

Clearwater Basin Collaborative

Selway-Middle Fork CFLRP Project

Socio-Economic Data Collection and Analysis

Technical Report Addendum for 2013

Prepared for: CLEARWATER BASIN COLLABORATIVE

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List of Acronyms

CFLRP	Collaborative Forest Landscape Restoration Program
FTE	Full Time Equivalent
R-CAT	Risk and Cost Analysis Tools Package
TREAT	Treatments for Restoration Economic Analysis Tool
ТРА	Timber Processing Area
USFS	U.S. Forest Service

Highlights of the Year

One of the primary purposes of conducting annual monitoring is to explain and highlight the qualitative data, or story, that the numbers in the Treatments for Restoration Economic Analysis Tool (TREAT) convey. This year that story is focused on indirect impacts that occur with Collaborative Forest Landscape Restoration Program (CFLRP) funding.

Changes in the region included:

- The consolidation of the Nez Perce and Clearwater National Forests was announced in February 2013.
- Per the request of the Regional Forest Service economist the County of Asotin, Washington will be included in the TREAT area of economic influence and the secondary economic impact area.
- Of the three Counties, Clearwater, Idaho, and Lewis, Clearwater experienced the largest decline in workforce from 2012 to 2013. Idaho and Lewis remained relatively constant.
- The state of Idaho and the Clearwater Basin experienced slight increases in timber harvest and wood product manufacturing during 2013.

Impacts for 2013 are included in Table 1 through Table 3. There were 14 contracts awarded by the Forest Service, with half being awarded to contractors in the primary or secondary economic impact area (also called the TREAT counties of economic influence). The majority of local contracts were for road decommissioning and other road work. Based on TREAT results the timber harvest produced 71 jobs and other project activities produced 122 jobs for the local area, for a total of 193 jobs.

	Number of Contractors	Number of Contracts	Amount of Total Funds	Amount of CFLR Funds
Non-local	6	7	\$1,052,233.26	\$701,655.78
Local	7	7	\$159,113.36	\$152,151.46
Total	13	14	\$1,211,346.62	\$853,807.24

Table 1: Contracts Awarded, 2013

Table 2: Distribution of Contracts by Job Type of Impact Area, 2013

	Primary Impact Area	Secondary Impact Area	Total Local	Non-Local
Facilities, Watershed, Roads and Trails				
Decommissioning & Other Road Work	\$100,849		\$100,849	\$38,667
Trail Maintenance	\$6,804	\$14,405	\$21,209	\$21,617
Culverts				\$99,297
Facilities		\$9,840	\$9,840	\$438,454
Slide Repairs		\$20,253	\$20,253	
Ecosystem Restoration, Hazardous Fuels, and Forest Health				\$103,620
Commercial Firewood				
Contracted Monitoring				
Total	\$107,653	\$44,498	\$152,151	\$701,656

Table 3: TREAT Results, 2013

	2013
Commercial Forest Products Activities	
Direct Jobs	33.5
Indirect and Induced Jobs	37.3
Total Commercial Forest Products Activities	70.7
Other Project Activities	
Direct Jobs	93.9
Indirect and Induced Jobs	28.2
Total Other Project Activities	122.0
Total Jobs	192.8

Other results of the year included:

- 7,424.5 CCF (hundred cubic feet) of timber was harvested in the project area, the majority of which went to lumber and paper mills, with a small portion going to post and pole manufacturing.
- Nineteen local youth were provided local employment and restoration training through youth programs provided by Agreement Partners.

The indirect benefits from the Selway-Middle Fork CFLRP are not only income jobs, but extend to sharing knowledge, training future restoration leaders, opening trails to restoration workers and recreation users. Table 4 provides insight into the differences in indirect and induced impacts based on job type. A multiplier of .5 means that for each job in that job type half of a job is created somewhere else in the local economy. Facilities processing sawmill residue have the highest multiplier creating 1.5484 indirect and induced jobs.

