

Four Forest Restoration Initiative

Socioeconomic Resource Report

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Coconino National Forest and Kaibab National Forest

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Introduction

The Four Forest Restoration Initiative (4FRI) includes lands on four National Forests in northern Arizona – the Apache-Sitgreaves, Coconino, Kaibab, and Tonto National Forests. This report provides social and economic analysis in support of the first Environmental Impact Statement (EIS) for the 4FRI.

Spatial and Temporal Context for Effects Analysis

The 4FRI planning area includes lands in Apache, Coconino, Gila, Graham, Navajo, and Yavapai counties. The first stage of 4FRI addresses portions of the Kaibab and Coconino National Forests. First stage treatments would occur in Coconino and Yavapai counties. Maricopa and Navajo counties are also included in the analysis due to the economic linkages between these counties and the project area. The firms and employees that will support 4FRI activities are located in these counties (both primary and supplier firms) and a large share of forest visitors originate in these counties. Therefore, these counties are also included in the economic impact analysis.

Communities in the vicinity of proposed treatments include Flagstaff, Munds Park, Mormon Lake, Tusayan and Williams, Arizona. These communities are heavily influenced by their proximity to protected public lands, particularly Grand Canyon National Park. Tourism is a major economic driver, particularly in Tusayan and Williams. The economies are increasingly dependent on management, education, and tourism sectors, while consumptive natural resource industries have declined. Over the past twenty years, the population in the study area has grown substantially, indicating that the area offers both economic opportunity and natural amenities.

The temporal boundaries for the socioeconomic analysis extend 10-years, which is the proposed project period. The measurable social and economic consequences of the action alternatives are expected to occur during this period.

Regulatory Framework

Multiple statutes, regulations, and executive orders identify the general requirement for the application of economic and social evaluation in support of Forest Service planning and decision making. These include, but are not limited to, the Multiple-Use Sustained Yield Act of 1960 (74 Stat. 215; 16 USC 528-531), National Environmental Policy Act of 1969 (83 Stat. 852; 42 USC 4321, 4331-4335, 4341-4347), and the Planning Act of 1974.

The Multiple-Use Sustained Yield Act of 1960 (74 Stat. 215; 16 USC 528-531) requires that economic impacts are considered when establishing management plans or decision that may affect the management of renewable forest and rangeland resources. This report meets the requirements of this law by addressing the economic impacts of 4FRI on the local economy.

National Environmental Policy Act (NEPA) of 1969 (83 Stat. 852; 42 USC 4321, 4331-4335, 4341-4347) requires that economic and social impacts of Federal actions be considered through environmental analysis. This specialist report includes analysis on social and economic issues identified during the scoping process to meet the terms of the NEPA and regulations.

National Forest Management Act (NFMA) of 1976 (16 U.S.C. 1600) and regulations require that the economic impacts of decisions or plans affecting the management of renewable resources are analyzed and that economic stability of communities whose economies are dependent on materials from national forest lands are considered. This analysis meets the requirements of the NFMA by specifically considering the

economic impacts of the implementation of the 4FRI project and its impacts on local communities and minority populations.

Executive Order 12898 issued in 1994 orders federal agencies to identify and address any adverse human health and environmental effects of agency programs that disproportionately impact minority and low-income populations.

The Civil Rights Act of 1964 provides for nondiscrimination in voting, public accommodations, public facilities, public education, federally assisted programs, and equal employment opportunity. Title VI of the Act, Nondiscrimination in Federally Assisted Programs, as amended (42 U.S.C. 2000d through 2000d-6) prohibits discrimination based on race, color, or national origin.

Resource Indicators and Measures

Table 1 identifies the indicators used to measure changes between alternatives related to social and economic well-being in the planning area.

Table 1: Socioeconomic Indicators

Category	Indicator(s)
Economic activity	Employment and labor income
Economic efficiency	Public expenditures, avoided costs, lost activity days, tourist spending, and ecosystem services provision
Quality of life	Smoke emissions, traffic, recreation displacement, scenery changes
Environmental justice	Smoke emissions in low-income and tribal communities, employment and labor income

Affected Environment

Existing social and economic conditions are necessary to establish the baseline from which to estimate potential consequences of the Four Forest Restoration Initiative. The proceeding section analyzes the current conditions and trends related to the social and economic environment of the planning area, including: population and demographic changes, potential environmental justice populations, and employment and income conditions.

Population and Demographics

This section highlights population and demographic trends in the study area. Population is an important consideration in managing natural resources. In particular, population structure (size, composition, density, etc.) and population dynamics (how the structure changes over time) are essential to describing the consequences of forest management on the social environment (Seesholtz et al. 2004).

Population Growth

The study area is home to 4,270,020 people (U.S. Census Bureau 2010). Table 2 displays population data for the counties, state, and nation in 1990, 2000, and 2010.

Table 2: Population Change, 1990-2000 and 2000-2010

	<i>1990</i>	<i>2000</i>	<i>% Growth, 1990-2000</i>	<i>2010</i>	<i>% Growth, 2000-2010</i>
<i>Coconino County</i>	96,591	116,320	20.4%	134,421	15.6%
<i>Maricopa County</i>	2,122,101	3,072,149	44.8%	3,817,117	24.2%
<i>Navajo County</i>	77,658	97,470	25.5%	107,449	10.2%
<i>Yavapai County</i>	107,714	167,517	55.5%	211,033	26.0%
<i>Study Area Total</i>	2,404,064	3,453,456	43.7%	4,270,020	23.6%
<i>Arizona</i>	3,665,228	5,130,632	40.0%	6,392,017	24.6%
<i>United States</i>	248,709,873	281,421,906	13.2%	308,745,538	9.7%

Source: U.S. Census Bureau, 1990, 2000, and 2010

Maricopa County is by far the most populous county in the study area, due to the presence of the Phoenix metropolitan area. Maricopa County alone accounts for approximately 60 percent of Arizona's population. As a result, the study area totals are dominated by Maricopa County. These data highlight the importance of presenting socioeconomic information at a county-level; otherwise, the inclusion of Maricopa County could mask substantial changes in other counties.

