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[Endangered Workers: A Labor Prospective on Timber Issues]

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The Endangered Worker: A Labor Perspective on Timber Issues

Jobs, Communities and Fairness

"It's time to hear more than the biologist's or environmentalist's side of the issue. It's time to meet face-to-face with the working man."

— Darryl Middleton, Local 2949
Roseburg, Oregon

United Brotherhood of Carpenters
and Joiners of America

PHOTOCOPY
PRESERVATION

United Brotherhood of Carpenters and Joiners of America

Western Council of Industrial Workers

International Woodworkers of America, U.S.

United Paperworkers International Union

Association of Western Pulp and Paper Workers

AN ANALYSIS
THE POTENTIAL LOSS OF JOBS ASSOCIATED WITH THE PREFERRED SPOTTED OWL CONSERVATION PROGRAM DESCRIBED IN THE FOREST SERVICE EIS

BY

WILBUR R. MAKI AND DOUGLAS OLSON

INTRODUCTION

- I WILL BEGIN WITH THE JOB LOSS DESCRIBED IN THE FOREST SERVICE PRESS RELEASE.

- I WILL THEN DESCRIBE A MORE REALISTIC ESTIMATE OF THE JOB LOSS RESULTING FROM CONSTRAINING HARVESTS FROM THE NATIONAL FORESTS IN THE SPOTTED OWL REGION.

- THAT IS, I WILL PROVIDE THE NUMBERS OMITTED IN THE OFFICIAL FOREST SERVICE PRESS RELEASE.

- NEXT, I WILL PROVIDE ESTIMATES OF POTENTIAL JOB LOSSES ASSOCIATED WITH OWL CONSTRAINTS ON PRIVATE AND OTHER NON-FOREST SERVICE PUBLIC LANDS -- <u>THE NUMBERS RELEASED BY THE FOREST SERVICE IGNORE THESE JOB LOSSES. THEREFORE, THEIR ESTIMATES ARE MISLEADING.</u>

- FINALLY, I WILL DESCRIBE SOME NATIONAL AND INTERNATIONAL RAMIFICATIONS OF THE SPOTTED OWL ISSUE.

STUDY FINDINGS

THE FOREST SERVICE LAST MONTH ACKNOWLEDGED THAT 20,700 JOBS WOULD BE LOST BASED ON A COMPLETED ENVIRONMENTAL IMPACT STATEMENT (EIS) OF THE SPOTTED OWL. HOWEVER, THIS JOB LOSS IS NOT REPRESENTATIVE OF THE REAL ECONOMIC IMPACT THAT TIMBER DEPENDENT COMMUNITIES WILL SUFFER.

THE FOREST SERVICE ESTIMATE OF 20,700 JOB LOSS IS BASED ON A LEVEL OF TIMBER HARVEST SPECIFIED IN PLANS DEVELOPED BEFORE THE 1991 JUDGE DWYER DECISION. THESE PLANS PROJECT A LEVEL OF HARVEST CONSIDERABLY BELOW RECENT TRENDS.

THE MORE REALISTIC BASELINE IS THE AVERAGE HARVEST FOR THE 1986-1990 PERIOD. THIS LEVEL IS WHAT THE INDUSTRY IS GEARED TO AND WHAT HAS SUPPORTED DEPENDENT COMMUNITIES AND THEIR EMPLOYEES.

INCIDENTALLY, IT IS POSSIBLE TO ESTIMATE THE MORE REALISTIC JOB LOSS FROM THE EIS, BUT THE FOREST SERVICE CHOSE NOT TO PUBLICIZE THE MORE REALISTIC NUMBER.

THE FIRST DIAGRAM ILLUSTRATES THE SIGNIFICANCE OF THIS OVERSIGHT (FIGURE 1). THE ESTIMATED REALISTIC JOB LOSS IS 43,700 OR 23,000 GREATER THAN THE LOSS ANNOUNCED BY THE FOREST SERVICE.

THE FOREST SERVICE DOES NOT ACKNOWLEDGE THE FULL EXTENT OF THE JOB LOSSES DUE TO THE PREFERRED CHOICE. IN ADDITION, IT IGNORES THE POSSIBLE IMPACT OF ALTERNATIVE PLANS TO PROTECT THE SPOTTED OWL ON PRIVATE FOREST LAND.

WE CANNOT PREDICT HOW MUCH PRIVATE AND OTHER PUBLIC LANDS MIGHT BE AFFECTED BY PROTECTING THE SPOTTED OWL, BUT WE BELIEVE IT IS VERY IMPORTANT TO EVALUATE THIS POSSIBILITY.

FOR THE PURPOSES OF OUR ANALYSIS, WE ASSUMED THAT THE HARVEST LEVELS AND ASSOCIATED JOB LOSS WOULD FALL WITHIN THE RANGE DETERMINED BY THE INTERAGENCY SCIENTIFIC COMMITTEE STRATEGY -- WHICH WOULD RESERVE THE MOST LAND-- AND THE PLAN BASED ON THE FISH AND WILDLIFE SERVICES' CRITICAL HABITAT AREA CONCEPT.

THE NEXT ILLUSTRATION DESCRIBES THE <u>TOTAL</u> JOB LOSS OF THE FOREST SERVICE'S PREFERRED OWL PLAN FOR THE NATIONAL FOREST PLUS THE IMPACT ON PRIVATE AND OTHER PUBLIC LANDS (FIGURE 2). HERE, WE ARE COMPARING THE DIFFERENCE IN JOB LOSS BETWEEN THE PREFERRED PLAN AND THE IMPACT ON PRIVATE AND OTHER PUBLIC LANDS BASED ON CRITICAL HABITAT AREAS AND THE INTERAGENCY SCIENTIFIC COMMITTEE STRATEGY.

THE TOTAL LOSS IN THE THREE STATES COULD RANGE ANYWHERE FROM 81,000 TO NEARLY 104,000 JOBS --DRAMATICALLY MORE THAN THE FOREST SERVICE'S 20,700 JOB LOSS ESTIMATE.

FINALLY, WE MUST NOT LOSE TRACK OF THE JOB LOSS THAT THE OWL REGION WILL EXPERIENCE EVEN WITHOUT THE PREFERRED PLAN. AS CAN BE SEEN IN THE NEXT ILLUSTRATION, THE ADOPTION OF THE PRE-1991 PLANS COST THE OWL REGION ABOUT 27,000 JOBS (FIGURE 3).

CONCLUDING REMARKS

HOW THE SPOTTED ISSUE IS RESOLVED WILL BE PRECEDENT SETTING. HOW WE PERMIT PUBLIC AND PRIVATE FOREST LANDS IN THE PACIFIC NORTHWEST TO BE MANAGED WILL INFLUENCE HOW WE RESOLVE OTHER ENVIRONMENTAL ISSUES SUCH AS WETLANDS, BIODIVERSITY, AND CARBON EMISSIONS. THEREFORE, IN SEEKING A LASTING SOLUTION TO THE SPOTTED OWL ISSUE, I BELIEVE WE MUST INCLUDE ECONOMIC AND SOCIAL CONSIDERATIONS ALONG WITH THE BIOLOGICAL.

HOW WILL THE JOB ISSUE INFLUENCE THE DECISION? A SOLUTION THAT IGNORES THE SOCIAL AND ECONOMIC MATTERS WILL COST A GREAT NUMBER OF JOBS. I FAVOR A BALANCED SOLUTION THAT ADDRESSES BOTH JOBS AND ENVIRONMENTAL CONCERNS. IN ANY EVENT, WHAT HAPPENS IN THE PACIFIC NORTHWEST WILL INFLUENCE OUR NATION'S ECONOMY AND, IN PARTICULAR, OUR MANUFACTURING SECTOR.

AND JUST HOW IMPORTANT IS MANUFACTURING?

COLBY CHANDLER, CEO FOR EASTMAN KODAK, SPEAKS OF THE NEED TO RESTRUCTURE PRODUCTIVE ACTIVITY TOWARDS MANUFACTURING AND AWAY FROM SERVICES. MANUFACTURING MUST RISE TO 26 PERCENT OF GNP TO BRING VIBRANCY INTO THE ECONOMY.