		2013	
	Employment(# of Part and Full-time Job		
		Indirect	
		and	
Job Type	Direct	Induced	Multiplier
Commercial Forest Products			
Logging	13.7	7.5	0.5474
Sawmills	16.7	24.9	1.4910
Mills Processing Roundwood/Pulp Wood	0	0	-
Facilities Processing Sawmill Residue	3.1	4.8	1.5484
Total	33.5	37.3	1.1134
Other Project Activities			
Facilities, Watershed, Roads, and Trails	11.7	11.8	1.0001
Ecosystem Restoration, Hazardous Fuels, and Forest Health	46.6	6.2	0.1330
Thinning and Biomass			
Contract Monitoring	3.3	1.3	0.3939
FS Implementation and Monitoring	32.3	8.8	0.2724
Total	93.9	28.2	0.3003
Total All Inputs	127.3	65.5	0.5145

Table 4: Multiplier Based on TREAT Data by Job Type, 2013

Recommendations include:

- Clarify the TREAT input numbers for 2013.
- Once the new TREAT model is completed request that the new model be used to recalculate the estimated impacts in the proposal and impacts for 2010-2013.
- Utilize the Economic Impacts of Restoration Calculator produced by the University of Oregon to analyze individual projects. The calculator for the counties in Montana is currently available. Ravalli County could be used to analyze a project on the upper watershed portion of the project area.

- Consider partnering with University of Oregon to produce an Economic Impacts of Restoration Calculator for the three counties in the Primary Impact Area. According to Cass Mosley they are interested in completing the modelling for another area before fall 2014, particularly if they find an organization willing to share the cost of the project. The current completed models for Montana are for individual counties. They are, however, currently completing a multiple county model for the Blues Region in Oregon.
- Clarification of Agreement Funds. It is difficult to obtain information on the Agreement Funds. The amount of obligated funds is part of the total funds used in TREAT; however, the data from this year did not include an obligated amount. It did include matching funds from the partners who receive agreement funds, but if these amounts were received by partners from the Forest Service in 2013, they may have been obligated in previous years.

Introduction

This section includes any additional background information needed to understand the context of the current year (2013). It also includes any changes within the project area from the original report.

Description of the Project Area

The project area is composed of 1.4 million acres and includes the upper portion of the six million acre Clearwater Basin. The project area includes portions of the Bitterroot National Forest and the newly consolidated Nez-Perce Clearwater National Forests. The consolidation of the two forests was announced in February of 2013 (Smith and Thompson 2014).

The project area consists primarily of wilderness. There are three primary areas that communities are located close to the project area — two in Idaho and one in Montana. The first two are in the primary economic impact area. On the north edge of the project area are Lowell and Syringa and on the west edge is Elk City and Red River Hot Springs. The upper watershed of the Clearwater is accessed through the east side of the project area through lower Ravalli County. The cities closest to this access point are Darby, Sula, and Hamilton.

Primary and Secondary Areas of Economic Impact

In the initial report the primary area was defined as the three Counties in close proximity to the project area: Clearwater, Idaho, and Lewis. The secondary area included Latah, Nez Perce, Ravalli, and Missoula Counties. Asotin County was originally included in the TREAT analysis, but last year's discussion recommended removing this County since there have been no contracts awarded. After further discussions with the Regional Economist for the Forest Service it is recommended that Asotin County remain in the secondary analysis area in order to be included in the TREAT analysis based on the fact that Asotin and New Perce Counties together are considered a Metropolitan Statistical Area due to the extensive trade that occurs between them (Gebert pers. comm.; Smith and Thompson 2014).

Socio-economic Conditions and Trends in the Areas of Economic Impact

The three Counties in the primary economic area have the lowest population levels. Asotin County, the added County in the secondary economic area has the lowest population within that group. The population in Asotin in 2010 was 21,623, as compared to 39,625 in Nez Perce County which shares the Metropolitan Statistical Area. Similar to most of the other Counties in the impact area, the population in Asotin grew from 2000 to 2010.

Table 5: County Populations, 2000 and 2010

County	2000	2010
Clearwater County	8,930	8,761
Idaho County	15,511	16,267
Latah County	34,935	37,244
Lewis County	3,747	3,821
Nez Perce County	37,410	39,265
Missoula County	95,802	109,299
Ravalli County	36,070	40,212
Asotin County	20,551	21,623

Source: <u>www.census.gov</u>

Unemployment levels in Asotin County are higher than most of the others in the impact area with the exception of Clearwater County and Idaho County. They have followed a similar pattern to Clearwater and Idaho County with large drops in unemployment until approximately 2006, followed by large increases in unemployment from 2007 to 2009. Figure 1 shows the historical trend in unemployment.



Figure 1: Annual Unemployment 2003 – 2009, TREAT Impact Area

Source: <u>www.bea.gov</u>

Clearwater County has historically had the highest level of unemployment. There was also a slight decrease in the work force in Lewis County. Idaho County, the largest of the three primary Counties and containing the communities closest to the project, experienced relatively stable work force levels in 2013.



