

Economic Analysis Needs
under the USFS 2012 Land
Management Planning Rule
vs. the 1982 rule



Why is a Planning Rule Important?



2

- Provides procedures to amend, revise, and develop land management plans
- Required by the National Forest Management Act (NFMA) of 1976
- Plans set forth desired conditions and guidance for management of National Forest System lands

Past Planning Rule Efforts



3

- **1982 Planning Rule**
 - All existing land management plans have been issued under these regulations
- **2000 Planning Rule**
- **2005 Planning Rule**
 - Injunction by the courts for not preparing an EIS
- **2008 Planning Rule**
 - Injunction by the courts for an insufficient EIS
 - The 2000 rule legally came back into effect, with transition language allowing the Agency to use 1982 rule procedures

The 2012 Planning Rule



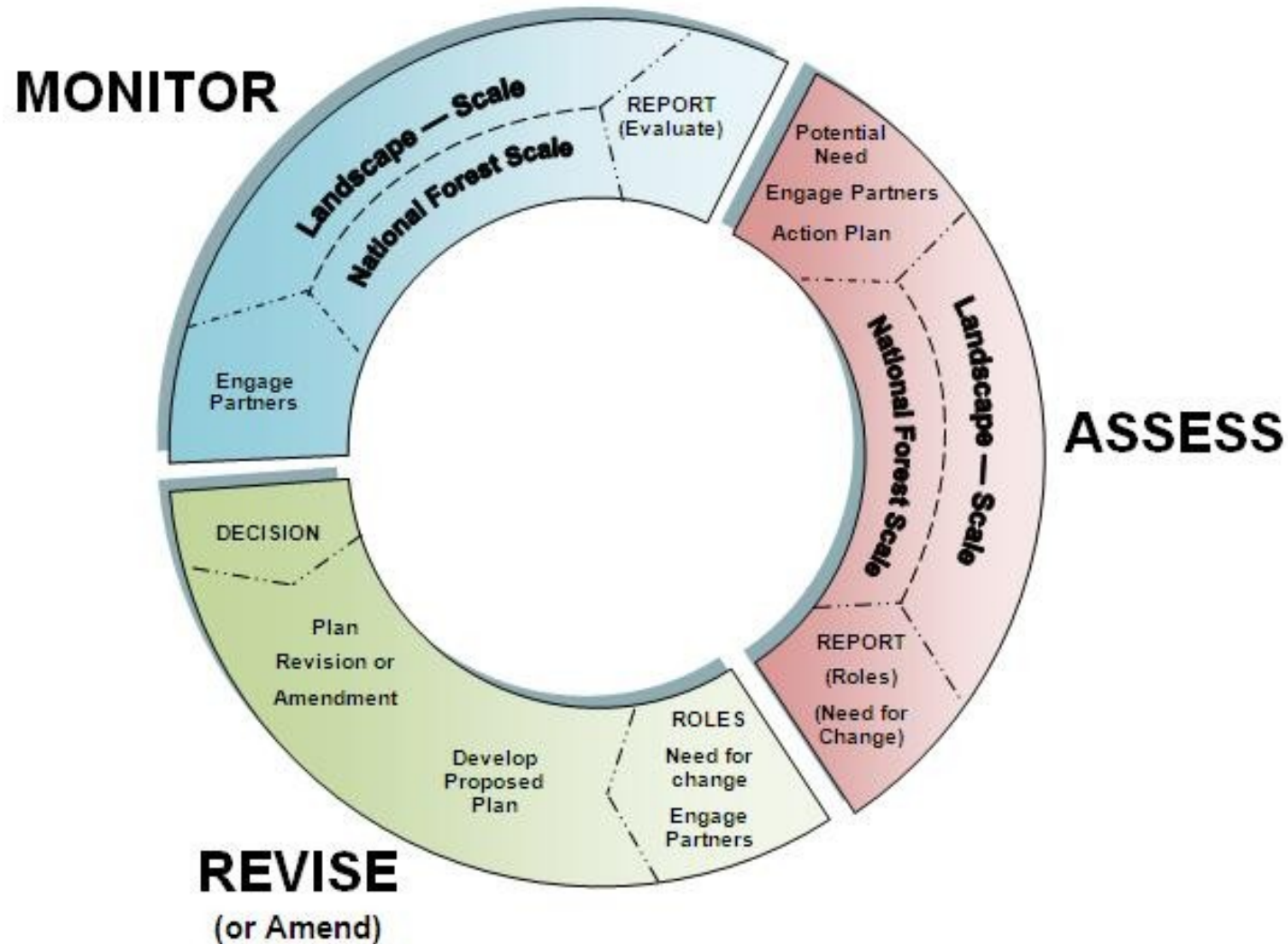
4

- Overall objective: Create a collaborative and science-based planning process that will guide management of NFS lands so they are ecologically sustainable and contribute to social and economic sustainability
 - Opportunities for public involvement and collaboration throughout planning process.
 - Contribute to social and economic sustainability and provide for multiple uses within the capability of the plan area.

Planning Framework



5



The 2012 Rule --

sections relevant to economics



6

□ **36 CFR 219 Preamble**

- Evaluating plan alternatives

□ **219.1 (c)**

- Require the plan to provide for ecological sustainability, and contribute to social and economic sustainability within the Forest Service authority

□ **219.5 Assessment**

- Assess economic conditions relevant to the plan area; multiple uses, and ecosystem services

□ **219.8(b) Social and economic sustainability**

□ **219.19 Definitions**

§ 219.1 Purpose and applicability



7

§ 219.1(c) -- *Plans will guide management of NFS lands so that they are ecologically sustainable and **contribute to social and economic sustainability**; consist of ecosystems and watersheds with ecological integrity and diverse plant and animal communities, and have the capacity to provide people and communities with **ecosystem services and multiple uses that provide a range of social, economic, and ecological benefits** for the present and into the future.*

§ 219.6 Assessment



§ 219.6 Assessment. (3)(b)

(b) *Content of the assessment for plan development or revision.* In the assessment for plan development or revision, the responsible official shall identify and evaluate existing information relevant to the plan area for the following:

.....