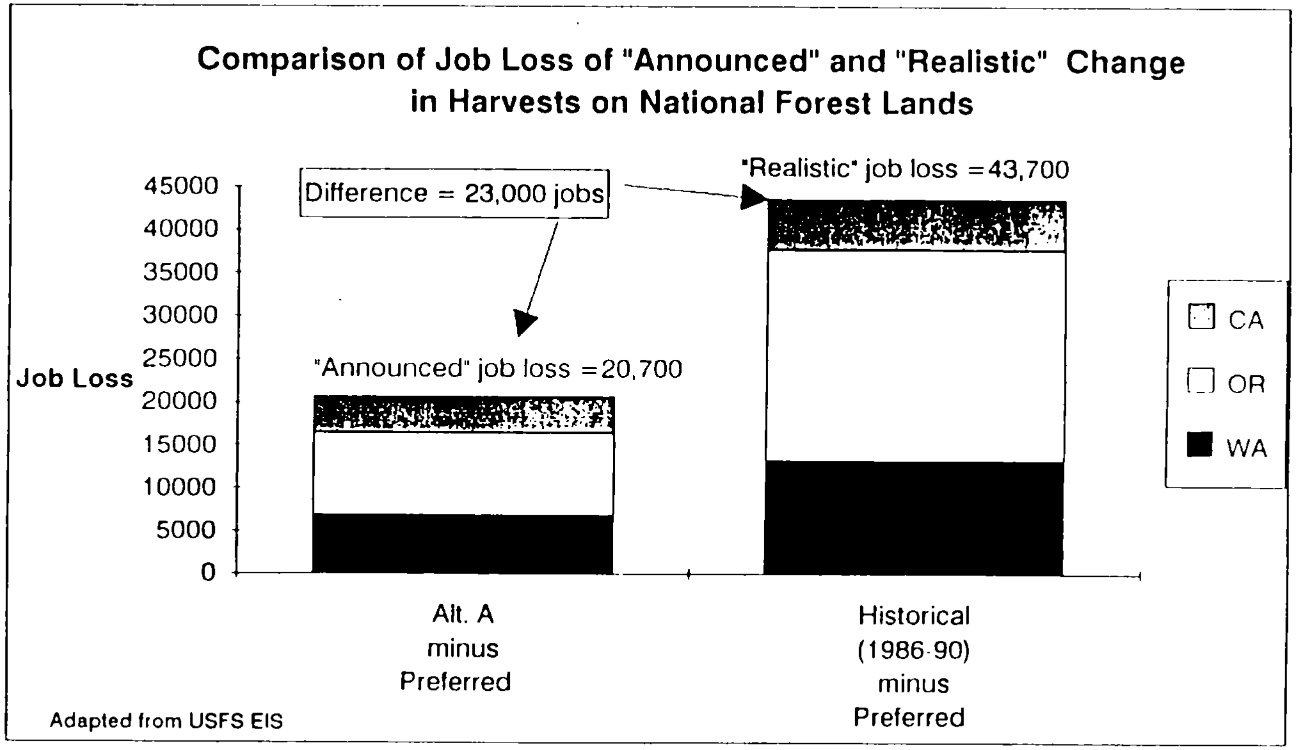
BUT THE US ECONOMY SEEMS HEADED IN THE OPPOSITE DIRECTION --

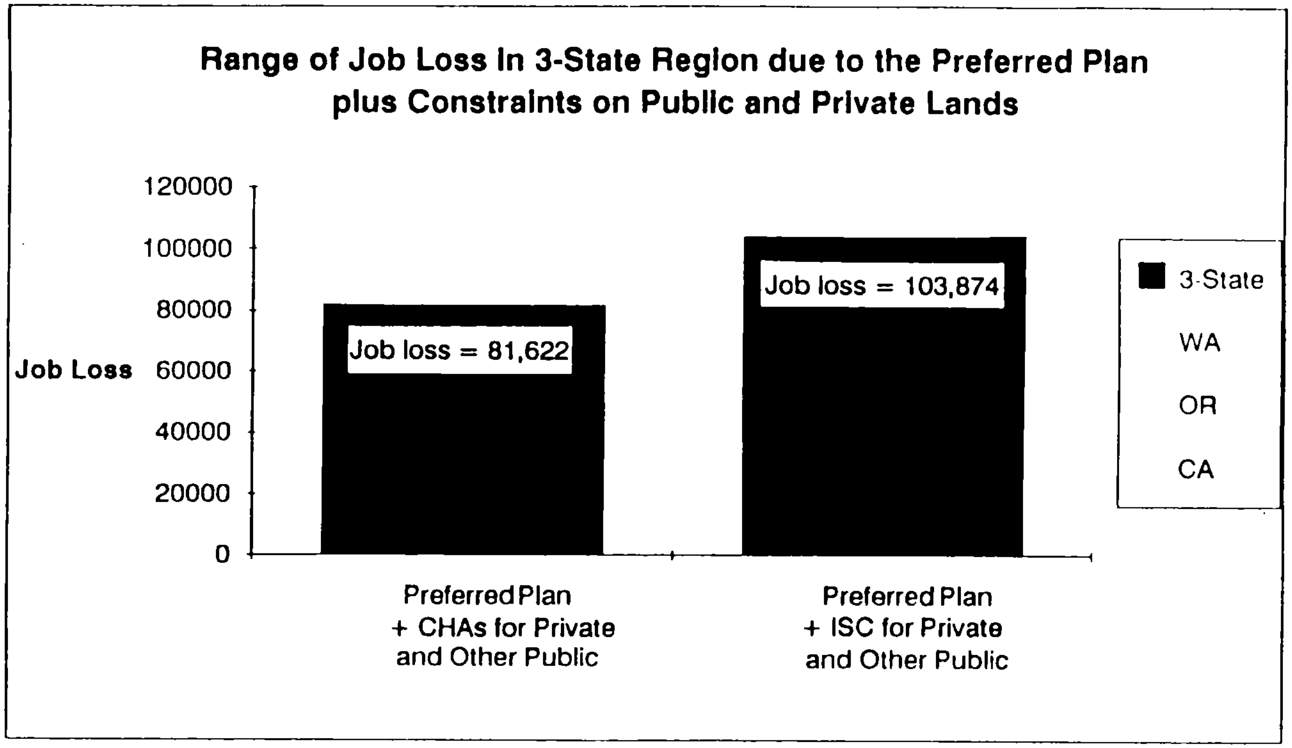
WRITING IN CHALLENGE MAGAZINE, LAWRENCE MISHEL, RESEARCH DIRECTOR OF THE ECONOMIC POLICY INSTITUTE, REPORTS A SERIOUS EROSION OF THE MANUFACTURING SECTOR AND LOWER PRODUCTIVITY GROWTH THAN OUR MAJOR INTERNATIONAL TRADING PARTNERS. BY 1987, THE EROSION OF THE MANUFACTURING BASE HAD COST US AT LEAST THREE MILLION HIGH-WAGE MANUFACTURING JOBS.

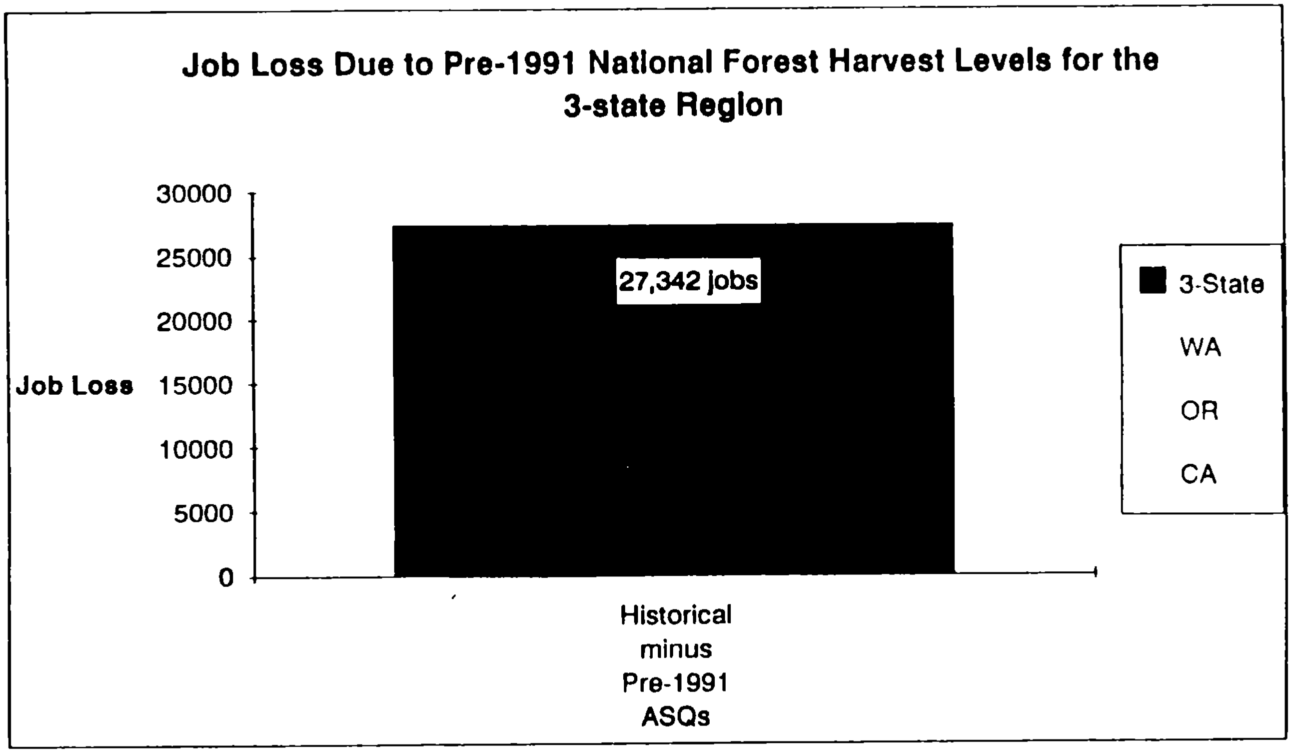
LESTER THUROW, DEAN, SLOAN SCHOOL OF MANAGEMENT, MIT, ASSERTS THAT THE US NEEDS TO ADD "FOUR MILLION NEW MANUFACTURING JOBS IN THE NEXT FEW YEARS TO BALANCE OUR BALANCE OF PAYMENTS. THESE JOB NEEDS, ACCORDING TO THUROW, ". . . ARE OVER AND ABOVE THOSE THAT WILL BE ADDED BY GENERAL ECONOMIC GROWTH."

THE FOREST PRODUCTS INDUSTRY CAN CONTINUE TO PLAY A ROLE IN MAINTAINING THE NATION'S MANUFACTURING CAPABILITY. FURTHERMORE, DOMESTIC AND WORLDWIDE DEMAND FOR WOOD PRODUCTS IS GROWING.

AT RISK, HOWEVER, IS A RELIABLE SUPPLY OF TIMBER. IN THIS REGARD, THE NATIONAL FORESTS ACCOUNT FOR 47 PERCENT OF THE NATION'S SOFTWOOD SAWTIMBER. CONSEQUENTLY, THEIR MANAGEMENT WILL PLAY A ROLE IN HELPING THE FOREST PRODUCTS INDUSTRY CONTRIBUTE TO THE NATION'S ECONOMY.

