

Socio-Economic Issues

- 4 – Teck Washington, Inc., Pend Oreille Operations
- 8 – Sierra Club/Alliance for the Wild Rockies
- 12 – The Lands Council
- 13 – Ferry County Commissioners
- 18 – Williamson Consulting
- 19 – Northeast Washington Forest Coalition

Issues:

Objectors believe the economic analysis is inadequate because:

- **The FEIS does not adequately consider the implications of the revised plan on the mining related economic sector, particularly the potential negative economic impacts of recommended wilderness on mining.**
- **The FEIS also fails to present an economic analysis that considers the direct, indirect, and cumulative costs of roads.**
- **The externalized costs of the existing and subsequent environmental damage due to management actions and other human activities have not been considered**
- **The FEIS does not assess the efficiencies of alternatives toward assessed benefits.**
- **Ecosystem services were not properly analyzed.**
- **The ROD expresses a basic misunderstanding of the economic contribution of livestock grazing on public lands compared to its costs.**
- **The negative effects of recommended wilderness on the economic activities in Ferry County weren't adequately disclosed. The positive economic effects of wilderness was not disclosed.**
- **Inadequate /outdated information is used in the economic assessment.**
- **The socio-economic impact review of the plan revision on the local economy is inadequate.**
- **Could find no map or description of the economic impact zone.**
- **The FEIS socio-economic impact review on the local economy is inadequate. The FEIS missed several economic analysis considerations.**

Response:

The FEIS does not adequately consider the implications of the revised plan on the mining related economic sector, particularly the potential negative economic impacts of recommended wilderness on mining (Teck).

The socioeconomic analysis performed for the FEIS intentionally excludes mining-related economic impacts under the understanding that the "...[n]ational forest plan revision decisions minimally affect mineral production" (FEIS, Vol. 2, page 585).

Furthermore, within the Forest Plan itself, there is specific mention of the importance of the mining industry to the tri-county area (Revised Forest Plan, page 24). For mining in Congressionally designated wilderness areas validity would need to be determined prior to "...significant surface disturbing activities..." (Revised Forest Plan, page 85).

Between each of these considerations, it is not clear that either the FEIS or Forest Plan underestimates any potential negative economic impacts on the mining industry that may occur, as a result designated certain lands as recommended wilderness.

The FEIS also fails to present an economic analysis that considers the direct, indirect, and cumulative costs of roads (Teck).

The socioeconomic analysis performed for the FEIS fails to mention any potential economic impacts of road construction within the forest plan alternatives. The FEIS analyzed the potential social effects of road infrastructure changes across alternatives (FEIS, Vol. 2, pages 617-618, 620, 623, 625, 628, and 630). The economic impacts of road construction may be difficult to accurately quantify, due to limitations in estimating road costs at the forest plan level. Any economic impacts of road construction and/or reconstruction would be analyzed at the project level.

The externalized costs of the existing and subsequent environmental damage due to management actions and other human activities have not been considered (Sierra Club/Alliance for Wild Rockies)

Compliance with the Multiple-Use Sustained-Yield Act of 1960 requires that the Forest Service balance tradeoffs between environmental preservation and human use of national forests. This is a general statement without specific mention as to where the existing socioeconomic analysis fails to consider these tradeoffs.

The FEIS does not assess the efficiencies of alternatives toward assessed benefits (Sierra Club/Alliance for Wild Rockies).

Total expenditures made by the Colville National Forest were disclosed in the FEIS socioeconomic analysis (FEIS, Vol. 2, page 590). However there is validity to the critique economic efficiency analysis was missing from the FEIS. Data constraints, especially regarding program-specific costs, likely render this analysis unfeasible. But furthermore, in compliance with the Multiple-Use Sustained-Yield Act of 1960, it is not clear that the role of the Forest Service is to maximize economic benefits at the expense of less-economically-measurable forest benefits.

Ecosystem services were not properly analyzed (Sierra Club/Alliance for Wild Rockies).

It is difficult to respond to this without specific reference as to how ecosystem services were not properly analyzed from a social or economic framework.

The ROD expresses a basic misunderstanding of the economic contribution of livestock grazing on public lands compared to its cost (The Lands Council).

Levels of livestock grazing were expected to be constant across all alternatives considered for the forest plan (FEIS, Vol. 2, page 596). As such, the socioeconomic analysis would not measure any changes for the forest plan.

The socioeconomic analysis performed in the FEIS seeks to compare the socioeconomic costs and benefits between the alternatives as is relevant to the scope of the forest plan.

The negative effects of recommended wilderness on the economic activities in Ferry County weren't adequately disclosed. The positive economic effects of wilderness was not disclosed (Ferry County).

The assertion that “[a]ny recommendation of Wilderness eliminates the multi-use aspect [of forest management]...” (Ferry County Objection Letter, page 2) is unfounded. The preservation of wilderness areas is supported under the Multiple-Use Sustained-Yield Act of 1960 and thus serves as a legitimate “use” covered under multiple use.

