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Email: [BLM\\_OR\\_Revision\\_Scoping@blm.gov](mailto:BLM_OR_Revision_Scoping@blm.gov)

Re: Comments on Bureau of Land Management's Notice of Intent to Revise Resource Management Plans for Northwestern and Coastal Oregon and Southwestern Oregon in Oregon/Washington and Prepare an Associated Environmental Impact Statement.

Greetings:

Please accept these scoping comments on the Bureau of Land Management (BLM) notice of intent to revise its 2016 Resource Management Plans (RMPs) for western and southwestern Oregon. These comments are submitted by Coast Range Association. Submitted in connection with these comments are two other documents that support the points made in these comments and are relevant to BLM's consideration of revisions to these RMPs.

## Purpose and Need for a new BLM RMP

“The purpose of the RMP revision is to seek an increase in sustained yield of timber harvest that aligns with the historically higher levels of production on BLM-administered public lands governed by the O&C Act” and “one of the six principal or major uses of the public lands identified in the Federal Land Policy and Management Act of 1976....” That one principal use being “the Nation's need for domestic sources of timber and fiber.”

The Purpose & Need goes on to state that the BLM seeks to “increase revenue from these lands, which pursuant to the O&C Act are shared with rural counties and support essential services, such as roads, schools and law enforcement.” It is noted that the BLM's timber harvests averaged about 1.078 billion board feet annually from 1960 through 1989. Since 2010, timber output on BLM lands have exceeded 200 million bf annually.

For perspective the following table displays Oregon's timber volume between 2001 and 2020.

## Timber Harvest for Oregon

YEAR	OWNERSHIP					TOTAL
	Industry	N.I.P.F. & Tribal	State	Forest Service	BLM & Other Public	
2002	2,985,389	404,354	268,922	166,495	97,198	3,922,358
2003	2,948,628	427,022	292,812	202,759	130,597	4,001,818
2004	3,032,006	652,985	290,629	337,370	138,205	4,451,195
2005	2,970,365	585,715	340,718	332,163	182,467	4,411,428
2006	3,174,015	477,863	296,035	215,560	164,231	4,327,704
2007	2,830,025	300,405	276,148	222,690	169,286	3,798,554
2008	2,583,256	214,462	278,069	206,338	159,278	3,441,403
2009	1,985,864	158,711	234,520	191,756	177,628	2,748,479
2010	2,204,656	306,270	296,772	254,246	164,606	3,226,550
2011	2,454,521	330,830	280,482	374,450	208,847	3,649,130
2012	2,555,496	381,210	250,874	369,170	192,039	3,748,789
2013	2,762,168	577,615	252,130	392,217	215,072	4,199,202
2014	2,625,009	614,767	229,566	386,662	269,604	4,125,608
2015	2,391,304	506,152	290,087	367,730	232,777	3,788,050
2016	2,459,375	566,961	283,712	351,737	226,563	3,888,348
2017	2,535,451	474,481	301,636	334,622	204,848	3,851,038
2018	2,532,932	633,800	189,308	336,754	234,160	3,926,954
2019	2,295,390	384,843	289,804	354,345	216,909	3,541,291
2020	2,244,982	350,942	253,341	553,135	222,336	3,624,737

The Federal Register Notice for the new Resource Management Plan states “BLM has developed a preliminary alternative that would meet the purpose of providing an increase in timber harvest levels of production to align with historically higher levels of volume on BLM-administered public lands in the decision area.” We note that all industrial forest timber harvest is in the 2.5 billion bf range. Adding small forest owner timber to total log output takes production to around 2.7 billion bf.

If the BLM increased timber production by 700 million bf, what will the impact on log prices be? Will the BLM timber revenues and resulting increase in rural household income be offset by lower log prices and reduced small landowner household income from log sales? Since market prices are set at the margin, substantially increased BLM log production may very well provide no net gain for rural household income.

