

HISTORY OF THE O&C ACT

The Oregon and California Railroad and Coos Bay Wagon Road Grant Lands Act of 1937 (O&C Act) established that specified federal lands in western Oregon classified as timberlands are to be managed for permanent forest production, and the timber is to be sold, cut, and removed in conformity with the principle of sustained yield.

These O&C lands lie in a checkerboard pattern through eighteen Oregon counties and contain more than 2.4 million acres of forests with a diversity of plant and animal species, recreation areas, mining claims, grazing lands, cultural and historical resources, scenic areas, wild and scenic rivers, and wilderness.

1866 • The history of the O&C lands dates back to 1866 when Congress established a land grant to promote the rapid completion of two similarly-named railroads, the California and Oregon Railroad (connecting from the Central Pacific rail line in Marysville, California) and the Oregon and California Railroad (connecting from Portland, Oregon). These two railroads would connect at the Oregon border and link

1916 • In 1916, Congress revested the title on about 2.9 million acres of the land deeded to the Oregon and California Railroad Company after the company violated the terms of the grant. In 1919, Congress reconveyed about 93,000 acres of Coos Bay Wagon Road lands due to similar circumstances.

1937 • In 1937, Congress passed The O&C Act (Public Law 75-405). The O&C Act requires sustained yield forest management for the purposes of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, contributing toward the economic stability of local communities and industries, and providing recreational facilities; the law also includes provisions for sharing timber revenues with the 18 O&C counties where the lands are located.



1937 • The O&C Act provided for an initial annual timber harvest level of not less than 500 million board feet (MMBF) of timber until the annual sustained yield capacity of the lands could be determined. The declared annual sustained yield capacity for the Bureau of Land Management O&C lands has changed over time from 500 MMBF per year in 1937, to 1,185 MMBF per year in 1983, to 203 MMBF in 1995, (as prescribed under the Northwest Forest Plan) and to 205 MMBF under the 2016 plan.

1937 • The O&C Act also provided that 50% of receipts from the sale of O&C timber was to be distributed among the 18 O&C counties. An additional 25% of the receipts was 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 remaining 25% was to be paid into the U.S. Treasury by Congress (to be available upon appropriation) to administer O&C lands. 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 O&C lands.



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1939 • In 1939, the Coos Bay Wagon Road Act of 1939 became law and established an in-lieu tax payment program for Coos Bay Wagon Road Grant Lands within Coos and Douglas Counties.

1953 • In 1953, the O&C counties offered to return one-third of their share (25% of total timber receipts) to the federal government for the development and management of the O&C lands, creating what was known as the plowback fund. Initially the plowback monies were used almost exclusively for road construction, providing access to both federal and private lands for timber management.



1955 • 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.

1981 • 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.

1982 • In 1982, Congress made the O&C appropriation a direct appropriation to the BLM. Under this approach, the 25% plowback was made a recurring charge against the O&C fund in an appropriations proviso, which results in a 50% share of the total timber receipts transferred to the U.S. Department of the Treasury as reimbursement for all or part of the direct O&C appropriation.

1980s • As controversy increased over the harvest of public timber in the Pacific 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 and 1990.

1994 • In 1994, the Northwest Forest Plan attempted to address the forest management and threatened species controversy in the Pacific Northwest.

2016 • In 2016, the BLM revised the Northwest Forest Plan with a new resource management plan, building on many of the same principles. The 2016 plan provides for a predictable and sustained yield of timber, restoration of fire-adapted ecosystems, and addresses new threats to the northern spotted owl and other special status species.

2018 • Since 2000 – and except for 2016 – payments to O&C counties have been legislated under the Secure Rural Schools and Community Self-Determination Act and subsequent reauthorizing legislation. In addition to payments to counties, the Act provides separate funds and calls 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.

For additional information about the O&C Act in western Oregon, visit the BLM online at: <https://www.blm.gov/programs/natural-resources/forests-and-woodlands/oc-lands>

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