The study area population growth rate mirrored Arizona's population growth rate during the two periods. However, the growth rates varied between study area counties. The population in Maricopa and Yavapai counties grew at approximately double the rate of Coconino and Navajo counties. Regardless, all study area counties surpassed the national population growth rate in both periods.

Rapid population growth may signal expanding economic opportunities and/or desirable amenities. Much of Coconino, Navajo, Maricopa, and Yavapai counties are occupied by protected federal lands. National Forest System (NFS), Bureau of Land Management (BLM), and National Park Service (NPS) lands provide natural amenities for area residents.

Population Density

Population density can serve as an indicator of a number of socioeconomic factors of interest – urbanization, availability of open space, socioeconomic diversity, and civic infrastructure (Horne and Haynes 1999). More densely populated areas are generally more urban, diverse, and offer better access to infrastructure. In contrast, less densely populated areas provide more open space, which may offer natural amenity values to residents and visitors. Table 3 displays the number of people per square mile for each of the counties of interest.

Table 3: Population Density

	<i>People/Sq. Mile</i>
<i>Coconino County</i>	7.2
<i>Maricopa County</i>	414.8
<i>Navajo County</i>	10.8
<i>Yavapai County</i>	26.0

<i>Arizona</i>	56.3
<i>United States</i>	86.6

Source: U.S. Census Bureau 2010, Table DP-1

Despite substantial gains in population since 1990, Coconino, Navajo, and Yavapai counties continue to have relatively low population density. These three counties are less dense than the state and nation. In contrast, Maricopa County is much denser than the state and nation, with more than 400 people per square mile in the county.

These findings suggest that the study area, outside of the Phoenix metropolitan area, is quite rural. Low population density also points to high levels of public ownership. In all of the Arizona counties included in the analysis, a minority of the land is privately owned. Maricopa County has the highest private ownership rate, at 29 percent, but the majority of land is publicly owned (Forest Service, BLM, and State Lands) or Indian reservation land (Arizona Department of Commerce 2008).

Median Age

Table 4 lists the median age by county for the study area. As with other population characteristics, the median age varies substantially between counties. Coconino, Navajo, and Maricopa counties are relatively young with median ages below the state and national medians. In contrast, Yavapai County exceeds the state and national median ages by more than a decade. A high median age generally indicates that a relatively large number of retirees reside in the area. An area with a large percentage of retirees will earn income primarily from investments and transfer payments (e.g., dividends and Social Security), rather than salaries and wages.¹

Table 4: Median Age

	<i>Median Age</i>
<i>Coconino County</i>	31.0
<i>Maricopa County</i>	34.6
<i>Navajo County</i>	34.7
<i>Yavapai County</i>	49.2
<i>Arizona</i>	35.9
<i>United States</i>	37.2

Source: U.S. Census Bureau 2010, Table DP-1

Age data may be relevant for Forest management decisions. A population’s age may affect community values and uses associated with Forest lands. For example, older populations are more likely to desire easily accessible recreation opportunities.

Educational Attainment

Educational attainment, the measure of people with at least a high school diploma or bachelor’s degree, is an important indicator of an area’s social and economic opportunities and its ability to adapt to change. Table 5 lists the percentage of the adult population with at least a high school diploma and a bachelor’s degree.

¹ This prediction is borne out in the non-labor income data presented in Table 9. More than 50 percent of the income in Yavapai County comes from non-labor sources.

Table 5: Educational Attainment, Percent of Persons Age 25+

	<i>High School Graduate (%)</i>	<i>Bachelor's Degree or Higher (%)</i>
<i>Coconino County</i>	85.7	31.3
<i>Maricopa County</i>	86.3	28.3
<i>Navajo County</i>	80.5	14.4
<i>Yavapai County</i>	89.0	21.6
<i>Arizona</i>	85.6	25.9
<i>United States</i>	85.6	28.2

Source: U.S. Census Bureau 2010, Table DP02

The vast majority of adult residents in the study area are high school graduates. Approximately a quarter of study area residents have a bachelor's degree or higher. With the exception of Navajo County, the study area, state, and nation all have similar percentages of residents with a bachelor's degree or higher. These findings suggest that the study area is relatively well-educated. Opportunities likely exist for working-age adults with high levels of education. The presence of highly educated adults may be self-reinforcing: a highly educated population is a signal that an area provides economic and cultural opportunities, which attracts additional college educated adults to the area. This process leads to further economic development and job creation. In contrast, areas with low levels of educational attainment have lower levels of human capital, which reduces an area's ability to capitalize on economic change (Florida 2002). Navajo County likely offers fewer opportunities for highly educated adults. Lower educational attainment is correlated with lower income and higher poverty rates in Navajo County.

There are a number of institutions of higher education in the study area, including Arizona State University and Northern Arizona University. Post-secondary institutions improve a county's ability to retain and attract young residents. In areas without higher educational opportunities, young people who wish to continue their education migrate out of the area – a process known as the “brain drain.”