What will occur through a decline in log prices. Lower log prices, absent substantial increases in a mill’s wage bill, will result in greater mill profits. Such profits will have no impact on rural economies. While, at the same time, depressing log prices will cause small landowners to defer harvest or receive less income from their log sales. This will negatively impact rural economies.

## BLM Payments to Local Governments

BLM timber profits are shared with local government (counties and schools) and reduced timber sales have caused a reduction in payments to local governments. These payments, the agency notes, have gone from \$109 million in 1989 to around \$25 million to \$30 million in the current period. The Purpose & Need statement then argues such reductions in timber output and reduced timber profit sharing have “**triggered mill closures, job losses, and shrinking tax bases, devastating local communities and forcing counties to cut services and raise local taxes.**”

Scoping issue: Please review overall income sources for county governments & schools. In doing the review, please assess and acknowledge the following:

1. The income to rural schools, due to the 1997 Ballot Measure 50, decoupled school funding from timber revenue sharing from BLM or the Forest Service. The state funding of schools is called Equalization. A future dollar of BLM timber profits to schools is a dollar lost in state funds. Please review and explain how increased BLM timber revenues to schools will have a positive rural impact.

### **Big-Timber’s Property Taxes State & Local Governments (Westside Only)**

**1990-1995: Average Yearly Taxes Paid = \$138,430,971**

**2007-2012: Average Yearly Taxes Paid = \$ 87,447,160**

2. In an apparent disconnect from the BLM’s characterization of rural conditions, the Oregon legislature saw fit to drastically reduce taxes on timber harvests and modestly lower property taxes on industrial timberland owners. If, as the BLM argues, reduced federal timber harvests “triggered mill closures, job losses, and shrinking tax bases, devastating local communities and forcing counties to cut services and raise local taxes” then why has the state of Oregon seen fit to reduce property taxes on forestland in the area of BLM ownership? And why has the state of Oregon reduced overall property and timber taxation, in the area of BLM ownership, by over 84% between 1990 and 2012?

**Data Source:**

State of Oregon Legislative Revenue Office  
Research Report #2-13, 2013.  
Appendix A: Local Government Revenues from Timber in Oregon.  
Table A1: Revenue From Privately Owned Forestland

**Timber Harvested and Revenues Received**

Of the two revenue periods, industrial timber production declined 10.5% in the 2008-2012 period over the 1991-1995 period.  
Tax revenues declined 84.5%.

## **Big-Timber's Taxes Paid to Oregon State & Local Government (Westside Only)**

1990-1995: Average Yearly Taxes Paid = \$114,708,779

2007-2012: Average Yearly Taxes Paid = \$ 17,725,383

**84.5% Tax Reduction for Big Timber Owners**

The above values are in 2016 constant dollars (BLS Inflation Calculator)

The BLM should take a hard look at timber taxation and rural property tax revenues comparing the 1985-1990 period to the current period using constant, inflation adjusted dollars.

Oddly, just as the BLM reduced timber payments to local governments by over \$85 million, the state of Oregon saw fit to reduce timber taxation by a greater amount. Something doesn't add up between the BLM's characterization of federal timber revenue sharing and the state of Oregon's timber and property taxation system.

### **Take a Hard Look at Rural Household Income**

As part of the EIS, the central issue for the rural economy is household income. Give the assertion by the BLM that increased timber harvests are needed due to "mill closures, job losses, and shrinking tax bases, devastating local communities," surely a hard look will be taken at how timber harvesting and log sales support rural households. Which is to say, where do the dollars go from the sale of federal logs to lumber mills? How much will rural households gain from increased BLM timber harvest? Particularly important is income for those rural households in the lower 60% of household income.

The purchase of federal forest log by a lumber mill sends dollars to four locations:

1. The federal agency that sold the log,
2. the owners of the firm buying and delivering the log (profits),

3. the wage bill of labor cutting and delivering the log, and
4. Out-region entities that service timber harvesting and delivery businesses.

