNELL. From 1985 to 1987. Obviously I am very proud and pleased to be here to introduce Hilda and to wish her well in this new position. I am sure she will bring great distinction to the job and to our State and to the United States.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator McConnell.

The prepared statement of Senator McConnell can be found in the appendix on page 32.]

Senator Thomas, did you have any statement?

Senator THOMAS. No, sir. I just welcome Mark. I worked with him, of course, on the committee, and I am very interested in what Ms. Legg will be doing, as I was manager of the Rural Electric Association. So I welcome our folks and am very proud to support them.

The CHAIRMAN. Very good.

Senator Crapo.

Senator CRAPO. I, too, simply welcome both Ms. Legg and Mr. Rey to the committee today, and I look forward to a prompt and expeditious treatment of their nominations.

The CHAIRMAN. Very good. Also, for the record, both Senator Lugar and I have a letter from Senator Bunning that I will make part of the record. He says, "I support your committee in taking up the nomination of Hilda Legg to be the next Administrator of the Rural Utilities Service at USDA. The President has made an excellent choice by selecting Hilda, and I hope that you are able to vote her out of committee soon."

"Again, the President has made a fine choice. I wholeheartedly endorse her nomination, and I look forward to her confirmation by your committee in the full Senate." Signed by Senator Jim Bunning.

[The prepared statement of Senator Bunning can be found in the appendix on page 31.]

The CHAIRMAN. Now I will turn to our distinguished Senators who are here for the purpose of introduction and support and whatever they want to add to these proceedings. I will first recognize the Senator from Alaska, Senator Murkowski.

## STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM ALASKA

Senator MURKOWSKI. Thank you very much, Senator Harkin, and let me thank you, Senator Lugar, and the other members for scheduling this hearing today. I am going to speak on behalf of the nominee, Mark Rey, for Under Secretary for Natural Resources and Environment, and I think it is very appropriate that you are able to expedite this nominee by holding this hearing.

I have had the pleasure of working with Mark for a number of years. He has served the Senate Energy and Natural Resources Committee as a professional staff member since the 104th Congress, so we have had an opportunity to work together for some time. He has an extraordinary knowledge of issues, individuals, organizations involved in the Department of Agriculture Natural Resources and Environment portfolio, which is certainly a significant responsibility of this committee.

He has handled some of the tough issues, particularly in the Pacific Northwest relative to resource development. He has worked closely with Senator Craig, who was the subcommittee chairman. I certainly urge your favorable consideration.

He can be tough. He can be skilled—he is always skilled. He is not always tough. He is always sensitive and responsive in trying to work toward a solution.

His experience over the years I think is extraordinary in the sense of having the balance to come into this position. He has covered wilderness designations, county payments to improve forest management. He has worked on issues such as the Quincy Library, which was an effort to bring about a compromise between the logging and the environmental groups. Senator Craig can perhaps speak specifically of some of the areas where they have worked together. Having had the overall responsibility for the functioning of that particular area of the Energy and Natural Resources Committee relative to resource development, his departure is certainly a loss to our committee. It is a loss to the Senate. I am thankful that he will proceed here on behalf of our country and in a role of service.

Let me make a final note to give you some idea of how he is held by his peers. In 1997, the National Journal developed a list of the 100 most influential men and women in the Federal Government. Mark Rey was on that list. That gives you some idea of how effective he is and how knowledgeable he is. I can't think of an individual who is more qualified for this position, and I am very grateful that he is willing to serve the Nation in the capacity the President has nominated him, and I would certainly urge favorably reporting his nomination. It has been a pleasure working with him.

I would like to add for the record letters of endorsement from the United Brotherhood of Carpenters and Joiners, the International Association of Machinists and Aerospace Workers, the National Education Association, the National Federation of Federal Employees. Then we move down to such esteemed organizations as the Ruffled Grouse Society, Foundation for North American Wild Sheep, the Bear Trust International, the Campfire Clubs of America, the Safari Club International, the Conservation Forests, the Cherokee Safari Club. The list goes on and on, and I won't bore you other than to ask that these be included in the record to give you some idea of the depth of support of this nominee.

Senator MURKOWSKI. Mark, I wish you well. It has been a pleasure working with you, and we look forward to your continued contribution.

The CHAIRMAN. Thank you very much, Senator Murkowski.

Senator Craig.

## STATEMENT OF HON. LARRY CRAIG, A U.S. SENATOR FROM IDAHO

Senator CRAIG. Well, Mr. Chairman, thank you. It is good to be back before the committee. I still wish I were on the committee.

[Laughter.]

Senator CRAIG. Especially with the work that you and the Ranking Member, Senator Lugar, are doing now in the shaping of a new Farm bill. We know how critical that is to our country, and I will play a role in it, but not an active role of the kind that I would have, had I been here.

I also join Chairman, now Ranking Member Frank Murkowski in thanking you for expediting these hearings. I have been involved with others in encouraging our chairman to move some of these nominees as quickly as possible. We need them on the ground. We need them working on behalf of the citizens of our country, and your choice to have this hearing today for these two individuals is extremely important.

Frank has well outlined the relationship that he and I have had with Mark Rey over the last good number of years. I chaired the Subcommittee on Public Lands and the Forest Service, and over the course of the last good number of years, Mark and I have held over 150 hearings on the U.S. Forest Service. Some people have said we have turned it upside down and shaken it on more than one occasion, all for the purpose of trying to make it work, and work better.

In fact, one observer mentioned that it was the first time that kind of comprehensive overview had been done since the days of Hubert Humphrey and the crafting of the National Forest Management Act.

Throughout all of this time, there is only one clear thing I can say about Mark Rey. He is without question, in my opinion, the most knowledgeable person I have ever met on the U.S. Forest Service, not only in the way it functions or fails to function, but every law, every regulation that interfaces or fails to interface to bring about decisions on the ground or ultimate decisions by the chief here in Washington.

When the Bush administration began to recognize Mark for the opportunity to serve this country as Under Secretary for Natural Resources and the Environment, I thought of no better choice than Mark.

I say that because, while there are those who would criticize—and there will be—one of the things that I think is most evident in the letters that Frank asked be put in the record—and let me add another one, the National Education Association—was a broad cross-section of interests that support Mark Rey's nomination. That says that he has done a lot of things right over the years or he has gained their respect. Whether they agreed always with him, they recognized that he will listen to them and he will try to work compromise.

One of the things that Mark and I sought to do over the last good number of years—and we have worked very closely with Ron Wyden in doing so—was to stop the conflict that has been going on out on the public land over the years between many of our users and the law and environmental groups to see where we could bring

balance to policy. In many instances, I think we have been able to effect that.

Let me give you one example that I am most proud of, and Mark was really one of the major architects of it, Mr. Chairman. We call it the Secure Rural Schools and Community Self-Determination Act. You voted for it last year. It became law, and it began to reshape the relationship of communities, school districts, and counties out in our public land west and timbered land areas of the Nation that once received the receipts of timber sales to fund their public schools and county roads. There was opposition in the beginning, and in the end it passed with near unanimity.

Ron Wyden and I worked very closely together. Ron Wyden supports the nomination of Mark Rey, and I understand he has a statement—he can't be here today; that will be handed out to you—and is actively supporting Mark. Why? Because we worked together and we found compromise and we brought coalitions together of the kind that you really have to do to make public policy work when there are differences of opinion.

Mark has demonstrated that very, very clearly in his ability not only to work with staff but his vast knowledge of the issue simply puts him at the head of the line. I think our President has chosen wisely. This individual will serve you well in all of the capacities that are necessary within this area of responsibility, from conservation—and we know how critical that is to agriculture and to our farming community and to our public lands and water quality and all of the resources that are combined there. For those of us who live in the public land west and in the public timbered areas of our country, we know that the relationship we have with those lands is critical to the economic and the environmental well-being of our communities, our States, and, of course, all of the resources combined.

Mark has demonstrated that well over the years. I think you will—I trust you will find him favorable, and I am very proud to be sitting beside the person who I believe will become the next Under Secretary for Natural Resources and the Environment.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Craig. Again, before we move to Mr. Rey, I would like to recognize Congressman Rogers for the purpose of introducing Ms. Legg.

Congressman Rogers, welcome to the committee.

## STATEMENT OF HON. HAROLD ROGERS, A REPRESENTATIVE IN CONGRESS FROM KENTUCKY

Mr. ROGERS. Thank you very much, Mr. Chairman, and thank you for expediting this hearing. You do service to your constituents across the country when you schedule these hearings to, I hope, confirm these appointees. To the members of the committee, thanks for listening to us.

I join my home State colleague and my senior Senator in introducing Hilda Legg to this committee, and I offer you, Mr. Chairman, my strongest possible endorsement of her nomination to head the Rural Utilities Service.

Hilda is a native of the Commonwealth of Kentucky. She spent nearly her entire professional life in rural economic development,

playing a major and successful role in helping one of the country's most distressed regions turn the corner toward self-sufficiency.

She has a rich and diverse background. She has been a teacher. She was a college administrator. She was, of course, Senator McConnell's aide in one of his offices in Kentucky. As we know, she was the Federal Appalachian development Co-Chairman and has been a State-based economic development official most of her career.

Few people, Mr. Chairman and members, possess this lady's combination of rural development experience and managerial experience. I think she is ideal for this job.

Seven years ago, Hilda was selected by a national search committee to become the first director and CEO of a major new Rural Development Center based in my congressional district, serving a third of the State of Kentucky, but including all of the hard-hit sections of Central Appalachia in Kentucky. It was created to be a national model for rural economic development, and, in fact, it has become just that under her leadership.

This was an enormously tall order that she took on, and we are forever grateful that she agreed to take it on and, more importantly, grateful for the great job she did these years in bringing it from its infancy to almost maturity.

She inherited that enterprise in the midst of the construction of the building. She quickly moved to accelerate the build-out and the completion, to hire the entire professional staff, and to implement the various economic development programs in that center. She also managed the monumental task of designing and installing something brand new and unique, even today unlike anything in the country in a rural setting, and that is a computer and telecommunications network that now connects most of the 40 counties in that rural region together so that we can talk, even as we are talking here, across the vast distances and chasms that separate the parts of that area. For all of the good that that kind of communicative capability gives us for the first time in our history, it pales beside the computer network that has been created that links us with all of the world and is bringing thousands now of jobs to a region which has been distressed, dominated by the coal industry for all these decades, giving us the new jobs of the future. Mr. Chairman, that center is enabling my part of Kentucky, long distressed in the Appalachian region, the reputation of being the new Silicon Holler.

[Laughter.]

Mr. ROGERS. Under Hilda's leadership.

The center has become, as we had hoped, a national model for implementing economic development strategies in a rural setting, and it can be attributed to Hilda's exceptional leadership, management, communications, policy development skills, all of which would be of great use to us in the country as Administrator of the Rural Utilities Service.

This would be Hilda's third term of executive branch service, beginning with her work at the Department of Education's Council on the Handicapped, then her role as Alternate Federal Co-Chairman of the Appalachian Regional Commission where she helped manage perhaps the most effective Federal instrument for spurring eco-

nomic growth in severely distressed communities. Clearly, nothing would please me more, Mr. Chairman and members, than to have Hilda remain in Kentucky because she is going to be very difficult for us to replace to continue the effective programs that she has led these past years, except the only exception to that would be to have her use those exceptional skills on behalf of the country, and she is prepared to sacrifice in that regard. Mr. Chairman, reluctantly, I am, too.

Should this committee and the Senate approve her nomination, those of us in Kentucky will be secure in the knowledge that she has helped advance and shape the region, our region and its future, in ways that cannot be reversed, in my judgment. Hilda Legg is a strong and energetic manager. She is a genuine rural development expert and a progressive leader, and I don't think you could find anybody more qualified to fill this post.

Mr. Chairman, I commend Hilda Legg to you with my full endorsement, and I hope that she meets with your approval. Thank you.

The CHAIRMAN. Thank you very much, Congressman.

We will now turn to our witnesses.

The CHAIRMAN. Now I would ask both nominees to stand, raise your right hand. Do you swear or affirm that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REY. I do.

Ms. LEGG. I do.

The CHAIRMAN. Please be seated. We welcome you to the committee, and I will ask for your statements. First, I have one question to ask both of you: Do you agree that, if confirmed, you will appear before any duly constituted committee of Congress if asked to appear? Mr. Rey.

Mr. REY. I will.

The CHAIRMAN. Ms. Legg.

Ms. LEGG. I will.

The CHAIRMAN. Thank you both very much, and I would ask you now for your statements. We will turn first to Mr. Mark Rey, of Canton, Ohio, who has been nominated for Under Secretary for Natural Resources and the Environment. Mr. Rey, welcome to the committee. Your statement will be made a part of the record in its entirety. Please proceed as you so desire, and if you have some family members you want to introduce, please do so.

**TESTIMONY OF MARK REY, OF CANTON, OHIO, TO BE UNDER SECRETARY FOR NATURAL RESOURCES AND THE ENVIRONMENT, UNITED STATES DEPARTMENT OF AGRICULTURE**

Mr. REY. Upon your kind invitation, Mr. Chairman, I would like to introduced my family here today: my wife, Francesca Rey; my father, Emmanuel Rey; my mother, Joanne Rey; my daughter, Sally Rey; and my sister, Lisa Phillips.

The CHAIRMAN. Very good.

Mr. REY. Thank you.

Mr. Chairman and members of the committee, being nominated as Under Secretary of Agriculture for Natural Resources and the

Environment is the greatest honor that I have been accorded in a long career in the natural resources area. It is also the greatest challenge I have been asked to meet since arriving in Washington, DC, almost 26 years ago.

I would like to start by expressing my deepest thanks to President Bush and Secretary Veneman for their confidence and trust in my ability to fulfill the responsibilities of the office. I would also like to thank Senator Murkowski and Senator Craig for their encouragement and support. Last, I would like to thank—express my appreciate to you, Mr. Chairman, and your staff for fairly and promptly considering my nomination.

I come before you today sincerely convinced that the job of Under Secretary of Agriculture for Natural Resources and the Environment is one of the most vital positions in the Federal Government. Other offices will undoubtedly make a greater contribution in important areas such as national security or public health. However, no other assignment carries a greater trust responsibility to the American people than the stewardship of our Nation's soil, waters, and forests.

David Ben-Gurion once wrote that, "The soil is the source of life creativity, culture, and real independence." Earlier this century, Franklin D. Roosevelt spoke that "Forests are the 'lungs' of our land, purifying the air and giving fresh strength to our people." Still earlier, Samuel Langhorne Clemens wrote that "whiskey's for drinking, but water's for fighting about."

Given the importance of this assignment, I would like to begin our time together today talking about what you can expect from me, should you choose to confirm my nomination.

First, if confirmed, I commit to bipartisan collaboration in overseeing the stewardship of America's soil, water, and forest resources. In my years of service to the Senate, I am most proud of the initiatives to which I have contributed that passed Congress with overwhelming, bipartisan support. Over the past century, our greatest gains in securing the enlightened stewardship of our natural resources have occurred when men and women of both parties have bridged their differences and found common ground on behalf of the American people.

Second, I will, if confirmed, continue to respect the special role reserved for Congress in the Constitution for the development and implementation of America's natural resource policies. Having spent six years working for the Congress, I appreciate firsthand the importance of congressional oversight and involvement in the development and implementation of these matters. My advocacy for an active congressional role in this area will not change with my transfer to the executive branch of our Government, should you approve that transfer. In her own confirmation appearance before this committee, Secretary Veneman stated that she believed "in working cooperatively with Congress." I strongly share her belief.

Third, I offer you my experience. For over a quarter century, I have worked with and around the agencies I will oversee should you elect to confirm my nomination. A good portion of the enthusiasm and humility I bring to this task is a reflection of the dedication and skill of the public servants working in this area that I

have come to know over this time. They need attentive critics, but they have earned my respect, gratitude, support, and affection.

Finally, I offer you an open mind. I consider myself to be a good and active listener. You won't be hard pressed to find people who have disagreed with me. But I think most, if not all, of them will confirm that we disagreed without being disagreeable. In order to fairly sort out conflicting facts and opinions—and, in this policy area, everyone is entitled to their own set of each—an Under Secretary should be physically and intellectually accessible to all parties. If you choose to confirm me, I pledge to keep open both my office door and my thinking processes.

Winston Churchill once wrote that "we make a living by what we get, we make a life by what we give." I come before you today to respectfully request that you give me another opportunity to serve the American people. What I have offered about how I would perform this service, I have stated not only under oath to you, but before my family and friends assembled here today.

Thank you very much.

[The prepared statement of Mr. Rey can be found in the appendix on page 33.]

The CHAIRMAN. Thank you, Mr. Rey.

Ms. Legg, welcome to the committee and please proceed with your statement.

**TESTIMONY OF HILDA GAY LEGG OF SOMERSET, KENTUCKY, TO BE ADMINISTRATOR, RURAL UTILITIES SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE**

Ms. LEGG. Thank you, Mr. Chairman. I resisted the urge to bring my 16-month-old toddler in out of respect for you, Senator, and the committee. But I did bring his photo along.

The CHAIRMAN. There you go. All right.

Ms. LEGG. I would also like to say a thank you of appreciation to my mother and my father. My mother like millions of Americans, an advanced Alzheimer's patient, couldn't be here. My father who is 87, would love to be here, but just was not able to make the trip. He was the one who taught me around the supper table at night about Government, and then about public service, as a member of the Adair County Board of Education for years and years. I thank them.

Mr. Chairman, Senator Lugar and other distinguished members of this committee, I am truly humbled and honored to appear before you as the nominee of President George W. Bush for the Administrator's position of the Rural Utilities Service.

I am grateful to the President and to Secretary Veneman for their confidence in my ability to lead this most important agency, and for the opportunity to continue my life's work. Serving rural communities has always been at the center of that work, and it is an honor to be able to work with such distinguished colleagues at this level.

I would like to thank Senator McConnell and Congressman Rogers for their remarks today, but also, for the past 20 years, their advice and their support. I truly value their friendship.

But today is truly the pinnacle of a most rewarding career. One that I admit I did not have the foresight to plan, but one where

opportunity has knocked and I was able to walk through the door. It's a career where service to residents in rural communities has always been at the center, a direction that I intend to continue.

Why am I so excited about the opportunity to serve as the Administrator of the Rural Utilities Service? It's who I am. I was raised on that small family farm, where both parents worked outside the home. Farming was not our primary income. In fact, it was supplemental at best. Then for 18 years I was married to a farmer where agriculture was our primary source of income. I assisted with that cow/calf operation, those feeder pigs, and the corn and the hay and the tobacco. Except for just a couple of short stints in Washington, DC, I've always lived in rural communities, the largest being 15,000 people.

My professional background, included serving as the alternate Co-Chairman of the Appalachian Regional Commission where I assisted 13 Governors and their states in economic development. While serving as Senator McConnell's field rep, which as he said, was the most important part of my career, I worked with local officials to help secure support from Federal programs, as they endeavored very sincerely to grow those communities. For the past seven years I have focused on economic development in Kentucky's 40 poorest counties, always challenging when trying to stimulate economic growth and improve the quality of life. Truly, Senators, I have been where the rubber meets the road in rural economic development. I am very, very proud of the successes of the Center for Rural Development. My formal training in sociology and education has simply given me the broad perspective of total community development and the interrelatedness of the various aspects.

When we talk about infrastructure in our rural communities, that is truly one of the biggest challenges, not only to insure the maintenance of water and sewer lines, but also expansions necessary to encourage economic growth and new job creation. Obviously, utilities always have been, and will continue to be, the conduit for development even in this information age, which is, of course, the newest infrastructure challenge in rural communities. All these computers, wide-area networks, local-area networks, video conferences and the connectivity that links rural communities to the world and brings the resources of the world to those rural communities, all run on energy. Recently I read a prediction that the Internet will be responsible for one-half to two-thirds of all the growth in U.S. electricity demand. All these infrastructures are important. Workforces simply cannot be development, and new jobs cannot be created, companies cannot expand, and rural communities will not be viable places for future generations to live and raise their families, if the infrastructure is not in place. It is critical to the quality of life for rural Americans, and I truly cannot think of a more important challenge and exciting opportunity for the constituencies that I will be working with, and of which I am one.

I want my 16-month-old son, Dane, to know that feel of fresh cool dirt from a plowed field between his toes, and that sweet smell of freshly-mown hay, and yet, I want him to be able to access the world, and to have the opportunities to develop his talents in that environment. It is for his future that I take this challenge so seri-

ously, and so gladly devote the coming months and years to this service, if you so choose to confirm.

Again, I thank you for your consideration. I seek your approval today so that I can begin this new and challenging endeavor. I will be glad to answer any questions. Again, thank you.

[The prepared statement of Ms. Legg can be found in the appendix on page 37.]

The CHAIRMAN. Thank you very much for an excellent statement, Ms. Legg, both of you.

I will try to take about seven minutes per round of questions as we go through the panel. I will start off with my seven minutes.

Mr. Rey, I must say that at the outset, while I have received a number of letters in support of your nomination from various and sundry entities and groups, I must say that I have received some that are highly questioning. I had one here that was signed by a number of environmental groups: the Sierra Club, the National Environmental Trust, the U.S. Public Interest Research Group, the Earth Justice Legal Defense Fund, Defenders of Wildlife, Natural Resources Defense Council and the Wilderness Society, basically expressing concern. They did not say they were opposed to your nomination; they just expressed concern about it. Basically they say that Mr. Rey has been closely involved with the timber industry and an advocate for their policies for over 20 years with a lengthy record of positions, and a very specific point of view opposing environmental protection. As I said, they did not absolutely say that they were opposed; they just said that they were concerned.

Mr. Rey, why are all these groups so concerned? I do not know you personally, but would be interested in knowing. I do not know why these groups are concerned about you? Do you have any view on that at all?

Mr. REY. Well, I—it would be presumptuous for me to speak on their behalf, but we have had our differences in the past, particularly when I had a different role as an advocate for the Forest Products Industry, which I was from the mid 1980's until the mid 1990's. I think though if you ask all of those groups, Mr. Chairman, one of the things you won't hear is that since I took on a different role, that of a public servant, that I was unavailable to them, that I was unwilling to hear their views, that I was insensitive to their concerns. That doesn't mean that we agree more or less now, but I do pride myself that I don't think you'll find any of those groups who will be able to tell you that I denied them a meeting, that I failed to return a phone call, that I didn't listen when they had something to say.

The CHAIRMAN. I appreciate that. As I said, they did not say that they oppose your nomination; they just said that they have grave concern. That is the word that they used here. I would, as chairman, I say, that these groups, if they want to submit statements or if they want to further develop some thoughts on that, I would certainly welcome that and I would keep the record open for that if they wish to do so.

I have a few more questions to ask. In the past, Mr. Rey, you have promoted fundamental changes to many of the laws that you will be charged with enforcing, including the National Forest Management Act, and your actions directly impact the Endangered Spe-

cies Act. Will you commit to us to fully uphold these laws as they are currently enacted and interpreted by the Federal courts?

Mr. REY. Absolutely, Mr. Chairman. If confirmed, I will fully uphold the laws as they are written.

