OVERVIEW OF THE OREGON AND CALIFORNIA (O&C) GRANT LANDS ACT OF 1937

- In 1866, Congress established a land grant to promote the rapid completion of the Oregon and California Railroad between Portland, Oregon and San Francisco, California.

Photo courtesy State Forestry

- In 1916, Congress took back the title on about 2.2 million acres of the land deeded to the railroad after the company violated the terms of the grant. In 1919, Congress revested about 93,000 acres of Coos Bay Wagon Road lands due to similar circumstances.

- In 1937, Congress passed The Oregon and California Revested Lands Sustained Yield Management Act (the O&C Act), Public Law 75-405, putting the lands under the jurisdiction of the Department of the Interior. The O&C Act provided for: Permanent forest production; protection of watersheds and regulation of stream flow; contribution toward the economic stability of local communities and timber industry; creation of recreational facilities; and provisions for reimbursing the O&C counties the loss of tax revenues from the O&C lands.

- The O&C Act provided for an initial Allowable Sale Quantity (ASQ) of not less than 500 million board feet (MMBF) of timber until the annual productive capability of the lands could be determined. The declared ASQ for the BLM O&C lands has changed over time from 500 MMBF per year in 1937 to 1,185 MMBF per year in 1983 to 211 MMBF in 1994, (as prescribed under the Northwest Forest Plan).

Photo courtesy Douglas County Museum

- The O&C Act provided that 50 percent of revenues from the sale of O&C timber was to be distributed among the 18 O&C counties. An additional 25 percent of the revenues were to be distributed to the O&C counties after the U.S. Department of the Treasury was reimbursed for money advanced to make payments, in lieu of taxes, prior to 1937. The last 25 percent was to be paid into the Federal Treasury (to be available upon appropriation) by Congress to administer the 2.2 million acres of O&C lands.

Photo courtesy Douglas County Museum

- In 1953, the O&C counties offered to return one-third of their share (25 percent of total timber receipts) to the Federal Government for the development and management of the O&C lands. Also in 1953, Congress amended the O&C Act to allow for the creation of this "plowback" fund.

Photo courtesy Douglas County Museum

- Initially the plowback monies were used almost exclusively for road construction, providing access to both federal and private lands for timber management. In 1955, other uses, such as reforestation and young stand management, began to occur through utilization of these dollars. The O&C counties viewed this as an investment in order to secure future timber sale revenues.

- The plowback fund existed from 1953 to 1981, resulting in over $340 million being "contributed" by the counties to the management of O&C lands.

- In 1982, Congress made the O&C appropriation a direct appropriation to BLM. Under this approach, 50 percent of the total timber receipts are transferred to the U.S. Department of the Treasury as reimbursement for all or part of the direct O&C appropriation.

- As controversy increased over the harvest of public timber in the Northwest in the late 1980s, Congress recognized that the potential reduction in timber sale volume and revenues associated with the controversy would cause extreme financial uncertainty for the O&C counties.

- To stabilize payments to the O&C counties, appropriations language in 1991, 1992, and 1993 included provisions for a "floor" payment to the O&C counties. The "floor" was equal to the annual average payments covering the five year period between 1986 to 1990.

- In 1994, the Northwest Forest Plan was established to provide a stable supply of timber and protection of fish and wildlife habitat for 22.1 million acres of federal forest in western Oregon, western Washington, and northern California (2.7 million acres of BLM-administered forests).

- Since 2000, payments to O&C counties have been legislated under the Secure Rural Schools and Community Self-Determination Act. In addition to payments to counties, the Act called for the establishment of Resource Advisory Committees to give local citizens a forum for recommending on-the-ground projects such as culvert replacement, stream restoration, and noxious weed control to benefit O&C lands.

BLM Photo

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