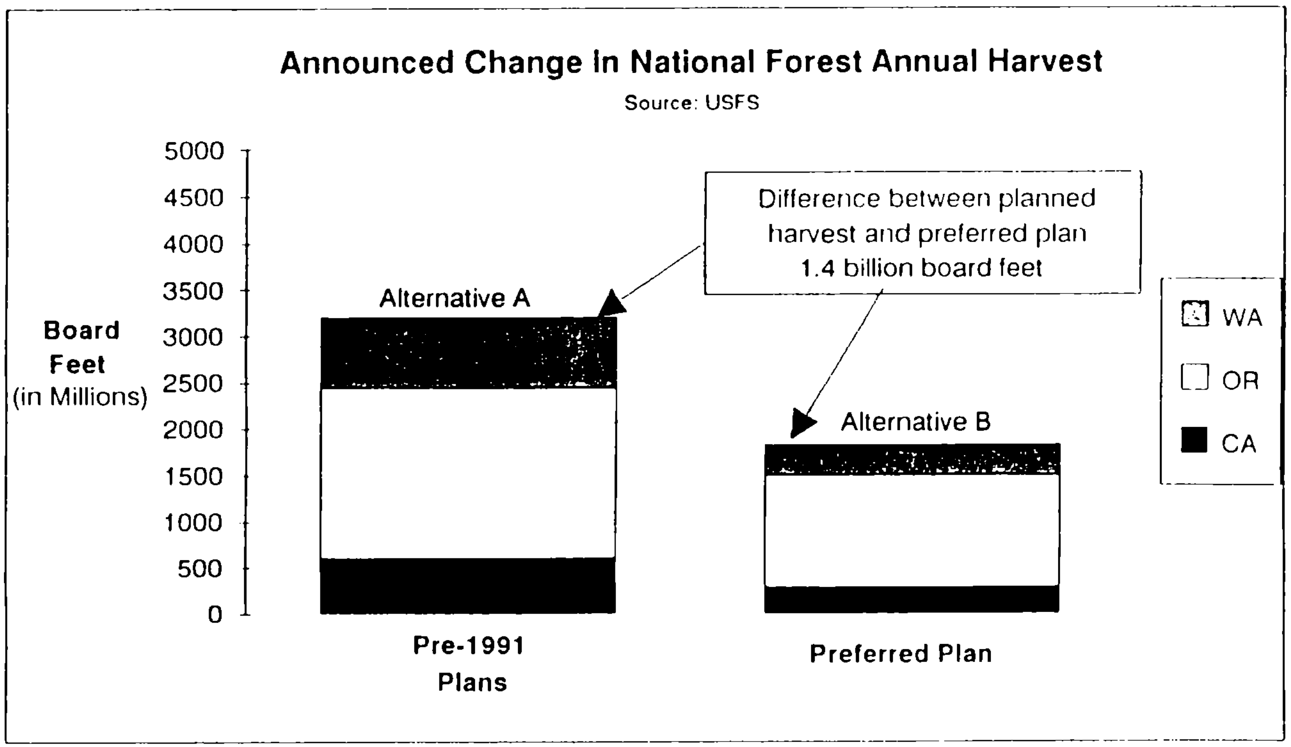

Comparison of Job Loss of "Announced" and "Realistic" Change in Harvests on National Forest Lands
"Realistic" job loss = 43,700
Difference = 23,000 jobs
"Announced" job loss = 20,700
Job Loss
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
Alt. A minus Preferred
Historical (1986-90) minus Preferred
CA
OR
WA
Adapted from USFS EIS


Range of Job Loss In 3-State Region due to the Preferred Plan
plus Constraints on Public and Private Lands
Job Loss
120000
100000
80000
60000
40000
20000
0
Job loss = 81,622
Job loss = 103,874
3-State
WA
OR
CA
Preferred Plan + CHAs for Private and Other Public
Preferred Plan + ISC for Private and Other Public



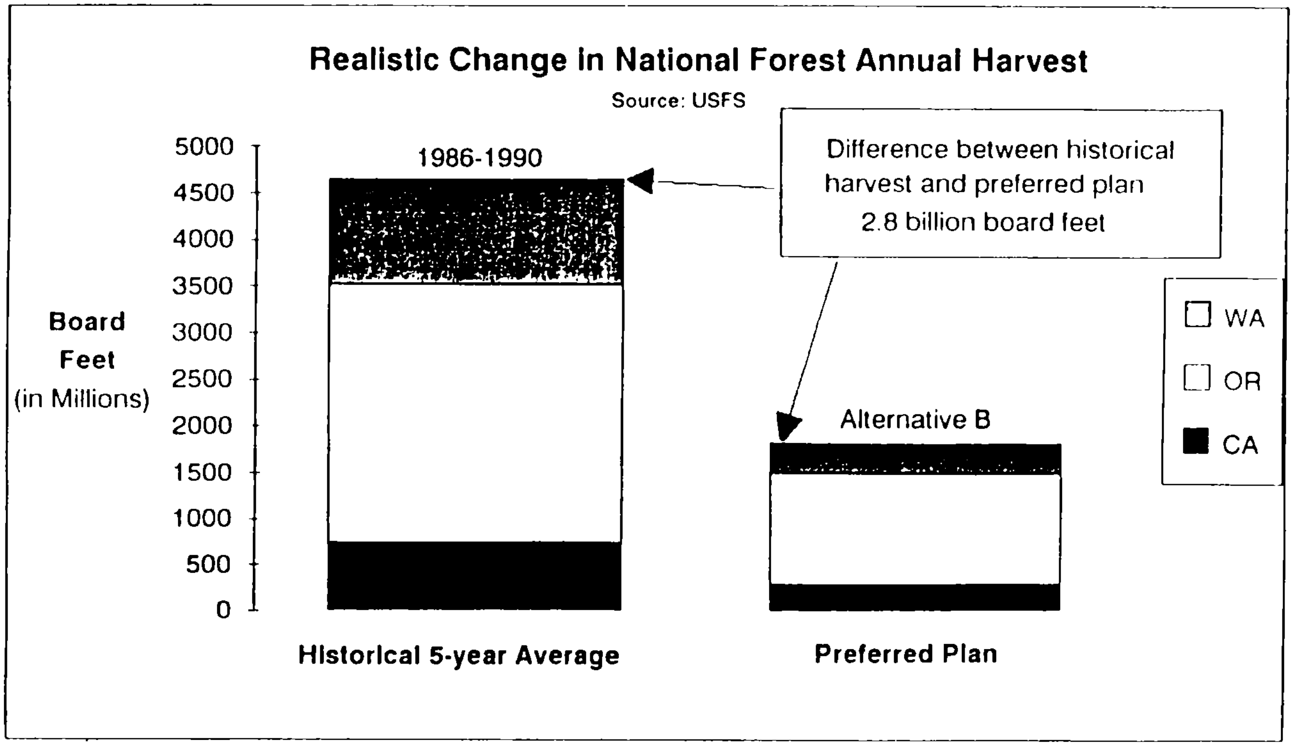
Job Loss Due to Pre-1991 National Forest Harvest Levels for the 3-state Region
30000
25000
20000
Job Loss
15000
10000
5000
0
27,342 jobs
3-State
WA
OR
CA
Historical minus Pre-1991 ASQs

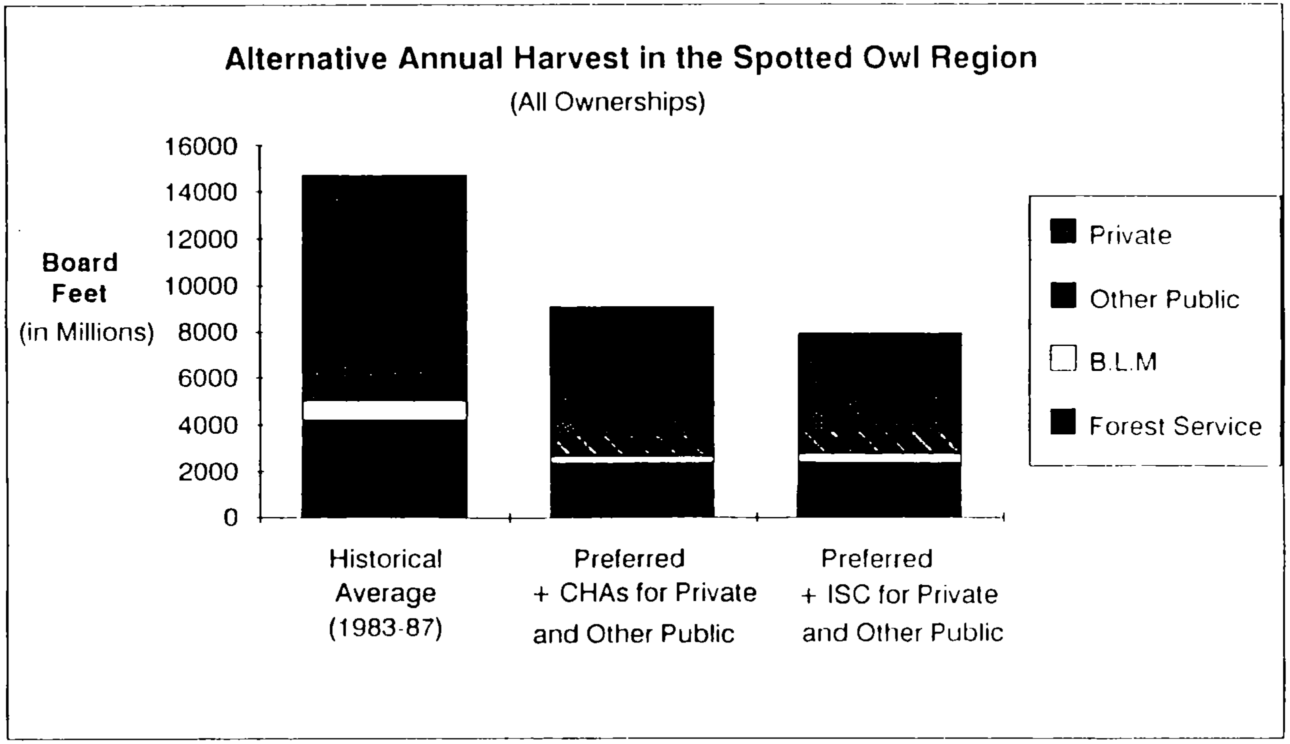
A



Announced Change In National Forest Annual Harvest
Source: USFS
Board Feet (in Millions)
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
Difference between planned harvest and preferred plan 1.4 billion board feet
Alternative A
Alternative B
WA
OR
CA
Pre-1991 Plans
Preferred Plan