Figure 2: Labor Force in the Primary Economic Area in 2009, 2012, and 2013



Figure 3: Clearwater County Labor Force in 2009, 2012, and 2013



Figure 4: Idaho County Labor Force in 2009, 2012, and 2013



Figure 5: Lewis County Labor Force in 2009, 2012, and 2013

Description of Forest Resources and Related Industries

While there were no substantial changes in the forest resources, according to an industry leader the industry experienced a slight improvement of 5% to 10% in 2013. This is consistent, or slightly better, with industry trends for Idaho , "During 2013 timber harvest volume in Idaho was estimated at almost 1.1 billion board feet (Scribner log scale), an increase of about 4 percent from 2012 and a substantial increase from the recession-induced level of 746 million board feet in 2009" (Morgan et al. 2014). Approximately 10% of the Idaho timber harvest came from Federal Lands (Morgan et al. 2014).

The project area is located within the Forest Service Region One Timber Processing Area (TPA). This area is comprised of 12 Idaho counties and 26 Montana counties (McIver et al. 2013). Table 6 shows timber volume by product type in Region One TPA. The majority of the volume is sawtimber with 10+ inches diameter at breast height (dbh). Pulpwood, which is excluded from this table, has historically been a large-volume user of trees <10 inches dbh (McIver et al 2013). However, its use is variable and relatively unpredictable because it is an alternative to the major source of raw material of the pulp and paper industry – mill residue from sawmills (McIver et al 2014). As lumber and other wood products production increases more residue will become available, decreasing the demand for pulpwood.

Tree Class Size	Sawtimber	House Logs	Posts, Small Poles, Log Furniture	Cedar Products	All Products
				(Thousand Cu	ibic Feet of Timber)
dbh < 7 inches	1,394		3,108		4,502
dbh 7 - 9.9 inches	20,919	107	748		21,774
dbh 10+ inches	234,780	1,049		2,527	238,356
Total	257,093	1,156	3,856	2,527	264,632

Table 6: Forest Service Region 1 Timber Volume by Product Type and Size Class, 2011 (ExcludingPulpwood)

Source: McIver et al. 2013.

The Nez Perce-Clearwater National Forest TPA is a nine county area including all of the Idaho Counties utilized in TREAT (Clearwater, Idaho, Latah, Lewis, and Nez Perce) plus an additional four (Payette, Adams, Valley, and Benewan). Within the TPA there were 31 facilities operating as of 2011, including 16 sawmills, cedar product manufacturers, 7 log home manufacturers, one post and pole plant, one plywood plant, one utility pole plant and one furniture manufacturer (McIver et al. 2012). In Clearwater,

Idaho, and Latah Counties 24%, 57%, and 27%, respectively, is processed within the County of harvest. (McIver et al. 2012).

According to one industry leader changes have occurred in the trucking industry which impacts log and residual hauling. New federal regulations have limited the number of hours that drivers may drive making it difficult to obtain enough drivers. The new regulations took effect on July 1, 2013. The new hours-of-service final rule:

- Limits the maximum average work week for truck drivers to 70 hours, a decrease from the current maximum of 82 hours;
- Allows truck drivers who reach the maximum 70 hours of driving within a week to resume if they rest for 34 consecutive hours, including at least two nights when their body clock demands sleep the most–from 1-5 a.m., and;
- Requires truck drivers to take a 30-minute break during the first eight hours of a shift (Federal Motor Carrier Safety Administration 2013).

Methodology

An updated status on each of the methodologies below is provided for the current year. For example, the progress on R-CAT is described, changes to TREAT are detailed, and changes to discussion forms and how discussants were identified is characterized.

Forest Service Tools

TREAT Tool for Estimating Jobs and Income Impacts

The 2012 version of TREAT was utilized to analyze 2013 data and impacts. A new version of TREAT is nearing completion. An analysis for Missoula County will not be conducted until the new version of TREAT is complete. The new version will be used to analyze impacts starting in 2014.

TREAT requires the user to input information on the distribution of funds spent and the distribution of the timber volume by product. Additionally, the percentage of funding that left the local area is required information. The distribution of funds spent is important for determining indirect impacts, as each job type produces different levels of indirect impacts. The assumptions made by the Forest Service for the 2013 data include:

"For the CFL[R] impacts, the following assumptions were used:

65% of the funding would be used for contracts (local); 30% of the funding for force account and 25 Full Time Equivalent (FTE).

Funding Distribution

- 55% Facilities, watershed, roads and trails
- 35% Ecosystem restoration
- 10% Contracted monitoring

For the full project details the following assumptions were used:

60% of the funding would be used for contracts; 30% of the funding for force account and 25 FTEs.