Employment and Income

The previous section assessed demographic trends in the study area relative to the state and national averages. This section will focus on economic conditions and trends in the study area. This discussion provides additional information on the social and economic environment in the study area. The baseline analysis is the foundation of subsequent impact analyses.

Per Capita Income

Per capita income is a key indicator of the economic well-being of a county. High per capita income may signal greater job opportunities, highly skilled residents, greater economic resiliency, and well-developed infrastructure. Table 6 provides data on per capita income in 2010 for the counties, state, and nation.

Table 6: Per Capita Income, 2010 US Dollars

	<i>Per Capita Income</i>
<i>Coconino County</i>	\$19,703
<i>Maricopa County</i>	\$25,350
<i>Navajo County</i>	\$16,745
<i>Yavapai County</i>	\$22,619
<i>Arizona</i>	\$23,618

<i>United States</i>	\$26,059
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Source: U.S. Census Bureau 2010, Table DP03

Per capita income in the study area is similar to per capita income in the state and nation. Coconino and Navajo counties have lower per capita income than the other study area counties, which is consistent with the finding in the Environmental Justice section that Coconino and Navajo counties have high poverty rates relative to the rest of the study area, the state, and the nation.

Median Earnings

Per capita income offers an incomplete picture of the economic well-being of an area. Table 7 presents data on median earnings for workers. Whereas per capita income considers all sources of income (including wage and salary payments, transfer payments, investment earnings, dividends, and rents), median earnings considers only wage and salary earnings.

Table 7: Median Earnings for Workers, 2010 US Dollars

	<i>Median Earnings</i>
<i>Coconino County</i>	\$19,921
<i>Maricopa County</i>	\$30,583
<i>Navajo County</i>	\$22,524
<i>Yavapai County</i>	\$22,222
<i>Arizona</i>	\$27,813
<i>United States</i>	\$28,899

Source: U.S. Census Bureau 2010, Table DP03

Median earnings in Coconino, Navajo, and Yavapai counties are below state and national medians. Maricopa County has slightly higher median earnings than either the state or nation, indicating that Maricopa County offers relatively high-paying employment.

Median earnings are higher than per capita income in Coconino, Navajo, and Maricopa counties, which suggests that employed residents of these counties have slightly higher incomes than individuals who do not derive income from employment (e.g., retirees). In contrast, median earnings are approximately equivalent to per capita income in Yavapai County, which suggests that retirees and workers have similar incomes in the county.

Forestry-Related Employment and Income

Table 8 shows the economic contribution of forestry-related sectors to the local economy. In terms of employment, forestry-related sectors account for approximately one-third of one percent of study area employment. This is less than the statewide contribution, where forestry-related jobs account for approximately 0.63 percent of total employment. The same trend is observed in employee compensation and output – the forestry sector in the study area is relatively smaller than in other parts of the state. These findings indicate that the study area is currently less specialized in forestry than the rest of the state. However, Navajo County is specialized in forestry-related sectors, with nearly 7 percent of total output in the county derived from these sectors. The economic data suggest that Navajo County is both the most underserved county (in terms of economic opportunities) and also the most reliant on forest-related employment in the study area. Therefore, Navajo County may be particularly influenced by economic changes related to 4FRI.

Table 8: Economic Contribution of Forestry-Related Sectors in the Study Area

	Employment		Employee Compensation (in USD Millions)		Output (in USD Millions)	
	<i>Value</i>	<i>% of Total</i>	<i>Value</i>	<i>% of Total</i>	<i>Value</i>	<i>% of Total</i>
<i>Coconino County</i>	182	0.25%	\$4	0.13%	\$15	0.19%
<i>Maricopa County</i>	6,784	0.31%	\$192	0.20%	\$801	0.26%
<i>Navajo County</i>	683	2.04%	\$33	2.49%	\$245	6.56%
<i>Yavapai County</i>	154	0.22%	\$5	0.22%	\$12	0.16%
<i>Study Area Total</i>	7,120	0.30%	\$201	0.20%	\$828	0.25%
<i>Arizona</i>	20,169	0.63%	\$575	0.42%	\$1,713	1.26%

Source: MIG 2009

Economic Diversity

Economic diversity generally promotes stability and offers greater employment opportunities. Highly specialized economies (i.e., those that depend on very few industries for the bulk of employment and income) are prone to cyclical fluctuations and offer more limited job opportunities. Determining the degree of specialization in an economy is important for decision-makers, particularly when the dominant industry can be affected by changes in policy. For Forest Service decision-makers, this is likely to be the case where the forest products industry or the tourism and recreation industries, for instance, are reliant on the local National Forest(s).

Figure 1 provides a breakdown of employment by industry in the study area. The study area economy is quite diverse, with no single sector dominating the local economy. This economic diversity is largely attributable to Maricopa County, which is the geographic and commercial center of the state. Government, retail trade, and the health and social services sectors are the largest employment sectors in the local economy. These industries are consistent with findings discussed in the demographic section – namely a substantial government presence due to public land management, a large retiree population that consumes health and social services, and amenities that attract tourists who contribute to the retail trade sector.

