

Committee on Resources

Subcommittee on Forests & Forest Health

Witness Testimony

TESTIMONY OF LANE COUNTY COMMISSIONER PETER SORENSON
BEFORE THE SUBCOMMITTEE ON FORESTS AND FOREST HEALTH
COMMITTEE ON RESOURCES

UNITED STATES HOUSE OF REPRESENTATIVES

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Good morning. I am Peter Sorenson, Lane County Commissioner from Eugene, Oregon. I thought I would tell you a little about myself, so you will understand how important this issue is to me and how long I've been involved in it.

I grew up in Coos County, Oregon, where there is a substantial amount of Federal land, both lands administered by the Forest Service (the Siuslaw and Siskiyou National Forests) and the Bureau of Land Management. The Coos Bay BLM District Office administers the revested O&C lands and the Coos Bay Wagon Road lands. These lands were heavily over-cut in the 1970s and 1980s.

After graduating from North Bend High School and Southwestern Oregon Community College, I moved to Eugene and obtained my B.A. and M.A. degrees in Geography. After college, I obtained a position as Legislative Assistant with U.S. Representative Jim Weaver of Oregon. During 1975 and 1976, I was working on three pieces of significant federal public land legislation: the Payments in Lieu of Taxes Act of 1976 and the National Forest Management Act of 1976. You might be interested to know these bills all were heard by this Committee. Then, after working on these three bills, all signed into law by President Ford, I was named Special Assistant to the Secretary of Agriculture in the Carter Administration. I worked with agencies such as the Forest Service and the Soil and Water Conservation Service. During this period, I worked on more public land issues, such as Wild and Scenic Rivers, the Endangered American Wilderness Act of 1977 and grazing issues. I provided staff support to Secretary Bob Bergland and Vice President Walter Mondale at the 1978 Western Governor's Conference.

After completing my service with the Carter Administration, I returned to Oregon. I completed Law School at the University of Oregon and was licensed to practice law. My legal practice involved a wide variety of matters, but I eventually became a specialist in the enforcement of our nation's Safe Drinking Water Act.

I also have a strong interest in public education in general and in making public higher education available. In the late 1980s, I was named to the Board of Education of Lane Community College and was elected to that position in 1990 and re-elected in 1994. Lane Community College is a comprehensive community college, and has one of the nation's best worker retraining programs. During the time I was Chair of the Board, our college developed a displaced worker program. This helped thousands of workers who were displaced as a result of the changes in the management of federal forest lands. These changes included a significant decrease in the number of trees cut in the National Forests and on BLM lands.

After this assignment, I served in the Oregon State Legislature, representing the Eugene area. I was in the Legislature when the Association of O&C Counties proposed to transfer the O&C lands to the State of Oregon. I joined with Governor John Kitzhaber and others in successfully opposing this plan. Let's not forget that the National Forests and the U.S. Department of the Interior lands in Oregon belong to all Americans.

After four years in the Oregon Legislature, I was elected Lane County Commissioner. Among the issues I am working on include the recent decision of the National Marine Fisheries Service to list as Endangered Species certain stocks of Willamette River Salmon.

I welcome the opportunity to present my views on the matter of payments from the Federal Government to counties, because of the presence of federal lands in those counties. Let me give you a few statistics: Lane County is a large county. We have a land area of 4620 square miles, about the size of the nation of Jamaica or about the same land area as the State of Connecticut. We have approximately 308,000 people. Our biggest city is Eugene, home of the University of Oregon and the invention of the original Nike shoe. Regrettably, we are also the site in Springfield of one of the deadliest school shooting tragedies in the United States. We have a very strong visitor economy, because we have the Cascade Mountains, the world famous McKenzie River, and we border the Pacific Ocean.

Because of the presence of the Willamette National Forest, the Siuslaw National Forest, and the Umpqua National Forest, we are the largest recipients of Forest Service revenues in Oregon. We received \$21,548,517 in 1997 alone (shared by county roads and schools). Lane County is the third largest recipient of revenues from O&C lands managed by the Bureau of Land Management. Lane County received almost \$10 million from this source in 1998. To put this into perspective, Lane County government has an annual budget of approximately \$369 million.