The CHAIRMAN. Now, Mr. Rey, I do not know if we have a difference on this or not, but I am personally a strong supporter of the Roadless Area Conservation Rule, because I believe it contains a balanced approach to the use and conservation of forests. I was disturbed when the Forest Service decided to take action to undermine the Roadless Area Conservation Rule. Chairman Bingaman just stated, and I quote, "The Forest Service will take additional time to provide for public comment regarding the Roadless Area Conservation Rule. While I am not opposed to additional public comment, I am opposed to actions to undo or undermine the rule. Although the administration has continually promised to uphold the roadless rule, today's announcement appears to be revisiting fundamental questions regarding the necessity of the rule." I am still quoting from Senator Bingaman. "The American public will be closely watching what steps the administration takes in the upcoming months regarding this rule. No rule can perfectly satisfy everyone, but this one has struck a chord with the American people. The Forest Service already has an $8.4 billion maintenance backlog on its existing 386,000 mile road system. In the absence of the rule, plans to build about 1,160 miles of new roads into protected areas would simply add to the Forest Service backlog." End quote. That is from Senator Bingaman.

Mr. Rey, how would you respond to Chairman Bingaman's statement?

Mr. REY. Mr. Chairman, I believe that you and I are in agreement on the need to protect roadless values. The rule that Senator Bingaman was referring to has, however, been enjoined by a Federal District Court. The Court enjoined the rule because a single national rulemaking, disposing of all of the roadless areas in the 153 National Forests, could not, in the Court's view, provide sufficient site-specific information to meet the administration's obligations under the National Environmental Policy Act. That Court decision is under appeal to the Ninth Circuit now, and we'll have to see what the Courts do with it.

But one way or another, Mr. Chairman, I would be happy to work with you to protect roadless values. Any disagreement we might have won't be over that; it will be over the best way that we get to that point, if in fact we disagree at all.

The CHAIRMAN. My staff informs me it is her information that the administration is not appealing this case.

Mr. REY. The administration has elected not to appeal this case, but the intervenors have, so the Ninth Circuit has before it all of the arguments available to defend the current rule. Unfortunately, or fortunately, depending on how you look at it, it was the Ninth Circuit who held that a previous effort to address this issue through a single national exercise, could not reach the responsibilities of the Environmental Protection Act—or the Environmental Policy—National Environmental Policy Act.

The CHAIRMAN. The administration is not appealing this decision?

Mr. REY. The administration is not appealing the decision, but the Ninth Circuit will render a decision nevertheless, and we will adhere to what the Ninth Circuit directs us to do.

The CHAIRMAN. Can we assume that since the administration is not appealing the decision, that they are in favor of overturning the rule?

Mr. REY. I don't think that's the assumption here. I think that the administration, looking at what the judge said, decided that a new effort to protect roadless values in a way that would meet the District Court's objections was a better way to assure the protection of roadless values more quickly. The administration has determined that in the interim, any activity that occurs in roadless area, if there are any, would have to be approved by the chief of the Forest Service.

The CHAIRMAN. Thank you, Mr. Rey.

Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Mr. Rey, during our conversation earlier this week, I was impressed with the fact that you have an excellent grasp of the Forest Service organization and how large that organization is. One of the points that you made was that a number of the Forest Service persons are not of advanced age, but they are getting older, that the problem of recruitment of qualified people may well depend upon pay, working conditions, other aspects that are competitive with other alternative occupations.

Would you illuminate that further for the benefit of the committee? As you take a look at this large organization, I think you said there are 38,000 people, and this is a part of your purview as Under Secretary, a huge organization of people, what thoughts do you have about bringing new vigor, new recruits, the kinds of incentives that are required?

Mr. REY. Actually, the observation I made when we met applies equally to both the Forest Service and the Natural Resources Conservation Service, where in both organizations, the demographics of the employee base suggests that we're going to lose through retirement a considerable number of skilled employees in the relatively near future. One of my greatest challenges is going to be working with you and other Members of Congress to secure both adequate funding and adequate incentives to retain and also to recruit new employees coming in.

Fortunately, there seems to be a considerable amount of enthusiasm among college graduates today for work in the natural resources and environmental area. I don't think that the talent pool that we'll be drawing from will necessarily be the problem. I think that the—the real challenge will be to find funding and find incentives to hire and then retain those employees, and to do that before we lose the experience base that we need to train them.

Senator LUGAR. I raise that question, Mr. Chairman, because the Under Secretary has these two large organizations as a part of the chain of command. He is not involved in a hands-on way with either one. They have their independence and their offices. But he is the advocate for them. He is sort of the interlocutor between us, the President, the organizations, and I think that is important. Sometimes we have these nominee hearings, we have an impres-

sion somebody is going to be out there making a rule on roads or something. Well, this is important in terms of policy, and he may very well reflect a policy in consulting with the President, with the Secretary of Agriculture, with us. But I was impressed by the fact his long work, longstanding work with our colleagues that we heard from this morning, Senator Murkowski and Senator Craig, have given him an excellent background, obviously, of the issues that come before us in the Congress, but that he has a very good grasp of what is required to bring vigor to the organizations that he advocates.

Let me ask a parochial question. The Forest Service does operate all over our country, even including states that do not have large forests like the midwestern states or my own State of Indiana. Our State was once virtually cleared of trees. Over the course of time, we are not unique, I found, in visiting Vermont one time, that it occurred there, although we think of the verdant forests there as substantial, and they have become that way in southern Indian as we verge upon our neighbor, Kentucky. I am involved on my own farm, a tree farm operation that has 200 acres. We cooperate with the Department of Natural Resources of Indiana, and the State has taken a vigorous role in encouraging the small landowners to plant trees. Why? Because most of the trees available now to the timber industry in the country, or for furniture makers or other users, are in fact privately owned places, and most of them are fairly small. One of the ways of boosting income for our farmers is to use the back 10 that is not used for anything else, and to see with soil samples what might happen.

What, in the repertoire of the National Forest Service or the Conservation Service, is there to help persons, tens of thousands of them in my State and surrounding states, who maybe have, as we do, just 200 acres in woodlands and in managed forests? What kinds of services are there available for them, and what kind of encouragement to plant trees, to proceed in this, which is often a multi-generational process?

Mr. REY. The Forest Service, one branch of the Forest Service that's very important to those sorts of programs is the State and Private Branch of the agency that works with state forestry agencies to deliver technical assistance, and in some case financial assistance to forest landowners to encourage sustainable forest management.

As I was preparing for this hearing, I asked a question about how much of the state forestry agencies' budget was made up by assistance from our State and Private Forestry Program for the U.S. Forest Service, and I was surprised to learn that probably on the average about a third of the budget of state forestry agencies throughout the 50 states are supported by Federal financial assistance through the State and Private Forestry Program. In some states it's more than half; in other states, who have large forestry organizations, it's less. But those are important programs because the majority of our forest land ownership is in private ownership, not in public ownership, and providing both encouragement, assistance and incentives to private landowners is one of the most important things that the Forest Service does on a day-to-day basis. The Natural Resources Conversation Service also has programs that as-

sist and encourage farmland owners to plant trees, particularly on erodible soils. That program is important because it's actually increasing our forest base.

Both of those are very valuable programs that I look forward to working with you to review as we get into the Farm Bill debate this coming summer and fall.

Senator LUGAR. I look forward to that opportunity also. We are always attempting to think of diversification in behalf of farm income. We often think of alternate uses of corn and other things that we produce, but clearly, the forest side of this is an important supplement of income, and may turn out to be the most profitable part for many private landowners. We look forward to working with you on these projects.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar.

Senator Thomas.

Senator THOMAS. Thank you.

Ms. Legg, we do not want to leave you out of this at all.

Ms. LEGG. That's OK, but go——

[Laughter.]

Senator THOMAS. What would you think would be currently—rural electric has been in place for a good long time, and so what do you think would be the greatest challenge now, current challenge to the Rural Utilities?

Ms. LEGG. I think the greatest challenge, Senator, to the Rural Utilities is to provide the service to all the constituencies in rural communities at an affordable rate and in an efficient manner. I think with the total energy issue today we have to ensure that distribution, from the generation facilities, is available to our folks who live in our rural communities. I think it's service and service in an affordable way. I think it's still around 15 percent higher at this point, even in my state, to get electricity out to our rural communities, and we're one of the lower states in terms of cost, so I think that will be an issue that we'll have to look at in context. I think working with Vice President Cheney and Secretary Veneman, who serves on that special task force to look at energy, to ensure our rural communities have service. If confirmed, I would look forward to working with them.

Senator THOMAS. We have been, just came from a hearing on electricity over in Energy, and do you see, particularly the G&Ts being involved with the regular movement along with the other utilities pretty much the same, so that they can move their power, or do you see them separate from the investor-owned utility?

Ms. LEGG. Senator, I think it's going to take all entities working collaboratively to—again, to bring that service to our rural communities. I would look forward to discussions with all folks, all the G&Ts, the co-ops, everyone, to be involved in that discussion, as to how we best accomplish our goal.

Senator THOMAS. Last year the Congress passed a bill that establishes a guaranteed program for satellite TV delivery. Are you familiar with that program?

Ms. LEGG. I've had a quick conversation about that.

Senator THOMAS. I guess I hope that you will be able to move in and do something about having the regulations written and so

on, so when that is funded, that this will be an opportunity to provide access to rural folks, the same kind of TV that others have.

Ms. LEGG. Senator, I can assure you that if I am confirmed, that we will be in discussion with your staff about those issues, and the promulgation of the regulations, as well as the other entities at USDA about that.

Senator THOMAS. Local TV is something of a problem.

Ms. LEGG. Absolutely.

Senator THOMAS. Mr. Rey, there has been some concern that because of the rules and regulations that go out in the non-point source water, so on, that NRCS has become sort of a regulatory agency as opposed to a technical assistant. How do you react to that?

Mr. REY. The—I'm not sure, Senator, that NRCS has been perceived as a regulatory agency so much as some of the new rules involving non-point sources imposed additional regulations on farm landowners that they have trouble dealing with. Today, as EPA struggles at looking with the total maximum daily load rules and the concentrated animal feeding operation rules, the administration has formed an interagency task group between EPA and NRCS, to work together on making those rules effective in improving water quality, but effective as well in securing the cooperation of farmers and feedlot owners to accomplish those objectives. I had the opportunity to sit in briefly on one of the meetings of the two agencies yesterday, and I was struck by how well they were working together to accomplish that end.

What I would commit to you, Senator, if I'm confirmed, is to increase NRCS's involvement in those regulations to make sure, one, that they're effective in improving water quality, but, two, that they retain NRCS's cooperative relationship with farm landowners because I think we have made our greatest strides in controlling non-point source pollution in the past, when that relationship has worked to the advantage of both the environment and farm landowners.

Senator THOMAS. Nobody argues, of course, with the idea of clean water and so on, but I think both in the case of some of the Forest Service questions and certainly these questions, it seems like perhaps there needs to be more involvement of local people and more involvement of state agencies, more involvement of the state conservation associations and so on. Would you find that to be something you would like to promote?

Mr. REY. If I am confirmed, I will work to make NRCS an active partner in those programs, working through the state conservation organizations and the other delivery systems that we have in USDA.

Senator THOMAS. That is one of the things, as you well know better than I, and the chairman just stepped out, but, you know, there is all kinds of different forests, U.S. forests around, and they are pretty unique, and each one of them has a forest plan that has to be done every certain period of years. Yet some of the rules have been put out here from Washington without much attention to the individualism or the uniqueness of the various forests, which those studies should be able to put forth. I hope that we do not get the

one-fits-all kinds of things on all these issues. I know that you have been involved in that. Thank you.

The CHAIRMAN. Thank you very much, Senator Thomas.

Senator Crapo.

Senator CRAPO. Thank you very much.

Ms. Legg, I think you are going to miss most of the questions today, and you can take that as a fortunate thing, I think.

[Laughter.]

Ms. LEGG. I do. Thank you, Senator.

Senator CRAPO. Idaho has about 20 million acres of National Forest land that I want to talk to Mr. Rey about here for a minute. Mr. Rey, the Forest Service recently entered into an interagency agreement with the National Marine Fisheries Service to focus on the need to get consultations done on the forests, particularly those that are most at high risk with regard to catastrophic wildfire and present a threat to the communities in the West. Are you aware of that agreement?

Mr. REY. I am, Senator.

Senator CRAPO. In my State alone, the National Marine Fisheries Service has opened a new office in Grangeville and in Salmon, and I think in total there are at least 31 new National Marine Fisheries Service biologists that have been located in western communities in order to get consultations done on forests that are at the highest risk for wildfire. Do you believe, if confirmed, that you have the authority that you need to make sure that these consultations are completed in a timely manner and that these on-the-ground projects can proceed?

Mr. REY. Thank you, Senator. I believe that authority exists, and I'm encouraged by the quick action of the National Marine Fisheries Service to hire those biologists. Last summer, during and immediately after the fire season, when the committee that I staffed held hearings on both the fires and fire recovery, one of the things that the Forest Service, and for that matter, the Interior Department explained to us, is that one of the impediments in moving forest rehabilitation projects forward was a lack of resources at the Fish and Wildlife Service and the National Marine Fisheries Service to engage in Endangered Species Act Section 7 consultations to assure that those projects didn't result in jeopardy to a threatened endangered species.

It wasn't a case where the Fish and Wildlife Service or the National Marine Fisheries Service were being uncooperative; they simply didn't have enough people to get the job done. One of the things that the Appropriations Committee did, as a result of that oversight testimony, was include funding in last year's Interior and Related Agencies Appropriations Act to bring those people on board. We subsequently found that we needed to provide additional statutory authority to transfer the money from the Forest Service to the National Marine Fisheries Service, and your committee, the Environment and Public Works Committee, promptly passed enabling legislation to get that done this past spring.

Now those National Marine Fisheries Service biologists are on the ground. I am very encouraged that they are actually being placed in places like Grangeville and Salmon, close to the resource so they can observe what's happening firsthand. My commitment

to you is that, if I'm confirmed, I'll make sure that the Forest Service and they are working hand-in-glove to get this work done as quickly as possible.

Senator CRAPO. Thank you. I appreciate that. It is always kind of an awkward dilemma for those of us who want to see this work move ahead rapidly to recognize that we have to have a lot more Federal regulators moved into our State in order to get it done, but we recognize what is going on. We do hope that, with your leadership and that of others in the administration, that we can get these consultations completed very rapidly.

I would ask you, if confirmed, if you would keep my office apprised of any obstacles that you may run into that would prevent these consultations and projects from moving ahead expeditiously.

Mr. REY. I'm happy to do so.

Senator CRAPO. Thank you. I just have one other area of inquiry right now, and that is, as I am sure you know, because we have worked together very closely in the past, I have been pretty critical of the way that the Forest Service allocates its funding.

One of the problems that we often face out in our forests in the West, which, frankly, you just alluded to, in terms of the lack of personnel there to get the job done that we need done in terms of proper management of the forests, and this includes everything from getting the biologists there for the consultations to making sure that the camp grounds are kept up, that there is the adequate enforcement of the need for management on the forest grounds or any number of things.

What we often see is that critical and needed activities in our forests are not undertaken by the Forest Service, and the explanation that we get is that they do not have enough money in their budget to get it done. In fact, we are often told that their budgets are shrinking, rather than growing, with the needs that they face.

When I am told that, I come back here scratching my head because I remember voting on the appropriations for the Agency, and I remember the appropriations going up, not down. I have inquired a number of times about this and have found out that, in fact, the appropriations have annually, since I have been in Congress, gone up, not done. Almost annually the amount of money allocated to the local forests has gone down, not up.

I want to know where that money is going. What I have found out so far is that it is going to more heavily populated urban areas or to the central bureaucracy of the Forest Service. I think that is wrong. First of all, I would like to have your perspective on that, and I hope that we can address this discrepancy in the future, as we work together, if you are confirmed.

Mr. REY. Thank you, Senator.

The data I've seen in budget allocation over the last several cycles have shown, as you indicated, that more funds are be—were being retained longer in the Washington office, as opposed to being distributed to the field. In his first appearance before the Energy Committee, at a hearing which I staffed, the new chief of the Forest Service, Dale Bosworth, stated, without prodding, that one of his first objectives was going to be to reverse that trend and to get more money out of the Washington office and into the field faster,

and if I'm confirmed, I'll be helping him in making sure that we accomplish that goal.

Senator CRAPO. I appreciate that. In fact, Mr. Bosworth was one of those regional forest managers who was getting short shrifted on the budget when he was out in the field. I am glad to see him now back in headquarters, if you will, because I know that he understands the problem, and I appreciate his comments, as well as your commitment.

I have no further questions at this point. Although, Mr. Chairman, I did have a brief statement that I did not give at the beginning and would ask unanimous consent that it could be made a part of the record.

The CHAIRMAN. Without objection, absolutely, Mr. Crapo.

Senator CRAPO. Thank you.

The CHAIRMAN. Thank you very much.

Senator Allard.

Senator ALLARD. Mr. Chairman, I guess you are getting a pretty heavy dose of Western issues here, as it applies to the forest.

[Laughter.]

Senator ALLARD. I am going to join the chorus.

The CHAIRMAN. That is all right. You get a heavy dose of Midwestern issues all the time.

[Laughter.]

Senator ALLARD. We have got a little balance on this committee, I see.

The CHAIRMAN. That is right.

[Laughter.]

Senator ALLARD. But, you know, the State of Colorado finds itself frequently entwined in forest and water issues. I share the concerns of my colleagues, certainly, from Idaho and Wyoming, about the way the Forest has disregarded the State's role on water issues and has, at times, stepped in and claimed in water rights, that the Federal Government has supremacy. In water in Western areas, is frankly a property right. When the government drops in and says, "We want to take first priority in an allocation in a river," that means that all of the other people who have purchased water for their farm or ranch, or a city who is taking care of their municipal needs, find themselves moving down the ladder. That type of policy concerns me, and I'm apt to get in touch with you whenever the issue of Federal Reserve water rights comes up.

I would like to hear some of your thoughts on a Federal Reserve water right.

Mr. REY. Before you came in, Senator Allard, I recounted a quote attributed to Mark Twain at the end of the last century, wherein he said that, in the West, whiskey is for drinking, but water is for fighting about.

As I've observed the situation in Colorado, I think my conclusion is we probably need more whiskey to work through those problems.

[Laughter.]

Mr. REY. The Supreme Court I think has made it abundantly clear that the Federal Government must assert any reserved water rights that it wishes to maintain through State court—State Water Court proceedings. Over the last several years, we've tried to do that, I think.

Where the Forest Service, in my judgment, has been most successful in identifying and securing in-stream flows necessary for fish and wildlife populations is where it has done that through a collaborative process with the States, through State proceedings; for instance, using the 1973 Colorado process for that purpose.

Where the Forest Service has tried to assert water rights that were ambiguous, without that local collaboration, they have been less successful, except in instances where a threatened or endangered species or a wild and scenic river have been involved.

Generally speaking, though, it would be my preference, if confirmed, to, in as many cases as possible, take the former course and to work collaboratively through State proceedings with the other water users to try to secure a mutually acceptable outcome for all interests.

Senator ALLARD. Well, I appreciate your answer in that, because all States are a little bit different. Although most Western States have the doctrine of prior appropriation that originated in Colorado and was eventually adopted by many of the other Western States. But the Eastern States have a different type of water law, and I am glad to hear that you are willing to work with Western States in that. That gives them some ability, at least, to communicate about how the system is going to react with each of the individual State water laws and court systems that have been set up within the States. I think those of us in the West, in Colorado, Wyoming, and Idaho would appreciate that approach.

I cannot emphasize how important it is, whether we are talking about forest management issues, water issues or any kind of natural resource issue, that there be some mechanism for local input. I would like to hear any thoughts that you may have on how we might allow more local input from people that are impacted through forest decisions or water decisions or any natural resource decisions in these States and how we might enhance that. If you have any thoughts on that, I would like to hear what those might be.

Mr. REY. I think one opportunity that we have right now that is exceptionally important that the Forest Service is well underway in implementing are the local advisory committees that were established by a piece of legislation that Senator Craig referred to earlier today, the Secure Rural Schools and County Payments Act.

I think those local advisory committees are going to go a long way to providing a forum for collaboration with local people, of a variety of views, to work together in securing forest management decisions that are reflective of national environmental priorities and national environmental requirements, but nevertheless sensitive to local site-specific conditions and local needs.

So I'm very optimistic that, as those committees are up and running, they will provide a local forum for people to work out their differences, and that in doing so, the differences that are presented to you, the Congress, here in Washington, DC, are going to be vetted to the point that they're a little bit less contentious and maybe easier to resolve.

Senator ALLARD. One other area that I want to bring up and, again it has to do with water, and has attempted to be implemented by the Forest Service in Colorado. Western States continue

to share this concern because of the precedent it begins to set. This is the issue of bypass flows.

We have a ditch that perhaps was put in place even before it was designated as a national forest. The Forest comes in every so often and allows a renewed permit to allow the ditch. In some instances they said, "Well, we will renew your permit, but we want a certain percentage of the water out of that ditch." I have a real concern about that. I would be more comfortable if they would just ask for a flat fee because the value of water, as it increases, almost creates a windfall for the Federal Government. Over time, it also means that a farmer or rancher that has relied on that ditch for various reasons is going to eventually dedicate all of that water over to the Federal Government. It is the issue of this becoming a takings that concerns me.

I do not expect you to be up on all of those issues on those things because they do get a little bit complicated, but I think that your fundamental thoughts about local control and working with the States on water should help resolve those conflicts.

Thank you.

Mr. REY. Thank you.

Senator ALLARD. Mr. Chairman, thank you.

The CHAIRMAN. Thank you very much, Senator Allard.

Ms. Legg, I noted, with interest, on your statement that you said, "Utilities have been and will continue to be the conduit for development, even in the Information Age, which is of course the newest infrastructure challenge to rural communities." You mentioned that in passing there.

Interesting reading is the history of the development of the Rural Electrification Act and the debate that took place in the Senate during that time. If you have nothing better to do with your time some evening, I recommend it.

Ms. LEGG. Yes.

The CHAIRMAN. It is an interesting read about how there were Senators who said that if people want to live in rural areas that is their right to do so, but we do not have to provide electricity to them because it costs too much money, it is cost-ineffective and to run all of those lines out there for miles to serve one farmer, does not make any sense. This is a debate that took place on the Senate floor.

Well, we persevered and it got through. Of course it was not just that line to that farmer. It was the lines that went out to our rural communities that enabled us to build colleges, and community colleges, and schools, and manufacturing came to our small towns and communities, so the whole thing blossomed because of that.

Having said that, it seems to me that, getting into the 21st century, we still have utilities that are needed in our rural areas. You touched on that, and that is the whole area of broad-band access. If we do not have broad-band access to our small towns and communities, that means they are on the other side of that digital divide. What mail order company or what firm that might employ a few people to run a phone service or clearinghouse or something is going to locate in a small community if they do not have access, and rapid access, through broad-band technology?

We know right now that a lot of farmers are getting their income off-farm. I stated this fact the other day. I think it is true in my State—I do not know about Indiana—but I think only 1 of 15 who live in rural Iowa farm. The rest live in small towns and communities, and even those who farm are getting off-farm income.

I think we have to provide some basics for these people in these communities, and so a lot of people say that your job, your future job, is basically completed in terms of utilities. We have got the wires out there, we have got the lines, and so we do not need anything else. But I would like to have your thoughts on how you would lead the charge towards the new concept of the Rural Utility Services being involved in the utilities of the 21st century, which is Internet service and broad-band access to our small towns and communities. How do you see your job as promoting that aspect and coming to this committee to ask us for our help and our support to give you the necessary wherewithal to carry that out. So how do you see that?

