

**MEETING 2 INFO: “Return on Investment Analysis”
Federal Forest Advocacy Task Force, August 31, 2009**

Lane County Federal Forest Lane Management Advocacy

Individual/Organization/Company	Financial Support	Lobby	Note
Association of Oregon Counties	\$309,833	Yes	7/06-present
Association of O and C Counties	\$123,801	Yes	7/06-present
Cassidy and Associates	\$324,243	Yes	2/07-4/08
Smith Dawson	\$132,300	Yes	7/06-present
Lane Co. Intergovernmental Relations Mgr.	\$46,784	Yes	7/06-present (0.20 FTE)
National Association of Counties	\$19,857	Yes	
National Forest Counties and Schools Assoc.		Yes	Through O&C and AOC
TOTAL	\$956,818.00		

Federal Acts:

O and C Act of 1937

The Act mandated that O & C lands be dedicated to “permanent timber production” under principles of sustained yield forestry, “for the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities...”

O & C revenues (calculated at 50% of gross receipts) go into a county’s General Fund, and can be spent on whatever the county needs.

The O & C Act was never repealed, or modified to permit the BLM to value these lands for the environment or wildlife. On June 26, 2007 the U.S. Supreme Court ruled, in *National Association of Homebuilders v. Defenders of Wildlife (No. 06-340)*, “...that ESA Section 7(a)(2)’s consultation requirements apply only to discretionary federal actions. They do not apply to non-discretionary federal agency actions undertaken pursuant to specific statutory mandates.” Since Congress, through the O & C Act, gave the BLM no discretion in how it can value the O & C lands it manages, the BLM has no lawful authority, according to the Supreme Court of the United States, to value those lands for any ESA-related criteria (such as spotted owl habitat). This ruling is consistent with previous court rulings that uphold the intent of the law to be sustained timber production for the benefit of dependent communities as the primary use of the revested lands (*Headwaters, Inc v. BLM, O’Neal v. U.S., and Skoko v. Andrus*)

1976 National Forest Management Act

Provides that counties receive 25% of gross receipts from timber sales off federal lands (previously encapsulated in the National Forest Revenue Act of 1908). The amount of the logging payment may have little to do with actual activities undertaken within the geographic confines of the county. Rather, payment is determined for all operations in the forest, with county payments dispersed according to the percent of the total forest land that lies within the county. It is possible that a county with no logging activity could receive payments for logging which takes place in other counties or even in other states that are part of the same national forest area.

SRS

Secure Rural Schools and Community Self Determination Act of 2000 (sunset in 2006)

The Act requires counties to “opt in” to SRS payments or rely on timber revenue. If one opts in, that election is maintained throughout the life of the Act. Payments are required to be allocated to county general funds, road funds, school funds, and other “pots”, referred to as Titles I, II, and III. Title I dollars are to be distributed to the general fund, road fund, and school fund. Title II and III dollars are for projects on, or that benefit, federal forest lands (Title II dollars are distributed through RAC’s, Title III for six allowable uses.

2006-2007 One year renewal

2007-2008 One year renewal

Emergency Economic Stabilization Act of 2008 (2009-2012)

Maintains Titles I, II, and III (with the exception that Title III dollars may not be used for forest work camps), but establishes a four year ramp down of total payments. Years one, two, and three are based on a declining percentage from the previous Renewal, and year four is a new formulaic approach that will result in a payment that is expected to be approximately 40% of the year one payment.

Financial Impacts

SRS

Year	Lane County Full Payment	Net Lane County Operating Budget
2006	\$52,166,000	\$235,232,360
2007	\$51,895,000	\$250,254,750
2008	\$51,788,684	\$252,867,672
TOTAL	\$155,849,684.00	

(Emergency Economic Stabilization Act of 2008)

Year	Fiscal Year	Lane County Full Payment
1	08-09	\$46,705,669
2	09-10	\$40,326,709
3	10-11	\$35,132,332
4 (estimate)	11-12	\$19,666,4777
TOTAL		\$141,831,187
TOTAL to Road Fund		\$57,203,208
TOTAL to School Fund		\$19,067,735
TOTAL to projects on or for the benefit of the federal forest (Titles II and III)		\$21,274,678

Moving Forward

Those federal lawmakers that secured the latest iteration of SRS may have expended a great deal of political capital in doing so. With the WOPR option recently removed as a source of future public funds, advocacy efforts for federal support are even more important. Lane County, as the third largest recipient of funds under SRS, has historically played an important role in “quarterbacking” renewal (or other) efforts. A very large and collaborative (SRS funds are distributed to 39 states, with Oregon receiving the bulk of such funding) effort is being initiated by the Association of O and C Counties at this time.