However, the general fund has only about \$79 million and the discretionary general fund's portion of that is \$30 million. You can see how important these federal forest funds are to our county and our citizens.

Stabilization has a wide range of support from county officials across the country and across the political spectrum. From Whitfield County, Georgia, to Humboldt County, California, and from Teton County, Wyoming, to Baker County, Florida, from officials concerned about our environment in Mono County, California, to those with a purely economic perspective in Lewis County, Washington, from the largest timber county in Arizona (Coconino) to counties with only a small percentage of Forest Service lands, many of my elected colleagues throughout the country recognize that for both fiscal and environmental reasons, it makes sense to have stable, guaranteed payments to counties, rather than a system which links such payments to diminishing, unpredictable federal timber cutting.

Historically, the federal government made payments to counties based on the amount of timber that was cut and sold off of federal lands. In timber boom years, this made for good county revenues, though often with harsh environmental consequences caused by excessive clear-cutting on our federal forest lands. But, as the over-cutting of the timber boom ended in the Pacific Northwest in the late eighties, revenue from federal timber sales fell and dozens of timber dependent counties could not provide consistent services. In 1993, the financial situation of these counties became so bleak that Congress changed the county payment formula. Counties with national forests in the northern spotted owl region of the Pacific Northwest now receive guaranteed payments under the spotted owl safety net.

To illustrate how important the safety net has been to Lane County, in 1998 we received \$20.7 million from the Forest Service under the safety net. If our revenues had been based on actual receipts, our 25% share would have been only \$7 million. During the same year, our O&C revenues under the safety net were \$10.3 million. Without the safety net, our revenues would have been \$3.7 million. So in a single year in our county, the spotted owl safety net was worth \$20.3 million. It has been the difference between sound county government providing much-needed services and chaos.

In Lane County, we have had experience with our county revenues being dependent upon 25% of actual Forest Service revenues and experience with an existing albeit temporary stabilization effort. But the spotted owl safety net ends in 2003. It is now 1999 and this is the first hearing this Subcommittee has held on the topic. I am worried that 2003 will come before there is a solution satisfactory to the public, Congress, the Administration and the counties - particularly if the Committee puts controversial management-oriented topics into the bill. Before the Northwest Owl Guarantee expires, we must devise a long-term plan to provide stable federal funding to Northwest counties without having to return to the days of excessive federal logging.

And counties which are still tied to actual revenues deserve to be released. Using the spotted owl safety net formula as one means to calculate appropriate levels of revenues to counties, the Stabilization Proposal offers these counties the stability we in the Pacific Northwest have enjoyed the last several years. The one improvement I would urge you to consider is to tie the payments to a consumer price index, so that the benefits of these revenues are not diminished by inflation.

Before I close, I would like to address one common misconception about the stabilization proposal, and that is that stabilization is welfare for counties. This is emphatically not the case. The current system was established to compensate counties for the presence of federal property, which the counties could not tax. The Stabilization Proposal does not alter that; it continues to recognize the federal government's responsibility to those counties which are precluded from taxing all the federal property within their boundaries. The Stabilization Proposal simply substitutes a new formula for determining payment. It holds counties harmless from fluctuations in timber markets and changes in federal forest management. It offers predictability and stability.

And the stabilization proposal removes short-term financial incentives for counties to push for unsustainable logging of federal forest lands, which only hurts county budgets in the long run.

I also understand that some counties are supporting the efforts of the Forest Counties School Coalition. Many others, however, recognize that their proposal is unrealistic and perceived as being quite greedy. They know they want a short term fix, but can't agree on a long-term fix and so defer to a future Congressional committee to devise one they hope will please everybody. I've been at this work for a long time, and that will not happen. Our society is divided on the future of the nation's federal forests. The Coalition wants increased local control of federal lands. They are demanding guaranteed payments equal to 100% of the average of the highest three years since 1986 - the highest years in the history of federal forest lands, and "either/or" language which skims off the cream for counties in the unlikely event that timber revenues exceed the greatest amounts ever generated. These proposals do not lend themselves to rational discussion among policy makers searching for the public good.