Ms. LEGG. Senator, I think that's probably the most exciting aspect of RUS at this point in time. It is a new economy, it is knowledge base, it is the Information Age. We cannot deny that. We cannot run from that.

Now, technology will not—it's not the silver bullet. It will not cure all of our rural communities' ills, but it has to be available in order for us to be at least competitive in the global economy, whether it's our agricultural products, whether it's bringing educational opportunities, whether it is to consult with a medical professional, many States away. It is absolutely critical, in terms of economic development, that our rural communities, and that our children in those communities, can interact with the world.

It's not just about education, it's about pure economic development. It's about bottom-line dollars and cents, and the name of the game is speed. How fast can you get voice, data and video over that infrastructure? In Kentucky, as the Congressman alluded to Silicon Holler, we call it at the Center rising above the mountains. It's not the road—it's not the farm-to-market road, but it is the way that we do business today, and so we call it the information highway, and of course all of the on ramps and off ramps. But it's all about speed. It's all about economic development.

As far as I'm concerned, Senator, I would be eager to work with your folks here on the Hill, obviously, the other entities throughout the Federal Government and our local communities to help them understand, No. 1, that rural communities need it, how to use it, and how to make it work for our communities to grow.

Thank you.

The CHAIRMAN. I appreciate that. Going from that back to the old system. I do not know how you did in Kentucky, but we started a number of years ago building rural water systems in Iowa. Maybe you have them in your area too. They have been great, but we have a long way to go.

There are still many, many communities in my State and all over the country that need clean, safe drinking water. In many cases, environmental regulations require the upgrading of rural water systems, but the people in those communities do not have the fi-

nancial wherewithal to do that. The EPA comes in and says, "You have got to meet these standards."

The people say, "Well, we would like to meet those standards," but they just do not have the tax base and the resources to do that. They are very limited. I am asking for any thoughts that you might have on what we can do to help our communities with two things: to expand the rural water systems beyond what we have right now, and, again, thinking about it in terms of the lines, the old electric lines, and people say, "Well, it is expensive." Well, it is not all that expensive.

Second, what can we do to help our small communities upgrade their water systems to meet the new regulations?

Ms. LEGG. Senator, those are very important issues. As we've been talking about all morning in some form or fashion, it's purely vital to our existence. I know what it's like to be on the county water system. I know what it was like when we first got on the county water system, too. I understand that need very, very much. I also know that it's an economic development issue, as well as a quality of life, and a health issue.

What will we do? Obviously, regulations are always more difficult to adhere to in rural communities because of the lack of the tax base and the expense to do so. But I can assure you, if I am confirmed, that I will be working to try to address those issues, and along with the EPA, get that those regulations in place. We will be a loud voice of advocacy for those rural communities so our individuals can have clean drinking water and we can maintain the systems we have already invested in.

The CHAIRMAN. I appreciate that. I just want you to know that I come from—you say you come from a small town. How big is your hometown?

Ms. LEGG. Actually, it was about 4,000. That was the county seat, and I lived out in the county.

The CHAIRMAN. That is a big city.

[Laughter.]

Ms. LEGG. Well, I lived in Knifley. Now, that was just a couple of hundred, at most.

The CHAIRMAN. My hometown has 150 people. I still live there. I live in the house in which I was born. Very few people can say they actually wake up in the room in which they were born, but I can say that.

Ms. LEGG. That is true, Senator.

The CHAIRMAN. But I remember when they came through in the 1970's, and they tested all of the wells and not one well tested fit to drink, not one well in our town, to which my political opponents always said, "No wonder what is wrong with you, Harkin. Drinking that bad water all your life."

[Laughter.]

The CHAIRMAN. But we got an extension of a water line over, through Rural Water, and we got an extension in. What a blessing it was for people. Of course, now we have a sewer system.

Ms. LEGG. Big time.

The CHAIRMAN. Big time, now. Of course, that caused some problems, but I am not going to go into that. But I also have firsthand

experience of what it means to get good water in our hometown. I would look forward to working with you on that.

I have some more questions for Mr. Rey, but I will yield to you, and now we will go around again here.

Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Ms. Legg, following through on Senator Harkin's questions about the Internet and the broad-band, one of the problems that is highlighted by most of the financial press is that many of the telecommunications companies in the private sector have extended their lines, their facilities to a point that they are nearly in bankruptcy. In other words, the bond issues, the borrowings that have been required to lay out all of this have been sizable, and although the market may respond in due course, people may come on line, small towns may use it, there seems to be a time-lag factor here.

I am curious, as you take a look at the management of what amounts to a very, very large utility that you are managing on behalf of the taxpayers, what are the policies of Rural Utility Services in terms of borrowing, extension of services and what have you? We had a pretty broad debate a couple of years ago about the need to have an Internet that united all of us in America, and especially rural America in remote areas, and, generally, Congress subscribes to that idealism.

But, finally, you and your cohorts are left, as you say, where the rubber hits the road, to actually bring this into actuality, to raise the funds or to take the risks, in some cases, that are required. Have you given this thought and, if so, what kind of policies do you find there now and what kind of borrowing authority or other recommendations are you likely to make as you come to the Congress for budget authority?

Ms. LEGG. Senator, I have given some thought in terms of, and have been involved in trying, if you will, to create the demand from that private sector, what forces or not just forces, but entices the providers to provide service there. It is sort of a "chicken or egg" situation, which comes first?

Senator LUGAR. In other words, the public utility encourages the private people to make the investment so that the public is not at risk in these borrowings and what have you.

Ms. LEGG. Right. I think it's always a juggle of that public/private, if you will, concern and demand. To tell you I would be able to say today that I have some policy recommendations, I simply would like to ask if I could get your input on that in the future and also become more involved with the policy development folks at USDA. I've been hoping that this confirmation hearing would give me an opportunity to do that and would look forward to working with you.

Senator LUGAR. Very well.

Let me ask to what extent now in the history of our country is everyone connected, at least in terms of basic electrical services? Is everybody online there?

Ms. LEGG. Electric just from the electricity demand?

Senator LUGAR. Yes. Let us take that for starters.

Ms. LEGG. Electricity demand is much, as you would guess, is much more available than the Internet connectivity.

Senator LUGAR. Right.

Ms. LEGG. Internet is about 7.3 percent in our rural communities, in terms of that connectivity. It's under 10 percent.

In the rural electrification, I don't have an exact number to give you, but my perception from working with our folks is that it's more of a matter of looking at the last mile, if you will, of that connectivity. It goes back to Senator Harkin's statement about if they live out that far, then they need to just run their own electric out there or their own line. We hear those discussions. I've been a part of those discussions. It's not just 65 years ago with the beginning of the REA. There are still folks who have that discussion today.

Senator LUGAR. Right now, yes.

Ms. LEGG. I think what we'll be looking at is, again, those that have been left out, those last-mile connections are what I would like to get involved in as we pursue this issue.

Senator LUGAR. I appreciate that because I, you know, clearly the excitement now is the Internet. As you say, you've got about 7-percent-plus online there, but the old debate of 60 years ago is not really over with regard to basic electric services.

Ms. LEGG. That's right.

Senator LUGAR. Beyond that, other services that are intermediary to that, and that takes some doing. It has been a debate with the telephone people for quite a while as to that last phone.

Ms. LEGG. That's right.

Senator LUGAR. What really the obligation is, either private or public, in that respect. As you get into the position think, in terms of your further testimony before this committee or others, as to what you find, so that we have some parameters for what is still out there, what sort of challenge, and what the expenses are, and what the public policy recommendations that you and others have ought to be.

Ms. LEGG. I look forward to that discussion. You can't run those computers unless you have electricity, and you need a drink of water throughout the day if you're going to sit at that computer all day. I look forward to that, Senator.

Senator LUGAR. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Crapo.

Senator CRAPO. I do not have any more questions at this point.

The CHAIRMAN. Thank you.

I just have a couple. Mr. Rey, much of your background and the focus here has been on forest issues, but you have another important aspect that will come under your jurisdiction that I'm maybe more interested in called the National Resources Conservation Service. I just want to know what, in your background, might demonstrate that you can lead the NRCS, and how it works, and what its programs are.

Can you just briefly give me some of your thoughts on the NRCS, and what its charges are, and how you might lead that agency.

Mr. REY. Certainly. One of the reasons I was enthusiastic about taking on this assignment, when the President offered me the opportunity, is that from 1976 through 1984, while I worked for the

forest products industry, I was working on nonpoint source pollution issues from agriculture and silvaculture. During that time period, I had the occasion to work alongside the then-Soil Conservation Service in developing and implementing the first nonpoint source pollution control programs developed since—developed as a result of the 1972 and 1977 Clean Water Acts.

During that time period, we had to sort out the debate about what the best way to address the water quality problems associated with runoff from rural lands, whether they be forest lands or farmlands, could be done, and I enjoyed the opportunity to work on those first programs.

I was enthusiastic when the President offered the opportunity to come back, now 15 years later, to see what kind of progress that's been on those issues. On the one hand, as I began to read and be briefed on them, I was struck by the fact that some of the issues are still with us: wetlands protection, runoff from animal feedlots, et cetera.

On the other hand, I was struck, at the same time, by how much progress we'd made, not only through the implementation of the Clean Water Act, but through the very creative and worthwhile programs that were developed through the Farm bills in 1985, 1990, and 1996, in which I didn't participate, but just watched as an observer.

One of the exciting challenges that this job will bring to me is to work with you in the development of this new Farm bill and look at the EQIP program, the WRP, the WHIP program, and the FFP to see how we might improve on what we've done since you first put some of those programs into place over the last 15 years, when I dropped out of that debate and went into a different area.

Some of the programs I find, as I've reviewed them, are extremely creative. The FFP program, in particular, is one where I'd like to work with the committee, if confirmed, to see if we can improve on that program, both by expanding its reach through the Farm bill provisions, but also looking at creative ways to involve other partners in purchasing easements for farmland protection.

I do have some background in these areas. It's not as recent as my work with the Forest Service, but I have worked a lot with the then-SCS, now the NRCS, and look forward to working with them and with you, again, if confirmed.

The CHAIRMAN. I appreciate that, and again I hope that you will be very diligent and careful in the personnel who run the professional end of the NRCS. They should be professionals, they should have a good professional background, and I would hope that, in no way, would any kind of political considerations be involved, in any way, in the selection of those professionals who need to run the Soil Conservation Service. They should be people with good backgrounds, and there should not be any thought of any political involvement there.

Last, I would just say, as you mentioned, we are about to embark on a new farm bill, I hope that the new Farm bill will have as its centerpiece, a new conservation approach. I have been working on one for a number of years now. It just seemed odd to me that we, in the past, in fact, Senator Lugar brought this up the other day, and I am going to try to remember the figures, do you remember

those, percentagewise, how much we put into land idling and how much we put into production?

Senator LUGAR. It is 85/15 now, and it used to be the other way around.

The CHAIRMAN. Yes. Now we put 85 percent of our conservation money in land idling and only 15 percent in the producing side. Fifteen years ago, in 1985, it was 90/10—90 percent, I think——

Senator LUGAR. The other way around.

The CHAIRMAN. The other way around.

While the CRP is a good program, I have supported the CRP, there are some moves now to try to expand it to 45 million acres, and I think that would be devastating, in many ways, for our small towns and communities.

It is my idea to focus more of our attention on conservation on working lands. I hope you will take a look at a bill that I introduced with Gordon Smith from Oregon, and I think Representative Thune, is the main sponsor on the House side. It is a bipartisan approach, bicameral. The idea is to begin shifting and focusing funds to help farmers on producing land. We have titled it the Conservation Security Act. I hope you will take a look at that and keep an open mind about working with us on this aspect of the Farm bill.

If you have any thoughts on it now or anytime, I would be glad to listen to those, but maybe you have not had a chance to look at it.

Mr. REY. In all honesty, Senator, I haven't really had a chance to look at either your proposal or any of the other ones that are being circulated.

The CHAIRMAN. Fair enough.

Mr. REY. I know that the Department is working on its own proposal diligently to be able to participate with you in the Farm bill drafting.

I would like, at a subsequent time, if confirmed, to visit with you and Senator Lugar and go through these alternatives in more detail.

The CHAIRMAN. I appreciate that..

Do you have any more questions?

We thank you both for being here. We thank you both for your past public service and your future public service. We wish you well. We look forward to working with you in the development of the new Farm bill, which we will be moving on fairly rapidly, and beyond that just to work with you on all of these issues.

[The information of Mr. Rey follows:]

[The information of Ms. Legg follows:]

The CHAIRMAN. If there is nothing else to come before the committee, the committee will stand adjourned.

Thank you very much.

Ms. LEGG. Thank you.

Mr. REY. Thank you, Mr. Chairman.

[Whereupon, at 12:15 p.m., the committee was adjourned.]

# A P P E N D I X

JULY 26, 2001

Statement of Senator Mike Crapo
July 26, 2001
Senate Agriculture Hearing on
the Nominations of Hilda Legg and Mark Rey

Thank you, Chairman Harkin. I appreciate your efforts in keeping the Administration's nominees moving through the committee.

As I have said in the past to other nominees, I want to thank both of you for your willingness to serve. The nomination process can be a difficult one, and I am sympathetic to the stress this places on families. I hope we can move both of you swiftly through confirmation the process.

For my colleagues on the Committee who have not had the fortune of working with Mark, I want to let you know what a tremendous asset he has been to the Senate in the natural resources arena. He has an extensive knowledge of natural resource issues, but is fair and open-minded.

Idaho has more than 20 million acres of National Forest System land. So, I have had several opportunities to work with Mark, and I can assure you that he will do a great job as Under Secretary. The President made an excellent choice.

RUS, NRCS, and the Forest Service all play very important roles in Idaho. From financing basic needs in Idaho, to protecting and enhancing the environment, these Services have a high profile in my state. Idahoans appreciate the efforts of the employees of these agencies and I look forward do working with both the nominees.

JIM BUNNING
KENTUCKY

COMMITTEES:
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July 26, 2001

The Honorable Tom Harkin
Chairman, Committee on Agriculture
SR-328A
Washington, DC 20510

The Honorable Richard Lugar
Ranking Member, Committee on Agriculture
SR-328A
Washington, DC 20510

Dear Tom and Dick :

I appreciate that your committee is taking up the nomination of Hilda Legg to be the next Administrator of the Rural Utilities Service at USDA. The President has made an excellent choice by selecting Hilda, and I hope that you are able to vote her out of committee soon.

I have known Hilda Legg for years, and I know that she will do an excellent job at serving our rural communities. Coming from eastern Kentucky, she knows firsthand the challenges facing rural America and its citizens. In fact, for the past eight years, she has worked on these matters as the Executive Director at the Kentucky Center for Rural Development. In that position, I know she has done a fine job and made a real difference in Kentucky.

Hilda's dedication to public service is sincere and profound. She is a former Director of Admissions at one of Kentucky's finest institutions of higher learning, Lindsay Wilson College, and previously she worked as a teacher and counselor in schools in Adair County, Kentucky. During her long career, she has served on numerous boards for groups such as the Council on Postsecondary Education, Alice Lloyd College and Campbellsville University in Kentucky, the Kentucky YMCA, Goodwill Industries of Kentucky, the Lake Cumberland, Kentucky American Red Cross, the Christian Appalachian Project, and the Kentucky Youth Association.

Additionally, Hilda previously served for three years on the Appalachian Regional Commission, as well as a stint at the National Council on the Handicapped at the Department of Education in the 1980s, so she knows Washington and how to get things done. She will be able to step in immediately at USDA and to hit the ground running.

Again, the President has made a fine choice. I wholeheartedly endorse her nomination, and I look forward to her confirmation by your committee and the full Senate.

Best personal regards,

JIM BUNNING
United States Senator

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INTRODUCTION OF
**HILDA GAY LEGG**
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
SENATOR MITCH McCONNELL
JULY 26, 2001

Thank you Mr. Chairman.

I am very pleased to introduce to this Committee a very good friend of mine, Ms. Hilda Gay Legg of Somerset, Kentucky.

Hilda Legg has been nominated by President Bush to serve as the Administrator of USDA's Rural Utilities Service.

Hilda is in Washington accompanied by her 16 month old son Dane. Hilda we welcome you and your family to Washington.

The Rural Utilities Service (RUS) is an Agency dedicated to helping rural America finance water, electricity, and telecommunications projects, as well as providing loans and grants for rural distance learning and telemedicine projects.

The Administrator of RUS must be well versed in the needs of our rural communities and the role that rural development projects play in the overall economy and well-being of rural America.

Hilda, I am pleased to say, comes to us from The Center for Rural Development, where she is presently serving as Executive Director and CEO. She has also served as past Alternate Federal Co-Chair of the Appalachian Regional Commission.

She has been responsible for the overall management of a Center that has been a national model for economic development in rural areas. Her expertise includes agriculture, advanced technology, export assistance, and small business development.

Hilda is also no stranger to the Senate. As I alluded to earlier, in 1990, she was appointed, by another President Bush, and confirmed by the Senate, as Co-Chair of the Appalachian Regional Commission. As Co-Chair she worked with the Governors of 13 states and with a budget of over $190 million in a position aimed at job creation, building infrastructure, education and work force training, and numerous research programs.

Hers is a long resume and in the interest of time I will just hit on what I believe to be the highlight: 1985-1987, Field Representative, Office of Senator Mitch McConnell. I think that will just about do it!

Hilda we are very proud and pleased that you have once again accepted the call to public service. I look forward to your statement and to your confirmation by this Committee and the full Senate.

Thank you again, Mr. Chairman.

SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

STATEMENT OF MARK REY

NOMINEE FOR UNDERSECRETARY FOR NATURAL RESOURCES AND THE ENVIRONMENT

U.S. DEPARTMENT OF AGRICULTURE

JULY 26, 2001

Mr. Chairman and members of the Committee, being nominated as Undersecretary of Agriculture for National Resources and the Environment is the greatest honor I have been accorded in a long career in the natural resources area. It is also the greatest challenge I have been asked to meet since arriving in Washington, DC almost 26 years ago.

I would like to express my deepest thanks to President Bush and Secretary Veneman for their confidence and trust in my ability to fulfill the responsibilities of the office. I would also like to thank Senator Murkowski and Senator Craig for their encouragement and support. Lastly, I would like to express my appreciation to you, Chairman Harkin, and your staff for fairly and promptly considering my nomination.

I come before you today sincerely convinced that the job of Undersecretary of Agriculture for Natural Resources and Environment is one of the most vital positions in the federal government. Other offices will undoubtedly make a greater contribution in important areas such as national security or public health. However, no other assignment carries a greater trust responsibility to the American people than the stewardship of our nation's soil, waters, and forests.

David Ben-Gurion once wrote, "The soil is the source of life, creativity, culture, and real independence." Earlier this century, Franklin D. Roosevelt spoke that "forests are the 'lungs' of our land, purifying the air and giving fresh strength to our people." Still earlier, Samuel Langhorne Clemens wrote that "whiskey's for drinking, but water's for fighting about."

Given the importance of this assignment, I would like to begin our time together today talking about what you can expect from me, should you choose to confirm my nomination.

First, if confirmed, I commit to bipartisan collaboration in overseeing the stewardship of America's soil, water, and forest resources. In my years of service with the Senate, I am most proud of the initiatives to which I contributed that passed Congress with overwhelmining, bipartisan support. Over the past century, our greatest gains in securing the enlightened stewardship of our natural resources have occurred when men and woman of both parties have bridged their differences and found common ground on behalf of the American people.

Second, I will – if confirmed – continue to respect the special role reserved for Congress in the Constitution for the development and implementation of America's natural resource policies. Having spent six years working for the Congress, I appreciate first hand the importance of congressional oversight and involvement in the development and

implementation of these matters. My advocacy for an active congressional role in this area will not change with my transfer to the Executive Branch of our government. In her own confirmation appearance before this Committee, Secretary Veneman stated that she believed "in working cooperatively with Congress." I strongly share her belief.

Third, I offer you my experience. For over a quarter-century, I have worked with and around the agencies I will oversee should you elect to confirm my nomination. A good portion of the enthusiasm and humility I bring to this task is a reflection of the dedication and skill of the public servants working in this area that I have come to know over this time. They need attentive critics, but they have earned my respect, gratitude, support and affection.

Finally, I offer you an open mind. I consider myself to be a good and active listener. You won't be hard pressed to find people who have disagreed with me. But I think most, if not all, of them will confirm that we disagreed without being disagreeable. In order to fairly sort out conflicting facts and opinions - - and, in this policy area, everyone is entitled to their own set of each - - an Undersecretary should be physically and intellectually accessible to all parties. If you choose to confirm me, I pledge to keep open both my office door and my thinking processes.

Winston Churchill once wrote that "we make a living by what we get, we make a life by what we give." I come before you today to respectfully request that you give me another opportunity to serve the American people. What I have offered about how I would

perform this service, I have stated not only under oath to you, but before my family and friends assembled here today.

Thank you very much.

SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
STATEMENT OF HILDA GAY LEGG
NOMINEE FOR ADMINISTRATOR FOR THE RURAL UTILITIES SERVICE
U.S. DEPARTMENT OF AGRICULTURE
JULY 26, 2001

Thank you Mr. Chairman, Senator Lugar and distinguished members of the Committee. I am indeed humbled and honored to appear before you today as President George W. Bush's nominee for Administrator of the Rural Utilities Service.

I am grateful to the President and to Secretary Veneman for the confidence they have expressed in my ability to lead this important agency and for the opportunity to continue my life's work as an advocate for rural Americans at this level and with such distinguished colleagues.

I would also like to thank Senator Mitch McConnell and Congressman Hal Rogers, not only for their kind remarks today, but also for their advice and support over the past 20 years. They have taught me much about leadership, and I value their friendship immensely.

Today is truly the pinnacle of a most rewarding career, one that I admit I did not have the foresight or knowledge to plan, but one where opportunity has knocked and I have been able to walk through the door. It's a career where service to residents in rural communities has always been at the center of my work, a direction I intend to continue.

Why am I so excited about the opportunity to serve this administration in the capacity of Administrator of the Rural Utilities Service? Because it is who I am! I was raised on a small family farm where both parents worked at public jobs and farming was our way of life as opposed to our primary source of income, which was supplemental at best. I was married to a fulltime farmer, where farming was our primary income and assisted with the cow-calf

operation, feeder pig operation, corn, hay and tobacco crops, for 18 years. Except for short stints in Washington, I have lived in small communities, the largest being 15,000 people.

My professional background has included serving as the Alternate Federal Co-Chairman of the Appalachian Regional Commission, where I assisted with the community development for 13 states. While serving as field representative for Senator McConnell, I worked with local governments in their efforts to secure federal program support to develop the economies of their small communities. For the past seven years, I have focused on economic development for 40 of Kentucky's poorest counties, always the most challenging when trying to stimulate economic growth opportunities and improved quality of life. I have truly been where the "rubber meets the road" in rural economic development, and I am very proud of our successes at The Center for Rural Development. My formal training in sociology and education has given me a broad view of the total community development picture and the interrelatedness of the various aspects of rural communities.