B


Realistic Change in National Forest Annual Harvest
Source: USFS
Board Feet (in Millions)
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
1986-1990
Difference between historical harvest and preferred plan 2.8 billion board feet
Alternative B
WA
OR
CA
Historical 5-year Average
Preferred Plan


Alternative Annual Harvest in the Spotted Owl Region
(All Ownerships)
Board Feet (in Millions)
16000
14000
12000
10000
8000
6000
4000
2000
0
Private
Other Public
B.L.M
Forest Service
Historical Average (1983-87)
Preferred + CHAs for Private and Other Public
Preferred + ISC for Private and Other Public

NEWS FROM UBC (202) 546-6206
United Brotherhood of Carpenters and Joiners of America, AFL-CIO, CLC
101 Constitution Avenue, N.W., Washington, D.C. 20001

For Immediate Release:
February 13, 1992
10:30 a.m. (EST)

Contact:
Robin Shapiro
202-452-9462
Denny Scott
202-543-6206

104,000 JOBS IN THE PACIFIC NORTHWEST WILL BE LOST TO SPOTTED OWL PROTECTION, SAYS LABOR-BACKED STUDY

Forest Service Job Loss Estimates Inaccurate; Ignore Impact of Protection Plan On All Public And Private Forests

Washington, D.C. -- Nearly 104,000 jobs could be lost in the Pacific Northwest as a consequence of spotted owl protection measures despite a much lower estimate by the United States Forest Service (USFS), according to an independent study released today by the United Brotherhood of Carpenters and Joiners of America (UBCJA) and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

The study, compiled by Professor Wilbur R. Maki and Research Fellow Douglas Olson of the University of Minnesota, refutes job loss estimates released last month by the USFS. The Forest Service estimated 20,700 jobs would be lost in the Pacific Northwest if the preferred protection plan is implemented.

"The Forest Service fails to acknowledge the full extent of job loss due to its preferred plan on USFS forest lands," said Denny Scott, staff economist at the UBCJA. Additionally, the figures completely ignore the fact that the spotted owl protection measures would also extend to other public and all private lands, affecting far more workers than the USFS concedes," said Denny Scott, staff economist at the UBCJA.

The labor-backed study also notes that the Forest Service jobs loss estimate is based on an unrealistic assessment of timber harvests in the Pacific Northwest.

"The Forest Service's calculations do not account for the extreme declining trend in annual timber harvests," explained Scott.

"Even without considering the owl protection plan for all public and private lands," Scott said, "our study's analysis of timber

-- more --

harvest projections in the region shows that the current management plans will cost the 3-state region affected by the owl approximately 43,700 jobs, or 23,000 more jobs than announced by the Forest Service."

Scott noted that the Forest Service's environmental impact statement contains the true job loss estimate of 43,700, but the USFS chose not to publicize the higher, more realistic number.

Jay Power, legislative representative for the AFl-CIO said, "Despite all of the fancy rhetoric and orchestrated photo-ops, it's clear that the Bush Administration doesn't give a 'hoot' about the American worker, particularly the timber worker."

"The 'kinder, gentler' George Bush has become Mr. 'smoke and mirrors,' hiding behind poor economic analysis," continued Power. "He's allowed himself to become a captive of the 'owl-science' cartel -- a group of white collar biologists who wouldn't recognize a timber-worker if they ran into one."

Added Scott, "We have seen several federal agencies release different job loss estimates for the Pacific Northwest during the past two years -- all of which have underestimated the real impact on families of locking-up productive forest land to protect the owl."

"It's essential to have an accurate portrayal of the economic impact of protecting the owl," Scott argued. "Job loss in the timber industry would have wide-ranging effects -- affecting construction costs, housing starts and the price of a broad array of paper products."

"For instance," said Scott, "the USFS preferred protection program would decrease the amount of available softwood by the equivalent of 280,000 houses -- more than one-fourth of the total number of homes built in the United States last year."

"As long as one-sided solutions are sought by environmentalists to protect the spotted owl, timber-related workers, their families and communities -- as well as workers throughout the country -- will continue to suffer the severe consequences," he added.

Power and Scott called upon the Bush Administration to once and for all undertake a comprehensive analysis of the impact spotted owl protection measures would have on all ownerships.

"The Bush Administration must provide workers, their families and the rest of America with an accurate picture of the situation they may face, instead of giving us the slices without the whole pie," said Power.

###

U.S. FORESTS AND FOREST PRODUCTS INDUSTRY: *FACTS AND FIGURES*

- The forest products industry employs approximately 100,000 men and women in the Pacific Northwest and Northern California alone (direct employment).

- Differing legislative proposals advanced to resolve the federal forest management crisis would cost a minimum of 30,000 jobs to more than 100,000 jobs.

- Three hundred sixteen mills have closed and approximately 30,000 forest products workers have lost their job since 1980 due in large part to harvesting restrictions to protect the northern spotted owl and old-growth forest ecosystems.

- Approximately one-third -- 731 million acres -- of the United States is covered with timber.

- Approximately one-third -- 25 million acres -- of America's forests are set aside in national parks, wilderness areas and other non-commercial areas. Timber in these areas can never be harvested.

- Of the remaining 486 million acres of U.S. forest land, 57% is owned by private individuals, 28% by the government, and 15% by the forest industry.

- According to the U.S. Forest Service, of the 8.2 million acres of old-growth forests, 4.7 million are permanently preserved and unavailable for harvest.

- From October 1992, to the end of February 1993, U.S. lumber prices increased by 90%, due in large part to the federal forest management crisis. The record-high lumber prices have increased the cost of building a new home by approximately $4,500 since October, 1992.

- Timber from the Pacific Northwest composes more than 30 percent of all the lumber used in the United States.

- The average single-family home (2,000 sq. ft.) can contain 15,824 board feet of lumber and up to 10,893 sq. ft. of panel products.

- Wood products and wood-products derivatives are used for items such as: coffee filters, mystery novels, scrabble tiles, toothpicks, assorted fragrances, soil conditioners, football helmets and hardhats, hairspray, and floor tiles.

STATEMENT OF SUPPORT FOR THE PACIFIC NORTHWEST FOREST SUMMIT AND PRINCIPLES FOR A BALANCED SOLUTION TO THE FEDERAL FOREST MANAGEMENT CRISIS

1. The federal forest management crisis continues to devastate forest products workers, families and communities throughout the Pacific Northwest and Northern California. Tens of thousands of working men and women in the forest products industry have lost their job due to the crisis; tens of thousands more stand at risk. The crisis also has national implications -- the lack of timber available for production has forced a record increase in lumber prices, escalating housing costs and jeopardizing the nation's economic recovery. A solution to the crisis must be reached immediately.

2. The federal forest management crisis is a people issue as much as it is an economic and environmental issue. Tens of thousands of timber-dependent communities and families throughout the Pacific Northwest and Northern California stand at risk if a solution to the crisis is not reached as soon as possible. In these communities, receipts from federal timber sales help fund essential public services, such as road construction, public assistance programs and schools. The economic base of these communities is almost wholly dependent on the local mills and processing plants. A significant reduction in timber harvesting on federal lands in the region will economically devastate thousands of rural communities, leaving ghost towns where thriving, vibrant communities once stood.

3. On behalf of forest products-related working men and women throughout the nation, organized labor -- as represented by the Western Council of Industrial Workers; the International Woodworkers of America, U.S.; the United Paperworkers International Union; the Association of Western Pulp and Paper Workers; the American Federation of State, County and Municipal Employees, District Council 75, Oregon; the Oregon Public Employees Union, Service Employees International Union; International Longshoremen's & Warehousemen's Union; and the Oregon Federation of Teachers, Education and Health Professionals, American Federation of Teachers -- pledges full support for President Clinton's efforts to develop a balanced and comprehensive legislative solution to the federal forest management crisis through the Pacific Northwest Forest Summit to be held April 2, 1993 in Portland, Oregon.

4. We urge President Clinton to develop a legislative solution to the crisis as a result of the summit that will:

   - provide immediate relief to suffering forest products workers by releasing an interim amount of timber for production;

- maximize harvest levels from federal forest lands while protecting forest ecosystems;

- reduce harvesting restrictions on private lands due to increasingly complicated federal regulatory requirements;

- provide assurance that through an eco-system-based approach, timber sales from federal and private lands will not be mired down by court injunctions and administrative appeals, and will actually produce timber as new species are protected;

- establish an old-growth reserve where active management, including New Forestry, will preserve or enhance important eco-system values;

- ensure that the new harvest/protection plans will not undermine existing federal forest management plans -- these plans should be reconsidered in their entirety to ensure that a balance is maintained between competing uses of U.S. Forest Service and Bureau of Land Management lands;

- provide a maximum amount of high-wage, high-skill jobs for displaced forest products workers;

- ensure adequate funds for worker retraining and support programs for displaced forest products workers, through, for example, a dislocated forest worker assistance account, funded by a percentage of revenues from federal timber sales above the timber sales revenues already allotted to Washington, Oregon and California;

- ensure adequate funds -- through, for example, a rural development investment fund, funded by a percentage of revenues from federal timber sales above the timber sales revenues already allotted to Washington, Oregon and California -- for timber-dependent communities and public programs, including public schools, adversely affected by any decrease in timber harvests from federal lands; and

- include a "federal make up" provision to county governments for revenue losses caused by declines in timber sale receipts.

5. We urge the administration to work with the members of Congress from the affected region to develop a legislative solution as soon as possible following the Forest Summit. We further urge the administration to present its legislative solution by no later than May 15, 1993. We urge the Congress to enact legislation as quickly as possible.

6. Organized labor pledges to assist in any way the Clinton administration, Congress and all other parties seriously committed to a balanced resolution to the forest management crisis.

