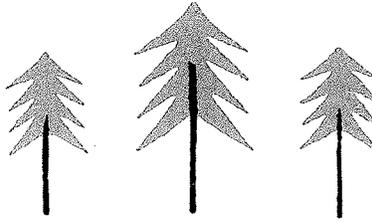


# ASSOCIATION OF O & C COUNTIES

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March 11, 2013

The Honorable Ron Wyden  
U.S. Senate  
223 Dirksen Senate Office Bldg.  
Washington, DC 20510

The Honorable Jeff Merkley  
U.S. Senate  
313 Hart Senate Office Bldg.  
Washington, DC 20510

The Honorable Earl Blumenauer  
U.S. House of Representatives  
1502 Longworth House Office Bldg.  
Washington, DC 20515

The Honorable Peter DeFazio  
U.S. House of Representatives  
2134 Rayburn Office Bldg.  
Washington, DC 20515

The Honorable Kurt Schrader  
U.S. House of Representatives  
314 Cannon House Office Bldg.  
Washington, DC 20515

The Honorable Greg Walden  
U.S. House of Representatives  
2182 Rayburn House Office Bldg.  
Washington, DC 20515

The Honorable Suzanne Bonamici  
U.S. House of Representatives  
2338 Rayburn House Office Bldg.  
Washington, DC 20515

Dear Members of Oregon's Congressional Delegation:

We obtained a copy of the letter dated March 1 that was sent to you by the environmental community's participants on Governor Kitzhaber's O&C Lands panel. It was, in a word, disheartening.

The ever-expanding list of protective overlays that appear to be conditions for environmental community support for legislation addressing the disastrous state of management on the O&C lands would be a step backwards, and result in a worsening of the chances for meaningful economic recovery in the O&C Counties. The estimated harvest and county revenue levels they would permit would be somewhere between 120-150 mmbf and \$18-23 million. These economic outputs would assure zero employment gains in an already dismal private sector and lock in employment losses that are occurring as Counties continue to lay off employees while they are forced to shrink and eliminate services because of falling revenues.

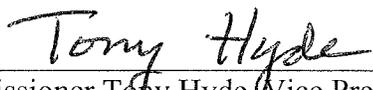
The O&C Counties are not interested in legislation that only pretends to solve the problem. The Counties have offered proposal after proposal over the last 6 years, seeking meaningful relief from the unacceptable status quo. The Counties have employed foresters, scientists and economists in developing a wide range of approaches that would both protect environmental amenities and give communities the economic advantages they desperately need. The 2.8 million acres of forest examined by the Governor's O&C Lands Panel are growing approximately 1.5 billion board feet a year and can easily sustain harvest levels of 500 mmbf per year and produce \$100+ million in county revenue, while still adding a billion board feet per year to forests that would have progressively more and more acres of progressively older and older habitat. And, the subject 2.8 million acres are a very small part of the total Federal ownership in the Northwest----more than 20 million additional acres now managed under the Northwest Forest Plan would remain de facto dedicated solely to environmental purposes, the Forest Service having virtually abandoned all effort to achieve any economic benefits from the those lands.

The Counties remain steadfastly supportive of the O&C Lands Trust, Conservation and Jobs Act (O&CTCJA) as currently proposed by Congressmen DeFazio, Walden and Schrader. The O&CTCJA is by far the most thorough, thoughtful and politically courageous proposal offered by any of Oregon's elected leadership for many years. The Counties have also indicated a willingness to work with these three leaders to modify the O&CTCJA in ways that would make it even more environmentally protective. Enclosed is the letter dated January 23, 2013 to Governor Kitzhaber, in which the County participants on the O&C Lands Panel urged the Governor to support a modified version of the O&CTCJA.

The Counties ask those of you who have not yet publicly declared support for the O&CTCJA to do so, and to do everything within your power to enact it.