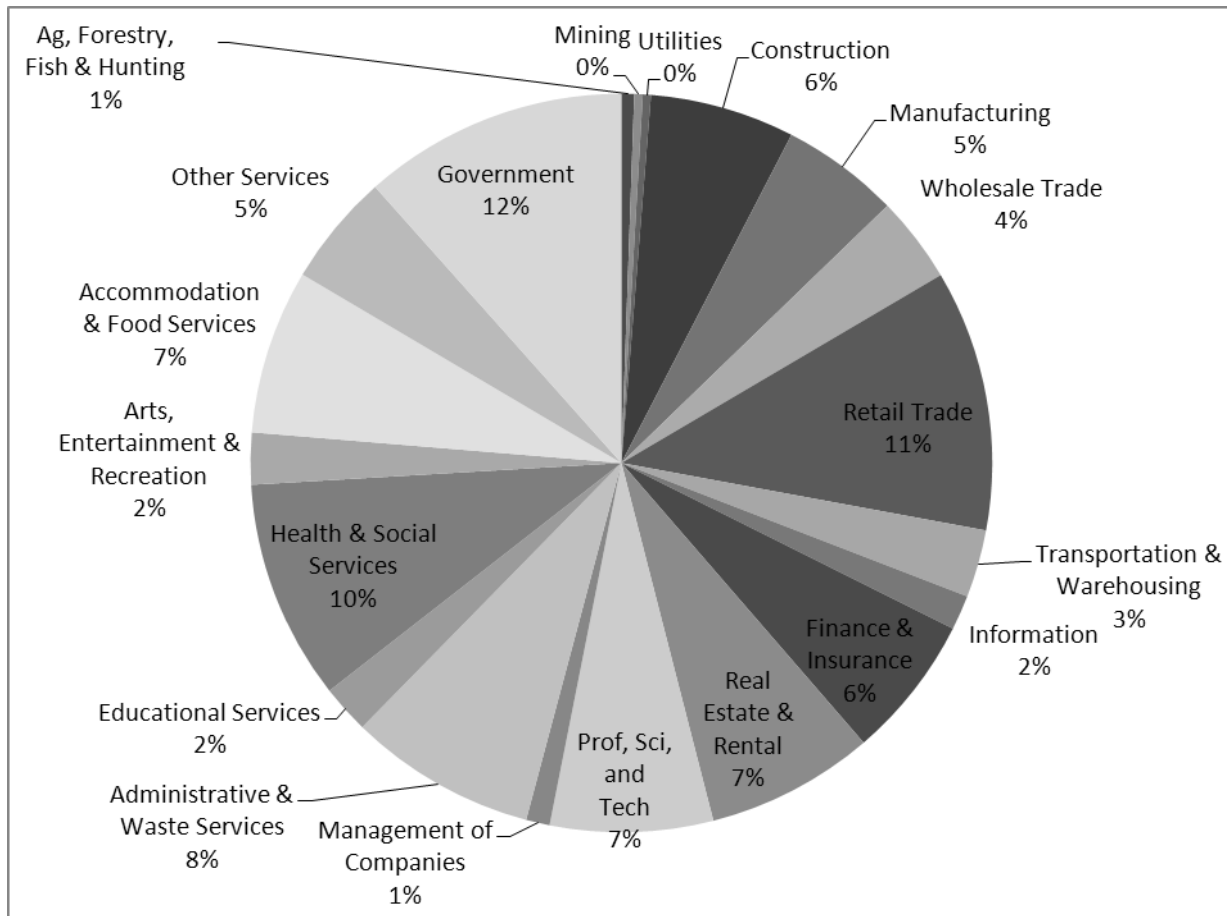


Figure 1: Employment by Industry in the Study Area

Source: MIG 2009

Maricopa County has the most diverse economy in the study area, with only retail trade and government sectors accounting for more than 10 percent of employment. The other counties in the study area have lower economic diversity with some distinctive differences in sectors of employment. Yavapai County, as would be expected of a retirement community, has the largest percentage of its employment in health and social services compared to the rest of the study area. This diversity reflects the demographics driving the local economy. By contrast, Coconino County, which has a larger tourism base to its economy, has the highest percentage of accommodations and food services and arts, entertainment and recreation within the study area. Navajo County has a smaller percentage of employment in service industries that would support tourism or retirement-age in migration, but has the highest employment rates in government and consumptive natural resource sectors (agriculture, forestry, fishing and hunting, and mining). Wage differences and higher unemployment may also be tied to these factors. Within Navajo County, poverty, unemployment and income appears to be unevenly distributed geographically. Most employment centers are south of I-40 in Winslow and other more centralized communities. North of I-40, the county is dominated by three Indian reservations (see Figure 4 for race and ethnicity data) where there are fewer employment opportunities, lower population density and less opportunity for amenity-based population and economic growth as seen in parts of Coconino and Yavapai counties.

The Interior Columbia Basin Ecosystem Management Project identified communities that were specialized with respect to employment. This method is applied here using the ratio of the percent employment in each industry in the region of interest (study area) to an average percent of employment in that industry for a

larger reference area (Arizona). For a given industry, when the percent employment in the analysis region is greater than in the reference area, local employment specialization exists in that industry (USFS 1998). Using this criterion applied with 2009 data, the study area can be characterized as specialized with respect to several industries, particularly management, real estate and rental, wholesale trade, educational services, finance and insurance, and arts, entertainment and recreation (MIG 2009). Figure 2 provides the employment specialization index for all industries in study area.

