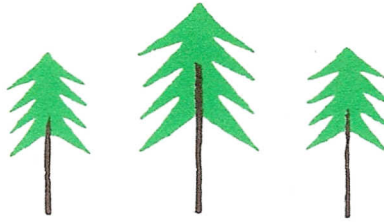


# ASSOCIATION OF O & C COUNTIES

COMM. DOUG ROBERTSON, PRES.  
DOUGLAS COUNTY COURTHOUSE  
1036 S.E. DOUGLAS AVENUE  
ROSEBURG, OREGON 97470  
(541) 440-4201

COMM. TONY HYDE, VICE-PRES.  
COLUMBIA COUNTY COURTHOUSE  
230 STRAND STREET  
ST. HELENS, OREGON 97051  
(503) 397-4322

COMM. AL SWITZER, SEC.-TREAS.  
KLAMATH COUNTY  
305 MAIN STREET, SUITE 224  
KLAMATH FALLS, OREGON 97601  
(541) 883-5100



ROCKY McVAY, EXEC. DIR.  
16289 HWY. 101 SOUTH, SUITE A  
BROOKINGS, OREGON 97415  
(541) 412-1624  
FAX (541) 412-8325  
Email: rocky@blupac.com

KEVIN Q. DAVIS, LEGAL COUNSEL  
SUITE 1600, UMPQUA BANK PLAZA  
ONE S.W. COLUMBIA  
PORTLAND, OREGON 97258  
(503) 517-2405

DAVID S. BARROWS, LEGIS. COUNSEL  
1201 S.W. 12TH AVENUE, SUITE 200  
PORTLAND, OREGON 97205  
(503) 227-5591

To: Staffs of Senators Wyden and Merkley, Representatives DeFazio, Walden and Schrader, and Governor Kitzhaber  
cc: Association Board Members (with Encl. 1 and 2), and Other Association Member Counties (with Encl. 1 and summary of Encl. 2)  
From: Association of O&C Counties  
Date: August 22, 2011  
Re: Proposed O&C Lands Conservation and Management Trust

Earlier this summer you received a briefing on a proposal by the Association of O&C Counties to transfer management authority for the O&C lands to a trust, with a board of trustees made up of local stakeholders, and with fiduciary obligations to generate specified levels of revenue for the O&C Counties. The Association has further developed its proposal, and enclosed herewith is a document (Encl. 1) that describes in greater detail all of the proposal's key elements.

As indicated in earlier briefings, the Association's first step was to submit its proposal to expert analysis, to determine whether the proposal is financially feasible. The feasibility analysis was completed on August 19, and a copy of the report is enclosed for your review (Encl. 2). The feasibility report concludes that the financial requirements of the proposal can easily be satisfied. The analysis indicates that all management costs and all payments to the O&C Counties can be achieved with timber harvests of about 500 mmbf per year, and under some circumstances perhaps as low as 430 mmbf per year. This is only about half of the amount of new growth that occurs on these lands each year.

Some have expressed concerns that the Association's trust proposal would result in unrestrained clear cutting as might occur on some industrial timberlands under the Oregon Forest Practices Act (OFPA). Such concerns are unfounded, for the following reasons:

- (1) The proposal limits maximum harvests to substantially less than allowed by the OFPA.
- (2) Harvests necessary to pay costs and pay counties are only about half the harvests that would be allowed under the OFPA.
- (3) Payments to counties are fixed at specified levels so there is no incentive to harvest more than necessary to pay costs and make fixed payments to counties.
- (4) The proposal limits use of excess revenues that might be produced, so that (beyond costs and payments to counties) they can be applied only for ecosystem restoration projects within Oregon.
- (5) Environmental interest representatives have positions on the board of trustees with veto power over any proposals to harvest beyond the minimum levels necessary to pay costs and pay counties.

We request that you join with us in supporting legislation to implement the proposal for an O&C Lands Conservation and Management Trust.