***Approximately 10% of the funding left the local impact area that is modeled by the TREAT tool.¹

¹The amount of funding leaving the project area seems to be reversed for the two input tables in TREAT. The CFLR funds only table is calculated with only 5% leaving the funding area. This amount includes a high percentage of contract funds awarded to non-local contractors. With the addition of matching funds in the full funds input table, logically the percentage leaving the impact area should decrease; unless forest service and matching funds are non-local. The Impacts section of this report contains more information on local and non-local contracts.

Funding distribution

- 60% Facilities, watershed, roads and trails
- 30% Ecosystem restoration
- 5% Contracted monitoring

Volume distribution was estimated to be 70% sawmills and 30% papermills (USDA Forest Service 2013)

Types and Sources of Funds

There are several types of funds associated with the CFLRP: Matching, Partner, Leverage, USFS, Contracts, and Agreements. A clear understanding of these funds is essential in order to measure and monitor the impacts of the program funds. The TREAT program uses only the funds that are obligated through USFS contracts or agreements. Funds that other organizations contribute are either matching funds or leveraged funds. Matching funds are a requirement of the program and should be included in the second tab of the TREAT program which measures impacts of all CFLRP funds. Leveraged funds are those funds or in-kind services that help the project achieve objectives as outlined in their proposal within the defined landscape, but do not meet the qualifications for match (USDA 2013). Matching funds include USFS appropriated funds, partnership funds, and partnership in-kind services. An important component of the CFLP is attracting partnerships and resources to accomplish work across all ownerships. Generally speaking, "matching" funds are spent on the federal ownership, while "leveraged" funds are generally funds spent on private grounds. This enables individual projects that cross the borders of the Project Area to achieve restoration goals.

Table 7: Types and Sources of Funds

Type of Fund	2010	2011	2012	2013
Program Award	\$1,000,000	\$3,400,000	\$4,000,000	3,760,000
Obligated Funds	\$998,125	\$3,030,467	\$2,778,394	\$2,310,204
Partner in Kind Contributions	\$1,048,920	\$1,250,019	\$1,218,629	\$1,314,865
Partner Contributions through Agreements	\$374,700	\$584,400	\$397,659	\$671,157
Forest Service Matching Funds	\$545,049	\$1,595,149	\$1,574,127	\$1,651,418
Leveraged Funds	\$0	\$0	\$401,450	\$149,124 ²
Total for Use in TREAT All Funds Analysis	\$2,592,094	\$5,875,635	\$5,968,809	\$5,947,644 ³

R-CAT for Estimating Reduction in Fire Costs

The R-CAT model for the project is still in the development phase at this time. It is anticipated that the R-CAT model for the project area will be completed during the fall of 2014.

Data Collection Methodology

Both existing data and new original data were used to complete this analysis. The existing data included Bureau of Labor Statistics data and data collected last year. The collection of new original data followed similar methodology from the prior year.

Design of Discussion Questions

For discussions during this monitoring period, which were primarily focused on identifying indirect impacts, the discussion forms were utilized primarily with non-local and local contractors. The focus of these discussions was on the purchase of materials and supplies, hiring of workers and subcontractors, and time spent in the communities closest to the project area. The discussions with agreement partners and forest industry leaders centered on two themes: (1) changes from 2012 to 2013 and, (2) indirect impacts.

² This amount includes \$137,124 from Idaho County's Fire Mitigation and \$12,000 from Montana Conservation Corps. It does not include the other two amount listed in the Annual Report for the Clear Creek Project. The \$230,000 in grant funds were listed as pending and the \$748,000 was listed as matching and leveraged funds over the next three years.

³ The amount actually used in the TREAT all funds calculations was \$6,941,251. It is unclear how this number was obtained. The Recommendations section includes a suggestion to work with the Forest Service to clarify the TREAT inputs for 2013 and accounting of agreement funds.

Identification of Discussants

Discussants were identified according to their anticipated contribution to indirect impacts from CFLRP funds. The contractors, both local and non-local, were identified based on amount of the contract with higher value contracts called first. The forest industry leaders were chosen based on familiarity with the Clearwater Basin and involvement in projects in the CFLRP.

Data Analysis Methodology

The project and the project area involve relatively small numbers, making it difficult to use statistical analysis to provide analysis of impacts. In addition, it is not possible to relate the jobs and income produced by TREAT to the employment data gathered from external data. This is due to the nature of the TREAT program and again the relatively small size. In order to overcome this, the best method is to draw themes from the discussions held with those associated with the project. In using this method, general statements can be gathered about the impact that the project has had on the local area. It is important to keep in mind the small size of the communities within the project area. In some cases, the addition of one to ten jobs can make a substantial impact on small rural communities. One of the primary purposes of conducting annual monitoring in addition to TREAT is to provide the qualitative data, or story, behind the TREAT analysis.