The infrastructure of our rural communities is a challenge, not only to insure the maintenance of water and sewer lines, but also the expansions necessary to encourage economic growth and new job creation. Obviously, utilities have been and will continue to be the conduit for development, even in the information age, which is of course the newest infrastructure challenge to rural communities. All computers, wide area networks, local area networks, videoconferencing and the connectivity that links rural communities to the world and brings those resources to our small communities, ALL must run on energy. Recently I read a prediction that the Internet will be responsible for one half to two thirds of all growth in the U.S. electricity demand. All these infrastructures are important! Workforces cannot be developed, companies cannot locate or expand or create new jobs, rural communities will not be viable places for future generations to live and raise their families, if infrastructure is not in place. It is critical to the quality of life for rural Americans. I truly cannot think of a more important challenge and exciting opportunity for the constituencies that I will be working with and of which I am one!

I want my 16 month old son, Dane, to know the fresh, cool dirt of a plowed field between his toes, the sweet smell of freshly mown hay, and yet I want him to be able to access the world, to

have the opportunities to develop his talents in that environment. It is for his future that I take this challenge so seriously and so gladly devote the coming months and years to this service.

Again, I thank you for your consideration, and I seek your approval today, so that I can begin this new, most challenging endeavor. I will be glad to answer any questions. Thank you for your consideration.

## DOCUMENTS SUBMITTED FOR THE RECORD

JULY 26, 2001



Statement of Senator Max Baucus
Senate Committee on Agriculture, Forestry and Nutrition
July 26, 2001

Mr. Chairman, I am pleased that we are continuing to have nominees come before this committee to fill positions at the US Department of Agriculture. I am pleased that we are considering the nominations of Hilda Gay Legg to be Administrator for the Rural Utilities Service of the Department of Agriculture and Mark Edward Rey to be Under Secretary of Agriculture for Natural Resources and environment.

I would like to take a minute to discuss an important water issue that I have been working on with the Rural Utility Service. The water supply on the Blackfeet Reservation -- specifically in Browning, Montana -- has not been able to meet the demands of a growing community. Water shortages have occurred several times in the last few years due to inadequate water supplies and infrastructure problems forcing schools to shut down and businesses to close their doors for consecutive days. Browning currently utilizes ground water, which is of poor quality and quantity to supply the community with drinking water. The ground water sources have almost been exhausted, and other means of supplying Browning with drinking water need to be developed.

East Glacier is another community on the Blackfeet Indian Reservation that has had water problems for years. The community currently utilizes Midvale Creek to supply drinking water. This is a surface water source and there is no filtration of the water, only chlorination, prior to supplying water to the town. This method is a direct violation of the Surface Water Treatment Rule of EPA's safe drinking Water Act Amendments. East Glacier has been put on a Boil Water notice for the past several years.

Because of collaboration between HUD, EPA, IHS, the state of Montana, the Blackfeet Tribe, and the town of East Glacier, the development of the Blackfeet Municipal Water Project has ben moving in a positive direction. And, if everything continues down this path the Tribe will be able to break ground this fall. This system will benefit both Browning and East Glacier. However, the success of this project depends on the participation and adequate funding by RUS. Will you, if/when confirmed, continue to support the RUS Montana area requests for support of this project?

We are also here to consider the nomination of Mark Rey to be Under Secretary for Natural Resources and Environment at the U.S. Department of Agriculture. Mr. Rey, if confirmed, will fill a position that is extremely important to my state of Montana because he will be directly involved in setting policy for the management of our National Forests.

As many of you know, Montana contains vast tracts of federal lands, including nearly 7 million acres of National Forest lands. Obviously, folks in Montana have a great deal of interest in how those Forest lands are managed. Our communities depend upon those lands for their livelihoods, recreation, clean water, and hunting and fishing opportunities. We appreciate our forests for their beauty and diversity. A balanced approach to managing the nation's forests will ensure that all of these values and needs are protected, for us and for future generations.

I know that Mr. Rey has a great deal of experience in working on forest policy and other environment and natural resource issues. I am confident that Mr. Rey will deal fairly with all sides, and will truly do everything in his power to build consensus on contentious forest management issues. I think Mr. Rey would agree that it's time we moved away from the bitter conflicts that have raged in the past, in my state and across the West, over the appropriate role of the Forest Service in promoting healthy rural economies, and healthy forests. I am committed to working with him to move the debate in a different direction, and I hope I will receive the same courtesy from Mr. Rey.

July 23, 2001

Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On June 1, 2001, a copy of my SF 278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Under Secretary of Agriculture for Natural Resources and Environment was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2000 and for the current calendar year through June 1, 2001.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than my federal salary, dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for Thursday July 26, 2001. The purpose of this letter is to report that during the period between June 1 and July 23, 2001, after excluding my Senate salary up to July 16, 2001, my only reportable earned income was $2,383 accrued as a consultant to USDA since July 16, 2001.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

Mark E. Rey
Nominee for Under Secretary of Agriculture for
Natural Resources and Environment

cc: Hon. Amy Comstock, Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Officer

United States
**Office of Government Ethics**
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

June 28, 2001

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Mark E. Rey, who has been nominated by President Bush for the position of Under Secretary for Natural Resources and Environment, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Rey is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Amy L. Comstock
Director

Enclosure

SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

# Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved
OMB No. 3209-0001

| Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*) | Reporting Status (*Check appropriate boxes*) | Incumbent | Calendar Year Covered by Report | New Entrant, Nominee, or Candidate | Termination Filer | Termination Date (*If Applicable*) (*Month, Day, Year*) |
|---|---|---|---|---|---|---|
| 6/21/01 905 | | ☐ | | ☒ | ☐ | |

| | Last Name | First Name and Middle Initial |
|---|---|---|
| Reporting Individual's Name | Rey | Mark E. |
| Position for Which Filing | Title of Position: Undersecretary for Natural Resources & Environment | Department or Agency (*If Applicable*): Agriculture |
| Location of Present Office (for forwarding address) | Address (*Number, Street, City, State, and ZIP Code*): U.S. Senate, Washington, DC 20510 | Telephone No. (*Include Area Code*): (202) 224-2878 |
| Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above) | Title of Position(s) and Date(s) Held: Professional Staff, Senate Committee on Energy & Natural Resources | |

| **Presidential Nominees Subject to Senate Confirmation** | Name of Congressional Committee Considering Nomination | Do You Intend to Create a Qualified Diversified Trust? |
|---|---|---|
| | Agriculture, Nutrition & Forestry | ☐ Yes ☒ No |

| **Certification** | Signature of Reporting Individual | Date (*Month, Day, Year*) |
|---|---|---|
| I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge. | Mark E Rey | 6/1/01 |
| **Other Review (If desired by agency)** | Signature of Other Reviewer | Date (*Month, Day, Year*) |
| | | |
| **Agency Ethics Official's Opinion** On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below). | Signature of Designated Agency Ethics Official/Reviewing Official | Date (*Month, Day, Year*) |
| | | 6/25/01 |
| Office of Government Ethics Use Only RM | Signature | Date (*Month, Day, Year*) |
| | Stuart D. Rich | 6-28-01 |

Comments of Reviewing Official (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days* .....) ☐

(*Check box if comments are continued on the reverse side*) ☐

## Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

## Reporting Periods

**Incumbents:** The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

**Termination Filers:** The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

**Nominees, New Entrants and Candidates for President and Vice President:**

**Schedule A**--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

**Schedule B**--Not applicable.

**Schedule C, Part I** (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

**Schedule C, Part II** (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

**Schedule D**--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only
JUN 27 2001

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A | Page Number |
|---|---|---|
| Mark E. Rey | | 1 |

| Assets and Income | Valuation of Assets at close of reporting period | | | | | | | | | | | Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BLOCK A | BLOCK B | | | | | | | | | | | | BLOCK C | | | | | | | | | | | |
| | | | | | | | | | | | | | Type | | | Amount | | | | | | | | |
| For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.<br><br>For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual account of any honoraria over $200 of your spouse).<br>None ☐ | None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Exempted Investment Fund | Excepted Trust | Qualified Trust | Dividends | Rent and Royalties | Interest | Capital Gains | None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income (Specify Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
| Examples: Central Airlines Common | | | | X | | | | | | | | | | | | X | | | | | | X | | | | | | | | | |
| Examples: Doe Jones & Smith, Hometown, State | | | X | | | | | | | | | | | | | | | | | | | | | | | | | | | Law Partnership Income $130,000 | |
| Examples: Kempstone Equity Fund | | | | | X | | | | | | | | X | | | | | | | | | | | X | | | | | | | |
| Examples: IRA: Heartland 500 Index Fund | | | | | | | X | | | | | | X | | | | | | | | | | | X | | | | | | | |
| 1 Fidelity Blue Chip Fund | | | | | | X | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 2 Fidelity Balanced Fund | | | | X | | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 3 Fidelity Diversified International Fund | | | X | | | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 4 Life Insurance Company of North America Fixed Annuity | | | | | X | | | | | | | | | | | | | X | | | | | | X | | | | | | | |
| 5 IRA - George Mason Bank, Burke, VA Fixed Rate Investment | | | X | | | | | | | | | | | | | | | X | | | | X | | | | | | | | | |
| 6 IRA - Sun Trust Bank Fixed Rate Investment | | | X | | | | | | | | | | | | | | | X | | | | X | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent childre mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 03/2009)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A continued (Use only if needed) | Page Number |
|---|---|---|
| Mark E. Rey | | 2 |

| Assets and Income (BLOCK A) | Valuation of Assets at close of reporting period (BLOCK B) | | | | | | | | | | | Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. (BLOCK C) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Type | | | Amount | | | | | | | | | |
| None ☐ | None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Exempted Investment Fund | Exempted Trust | Qualified Trust | Dividends | Rent and Royalties | Interest | Capital Gains | None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income (Specify Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
| 1 Sun Trust Bank Certificates of Deposit | | X | | | | | | | | | | | | | | | | X | | | X | | | | | | | | | | |
| 2 United Bank Savings Account | | X | | | | | | | | | | | | | | | | X | | | X | | | | | | | | | | |
| 3 U.S. Savings Bonds | | | X | | | | | | | | | | | | | | | X | | X | | | | | | | | | | | |
| 4 Collection of Fine Wines (Held for Investment Purposes) | | | | X | | | | | | | | | | | | | | | | X | | | | | | | | | | | |
| 5 DC Merrill-Lynch Next Gen College Investing Plan (sec. 529 Plan) | | X | | | | | | | | | | | | | | | | X | | X | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

**Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate**

| Reporting Individual's Name | SCHEDULE B | Page Number |
|---|---|---|
| Mark E. Rey | | 3 |

## Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

| | Identification of Assets | Transaction Type (x) | | | Date (Mo., Day, Yr.) | Amount of Transaction (x) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Purchase | Sale | Exchange | | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Certificate of Divestiture |
| Example | Central Airlines Common | x | | | 2/1/99 | | | x | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | |
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| 5 | | | | | | | | | | | | | | | | | | |

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

## Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $104 or less. See instructions for other exclusions.

None ☐

| | Source *(Name and Address)* | Brief Description | Value |
|---|---|---|---|
| Examples: | Nat'l Assn. of Rock Collectors, NY, NY | Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty) | $500 |
| | Frank Jones, San Francisco, CA | Leather briefcase (personal friend) | $300 |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |

Prior Editions Cannot Be Used.

SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

**Do not Complete Schedule B if you are a new entrant, nominee, or Vice Presidential or Presidential Candidate**

| Reporting Individual's Name | SCHEDULE B continued (Use only if needed) | Page Number |
|---|---|---|
| Mark E. Rey | | 4 |

## Part I: Transactions

| | Identification of Assets | Transaction Type (x) | | | Date (Mo., Day, Yr.) | Amount of Transaction (x) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Purchase | Sale | Exchange | | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Certificate of divestiture |
| | Example: Central Airlines Common | x | | | 2/1/99 | | | x | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | |
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| 12 | | | | | | | | | | | | | | | | | |
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| 14 | | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | |

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

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5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE C | Page Number |
|---|---|---|
| Mark E. Rey | | 5 |

## Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

| | Creditors (Name and Address) | Type of Liability | Date Incurred | Interest Rate | Term if applicable | Category of Amount or Value (x) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | $10,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 |
| Examples: | First District Bank, Washington, DC | Mortgage on rental property, Delaware | 1991 | 8% | 25 yrs. | | | x | | | | | | | | |
| | John Jones, 123 J St, Washington, DC | Promissory note | 1999 | 10 % | on demand | | | | | x | | | | | | |
| 1 | MBNA America<br>P.O. Box 15453, Wilmington, DE 19850 | Revolving Charge Account | 05/01/01 | 18% | Revolving | X | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | |

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

## Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation; (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None ☒

| | Status and Terms of any Agreement or Arrangement | Parties | Date |
|---|---|---|---|
| Example: | Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00. | Doe Jones & Smith, Hometown, State | 7/85 |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |

Prior Editions Cannot Be Used.

SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE D | Page Number |
|---|---|---|
| Mark E. Rey | | 6 |

## Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None [X]

| | Organization (*Name and Address*) | Type of Organization | Position Held | From (Mo., Yr.) | To (Mo., Yr.) |
|---|---|---|---|---|---|
| Examples: | Nat'l Assn. of Rock Collectors, NY, NY | Non-profit education | President | 6/92 | Present |
| | Doe Jones & Smith, Hometown, State | Law firm | Partner | 7/85 | 1/00 |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |

## Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

**Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate**

None [X]

| | Source (*Name and Address*) | Brief Description of Duties |
|---|---|---|
| Examples: | Doe Jones & Smith, Hometown, State | Legal services |
| | Metro University (client of Doe Jones & Smith), Moneytown, State | Legal services in connection with university construction |
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |

Prior Editions Cannot Be Used.

Nomination to the Department of Agriculture

Your answers to the following questions will assist the Senate Committee on Agriculture, Nutrition and Forestry in evaluating your nomination. In answering these questions, please repeat each question and place your answer immediately beneath it.

You will note that certain portions of the questionnaire will be part of the public record of your nomination and other portions will be maintained on a confidential basis for use of the Committee.

If you have an questions concerning this questionnaire or the Committee's confirmation process, please contact Mark Halverson, Staff Director, Senate Committee on Agriculture, Nutrition and Forestry, at (202) 224-2035. Please mail a notarized original and five copies of the completed questionnaire to the Committee.

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES
BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name,(include any former names used),and City and State where you currently reside.

ANSWER: Mark Edward Rey
Washington, D.C.

2. Date and place of birth.

ANSWER: August 1, 1952
Canton, Ohio

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

ANSWER: Married
Spouse's Maiden Name: Francesca Templeman Cary
Spouse's Occupation: Attorney
Spouse's Employer: Attorney Advisor, GS-905-14
Board of Land Appeals
Office of Hearings and Appeals
U.S. Department of the Interior
Washington, D.C. 20240

4. Education: List each college and graduate or professional school you have attended, including dates of

attendance, degrees received, and dates degrees were granted.

ANSWER: University of Michigan, School of Natural Resources
Attended September, 1970 - December, 1975
Bachelor of Science, Wildlife Management, December, 1973
Bachelor of Science in Forestry, December, 1974
Master of Science, Natural Resource Policy, December, 1975

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

ANSWER:

**U.S. Senate, Committee on Energy and Natural Resources, Washington, DC Professional Staff Member, January 1995-present**

Lead Committee staff person for the Committee's work on National Forest policy, Forest Service administration, and a variety of public land issues. Experience includes: legislative drafting, organizing over 100 legislative and oversight hearings, coordinating media relations efforts, counseling Committee members, other Senate and House members and staff, and working with Executive Branch officials, media representatives, and representatives of outside interests.

**American Forest and Paper Association, Washington, DC, Vice President, Forest Resources, November 1992-January 1995**

Supervised a staff of 19 in a division of a major, national trade association representing the forest products industry. Responsibilities included program development and implementation, legislative and legal advocacy, media relations, and membership development and retention. The Forest Resources Division of AF&PA represented member forest products companies on all forest management issues before the federal government.

**American Forest Resource Alliance, Washington, DC Executive Director, May 1989-November 1992**

Supervised the start-up of a grass-roots organization with a staff of 15 representing the forest products industry and non-industrial forest landowners. Responsibilities included the development of legislative, media relations, litigation, and grass-roots programs dealing with a variety of natural resources and environmental issues.

**National Forest Products Association, Washington, DC Vice President, Public Forestry Programs, June 1984-May 1989**

Supervised a staff of 9 in a division of a major, national trade association representing the forest products industry on matters associated with the National Forest System. Responsibilities included program development, advocacy, and membership development and retention.

**American Paper Institute/ National Forest Products Association, Washington, DC, Director, Water and Air Quality Programs, March 1983-June 1984; Director Water Quality Programs, February 1981-March 1983; Environmental**

**Forester, August 1976-February 1981**

Directed air and water quality programs for a consortium of national trade associations representing the forest products industry. Responsibilities included analytical support, supervision of litigation, advocacy, and member relations.

**Bureau of Land Management, US Department of the Interior, Washington, DC and Billings, Montana, Staff Assistant 1974-1975**

Worked on a variety of range, wildlife, recreation, and wild horse and burro management projects for the Bureau in its Washington, DC and Billings, Montana offices.

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

ANSWER: No

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

ANSWER: 1974-1975 Bureau of Land Management
U.S. Department of the Interior
Washington, D.C. and Billings, Montana
GS-7 Staff Assistant

1995-2001 U.S. Senate
Committee on Energy and Natural Resources
Professional Staff Member

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

ANSWER: 1. All three degrees with distinction
2. Xi Sigma Phi, Forestry Honor Fraternity
3. University of Michigan Teaching Fellowships 1973, 1974, 1975
4. Samuel Trask Dana Award for outstanding student in conservation 1974
5. School of Natural Resources Alumni Society Distinguished Service Award 1980

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

ANSWER: 1. Republican National Committee, Sustaining Member 2000 - present
2. District of Columbia Republican Committee, Sustaining Member 2001
3. Society of American Foresters, Fellow, Past Chair, National Capital Section, Member 1973 - Present
4. National Capital YMCA, 1986 - Present
5. Boy Scouts of America, Eagle Scout, Cub Scout Den Leader 1994 - 1999

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include

on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

ANSWER: Congressional Testimony

June 11, 13, 1985, House Subcommittee on General Oversight, Northwest Power, and Forest Management and the Subcommittee on Public Lands, Forest Service Timber Sales, No 99-49

August 13, 1986, House Subcommittee on Forests, Family Farms, and Energy, Review of the Nation's Forest Management and Research Needs and the 1985 Renewable Resources Planning Act Program, No 99-42

April 8, 1987, House Subcommittee on Forests, Family Farms, and Energy, 1985 Recommended Renewable Resources Program and the President's Statement of Policy, No 100-38

May 19, 21, 1987, House Subcommittee on Energy and the Environment, Tongass Timber Reform Act, No 100-15

May 21, 1987, Senate Subcommittee on Public Lands, National Parks and Forests, Alabama Land Conveyance and Designating the Kings River, California, as a Wild and Scenic River, No 100-132

June 17, 18, 1987, House Subcommittee on Forests, Family Farms, and Energy, Timber Sales on National Forests, No 100-47

July 9, 1987, House Subcommittee on Forests, Family Farms, and Energy, Federal Land Exchange Facilitation Act of 1987, No 100-41

November 3, 5, 1987, Senate Subcommittee on Public Lands, National Parks, and Forests, Tongass Timber Reform Act, No 100-548

December 10, 1987, House Subcommittee on Energy and the Environment, Alaskan Timber Contract Modification Act, No 100-44

March 14, 1988, Senate Subcommittee on Public Lands, National Parks, and Forests Federal Land Exchange Facilitation Act of 1987, No 100-611

April 11, 12, 14, 18, 20, 26, 28, May 9, 23, June 6, 1988, Senate Subcommittee on Interior Appropriations, Department of the Interior and Related Agencies Appropriations, FY89, No 100-822

April 13, 1988, House Agriculture Committee, Renewal of Re-offered Timber Sales Appeals and Fire Salvage Efforts in Oregon, No 100-87

May 25, 26, 1988, House Subcommittee on Forests, Family Farms, and Energy, Management of the Tongass National Forest, No 100-86

June 21, 1988, Senate Subcommittee on Public Lands, National Parks, and Forests, Idaho Forest Management Act of 1988, No 100-690

September 28, 1988, House Subcommittee on Forests, Family Farms, and Energy, Sipsey Wild and Scenic River and Alabama Wilderness Addition Act of 1988; and Proposed Revisions in the U.S. Forest Service Administrative Appeals Process, No 100-110

May 18, 1989, Senate Subcommittee on Conservation and Forestry, Appeals Process Used by the Forest Service, USDA, No 101-756

June 21, 1989, Senate Subcommittee on Conservation and Forestry, Review the Sustainability of Forest Resources, No 101-851

September 27, October 4, 1989, Senate Agriculture Committee, Nomination of James E. Cason, No 101-1167

Nov. 9, 15, 21, 1989, House Subcommittee on Forests, Family Farms, and Energy, National Forest Management, No 101-42

January 25, 1990, House Subcommittee on National Parks and Public Lands, Global Environmental Crisis, No 101-38

March 6, 1990, House Agriculture Committee, National Forest Management, No 101-42

July 18, 1990, House Subcommittee on Fisheries and Wildlife Conservation and the Environment, Northern Spotted Owl and the Endangered Species Act, No 101-108

July 24, 1990, House Subcommittee on National Parks and Public Lands, Protection of Ancient Forests and Norther Spotted Owl, No. 101-46

July 26, 1990, House Agriculture Committee, The National Forest Plan Implementation Act, No 101-73

May 29, 30, 1991, House Subcommittee on Forests, Family Farms, and Energy, Ancient Forest Protection Act of 1991; Community Stability Act of 1991; Ancient Forest Act of 1991; and The Forests and Families Protection Act of 1991, No 102-33

August 23, 1996, Alaska State Legislature, House Committee on Natural Resources, Hearing on the Management of the Tongass National Forest

Other Published Writings or Speeches

1980, Forest and Range Policy, Chapter 10, "Government Regulation of Private Lands in the Environmental Era" McGraw-Hill Publications

August 18, 1987, Speech to the U.S. Forest Service National Planning Workshop

June 29, 1991, Speech to the National Association of Latino Elected Officials, "The Environmental; and Economic Implications of the Endangered Species Act," Los Angeles, California

December 2, 1992, Speech to University of North Carolina School of Public Affairs Graduate Seminar, Chapel Hill, North Carolina

February 11, 1994, University of Michigan School of Natural Resources Distinguished Lecturer, Ann Arbor, Michigan

February 12, 1994, University of Michigan, School of Law Endangered Species Re-authorization Conference, Ann Arbor, Michigan

February 18, 1994, University of California, William Main Distinguished Lecture, Berkeley, California

May 16, 1995, Natural Resources Science Day Remarks, Washington, D.C.

October 7, 1995, National Mining Association Environmental Conference, Natural Issues in Congress Today Salt Lake City, Utah

August, 1996, "Private Forest Landowners and an Emerging Land Management Ethic," in: Nature and the Human Spirit, Venture Publishing, Inc. State College, PA

September 1996, "Proposals Under Consideration in Congress," in: Conference Papers on the National Forest Management Act in a Changing Society, Conference sponsored by the University of Colorado

January 10-14, 1999, University of California course on Environmental Advocacy, Berkeley, California

April 29, 1999, "A Vision for the Forest Service" Resources for the Future Publishing, Washington, D.C.

