



ECONOMIC IMPACTS FROM THE MALHEUR 10-YEAR STEWARDSHIP CONTRACT

EVALUATING YEAR ONE

FACT SHEET 5 • WINTER 2015

In September of 2013, the US Forest Service awarded a 10-year stewardship contract intended to promote ecological restoration, wildfire risk reduction, and economic vitality in Grant and Harney counties. This contract has received significant attention because of its duration and the local benefits it is expected to provide. It is also one of the first projects implemented as part of the Forest Service’s Eastside Restoration Strategy. We found that the first year of the contract resulted in \$2.16 million in economic activity, supported 101 private sector jobs, and provided new optimism for local businesses in Grant County.

APPROACH

We assessed the economic and social impacts of the stewardship contract to evaluate how effective this approach is for achieving the intended economic goals. We completed economic modeling and business interviews to report on the outcomes from year one of the first task order.

IMPACTS OF THE FIRST YEAR OF THE 10-YEAR MALHEUR STEWARDSHIP CONTRACT

The Malheur 10-year Stewardship Contract was developed in collaboration with Blue Mountains Forest Partners and the Harney County Restoration Collaborative. It was awarded to Iron Triangle, LLC, a John Day based contractor, in September 2013. In the first year of the stewardship contract, the value of the products removed and services performed was \$2.16 million. Work to complete year 1 activities supported 101 private sector jobs (Figure 1). Forty-three of those jobs were in project implementation entailing harvesting and forest and watershed restoration activities. Another 15 jobs were associated with processing ponderosa pine sawtimber in the local Grant County mill. Effects extended to the broader Grant County economy as another 43 jobs were supported in business sales of supplies and services to restoration contractors and the mill, as well as in general economic sectors. Employees added by the US Forest Service as part of the project are in addition to the 101 private sector jobs we report on here.

A total of 15.5 million board feet (mmbf) of timber was harvested in year 1; the majority was ponderosa pine. Ponderosa pine sawlogs 9” or larger were processed locally

Malheur 10-Year Stewardship Contract

- Incorporates forest and watershed treatments and timber harvests
- Focuses on local benefits in Grant and Harney counties

Economic impacts from Year 1

- 101 private sector jobs supported
- \$2.16 million in economic activity generated
- 15.5 million board feet of timber harvested
- \$1.5 million invested in forest and watershed treatments

Impacts throughout eastern Oregon

- A little more than half of harvested timber was processed in Grant County
- Mills in Umatilla and Union counties also received harvested wood
- 12 businesses in eastern Oregon subcontracted for thinning, piling, logging, and trucking

(8.0 mmbf). Other tree species and smaller and non-sawtimber ponderosa pine were trucked to other mills in eastern Oregon (7.5 mmbf). Because more non-sawtimber material was generated in year 1 than anticipated, more timber was processed outside Grant County than was expected.



UNIVERSITY OF OREGON



Iron Triangle subcontracted with 13 other businesses for thinning, piling, logging, and trucking in the first year of work. Most of these contractors were from the local area, although a few operators were from other eastern Oregon counties; one was from Idaho. Businesses completing the restoration work indicated the contract increased their sustainability and improved their business outlook. The presence of the stewardship contract yielded cautious optimism about improved economic conditions ahead among the Grant County business community. Interviewees in John Day noted an increase in “help wanted” signs and activity in downtown John Day, and suggested that more people in the community were spending money.

BACKGROUND ON STEWARDSHIP AUTHORITIES

Stewardship authorities enable federal land management agencies to restore public lands and provide local community benefits through partnerships with local businesses. Projects differ from traditional approaches by allowing contracts and agreements to be awarded with consideration of the “local benefit” to public lands and local communities. Stewardship projects also provide the ability to bundle multiple activities into one project, trade goods for services, and retain receipts from timber sales to be reinvested into other restoration projects. This can allow for restoration work that might not otherwise happen due to lack of funds. Stewardship contracts and agreements can be issued for up to 10 years.

The ability to consider local benefit allows stewardship authorities projects to include considerations such as local economic impacts and contribution to a comprehensive ecosystem restoration program. Stewardship authorities have been used to achieve a variety of objectives including mitigating hazardous fuels, watershed restoration, and road improvements. Local jobs are supported from stewardship authorities through harvesting activities and forest and watershed treatments.



LEARN MORE

To read the socioeconomic monitoring plan for the US Forest Service’s eastside restoration efforts, go to: ewp.uoregon.edu/sites/ewp.uoregon.edu/files/WP_52.pdf

Contact: ewp@uoregon.edu

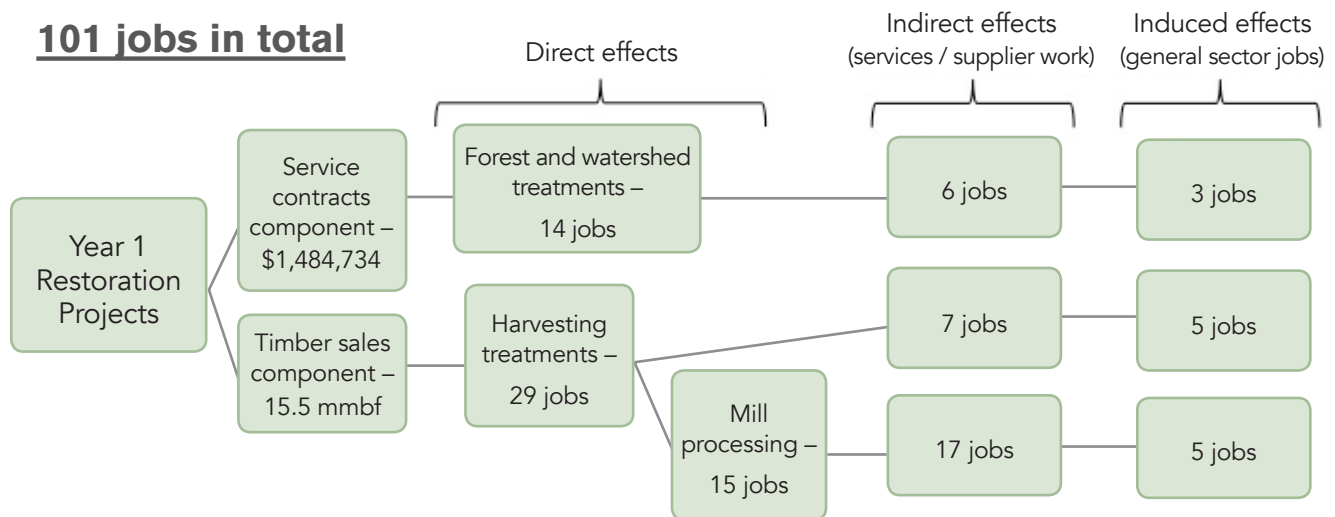


Figure 1 Private sector job flows in Grant County from the Malheur Stewardship Contract.

(Jobs are reported as a year’s worth of employment and are limited to businesses located in Grant County. Figure does not include US Forest Service jobs, which are in addition)