Issues the BLM must address are:

1. What share of a timber sale dollar flowing to the BLM remains in the rural economy of “devastated” rural areas? Which is to ask, what portion of BLM employees spending remains in rural areas and not in metropolitan areas such as, for example, Roseburg, Eugene, Salem? The same question applies to private contractors the agency employs.
2. For the firms that buy and deliver BLM logs, what percentage of the profit share remains in “devastated” rural communities?
3. For the wage bill, what percentage remains in a local rural economy and what percentage flows to metropolitan urban areas or out-region?
4. And finally, what percentage of the BLM’s timber sale dollar flows to out-region entities by way of timber firms servicing debt, purchasing fuel, buying machinery and supplies—all of which are purchases common within the timber industry?

The same set of economic impact questions apply to milling and other value added manufacturers processing BLM logs. The issue is **not** how the timber and lumber industries contribute to Oregon’s economy, but how logging and milling industries and federal spending contribute to “devastated” rural economies.

To answer the above question requires survey data determining the living and spending locations of the labor force and an analysis of how wood products firms allocate income/profits.

If a case can be made for increased timber harvest improving socioeconomic conditions in “devastated” rural areas, such positive outcomes must be judged against obvious trade-offs. High levels of timber cutting foreclose alternative rural economic activity such as, for example, recreation. We expect the EIS to not only establish a quantitative case for positive impacts to “devastated” rural communities but also assess the net economic gain by way of trade-offs.

# Socioeconomic Rural Conditions in the Area of BLM ownership

For most of western Oregon, rural areas are dominated by federal ownership. But some rural areas are dominated by private industrial forest ownership. Since the BLM owns the checkerboard O&C lands, the agency is quite familiar with mixed private industrial and public land ownership.

For the ten-year review of the Northwest Forest Plan, the Forest Service conducted a comparison of census tract population change across western Oregon. The 1990 and 2000 census indicated stagnant population growth or outright decline for most rural areas. The agency then ascribed much of the negative socioeconomic trend to reduced federal lands

timber harvest. The Coast Range Association extended the original analysis using 2010 and 2020 Census data.

## Coast Range Association Population Study: Rural Western Oregon

A Comparison of 1990 and 2020  
Community Population

Population loss (white areas) or poor growth (light grey) occurred in all of Oregon's rural areas. Over time, we believe long-term population change reflects local economic vitality. Here's the map of our research.

Almost all average (dark grey) or strong (black) rural population growth occurred near urban areas, the Willamette Valley or select coastal communities.

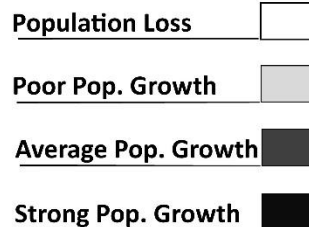
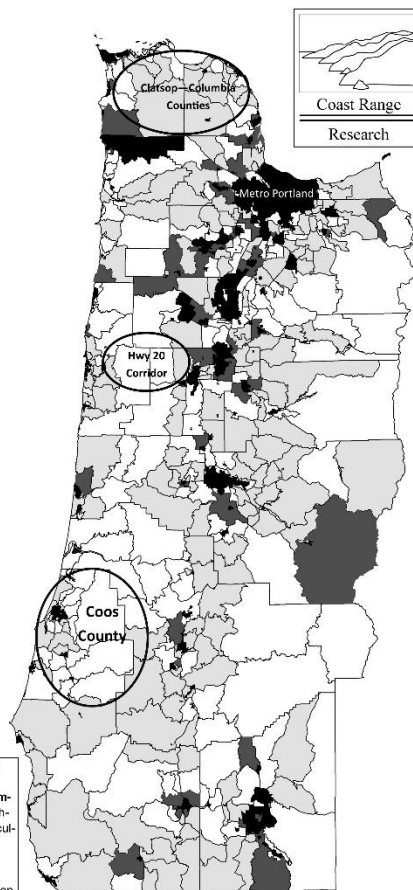
Three circled areas with a high percentage of private forests saw population loss or poor population growth. Those areas are Clatsop and Columbia counties, the Hwy 20 corridor between Philomath and Toledo, and Coos County.