Very truly yours,

  
\_\_\_\_\_  
Commissioner Doug Robertson, President

  
\_\_\_\_\_  
Commissioner Tony Hyde, Vice President

  
\_\_\_\_\_  
Commissioner Faye Stewart, Treasurer

**Commissioner Doug Robertson  
Commissioner Tony Hyde  
Commissioner Simon Hare  
Former Commissioner Jamie Damon**

January 23, 2013

Governor John Kitzhaber  
Oregon State Capitol Building  
900 Court Street N.E.  
Salem, Oregon 97301

Re: O&C Lands Panel and Future Direction

Dear Governor Kitzhaber:

We would like to thank you for your political courage and personal commitment of time and energy in confronting the very difficult issues arising from lack of management on the O&C lands. These lands, unique in their history, their geographical configuration, and their legal mandates, have confounded all prior problem-solving efforts, to the point that some elected leaders enter the discussion of real solutions only reluctantly. Your leadership has been most gratifying. We also appreciate you allowing us to be part of the effort to identify a solution by appointing us to your O&C Lands Panel. And, we thank our counterparts on the Panel from the environmental protection community, who have labored with you and with us in good faith, albeit unsuccessfully, to find an agreed-upon solution that is acceptable to all constituencies.

We began our work with the Panel understanding and supporting your seven principles and have endeavored to keep them as guideposts during the deliberative process over the last several months. We were encouraged that you supported goals that mirrored our own relative to jobs, county funding, community stability and environmental concerns. We were doubly encouraged because these same goals underlie the O&C Trust solution previously offered by Congressmen DeFazio, Walden and Schrader, which we very much support.

A major impediment is that current federal policy makes it impossible for these lands to be managed in a way that produces the desired outcomes relative to jobs, county funding and community stability. There is no certainty and cannot be any certainty under the present paradigm. That point was amplified by Dr. Norm Johnson, who stated that current federal restrictions make it impossible to identify the stable land base essential to successful implementation of any reasoned management plan. Several times during the process you have confirmed your recognition that any viable solution would require management on these lands that is currently prohibited by federal policy. You admonished us to think broadly and creatively and not be constrained by current management limitations. We accepted your direction.

After listening carefully and gathering information for many weeks, on January 9<sup>th</sup> we presented three proposals that we believe are consistent with your principles, would satisfy the

goals relative to jobs, timber supply, county funding and community stability, and would come as close to satisfying all environmental concerns as is possible without maintaining the status quo. A copy of our three proposals is enclosed with this letter. We would support any of them, though by a substantial margin we most strongly favor Option A, which is the O&C Trust proposal, but with numerous modifications designed to further protect the environment.

The “Modified O&C Trust” proposal, if implemented, in addition to providing an adequate timber supply and adequate levels of county funding, would achieve remarkably high standards of environmental protection. The Modified O&C Trust proposal would: (1) *Have no adverse impact on suitable spotted owl habitat*, the total of which would increase in Western Oregon over time; and (2) *increase riparian protections substantially* from the current level of protections by extending conservation measures onto private lands, with a very large reservoir of funding for incentives to offer to willing private owners along streams that transect the checkerboard landscape. These surprising environmental achievements of a proposal that also produces thousands of jobs and stabilizes county funding is certain to be widely supported by Oregonians. Statewide polling in 2012 showed that the original O&C Trust proposal was supported by about two thirds of Oregonians, with support regardless of demography or political party affiliation. It is virtually certain the improvements under the Modified O&C Trust proposal would strengthen that public support and increase it.

The Modified O&C Trust proposal uses the proposal from Representatives DeFazio, Walden and Schrader as its base, and improves on it. The original proposal would do the following:

- (1) Protect all existing wilderness, wild and scenic areas, national monuments, areas of critical environmental concern, and recreation areas;
- (2) Designate 90,000 acres of new wilderness and 150 new stream miles for wild and scenic designations;
- (3) Transfer all stands of timber over 125 years old into protective management by the Forest Service, which would be required to preserve all stands of old growth timber on transferred lands;
- (4) Provide for expedited land exchanges with private owners to block up lands in the checkerboard to achieve environmental benefits;
- (5) Require that at least half the remaining timbered acres outside of riparian protection zones be managed on a long rotation basis (over 100 years, about double the industrial forestry rotation length).