Socio-Economic Results Analysis

Jobs and Income⁴

Table 8 contains information on contracts awarded utilizing CFLRP funds during the 2013 reporting year. Thirteen contractors were awarded contracts and seven of these were local contractors in the TREAT economic impact area. There were fourteen contracts awarded, half of which were awarded to local contractors. Three contractors were from the primary economic area of Clearwater County, Idaho County, and Lewis County; more specifically, they were from Stites, Weippe, and Elk City.

Table 8: CFLR Funds Awarded t	co Contractors, 2013
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	Number of Contractors	Number of Contracts	Amount of Total Funds	Amount of CFLR Funds
Non-local	6	7	\$1,052,233.26	\$701,655.78
Local	7	7	\$159,113.36	\$152,151.46
Total	13	14	\$1,211,346.62	\$853,807.24

The distribution of contract funds to other project activities help determine the type of work local contractors are receiving. The primary impact area is the closest to the project area and includes the following counties: Clearwater, Idaho, and Lewis. The secondary impact area includes the other Counties in the region that are used in the TREAT tool based on the flow of goods and services from the project area and includes: Asotin, Washington, Missoula and Ravalli, Montana, Latah and Nez Perce, Idaho. Non-local is any location outside of these Counties.

In 2013, the largest portion of contract funds spent was for facilities. Road decommissioning was the largest job type received by local contractors for 2013. This is consistent with the results from 2011 and 2012. While the amount awarded for decommissioning and other road work decreased in 2013, several of the projects from previous years were being completed in 2013.

⁴ The following contains information provided from the TREAT analysis provided by the Forest Service, but the information used to complete the analysis is unclear. There was no information directly provided on agreement funds obligated for the period. And according to the TREAT analysis only 5% of the total funds left the project impact area. While the tracing of indirect impacts indicates that nonlocal contractors bought supplies in the area, this percentage appears to be lower than it should be. And as explained in previous sections we were unable to determine how the total funds amount was calculated.

Table 9: Distribution of Contract Funds to Other Project Activities, 2013

	Primary Impact Area	Secondary Impact Area	Total Local	Non- Local
Facilities, Watershed, Roads and Trails				
Decommissioning & Other Road Work	\$100,849		\$100,849	\$38,667
Trail Maintenance	\$6,804	\$14,405	\$21,209	\$21,617
Culverts				\$99,297
Facilities		\$9,840	\$9,840	\$438,454
Slide Repairs		\$20,253	\$20,253	
Ecosystem Restoration, Hazardous Fuels, and Forest Health				\$103,620
Commercial Firewood				
Contracted Monitoring				
Total	\$107,653	\$44,498	\$152,151	\$701,656

Table 10: Distribution of Contract Funds to Other Project Activities, 2012

	Primary Impact Area	Secondary Impact Area	Total Local	Non-Local
Facilities, Watershed, Roads and Trails				
Decommissioning & Other Road Work	\$387,132	\$440,777	\$827,909	
Trail Maintenance	\$6,408	\$1,366	\$7,774	\$11,119
Culverts	\$139,608			
Facilities		\$85,903	\$85,903	
Slide Repairs				
Ecosystem Restoration, Hazardous Fuels, and Forest Health		\$1,047		\$140,450
Commercial Firewood				
Contracted Monitoring		\$52,217		\$69,877
Total	\$533,148	\$581,310	\$921,586	\$221,446

	Primary Impact Area	Secondary Impact Area	Total Local	Non- Local
Facilities, Watershed, Roads and Trails				
Decommissioning	\$355,377		\$355,377	
Trail Maintenance				
Culverts	\$75,000	\$114,189	\$189,189	
Facilities				
Slide Repairs	\$574,365	\$20,995	\$595 <i>,</i> 360	
Ecosystem Restoration, Hazardous Fuels, and Forest Health	\$88,485	\$71,768	\$160,253	\$188,373
Commercial Firewood				
Contracted Monitoring				\$135,000
Total	\$1,093,227	\$206,952	\$1,300,179	\$323,373

Table 11: Distribution of Contract Funds to Other Project Activities, 2011

TREAT results for 2013 are presented in Table 12 through Table 14. The results produced by TREAT are based on the funding awarded and obligated during the project year. Most projects, both with contractors and agreement partners span several years. Therefore, the TREAT results should be used more as a guideline for project impacts projected during the proposal.