Coos County forests are 62% privately owned. If any county should benefit from unrestricted logging it was Coos County. Yet, Coos County had the worst performance for population growth of all western Oregon counties. The county lost population between 1990 and 2020.

The Coast Range Association (CRA) population study is based on a set of rural community boundaries defined for the entire area of the Northwest Forest Plan. See Donoghue, E.M.; Sutton, N.L. 2006. **Community Socioeconomic Information System (CSIS)**. General Technical Report PNW-GTR-672. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station.

The CSIS has socioeconomic data for each community using information from the 1990 and 2000 Census. The Coast Range Association updated each CSIS defined community with data from the 2010 and 2020 U.S. Census. The difficult work of integrating two new Census data sets into the CSIS geospatial boundaries was accomplished by Spencer Zinke - a 2022 graduate from UCLA in Geography. CRA staff then characterized each community's population change between 1990 and 2020 according to four categories. Those four categories are either population loss or one of three growth categories related to Oregon's 1990 to 2020 population growth of 49%.

**Categories of Population Change**  
**Loss** = An absolute decline in population (<0%)  
**Poor Growth** = Half or less of Oregon's 1990-2020 population growth of 49%. (0% to 24.5%)  
**Average Growth** = 24.6% growth to 73.5% growth  
**Strong Growth** = >73.6% growth or greater



A poster of our findings will be submitted as separate scoping comments. What we found with the longer 1990-2020 period is illuminating. Three areas of concentrated private industrial forest ownership showed stagnant population growth or outright population decline. Although private industrial forest owners harvest timber at maximum site potential, no local or rural economic benefit occurred.

We now call attention to a Coast Range Association document titled *Wealth, Income and Oregon's Rural Communities*. We are submitting the Wealth report as a separate scoping comment.

Some key findings of the report are:

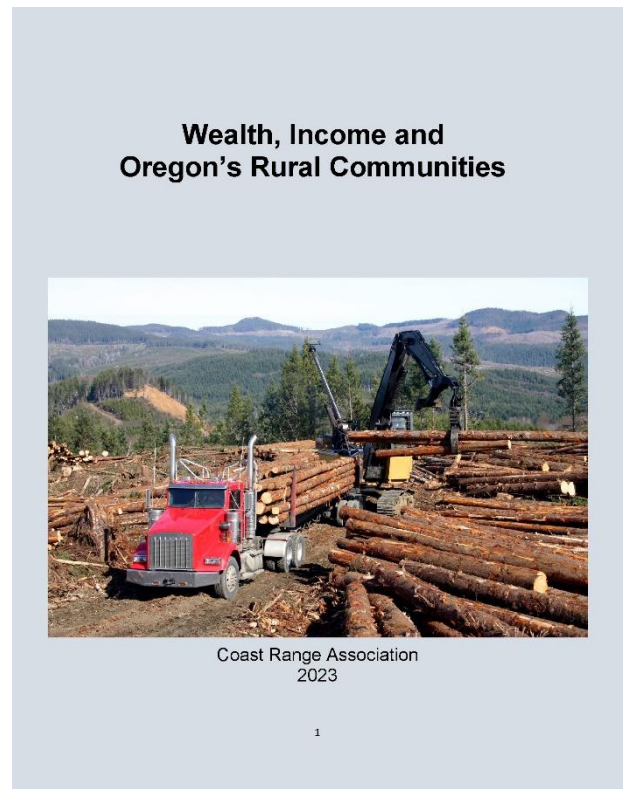
1. Studies have shown that in the past 60 years, over 600,000 acres of small landowner property was bought by Oregon's big timber companies. The sale of small forestland owner holdings to big timber companies results in people leaving rural communities. Population loss affects the rural economy directly through reduced local spending. Every time a family sells its land and moves away there is one less customer at the local grocery or hardware store.

2. There has been a steady increase in the amount of private forestland controlled by just a few of the largest timber companies. Today, 10 companies own 81 percent of all industrial forestland in western Oregon.