- (6) Social, cultural, and **economic** conditions;
- (7) Benefits people obtain from the NFS planning area (**ecosystem services**);
- (8) **Multiple uses** and their contributions to local, regional, and national economies;

.....

§ 219.8 Sustainability



9

The plan must provide for social, economic, and ecological sustainability within Forest Service authority and consistent with the inherent capability of the plan area, as follows.

(a) Ecological sustainability

(b) Social and economic sustainability

Definition of sustainability (§ 219.19):

The capability to meet the needs of the present generation without compromising the ability of future generations to meet their needs

§ 219.19



sustainability definitions

10

“ecological sustainability” : the capability of ecosystems to maintain ecological integrity

“economic sustainability” : the capability of society to produce and consume or otherwise benefit from goods and services including contributions to jobs and market and nonmarket benefits

“social sustainability” refers to the capability of society to support the network of relationships, traditions, culture, and activities that connect people to the land and to one another, and support vibrant communities

§ 219.8(b)

social and economic sustainability



11

- The plan must include plan components, including standards or guidelines, to guide the plan area's contribution to social and economic sustainability, taking into account:
 - (1) **Social, cultural, and economic conditions** relevant to the area influenced by the plan;

§ 219.8(b)



social and economic sustainability

12

- (2) Sustainable recreation; including recreation settings, opportunities, and access; and scenic character;
- (3) **Multiple uses** that contribute to local, regional, and national economies in a sustainable manner;
- (4) **Ecosystem services**;
- (5) Cultural and historic resources and uses; and
- (6) Opportunities to connect people with nature.

36 CFR 219 Preamble



13

- Evaluating plan alternatives

Under NEPA, environmental documents will discuss comparative benefits and tradeoffs associated with ecosystem services

1982 Rule



14

❖ Analysis of the Management Situation (AMS)

To determine the ability of the planning area to provide supply of goods and services to meet society's (219.12(e))

- Benchmark analysis – Monetary benchmarks: to estimate the maximum PNV

Provide expected discounted costs & benefits of forest outputs (219.12 (g)(3))

Show effects of alternatives in affected areas (219.12 ((g)(3)(i - iii))):

- PNV of output values (market & non-market) & costs
- Impacts of FS receipts share to state & local gov.'t on local economy
- Impacts of employment & income
- Impacts of benefits to users not measure in monetary receipts

Social & Economic/Multiple Uses



15

1982 Rule

“plans shall provide for multiple uses and sustained yield of goods and services in a manner **that maximizes long term net public benefits**”

2012 Rule

“plans will guide management of NFS lands so they are ecologically sustainable and **contribute to social and economic sustainability**...and have the capacity to provide people and communities with ecosystem services and multiple uses that **provide a range of social, economic, and ecological benefits** for the present and into the future” (219.1(c))

Social & Economic/Multiple Uses



16

1982 Rule

Planning must address timber, wilderness management, fish and wildlife, grazing, recreation, mineral, water and soil, cultural and historic resources. **Complete AMS.**

Specific requirements for the content and analysis of plan alternatives (**e.g., benchmarks, PNV analysis, jobs**).

2012 Rule

All multiple uses must be considered during ID team process. **Assessments should evaluate social and econ conditions and benefits obtained from NFS plan areas.**

Plan components and content **must guide contributions** to social and economic sustainability **and address unit roles and contributions.** Emphasizes integrated resource management.

Social & Economic/Multiple Uses



17

1982 Rule	2012 Rule
Monitor actual unit outputs vs. the levels expected in the plan.	Monitor progress in meeting desired conditions and objectives for multiple uses.
Planning should identify recreation uses and preferences.	Plans must include components for sustainable recreation, including recreation settings, opportunities, access and scenic character.
Recreation considered as one of the multiple uses.	Recreation considered one of the sustainable multiple uses.

The 1982 rule



18

- ❖ 1982 Rule Predicated upon economic impacts and efficiency
 - Prescriptive as to what is in economic analysis
- ❖ 1982 Rule conceived when “economics” was important in federal government to show that federal monies were “invested” at a favorable return
 - OMB Circular A-94 required a benefit-cost analysis for federal programs & policies
 - Influenced also by NEPA which required analysis of economic (and social) impacts of proposed agency actions when raised as an issue

The 2012 Rule



19

- Focuses on resources relevant to the plan area and area of influence
- Issues and collaboration with publics would drive how to perform economic analyses
- Recognizes benefits people received from the forests (Ecosystem Services)
- Shifts more planning focus to sustaining opportunities, providing ranges of potential benefits, and a more adaptive/interactive process

Conclusions about Economics in 2012 rule



20

- a shift from maximizing net benefits under the 1982 rule to
- “guiding contributions to social and economic sustainability” under the 2012 rule.

Conclusions about Economics in 2012 rule



21

- Shift from prescriptive analysis requirements to more flexible/less prescriptive analytical requirements
 - benchmark analyses not required
 - NEPA effects and/or tradeoff analyses are required
 - Recognize multiple uses and ecosystem services, and the contribution to social and economic sustainability



- On going work to support 2012 planning rule
- Economic contribution analysis for National Forests and National Grasslands
 - Ecosystem Services Evaluation Framework
 - Develop guidance addressing social, cultural and economic requirements



Q&A

Available for Discussion:

Susan Winter, Chris Miller,
Kawa Ng, Floyd Deloney &
Karen Liu