

Land

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Current contract

The Iron Triangle contract expires in March 2023, and, just like last time, any new contract will be awarded through a competitive bidding process open to all qualified operators.

But even though a decision is still a year out, Malheur National Forest Supervisor Craig Trulock said he’s already contemplating some changes in the next stewardship deal.

While he is leaning toward awarding another long-term contract, there will be less timber to go around this time. The agency expects a lower annual timber harvest target — down from 75 million board feet to between 50 and 55 million board feet per year.

Trulock said the next stewardship contract will likely have a lower percentage of the Malheur National Forest’s commercial timber volume. Instead of the current guaranteed 70%, he expects to decrease the share to between 30 and 50%, with allowances for annual adjustments.

Pros and cons

Iron Triangle’s current deal is what’s known as an integrated resource service contract, a mechanism that Trulock said has both pluses and minuses.

For instance, Trulock said, the Malheur is required to commit appropriated dollars up front at the appraised price of timber for the duration of the contract.

With 70% of the total volume of timber sales off the Malheur going to the program, Trulock said, that provides a high level of predictability for the contractor while also guaranteeing a steady supply of logs for Malheur Lumber’s John Day sawmill.

But it could also create a problem for Malheur officials. With so much of their discretionary timber revenue committed to the stewardship contract, they could find themselves strapped for funds if unexpected circumstances arose, such as congressional budget cuts.

The contract’s long time span and financial guarantees have also made it possible for

Iron Triangle to invest in infrastructure, equipment and work force development.

That benefits the company in obvious ways, but it also provides assurance to Forest Service officials that the company will be able to fulfill its contractual obligations to meet stewardship goals such as reducing fuel loads in the forest, preventing soil erosion and maintaining roads.

When the Forest Service put the 10-year stewardship contract out for bid in 2013, it was looking for something it couldn’t get out of an old-fashioned, straightforward timber sale contract: It was looking for a partner that could get the cut out, do the stewardship work and deliver a steady stream of logs to Malheur Lumber.

Zach Williams of King Inc., a subcontractor of Iron Triangle who works in operations, summed up the situation this way:

“The government said, ‘We want to induce investment,’” Williams said. “There was a reason for that, and that hasn’t changed. They’ve made timber sales (the old-fashioned way) for 100 years, and that’s why Malheur was going to close down.”

Perception of monopoly

There is a social dynamic that goes along with the long-term contract, one that has created the perception of winners and losers.

While he was not the supervisor when Iron Triangle won the contract, Trulock said people occasionally tell him that the Forest Service created a monopoly in the community with the deal — even though the bidding process was open to anyone who met the criteria.

And Iron Triangle is not the only company making money on the Malheur National Forest.

Since September 2013, Williams noted, the forest has sold 405 million board feet of timber. Of that total, 231 million board feet was sold to Iron Triangle through the stewardship contract, and the remaining 174 million board feet sold on the open market.

Dave Hannibal with Grayback, a subcontractor on the stewardship contract, said Iron Triangle won the contract fair and square. The complaints about a monopoly, he feels, are

just sour grapes.

“People will always shoot at those on top,” Hannibal said. “The 10-year stewardship (contract) was issued in fair competition. Whoever won it would have been shot at.”

Still, some smaller operators in the area say they would like a bigger share of the timber coming off the Malheur.

Tim Rude, the owner of John Day-based Rude Logging, was one of the contractors on the original stewardship proposal to work with Iron Triangle but now operates his own timber sales and others for various logging companies, such as Boise Cascade and Wood Grain.

Some of those sales are on the Malheur, but he and his 22 local employees follow the work, whether it be in Western Oregon or Washington state.

“We go where we have to to stay busy,” Rude said, “but it would be nice to have local work.”

Rude said multiple logging contractors in Grant, Harney and Baker counties are working out of the area but would like to work locally.

“(Traveling for work) takes our people out of the area,” Rude said, “and it takes our people away from their families.”

Malheur Lumber General Manager Bruce Daucsavage, who helped broker the contract in 2013, said the gripes Trulock hears in the community are understandable. But he added that, once people look closer at the commitment required of larger contractors such as Iron Triangle — the investments, expansions, risks, and capacity necessary to implement the scope and scale of work — the arrangement begins to make sense.

One of the things that came up in the contract negotiations, Daucsavage recalled, was that Malheur Lumber would need to spend \$5 million to upgrade the sawmill but would need to see a return on that investment within a limited window of time.

Iron Triangle and its subcontractors, he said, had the technical expertise, the capacity, and the equipment to carry out the work that would ensure the reliable timber supply the mill needed to survive.

That is not to say a smaller

company could not have fulfilled the criteria to get the contract, Daucsavage added, but it would have been a stretch.

In fact, it was a stretch for Iron Triangle at the time.

Owner Russ Young said the projects included in the contract were beyond the scope of anything the company had done in the past and required reliable equipment that would allow them to ramp up and produce on landscapes where the harvest was upwards of 7 million board feet of timber on a single task order with hard deadlines.

“We were on the hook from day one that says if you shall not perform, you will be in breach of contract,” Young said.

Iron Triangle declined to disclose how much money it has spent to fulfill the terms of the 10-year stewardship contract, but some of its investments are on full display. One recent example is the company’s post and pole plant in Seneca, built to process small-diameter logs cut to reduce fuel loads on the forest. The plant has 25 full-time employees.

Altogether, according to information from the Malheur National Forest, the stewardship contract has created or sustained a total of 268 jobs at Iron Triangle, its subcontractors and the national forest.

What now?

