

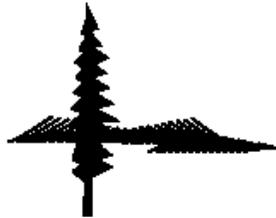
ECOSYSTEM WORKFORCE

BRIEFING PAPERS

**Creating Community Benefit
Community Stability Panel
Western Governor's Association
Healthy Forest Summit
Missoula, MT, June 17, 2003**

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The *Ecosystem Workforce Program Briefing Papers* series offers short papers designed to give a clear, brief, easy-to-digest introduction to key issues, innovation, lessons and findings about a variety of areas associated with the effort to build quality jobs in ecosystem management. The target audience includes policy makers, public land management agency line officers and project managers, community organization leaders, and local community officials.

This briefing paper is based on remarks given by Cassandra Moseley in the Community Stability Panel at the Western Governor's Association's, Healthy Forest Summit in Missoula, MT, June 17, 2003.

ECOSYSTEM WORKFORCE PROGRAM

BUILDING A SUSTAINABLE, HIGH-SKILL/HIGH-WAGE ECOSYSTEM MANAGEMENT
INDUSTRY

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For the Ecosystem Workforce Program and many of our community partners, promoting rural community well-being and restoring public forests are intimately interconnected. Forest restoration requires a skilled workforce—people and businesses who have the skill and knowledge to perform quality restoration. And, forest restoration, including fire hazard reduction, has the potential to create economic opportunity for a wide variety of small businesses and workers in the American West. But, as we think about creating economic opportunity for rural communities, it is not enough to simply provide more jobs. We need to be creating quality jobs. Replacing mill and other natural resource employment with unstable, minimum wage jobs will not create the healthy rural economies that we all seek. So, the EWP talks not about jobs, but about quality jobs. We consider a quality job to be one that

- Pays high wages and offers benefits
- Occurs in a safe and healthy work place
- Is durable
- Has opportunities for advancement, a future
- Creates the opportunity to work near where you live.

To focus on the challenges and opportunities for using forest restoration to create community well being, I would like to make some comments based on the lessons we learned from a monitoring project of National Fire Plan procurement and hiring in Oregon and Washington. This project was funded in large part by the Forest Service using money from the National Fire Plan.

My message is basically that there are some positives trends, such the opportunities created by direct hiring and the Forest Service's use of the local benefit criteria in its best value contracting in the Pacific Northwest. We can strengthen these successes further by focusing attention on how we structure contracts and by providing funding to community organizations to help build contractor and worker capacity. But there are also several worrisome trends as well--especially the competitive sourcing initiative and the use of increasingly large, multi-state or multi-forest contracts.

In this monitoring project, we examined non-suppression procurement contracting and fire hiring in Oregon and Washington during FY 2001. If you are interested in the details of how we performed the study, please see our web page at <http://ewp.uoregon.edu>, where the report *Business & Employment Effects of the National Fire Plan* is posted.

The federal land management agencies have two fundamental ways that it can get work done on the ground. They can either hire staff directly, who can implement the work, or they can use an external workforce by hiring a contractor, who in turn hires workers. I want to talk about first about procurement contracting and then hiring.

Procurement

Basically, in the procurement portion of the our monitoring project we were interested in the Forest Service and Department of Interior's use of the authority that explicitly allows these agencies to consider rural community benefit when awarding fire hazard reduction contracts.

Congress gave them this authority to try to create rural community benefit while undertaking fire hazard reduction work. We wanted to understand if this authority had led to contractors in communities near national forests to capture more of the National Fire Plan work, as compared to regularly funded contracting.

The traditional contracting market in Oregon and Washington includes larger firms located along the Interstate-5 corridor in western Oregon that work across Oregon, Washington, Northern California and elsewhere, particularly performing labor-intensive work such as thinning, brush piling, and prescribed burning. In addition, there are smaller businesses that tend to work close to home, often performing equipment-intensive work such as road maintenance and decommissioning.

When we compared fire plan and non-fire plan contracting, we found that this same general pattern still held. However, for the Forest Service, we also found that fire plan contracts were awarded to contractors somewhat closer to the national forests where the work occurred that was the case for regularly funded projects. The results for the BLM were mixed. To us, this suggested that the local benefit authority, in the Pacific Northwest, was having some of the desired affect. However, when we looked at two isolated rural communities case studies, we found that contractors in these communities were did not capture any more Fire Plan contract dollars than they did non-Fire Plan contracts. While, overall, there was some increased local capture of fire plan contracts as our regional analysis suggested, we did not see much improvement in at least two isolated counties.

These mixed findings suggest several recommendations. We would like the WGA to:

- First: Support the increased federal use of *best value* contracting that rewards high quality work and the use of a skilled workforce, and builds local contracting and worker capacity.

Although the FS and the BLM use “best value” contracts almost exclusively, these contracts are often structured so that price is the most important evaluation factor. When price the most important factor, skill, past performance, and benefit to rural communities play little role in the choice of contractors.

In addition to promoting best value contracting, we would like to encourage the WGA to:

- Support the decentralization of federal contracting and the use of smaller contracts issued closer to the ground and oppose the exclusive use of large scale, multi-state contracts.

