

Guest Opinions “Related” To Primary PSS Tax Measures

October 30, 2013. Jack Shipley. *O&C counties need to pay own share* (Guest Opinion)

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The O&C Act of 1937 set aside approximately 2.4 million acres of federally owned lands in 18 western Oregon counties for the economic benefit of those counties.

This act helped satisfy a post-war demand for wood fiber and helped build the American dream. At the same time, O&C receipts from these timber harvests paid to the 18 O&C counties formed an essential part of county budgets, helping pay for many services. Declines in timber harvesting and federal payments have brought Oregon timber counties to the brink of insolvency and prompted several congressional proposals aimed at increasing harvests on O&C lands to bolster depressed county economies.

Some counties such as Jackson County were responsible and prepared for such an event by setting aside "rainy day reserves." Josephine County, on the other hand, couldn't spend receipts fast enough. The Josephine County commissioners were admonished in the early 1970s to use O&C receipts only for capital improvements or "rainy day reserves," because someday O&C revenues might dry up. When it was announced that O&C receipts would be decoupled from timber harvests, the O&C receipts plummeted and commissioners were scrambling to cut expenses.

The O&C Act was both a blessing and a curse for many of these O&C counties. Josephine County had become addicted to federal support and poorly managed those "easy come, easy go" timber receipts. Josephine County voters also became spoiled and chose to rely solely on O&C receipts, rather than diversify with much needed alternative support. Josephine County currently has a 57 cents per \$1,000 of true cash value (TCV) in property tax support. The state's average property tax support for county government is \$3.15 per \$1,000 TCV.

I find it odd that many Josephine County residents have an independent "State of Jefferson" reputation for disliking government of any sort, but at the same time can't live without the much-coveted O&C bonanza.

We often hear how poverty stricken Josephine County is while our leaders are crying to "get the cut out" to reinvigorate county revenues. Why should we support Josephine County or any other O&C county with federal resources when the residents of these counties are not willing to support themselves for a reasonable portion of the expense?

In 2011, Jackson County ranked 6th, Douglas County 8th and Josephine County 9th, which places them in the top 25 percent of counties, in total bank deposits statewide. In 2011, Jackson

County residents were ranked 12th, Douglas County 9th and Josephine County 7th in per-capita bank deposits statewide. I find it unconscionable that our federal forest resources are being used to support my county when a majority of Josephine County voters have been consistently unwilling to support these necessary county services by developing alternative revenues for a reasonable share of the pie.

I am concerned that our legislative leaders are willing to develop simplistic political solutions for very complex social and economic problems that are nested within complex forest ecosystems. The proposed division of O&C Lands into sacrifice and save categories overlaid with exemption of federal environmental protection is not an acceptable alternative for increasing county revenue or for supporting our local timber industry. I don't support any legislative fix that establishes a trust to hold and manage our publicly owned federal O&C forest lands.

We have successfully worked with the U.S. Forest Service and Bureau of Land Management to no longer use clear-cuts as their primary harvest practice on the unique dry forest within the Applegate watershed. I believe our political leaders have unrealistic expectations that our publicly owned O&C forest lands can be the "silver bullet" solution for all our county economic problems.

I am not willing to sacrifice a portion of our public forest ecosystem because some of our counties are unwilling or incapable of diversifying their revenue base. Our forests are fire-adapted ecosystems that are dynamic and should be actively managed to keep them resilient and reasonably fire safe. We should be managing our forest resources in a way that provides both wood to our mills and also sustains the functioning biological systems.

I propose that before any form of legislative fix is established to support our counties with O&C receipts from increased timber harvests, that the proposed political fix require a minimum base level of local taxpayer support to qualify for federal O&C timber receipts. I also propose that we recognize and monetize the ecosystem values such as clean air, clean water, wildlife habitat and recreation resources that are provided from our federal lands.

The Applegate Partnership and Watershed Council has requested, in our testimony to the current BLM resource management plan, that the Applegate watershed be retained as an Adaptive Management Area as designated in the Northwest Forest Plan and used as a demonstration site for ecosystem values accounting.

I would also encourage our legislators to take time to extend the "stewardship authority" to include BLM lands along with the USFS lands. This simple action would provide the agencies with a much-needed management tool and provide financial incentive to the O&C counties to support such work.

Jack Shipley lives in the Applegate, is a small woodland owner, a founding board member of the Applegate Partnership and Watershed Council and on the Southern Oregon Forest Restoration Collaborative board.