Adopted March 17, 1993, by:

Western Council of Industrial Workers

International Woodworkers of America, U.S.

United Paperworkers International Union

Association of Western Pulp and Paper Workers

American Federation of State, County and Municipal Employees, District Council 75, Oregon

Oregon Public Employees Union, Service Employees International Union

International Longshoremen's & Warehousemen's Union

Oregon Federation of Teachers, Education and Health Professionals, American Federation of Teachers

TIMBER AND JOBS: *AN OVERVIEW*

For fifty years, labor unions have advocated forestry methods that incorporate environmental values. Unions have favored sustained-use and multiple-use forestry, so that forests can be vital elements in the everyday lives of communities. Forest products unions have, in the past, also supported setting aside timberland in wilderness areas and parks.

While the substance of current timber supply debates involves the amount of timber that can be harvested and the method of harvesting and reforestation, the cause of the recent controversy has been the northern spotted owl. However, the issue of timber harvesting and protection of species habitat is much broader than the spotted owl and the Pacific Northwest.

Balancing Species Protection With Local Economic Needs
As the debate shifts to other species, such as the Louisiana Black Bear and Red-Cockaded Woodpecker in the Southeast, the controversy will grow and impact the economy of virtually every region of the country. Congress must enact a policy which achieves a balance between environmental needs and the economic well-being of working families and communities across the country.

The place to start is the spotted owl and old-growth forests of the Pacific Northwest. A failure to find a solution leaves larger issues unaddressed and the door open for continued controversy and economic disruption in nearly every part of the country.

Labelled as a "threatened" species in July 1990, the spotted owl lives primarily in the Pacific Northwest's "old-growth" forests. However, in some parts of the region there is increasing evidence that the owl also lives in "second-growth" forests with much younger trees. This region is also home to thousands of timber workers who rely on a steady supply of high-quality timber needed to make the country's and the world's wood products. Plans to protect the owl's habitat would severely reduce the amount of timber that can be harvested in both old-growth and second-growth forests.

Like any threatened or endangered species, the spotted owl deserves adequate protection, but it's still uncertain how best to do this. Of the 5.1 million acres of public land inhabited by spotted owls, nearly 40 percent is already protected from or unsuitable for logging.

The issue is not whether species like the spotted owl deserve protection. The issue is to find solutions that protect species *and* protect jobs.

Jobs in Every Region Threatened
Hundreds of thousands of workers depend on the timber industry. The timber industry is a $57-billion industry, employing 627,000 workers in every region of the United States. It is also an industry that serves the entire country -- providing 70 percent of the construction materials we use.

In the Pacific Northwest, workers directly employed by the timber companies are woodworkers and truckers, workers in sawmills and plywood mills. The regional timber industry also supports secondary employment, such as the people who service timber machinery, the companies which supply parts and even the Forest Service and Bureau of Land Management employees whose jobs depend on timber sales.

Workers in other parts of the country depend on the raw materials from the Pacific Northwest -- workers in furniture, paper and building-materials manufacturing as well as the building trades. Pacific Northwest timber makes up more than 30 percent of all the lumber used in the United States.

Pacific Northwest Economy Depends on Timber Jobs
In the Pacific Northwest, timber is a primary industry, and hundreds of communities are timber-dependent. The industry is especially important because it brings in revenues from outside the region. Jobs in the timber industry are considered "anchors" -- they offer living wages and support whole communities.

Job losses would erode the tax bases of hundreds of Pacific Northwest communities. This loss in tax revenue coupled with the sudden reduction of employment and delivery of vital social services.

Timber Sales Generate Revenue for Federal Government
The federal government generates much-needed revenues by selling timber rights to private companies. The companies, working under land management guidelines established by the Forest Service and Bureau of Land Management, harvest timber to make paper, furniture and building materials. With a $200-billion deficit, the federal government relies on this consistent revenue. By halting timber harvests in order to protect the spotted owl, the federal government may lose $229 million a year in timber sales receipts.

Timber Workers -- Environmentalists, Too
Our union members in the Pacific Northwest are concerned about the environment. But plans that address environmental concerns must not destroy economic stability for our members, their families and communities.

America's forests should not be confused with tropical rain forests, which are not found in the U.S. Home to different kinds of trees, tropical rain forests are being harvested at an alarming rate without the replanting efforts, such as those practiced in the Pacific Northwest. Furthermore, government policies in other countries actually have encouraged deforestation of tropical rain forests, while U.S. policy has emphasized reforestation and land management.

CHRONOLOGY OF COMPROMISE:
LAND SET-ASIDES IN THE PACIFIC NORTHWEST

The accompanying graph displays the disposition of over 24 million acres of national forest land in Oregon and Washington. Removing national forest land from timber harvesting began nearly one hundred years ago with the establishment of Mt. Rainier National Park. The following narrative corresponds to the graph for the Region 6 forests.

As shown on the bottom of the graph, by 1970, 2,447,000 acres (10 percent of the land base) had been set aside by Congress for Wilderness, National Parks and National Recreation Areas in Oregon and Washington.

Wilderness legislation in 1976, 1978 and 1984 withdrew another 1,857,000 acres, increasing the no management portion of the national forest to 17 percent.

The intensive forest planning effort prescribed by the National Forest Management Act of 1976 was completed in 1991. Decisions in the plans removed 9,088,000 acres from timber harvesting. Another 3,609,000 acres are managed for primary uses other than timber production, but some timber harvesting is allowed. Most of the massive withdrawal is the result of the agency's response to public concerns over the management of the national forests. After completion of the Forest plans, only 31 percent of the original national forest land base was available for primary timber production.

The Northern Spotted Owl Conservation Areas recommended by the Jack Ward Thomas Report increased the set-asides by 1,850,000 acres. These areas are presently off-limits to any timber harvesting.

The U.S. Fish & Wildlife Service is currently designating critical habitat for the spotted owl. The original proposal would allocate an additional 363,000 acres for the spotted owl.

All told, there remains only 23 percent of the original national forests land base that is available for intensive timber management. Proposals pending in Congress and agency actions to consider other wildlife species will further reduce the available areas.

Compiled by Northwest Forestry Association

Chronology of Compromise
A History of Land Withdrawals

__Unresolved Issues:__

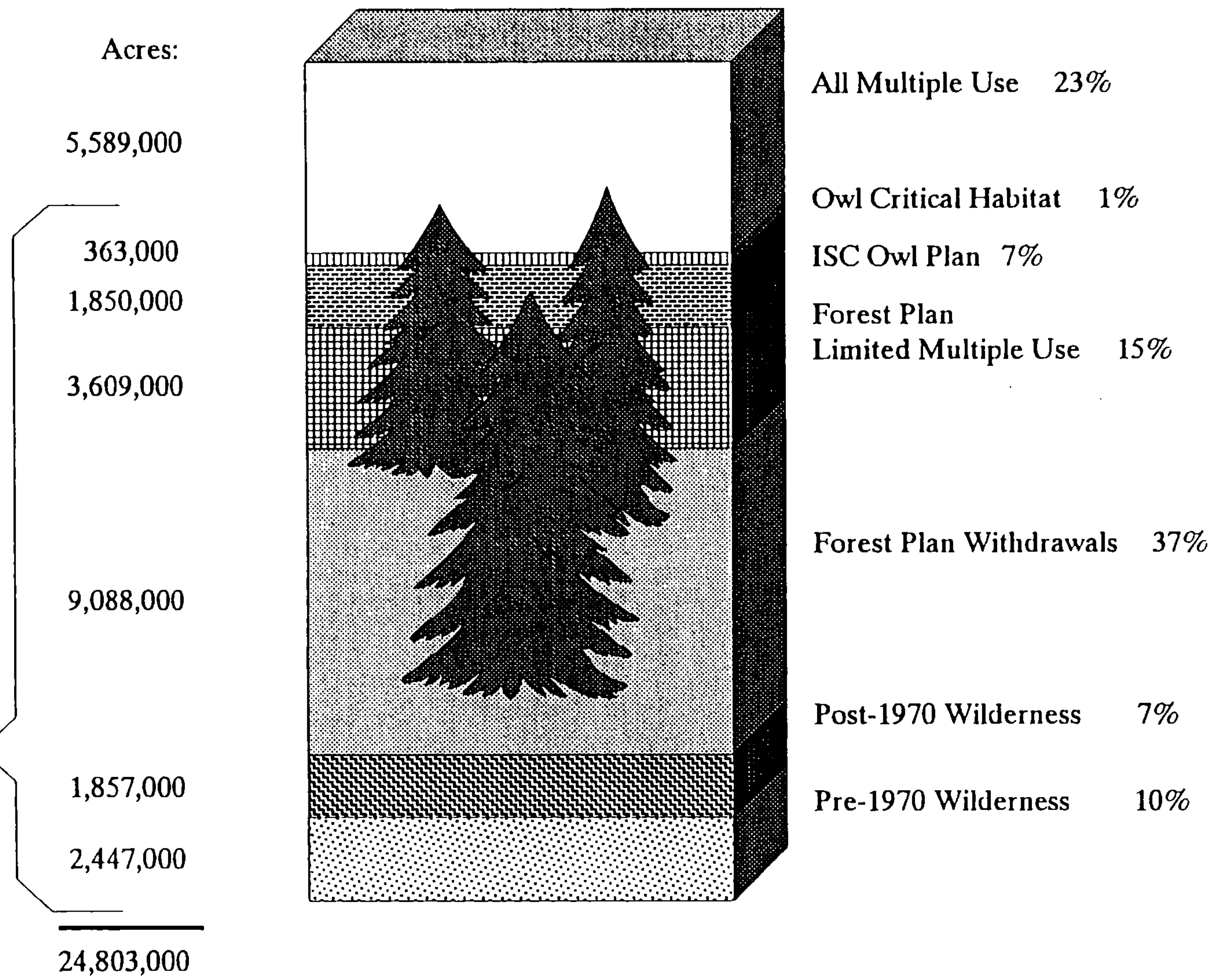
Spotted Owl Recovery Plan

Ancient Forest Legislation

Wild & Scenic Rivers

Other T & E Species:

- Salmon
- Marbled Murrelet
- Fisher



19,214,000 acres withdrawn or 77%

Oregon & Washington National Forests

Northwest Forestry Assoc. 3/93

Source: Forest Plan FEIS's

ASSISTANCE FOR THE DISLOCATED:
WORKER AND COMMUNITY SUPPORT

A legislative solution to the federal forest management crisis should maximize harvest levels from federal forest lands to ensure the long-term viability of the forest products industry, preserve a maximum number of forest products jobs and protect timber communities.