October 13, 2000, "Collaborative Stewardship: a New Environmental Ethic for the West" S.J. Hall Distinguished Lecture, University of California, Berkeley, California

May 10, 2001, "The Outlook for Public Lands in the 107th Congress" Annual Meeting of the Allegheny Hardwood Utilization Group, Bradford, Pennsylvania

11. Health: What is the present state of your health?

ANSWER: The general state of my health is excellent. I have no medical conditions that would in any way interfere with my ability to fulfill my duties.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

ANSWER: Yes

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

ANSWER: None

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

ANSWER: No

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

ANSWER: No

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

ANSWER: No

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

ANSWER: No

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

ANSWER: No

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

ANSWER: No

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

ANSWER: No

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

ANSWER: None

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

ANSWER: Yes. The loan has been repaid in full.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

ANSWER: If confirmed, with the advice of the Department of Agriculture's Ethics Officer, I would immediately sever any relationship that involves a potential conflict of interest.

July 25, 2001

Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, D.C. 20510

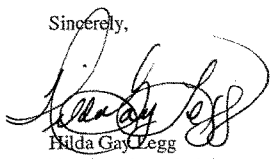
Dear Mr. Chairman:

On June 25, 2001, a copy of my SF 278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Administrator of the Rural Utilities Service was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2000 and for the current calendar year through June 25, 2001.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than federal salary, dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for Thursday July 26, 2001. The purpose of this letter is to report that during the period between June 25 and July 23, 2001, my only reportable income was $8,540.96 representing my salary from the Center for Rural Development during the 21 workdays within that period.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,



Hilda Gay Legg
Nominee for Administrator of the Rural Utilities Service

cc: Hon. Amy Comstock, Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Officer

United States
**Office of Government Ethics**
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

June 28, 2001

The Honorable Tom Harkin
Chairman
Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Hilda G. Legg, who has been nominated by President Bush for the position of Administrator, Rural Utilities Service, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated June 27, 2001, from Ms. Legg to the Department's ethics official, outlining the steps which she will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of her confirmation date with the actions she agreed to take in her ethics agreement.

Based thereon, we believe that Ms. Legg is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Amy L. Comstock
Director

Enclosures

Hilda Gay Legg
330 Pumphouse Road #6
Somerset, KY 42503

June 27, 2001

John C. Surina
Designated Agency Ethics Official
United States Department of Agriculture
Washington, DC 20250-0122

Dear Mr. Surina:

The purpose of this letter is to describe the steps that I intend to take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Administrator, Rural Utilities Service, U.S. Department of Agriculture.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign my positions as Executive Director and Chief Executive Officer of The Center for Rural Development. Furthermore, pursuant to 5 C.F.R. § 2635.502, for one year after I terminate my positions with The Center for Rural Development, I will not participate in any particular matter involving specific parties in which The Center for Rural Development is a party or represents a party, unless I am authorized to participate. Furthermore, I will resign from the following positions which I hold with the Commonwealth of Kentucky:

Director, Kentucky Council on Post-secondary Education;
Board Member, Kentucky Appalachian Commission; and
Board Member, Kentucky Purchase Agricultural Easements Board.

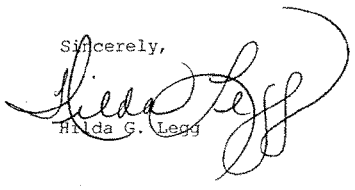
Pursuant to 5 C.F.R. § 2635.502, for a period of one year after the termination of these positions, I will not participate in any particular matter involving specific parties in which any one of these organizations is a party or represents a party, unless I am authorized to participate.

I will remain in the following positions with nonprofit organizations and educational institutions for which I do not receive any compensation:

Advisory Board of Citizens National Bank, Somerset, Kentucky.
President and Board member, Kentucky Youth Association;
Vice Chair and Trustee, Alice Lloyd College;
Member, Advisory Board, Campbellsville College
Member, Advisory Board, Midway College

Pursuant to 18 U.S.C. § 208, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of any of these organizations, unless I first obtain a written waiver or qualify for a regulatory exemption.

Sincerely,



Hilda G. Legg

SF 278 (REV. 05/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

# Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved
OMB No. 3209-0001

| Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*) | Reporting Status (*Check appropriate boxes*) | Incumbent | Calendar Year Covered by Report | New Entrant, Nominee, or Candidate | Termination Filer | Termination Date (*If Applicable*) (*Month, Day, Year*) |
|---|---|---|---|---|---|---|
| | | ☐ | | X | ☐ | |

| | Last Name | First Name and Middle Initial |
|---|---|---|
| Reporting Individual's Name | Legg | Hilda G. |
| Position for Which Filing | Title of Position: Administrator, Rural Utilites Service | Department or Agency (*If Applicable*): Department of Agriculture |
| Location of Present Office (or forwarding address) | Address (*Number, Street, City, State, and ZIP Code*): 2292 S. Hwy. 27, Ste. 300, Somerset, Kentucky 42501 | Telephone No. (*Include Area Code*): (606) 677-6000 |
| Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above) | Title of Position(s) and Date(s) Held: None | |

| **Presidential Nominees Subject to Senate Confirmation** | Name of Congressional Committee Considering Nomination | Do You Intend to Create a Qualified Diversified Trust? |
|---|---|---|
| | Senate Agriculture, Nutrition, and Forestry Committee | ☐ DD X DD |

| **Certification** | Signature of Reporting Individual | Date (*Month, Day, Year*) |
|---|---|---|
| I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge. | Hilda Gay Legg | June 25, 2001 |
| **Other Review (If desired by agency)** | Signature of Other Reviewer | Date (*Month, Day, Year*) |
| **Agency Ethics Official's Opinion** | Signature of Designated Agency Ethics Official/Reviewing Official | Date (*Month, Day, Year*) |
| On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below). | John Dawson | June 27, 2001 |
| Office of Government Ethics Use Only | Signature | Date (*Month, Day, Year*) |
| | Mary L. Rouse | 6/28/01 |

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days _____*) ☐

(*Check box if comments are continued on the reverse side*) ☐

## Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

## Reporting Periods

**Incumbents:** The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

**Termination Filers:** The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

**Nominees, New Entrants and Candidates for President and Vice President:**

**Schedule A--**The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

**Schedule B--**Not applicable.

**Schedule C, Part I** (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

**Schedule C, Part II** (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

**Schedule D--**The reporting period is the preceding **two** calendar years and the current calendar year up to the date of filing.

| Agency Use Only |
|---|
| JUN 26 2001 |
| **OGE Use Only** |
| JUN 27 2001 |

SF278 (Rev. 6/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A | Page Number |
|---|---|---|
| Hilda Legg | | 1 |

**Assets and Income** — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

**Valuation of Assets** at close of reporting period — BLOCK B

**Income:** type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

| | Assets and Income | Valuation of Assets: None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $ 5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Excepted Investment Fund | Excepted Trust | Qualified Trust | Income Type: Dividends | Rent and Royalties | Interest | Capital Gains | Income Amount: None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income (Specify Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Examples | Central Airlines Common | | | x | | | | | | | | | | | | | x | | | | | | x | | | | | | | | | | |
| | Doe Jones & Smith, Hometown, State | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | Law Partnership Income, $150,000 | |
| | Kempstone Equity Fund | | | | x | | | | | | | | | x | | | | | | | | | | x | | | | | | | | | |
| | IRA: Heartland 500 Index Fund | | | | | | | x | | | | | | x | | | | | | | | | | | x | | | | | | | | |
| 1 | The Center for Rural Development Somerset, Kentucky | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Salary $100,600.74 $52,500.00 | CY2000 CY2001 |
| 2 | Space left blank. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | EDWARD JONES ACCOUNT Somerset, Kentucky (Assets Listed Below) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | --- Hong Kong Elec. Holdings LTD | | X | | | | | | | | | | | | | | X | | | | | X | | | | | | | | | | |
| 5 | --- Van Kampen American Capital Equity Fund (Unit Trust) | | X | | | | | | | | | | | X | | | | | | | | X | | | | | | | | | | |
| 6 | --- Cadbury Schweppes PLC | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 9/1/2000)
5 C F R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A continued (Use only if needed) | Page Number |
|---|---|---|
| Hilda Legg | | 2 |

| Assets and Income (BLOCK A) | Valuation of Assets at close of reporting period (BLOCK B) | | | | | | | | | | | | Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. (BLOCK C) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Type | | | | Amount | | | | | | | | | | | | |
| | None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Excepted Investment Fund | Excepted Trust | Qualified Trust | Dividends | Rent and Royalties | Interest | Capital Gains | None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income ◇ (Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
| None ☐ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 EDWARD JONES ACCOUNT (Cont.) --- Cisco Systems | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 2 --- Coca Cola | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 3 --- Dollar General | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 4 --- General Electric | | X | | | | | | | | | | | | | | X | | | | | X | | | | | | | | | |
| 5 --- Schering Plough | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 6 --- Lucent Technologies | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 7 --- McDonald Corp. | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 8 --- Oracle Corp. | | X | | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| 9 --- Putnam Growth & Income Fund Class A | | | X | | | | | | | | | | X | | | | | | | | X | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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SF278 (Rev. 03/2000)
5 C F R Part 2634
U S Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A continued (Use only if needed) | Page Number |
|---|---|---|
| Hilda Legg | | 3 |

| Assets and Income (BLOCK A) | Valuation of Assets at close of reporting period (BLOCK B) | | | | | | | | | | | Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. (BLOCK C) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | Type | | | Amount | | | | | | | | | |
| None ☐ | None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Excepted Investment Fund | Excepted Trust | Qualified Trust | Dividends | Rent and Royalties | Interest | Capital Gains | None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income ◇ (Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
| 1 EDWARD JONES ACCOUNT (Cont.) --- Putnam Voyager Fund Class A | | | X | | | | | | | | | | X | | | | | | | | | X | | | | | | | | | |
| 2 IRA --- Hartford Capital Appreciation Fund Class A | | X | | | | | | | | | | | X | | | | | | | | | X | | | | | | | | | |
| 3 IRA --- Hartford Global Leaders Fund Class A | | X | | | | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 4 IRA --- Hartford Midcap Fund Class A | | X | | | | | | | | | | | X | | | | | | | | | X | | | | | | | | | |
| 5 IRA --- Hartford Small Company Fund Class A | | X | | | | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 6 IRA --- Hartford Stock Fund Class A | | X | | | | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 7 IRA --- TIAA-CREF | | | | | X | | | | | | | | X | | | | | | | X | | | | | | | | | | | |
| 8 IRA --- U.S. Treasury Zero Coupon Bonds | | | | X | | | | | | | | | | | | | | | | X | | | | | | | | | | | |
| 9 Farm, Adair County, Kentucky 1/2 interest with siblings - No mortgage (Beef Cattle & Hay) | | | X | | | | | | | | | | | | | | | | | X | | | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categ

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SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE A continued (Use only if needed) | Page Number |
|---|---|---|
| Hilda Legg | | 4 |

| Assets and Income (BLOCK A) | Valuation of Assets at close of reporting period (BLOCK B) | | | | | | | | | | | | | | Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. (BLOCK C) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | Type | | | | Amount | | | | | | | | | | | | |
| None ☐ | None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000 * | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Excepted Investment Fund | Excepted Trust | Qualified Trust | Dividends | Rent and Royalties | Interest | Capital Gains | None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | Over $5,000,000 | Other Income (Specify Type & Actual Amount) | Date (Mo., Day, Yr.) Only if Honoraria |
| 1 Merrill Lynch Global Allcoation Fund | | X | | | | | | | | | | X | | | | | | | | X | | | | | | | | | | |
| 2 Space left blank. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 Citizens National Bank, Somerset, KY Savings | | X | | | | | | | | | | | | | | | X | | X | | | | | | | | | | | |
| 4 Citizens National Bank, Somerset, KY Certificate of Deposit | | | | X | | | | | | | | | | | | | X | | | | | X | | | | | | | | |
| 5 Citizens National Bank, Somerset, KY Certificate of Deposit | | | X | | | | | | | | | | | | | | X | | | | | X | | | | | | | | |
| 6 Farm Bureau Annuity Adair County, Kentucky | | | X | | | | | | | | | | | | | | | | X | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categ

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

**Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate**

| Reporting Individual's Name | SCHEDULE B | Page Number |
|---|---|---|
| Hilda Legg | | 5 |

## Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

| | Identification of Assets | Transaction Type (x) | | | Date (Mo., Day, Yr.) | Amount of Transaction (x) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Purchase | Sale | Exchange | | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Certificate of divestiture |
| | Example: Central Airlines Common | x | | | 2/1/99 | | | x | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | |

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

## Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $104 or less. See instructions for other exclusions.

None ☐

| | Source (Name and Address) | Brief Description | Value |
|---|---|---|---|
| | Examples: Nat'l Assn. of Rock Collectors, NY, NY | Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty) | $500 |
| | Frank Jones, San Francisco, CA | Leather briefcase (personal friend) | $300 |
| 1 | | | |
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| 4 | | | |
| 5 | | | |

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Do not Complete Schedule B if you are a new entrant, nominee, or Vice Presidential or Presidential Candidate

| Reporting Individual's Name | SCHEDULE B continued (Use only if needed) | Page Number |
|---|---|---|
| Hilda Legg | | 6 |

## Part I: Transactions

| | Identification of Assets | Transaction Type (x) | | | Date (Mo., Day, Yr.) | Amount of Transaction (x) | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Purchase | Sale | Exchange | | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Certificate of divestiture |
| | Example: Central Airlines Common | x | | | 2/1999 | | | x | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | |
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| 14 | | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | |

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE C | Page Number |
|---|---|---|
| Hilda Legg | | 7 |

## Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

| | Creditors (Name and Address) | Type of Liability | Date Incurred | Interest Rate | Term if applicable | Category of Amount or Value (x) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | $10,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000* | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 |
| Examples: | First District Bank, Washington, DC | Mortgage on rental property, Delaware | 1991 | 8% | 25 yrs. | | | X | | | | | | | | |
| | John Jones, 123 J St., Washington, DC | Promissory note | 1999 | 10 % | on demand | | | | | X | | | | | | |
| 1 | Citizens National Bank, Somerset, Kentucky | Line of Credit | 2000 | 8.5% | Paid | | X | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | |
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| 5 | | | | | | | | | | | | | | | | |

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

## Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation; (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None ☒

| | Status and Terms of any Agreement or Arrangement | Parties | Date |
|---|---|---|---|
| Example: | Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00. | Doe Jones & Smith, Hometown, State | 7/85 |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE D | Page Number |
|---|---|---|
| Hilda Legg | | 8 |

## Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

| | Organization (*Name and Address*) | Type of Organization | Position Held | From (Mo., Yr.) | To (Mo., Yr.) |
|---|---|---|---|---|---|
| Examples: | Nat'l Assn. of Rock Collectors, NY, NY | Non-profit education | President | 6/92 | Present |
| | Doe Jones & Smith, Hometown, State | Law firm | Partner | 7/85 | 1/00 |
| 1 | The Center for Rural Development, Somerset, Kentucky | Non-profit rural development organization | Executive Director<br>Chief Executive Officer | 09/1994 | Present |
| 2 | Commonwealth of Kentucky<br>Council on Post-Secondary Education, Frankfort, Kentucky | State Government Agency | Director<br>Term ends: 01/2006 | 05/1993 | Present |
| 3 | Commonwealth of Kentucky<br>Kentucky Appalachian Commission, Hazard, Kentucky | State Government Agency | Commissioner<br>Term Ends: 11/2003 | 07/1999 | Present |
| 4 | Commonwealth of Kentucky<br>Purchase Agricultural Conservation Easements Board, Frankfort, KY | State Government Agency | Director<br>Term ends: 04/2002 | 06/1998 | Present |
| 5 | Kentucky Youth Association<br>Frankfort, Kentucky | Non-profit youth development association | President & Director<br>Term ends: 06/2002 | 05/1993 | Present |
| 6 | Alice Lloyd College, Pippa Passes, Kentucky | Private Institution of Higher Education | Vice Chair & Trustee | 04/1992 | Present |

## Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

**Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate**

None ☐

| | Source (*Name and Address*) | Brief Description of Duties |
|---|---|---|
| Examples: | Doe Jones & Smith, Hometown, State | Legal services |
| | Metro University (client of Doe Jones & Smith), Moneytown, State | Legal services in connection with university construction |
| 1 | The Center for Rural Development, Somerset, Kentucky | Executive Director and Chief Executive Officer of a rural development non-profit organization. |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |

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SF 278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

| Reporting Individual's Name | SCHEDULE D | Page Number |
|---|---|---|
| Hilda Legg | | 9 |

## Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

| | Organization (*Name and Address*) | Type of Organization | Position Held | From (Mo., Yr.) | To (Mo., Yr.) |
|---|---|---|---|---|---|
| Examples: | Nat'l Assn. of Rock Collectors, NY, NY | Non-profit education | President | 6/92 | Present |
| | Doe Jones & Smith, Hometown, State | Law firm | Partner | 7/85 | 1/00 |
| 1 | Campbellville College, Campbellville, Kentucky | Private Institution of Higher Education | Advisory Board Member | 1999 | Present |
| 2 | Midway College, Midway, Kentucky | Private Institution of Higher Education | Advisory Board Member<br>Term ends: 01/2006 | 4/1992 | Present |
| 3 | Citizens National Bank, Somerset, KY | Bank | Waitsboro Advisory Board Member | 1998 | Present |
| 4 | Goodwill Industries of Kentucky, Inc., Louisville, Kentucky | Non-profit charitable organization. | Advisory Board Member | 1998 | Present |
| 5 | | | | | |
| 6 | | | | | |

## Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

**Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate**

None ☐

| | Source (*Name and Address*) | Brief Description of Duties |
|---|---|---|
| Examples: | Doe Jones & Smith, Hometown, State | Legal services |
| | Metro University (client of Doe Jones & Smith), Moneytown, State | Legal services in connection with university construction |
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |

Prior Editions Cannot Be Used.

**QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICLTURE NOMINEES**
BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name, (include any former names used), and City and State where you currently reside.

   Hilda Gay Legg (Buchanan) (Humphress -- Maiden)
   Somerset, Kentucky

2. Date and Place of Birth.

   October 7, 1952
   Campbellsville, Kentucky

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address (es).

   Divorced

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   September 1993 – May 1994
   Western Kentucky University
   Certification – Education Administration, June 1994

   January 1993 – August 1993
   George Mason University
   Course work – Education Administration

   August 1976 – August 1979
   Western Kentucky University
   Master of Arts, August 1979

   August 1973 – August 1974
   Campbellsville University
   Bachelor of Science, August 1974

   January 1970 – August 1971
   Lindsey Wilson College
   Associate of Arts, August 1971

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

1994-Present
The Center for Rural Development
Executive Director & CEO
Responsible for the overall management of this state of the art facility as well as program development and outreach for the non-profit corporation. The mission is aimed at improving the economic condition of communities in rural areas.

1990-1993
Appalachian Regional Commission
Alternate Federal Co-Chairman
Assisted Co-Chairman in management of $190 million budget aimed at job creation, building infrastructure, education and work force training and numerous research programs relative to rural economic development for 13 Appalachian states.

1987-1990
Lindsey Wilson College
Director of Admissions/Classroom Instructor
Managed admissions program and personally recruited students, producing a 15% increase in enrollment in one year. Taught social science coursework.

1985-1987
Office of US Senator Mitch McConnell
Field Representative
Established and managed a 26 county field office, including an aggressive constituents service program.

1984
Reagan/Bush Presidential Campaign
Voter Registration Coordinator
Responsible for grassroots voter registration drive and overall planning and implementation of campaign strategy.

1981-1983
National Council on the Handicapped, US Department of Education
Acting Executive Director
Managed Council's national office with responsibility for advising members on education and rehabilitation of the handicapped policies, programs and legislation.

1977-1995
Co-owned and assisted in operations of 500 acre farm located in Adair County, Kentucky. Operations included beef cattle (cow – calf), swine (feeder pig), hay and corn production.

1974-1981
Adair County Schools
Classroom Instructor, Social Sciences
Responsible for daily classroom activities and education of students.

August 1972-August 1973
Kentucky Department of Child Welfare
Greensburg, Kentucky
Managed the homemaker assistance program.

July 1971- August 1972 ?
American Needlecraft Inc.
Greensburg, Kentucky
Clerk, typist for a bedding manufacturer.

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

   No military service

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

   1990-1993
   Appalachian Regional Commission
   Alternate Federal Co-Chairman
   Appointed, PAS, Level V

   1985-1987
   Office U.S. Senator Mitch McConnell
   Field Representative
   Appointed

   1981-1983
   National Council on the Handicapped, US Department of Education
   Acting Executive Director
   Appointed, GS-12

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

   Harvard University, John F. Kennedy School of Government
   Senior Executive Program, Public Administration (1992)

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

   Member of Council on Postsecondary Education
   Small Business Administration, One Stop Capital Shop, Advisory Board
   Member, Advisory Board of Campbellsville University
   Member, Board of Directors, YMCA Blue Ridge Assembly
   Member, Executive Board of Directors Christian Appalachian Project
   Member, Kentucky Appalachian Commission
   Member of Kentucky Women's Leadership Network
   Member, Citizen National Bank Advisory Board
   Member, Board of Directors, Lake Cumberland American Red Cross
   Member of Advisory Board of Goodwill Industries of Kentucky
   Member of Export-Import Bank of US Advisory Board, 1998, 1999
   Member of Executive Committee Republican Party of Kentucky
   Member, Board of Trustees and Member of Executive Committee, Alice Lloyd College

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

    5 columns over 4 months for *The Commonwealth Journal*
    (December 1998-March 1999)

    *Kentucky in the 21st Century*, Modern Magazine of the Mountains
    August 1999 (See attached)

    *Forward Thinking Kentuckians*, The Lane Report
    January 2000 (See attached)

Speeches:

| | |
|---|---|
| Alice Lloyd College Commencement | May 2001 |
| Pulaski County Business & Professional Women's Club | October 2000 |
| Campbellsville University Leadership | September 2000 |
| Kentucky Cultural Economics Initiatives | March 1995 |
| Governor's Local Issues Conference | June 1992 |
| Lindsey Wilson College Commencement | April 1992 |
| Appalachian Studies Conference | March 1992 |
| Business/Education Partnership Conference | February 1992 |
| Kentucky Youth Assembly | November 1991 |
| Hindman School Dedication | September 1991 |
| Adult Learning Institute | April 1991 |
| FIVCO Development District Meeting | August 1990 |

11. Health: What is the present state of your health?

Excellent

**FINANCIAL DATA AND CONFLICT OF INTEREST**
(PUBLIC)

1. Have you severed all connections with your immediate part private sector employers, business firms, associations, and/or organizations?

   Will resign from The Center for Rural Development upon confirmation. All other connections severed.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   None

3. Do you, or does any partnership or closely held corporation in which you have interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   Presently own one half of an 80 acre family farm located in the Knifley community of Adair County Kentucky. Brother and father manage 20 head of beef cattle and a hay crop.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   From 1977-1995, my husband and I owned and managed a 500 acre farm, including beef and swine operations and corn and hay crop production. We divorced in June 1995, he kept all farm assets, which he had owned and operated at the time of our marriage. He did participate in commodity price support programs. Since 1995, I have had no involvement with this agriculture endeavor.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   No

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

   No

7. If confirmed, do you have any plans, commitments, or arrangements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

   No

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

   No

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

   No

10. Identify all investments, obligations, liabilities, or other relationships, which involve potential conflicts of interest in the position to which you have been nominated.