To this already impressive list, *the Modified Trust proposal would add the following additional requirements*:

- (1) Quadruple the protected riparian areas on Trust lands (from 5 percent to 20 percent of the total land base);
- (2) Require the Trust to adopt road maintenance and construction and “disconnection” standards that exceed current standards;

(3) Allocate 5 percent (eventually reaching about \$6 million annually) of the Trust's net revenue annually for conservation purposes on or involving private lands, to be used for watershed restoration projects and acquisitions;

(4) Allocate 25 percent of any revenue from the sale of Forest Service timber from O&C lands, to be used for conservation purposes on or involving private lands, and dedicated to watershed restoration projects and acquisitions;

(5) Create a State conservation values acquisition and restoration fund of \$200 million over 10 years from the sale of lottery-backed bonds with expenditures from the fund focused on market-based incentives with willing private owners, and with expenditures prioritized to achieve unprecedented levels of riparian protections within the O&C checkerboard;

(6) Designate additional new wilderness (Mt. Hebo and Elk Mountain, and additions to the perimeter of the Kalmiopsis Wilderness) up to 20,000 additional acres; and

(7) Make available up to 30,000 acres for designation as tribal lands in the O&C region, to give unlanded tribes a land base, and expand the land holdings of those with small holdings.

We ask for your support for the Modified O&C Trust proposal. After many years of diligent examination and intensive work, including our recent efforts with you as part of your O&C Panel, we do not believe there is or can be an alternative that accomplished more for the environment while adequately serving our communities and the economy. We intend to actively pursue the O&C Trust proposal, and if you will join us, we will support the Modified O&C Trust proposal. We believe that the Oregon delegation, together with your support and ours, can solve what has heretofore seemed like an impossibly complex problem on the unique O&C lands.

Very truly yours,

Commissioner Doug Robertson  
Commissioner Tony Hyde  
Commissioner Simon Hare  
Former Commissioner Jamie Damon

cc (electronically): Tom Tuchmann  
All Members of the O&C Lands Panel  
Greg Wolf

## Three County-Proposed Solutions

### A. Modified O&C Trust.

Adopt the O&C Trust proposal as written with the following modifications:

1. Include the BLM's PD lands in Western Oregon in the proposal's coverage.
2. Add restrictions on harvesting within riparian zones that are equal to the proposed BLM 2008 RMP riparian restrictions.
3. Require the Trust to adopt road maintenance and construction and "disconnection" standards in consultation with the board established pursuant to paragraph 6 below. Identify project implementation costs above normal road maintenance and make the Trust eligible for funding from the fund created in paragraph 6 below.
4. Increase the period for funding the Trust's reserve fund from 6 years to 12 years.
5. Allocate 5 percent of the Trust's net revenue annually for conservation purposes on or involving private lands, payable into the fund created by paragraph 6 below, to be used for projects and acquisitions by the fund's board.
6. Create a State conservation values acquisition and restoration fund of \$200 million over 10 years from the sale of lottery-backed bonds with expenditures from the fund focused on market-based incentives with willing private owners, and with expenditures directed by a 7-person board appointed by the Governor (4 environmental, 3 landowner). Priority would be given to road restoration and watershed remediation, to balancing land exchanges, and to acquisitions of conservation easements on lands not currently subject to OFPA riparian protections.
7. Deposit all proceeds from sale of any timber from section 231 lands that would otherwise be payable to counties into the fund created by paragraph 6 above.
8. Designate additional new wilderness (Mt. Hebo and Elk Mountain, and additions to the perimeter of the Kalmiopsis) up to 20,000 acres.
9. Make available up to 30,000 acres for designation as tribal lands (Cow Creek, Coquille, Coos).
10. Provide 2 years (FFY 2013-2014) of bridge funding for O&C counties at the 2008 SRS level (approximately \$105 million, inclusive of Titles II and III and CBWR payments) reduced by amounts received under 43 USC 1181c. (Budget result believed to be revenue deficient by about \$200 million over scoring period).

**B. Mandated Timber Outputs.**

1. Notwithstanding any other provision of law, beginning FFY 2014, the BLM and Forest Service shall annually sell an average, measured over rolling ten year periods, of not less than 35 percent, nor more than 50 percent, of the net annual forest growth from the entire forested area of the O&C, CBWR and PD lands. Growth and sales shall be calculated for each BLM district and, for Forest Service O&C lands, the growth and sales shall be calculated for the separate National Forests in which the O&C lands are located. Any failure to meet these mandatory requirements would result in automatic repeal of paragraphs 5, 6 and 7 of the legislation.

2. The O&C Act would not be repealed, but would be amended per paragraph 1 above, and the revenues would be distributed as required by 43 USC 1181c. The 50 percent of revenue not distributed to the counties would be retained by the BLM and used to fund its timber management program.

3. In any judicial review of timber sales, injunctions shall require a bond equal to 5 percent of the value of the sale, and any injunctions shall not exceed 30 days.