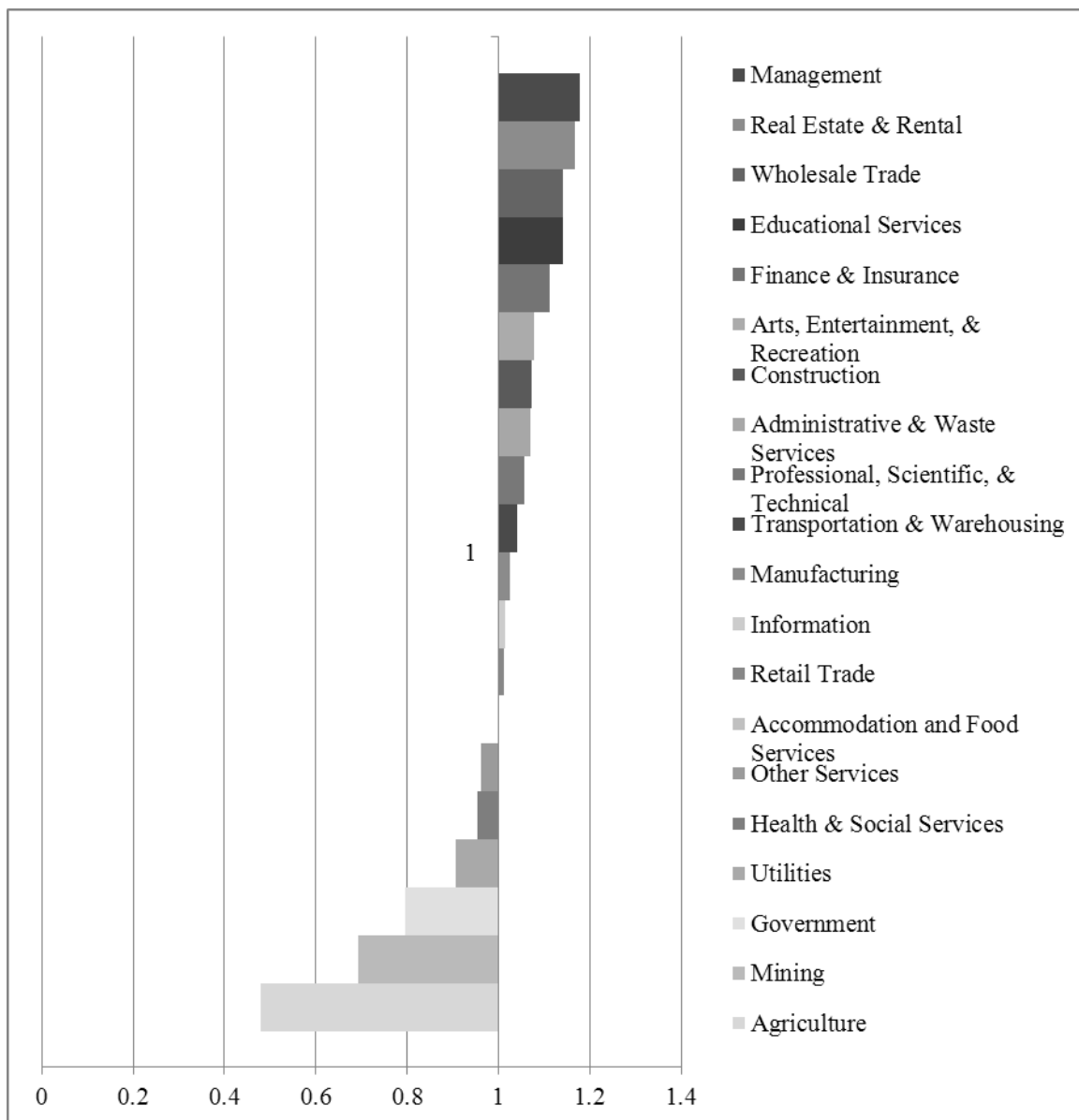


Figure 2: Employment Specialization in the Study Area

Source: MIG 2009

Whereas Figure 1 considers the study area in isolation, Figure 2 compares industry concentration in study area to the state as a whole. The numbers on the x-axis of Figure 2 show the degree of specialization in the local economy. A score of one indicates that the study area and the state are equally specialized in the sector.

A score above one indicates that the study area is more specialized in the sector than the state. A score below one indicates that the study area is less specialized in the sector than the state. As the two figures demonstrate, these two methods of data analysis can suggest quite different results. Management accounts for just one percent of employment in the study area – a relatively modest figure until it is put in the context of the state. A resident of study area is more likely to be employed in the management sector compared to residents of Arizona as a whole. Similarly, although government employment accounts for a relatively large percentage of total employment in Figure 1, the study area is less specialized in government employment compared to the state. Public lands (National Forests, National Parks, BLM-managed public lands, and state-owned lands), military installations, and tribal lands are common across the state. Furthermore, Arizona has a large number of state and local government employees (U.S. Bureau of Economic Analysis 2011b).² All of these features contribute to a relatively large government presence in Arizona.

Non-Labor Income

Table 9 displays the role of labor and non-labor income in total personal income for 2000 and 2009. Non-labor income is any income derived from investments, dividends, rents, or transfer payments. In contrast, labor income is salary and wage disbursements from employment. During the past decade, the percentage of total income derived from non-labor sources increased in all considered areas.

Non-labor income is not directly tied to employment; therefore, it can be more resistant to economic downturns. However, as the most recent recession demonstrated, asset markets can be quite volatile, and non-labor income that depends on investment returns may be unstable.

An increase in non-labor income may reflect changing demographic characteristics. Older populations rely largely on non-labor income, including rents, dividends, and transfer payments (e.g., Social Security). High percentages of non-labor income likely indicate higher concentrations of retirees.