    None

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

    Yes, yes.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

    I will implement the terms of the ethics agreement on June 27, 2001, and amended on July 6, 2001, attached.

ALLEN BOYD
SECOND DISTRICT, FLORIDA
COMMITTEE:
APPROPRIATIONS
SUBCOMMITTEES:
AGRICULTURE AND RELATED AGENCIES
MILITARY CONSTRUCTION

# Congress of the United States
## House of Representatives
## Washington, DC 20515

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107 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5235
DISTRICT OFFICES:
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TALLAHASSEE, FL 32301
(850) 561-3979
30 WEST GOVERNMENT STREET, ROOM 203
PANAMA CITY, FL 32401
(850) 785-0812

July 25, 2001

The Honorable Tom Harkin
Chairman
Senate Agriculture Committee
SR-328
Washington, DC 20510

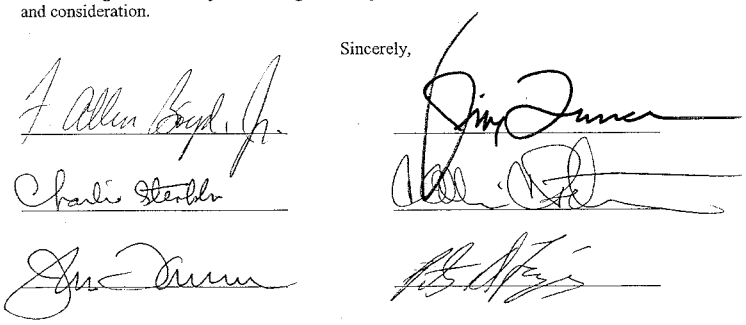
Dear Chairman Harkin:

We are writing in support of Mark Edward Rey to be the next Under Secretary of Agriculture for Natural Resources and Environment.

In your deliberations concerning the confirmation of the Under Secretary of Agriculture for Natural Resources and Environment, please keep a few thoughts in mind as you review the qualifications of Mark Rey. While some have portrayed Mark as a biased representative of the forest products community, we have found that Mark works in a pragmatic and bipartisan fashion. His tireless efforts helped lead to the enactment of the Secure Rural Schools and Community Self-Determination Act of 2000 -- a bill that several of us sponsored in the House. Others of us have dealt with Mark during the debate on issues such as the "spotted owl," Quincy Library Group and a national wildland fire strategy. In our various dealings with Mark, though we have not always agreed on the end goal or result, he has consistently demonstrated a straight-forward determination that is inclusive and solution oriented. We feel this approach is a much needed attribute at the Department of Agriculture as we try to deal with a large number of complex issues.

Again, we respectfully request that you take this information into consideration as the Committee goes about fully considering Mark Rey and his credentials. Thank you for your time and consideration.

Sincerely,



# Pulp & Paperworkers' Resource Council

AWPPW UPIU

June 25, 2001

RE: USDA Nomination for Undersecretary for Natural Resources and the Environment

Dear Senator Lugar,

The Pulp and Paperworkers Resource Council officially endorses the nomination of Mark Rey for the position of Undersecretary for Natural Resources and the Environment, U.S. Department of Agriculture.

The PPRC represents more than 300,000 men and women in the pulp and paper industry working in manufacturing facilities across the nation. We pride ourselves on working with elected officials and decision makers to ensure that public policy decisions are balanced and reflect environmental, economic and social concerns.

As an aide to the Senate Energy and Natural Resources Committee, Mr. Rey is an expert in forestry issues and a consummate professional. We have worked closely with Mr. Rey throughout the last six years on the environment issues important to working families and rural communities. While we may not always agree on the issues, Mr. Rey has always acknowledged our concerns and has kept an open line of communication.

We look forward to the opportunity of working with him and the Administration in the future.

On behalf of the PPRC, I urge you to support Mr. Rey's nomination before the Senate Agriculture Committee.

Fraternally,

Dale Lovett

Dale Lovett
Recording Secretary
Pulp & Paperworkers Resource Council



**The Ruffed Grouse Society**
DEDICATED TO IMPROVING THE ENVIRONMENT
FOR RUFFED GROUSE, WOODCOCK,
AND OTHER FOREST WILDLIFE

P.O. Box 2 • Rice Lake, WI 54868
(715) 234-8302 • Fax (715) 234-5051

July 16, 2001

The Honorable Richard Lugar
Senate Committee on Agriculture, Nutrition & Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Senator Lugar,

If you have any questions regarding the accompanying letter in support of Mr. Mark Rey's nomination for the Undersecretary for Natural Resources and Environment in the Department of Agriculture, please contact my office. Thank you for your time.

Take care,

Dan Dessecker
Senior Wildlife Biologist

July 16, 2001

The Honorable Richard Lugar
Senate Committee on Agriculture, Nutrition & Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Senator Lugar,

The undersigned wildlife conservation organizations support the nomination of Mr. Mark Rey for the position of Undersecretary for Natural Resources and Environment in the Department of Agriculture. We are confident that Mr. Rey enjoys the natural resource expertise, knowledge of existing policies and programs, and administrative skills required for this important position.

Proactive forest management is an essential element of wildlife conservation and forest resource stewardship. A balance between proactive and passive management is critical to the health of our nation's forests and to sustain the goods, services, and amenities these forests provide. Mr. Rey is well qualified to help identify and promote this balance.

Thank you for your time.

Sincerely,

Daniel Dessecker
Ruffed Grouse Society

James Earl Kennamer
National Wild Turkey Federation

Walter P. Pidgeon
Wildlife Legislative Fund of America

Earl Morgenroth
Boone & Crockett Club

James Jay Baker
National Rifle Association

Scott Hartman
National Trappers Association

Ray Lee
Foundation for North American Wild Sheep

Peter Gerl
Whitetails Unlimited

Charles Smid
Bear Trust International

George Banks
Safari Club International

Jay McAninch
Archery Manufacturers & Merchants Organization

John J. Jackson, III
Conservation Force

Peter Roemer
Camp Fire Club of America

Hyland B. Erickson
Shikar Safari Club

Alice Hanson
417 Arrowhead St.
Sitka, AK 99835
July 30, 2001

Re: U.S. Senate hearings on nomination of Mark Rey for Agriculture Department undersecretary for natural resources and the environment

To whom it may concern,

I am a resident of Southeast Alaska and have lived in the Tongass National Forest with my family since 1982, working in the commercial fishing and tourism industries. I strongly object to the nomination of Mark Rey to this post. He has been an outspoken advocate for the timber industry and an opponent of environmental protections for many years. It is not possible for me to imagine him suddenly acquiring a more balanced viewpoint on the subject of national forest policy.

The Tongass is particularly vulnerable to misguided forest policy, as our economy depends heavily on fishing and tourism, both of which require healthy old-growth forest systems, clean water and air, and careful regulation of unsustainable industries like timber-extraction and mining. There are plenty of corporations competing for access to our dwindling resources. Our federal nominee in the Agriculture Dept. should be more concerned about long-term sustainability, preserving a healthy environment, and serving the public interest than advocating for timber interests.

I believe Mark Rey is clearly the wrong person for this post. "Listening" is not enough when our nation's forests are at risk — and his job-history speaks loudly against him.

Thank you for considering my comments.

Alice C. Hanson

U.S.Senate
Agriculture Committee
Washington D.C

Mr. Chairman and members of the Committee:

Please accept his as my formal comment in opposition to the appointment of Mr.
Mark Rey to the post of Undersecretary of Agriculture. I have been involved in
many issues involving the National Forests, and in particular, the Tongass National Forest. I have had many dealings with Mr. Rey in his various capacities as a timber-industry lobbyist, as well as in his later capacity as
paid staff for the U.S. Senate. I have testified at many ot the same hearings
pertaining to the debate over the Tongass Timber Reform Act as he, before both
the U.S. House and Senate.

Mr. Rey has always been a firm, staunch and one-sided advocate for the timber
industry "extractionist" point of view, and is, in my opinion, incapable of any
objective reasoning on issues pertaining to logging, or any other commercial
use, on the National Forests or other public lands.

Confirmation of Mr. Rey's appointment would stand as a regressive move to reinstate the abuse on the National Forests that was commonplace in the past,
and mark a great disservice to the best interests of the general public.

Thank you,

Florian Sever
1706 Edgecumbe Drive
Sitka, AK 99835
Telephone 1-907-747-8466

Please ask Senator Harkin to delay the nomination hearing of Mark Rey. As a
timber lobbyist, Mr. Rey has established a horrible record of cutting forests.
How can someone who has advocated cutting forests be fair and impartial in deciding which forests need protecting. Surely there are people better suited
and impartial in making these decision.

Sincerely,

Thomas Ditty, Ed.D.
141 Buffalo Street
Elkins, WV 26241

I think it is vital that the Undersecretary have the respect of people. His demonstrated argumentative, dismissive and discourteous remarks in the past indicate that he is not ready to be an arbiter of differing views about how the Forest Service should set policies. His "appearances" in the Tongass region in the past have revealed his inability to listen to those who differ with him.
Please find a temperate, polite candidate for Undersecretary so that the Forest Service can operate as a professional Agency.
Thank you for considering my comments. I have lived in the Tongass Forest for 31 years.



OLD HARBOR BOOKS
201 LINCOLN STREET
SITKA, ALASKA 99835
(907) 747-8808 • FAX (907) 747-8813

July 30, 2001

Senate Agriculture Committee
ATTN: Amy Fredregill

RE: Mark Rey

I am writing in strong opposition to the appointment of Mark Rey as Undersecretary of Agriculture in charge of the Forest Service.

Mr. Rey is a very intelligent and articulate spokesperson for the timber industry. He has many years of experience advocating the industry view. He should remain in that capacity. Would the Agriculture Committee approve a leader of the Sierra Club or another large environmental organization for a similar position? Of course not. The position should be filled by someone who can be objective, someone who can make decisions based on sound science.

I have lived in Sitka since 1974. I have been a businessperson here for 25 years as manager and co-owner of Old Harbor Books, a general bookstore. I have also devoted much of my time to protecting the forests of Southeast Alaska. I have seen the consequences of the past 40 years of industrial logging—and I do not want to see that return. An unlogged Tongass National Forest is good not only for the forest but also for the current and long-term future economy of the area. I believe that the Clinton roadless rule will prevent industrial logging from returning. However, it appears that the timber industry and Mr. Rey are determined to dismiss that rule. It appears that they want to return to the days of old, a time when the national forests were seen as tree farms for private industry.

In an article in our local paper (Sitka Daily Sentinel, Friday, July 27) describing the Agriculture Committee confirmation hearing for Mr. Rey , the following occurs:

> "Rey said he agrees that the roadless areas--undeveloped parts of national forests--need to be protected. "Any disagreement we might have won't be over that," he said. "It will be how we get to that point." "

If he really means what he says, why can't he support the Clinton roadless rule? It is clear that for him getting "to that point" will include a great deal of logging and other resource extraction.

Thanks for this opportunity to make comments.

Sincerely,

Don Muller

Don Muller
Manager/Co-Owner
Old Harbor Books
201 Lincoln Street
Sitka, Alaska 99835
907-747-8808 (ph)
email: donmuller@msn.com

I am Writing to express my displeasure at the appointment of Mark Rey.He has been a mouthpiece for industrial forestry for too long to have any credibility.This job demands someone that has a vision for the forest that includes all uses, not just one use,that essentially ruins it for any other use for hundreds of years!

Very

Sincerely Yours,Stephen D. Warren

Thank you Amy for responding. I feel very strongly that nominating Mark Rey
for Undersecretary of Agriculture would be a travisty for the following reasons among many:

1. He is a former timber industry lobbyist.
2. He has been working recently with Sen. Craig, ID, who is a strong proponent of logging.
3. He has been working very hard for years to try and find ways to get more trees out of our Nat'l Forests.
4. He has used "forest health" and "fire" as reasons to increase logging. Our forests have taken care of themselves for mellenia without our intrusion.

I do not support this partisan nomination and ask that his name be withdrawn
from consideration.
Respectfully,
Gary B. Grubb
216 East Wilson Avenue
Salt Lake City, Utah 84115
801-487-7282

I am writing to register my request to the Agriculture Committee to reject the nomination of Mark Rey as undersecretary in charge of Forest Services and
Natural Resources in the Agricuture Department.

It is not right that a timber industry lobbyist be in charge of our precious
resources, particularly one of Mr. Rey's background.

In 1995, Mark Rey, who has been the strategist behind a majority of timber-industry plans to extract more trees from national forests, helped craft a controversial amendment - known as the salvage rider - that cleared the way for logging old-growth stands in the Pacific Northwest. The rider ushered in a revival of old-growth timber sales in the Northwest that had been withdrawn for environmental concerns.

Please, the Bush Administration is already riddled with extraction industry lobbyists who are threatening great harm to the quality of life of future generations. I ask the Agriculture Committee to reject Mr. Rey and any other
of his kind for this position.

Sincerely,
Gretchen Chambers
5018 Latona Avenue NE
Seattle WA 98105
(206)632-0651

I am writing to express my extreme concern about the possible confirmation of Mark Rey to undersecretary of agriculture in charge of national forests. I am in fact vehemently opposed to his nomination.

Mr. Rey is a former timber industry lobbyist. His ties to the timber industry are very clear and prominant. He is no friend of our forests, only the industries that wish to create profits from them, leaving devastation in their wake.

Please do whatever possible to block, delay or otherwise prevent his nomination from going through.

Yours,

Noam Gundle
7557 40th Ave NE
Seattle, WA 98115
(206) 527-4573

I am writing to register my request for the rejection of the nomination of Mark Rey as undersecretary in charge of Forest Services and Natural Resources
in the Agricuture Department.

It is not right that a timber industry lobbyist be in charge of our precious
resources, particularly one of Mr. Rey's background.

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Please, the Bush Administration is already riddled with extraction industry lobbyists who are threatening great harm to the quality of life of future generations. I ask the Agriculture Committee to reject Mr. Rey and any other
of his kind for this position.

Sincerely,
Gretchen Chambers

Dear Agriculture Committee and Senator Harkin,

As concerned American citizens and taxpayers, we are extremely disturbed about the nomination of Mark Rey for Undersecretary of Agriculture in charge
of the Forest Service.

Rey is a former timber industry lobbyist who has been working for Sen. Larry
Craig in recent years on the Senate Energy and Natural Resources Committee staff. Rey is no friend of the forests and has been working feverishly for years trying to figure out how to get more trees out of the National Forests. The Salvage Logging Rider was his handywork in part, as are other efforts to use forest health and fire to increase logging.

The American people, who own our National Forests, want them preserved, particularly unspoiled roadless areas, for the enjoyment of future generations, for the preservation of critical wildlife habitat, and for their
great watershed value in filtering drinking water for millions of Americans.
Mark Rey would serve the timber companies and their allies, NOT the people of
the U.S. We urge that Mr. Rey's confirmation hearing be delayed as long as possible, and that his confirmation be denied!

Most Sincerely,

Dr. Mha Atma S Khalsa
Martha Oaklander
1536 Crest Dr.
Los Angeles, CA 90035

Dear Sirs,
President Bush has spent the first 7 months of his administration trying to destroy the environment. The nomination of a former logging industry lobbist
clearly shows his intention to mine, log and pave the Western United States.
Please block this nomination.
Thank you,
Henry R. Thompson M.D.

July 26, 2001

Sen. Tom Harkin, Chairman
Senate Agriculture Committee
Washington, D.C. 20510

Dear Sen. Harkin,

I am writing to urge your strong opposition to the Mark Rey nomination and to vote no when the Committee brings it up for a vote. Thank you for your support of the roadless area conservation rule and for raising that issue during today's hearing.

However, I must express my deep disappointment that the Committee did not question Mr. Rey on the numerous anti-environmental policies which he has helped promote during his career. With the Bush Administration rolling back existing environmental protections for forests at a frenzied pace, strong voices of opposition need to be heard.

Mr. Rey is no friend of the forests and has been working feverishly for years first as a timber industry lobbyist and more recently as a Committee staffer trying to figure out how to increase logging on the National Forests. The Salvage Logging Rider which suspended all laws for salvage logging and opened protected old growth forests to clearcutting was his handywork in part, as are other efforts to use forest health and fire risk to justify increased industrial logging.

Given Mr. Rey's very one-sided approach to forest issues, it is essential the Committee closely review his past record as well as highlight the numerous rollbacks in forest policy already initiated by the Bush Administration. We urge that you delay the Committee vote on Mr. Rey's nomination until the questions submitted to the nominee for the record can be fully reviewed and evaluated by all Members of the Committee.

Thank you for considering these requests and thank you again for your strong support for forest protection efforts such as the roadless area conservation rule.

Sincerely,

Steve Holmer
Campaign Coordinator

**American Lands**

Jim Jontz,
Executive Director
Steve Holmer,
Campaign Coordinator
Phone 202 / 547-9400
725 7th Street SE
Washington, DC 20003
Fax 202 / 547-8213
E-mail wafcdc@igc.org
www.americanlands.org

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July 30, 2001

Senate Agriculture Committee
ATTN: Amy Fredregill

RE: Mark Rey

I am writing in strong opposition to the appointment of Mark Rey as Undersecretary of Agriculture in charge of the Forest Service.

Mr. Rey is a very intelligent and articulate spokesperson for the timber industry. He has many years of experience advocating the industry view. He should remain in that capacity. Would the Agriculture Committee approve a leader of the Sierra Club or another large environmental organization for a similar position? Of course not. The position should be filled by someone who can be objective, someone who can make decisions based on sound science.

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In an article in our local paper (Sitka Daily Sentinel, Friday, July 27) describing the Agriculture Committee confirmation hearing for Mr. Rey , the following occurs:

> "Rey said he agrees that the roadless areas--undeveloped parts of national forests--need to be protected. "Any disagreement we might have won't be over that," he said. "It will be how we get to that point." "

If he really means what he says, why can't he support the Clinton roadless rule? It is clear that for him getting "to that point" will include a great deal of logging and other resource extraction.

Thanks for this opportunity to make comments.

Sincerely,

Don Muller
Manager/Co-Owner
Old Harbor Books
201 Lincoln Street
Sitka, Alaska 99835
907-747-8808 (ph)
email: donmuller@msn.com

**Mark Rey Is No Friend of Alaska's Tongass National Forest**

The nomination of former timber lobbyist Mark Rey for the Department of Agriculture's Undersecretary of Natural Resources and the Environment spells trouble for our nation's largest National Forest, Alaska's Tongass. Throughout his career at the National Forests Products Association, the American Forests Resources Alliance, the American Forest and Paper Association, and working for Senator Frank Murkowski, Mr. Rey has strongly supported destructive logging levels on the Tongass and opposed conservation measures to protect the Tongass's valuable resources.

During the debate over the 1990 Tongass Timber Reform Act, Public Law 101-626, Mr. Rey testified several times before Congress on behalf of the National Forest Products Association. Mr. Rey consistently opposed Congressional efforts to reform the Tongass timber program. In opposition to broad support from the communities of Southeast Alaska for reform of Tongass management, Mr Rey supported:

- the $40 million annual roadbuilding fund used by the Forest Service to build roads into Tongass roadless watersheds and the 450 million board feet annual timber target mandated by ANILCA. H.R. 1516 proposed to delete this annual fund established outside of the appropriation process as well as this destructively high timber target.
- the continuation of 50-year monopoly contracts on the Tongass to fuel the region's 2 pulp mills. H.R. 3556 proposed to treat the Tongass like any other National Forest and require competitive bidding for all Tongass timber sales by canceling the two long-term contracts.
- continued high-grading of the Tongass's high-volume timber stands. (Up until 1990, logging only occurred in the 4% of the Tongass land base with the biggest and best trees). H.R. 1516 proposed to require balanced logging of the area's lower and higher volume old-growth timber stands, to protect high-volume forests important to fish and wildlife.
- Massive clearcutting and roadbuilding in Tongass roadless areas important to local communities for commercial fishing, hunting, recreation, and other uses. H.R. 1516 proposed to prohibit logging in 19 valuable Tongass watersheds until the completion of the Tongass Plan.

Mr. Rey's objections to the legislation went counter to the wishes of the American public, which strongly supported the bill. The Tongass Reform Law passed Congress by wide margins: 356-60 in the House and 99-0 in the Senate. President Bush signed it into law in 1990.

When the Republican Party took control of the House and Senate in 1994, Senator Frank Murkowski received the chairmanship of the Senate Energy and Natural Resources Committee. Sen. Murkowski used this position to push legislation to increase logging levels on the Tongass and undo reform measures passed by Congress in the Tongass Reform Law.

One of Sen. Murkowski's first acts was to hire Mr. Rey as a Senate aid to help push this Tongass legislation. (Seattle P-I, August 11, 1995). Working for Senator Murkowski, Mr. Rey drafted up bill after bill to increase logging on the Tongass and to hand over large pieces of the Tongass to private, extractive interests. Here are a few highlights:

- **Timber-First Jobs Bill:** Proposed rolling back the Tongass Timber Reform Act by mandating an unsustainable cut level and making clearcut logging and road building the priority use of the Tongass. **Failed:** S.1054 (104th Congress)
- **New Native Corporations:** Authorized five Southeast Alaska Native groups that Congress found ineligible for federal land grants in the 1972 Alaska Native Claim Settlement Act to form private, for-profit corporations and select a land grab/giveaway ranging from 125,000 to 645,000 acres. **Failed:** S.2539 (104th Congress); S.967 (105th Congress)
- **University of Alaska Land Grab:** Proposed handing over up to 500,000 acres of valuable public lands from the Tongass and Chugach National Forests, the National Petroleum Reserve, the outer continental shelf, and other areas of great economical and environmental value to the University of Alaska solely for economic development. **Failed**: S. 1851 (104th Congress); S. 660 (105th Congress); and S. 774 (106th Congress)
- **Technical Amendments to ANILCA:** These amendments would have blocked the Forest Service from responding to the advice of its own scientific experts to take immediate additional steps to provide for the short and long-term health of Tongass wildlife and salmon populations and the habitat they depend on. It also would have opened Tongass Wilderness Areas to commercial helicopter tours. **Failed:** S.1920 (104th Congress)
- **Extension of Ketchikan Pulp Company's 50-year Pulp Contract:** In response to threats from Louisiana-Pacific Corporation to shut down its pulp mill, this would have given unprecedented government concessions to one of the richest forest product companies in the world – and a chronic pollution lawbreaker – while gutting the 1990 Tongass Timber Reform Act. **Failed:** S.1877 (104th Congress)

## QUESTIONS AND ANSWERS

JULY 26, 2001

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: During the speech you gave on October 12, 2000, referred to in earlier questions, you said that "we will need to keep the corrosive posturing that has infected national debate out of our communities. Above all, we must strive to not demonize one another." Mr. Rey, I am however, concerned about some of your own statements in this speech. For example, you said that "Bill Clinton shows little or no interest in the plight of the rural West" and that he "is trying to harness extremism in the environmental movement for broader political gain." You also stated "that lands under federal management are twice as likely to have toxic wastes than privately held land."

I believe these statements are themselves more than a little inflammatory, belligerent and perhaps untrue. How, given these statements can the Committee be assured that you will take a balanced approach toward use of the National Forest System? How can you guarantee this committee that you will fairly and fully consider various points of view, especially those that differ from yours?