If we are to create contracts that meet the increasingly complex needs of the land and the people who depend on it, we need collaborative processes that include all of the key stakeholders, including contracting officers, involved early in the process. Stewardship contracts, in particular, require intensive upfront contracting officer involvement. Contracting officers need to be at the table along with everyone else. Its hard to see how they will participate in collaboration when the stewardship project is in New Mexico and they are in Denver or Boise; or even when the project is near Medford, and they are in Portland.

Moreover, the trend of centralizing contracting and the use of larger contracts favors larger, more urban-based contractors. Some percentage of contracts need to be structured to ensure that rural firms can access the work. Long skinny contracts that require five crewmembers working for several months are more likely to be accessible to smaller rural contractors than short fat contracts that require 20 workers working for a only few weeks.

Finally, in order to further build contractor and rural worker capacity to perform forest and watershed restoration, community-based organizations need funding to create and implement quality jobs programs. To that end, we recommend that the WGA:

- Support federal funding for the Rural Community Assistance/Economic Action Program to help rural communities and contractors develop the capacity to effectively participate in the contract market and respond to new kinds of contracting opportunities.

Maintaining the Rural Community Assistance and Economic Action Programs is vital to the success of collaborative, community-based forestry.

Hiring

Let me now turn to the second component of our monitoring project: federal hiring using NFP funds. In addition to the procurement monitoring, we also looked at the Forest Service and Fish and Wildlife Service hiring that occurred as a result of the National Fire Plan in 2001 in Oregon and Washington. Primarily, these were fire suppression jobs, and many of them were temporary. However, we learned several interesting things. First, many of the people who were hired already lived close to the national forests that hired them. For example, in the Eastern Cascades, 53% of those hired already lived within 50 air miles of the national forest that hired them and over 75% lived with in 125 air miles. Moreover, these jobs generally paid at or above the local median wage, especially in the poorest communities. And, almost exclusively, these jobs paid above the federal minimum wage for contract fire crews. This suggests that these employment opportunities are providing quality jobs for rural residents, especially those located in isolated rural communities. This is particularly true when compared to contract fire jobs. Moreover, government jobs are much more likely than contract jobs to provide healthcare benefits and potentially retirement benefits, which are unheard of for contract forest workers.

To create and maintain rural community benefit, we would like to see the federal government reduce its emphasis replacing government workers with contract workers and focus more attention on direct hiring of people who would live in rural communities, spending their wages in the local stores, and use their medical benefits to support the local doctors and hospitals. To that end, we have two additional recommendations for the WGA. One is that we recommend that the WGA:

- Oppose Competitive Sourcing and other efforts to rapidly increase contracting without analysis of their impacts on the environment, collaboration, rural communities, and health care and social service delivery systems.

Although the White House is pushing competitive sourcing extremely hard, there is little doubt that it will have negative impacts on rural communities. It will remove the best paid, most stable employees from the communities. Even if you support the notion of privatization on principle, you would still want to know, as a governor or legislator, what the impact were likely to be on your already-strained social service delivery and health care systems. At a minimum, it will increase the number of uninsured people living in rural communities and we know that many communities are already at risk of losing their hospitals and other medical facilities because of Medicare does not pay full costs and they depend on insurance to keep their doors open.

Finally, if we *are* going to see an increase in the contracted workforce, we need to see an increase the enforcement of relevant labor laws. To that end, we would recommend that the Western governors,

- Increase enforcement of labor laws in their states to ensure that workers have a safe workplace and are treated fairly, and that contractors face a level playing field.

When someone is working for the federal government, we can be fairly sure that they receive safety and skill training to performed their jobs. They are relatively unlikely to unfairly paid or discriminated against.

Replacing government workers with contract workers increases worker vulnerability to unsafe and unfair labor practices. Not only do we need to assure that contract workers are afforded the same rights as government workers, we need to enforce labor laws to protect the contractors who want to do the right thing, and treat workers fairly and follow the law.

By and large, these enforcement responsibilities fall to the states because many state agencies have agreements with the federal government to enforce wage and hour laws, such as the Service Contract Act. In Oregon, it's the Bureau of Labor and Industries that is responsible for this enforcement and its seeing its budget dramatically reduced.

The recent series of newspaper articles about problems with fire suppression and thinning crews suggest that this need is all to real already.

Conclusion

Let me conclude by reiterating a couple of points. First, the local benefit criteria permitted under the national fire plan appears to be a viable approach to increasing economic opportunity for rural communities. But, it needs to be combined with efforts to scale contracts to fit rural contractor capacity and be accompanied by funds to help communities, contractors, and workers build new skills. Second, government employment provides an important stabilizing affect on rural communities by providing well-compensated, durable jobs that allow people to live and work in the same community. In many rural communities, governments agencies are the largest employers. Rapid privatization of those jobs is likely to destabilize these communities by creating less durable employment opportunities and reducing the percentage of the working population with medical benefits. Efforts to replace government jobs with a contracted workforce should proceed slowly, only after careful analysis, if at all.