Table 9: Contribution of Labor and Non-Labor Income to Total Personal Income, 2000 and 2009

	2000		2009	
	Labor %	Non-Labor %	Labor %	Non-Labor %
<i>Coconino County</i>	64%	36%	62%	38%
<i>Maricopa County</i>	72%	28%	66%	34%
<i>Navajo County</i>	58%	42%	47%	53%
<i>Yavapai County</i>	50%	50%	43%	57%
<i>Arizona</i>	68%	32%	62%	38%
<i>United States</i>	69%	31%	64%	36%

Source: U.S. Bureau of Economic Analysis 2011a

Non-labor income dominates total personal income in Navajo and Yavapai counties, where it accounts for more than half of income. This finding is consistent with the median age data presented in Table 4, which showed that the median age in Yavapai County is approximately a decade older than the state and national medians. However, Navajo County has a relatively low median age, suggesting that it does not have a large share of retirees. Navajo County does have low per capita income and a high unemployment rate, which indicate that a high share of non-labor income in the county is due to government transfer payments (e.g., unemployment insurance).

² Similar to the United States, approximately 80 percent of government employees in Arizona and the study area work for state or local government.

The distribution of labor and non-labor income in Coconino and Maricopa counties mimics the state and national distributions.

Unemployment

The unemployment rate provides insight into the correspondence between residents' skills and employment opportunities. The "natural" rate of unemployment is said to be around 5 percent. This is the so-called "natural" rate because this is a level that allows for movement between jobs and industries, but does not signal broad economic distress. Recently, the national unemployment rate has hovered between 8 and 10 percent. Figure 3 provides the annual unemployment rates for the counties, state, and nation from 2001 to 2010.

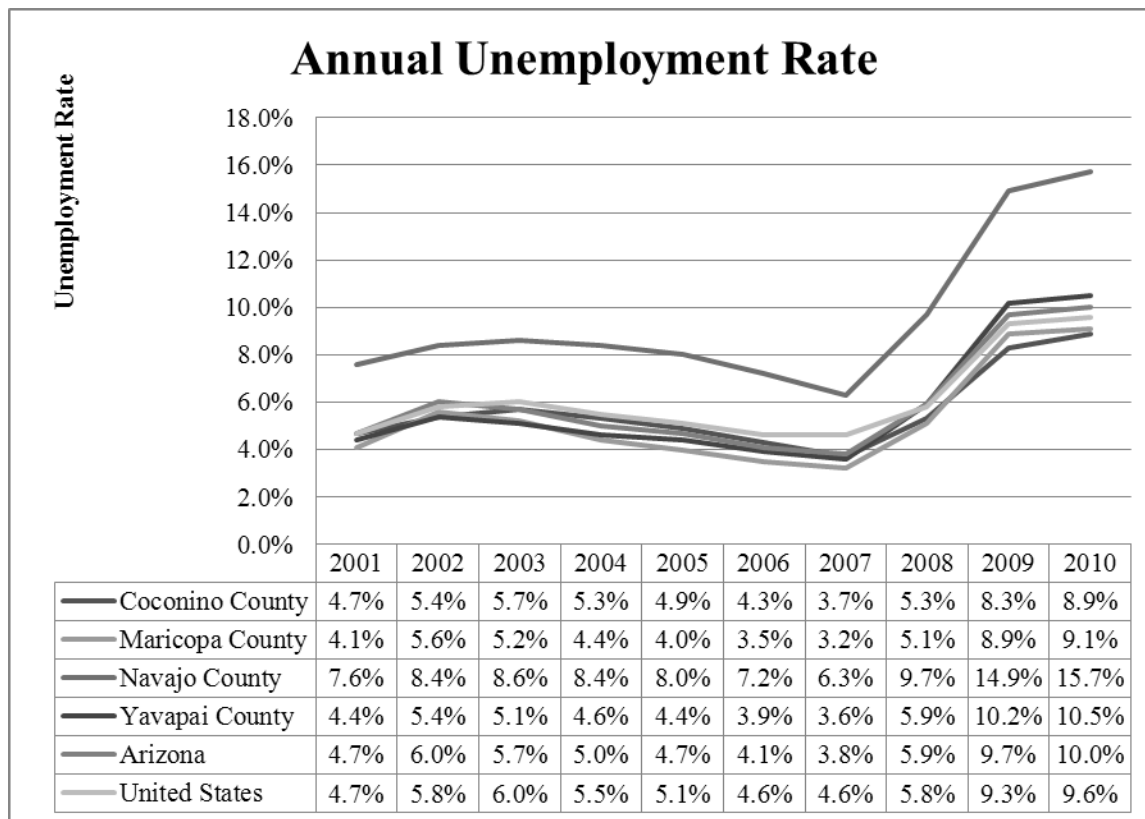


Figure 3: Annual Unemployment Rate, 2001-2010

Source: U.S. Bureau of Labor Statistics 2011

With the exception of Navajo County, unemployment trends in the study area counties have mirrored state and national rates. Throughout the 10-year period, the unemployment rate in Navajo County has been higher than the unemployment rate in the nation, state, and other study area counties.

Economics of Wildfire

Wildfire Costs

Annually, millions of dollars are spent on suppression of wildfires in the United States. In 2007, there were 27 large fires in the U.S. that cost \$547 million to suppress (WFLC 2010). Between 2000 and 2008, the percentage of the Forest Service budget spent on extinguishing wildfires expanded from 25 to 44 percent (WFLC 2010). Furthermore, suppression costs account for only a fraction of the total cost of wildfires. The

Western Forestry Leadership Coalition (WFLC) estimates that total wildfire-related expenses range from two to thirty times the reported suppression costs (2010).