Table 12: TREAT results for Proposal and 2013

	Proposal			2013			
	Employr	Employment(# of Part and Full- time Jobs)		Employment(# of Part and Full time Jobs)		nd Full-	
	Direct	Indirect and	Total	Direct	Indirect and	Total	
Јор Туре		maacca			maacca		
Commercial Forest Products							
Logging				13.7	7.5	21.2	
Sawmills	57.3	78.6	135.9	16.7	24.9	41.6	
Mills Processing Roundwood/Pulp Wood	5.4	19.7	25	0	0	0	
Facilities Processing Sawmill Residue	23.9	71.8	95.7	3.1	4.8	8	
Total	86.6	170.1	256.7	33.5	37.3	70.7	
Other Project Activities							
Facilities, Watershed, Roads, and Trails	25.4	14.8	40.2	11.7	11.8	23.5	
Ecosystem Restoration, Hazardous Fuels, and Forest Health	29.9	7	36.9	46.6	6.2	52.9	
Thinning and Biomass	9.2	3.9	13.1				
Contract Monitoring	4.5	3.7	8.2	3.3	1.3	4.6	
FS Implementation and Monitoring	21.3	15.8	37	32.3	8.8	41.1	
Total	90.3	45.3	135.6	93.9	28.2	122	
Total All Inputs	176.9	215.3	392.2	127.3	65.5	192.8	

Table 13: TREAT Results 2010-2013

	2010	2011	2012	2013
Commercial Forest Products Activities				
Direct Jobs	20.3	36.8	24.2	33.5
Indirect and Induced Jobs	19.6	43.0	28.3	37.3
Total Commercial Forest Products Activities	39.9	79.8	52.5	70.7
Other Project Activities				
Direct Jobs	47.6	69.4	60.0	93.9
Indirect and Induced Jobs	20.4	14.0	14.3	28.2
Total Other Project Activities	68.0	83.4	74.3	122.0
Total Jobs	107.9	163.2	126.8	192.8

Table 14: Detailed TREAT Results 2012 and 2013

	2012			2013			
	Employment(# of Part and Full- time Jobs)		Employment(# of Part and Full- time Jobs)				
Јор Туре	Direct	Indirect and Induced	Total	Direct	Indirect and Induced	Total	
Commercial Forest Products							
Logging	10.1	5.5	15.6	13.7	7.5	21.2	
Sawmills	8.1	12.2	20.3	16.7	24.9	41.6	
Mills Processing Roundwood/Pulp Wood	2.6	5.4	8	0	0	0	
Facilities Processing Sawmill Residue	3.4	5.3	8.6	3.1	4.8	8	
Total	24.2	28.3	52.5	33.5	37.3	70.7	
Other Project Activities							
Facilities, Watershed, Roads, and Trails	6.4	6.5	12.9	11.7	11.8	23.5	
Ecosystem Restoration, Hazardous Fuels, and Forest Health	51.2	6.9	58	46.6	6.2	52.9	
Thinning and Biomass							
Contract Monitoring	2.4	1	3.3	3.3	1.3	4.6	
FS Implementation and Monitoring	29.6	5.5	35.1	32.3	8.8	41.1	
Total	89.5	19.8	109.5	93.9	28.2	122	
Total All Inputs	113.7	48.1	161.8	127.3	65.5	192.8	

Forest Products Industry

The amount of timber produced by the project area in 2013, 7,424.5 CCF, is a small percentage of the total timber produced in the Clearwater Basin and a small percentage of the amount anticipated from the project area in future years (Selway-Middle Fork CFLRP Annual Report:2013). A small part of the timber from the project area went to small mills for post and pole, but the vast majority went to sawmills and papermills.

There was very little timber volume produced in the project area in 2013 as a result of a strategic decision made by the Forests to pursue additional consultation on a project decision. The project was appealed and the decision subsequently affirmed by the appeal deciding officer. The project was not litigated and is being offered for sale in early 2014.

There are several timber sales anticipated in the next few years that will substantially increase the timber harvest from the project area. The Iron Mountain Vegetation Restoration Project is expected to produce approximately 6.7 million board feet of lumber from 400 acres of insect and disease affected lodgepole pine and subalpine fir stands (Selway-Middle Fork CFLRP Annual Report: 2013). Two other

larger projects will follow. The Clear Creek Integrated Restoration project is approximately 44,000 acres of USFS lands and the Middle Fork Vegetation Management project is 2,300 acres (Selway-Middle Fork CFLRP Annual Report: 2013). The direct and indirect impacts will become more traceable once the amount from the project area increases.