Answer: In my October 13, 2000 speech to the University of California at Berkeley substituting for Senator Larry Craig, I offered what I hoped were constructively critical comments of both the Clinton Administration and previous (ie., Republican) Administrations, and of the environmental community and resource development interests. Read in its entirety, and in context, I believe that the speech offers a balanced assessment of the current debate over the management of the National Forest System.

With respect to the question of whether I can guarantee the Committee that I will fairly and fully consider various points of view, especially those that differ from my own - - my answer is an unequivocal "yes." As I responded to Senator Harkin's question at the hearing: whether or not I agree with a group's views, I have never failed to return their phone calls; never refused a requested meeting; and never failed to hear them out on their position.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service reported the financial condition of the timber sale program on National Forests for FY 1998 just a month ago.

(a) Will you commit to seeing that the annual financial accounting of the timber sale program is done in a more timely manner?

Answer: If confirmed, I will commit to providing such information in a timely manner. One of the key factors affecting the release of the FY 1998 report was the Agency once again changed the way it accounts for road prism costs. This was the second time in as many years, and was in response to a GAO study.

Due to the development of both a new budget format and a new financial accounting system the Forest Service advises that the use of the TSPIRS program is not considered a viable option at this time. The Agency is committed to providing required financial accounting information for its timber sale program. At this time, the Forest Service is aggressively investigating alternative means of providing this type of information. If confirmed, I would be happy to keep the Committee apprised of the Agency's efforts.

(b) The Forest Service divides its timber sale program into 3 categories—personal use, stewardship, and commodity purpose timber sales. Would you agree that it is a subsidy, to sell publicly owned timber for commodity purposes to private interests at a loss to the taxpayer?

Answer: A subsidy occurs whenever a good or service is exchanged at something other than its fair market value – which is normally defined as the price that would be agreed to by a willing buyer and willing seller who are both knowledgeable of the market situation and under no compulsion to deal. This condition does not describe what happens in the case of a national forest timber sale. Before national forest timber is sold, an appraisal is conducted to estimate the material's fair market value. At the time of sale, the timber is offered competitively and the contract is normally awarded to the bidder offering the highest price. Together these requirements ensure that the public is justly compensated for any timber it sells.

The fact that some sales sell for less than the government's full costs of sale preparation

The fact that some sales sell for less than the government's full costs of sale preparation and administration is not evidence of a subsidy; instead it reflects the fact that the government tends to be a relatively high cost timber producer. The government's costs tend to be high because, as a matter of law and policy, the national forests are not managed like a private timber growing business. These laws and policies require the Forest Service to use an open, participative planning and decision-making processes, to give people the right to appeal decisions, and to include other resource objectives. The government cannot pass its higher costs onto prospective purchasers, because price is determined in a free market where most prospective buyers have a choice of purchasing either public or private stumpage. If confirmed, I would be happy to work with Congress to explore ways to reduce these costs.

(c) GAO's reports on the Forest Service timber program, (95-237FS and 99-24) for the 6 years 1992-1997, as well as a Taxpayers for Common Sense report for FY 1998 show that for 7 years the timber program has lost over $2 Billion. In the interest of fiscal accountability, will you carefully review the policy on these types of sales that are purely intended to generate private profit at a loss to taxpayers are eliminated?

Answer: I am committed to being a good steward of taxpayer's dollars and will, if confirmed, carefully review Forest Service policy in this area

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service has committed to creating a new wilderness program, apart from recreation where it formerly resided.

(a) Given that wilderness areas constitute nearly 20 percent of the National Forest System land base, will you commit to filling the newly created Director of Wilderness as soon as possible?

Answer: I will work with Chief Bosworth to ensure that Agency management is structured in a manner that provides appropriate emphasis to wilderness management.

(b) Former Chief Dombeck's committed to increasing field funding for the Wilderness Program. Will you uphold that commitment?

Answer: If confirmed, I will work with Congress to provide funding for this program area consistent with other natural resources and environmental program priorities.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service road program is in disarray. The agency maintains an 8.4 billion dollar maintenance backlog on its 386,000 mile road system. Indeed, this was a significant reason for the former Chief's insistence that no new roads be built into roadless areas.

(a) In the face of such an enormous backlog and an enormous road system that is crumbling, can you tell me how the Forest Service can justify building any new roads, anywhere on the National Forest System, with the obvious exception of those needed to access private or state property or to fight fires?

Answer: Over the past several years, new road construction has been limited. Among the main reasons to build a new road are the need to access nonfederal lands and provide for fire protection and other administrative needs. Recently, the Chief of the Forest Service has reserved for himself any decision to construct new roads, pending the resolution of the roadless debate. If confirmed, I will work closely with the Chief in this policy area.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service has long been criticized for acting in ways that are contrary to scientific information and against the wishes of the majority of citizens that own the public lands. Development of the roadless area conservation rule was based on the input of more than 1.6 million people and more than 600 local town meetings. Ninety-five percent of those that commented said they wanted more protection for roadless areas.

(a) Will you listen to what the public says about how they want their lands managed?

Answer: Yes, if I am confirmed.

(b) How will you ensure that this new round of public comment is not used to rationalize short-term political and economic expediency and instead adheres to the wishes of the American people concerning management of their last wild and unfragmented lands?

Answer: If I am confirmed, I will assure that all public comments and insights will be fairly evaluated as required by the National Forest Management Act and the National Environmental Policy Act.

(c) In a speech you gave to at the University of California, Berkeley, on October 13, 2000, you stated that "thousands of acres of productive state school trust lands are effectively isolated by the 'land-locking' effect of the President's roadless area policy." However, States and owners of private property have statutorily protected rights of access and the roadless rule does not change these rights. The existing procedures for applying for access to lands within the national forests (set forth at 36 C.F.R. part 251) remain precisely the same as they were before the roadless rule adopted. Therefore, wouldn't you agree that your statement is misleading and incorrect?

Answer: One of the most consistent complaints offered by nonfederal landowners is the difficulty they experience in securing reasonable access to their lands, notwithstanding the provisions of the Alaska National Interest Lands Conservation Act quaranteeing that right of access. The public comment docket on the proposed roadless rule is repleat with comments from nonfederal landowners experiencing concern that the rule will execerbate this problem. In his decision preliminarily enjoining the final rule, Judge Lodge echoed this concern.

(d) In that same speech, you stated that President Clinton "targeted roadless areas in the national forests, creating de facto wilderness areas." However, the Roadless Area Conservation Rule in fact allows activities in roadless areas that are not allowed in wilderness areas (i.e. small diameter timber may be cut, sold, or removed in roadless areas to improve wildlife habitat and for other reasons). Can you explain how your characterization of the roadless areas in national forests as defacto wilderness areas is correct?

Answer: The list of prohibited activities is much longer than the list of permitted activities in roadless areas affected by the rule. Additionally, public statements by proponents of the rule (including representatives of the Clinton Administration) spoke of preserving wilderness and roadless values interchangeably, both before and during the comment period on the rule.

QUESTION SUBMITTED BY SENATOR HARKIN

TO MARK REY

Question: Timber trust funds allow the Forest Service to retain up to 100 percent of all timber receipts to pay employees, clean up after timber sales, and pay for overhead. These trust funds, ranging from 400-500 million dollars per year, are not well regulated and not subject to Congressional oversight or appropriations. Would you work with Congress to ensure that reform of these funds is a priority and that we explore making them subject to congressional oversight and public scrutiny through the appropriation's process?

Answer: If confirmed, I will work with Congress to secure oversight of these programs to evaluate their effectiveness, identify any unintended consequences, and assess the need for any legislative changes.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Because the 1872 Mining Law allows no recourse, the former Chief of the Forest Service segregated, and recommended that the Secretary of the Interior withdraw from hard rock mining many sensitive areas such as the Rocky Mountain Front and portions of the Siskiyou National Forest.

(a) As Under Secretary will you ensure that the Rocky Mountain Front remain withdrawn, and that the segregated portions of the Siskiyou are withdrawn by the Secretary of the Interior?

Answer: If confirmed, I will commit reviewing both of these decisions and work with interested members of Congress before proposing changes to the status quo in either case. Any proposed changes in existing policy will be subject to public review and comment.

(b) Will you work with Congress to draft legislation that reforms the widely criticized General Mining Law of 1872?

Answer: Yes, if I am confirmed.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Last year, county payments legislation was signed into law that severed the historic connection between federal forests and rural communities that formerly counted on 25 percent of all timber receipts to pay for roads and schools. In its place a new system was created to guarantee counties historic high payments while creating diverse and balanced citizen councils to make recommendations to the Forest Service concerning restoration priorities. I now understand that the Forest Service is contemplating allowing counties to exercise veto authority over the citizen councils' recommendations. This is in direct conflict with the law as written. It also seems to conflict with comments you made regarding this topic during a speech on October 13, 2000 at the University of California, Berkeley, during which you stated, "Financial support is provided for stewardship investments on federal lands where local consensus can be reached. Where local consensus cannot be reached, investments won't be made."

(a) Will you commit to ensuring that the letter and spirit of the county payments legislation is followed?

Answer: Yes, if I am confirmed.

(b) The legislation creates a new method of getting work done in the forest by using separate contracts for restoration and for selling the byproducts of restoration. How will you ensure that the provisions of the law that require this bifurcation are abided by and successful?

Answer: The Forest Service is establishing an annual tracking system to assure compliance with this requirement. If confirmed, I will share the results of this tracking system with the Committees of jurisdiction in Congress.

(c) How will you ensure that half of all the projects nationwide are maintenance and restoration projects—allowing the Forest Service to focus on catching up on its roads and facility maintenance backlogs—as opposed to other projects?

Answer: The Forest Service is establishing an annual tracking system to assure compliance with this requirement. If confirmed, I will share the results of this tracking system with the Committees of jurisdiction in Congress.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: You have characterized the Endangered Species Act as 'broken' and as an impediment to the timber industry. How would you fix the Act? What are your plans for the enforcement of the Endangered Species Act in relation to the national forests?

Answer: If I am confirmed, I commit working with the Department of the Interior, the Department of Commerce and Congress to evaluate needed changes to the Endangered Species Act. In the interim, if confirmed, I will assure that the Forest Service and the Natural Resources Conservation Service fully comply with the requirements of the law, including any prevailing case law.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: I have concerns about proposals to open up the Tongass National Forest for development. Currently, oil and gas drilling and road development is prohibited in the Tongass in an effort to protect the delicate ecosystem. In your testimony you state that forests are the lungs of our land, purifying the air and giving fresh strength to our people. There are some groups that are concerned that you have opposed Congressional efforts to reform the Tongass timber program. Will you support the bi-partisan Tongass Timber Reform Act, passed in 1990 and signed into law by former President George Bush?

Answer: The Court has remanded the 1999 Tongass Land Management Plan back to the Forest Service for needed changes. If confirmed, I will assure that the court-ordered revised plan complies with the 1990 Tongass Timber Reform Act and other applicable legal requirements.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: During your October 13, 2000, speech referred to in an earlier question, you also stated, "We need a process of continuous improvement in reducing our impacts on the land." And "[l]ands under federal management are twice as likely to have toxic wastes than privately held land." What actions do you propose the Forest Service should take to address these problems?

Answer: One concern raised by a recent USDA reorganization is whether the decision to move the staff responsible for Resources Conservation and Recovery Act compliance out of the Forest Service has hampered the Agency's effort to address this problem. If confirmed, I commit to reviewing this matter to assure that the Forest Service is properly staffed and organized to address priority RCRA concerns.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: I am concerned that this year the Forest Service suspended significant parts of both the planning and transportation rules in the absence of any public involvement or consideration. Will you commit to seeking public input before taking any further action regarding these rules?

Answer: Any changes to either of these rules will involve public review and comment as required by the National Forest Management Act.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service is currently engaged in revising the planning rule, completed during the last Administration with the assistance of a Committee of Scientists. Given the importance of this rule to all future guidance for the national forests, will you commit to fully retain the environmental protections in the rule? Will you commit to seeking public input before taking any further action regarding these rules? Will you commit to reconvening the Committee of Scientists?

Answer: If confirmed, I will assure that any changes to the planning rule will: (1) meet the environmental protection requirements of the National Forest Management Action, the Endangered Species Act, and other relevant laws; and (2) involve public review and comment as required by the National Forest Management Act. It is my understanding that the Forest Service plans to consult with the Committee of Scientists as the Agency moves

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Will you retain the transportation rule and policy, the direction of which was developed by the current Chief, Dale Bosworth, when he was Regional Forester? These salutary measures require appropriate consideration before the construction of new roads on the National Forest System. Common sense requirements to inventory all existing roads and trails, and to seek public input prior to closing or building new roads, are broadly supported.

Answer: The new road policy was adopted through the Federal Register publication on January 12, 2001. While the foundation of the road management policy is a sound one, the Agency has heard from stakeholders and others on opportunities to improve the policy. Also, following comprehensive training on implementing the new policy and Roads Analysis Process, field employees voiced concerns about their ability to meet the approaching compliance deadlines required by the policy.

Consequently, Chief Bosworth asked the Agency's Regional Foresters and Station Directors to work with their field units, States, counties and tribes to identify specific areas where constructive changes might be needed in the policy. The Forest Service advises that a team of Agency specialists is presently considering these comments and will make recommendations to the Chief shortly.

The Forest Service advises that the Agency will brief interested members of Congress before any changes to the policy are proposed.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: In addition to managing publicly held forest lands, USDA also has a history of working with private land owners on conservation matters. What is your view on the role of USDA in private working lands conservation? How would you rate USDA's record for assisting soil and water conservation on private lands?

Answer: USDA has a long tradition of working with America's private land users to plan and implement conservation measures on the nation's working lands. This tradition is founded on a partnership of federal, state, and local government. Through that partnership, USDA provides technical, financial, and educational assistance to assist producers voluntarily protect and enhance natural resources. This assistance is based on sound-science and research, much of which is carried out through USDA.

USDA has an admirable record in working with local people to assist land users meet their responsibility to protect and improve the Nation's resources. For example, when Congress enacted the Food Security Act in 1985, USDA employees prepared over 1.2 million conservation plans on about 140 million acres of highly erodible land. In addition, between 1986 and 1990, approximately 30 million acres were enrolled in CRP. Implementation of these and other USDA conservation programs have led to a reduction in soil erosion on cropland of about 1.2 billion tons annually since 1982. The Department also implemented the Swampbuster and wetland reserve provisions that have contributed to a significant reduction in wetland losses over the past decade. USDA has an admirable record of accomplishments in helping land users carry out conservation. If confirmed, I look forward to having the opportunity to help continue this important work.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: What is the attainable volume of salvage timber now existing on each National Forest? It is my understanding that the Federal government loses money on sales of salvage timber. If this is true, should logging of salvage timber be allowed and under what circumstances? How much should be sold when it costs more to sell it than the U.S. recovers?

Answer: The Forest Service advises that records are not kept at the national level for each National Forest. Annually, each National Forest determines its proposed salvage sale program by assessing the catastrophic events from previous years and estimating what salvage may occur in the current year. Catastrophic events qualifying for salvage as defined in the National Forest Management Act are insect-infested, dead, damaged, or downed timer. Nationally, the amount of salvage offered for sale has averaged between 850 million board feet and 1 billion board feet per year over the past several years.

Salvage is an important tool in managing National Forests. Considerable analysis goes into the decision on whether or not to savage timber following a catastrophic event. This analysis considers the resource objectives for the area, the condition of the ecosystem, other resource values, and economics. Often-times this analysis indicates timber should not be harvested, as in the case of large fires, where less than 25% of the dead timber is salvaged. In many cases, even those when costs exceed revenue, salvage may be the least net cost method of achieving an environmental or land management objective. For instance, salvage logging to prevent the spread of the Southern Pine beetle to healthy public or privately-owned forests returns some revenue to offset the cost of cutting the trees, whereas employing cut and leave only incurs an additional cost. The decision over whether or not to use salvage is best made at the local level based on local objectives, resources, and ecological conditions.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The last Forest Service accrual account report for its timber program was for FY 1998. It was not issued until 2001. What should be done to get a solid, by Forest, cash flow report out within 30 days after the close of each fiscal year that can be used for budget and management purposes?

Answer: The Forest Service is committed to providing timely and reliable accounting information related to its timber program, and I share that commitment. By law, the Agency annually prepares audited financial statements for all Forest Service activities by the statutory due date of March 1, for the prior fiscal year. At such time as information is available from the audited financial statements, similar information would be available for other reporting purposes such as reporting for the timber program. Given the time frame related above, information for reporting the results of the Agency's timber program would be made available as soon as possible. According to the Forest Service, it is not clear at this time if this information would alternatively be available within 30 days of the close of any given fiscal year.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: USDA Inspector General Viadero's reported on Feb 15, 2001 that due to the condition of the Forest Service Consolidated Balance Sheet as of Sept. 30, 2000 he was unable to express an opinion on it because an audit was impossible. What actions should be taken to correct this situation? What sort of schedule for correction should apply?

Answer: The Agency advises that it is currently engaged in an aggressive program to enable the USDA Inspector General to express an opinion on the Agency's annual financial statements. According to the Forest Service, this program includes a wide variety of actions, dealing with data quality as well as systems, processes, and people necessary to manage the Agency's financial activities. Broad topical areas of action include: (1) Timeliness of actions; (2) Financial Date Integrity; (3) Financial Transactions with Other Federal Agencies; (4) Financial Statement and Budgetary Data submitted to Treasury; (5) Financial Management; (6) Cash Reconciliation; (7) Inventories for Real and Personal Property; and (8) Feeder systems that provide information to be input into the Agency's Financial Management System of record, FFIS. At this time, by focusing on the topical areas listed above, the Agency anticipates producing auditable, annual financial statements for the operations of Fiscal Year 2001 by November, 2001. If confirmed, I will work with the Forest Service to assure that OIG's recommendations are properly considered.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service Timber Program and Information Reporting System of accrual accounting system divides receipts, costs and net by timber cut assigned to "Commodity", "Stewardship" and "Personal Use" components. This system applies to entire sales or parts of sales. How are distinctions made when trees are cut? How does the accounting system determine if the timber is classified as "commodity", "stewardship" or "personal use?"

Answer: Local field personnel assign each component based on the objectives of the sale. The percent of each component is entered into the Timber Sale Accounting system for each timber sale.

QUESTION SUBMITTED BY SENATOR HARKIN

TO MARK REY

Question: The grazing fee has a long history of debate. Congress set it at $1.35/AUM for over 20 years. How does the Federal fee compare with State land fees? What is the annual cost to run the grazing program versus the net receipts after allocating funds to the Range Improvement Account? Should the fee be raised to cost recovery? If not, why not?

(a) How does the Federal fee compare with State land fees:

Answer: The Federal grazing fee for the use and occupancy of National Forest System lands was established on a trial basis in the Public Rangeland Improvement Act of 1978 (PRIA). In 1986, the fee that, by PRIA formula was $1.35/AUM, became indefinitely extended by Executive Order 12548 of February 14. The Forest Service does not keep a data base of state land fees. However, based upon information available 1999, the private land fees in 17 western states averaged $11.40/AUM for the previous grazing year.

(b) What is the annual cost to run the grazing program versus the net receipts after allocating funds to the Range Improvement Account?

Answer: The fees collected in FY 2000 from grazing receipts were $6,403,309 for all states. Approximately 50 percent of the money collected in the western states was allocated to the Regions where the fees were generated after Congress authorized Range Better Fund spending for FY 2001. The cost of the Range Grazing program for the FY 2000 was approximately $41,666,640. The program is expected to cost a similar amount plus uncontrollable costs in FY 2001.

(c) Should the fee be raised to cost recovery? If not, why not?

Answer: Before a new fee rate can be equitably set, there are a number of factors that should be considered because the Forest Service-- in contrast to most state and private landowners - - requires that the permittee perform many services without compensation. These include: (1) construction of new improvements for livestock grazing purposes, and wildlife enhancement; (2) maintenance of all existing improvements; (3) monitoring of grazing uses per the requirements of Forest Plans and environmental laws; and (4) accommodating the use of the public on federal lands (eg., extra time spent keeping livestock in the correct pastures as the public makes use of these lands without closing gates, unlawful cutting of fences and possible destruction of livestock waters, etc.). On private land pastures the public does not have free access, and the other items listed above are incorporated into the private land fees. Also, on many state and private lands, the leasee retains title to any capital improvement made on the

land. This is not the case with Forest Service leases. If confirmed, I would be happy to discuss the fee program with any members of Congress interested in general oversight or in considering new legislative authorities.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The Forest Service's land and resource management planning rule sets the standards for management of the entire National Forest System. The existing 1982 regulation has sought to prevent crises on the public lands by monitoring and protecting species so that they do not become endangered and require the protection of the Endangered Species Act. The Committee is concerned about some of the changes to the planning rule contained in a staff-level draft.

In particular, the draft's leading option proposes to substantially weaken the regulations put in place by the Reagan Administration to provide a minimum level of species protection across the National Forest System. You indicated in your response to Senator Daschle's question that some Forest Service employees have been concerned about the feasibility of implementing the 2000 planning regulation adopted by the Clinton Administration. In revising the Clinton rule, will you commit to providing a level of protection for forest species that is at least equal to the protection provided by the Reagan Administration's 1982 regulation?

The Committee is also concerned about the staff-level draft's proposal to eliminate consultation requirements of the Endangered Species Act at the plan level. Will you commit not to eliminate such consultation requirements? If not, how do you propose to ensure that the Forest Service adequately considers facts about how its actions may harm threatened and endangered species?

Answer: If confirmed, I will assure that the Forest Service fully complies with the requirements of Section 6 of the National Forest Management Act of 1976. Much experience has been gained through the national forest planning process since the development of the 1982 rules. Any changes to the rules should reflect this experience, while maintaining species protection provisions. Any changes will be subject to Congressional review and public comment.

Any changes in the Endangered Species Act Section 7 consultation process – including changes in the emphasis on consultation at the rule-making, plan, or project level – must be preceded by discussion with, and a should have the concurrence of, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service, depending upon the species involved. As you may know, the 2000 regulations were not made subject to Section 7 consultation. This is part of the basis for a legal challenge of these regulations by a consortium of environmental interests. If confirmed, I will work with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to develop mutually agreed-on consultation procedures for rule-making, planning, and project level activities implementing the National Forest Management Act.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: The bipartisan National Fire Plan attempts to address very serious threats to our forests and many communities in the wildland/urban interface. The Forest Service and the Department of the Interior have repeatedly stated that last year's funding levels for the plan, including the emergency funds, need to be sustained for at least 15 years. In fact, while in Idaho in late August, Vice President Cheney has called the funding of the National Fire Plan a "priority" with his "full backing."

Nevertheless, the President's budget request would significantly reduce funding for at least three components of the National Fire Plan. First, the appropriation for the Forest Service's Community and Private Land Fire Assistance has been zeroed out for Fiscal Year 2002 in the President's budget. This funding included the Western Wildland Urban Interface Grant Program used to conduct hazardous fuels reduction projects on non-federal lands in the WUI.

Second, the President's budget request would essentially eliminate rehabilitation/ restoration funding for burned-over areas. The Forest Service total of $141.7 million in Fiscal Year 2001 for rehabilitation/restoration would drop to $3.7 million in the President's budget request. Such funding levels would affect both ongoing multi-year restoration and rehabilitation projects, including the replanting and care of native vegetation following short-term soil stabilization efforts and projects that may be needed after this year's fire season.