In Trulock’s view, the 10-year stewardship contract has achieved the objectives it strived for by all metrics that the Forest Service has reviewed over the past eight years. But that doesn’t mean the next stewardship contract has to be a carbon copy.

“We stabilized the community, stabilized the mill,” Trulock said. “I can’t think of any way that I would say this was not a success. Would you repeat that, if the intent is to grow a community? Would you do it exactly the same way to grow a community, and grow new businesses? I don’t know. But I think that’s the conversation we need to be having.”

Malheur National Forest officials plan to hold an informational meeting sometime in the next few months to explain how stewardship works and discuss ideas for future stewardship contracts.

Owens

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governor must review and reevaluate emergency orders every 60 days to determine whether those orders should be continued, modified or rescinded.

Local control emerged as a significant issue for Grant County residents in August after Gov. Kate Brown reversed course on her June 30 executive order handing over public health decisions to counties amid a resurgence of COVID-19.

While the swiftly spreading delta variant sent COVID case counts soaring, Brown issued a barrage of new executive orders mandating masks in K-12 schools, inside state buildings and, finally, in all public indoor spaces in the state. Those actions drew the ire of Grant County leaders.

Parents asked for the county court’s support in getting decision-making back to the districts and out of the hands of the state.

County Judge Scott Myers told parents that the county does not have the power to take back local control of its school districts from the state. However, the county signed a letter from the Eastern Oregon Counties Association asking for local control of school districts.

“Some people might be mistaken in thinking that the county has power beyond a voice,” Myers said. “We don’t have the power to make those things happen.”

In a Dec. 21 press release, Brown extended the COVID-19 state of emergency through June, saying scientists believed the state was just weeks away from a new wave of hospitalizations due to an anticipated surge of the rapidly spreading omicron variant.

Oregon Health and Science University lead data scientist Dr. Peter Graven predicted that the omicron variant could surpass the delta variant in the number of cases due to its extreme transmissibility.

Brown’s office said in the press release that the emergency declaration provides the necessary framework to access resources in response to the pandemic, which includes the deployment of medical providers to hospitals, flexibility around professional health licensing, and access to federal disaster relief funds.

“As Oregon prepares for what could be our worst surge in hospitalizations during this pandemic, I know that this is not the beginning of the new year any of us had hoped for,” Brown said.

Constitutional framework

Jim Moore, a professor of political science at Pacific

University in Forest Grove, said Oregon’s Constitution defines the governor’s emergency powers and what types of “catastrophic disasters” can allow them to be used.

The Constitution puts acts of terrorism at the top of the list, along with earthquakes, floods and public health emergencies.

Moore said that the catastrophes spelled out within the Constitution are assumed to be relatively short-lived.

“The problem we have right now is that it’s going on long term,” Moore said. “And so Republicans have decided that is an abuse of emergency power.”

Indeed, Moore said, everyone has a partisan take on the debate.

“Republicans say, ‘We need to change it.’ Why? Because they don’t like what Kate Brown is doing. Democrats are saying, ‘No, we don’t need to change it’ because they do like what Kate Brown’s doing.”

Since the pandemic’s beginning, it’s become evident that the federal government has minimal power in this situation and that the ability to deal with the pandemic rests with the states, Moore said.

That limitation on federal power, he said, is by design as part of the U.S. Constitution. For instance, he said, Oregon was able to pass an assisted suicide law because states have the right and the front-line duty to deal with public health issues.

Almost from the pandemic’s beginning, the question of how to respond to the coronavirus has been a hot-button political issue.

That said, Owens’ proposed legislation is something of a departure from recently passed legislation in GOP strongholds. For instance, conservative legislators in more than half of U.S. states, spurred on by voters angry about lockdowns and mask mandates, have stripped local officials of the power to protect the public against infectious diseases.

Moore said that the conservative ethos has long been that more governing power should be local. However, legislation passed in red states like Florida runs counter to what has traditionally been the GOP ideology.

Thus, he said, this means one’s political ideology shapes one’s views on emergency powers.

For his part, Owens said his motives are not politically driven.

“Honestly, it’s not about partisanship,” Owens said. “I by no means think the governor should not have the ability to declare an emergency declaration for 30 days, maybe even longer,” Owens said. “That’s reasonable.”

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A sign in John Day supports voting to approve a five-year levy to fund the John Day Police Department. The Aug. 17 ballot measure, which required a double majority, failed due to low turnout even though it got more yes votes than no votes.

Funding

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McKinley declined to disclose precise dollar figures until the plan has been reviewed by the county’s attorney, but he said the proposal involves the city transferring the federal policing grant and providing enough additional money to hire three more deputies and one clerical worker.

“Those three deputies would be enough to cover what needs covered,” he said.

While the discussions are still in their infancy, Palmer said he expects to have a number of meetings with Haberly, McKinley and possibly a few other people in an attempt to come up with a proposal for law enforcement funding that both city and county leaders could accept.

However, he said, the plan isn’t likely to involve the

sort of fund exchange Green proposed.

“The policing and roads that Nick asked for are two different things, and we’re going to keep them two different things,” Palmer said.

Asked why he and Haberly took it upon themselves to initiate talks on the law enforcement funding issue, Palmer said they felt a responsibility to the community.

“Gregg and I grew up together,” he said. “We want to see our town do better.”

McKinley said he’s just looking for a solution that will enable him and his deputies to do their job the way it should be done.

“I’m hoping to get the staff to be able to adequately cover the city and make the city feel they are adequately covered,” McKinley said.

“And I want to keep crime down,” he added. “If we aren’t out there, something will fill the void.”