During 2013 two different loggers worked within the project area, both contracted by local mills. One was located within the TREAT economic impact area and the other was from Oregon. Local truck companies were used for hauling. Both loggers spent substantial time in the project area spending money for lodging, meals, and supplies. The indirect and induced impacts are provided in more detail in Section 5 – Special Topic – Indirect Impacts.

Technology and Training

Agreement funds have produced essential training opportunities in the project area. The economic benefit of these programs has been providing jobs for crew leaders and their trainees. The jobs are not necessarily high paying, but are providing important training for future forest workers, managers, and leaders. There were three programs that provided substantial training in 2013:

- "The Idaho Youth Conservation Corps program which provided and education and local work opportunity for 13 local youth (Selway-Middle Fork CFLRP Annual Report: 2013).
- The CBC initiated a four week paid Youth Program that provided work projects and instruction for 6 local youth. In 2014, the program will double in size in an 8 week program for at least 12 youth (Selway-Middle Fork CFLRP Annual Report: 2013).
- The Montana Conservation Corps provided three and a half months of training to their crew leaders prior to the summer work season.

Special Topic – Indirect Impacts

Indirect and Induced Impacts Calculated in Treat

TREAT calculates indirect and induced impacts created through funds spent by the Forest Service and their partners in the project area. The impacts are calculated using a multiplier. The multiplier varies based on the type of job being completed. Table 14 shows the indirect and induced jobs created based on the direct jobs for each type of job in the project area and the multiplier that was used to calculate those jobs.⁵ Some activity areas have much higher multiplier than others. For example, logging has a multiplier of .5446. This means that for every direct job created in logging there is half of another job created somewhere else. Or for every two jobs created in logging, one more is created through indirect and induced impacts. On the other hand, for every direct job created in a sawmill, a job and a half is created through indirect and induced impacts.

Table 15 shows that direct jobs related to commercial forest products create much higher indirect and induced impacts than those created through other project activities. While each job in commercial forest products creates at 1.1 indirect and induced jobs, each job in other project activities creates only about a quarter of a new job through indirect and induced impacts. The highest amount of indirect and induced jobs created through other project activities is in the facilities, watershed, roads, and trails sector, which creates approximately one job for each direct job.

Indirect jobs are created by purchasing the necessary items to complete a contract. For instance, a contractor working in the project area to complete work on a wastewater/water system requires plumbing supplies which he may purchase. Also, completion of the contract requires staying in the local area for a length of time creating indirect impact at lodging and food establishments.

Induced impacts are created through the personal spending of funds obtained on the job. For instance, workers staying in the area may take the opportunity to take a rafting trip while they are in the area or may buy souvenirs to take home to their family. If they live in the area additional induced spending is created when they take their wages home and buy items such as groceries, school supplies, housing, and health care.

If contractors are not from the local area, the indirect and induced impacts will most likely not occur in the local area. Most likely the contractor has bought a considerable amount of his equipment and supplies before coming to the project area and also has an employee base from which to find workers.

⁵ The multiplier was determined by dividing the indirect and induced employment and the direct jobs. Krista Gebert is working on providing the actual table from IMPLAN that will give details of the multipliers. This will include what sectors the indirect and induced jobs are occurring.

In most cases, when the contractor is non-local the indirect and induced impacts created are from gas, lodging, food and small supplies in locations closest to the project area.

Through discussions with local, non-local, and agreement partners it is possible to trace where some of these direct and induced impacts are occurring and to whom. In the logging and sawmill sector a number of indirect jobs are created in the transportation sector. Log hauling and residual hauling are essential to the commercial forest product industry. There are several trucking companies in the impact area, in addition to owner/operators. In general, log hauling is primarily done by owner/operators while residual hauling is completed by the trucking companies. These are considered desirable trucking jobs because the driver is able to return home every evening, yet the area is experiencing a shortage of drivers. According to one log hauler, the average age in this industry is high and the younger generation is not being trained. Hauling out of the forest requires a different skill set than what is taught at traditional driving schools.