The rising cost of federal wildland fire operations has caused a shift of agency expenditures from other mission critical activities (e.g., restoration, research, and recreation) toward firefighting and fire management (Vilsack 2014). Reduced funding for recreation, vegetation and watershed management, wildlife and fisheries habitat management, and other non-fire activities limits the ability of the Forest Service to contribute to improvements in ecosystem services and quality of life in nearby communities (Vilsack 2014).

Wildland-Urban Interface

As explained above, the cost of fighting wildfires increased over the past decade. A principal reason for the increasing cost is the growing number of homes located in the wildland-urban interface (WUI). Suppression activities are frequently undertaken when wildfire threatens private property. A century of fire suppression has led to increased frequency of high-intensity wildfire. The spread of the WUI has increased the probability that wildfires will occur near private residences. These two factors – the growth of the WUI and the use of suppression tactics – increase the cost of wildfire. Table 10 presents the extent of the wildland-urban interface (WUI) in the study area counties and the western United States.

Table 10: Wildland-Urban Interface, Planning Area and West-Wide

	<i>WUI Area with Homes (2000)</i>	<i>WUI Homes as % of Total Homes (2000)</i>	<i>West-Wide Rank by Existing Wildfire Risk (2000)</i>
<i>Coconino County</i>	21.5%	25.6%	55 of 413
<i>Maricopa County</i>	16.9%	0.3%	161 of 413
<i>Navajo County</i>	26.5%	18.7%	93 of 413
<i>Yavapai County</i>	23.5%	9.7%	71 of 413
<i>Western U.S.</i>	13.9%	3.9%	N/A

Source: Gude et al 2008

One-quarter of Coconino County homes, nearly twenty percent of Navajo County homes, and approximately ten percent of Yavapai County homes are located within the WUI. Both Coconino and Yavapai counties are also in the top quintile for existing fire risk. These factors make it more likely that Coconino, Navajo, and Yavapai counties will experience large, expensive wildfires.

The 2014 Slide Fire on the Coconino National Forest burned over 20,000 acres. The burned areas include acres to be treated by the 4FRI project. Treatment of the acres affected by the Slide Fire will be delayed to allow for regeneration. The 4FRI project would treat these acres in the future, as appropriate, based on an adaptive management strategy. The consequences of the Slide Fire are not expected to change acres harvested or the forest product volume removed from the forests. Therefore, the Slide Fire does not affect the analysis of social and economic consequences of the 4FRI project.

Non-Market Values

The economic value of Forest Service management is not entirely captured in market transactions. Much of the value of National Forests is “non-market” in nature – meaning that many of the benefits that forests

provide to humans do not have a price. The lack of a price, however, should not be conflated with an absence of value. Indeed, non-market values from forests provide economic benefits to adjacent communities and forest visitors.

Ecosystem services are “components of nature, directly enjoyed, consumed, or used to yield human well-being” (Boyd and Banzhaf 2007). Healthy forests provide numerous ecosystem services, including clean water and air, biodiversity, forest products, and many other goods and services. Consistent with direction provided in 40 CFR 1502.23 and Forest Service Handbook 1909.15 (7/06/04) and 22.35 (01/14/05), the analysis of environmental consequences will consider non-market goods and services primarily in qualitative terms. Where appropriate, discussion of how the alternatives may affect non-market values will be presented. However, due to the qualitative nature of these discussions, direct comparisons between changes in market and non-market values are generally not possible.

Environmental Justice

In 1994, President Clinton issued Executive Order 12898. This order directs federal agencies to focus attention on the human health and environmental conditions in minority and low-income communities. The purpose of EO 12898 is to identify and address, as appropriate, disproportionately high and adverse human health or environmental effects on minority and low-income populations.

Environmental justice (EJ) is the fair treatment and meaningful involvement of people of all races, cultures, and incomes, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. The goal of environmental justice is for Federal agency decision-makers to identify impacts that are disproportionately high and adverse with respect to minority and low-income populations and identify alternatives that will avoid or mitigate those impacts. According to USDA DR5600-002 (USDA 1997), EJ, minority, minority population, low-income, and human health and environmental effects, are defined as follows:

Environmental Justice means that, to the greatest extent practicable and permitted by law, all populations are provided the opportunity to comment before decisions are rendered on, are allowed to share in the benefits of, are not excluded from, and are not affected in a disproportionately high and adverse manner by, government programs and activities affecting human health or the environment.

Minority means a person who is a member of the following population groups: American Indian or Alaskan Native; Asian or Pacific Islander; Black, not of Hispanic origin; or Hispanic.

Minority Population means any readily identifiable group of minority persons who live in geographic proximity to, and, if circumstances warrant, migrant farm workers and other geographically dispersed/transient persons who will be similarly affected by USDA programs or activities.

Low-Income Population means any readily identifiable group of low-income persons who live in geographic proximity to, and, if circumstances warrant, migrant farm workers and other geographically dispersed/transient persons who will be similarly affected by USDA programs or activities. Low-income populations may be identified using data collected, maintained and analyzed by an agency or from analytical tools such as the annual statistical poverty thresholds from the Bureau of the Census' Current Population Reports, Series P-60 on Income and Poverty.

Human Health and/or Environmental Effects as used in this Departmental Regulation include interrelated social and economic effects.

The emphasis of environmental justice is on health effects and/or the benefits of a healthy environment. The CEQ has interpreted health effects with a broad definition: “Such effects may include ecological, cultural,

human health, economic or social impacts on minority communities, low-income communities or Indian Tribes ...when those impacts are interrelated to impacts on the natural or physical environment” (CEQ 1997).