4. Create a State conservation values acquisition and restoration fund of \$200 million over 10 years from the sale of lottery-backed bonds with expenditures from the fund focused on market-based incentives with willing private owners, and with expenditures directed by a 7-person board appointed by the Governor (4 environmental, 3 landowner). Priority would be given to road restoration and watershed remediation, to balancing land exchanges, and to acquisitions of conservation easements on lands not currently subject to OFPA riparian protections.

5. Authorize BLM and FS in Western Oregon to expedite land exchanges with willing private owners for the purpose of protecting and enhancing conservation values, and direct the agencies to actively seek out opportunities for exchanges with willing private owners in consultation with the board created per paragraph 4 above.

6. Designate new wilderness (Rogue, Devil's Staircase, Mollalla) up to 90,000 acres and new Wild and Scenic designations as currently set forth in the O&C Trust proposal, provided that any O&C acres are replaced by redesignation of an equal number of acres of public domain (PD) lands as O&C lands.

7. Designate additional new wilderness (Mt. Hebo and Elk Mountain, and additions to the perimeter of the Kalmiopsis) up to 20,000 acres, provided that any O&C acres are replaced by redesignation of an equal number of acres of PD lands as O&C lands.

8. Make available up to 30,000 acres for designation as tribal lands (Cow Creek, Coquille, Coos), provided that that any O&C acres are replaced by redesignation of an equal number of acres of PD lands as O&C lands.

9. Provide 1 year (FFY 2013) of bridge funding for O&C counties at the 2008 SRS level (approximately \$105 million, inclusive of Titles II and III and CBWR payments). (Budget result believed to be revenue positive over scoring period).

### C. Land Sale.

1. Establish a land sale commission that must identify lands that would be offered for sale beginning in FFY 2014, with all sales completed by the end of FFY 2016. Lands eligible for sale would be BLM and Forest Service managed O&C lands and CBWR, excluding current wilderness, wild and scenic, monuments, ACEC's, and developed recreation areas. Lands designated for sale in each geographic area would be in proportion to the total of lands eligible for sale in each geographic area. All land sale proceeds would be placed in an endowment-type fund. Land sales would occur in increments of 10,000 to 50,000 acres and continue until the total of sale proceeds was sufficient to generate an endowment fund that would permit annual disbursements, adjusted for inflation annually, equal to the 2008 SRS payment to each of the 18 O&C counties. Disbursements from the fund would not begin until FFY 2017. All land sales would be subject to the following restrictions:

- a. Export of raw logs harvested from sold lands would be forbidden.
- b. Timber harvests from sold lands would be required to be on the basis of sustained yield, with a non-declining, even flow.

2. Provided the sale requirements of paragraph 1 had been satisfied, then at the end of FFY 2017 the O&C Act would be repealed, and all lands under the jurisdiction of the BLM in western Oregon would be transferred to the Forest Service.

3. Create a State conservation values acquisition and restoration fund of \$200 million over 10 years from the sale of lottery-backed bonds with expenditures from the fund focused on market-based incentives with willing private owners, and with expenditures directed by a 7-person board appointed by the Governor (4 environmental, 3 landowner). Priority would be given to road restoration and watershed remediation, to balancing land exchanges, and to acquisitions of conservation easements on lands not currently subject to OFPA riparian protections.

4. Authorize FS in Western Oregon to expedite land exchanges with willing private owners for the purpose of protecting and enhancing conservation values, and direct the FS to actively seek out opportunities for exchanges with willing private owners in consultation with the board created per paragraph 3 above.

5. Effective the end of FFY 2017, designate new wilderness (Rogue, Devil's Staircase, Mollalla) up to 90,000 acres and new Wild and Scenic designations as currently set forth in the O&C Trust proposal.

6. Effective the end of FFY 2017, designate additional new wilderness (Mt. Hebo and Elk Mountain, and additions to the perimeter of the Kalmiopsis) up to 20,000 acres.

7. Make available up to 30,000 acres for designation as tribal lands (Cow Creek, Coquille, Coos).

8. Provide 4 years (FFY 2013-2016) of bridge funding for O&C counties at the 2008 SRS level (approximately \$105 million, inclusive of Titles II and III and CBWR payments), reduced by amounts received under 43 USC 1181c. (Budget result believed to be revenue deficient by about \$400 million over scoring period).