	2012			2013			
	Employment(# of Part and Full-			Employment(# of Part and Full-			
		time Jobs)		time Jobs)			
	Direct	Indirect	Multi-	Direct	Indirect	Multi-	
		and	plier		and	plier	
Јор Туре		Induced			Induced		
Commercial Forest Products							
Logging	10.1	5.5	0.5446	13.7	7.5	0.5474	
Sawmills	8.1	12.2	1.5062	16.7	24.9	1.4910	
Mills Processing Roundwood/Pulp Wood	2.6	5.4	2.0769	0	0	-	
Facilities Processing Sawmill Residue	3.4	5.3	1.5588	3.1	4.8	1.5484	
Total	24.2	28.3	1.1694	33.5	37.3	1.1134	
Other Project Activities							
Facilities, Watershed, Roads, and Trails	6.4	6.5	1.0156	11.7	11.8	1.0085	
Ecosystem Restoration, Hazardous Fuels,	51.2	6.9	0.1348	46.6	6.2	0.1330	
and Forest Health							
Thinning and Biomass							
Contract Monitoring	2.4	1	0.4167	3.3	1.3	0.3939	
FS Implementation and Monitoring	29.6	5.5	0.1858	32.3	8.8	0.2724	
Total	89.5	19.8	0.2212	93.9	28.2	0.3003	
Total All Inputs	113.7	48.1	0.4230	127.3	65.5	0.5145	

Table 15: Detailed TREAT Table for 2012 and 2013

For both commercial forest products and other project activities the communities closest to the project area experience indirect and induced impacts in lodging, food, gas, and some recreation. The two

communities at the north edge of the project area and actually within the project area itself, Lowell and Syringa, benefit from these impacts. One lodging owner stated that they have experienced an increase in the number of crews staying for extended periods of time during the last few years. The disadvantage of staying in this area is the lack of cell service and limited choice of eating establishments. For this reason, Kooskia is a better alternative for some. Therefore, as a community Kooskia also receives a higher percentage of the beneficial impacts created in lodging and food.

When supplies are required for completion of work, most contractors will travel to Grangeville or Lewiston, Idaho to obtain them. Of the two, Lewiston is the larger source for most products. As population centers, these two cities also benefit from induced spending. Lewiston, as the medical center for the region receives a high percentage of the induced impacts created in this sector.

During the last few program years, most activities with the exception of trail maintenance have utilized the cities on the northern edge of the project area as base camps of operations. Trail maintenance crews generally camp within the project area close to the trails they are working on. They purchase gas and food at access points and utilize all access points.

Creation of Indirect Impacts through Agreements

Indirect impacts are not always jobs and income; the impacts created through agreements also include increases in public awareness, collaboration, completion of projects adjacent to the project area, and training opportunities for the labor force. For example, crew leaders for the Montana Conservation Corps receive three and half months of training prior to their work in the project area. Some of their leaders go on to work for the Forest Service.

The project's working relationship with the Nez Perce Tribe provides both funding for projects that cross borders and sharing of expertise on fisheries and watershed restoration and management. As work on projects such as Clear Creek illustrate—which will "emphasize the much needed restoration work of stream habitat restoration and forest health improvements as well as additional invasive species management on private lands (Selway-Middle Fork CFLRP Annual Report: 2013).

Another indirect impact created through agreement funds is the clearing of trails and weed control that is accomplished through nearly 10,000 hours of in-kind and volunteer hours by the Montana Conservation Corps, Selway Bitterroot Foundation, and the Back Country Horsemen. These trails are vital for access to the project area, both for restoration and for recreation. According to one youth leader, the funds for trail maintenance have made it possible to resurrect trail corridors for guides and outfitters. The clearing and maintenance of trails in the project area are essential for hunting guides and outfitters in this wilderness area.

Recommendations

- Clarify the TREAT input numbers for 2013.
- Once the new TREAT model is completed request that the new model be used to recalculate the estimated impacts in the proposal and impacts for 2010-2013.
- Utilize the Economic Impacts of Restoration Calculator produced by the University of Oregon to analyze individual projects. The calculator for the counties in Montana is currently available. Ravalli County could be used to analyze a project on the upper watershed portion of the project area.
- Consider partnering with University of Oregon to produce an Economic Impacts of Restoration Calculator three counties in the Primary Impact Area. According to Cass Mosley they are interested in completing the modeling for another area before fall 2014, particularly if they find an organization willing to share the cost of the project. The current completed models for Montana are for individual counties. They are, however, currently completing a multiple county model for the Blues Region in Oregon.
- Clarification of Agreement Funds. It is difficult to obtain information on the Agreement Funds. The amount of obligated funds is part of the total funds used in TREAT; however, the data from this year did not include an obligated amount. It did include matching funds from the partners who receive agreement funds, but if these amounts were received by partners from the Forest Service in 2013, they may have been obligated in previous years.

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