I want to stress that the stabilization proposal is not about forest management or timber vs. the environment; it's about providing the funding to keep essential county services going and educate our children. You have to decide if you want a bill which helps the counties or you want to keep fighting about federal land management. The controversial questions surrounding forest management must not interfere with a practical resolution to the needs of counties and schools. These forest management questions have been debated for years, and will continue to be contentious. If other witnesses had been invited to testify before you, you could have heard more testimony about the need to allow the forests to recover from years of over-cutting, the

water quality crucial to salmon and municipal drinking water systems, the flooding and landslide problems caused by over-logging these lands, the destruction of fish habitat, and a myriad of related problems. On the latter topic, I'd like to point out that the Forest Service roads policy and the recent listing of the salmon on the Willamette River are two examples of policies which further reduce the amount of base for commercial timber operations.

What the Forest Counties School Coalition supporters have lost sight of is that:

1. Public support for environmental protection of our federal forests is increasing.
2. Federal forest managers agree that harvests are not going to increase in the foreseeable future. Just last week the Lane County Board of Commissioners invited the Supervisor of the Willamette National Forest and the District Manager of the Eugene District of the Bureau of Land Management and they confirmed that timber cutting would maintain current levels or decline.
3. Some in Congress blame the messenger of the news that the cut won't increase. Trying to replace those messengers or federal forest managers or their leadership on these issues, even if ultimately successful, would take years and won't change the fact that the federal forests have been over-cut.
4. If Congress attempts, under the guise of helping the counties, to pass a bill which rolls back protections for the forest, then Federal forest agencies will be faced with environmental lawsuits and we would be brought back to where we were in the early 90s with legal gridlock.
5. I've heard some suggest we just need to wait for a new administration, but that means waiting for two to six years. And this is not a clearly defined partisan issue. There is support for the Stabilization Proposal from Democrat and Republican county officials. And who can guarantee that a new administration would want to open up this can of worms and then attempt to solve it in a timely fashion?

Even if those who want to increase local control of the federal forests and increase logging of those lands succeed in replacing administrations and changing federal forest management, who thinks that they have any influence over the world timber market? It is not just the amount of board feet produced that matters; it is the price those board feet generate. You can cut a lot for a low price and counties will still lose. Some in Congress have attempted to eliminate "below cost" timber sales.

I do want to take the opportunity to suggest one or two improvements to the administration's proposal. First, as I mentioned earlier, the proposal does not accommodate the diminution of these revenues by inflation. I support tying these revenues to a consumer price index so our

constituents are protected from the effects of inflation. Second, the latest administration proposal does not make it clear that spotted owl counties would continue to receive the level of revenues they received in 1998 under the spotted owl safety net. Last year's proposal provided that assurance and I believe the omission is simply an oversight. However, it does need to be clarified in any language you will be considering.

To conclude, I can speak with authority on the needs of counties across the nation for stable, secure revenues. Counties and schools can't wait. The stabilization proposal offers us a reasoned, workable solution to the funding crisis. And it can happen this year. As *The Register-Guard*, the largest daily newspaper in our county, says in their editorial supporting the stabilization proposal, "Before taking positions that impede efforts to make the (spotted owl safety net) guarantee permanent, county officials should make public their plans for balancing their budgets without the guarantee." It is always easy to criticize and grandstand. It makes for good headlines. As Commissioner Bill Dwyer, one of my colleagues on the Lane County Board of Commissioners - and with whom I served in the Oregon State Senate - put it, "We can make noise or we can make law."

What is needed now is a thoughtful alternative to the current situation. Many county commissioners recognize that the stabilization proposal offers counties salvation. We don't need the noise. We need stable, secure revenues to provide services to our constituents and yours.

I am anxious to work with the Committee, the Congress and the Administration on a resolution to these issues.

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