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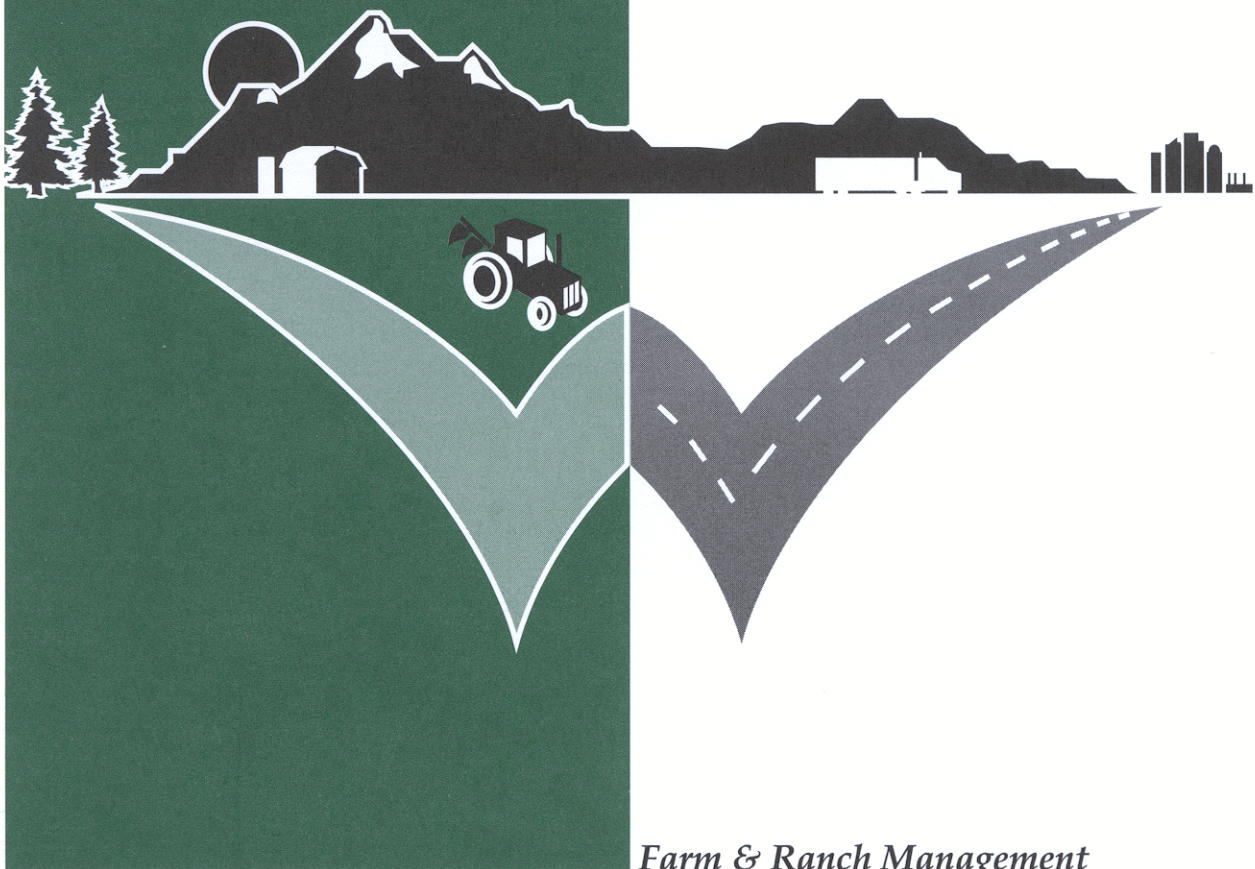
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Grass Roots Federal Land Management Is This Devolution Really the Solution?

By John Loomis¹

Federal land management policy is often portrayed as agencies being in the middle between environmentalists on one side and industry on the other. Agency officials sometimes feel they must be performing a balanced act, when **both** sides think the agency has not gone far enough in their direction. But this approach has frequently resulted in gridlock, with both sides appealing agency decisions and suing the agency.

One of the new institutional changes in federal land management designed to reduce this gridlock is allowing selected National Forests, Monuments and Preserves to be formally managed by local grass roots groups in one form or another rather than solely by federal agencies. There have been three recent legislative experiments in grass roots local control. The first discussed is the Quincy Library Group in northern California, which obtained a Congressional act to replace the U.S. Forest Service's Forest Plan with their community's plan for the Plumas National Forest. Second, is the Valles Caldera National Preserve (formerly the private Baca Ranch) in northern New Mexico. While federal taxpayers across the nation paid \$100 million for acquisition of the 89,000 acres, the long term direction and day-to-day management will be by a board of local trustees, rather than any of the federal land management agencies that manage the surrounding lands. Third, is the Steens Mountain Cooperative Management and Protected Area in eastern Oregon. Here twelve locals will serve on the Steens Mountain Advisory Council and formulate recommendations for the federal Bureau of Land Management to implement.