Forest products unions, however, understand some reduction in forest products manufacturing will occur as a result of developing a compromise solution to the crisis that allocates more federal land to non-consumption purposes. Thus, we insist any legislative solution to the forest management debate provide a maximum amount of high-wage, high-skill jobs for displaced forest products workers. In addition, a solution must ensure adequate funds for worker retraining and support programs for displaced forest products workers and timber-dependent communities.

Transition and Job Replacement

The forest products industry is primarily a rural-based manufacturing industry -- it provides the most highly skilled and highly paid jobs in a number of rural settings in the Pacific Northwest and Northern California. Unlike many other basic manufacturing industries, it is not concentrated in urban areas. Many of our members affirmatively choose a rural lifestyle and will resist relocation. Transition in our industry will be difficult.

There have been proposals to use highly skilled forest products manufacturing workers for a variety of government-sponsored "forest improvement" and tourism/recreation tasks. While some of these jobs have merit, very little understanding exists about: 1) whether or not dislocated workers can perform these largely seasonal tasks; 2) who will pay for these jobs; and 3) what will happen to these jobs and workers during the off-season. Moreover, these employment proposals do not mesh with our notion of a high-skill, high-wage strategy.

Dislocated Forest Products Worker Assistance

To ensure adequate funding to support forest worker assistance programs, we support the establishment of a dislocated forest worker assistance account. A percentage of revenues from federal timber sales would be deposited annually into the account. The revenues deposited would be in addition to federal timber sale revenues already allotted to Washington, Oregon and California under existing programs.

A dislocated forest worker assistance committee would be established in the affected region to plan and guide state agency distribution of the funds received from the account. The funds would be allocated to the appropriate state agencies based on a formula that considers, on a historical basis, the number of dislocated forest products-related workers in each state in proportion to the regional total jobs lost in the forest products industry.

The funds would be distributed in the form of grants to dislocated workers -- defined as eligible under specific requirements. Grant categories would include: income supplement, job search allowance, relocation allowance, a vocational retraining stipend, and other categories deemed appropriate by the commission.

Rural Community Development and Support

A rural community development bank should be established to assist timber-dependent communities during the transition period. A percentage of revenues from federal timber sales would be deposited annually into an account that would be paid to a rural development commission established in each affected state. These funds would be in addition to federal timber sale revenues already allotted to Washington, Oregon and California.

Each state commission would plan and supervise distribution of development bank funds within the state. The funds would be distributed in the form of loans to eligible communities. The commission also could create a revolving loan fund to provide low interest loans for businesses which have been adversely affected by changes in the timber industry and a reduction in timber supply.

LOG EXPORTS: *A SECONDARY ISSUE*

Forest products unions have long opposed the export of raw logs. We successfully fought to ban the export of raw logs from public lands -- currently, exported logs come exclusively from private lands.

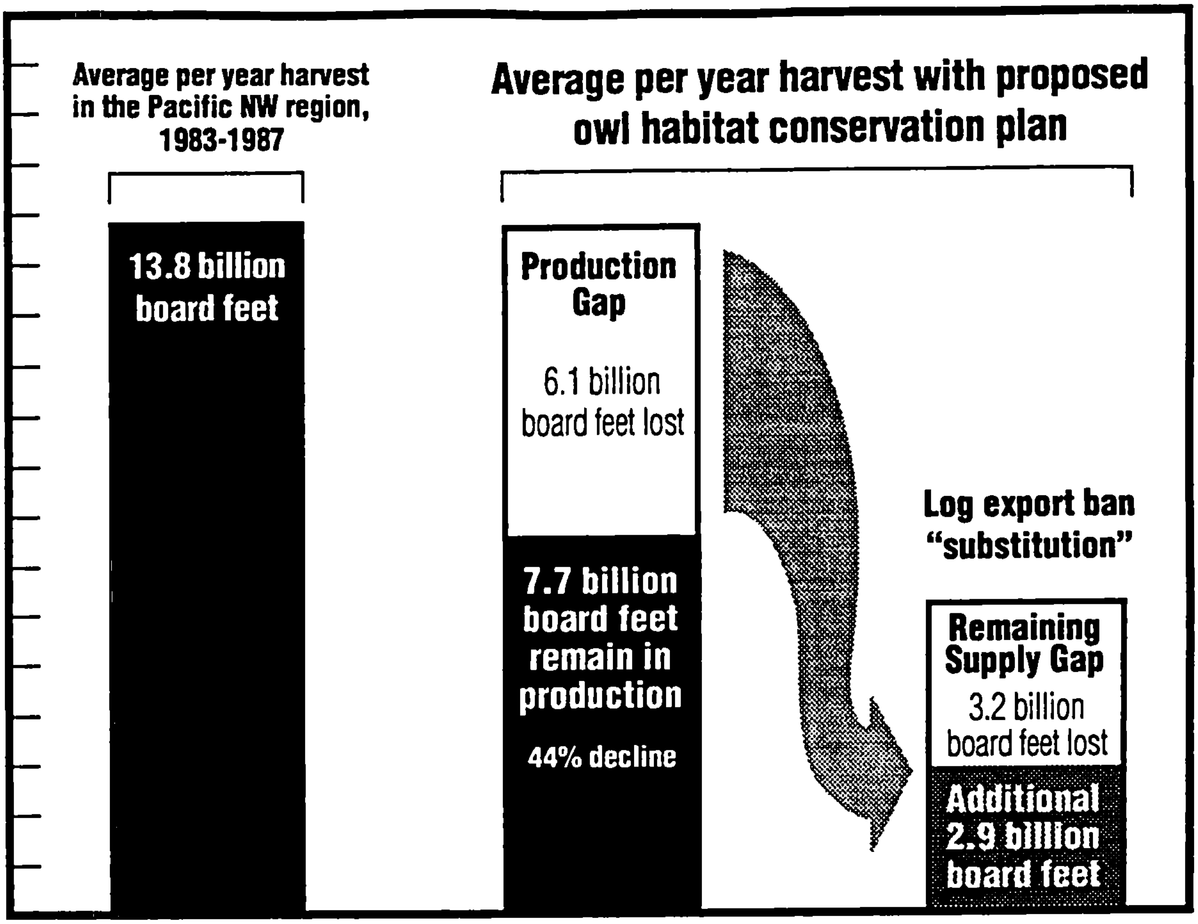
We strongly support increased domestic manufacturing of value added wood products. In that vein, we urge the Clinton administration to implement trade policies that promote domestic manufacturing instead of policies that encourage the export of valuable natural resources. These policies should include limits and phase-downs of log exports as well as the removal of tax incentives that encourage exports. Forest products unions strongly support a proposal developed by Congressman Peter DeFazio (D-OR) that would provide tax incentives for domestic processing of raw logs.

While raw timber directed from export into domestic mills could result in more domestic employment, the redirection will not solve the severe problems caused by a shrinking landbase for timber harvests. Annual timber harvest in the Pacific Northwest between 1983 and 1987 averaged 13.8 billion board feet. If extreme harvest restriction plans to protect the spotted owl were implemented, annual harvest would drop to approximately 7.7 billion board feet -- a volume decline of more than 44% percent. Even if log exports could be substituted directly for the supply gap, they would only amount to 2.9 billion of the 6.1 billion board feet lost to harvest restrictions.

Despite arguments to the contrary, rising unemployment in timber-dependent communities cannot be blamed completely on log exports. Studies show that extreme harvest and sales restrictions are a greater cause of unemployment in timber-related industries than log exports.

According to Northwest Economic Associates, a private economic research firm, 4.5 jobs are lost for every one million board feet of timber not harvested due to current restrictions on harvests and sales to save the northern spotted owl. If claims that banning log exports would alone stop unemployment in timber-dependent communities were true, job losses from log exports would have to be more than 4.5 jobs for every million board feet exported. Northwest Economic Associates estimates, however, that only 2.7 jobs per one million board feet are lost to log exports.

A Log Export Ban and Domestic Supply Production



Source: United Brotherhood of Carpenters and Joiners of America, (AFL-CIO)

CHRONOLOGY OF A DEEPENING CRISIS:
1989 - 1992

September 1989
Congress approves the Hatfield-Adams amendment to the Interior Appropriations Bill (Section 318) that provides for a 3.85 billion board foot harvest in the Pacific Northwest and declares the measure meets relevant environmental statutes.

April 1990
Jack Ward Thomas Report issued calling for the set-aside of 8.4 million acres (Washington, Oregon and Northern California) to protect the northern spotted owl. The report does not consider economics or sociology.

July 1990
The northern spotted owl is listed as threatened by the U.S. Fish and Wildlife Service. Economical or sociological considerations are precluded from consideration in the listing process by the Endangered Species Act.

September 1990
The Ninth Circuit Court of Appeals overturns the judicial review section of Section 318, paving the way for lawsuits against federal timber sales. The case is on appeal before the U.S. Supreme Court.

October 1990
Congress rejects the effort to cut $100 million out of the U.S. Forest Service road-building budget, and it defeats an amendment calling for the convening of a cabinet-level committee to weigh economic considerations resulting from the listing of the owl.

February 1991
U.S. District Court Judge Thomas Zilly orders the Fish and Wildlife Service to designate critical habitat for the northern spotted owl.