Finally, the President's request zeroed out the FY 2001 $425 million funding for emergency fire contingency.

Will you commit to advocate for fully funding the National Fire Plan in Fiscal Year 2003 and for the remainder of your service at the Department of Agriculture?

Answer: If confirmed, I will – during the development of the Administration's budget --advocate for full funding for the National Fire Plan. However, full funding for many programs may be problematic in light of our country's response to the events of September 11.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Will you commit to advocate for full funding of the Northwest Forest Plan for as long as you are in office?

Answer: If confirmed, I will – during the development of the Administration's budget -- advocate for full funding, and the full achievement of the objectives of the Northwest Forest Plan in a cost-effective manner.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: In your response to an earlier question, you agreed that the foundation of the road management policy is a sound one, but suggested that the Forest Service is considering constructive ways in which the policy will be revised. The road management policy contains provisions to ensure that the Forest Service both reflects carefully and demonstrates a compelling need before building a road in an inventoried roadless area or certain contiguous areas. You also indicated that you agree with Secretary Veneman's commitment to protecting roadless values in our national forests. Given your agreement with this goal, will you commit to retain the provisions of the road management policy that require careful reflection and a showing of compelling need before the Forest Service will construct a road in inventoried roadless areas and certain contiguous areas? How do you intend to uphold your commitment?

Answer: Careful analysis and a showing of need should proceed any new road construction, particularly in inventoried roadless areas. If confirmed, I will commit to including such requirements in any changes to the road management policy, and the presently-enjoined roadless area protection rule. Any changes to either rule will involve Congressional consultation and public comment.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: In January of this year, the Regional Forester for the Pacific Southwest Region approved the Sierra Nevada Ecosystem Framework, which amends the governing plans for forests in the Sierra Nevada Mountains. The administrative appeal of the Regional Forester's approval decision is currently pending before the Chief. Old growth forests in the Sierra Nevada have already been reduced by two-thirds or more as a result of Forest Service and private-land timber harvesting, and old-growth dependent species like the spotted owl are at risk. The Framework plan would take steps to preserve what little old growth remains. I recognize that you cannot comment specifically on the outcome of a pending administrative appeal. Will you commit, however, to take all steps within your power to preserve the fragmentary remaining old growth in the Sierra Nevada Mountains? Please explain what steps you will take.

Answer: Under the Forest Service's appeals regulations, the office of the Under Secretary is the next level of review above the Chief of the Forest Service. Therefore, in order to maintain the integrity of any review of the Chief's decision, I should offer no comment on the issues raised in the pending appeal. Unfortunately, the old growth protection provisions are one of the many issues raised by appellants.

However, review of the Chief's decision by the Under Secretary is discretionary. If no such review is requested or granted, I will – if confirmed – commit to consult with Congress promptly after the Chief renders his decision to discuss next steps in the management of the Sierra Nevada forests.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: I understand the Forest Service recently announced, as a result of the court order you referred to, that it would conduct a Supplemental EIS to address the shortcomings of the Tongass Plan's roadless area protections, including potential wilderness recommendations. Why is the agency continuing to plan and conduct timber sales and road building in some of the very areas subject to the pending Supplemental EIS? Will you commit to report to the Committee on the validity of the decision made by the Forest Service to continue timber sales and road building in light of the fact that there is a Supplemental EIS underway?

Answer: In a brief filed in the United States District Court for the District of Alaska on August 16, the Department of Justice argued that: (1) "Nothing in NFMA imposes a duty to maintain eligibility for wilderness designation while potential wilderness recommendations are under consideration;" and (2) "The Wilderness Act imposes no obligation to refrain from activities pending the supplemental analysis." The Department of Justice also argued that: (1) "Completion of all activities planned for the pendency of the SEIS would result in only de-minimus reduction in the size of the eligible roadless areas and would result in no inventoried eligible roadless area becoming ineligible;" (2) "A broad based injunction would have a serious impact on the timber program on the Tongass;" and (3) "An injunction against the Southeast Intertie would harm the public interest by impairing the security and efficiency of the electric systems of southeast Alaska and deprive Alaska of funds for its program to equalize electric costs in rural Alaska."

Arguments on the proper scope of injunctive relief in this case pending the completion of the SEIS are scheduled for later this year. Last week, the U.S. Court of Appeals for the Ninth Circuit found in favor of the United States and interveners, denying a request by environmental interests for an emergency injunction and leaving the decision on injunctive remedies with the trial court. Also, in a separate District Court action, the State of Alaska is challenging the authority of the federal government to even conduct any more wilderness reviews in Alaska, citing various provisions of the Alaska National Interest Lands Act of 1980. If confirmed, I commit to reporting to the Committee on the progress of this litigation, and on the SEIS and timber sales and road building programs.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: In response to an earlier question about government subsidies to the timber industry through below-cost National Forest timber sales, you stated that "the government tends to be a relatively high-cost timber producer." If the government is such a high cost producer, then what is the justification for the government's extensive involvement in money-losing timber sales? How can the government reconstruct its programs to reduce costs to the American taxpayer from timber sales?

Answer: Timber sales are used as the least-cost means of accomplishing a variety of land management objectives, including wildlife habitat improvement and forest health treatments. While the value of the timber will sometimes not cover the government's design and administrative expenses, the timber sale is still less expensive than a service contract. If confirmed, I will – in consultation with Congress – conduct a review of the unit costs associated with the timber sales program to: (1) reduce costs to the American taxpayer; and (2) segregate those sales that are meeting other land management objectives to more accurately account for both their costs and benefits.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Based on your understanding, does the roadless rule restrict any landowner's legal right of access to his or her land?

Answer: Under the provisions of the Alaska National Interest Lands Act of 1980, landowners are afforded a legal right of access to their lands. Securing this right of access has sometimes been a long and arduous process. The roadless rule, by land-locking many non-federal acres, worried non-federal landowners that there would be further encumbrance on this right of access. The docket of public comments on the proposed rule reflects these concerns. As the final rule is now enjoined by the courts, it should not serve to restrict any landowner's legal right of access to his or her land.

**QUESTION SUBMITTED BY SENATOR HARKIN**

**TO MARK REY**

Question: Will you commit to regularly update the Committee and provide the Committee with adequate notice and opportunity for consultation prior to decisions relating to the following issues:
The Roadless Area Conservation Rule.
The National Fire Plan.
The Land and Resource Management Planning Rules.
National Forest Timber Sales.
The Northwest Forest Plan.
Timber Trust Funds.
Mining or oil and gas leases in the National Forests System.
Salvage Timber Sales.
Use of Off-Road Vehicles.

Answer: In my confirmation hearing, I indicated that I strongly believe in working cooperatively with Congress. The list of items in this question includes programmatic decisions made in the Chief's or Under Secretary's office, as well as individual project decisions typically made in the field without Washington review. If confirmed, I will commit to regularly update the Committee and provide the Committee with adequate notice and opportunity for consultation prior to decisions made in the Under Secretary's Office. If confirmed, I will also ask the Chief of the Forest Service and the Chief of the Natural Resource Conservation Service to proceed similarly with decisions made in their offices.

**QUESTION SUBMITTED BY SENATOR LUGAR**

**TO MARK REY**

Question: This Committee will soon be reviewing the Forestry Title of the 1990 Farm bill. These programs have been successful in helping landowners to meet such key environmental goals as water quality, wildlife habitat, and tree plantings. Will you provide the Committee with recommendations in a timely manner concerning how these state and private forestry program can be better targeted toward achieving environmental goals while also giving the states adequate flexibility to meet regional and local priorities in implementing these programs?

Answer: It is my understanding that the Forest Service and the Department of Agriculture are working on such recommendations at the present time. If confirmed, I commit to providing the Committee such recommendations.

**QUESTION SUBMITTED BY SENATOR LUGAR**

**TO MARK REY**

Question: There is growing recognition of the problems posed for forests by so called invasive or non-native species. In Indiana, the garlic mustard herb is a threat to the growth of hardwood tree seedlings. Once introduced, the garlic mustard herb invades the understory of forested areas, monopolizing the light, moisture, nutrients, soil and space that are needed for tree seedlings to grow. Will you work to enhance USDA's ability to help communities and landowners address the threat to forestry of invasive species such as the garlic mustard herb? Will you provide the Committee with recommendations in a timely manner in this regard?

Answer: The Office of Natural Resources and Environment is an active participant in the Interagency National Invasive Species Council. If confirmed, I will work to enhance the Department's ability to help landowners address the threat of invasive species. I will also commit to providing the Committee timely recommendations, either during consideration of the Farm Bill, or as the Committee considers one or more of the invasive species bills that have been introduced in the current Congress.

**QUESTION SUBMITTED BY SENATOR LUGAR**

**TO MARK REY**

Question: After last summer's devastating wildfires, the Congress provided funds to help local communities work with private landowners to reduce the risk of wildlife under a new program called Community and Private Lands Fire Assistance. Will you ensure that the Forest Service has adequate legislative authority and funding in the future to help communities and private landowners address the threat from wild fires? Will you provide the Committee recommendations in a timely manner in this regard?

Answer: If confirmed, I will work to ensure that the Forest Service has adequate legislative authority and funding to effectively implement the Community and Private Lands Fire Assistance Program. Any recommendations to the Committee will be provided in a timely manner.

QUESTION SUBMITTED BY SENATOR LUGAR

TO MARK REY

Question: In my 1998 Agricultural Research Bill, Congress adopted a goal of an annual inventory for the Forest Inventory and Analysis (FIA) Program of the U.S. Forest Service. This program enables states and localities to have an accurate estimate of their forest resources. It also helps to measure the nation's forest carbon sinks. Will you work with the Congress to identify the funding needed to fully implement the FIA Program of the U.S. Forest Service during your tenure as Under Secretary?

Answer: If confirmed, I will work with the Congress to help identify the funding needed to fully implement the FIA Program.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: The Black Hills NF is currently operating under a settlement agreement as it revises its Forest Plan to address concerns raised by former Chief Mike Dombeck. What steps do you think should be taken to ensure that the Forest is able to carry out the Settlement Agreement fully and to revise the Forest Plan in an expeditious manner?

Answer: The principal issues surrounding the lawsuit on the Black Hills involve species viability and research natural areas. These are very complex issues, and I take the Forest Service's obligation to address them under the settlement agreement very seriously.

The Black Hills National Forest has already completed Phase II of the agreement, which provided for adoption of interim direction that would protect resource values, while allowing certain project activities to move forward.

Now the Forest is beginning work on Phase II of the agreement, by conducting a comprehensive group of species and ecosystem assessments. The intent of Phase II is to determine long-term species viability, and inform the analysis of potential research natural areas.

If confirmed, I would be happy to work with the South Dakota Delegation to assure that the Forest plan revision is completed in an expeditious manner.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: The Forest Service is considering amendments to the Roadless Area Conservation Rule, which was adopted in January 2001 after the most extensive public involvement process in the history of the USDA. More than 1.6 million people and organizations commented on the draft rule, of which more than 95 percent supported strong regulatory protection of roadless areas. Public opinion polls also indicate broad public support of roadless area protection. Given the strong public support for protecting roadless areas, how to you believe roadless areas should be managed, and what changes do you support to the rule?

Answer: I agree with Secretary Veneman's commitment to protecting roadless values in our national forests. I also concur with Secretary Veneman that conserving national forest roadless areas requires a responsible and balanced approach that fairly addresses concerns raised by local communities, tribes, and states impacted by the current roadless rule.

The current roadless rule has been preliminarily enjoined by a Federal District Court judge. This case, as well as other litigation, is still pending (see response to next question.) On July 10, 2001, the Forest Service published an advance notice of proposed rule-making in the Federal Register as the first step in developing a rule that is responsive to the Court's holding in *State of Idaho v. Veneman*. If confirmed, I will work with the Forest Service to complete work on a rule which can be sustained by the Courts.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: This administration has not adequately defended the Roadless Area Conservation Rule against lawsuits filed by opponents of the rule. During his confirmation hearing, Attorney General Ashcroft stated that he would support and defend the Roadless Rule. Nevertheless, the administration has repeatedly failed to respond to the plaintiffs' legal claims, nor has it appealed the decision of the Idaho district court enjoining the Rule. Do you think the Agriculture Department should ask Attorney General Ashcroft to defend against these lawsuits?

Answer: The Government is responding to all legal actions challenging the Roadless Area Conservation Rule of January 12, 2001. Eight lawsuits are pending against the Roadless Rule (listed below). Plaintiffs claim violations of a number of statutes, including: The Organic Administration Act, Multiple-Use, Sustained Yield Act, National Environmental Policy Act, National Forest Management Act, Federal Land Policy Management Act, Wilderness Act, Wyoming Wilderness Act, National Historic Preservation Act, Federal Advisory Committee Act, Regulatory Flexibility Act, Administrative Procedure Act.

*Kootenai Tribe of Idaho v. Veneman,* Civ. 01-010-N-EJL (D. Idaho, filed January 8, 2001) and *State of Idaho v. U.S. Forest Service*, Civ. 01-011-N-EJL (D. Idaho, filed January 9, 2001) are the most active cases at the moment. On May 10, 2001, the Federal District Court in Idaho enjoined the Secretary from implementing all aspects of the Roadless Area Conservation Rule, including that portion of the Rule published as part of the Planning Rule and designated as 36 CFR 219.9(b)(8), on November 9, 2000. The Idaho Conservation League, Kootenai Tribe and others appealed the injunction to the Ninth Circuit and the case is awaiting decision. The time for appeal has expired. The Government did not participate in the briefing before the Ninth Circuit, but did argue to the District Court that no preliminary injunction should issue. The Ninth Circuit has scheduled the appeal for consideration the week of October 15th.

The other Roadless cases are at the pleading stage. Answers to the complaints have been filed in all cases except the Alaska and the Communities for a Greater Northwest cases. The Alaska case has been stayed until the Ninth Circuit decides the appeal of the Idaho District Court injunction. Our filing in the latter case is not due until August 18.

*List of Roadless cases:*

The "Roadless cases" are listed in order of filing (or amended complaint). As indicated, the claims for some of the cases include claims against the Planning Rule and Transportation Rule and Policy, as well as the Roadless Rule.

*Kootenai Tribe of Idaho v. Veneman,* Civ. 01-010-N-EJL (D. Idaho, filed January 8, 2001; court reserves ruling on motion for PI, April 5, 2001) Roadless Area Conservation Rule

*State of Idaho v. U.S. Forest Service*, Civ. 01-011-N-EJL (D. Idaho, filed January 9, 2001) Roadless Area Conservation Rule, Planning Rule, Road Management Rule and Policy

*State of Alaska v. USDA*, No. A01-039 CV (D. Alaska, filed January 31, 2001) Roadless Area Conservation Rule

*Communities for a Great Northwest v. Veneman*, No. 1:00CV01394 (D.D. C., filed June 12, 2000; complaint amended March 5, 2001); Roadless Area Conservation Rule.

*American Forest & Paper Ass'n v. Veneman*, No. 01-CV-00871 (TPJ) (D. D.C., filed April 23, 2001) Roadless Conservation Rule, Planning Rule, Roads Rule and Transportation Policy

*State of Utah v. U.S. Forest Service,* , No. 2:01CV00277B (D. Utah, filed April 23, 2001) Roadless Conservation rule, Roads rule, and Roads Rule and Transportation policy

*Billings County v. Veneman*, A1-01-045 (D.N.D.. filed May 8, 2001) Roadless Conservation Rule, Roads Rule, Transportation Policy, and Region 1 OHV "policy."

*State of Wyoming v. USDA*, No. 01 CV 086B (D. Wyo., filed May 18, 2001) Roadless Area Conservation Rule, Planning Rule, Roads Rule and Transportation policy.

Consistent with the Government's position before the Federal District Court in Idaho that no preliminary injunction should issue, if confirmed I will ask the Department of Justice to defend against all pending litigation against the rule.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: The Forest Service also is currently reviewing the national forest planning regulations, which were adopted in November 2000 after a three-year public process involving an independent Committee of Scientists. In June the agency circulated an internal discussion draft that proposed eliminating or weakening various regulatory safeguards for wildlife and public participation, including the requirement to maintain wildlife species viability. Do you intend to retain the species viability requirement in the forest planning regulations?

Answer: The November 2000 rule has generated separate lawsuits filed by a consortium of environmental groups and a consortium of public land user groups. Some of the members of the Committee of Scientists have also been critical of the final rule. Finally, on April 10, 2000, an internal Forest Service review team released a report raising serious questions as to whether the rule could be implemented on its own terms.

In light of all of this, the Forest Service decided to revisit the November 2000 rule. It is my understanding that the forthcoming rulemaking proposal will include species protection provisions that meet the obligations imposed by Section 6 of the National Forest Management Act of 1976. This proposal will be subject to full public review and comment. If confirmed, I will work with the Forest Service to assure that any changes to the November 2000 rule are fully compliant with the requirements of the National Forest Management Act, and the Endangered Species Act, and all relevant case law in this area.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: The National Fire Plan recently adopted by the Forest Service gives top priority to fuels reduction work within the wildland-urban interface (WUI), where people and their homes are at greatest risk. Some interests, on the other hand, have argued for greater emphasis on commercial thinning outside the WUI. Last year's Forest Service appropriations included $130 million for fuel reduction work. Given the limited resources available, do you favor giving priority to fuel reduction efforts in the WUI?

Answer: The FY 2001 Interior and Related Agencies Appropriations suggests that fuel reduction efforts in the wildland-urban interface should be given the highest priority. Most of the FY 2001 fuel reduction projects were off-the-shelf efforts, which had National Environmental Policy Act analysis already nearly complete. The Forest Service advises that FY 2002 project will be more heavily focused in the wildland-urban interface.

**QUESTION SUBMITTED BY SENATOR DASCHLE**

**TO MARK REY**

Question: In his resignation letter to Secretary Veneman, Chief Dombeck urged the administration to address the growing use of off-road vehicles in the national forests. He said, "Off-road vehicles should remain a legitimate use of public lands where expressly allowed. We must ensure, however, that their use does not compromise the integrity of the soil and water resource and wildlife habitats." Chief Dombeck recommended adoption of policies, including one that would allow motorized use only on designated routes and areas. He also warned that if such restrictions were not adopted, "the litigation and controversy that greatly reduced the timber program, will almost certainly soon haunt the Recreation Program." Do you agree with Chief Dombeck=s assessment of off-road vehicle use in the national forests and how do you intend to deal with this issue?

Answer: I agree with Chief Dombeck that off-road vehicles should remain a legitimate use of public lands. I also agree with his assessment that we must ensure that their use does not compromise the integrity of the soil and water resource and wildlife habitats. If confirmed, I will work closely with the Forest Service to assure that off-road vehicle use is explicitly addressed in upcoming revisions to land and resource management plans with a full opportunity for public review and comment on the use or restriction of off-road vehicles in each national forest.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: Mr. Rey, you know that certain groups and individuals have raised concerns about your nomination because of your past association with the timber industry. Can you assure me and this Committee that you will be able to fairly balance all competing interests in managing natural resource and environment issues for USDA and the Forest Service?

Answer: If confirmed, I will do my utmost to fairly balance all competing interests in managing natural resource and environmental issue for USDA and the Forest Service. With respect to individuals that have expressed concerns about my nomination, if confirmed I will – as I pledged at my confirmation hearing – "keep open both my office door and my thinking processes."

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: What proposals or ideas do you have, Mr. Rey, for building consensus rather than conflict in the management of our national forests?

Answer: The Resource Advisory Committees authorized under the provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 provide an excellent opportunity to develop consensus-based proposals for projects on national forest. If confirmed, I will work to encourage and assist the efforts of these Committees. I would also, if confirmed, work closely with other federal agencies to reduce resource management conflicts. Using National Environmental Policy Act processes, I will also work to develop cooperative relationships with state and local units of government. The ten-year fire strategy recently signed by the Departments of Agricultural and Interior and the Western Governors association is an excellent example of such a collaborative approach to resource management that was broadly endorsed by a wide range of interests. If confirmed, I pledge to work with all interested parties to develop the implementation plan for the ten-year strategy. Finally, if confirmed, I will be evaluating a number of different consensus-building techniques such as negotiated rule-makings, standing advisory committees, and alternative dispute resolution procedures to build consensus in natural resources management.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: What is your vision for how our national forests should be managed?

Answer: At my confirmation hearing I committed to: (1) foster bipartisan collaboration in overseeing the stewardship of America's soil, water, and forest resources; (2) respect the special role reserved for Congress in the development and implementation of America's natural resources policies; (3) draw upon the skill and dedication of the public servants working in this area; and (4) keep an open mind in sorting out conflicting facts and opinions. This is my vision of how the national forests should be managed. Additionally, I believe that—updated to reflect today's broader concerns—the philosophy of Gifford Pinchot (the greatest good for the greatest number over the long haul) still resonates today. If confirmed, I am committed to a program of national forest management that is both ecologically and economically sustainable.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: What is your policy for managing areas Forest Service has recommended for wilderness and wilderness study areas?

Answer: Areas recommended by the Forest Service for wilderness or wilderness study are managed to avoid diminishing their wilderness character until Congress has the opportunity to consider the Agency's recommendation. If confirmed, I would continue present policy in this area.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: Will you ensure that the Forest Service has the necessary staff and budget resources and administrative support to fulfill its obligations under existing national forest regulations on the use of Off-road Vehicles (ORV's) off of Forest System Roads?

Answer: If confirmed, I will work with the Forest Service and Congress to assure adequate funding and staff and administrative support for this program area consistent with other natural resources and environmental program priorities.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: Many National Forests—including Montana's Custer, Beaverhead, Lewis and Clark and Helena National Forests—have completed oil and gas leasing decisions after years of public involvement at the forest level. Will you order those forests to revise oil and gas leasing decisions before the 10-15 year time frames anticipated in each forest leasing EIS?

Answer: No.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO MARK REY**

Question: Will you support the moratorium on oil and gas exploration in the Rocky Mountain Front?

Answer: The moratorium has been upheld by both the Federal District Court and the U.S. Court of Appeals for the Ninth Circuit. In August, the plaintiffs petitioned the Supreme Court for a Writ of Certiorari to review the Ninth Circuit decision. The Solicitor General's response to the certiorari petition is due to be filed in early October. The Forest Service advises me that the moratorium will be reassessed during the normal revision of the affected land and resource management plans. If confirmed, I would support the national forest plan revision process with a full opportunity for public comment.

**QUESTION SUBMITTED BY SENATOR BAUCUS**

**TO HILDA GAY LEGG**

Question: Because of collaboration between HUD, EPA, HIS, the state of Montana, the Blackfeet Tribe, and the town of East Glacier, the development of the Blackfeet Municipal Water Project has been moving in a positive direction. And, if everything continues down this path the Tribe will be able to break ground this fall. This system will benefit both Browning and East Glacier. However, the success of this project depends on the participation and adequate funding by RUS. Will you, if/when confirmed, continue to support the RUS Montana area requests for support of this project?

Answer: If confirmed, I will review and evaluate each project to determine if it is eligible based on the law, the regulations of the program, and if funds are available. It is my understanding from the Rural Utility Service (RUS) that the Blackfeet application will be funded on September 13, 2001.

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