3. The timber business model has moved away from companies that own forests to supply their lumber mills and toward timber-only investment companies that sell logs to unrelated buyers, and, in some cases, to their own mills. In this new model, forestlands are narrowly managed for shareholders, investors and bondholders. We explain how **the main goal of western Oregon's timber companies is to send money (income, interest and profits) to the wealthiest people in the world.**

4. Corporate timber firms do many things, but the following list is important:

- a. They lower their taxes through political power and the influence of money;
- b. They adopt labor practices and subcontracting strategies that reduce labor costs;
- c. They use cutting cycles that lower timber production but increase return on investment.
- d. They continue the buyout of small landowners leading to rural depopulation.



Big Timber Company		What the Company Does		
		Cut & Sell Timber	Grow New Trees	Manage Land & Roads
How to Make the Most Profit	Subcontract Work	Subcontract Logging & Hauling	Subcontract Replanting & Stand Man.	Subcontract Road Building & Maintenance
	Lower Taxes	Control State Tax Policy		
	Manage for Money Not Timber	Net Present Value Project Analysis for Return on Equity		

The EIS must take a hard look at the local and larger economic and political forces shaping “devastated” rural areas and explain how increased BLM timber harvest will have any meaningful impact on prevailing socioeconomic conditions.

## I-O Modelling

In the event the BLM does Input-Output economic modelling for the EIS, most likely the BLM will use the IMPLAN model. We offer the following comments if such an analysis occurs:

1. Provide a table stating the BLM’s forests harvest contribution as a percentage of the region’s total GDP or employment and take a hard look at the significance of increased timber outputs relative to the total economy.

2. In presenting the IMPLAN analysis do not use the **Total Output** metric.

A paper published in the *Journal of Forestry* discussing use and misuse of IMPLAN in forest industry modelling.

**Henderson, et al. Standard Procedures and Methods for Economic Impact and Contribution Analysis in the Forest Products Sector. Journal of Forestry. March, 2017.**

The Henderson et al paper states “*Total output, as calculated by IMPLAN, is not the same thing as GDP. GDP only considers the final cost of goods and services (the total of four value-added components: employee compensation, proprietor income, indirect business taxes, and other property type income) and excludes the value of intermediate goods to avoid double counting. IMPLAN’s measure of total value added, not total output, is the*

*most comparable measure of GDP or GSP.....” And “Analysts should be aware of this very important difference, and when both output and value-added are reported, each should be clearly distinguished. However, output is a simpler concept than value added, and because it reports much larger values, it is **often requested by forest industry advocates for use in lobbying legislatures.**”*

We recommend the BLM review two journal articles, the aforementioned Henderson et al paper and a 2007 paper by Watson et al on best practices of IMPLAN analysis.

WATSON, P., J. WILSON, D. THILMANY, AND S. WINTER. 2007. **Determining economic contributions and impacts: What is the difference and why do we care.** *Journal of Regional Analysis and Policy* 37(2): 140–146.

## Other Timber Modelling Concerns

In forest timber production simulations, Model Function and Scenario Constraints are set in the **Objective Function**. A common objective function structure employed in forest linear programming analyses is net present value, otherwise known as discounted cash flow. As with almost all contemporary economic analysis, such analysis has a goal of maximum efficiency. Why? Nature is not efficient, it is redundant.

Net present value (NPV) is a sneaky way to apply capitalist financial analysis to a natural system. We urge the BLM to be very careful confounding ecosystem viability and species survival with market-based property values.

We request BLM to discuss the issue of linear programming related to future forest conditions and socioeconomic effects. An uncertain future due to stressed planetary limits, future unknown climate impacts and lessons learned from the 2008 financial collapse all suggest that linear projections fail to capture a dynamic future. As a rule, most human and natural systems are nonlinear (i.e the Lotka–Volterra equations in biology).

We ask the BLM to discuss the agency’s use, or non-use, of the **precautionary principle** in the EIS.