This essay will use the Quincy Library Group as a case study to provide some commentary as to the concerns regarding this institutional change to grass roots federal land management. The number of local management examples may double if President Bush's proposed "Charter Forests" are adopted and oversight is granted to local trusts rather than the federal U.S. Forest Service. One of the goals is to spare these charter forests from having to comply with environmental procedures such as the National Environmental Policy Act.

These shifts to local control run counter to another major trend in public land management—ecosystem management. Putting what were private lands purchased by U.S. taxpayers for the Valles Caldera National Preserve under local control, rather than transferring management to one of the federal land management agencies, makes ecosystem management more difficult. That is, acquisition of private lands at the headwaters of the Jemez River was an opportunity to facilitate ecosystem management with the U.S. Forest Service and Bureau of Land Management lands. Despite public acquisition, the coordination task among landowners has not been simplified.

It is worth noting that what is at stake in these precedent setting experiments is a transition from accountability of federal land managers to all the publics (local and non local residents) of the nation to one of local control of a federal asset and the federal treasury. Federal agencies have had requirements since 1969 through the National Environmental Policy Act's (NEPA) requirements to prepare Environmental Impact Statements along with the associated requirements of public notification and public comment periods. The National Forest Management Act of 1976 and Federal Land Policy and Management Act of 1976 both require extensive public involvement in plan scoping, public comment on plan alternatives, and selection of the final management for the National Forest or BLM area. There have long been established avenues for local residents to directly participate in land management planning. Local residents have always had significant input in influencing National Forest and BLM plans and decisions due to their proximity to the federal land management offices in their towns and the fact that public meetings were frequently only held in these towns. However, the locals did not have a monopoly on public input, as letters from those living outside the area still have to be considered in a NEPA

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analysis. Often times hundreds of letters would be received from outside the area providing a formal voice to non-local residents. With these three grass roots experiments, locals have legally institutionalized their influence in calling the shots on these federal lands, but not in paying the bills. This essay attempts to shed some light on whether this institutional change will lead to more efficient public land management than current federal agency management.

Quincy Library Group's Rise from Local Stakeholders to De-facto National Forest Supervisors

Like many National Forests, policy and legal gridlock was the state of affairs on the Plumas and Lassen National Forests in the late 1980's and early 1990's. Local environmentalists concerned about old growth forests and the California Spotted Owl were appealing U.S. Forest Service timber sales aimed at providing timber to local mills to support employment. As a result, timber production was falling. This state of affairs led Plumas County Supervisor Bill Coates to bring the two main adversaries (a local environmental attorney and the director of Sierra Pacific Industries) together directly (Davis and King, 2001). These three agreed it would be more productive to try and develop a compromise, rather than fight each other (Mann and Plummer, 1998). The name of the group arises from the fact that the Quincy public library was a neutral place all the groups could find to meet. The U.S. Forest Service personnel attended the meeting but only as observers.

It took nearly two years and dozens of meetings, but the participants agreed upon a forest management plan that accommodated environmental concerns, while providing some timber for industry. The U.S. Forest Service not only supported the ideas of the Quincy Library Group's plan but was willing to back it administratively by requesting funding from Congress for selected projects in the Group's plan (Davis and King, 2001). However, the agency would not support formally amending the National Forest Plans to include all the specific recommendations of the Quincy Library Group (Davis and King, 2001). Therefore, the Group sought Congressional endorsement of its management recommendations. In the House of Representatives the Quincy Library Group's Forest Recovery and Economic Stability Act was passed in 1998 by a nearly unanimous vote (U.S. House of Representatives, 1998). In May of 1998 the Senate version was attached as a rider to a federal spending bill by one of California's senators (Feinstein). With the help of California Representative Herger, the bill survived, was signed by President Clinton and became known as the Herger-Feinstein Quincy Library Group Forest Recovery Act.

The bill requires the U.S. Forest Service to manage 2.25 million acres of land in the two National Forests according to the Quincy Library Group's plan for a period of five years (Davis and King, 2001). The Act requires the U.S. Forest Service to follow all existing environmental laws. However the Group's plan departs from what had been the U.S. Forest Service standard timber practices of clearcutting in favor of single tree and group-selection (U.S. Senate, 1997). Timber production activities are to be coordinated with construction of fuel breaks on 40,000 to 60,000 acres of land to address concerns over fire hazards to forests and homeowners in the area (Davis, 2001). Clearing timber to create large swaths of bare ground to prevent the spread of wildfire is a nice example of joint production: meeting two land management objectives (fire prevention and timber volume) with one coordinated management action.

