



Valles Caldera Trust
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To: The Secretary of Agriculture and Committees of Congress,

The Valles Caldera Trust would like to extend our appreciation for the support and interest the Secretary and Members have shown in the management of the Valles Caldera National Preserve (the Preserve).

The attached report reflects the progress made in comprehensive planning towards the ecological and financial management of the Preserve consistent with the Valles Caldera Preservation Act of 2000 (Public Law 106-248).

As you know, the Valles Caldera Preservation Act (the Act) created the Valles Caldera Trust (the Trust) as an experiment in public land management. Section 102 of the Act states: “...to *establish a demonstration area for an experimental management regime adapted to this unique property which incorporates elements of public and private administration in order to promote long-term financial sustainability consistent with the other purposes enumerated ...*”

The Act identified the primary building blocks as:

- Operation as an Innovative Federal Corporation
- Operation as a National Preserve incorporating Multiple Use Management
- Operation as a Working Ranch
- Public Access and Use
- Financial Self-Sufficiency while benefiting local communities

In the six years that the Valles Caldera Board of Trustees (the Board) has managed the Preserve they have executed the first three building blocks of the Act....

- Operation as an Innovative Federal Corporation
- Operation as a National Preserve incorporating Multiple Use Management
- Operation as a Working Ranch

In Fiscal Year 2008, the Board placed emphasis on exploring the last two building blocks...

- Public Access and Use
- Financial Self Sufficiency while benefiting local communities.

The Board assembled a team to initiate the development of alternatives for public access and use of the Preserve. In September 2009, the Board will have the results of Phase 1 of the Public Access and Use Planning Project (PAUPP) and they will be in a position to recommend the most feasible alternatives for the Preserve Comprehensive Planning and Environmental Impact Statement (EIS). Phase 2 of PAUPP will begin in the fall of 2009.

The path to financial self-sufficiency continues to challenge every aspect of management. The Board awarded a contract to Entrix Inc. to develop alternatives that would address this requirement by 2015. The information in this plan will be vetted with the public through the PAUPP.

We take this opportunity to advise that the Trust may be requesting funds for deferred maintenance on existing facilities and to satisfy the Americans with Disabilities Act (ADA). A preliminary cost estimate for these improvements amounts to \$800,000. Having facilities on the Preserve that are upgraded to ADA standards will enable the Trust to generate lodging revenue and, therefore, contribute to financial self-sufficiency.

We appreciate that the Trust is covered under the Federal Tort Claims Act. However, statements by the Department of Justice and General Accounting Office preclude the Trust from using the Judgment Fund Act to pay for any settlement that may occur against the Trust. Therefore, we have had to obtain liability insurance at a cost of \$83,800 per year and the coverage is minimal (yearly aggregate coverage of \$2 million and \$1 million per claim and \$15,000 for automobile liability). We are not assured that the underwriter will renew the policy when it expires in May 2009. The Trust has also been hesitant to use funds in our interest bearing account due to cover operating expenses due to reserving these funds (approximately \$3 million) to cover any possible claim settlement that our insurance would not cover or if the policy is not renewed.

The Board has briefed New Mexico Senators Jeff Bingaman and Tom Udall regarding this concern and we have submitted a letter asking that they consider a modification to the Act to authorize Judgment Funds be used for the Trust to pay claims. If the Act is modified, this will allow the Board to use the funds in the interest bearing account for operations and infrastructure (roads/facilities) improvements on the Preserve.

At this time, we would also alert you that as the PAUPP develops it is very likely that appropriations for new facility construction will be required to support public programs on the Preserve. Therefore, a request for Capital Improvement Program funds will be forthcoming. This requirement has been recognized in a number of public meetings/workshops and in the document submitted by Entrix, Inc. It is our opinion that without adequate infrastructure (roads and facilities) the Trust will not be able to meet the financial self-sufficient mandate of the Act. This request will be made in accordance with Public Law 106-248, Section 109 (a) (9) which states: “...*Notwithstanding the assumption of management of the Preserve by the Trust, the Secretary is authorized to.....at the request of the Trust, construct and operate a visitors’ center in or near the Preserve, subject to the availability of appropriated funds....*”

As the Government Accountability Office focuses on the adequacy of the existing federal land management framework, the Trust is committed to the success of this experimental management regime. We realize that we are faced with many challenges. The Valles Caldera Board of Trustees and the Trust Staff are prepared to overcome these challenges in a collaborative manner working with local communities, Federal and State Agencies and all interested publics.

We sincerely hope this report will inform you of our efforts to achieve the goals of the Act. We are excited about this important scope of work and look forward to your continued interest and support in the management of the Preserve.

Respectively,

/s/ Gary D. Bratcher

Gary D. Bratcher
Executive Director

Attachments: 2008 - Report to Congress
Valles Caldera Map

Cc: Mark Rey, Under Secretary, Natural Resources & Environment-USDA
Abigail Kimbell, Chief, U.S. Forest Service
Corbin Newman, Regional Forester, Southwestern Region - USFS
Valles Caldera Board of Trustees

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