May 1991
The U.S. Fish and Wildlife Service proposes 11.6 million acres of Washington, Oregon and Northern California forestland as critical habitat for the northern spotted owl. The agency fails to adequately consider economic or sociological consequences.

May 1991
U.S. District Court Judge William Dwyer enjoins 80 percent of the U.S. Forest Service's timber sale program.

July 1991
Four federal scientists ("Gang of Four") provide 34 recommendations to three congressional committees, the majority calling for the setting aside of millions of acres to protect the northern spotted owl. No consideration of economic and sociological consequences.

August 1991
The U.S. Fish and Wildlife Service revises its proposed designation of critical habitat for the northern spotted owl, calling for 8.2 million acres to meet the owl's needs. A cursory economic analysis places the potential job loss figure at 2,400 as a result of designating the equivalent of Massachusetts, Connecticut and Rhode Island combined for the nocturnal creature.

January 1992
"God Squad" proceedings begin to determine the fate of 44 Bureau of Land Management timber sales in southern Oregon. The U.S. Fish and Wildlife Service earlier issued jeopardy opinions against the sales even though no owls exist on the 4,600 acres in question. The God Squad is a cabinet-level committee charged with balancing economic and environmental considerations.

January 1992
The U.S. Fish and Wildlife Service issues its final designations of critical habitat, identifying 6.9 million acres in California, Oregon and Washington. The acreage is greater than either the State of Massachusetts or Maryland. The agency places the associated job losses at 33,000.

February 1992
U.S. District Court Judge Helen Frye issues a temporary injunction against the Bureau of Land Management's timber sale program, further exacerbating the timber availability crisis and increasing wood prices.

March 1992
The United States Supreme Court unanimously upholds Section 318 of the 1989 Interior Appropriations bill, permitting Congress to establish reasonable judicial restraints on special interest litigators. The ruling overturns the 1990 Ninth Circuit Court of Appeals judgment on the same issue.

May 1992
God Squad exempts 13 Southern Oregon BLM timber sales from the provisions of the Endangered Species Act. The Interior Department releases the 5.4 million-acre draft recovery plan potentially costing 32,100 jobs, and the 2.8 million-acre owl preservation plan jeopardizing 14,990 positions.

May 1992
Judge William Dwyer rules against the adequacy of the Jack Ward Thomas report as the Forest Service's environmental impact statement. The judge issues a preliminary injunction and orders a June 22 hearing on a proposed remedy.

June 1992
Judge Helen Frye issues an injunction against the Bureau of Land Management timber sale program ordering the preparation of an environmental impact study on the northern spotted owl.

July 1992
Judge Willim Dwyer issues a permanent injunction against approximately 80 percent of the U.S. Forest Service timber sale program in California, Oregon and Washington. The Forest Service is ordered to update its environmental impact study to consider the impacts of 13 God Squad-approved timber sales (all enjoined), and the needs of 32 old-growth species (none listed as endangered or threatened).

July 1992
The Western Council of Industrial Workers, the United Brotherhood of Carpenters and Joiners of America and the International Woodworkers of America, U.S. propose the convening of a 1993 timber summit to Arkansas Presidential Candidate Governor Bill Clinton.

August 1992
Governor Bill Clinton pledges in a letter to union leaders that, if elected president, he would convene a timber summit to solve the ongoing timber availability crisis.

September 1992
Clinton proposes a "no net job loss" policy on the timber issue during a trip to Oregon, while President Bush calls for economic considerations to be added to the Endangered Species Act.

March 1993
President Clinton pledges to convene a forest summit April 2, 1993 in Portland, Oregon.

A Lighter Shade of Green

Clinton's healing tone at the forest parley

LARRY DOWNING—NEWSWEEI

'I cannot repeal the laws of change': *Conferring with Gore at the Portland conferenc*

Bill Clinton and Al Gore spent plenty of time during the 1992 campaign talking about the need to avoid what they called "false choices" between saving jobs and protecting the environment. But the choices, as they saw at last week's forest conference in Portland, Ore., are all too real. At issue was the fate of a single threatened bird, the northern spotted owl, and 8.3 million acres of forest that federal experts say is the owl's last habitat. At issue on the other side, in a five-year legal and political controversy that seems to have no solution, was the future of an industry that is fabled throughout the Northwest. "I'm here today because I'm scared," said Buzz Eades, a sixth-generation logger. "I represent thousands and thousands of timber workers just like me . . . modern Paul Bunyans who are hiding in their cars while their wife buys groceries with food stamps." "We have cut our way from the Atlantic to the Pacific," said Bill Arthur of the Sierra Club's Seattle office. "The timber frontier is over."

Trapped between these diametrically opposing forces, Clinton did his best to project hope for a mutually acceptable compromise. "How hard would it be to get everyone to agree how much [forest] to put aside?" he asked one discussion group in Portland. "Very hard," a participant answered. At another point, Clinton predicted that the outcome "won't make anyone completely happy." "I cannot repeal the laws of change," he said. "We'll do what we can. [But] I don't pretend any of this is easy." In fact, the timber industry's economic problems go far beyond the spotted owl—and, in fact, the Endangered Species Act gives Clinton and Congress precious little leeway to protect endangered jobs. But the daylong conference was never intended to produce a settlement: it was a peace parley whose main goal was to ventilate the issues and educate the public. In the end, Clinton ordered his cabinet to bring him a plan to end the stalemate within 60 days. It wasn't action, but it created a mood of reasonableness. "We thought we lost the election," said Luke Popovich, a timber-industry lobbyist. "But he doesn't think we're a bunch of greedy animals. He really wants to solve the problem."

Environmentalists, who in recent years have all but shut down logging on federa lands through lawsuits and administrative appeals, seemed less satisfied. They argue that 90 percent of all "old growth" forests have already been cut, and they see no good reason to cede any part of the remaining 10 percent. Although environmental groups worked hard to elect the Clinton-Gore ticket, some activists fear that Clinton's penchant for consensus will lead to further harm. "If they want to cut the baby in half the answer is no," said Andy Kerr, conservation director of the Oregon Natural Resources Council. Kerr, whose take-no-prisoners rhetoric almost got him excluded from the conference, seemed to reflect the doubts about the administration. "I'm going to remain optimistic for now," he said. But, he added, "how green this administration is is still to be determined."

One reason for their caution was the news from Washington last week. In a decision with big implications for the West, Clinton temporarily dropped his proposal to impose new fees for mineral and grazing rights on federally owned lands. This proposal had been contained in the administration's economic plan, which now faces tough going in the Senate; Clinton needs the support of Westerners like Sen. Max Baucus of Montana and Rep. Tom Foley of Washington, the speaker of the House. White House officials said the reversal was only tactical and

FRITZ HOFFMANN—JB PICTURES

On the vanishing frontier: *Logger*

National lands that are home to the spotted owl

UNDER DISPUTE

Bureau of Land Management Areas

1 Mt. Baker	10 Deschutes
2 Okanogan	11 Umpqua
3 Olympic	12 Winema
4 Wenatchee	13 Siskiyou
5 Snoqualmie	14 Rogue River
6 Gifford Pinchot	15 Klamath
7 Mt. Hood	16 Six Rivers
8 Siuslaw	17 Shasta
9 Willamette	18 Trinity
	19 Mendocino

that the proposal would be presented to Congress separately at a later date. But that will probably make it more vulnerable to attack by ranchers and mining companies, and some in the environmental movement sensed strategic damage in the administration's "tactical" retreat. Tim Hermach of the Native Forest Council complained of Clinton's pattern of "boldly advancing on issues, only to turn tail and run every time he gets pressure from Congress and the special-interest groups."

Still, most participants in the conference seemed to feel that it had done much to heal the bitterness that has marked the Northwest timber controversy. Loggers and their supporters, gathering for a "Family Forest Summit," did their best to stifle the "fry-the-spotted-owl" jokes that have antagonized the greens, and one millworker, Mike Oswald, said, "There's no reason to be angry—let's be polite." Eco-radicals like Earth First! marched in downtown Portland, and some 50,000 attended a rock festival that starred Neil Young, Kenny Loggins and Carole King. "I am tremendously cheered and encouraged, and I didn't expect to be," said Karin Sheldon of the Wilderness Society. "We are beginning finally to look at solutions." Russell Dondero, a political scientist at Pacific University, thought "people are so fascinated with the idea of being included that they're mesmerized," which was another way of saying that Clinton's brand of touchy-feely politics was working once again. The question now is what happens when the mood evaporates—and whether Clinton will still be seen as having done the right thing.

TOM MORGANTHAU *with* ELEANOR CLIFT *and* PATRICIA KING *in Portland and* MARY HAGER *in Washington*

Beyond Owls Versus Loggers

BY GREGG EASTERBROOK

ERIC RISBERG—AP

Forced out: *A logger and his son in Portland, Ore., last week*

It's beyond dispute that many old-growth timberlands must be exempt from logging to preserve the northern spotted owl. Beyond that, practically everything you've heard on the owl-versus-logger issue is wrong. Let's consider a few contrarian propositions about the controversy:

■ **Loggers are green, too.** If any resource is endlessly renewable, it is the tree. Ecology-oriented policy ought to encourage consumers to substitute wood for materials derived from nonrenewable ores and chemicals. Instead, per capita wood use has been declining, partly because wood prices have risen with the spread of environment-friendly logging practices, such as planting more trees than are cut. For all the recent blather about "sustainable development," anti-logging sentiment is forcing workers and customers out of one of the few industries that is in every sense sustainable.

■ **American forests are not in decline.** The tall-tree forests of the Pacific Northwest have been hurt in recent decades, though many millions of acres remain. By every other measure American forests are thriving. According to forestry expert Roger Sedjo of the nonpartisan Resources for the Future, U.S. forest cover reached its nadir about 1920. "Sometime around the early 1940s," Sedjo has written, "forest growth nationally came into balance with harvests, and since that time growth has exceeded harvest." Vermont, for example, was about 35 percent forested a century ago; today it is about 76 percent forest. Through the postwar era the forested portion of the United States has steadily risen, not gone down.