An important precedent set by the Quincy Library Group is to significantly rearrange the institutional pattern of federal land management. No longer would resource professionals formulate management practices to address the issues raised by the public and resource professionals with state and other federal agencies. No longer would these agency plans be reviewed for consistency with national direction and then funds requested from Congress to implement the plan. The Quincy Library Group model starts with locals identifying the problem **and** formulating the alternative management plans. The locals then directly petition Congress to adopt their plan and ask the U.S. taxpayer to fund the U.S. Forest Service to implement their local plan.

Economic Concerns About Grass Roots Federal Land Management

This new institutional rearrangement presents several concerns. While local residents of course have local knowledge of the area and resources, they may lack the multi-disciplinary and technical planning expertise to make sure their plans are feasible. Simply summing all the outputs that each group records on meeting flip charts does not provide any test of whether the land is capable of sustainably supplying these outputs. The U.S. Forest Service's previous Forest Plans involved use of a linear programming model that was designed to ensure that any alternative was within the sustained yield capability of the forest over a 50 year planning horizon.

The second concern is one of differences in accounting stances between those who live in Quincy and can repeatedly travel to local meetings and those who reside throughout California and the western U.S. Do local citizens of Quincy have the incentives to adequately represent all the citizens affected by management of the natural resources on this National Forest? While the local citizens in attendance represent those affected the most per person, aggregate effects require consideration of the total number of people affected. While the 10 million San Francisco Bay area and Central Valley residents may have less at stake per person, the *sum* of these small effects per person can potentially exceed that of the few local citizens seated in the Quincy Library.

One of the rationales for the federal management is that it would account for the public good benefits accruing to the nation (Loomis, 2002). An empirical example of the difference in benefits per person versus the aggregate can illustrate this important distinction. The Plumas and Lassen National Forests are habitat to the California Spotted Owl and therefore the concern about the management of these National Forests potentially has national implications. An empirical study by Loomis and Gonzalez-Caban (1997) found that households as far away as New England would pay \$46 (with a 90% confidence interval of \$41-50) per household each year for protection of the California Spotted Owl habitat. California households would pay \$79. While the amount that each California household would pay is nearly double that of a typical New England household and California is the most populous state in the nation, the state benefits of protecting the California Spotted Owl represent only 17% of the national benefits (Loomis, 2000). The omission of benefits of rare species would be even more pronounced if we calculated the benefits just to Plumas County households. This pattern of greater national than local benefits for public goods compares with the local job benefits from timber production. The vast majority of these local timber production benefits accrue to Plumas County in the form of direct wages and indirect multiplier effects. Yet from the national viewpoint, such jobs are transfers of economic activity that would occur somewhere else in the nation if not in Plumas County. When the local economy captures nearly all the benefits from extraction of private goods, but would receive only a fraction of the public good benefits from habitat protection, it is not unexpected that extraction wins out over public goods.

Equally important is the fact that it is the 100 million taxpayers throughout the U.S. that will pay for the U.S. Forest Service's implementation of the Quincy Library Group's plan. Thus, members of the Quincy Library Group have incentives to act like any other special interest: maximize their concentrated benefits and spread the costs out over the general public such that the costs per taxpayer are so small, they are unnoticeable (Gardner, 1983, 1997; Stroup and Baden, 1983). Whether this is an improvement over industry special interests' concentration of benefits and spreading of cost is an empirical question.

Some Final Observations

While the old guard of the Sagebrush Rebellion might support these local control efforts, their intellectual supporters might not. That is, while one might suspect on the surface that free market economists might support these local control efforts, if they are true to their principles, I am not sure these efforts would be what free market economists had in mind. In particular, local control was to be the merging of authority with the economic responsibility for managing the lands. But these local control efforts have the authority, while the federal taxpayer still has the financial responsibility for paying for the variable costs of managing these lands (except in the case of the Valles Caldera where they are supposed to be financially self-sufficient in 15 years). With two of these local control efforts, there is still a divergence between the

authority to determine what management practices occur on the land and the responsibility to bear the costs of those actions. Whether this divergence results in public land management actions that better maximize net benefits to the public than federal agency management is a testable hypothesis. Specifically, what is needed is a comparison of traditional federal land management and grass roots management on variables such as net benefits "to whomsoever they accrue", as well as environmental indicators such as water quality or population trends of threatened and endangered species. These three experiments in grass roots federal land management provide economists with three natural experiments that may provide the empirical data to test this hypothesis.

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