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BRIEFING PAPER

Implementing the Economic Stimulus on National Forests: Using Hazardous Fuels Reduction to Create Local Jobs

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How can hazardous fuels reduction on national forests best contribute to local job creation? Many rural counties where national forests are located have higher unemployment rates than the nation as a whole. Hazardous fuels reduction funded through the economic stimulus package can help alleviate unemployment while reducing the risk of uncharacteristic fire and the cost of suppression. Previous research suggests, however, that the economic benefits of forest restoration often do not reach rural communities near national forests.¹ Thus, success will require the Forest Service to focus attention on strategies that are most likely to create economic opportunity in these communities. This briefing paper draws on research findings to offer insights about how the Forest Service might maximize the economic stimulus effects of hazardous fuels reduction funds.

Approach

The Forest Service's Pacific Northwest Research Station and the University of Oregon's Ecosystem Workforce Program undertook a study to understand how hazardous fuels reduction on national forests could best contribute to rural community development. We collected data using three methods: (1) interviews with 95 Forest Service employees and community members near four national forests in Oregon, Washington, and California; (2) a Web-based survey of 110 national forest personnel from Regions 1-6; and (3) an analysis of National Fire Plan Operations and Reporting System (NFORS) data for 109 national forests in Regions 1-9 from fiscal years 2003-2007.

Key Findings

The ability of hazardous fuels reduction to contribute to local job creation depends upon the types of fuels treatments conducted and the work mechanisms that are used to implement them (e.g., service contract, timber sale, inmate crew, stewardship contract). Our findings suggest that:

- Mechanical and manual treatments are more likely than treatments that use fire to create economic opportunities outside of the agency;
- Stewardship contracting is the work mechanism that creates the most local economic benefit; and

- Agreements with local organizations, and service contracts structured around local business capacity can create local economic benefit.

Treatments

Mechanical treatments provide greater and more diverse local employment opportunities than treatments that just use fire (figures 1 and 2). Treatments involving burning – such as prescribed fire or pile burning – are unlikely to help create jobs outside the agency because agency personnel typically conduct burns. Between FY 2003 and 2007, 92% of the acres treated using fire were treated by Forest Service crews. National forests do hire many of their seasonal fire/fuels reduction crews locally, however.ⁱⁱ Fuels treatments that rely on fire also do not lead to biomass or other wood product utilization opportunities in local communities, further limiting local economic benefit.

The use of fire to reduce hazardous fuels varies by region. From 2003 to 2007, 86% of the acres treated in Region 8 (where nearly half of all acres treated nationwide were located) were treated using fire, whereas in Regions 1-6, 52% of the acres were treated using fire. Our survey results indicate that national forests do not implement mechanical and manual treatments more often because of the



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high cost of these treatments relative to burning, opposition from environmental groups, and the absence of local business capacity to conduct the work and utilize the material that would be removed.

Work Mechanisms

Our research suggests that stewardship contracts are more likely than other work mechanisms to increase the total economic effect of federal funds invested because they combine the treatment of material having economic value with treatments that do not. In addition, stewardship contracts increase the likelihood that rural communities near public lands will benefit from that economic opportunity because of the structure of the contracts, provisions that include local benefit in the evaluation of bid proposals, and collaborative project development. NFPORS data indicates, however, that stewardship contracts are not widely used for fuels reduction, accounting for only one percent of the acres treated nationwide from FY 2003 through 2007. According to our interviews, they are most likely to be beneficial on national forests where there is a mixture of commercially-valuable trees and material with low value that needs be treated, and where there are nearby mills. Interviewees and survey results suggest that stewardship contracting can lower the costs of mechanical treatments considerably.

Using agreements with external organizations can be a cost-effective way of accomplishing work. For

example, fuels reduction agreements with local non-profits can create local jobs through direct hiring and contracting. However, agreements designed to access inmate labor provide little or no economic opportunity in local communities, and are therefore inappropriate for implementing fuels reduction projects that aim to stimulate the economy. Service contracts can also provide local economic benefit, but large contracts for manual fuels reduction treatments are frequently awarded to distant contractors.ⁱⁱ

Conclusion

The ways in which the Forest Service uses its economic stimulus funds for hazardous fuels reduction will affect the extent to which these funds stimulate local economic opportunity in communities with high unemployment. Investing in mechanical or manual treatments is likely to result in the most job creation outside the agency. Doing so does not imply negative environmental tradeoffs; there is a growing consensus in the literature and among the specialists we interviewed that thinning followed by burning or other mechanical treatments is the best way to reduce hazardous fuels in many fire-prone landscapes. Stewardship contracting, where appropriate, will further optimize local community benefit. Agreements and service contracts that are structured to fit local organizational and business capacity can also create economic benefit in rural communities near public lands.

Figure 1. Work Mechanisms Used for Treatments Using Fire (R 1-9, NFPORS, 2003-2007)

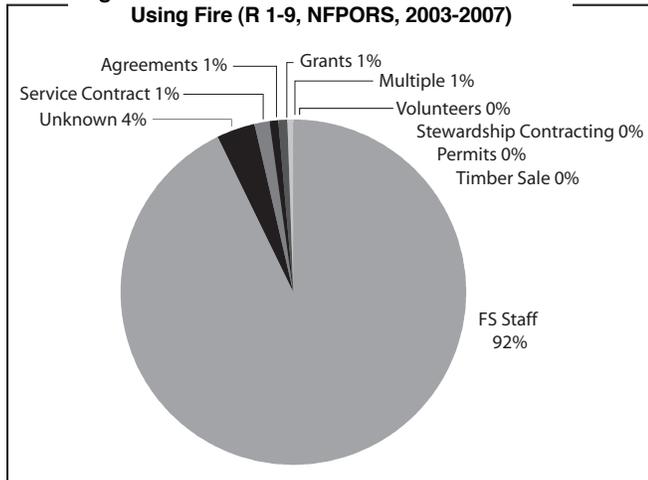
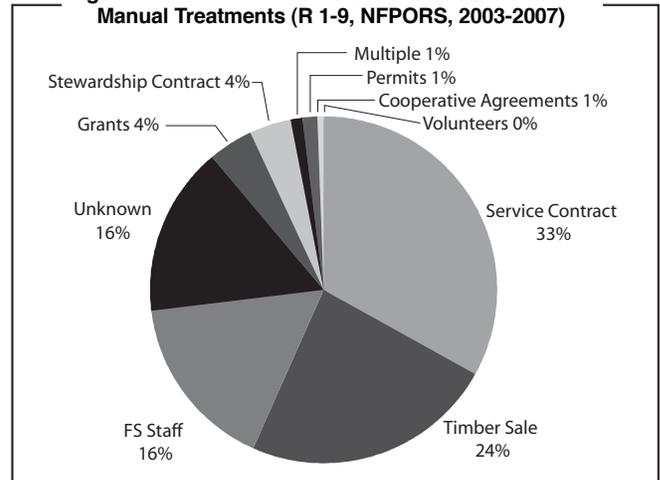


Figure 2. Work Mechanisms Used for Mechanical and Manual Treatments (R 1-9, NFPORS, 2003-2007)



ⁱ Cassandra Moseley and Stacey Shankle, "Who Gets the Work? National Forest Contracting in the Pacific Northwest", *Journal of Forestry*, 99(9):32-37, 2001.

ⁱⁱ Cassandra Moseley, Nancy Toth, and Abe Cambier, Business and Employment Impact of the National Fire Plan in Oregon and Washington in 2001, EWP Working Paper #6, 2002. Located at: <http://ewp.uoregon.edu/pdfs/wp6.pdf>

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