■ **Ancient forests are renewable.** Most of what environmentalists call "ancient" Northwest forests are around 200 years old. Age per se is not what makes them right for owls; it's the tallness of the trees, which comes with time. Two hundred years is a long span by human standards but the wink of an eye to nature. As long as forests are allowed to recover, they can be "ancient" again relatively quickly.

■ **Logging is good for the greenhouse effect.** If global warming is coming, government policy ought to encourage logging. Young trees withdraw carbon dioxide, the primary greenhouse gas, from the air much more rapidly than do mature trees.

Within greenhouse science there's something called the "missing carbon" problem: human activity puts about 7 billion tons of carbon into the air each year, but tests find only about half of it there. Where does the other half go? Increasingly researchers suspect it is pulled from the atmosphere by young trees growing quickly under modern forestry practices. So an environmentalist who says the greenhouse effect is an emergency and also that logging is a disaster isn't shooting straight.

■ **'Industrial' forests are very much alive.** The "second growth" forests run by big lumber companies don't have the haunting, Middle Earth esthetic quality of tall-tree forests, mainly because trees are cut before reaching full height. And industrial foresters are given to comments like, "It took us a lot of R&D to find a tree that will perform in the wild," as James Rochelle, Weyerhaeuser's manager of environmental forestry research, says.

But it's a fallacy that managed forests are dead zones. They brim with life. Climax species like spotted owls cannot thrive in second-growth forests, but browsing species such as elk love them. Some studies show that young "industrial" forests have greater biological diversity than old-growth stands.

■ **High-intensity forestry is good for owls.** An ideal solution may be to encourage more intense, managed forestry on private lands. This would protect lumber jobs and permit higher production of sustainable timber, while reducing the need to log Forest Service lands, which could then increasingly be set aside as areas for strict preservation. In this sort of compromise, high-tech forestry and pure preservation would both be boosted. They are not incompatible; they can be allies.

Cotton —

FYI. Shld I

respond? TREY

No —

SIGURD LUCASSEN
GENERAL PRESIDENT

UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA
101 CONSTITUTION AVE., N. W.
WASHINGTON, D. C. 20001

May 21, 1993

Ms. Kathleen McGinty
Office of Environmental Policy
Room 360
Old Executive Office Building
Washington, DC 20500

Dear Ms. McGinty:

I appreciate the opportunity I had to meet with your staff on May 11. I understand other pressing matters kept you busy during our visit. I hope this letter will serve to recap the points we discussed with Mr. Cottingham.

The meeting included Mr. Mark Rasmussen, a timber supply authority with Timber Data, Inc., University of Minnesota Professor Wilbur Maki and Professor Maki's Research Fellow, Douglas Olson. Our Union retained these specialists to analyze employment impacts associated with various spotted owl habitat protection plans.

Their research work revealed substantially greater employment declines than the estimates generated by the previous administration. Most of the difference is due to the fact that we used a more comprehensive accounting framework than did the previous administration.

1. Our estimates anticipate harvest reductions across all ownerships.

In its various spotted owl impact analyses, the previous administration ignored any potential impacts on private timberlands. In most of the analyses, in fact, the previous administration assumed private timberlands would offset much of the reduction in federal timber harvests.

We are not so optimistic. As part of our comments on the 1990 ISC report, the 1991 draft Critical Habitat Designation and the 1992 Draft Recovery Plan, we surveyed private timberland owners in Washington, Oregon and California about the impacts on private timber harvest if the various proposals were applied to private as well as federal lands. The surveys indicated private timber harvests during the next decade would drop by 25-30% from planned harvest levels if private lands were subject to the same spotted owl restrictions as federal lands. Harvests on State lands would drop about 25% as well.

Our projections of private land impacts have not been without controversy. We believe, however, that much of the controversy has its roots in the interagency confusion typical of the previous administration:

- The 1990 ISC report contained a few vague references to the contributions expected from private lands. The ISC report, however, did not specifically exempt private lands from the proposal.

- Soon after the ISC report was released, the U.S. Fish and Wildlife Service (USF&WS) adopted, and continues to enforce, owl guidelines that restrict private timber harvest within "owl circles." The USF&WS 1991 Draft Critical Habitat Designation, furthermore, included more than 3 million acres of private land in the Critical Habitat Areas.

- The 1992 Draft Recovery Plan tried to sidestep the issue. It contained a great deal of discussion about the habitat protection contributions expected of private landowners. It lacked, however, any specific discussion about what constraints would face private landowners.

- The federal biologists have left the task of estimating timber and employment impacts to the U.S. Forest Service (USFS) and Bureau of Land Management (BLM). These agencies developed detailed analyses of impacts on federal lands, but ignored impacts on state and private land. The USFS and BLM analyses not only assume there will be no owl-related restriction of private harvest, but that private harvest will substantially increase and offset federal timber harvest reductions.

I hope the Conference Strategy will treat private lands in a more coordinated fashion. In our opinion, the Conference Strategy should: (a) clearly identify whether and how State and private land will be regulated for spotted owl habitat protection; and (b) recognize that even if the federal government drops any requirements regarding State and private harvest, these lands will still be subject to existing State regulation. Even in our most optimistic scenario, we do not believe that the States would be able to back away from existing State regulations governing harvest in spotted owl habitat.

2. <u>Our impact estimates are based on historic harvest levels.</u>

The attached table shows our estimate of timber harvest impacts for the 1992 Draft Recovery Plan. Note that we have compared harvests under the draft plan to two different baselines: (a) the 1983-90 historic harvest levels; and (b) harvests anticipated under the new forest plans ("Planned ASQ" on the table).

To date, the federal impact analyses have focused entirely on changes from the new forest plans. We believe that this is a proper benchmark for policy discussions regarding the marginal impact of the various spotted owl proposals. Note however, that due to the new federal forest plans, the new state land management plans and the reductions anticipated in private harvests, we were already facing a 9% reduction in the region's timber supply before the spotted owl was listed. While these reductions were planned prior to the listing, harvests had not yet fallen to these lower levels.

To understand the impact of the Conference Strategy from the standpoint of those administering local governments, job retraining programs, social services, etc., you must look at the aggregate change from recent harvests. It is impossible to identify which jobs are lost because of decisions made in the federal forest plans, which jobs lost to new decisions made to protect owl habitat, which jobs lost due to changes in State harvest plans, and so forth. If you want to know how many people will be looking for work, you must use the historic harvest levels rather than the planned levels.

Note that we initially choose the 1983-87 harvest as a historic baseline simply because it matched the baseline used in the most recent Oregon timber supply study. Coincidentally, the 1983-87 average harvest closely matches the 1989-90 average.

3. <u>We have resolved most of our difference in terms of jobs per million board feet.</u>

In the earliest impact analyses, our estimates of the number of jobs associated with any given harvest level were somewhat higher than the USFS estimates. After a number of discussions with the agency and following a peer review by Dr. Benjamin Stevens, the USFS has revised its multipliers to the point where only minor differences remain.

The most important difference outstanding is that our employment impacts include an estimate of the jobs affected in the metropolitan areas. Since most of the timber industry is located in rural areas, the industry looks to the metropolitan areas to provide banking services, consulting services, legal services, equipment supply services, etc. Our employment impacts include these indirect impacts -- The USFS and BLM estimates do not. The Ecosystem Team should find that adding the rural to metropolitan linkage is relatively straightforward.

I hope you will give serious consideration to adopting the more comprehensive impact accounting framework that we have used in our studies. I believe it will provide a more accurate, honest and useful picture of the impacts of the Conference Strategy.

We certainly hope the economic and employment impacts associated with the options prepared by the Ecosystem Team will not be underestimated. If it would be helpful, we offer the availability of Messrs. Rasmussen, Maki and Olson to conduct an impact analysis of the Ecosystem Team's options when they are available. This may help to minimize disagreement concerning impacts of the option that is ultimately selected.

Thanks again for making Mr. Cottingham's time available. As always, please call if you have any questions or if there is anything we can do to help.

Sincerely,

Denny Scott

Denny Scott

Table 1

Summary of harvest impacts by owner class

Federal Lands: Agency estimates under USF&WS Draft Recovery Plan

States: Estimates under first Critical Habitat Proposal

Private Lands: OR and WA based on Survey, CA based on ISC estimates

(MMbf Sawtimber, long log scale)

State / Ownership	Average Harvest 1983-87	Projected harvest for 1991-2000: Before Listing: Planned ASQ	Before Listing: % Chng from Harvest	USF&WS Draft Recovery Plan: MMbf	USF&WS Draft Recovery Plan: % Change from Harvest	USF&WS Draft Recovery Plan: % Change from Planned ASQ
WASHINGTON OWL REGION						
Federal	942	738	-22%	297	-68%	-60%
Other Public	961	933	-3%	733	-24%	-21%
Private	3,611	3,400	-6%	3,054	-15%	-10%
Total	5,514	5,071	-8%	4,084	-26%	-19%
OREGON OWL REGION						
Federal	3,050	2,633	-14%	1,374	-55%	-48%
Other Public	307	271	-12%	214	-31%	-21%
Private	3,084	2,950	-4%	2,227	-28%	-25%
Total	6,442	5,854	-9%	3,814	-41%	-35%
CALIFORNIA OWL REGION						
Federal	1,038	1,021	-2%	785	-24%	-23%
Other Public	57	33	-42%	5	-91%	-85%
Private	1,692	1,370	-19%	457	-73%	-67%
Total	2,787	2,424	-13%	1,247	-55%	-49%
THREE STATE OWL REGION						
Federal	5,030	4,392	-13%	2,455	-51%	-44%
Other Public	1,326	1,237	-7%	952	-28%	-23%
Private	8,387	7,720	-8%	5,738	-32%	-26%
Total	14,743	13,349	-9%	9,145	-38%	-31%

Note: Federal includes Forest Service and BLM

Source: Adapted from Rasmussen (1992)