The assertion a recommendation of wilderness would have a negative economic impact on the local economy of Ferry County is unsubstantiated without a proper analysis, given the tradeoff that would take place between wilderness-based recreation and non-wilderness based recreation. According to the existing

analysis performed for the FEIS, no significant changes in recreation-related spending were expected to occur across any of the alternatives.

Inadequate /outdated information is used in the economic assessment (Maurice Williamson).

Given the inherent limitation of scientific analysis to predict future economic activity, a certain level of inadequacy is present in any economic assessment. The projections made in the FEIS were constrained to 15 years of relevance, in order to encompass the lifetime of the forest plan itself (FEIS, Vol. 2, page 616).

The FEIS socio-economic impact review on the local economy is inadequate (Maurice Williamson and Northeast Washington Forest Coalition).

Unless the mentioned “retained receipts” (Maurice Williamson Objection Letter, page 3 and NE Washington Forest Coalition Objection Letter, page 13) provided by the McKetta study suggest different projected wood sale quantities than those encapsulated in the socioeconomic analysis (FEIS, Vol. 2, page 595), then their mention remains irrelevant within the scope of the forest plan. Furthermore there is no indication that the forest plan constrains the use, or lack thereof, of “retained receipts” under stewardship contracts.

Without specifying which particular “...studies on the impact of various recreation activities on local economies...” (Maurice Williamson Objection Letter, page 3 and NE Washington Forest Coalition Objection Letter, page 13) are being referenced, it is not clear whether they are applicable to this forest plan.

Unless alternative reliable, available, and superior data exists to use in place of “...US Department of Labor data and other generalized data...” (Maurice Williamson Objection Letter, page 3 and NE Washington Forest Coalition Objection Letter, page 13), then no action can be taken to generate a better estimate of the forest plan’s impact to local economies.

Inclusion of a larger regional area (Maurice Williamson Objection Letter, page 3 and NE Washington Forest Coalition Objection Letter, page 13) would lie counter to the aforementioned concerns of accurately quantifying “local” impacts to the economy, given the inherent limitations of economic modeling through the IMPLAN software. Thus, there exists an inherent tradeoff between more accurately quantifying the economic impacts to a smaller area or less accurately quantifying the impacts to a larger area. Such a conflict can only be resolved through agreement on a specific area that minimizes each of these errors. And in this case, the 3-county area of Ferry, Stevens, and Pend Oreille County was determined to do just that (FEIS, Vol 2, page 585).

Could find no map or description of the economic impact zone (Maurice Williamson).

The impact area for the socioeconomic analysis done for the FEIS includes the 3-county area of Ferry, Pend Oreille, and Stevens County (FEIS, Vol. 2, page 585).

The FEIS missed several economic analysis considerations (NE Washington Forest Coalition).

- 60% overstatement of total regional employment
- The extreme difference in county economies overlooked
- Spatial redistribution and Stevens Co. concentration of effects
- Role of Spokane dominance in both retail sales and commuter income
- Missed poverty and diminished working age class demographics in Ferry Co.
- Timber utilization that overlooks log imports (esp. in cedar, biomass, & pulpwood)
- Miscategorization of large employers particularly in the medical sector

- *Wood sector production relationships not the same as the national average*
- *Labor intensive aspects of forestry, particularly in restoration*
- *The missed dominance of Ferry County Indian tribal employment*
- *Role of retirement and second home sectors*
- *Recreational Visitor Day attribution problems (esp. Recreation Visitor use locus)*

All economic analysis is limited, due to gaps in reliable, available data and the inherent limitation of scientific prediction. The impact area for the socioeconomic analysis done for the FEIS includes the 3-county area of Ferry, Pend Oreille, and Stevens County (FEIS, Vol. 2, page 585)

County-specific socioeconomic analysis was performed in the FEIS, where feasible (FEIS, Vol. 2, pages 584-631). Poverty demographics were provided in the FEIS socioeconomic analysis for Ferry County (FEIS, Vol. 2, pages 606-607). All economic interactions within and between counties within the socioeconomic impact area are quantitatively estimated by the input-output calculations made using the IMPLAN software. The high prevalence of Native Americans within Ferry County's population was considered within the socioeconomic analysis (FEIS, Vol. 2, page 606).

If there is credence to the total regional employment being overstated by 60%, then the economic impacts as analyzed in the FEIS are more significant to the area than currently assumed. The relative economic impacts between alternatives however remain unaffected by such an oversight.

Conclusion:

The existing socioeconomic analysis was sufficient for compliance with the relevant regulations. But the following instructions could be used for the sake of bolstering existing analysis.

Response to the remedies brought forth by objectors:

- 1) There is no mention of the Census data being functionally out-of-date within the FEIS socioeconomic analysis. And the relevance of the aforementioned studies to the scope of the forest plan has not been convincingly proven.
- 2) A description of the socioeconomic impact zone for the existing analysis has already been detailed for the FEIS (page 585 of FEISVol2.pdf). So none is needed.

Possible Instructions (if any):

None