According to the U.S. Census Bureau (2010) data reported in Figure 4, study area counties differ substantially in their racial and ethnic composition.

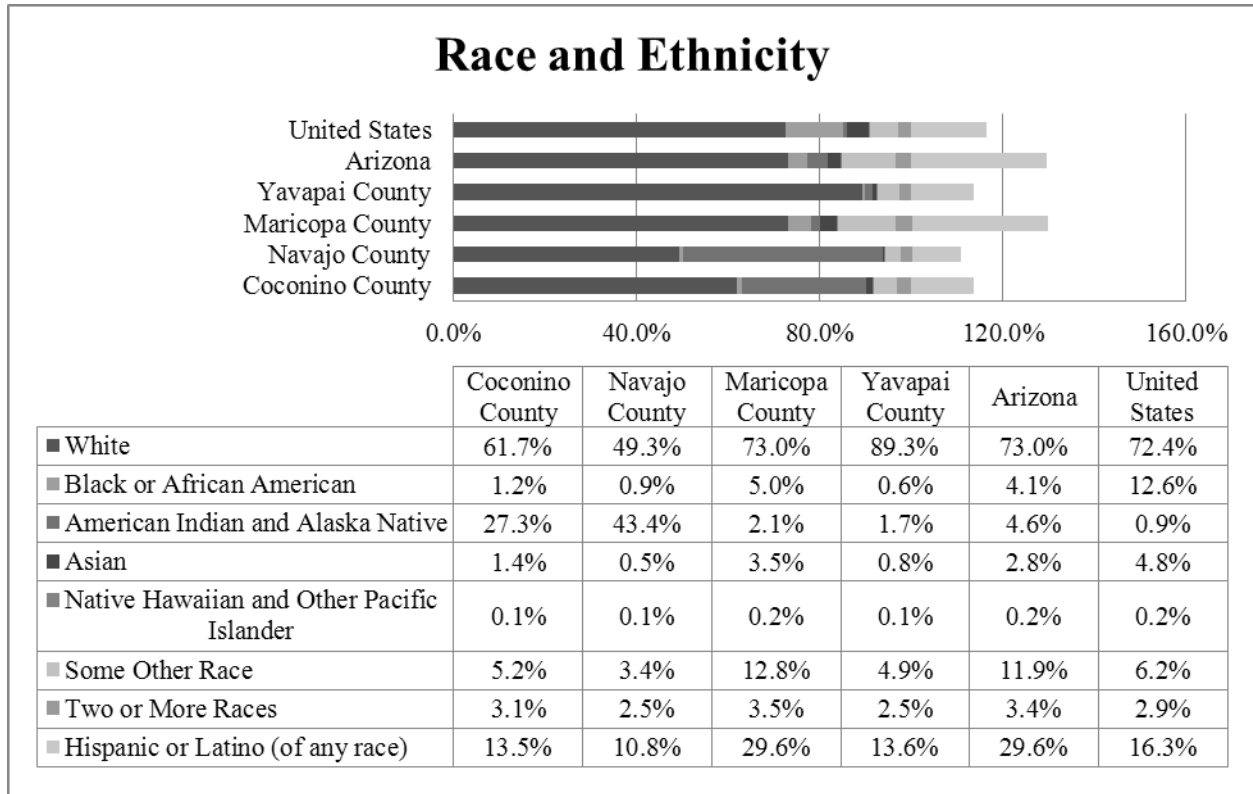


Figure 4: Race and Ethnicity

Source: U.S. Census Bureau 2010, Table DP-1

Coconino and Navajo counties have high concentrations of American Indian residents, due to the presence of five reservations in Coconino County and three reservations in Navajo County. Maricopa and Yavapai counties also contain Indian reservations; however, their concentrations of American Indian residents are small relative to Coconino County, Navajo County, and Arizona.³ Maricopa County has the highest proportion of Hispanic/Latino residents in the study area, although it is equivalent to Arizona’s proportion (29.6 percent). In contrast, Yavapai County is less diverse than both the state and nation. Approximately 90

³ Coconino County contains all or part of the Navajo Indian Reservation, Hualapai Indian Reservation, Hopi Indian Reservation, Havasupai Indian Reservation, and Kaibab Indian Reservation.

Navajo County contains part of the Navajo Indian Reservation, Hopi Indian Reservation, and Fort Apache Indian Reservation.

Maricopa County contains all or part of the Fort McDowell Yavapai Nation, the Gila River Indian Community, and the Salt River-Pima Indian Community.

Yavapai County contains all or part of the Yavapai-Prescott Indian Reservation, the Yavapai-Apache Nation Indian Reservation, the Hualapai Indian Reservation, and the Camp Verde Indian Reservation.

percent of Yavapai County residents self-identify as white. As a result, environmental justice issues are more likely to occur in Coconino, Navajo, and Maricopa counties than Yavapai County. However, a finding of low racial/ethnic diversity does not eliminate the need to consider potential disproportionate impacts of Forest Service management actions. A county may have a low overall concentration of minority residents, but still have areas with a high concentration of minority residents who could be adversely affected by management actions.

Table 11 reports the percentage of residents living in poverty. Maricopa and Yavapai counties have poverty rates similar to the state. Coconino and Navajo counties have similarly high poverty rates, with approximately one-quarter of county residents living in poverty.

Table 11: Percent of Persons Living in Poverty

	<i>Poverty Rate (%)</i>
<i>Coconino County</i>	25.9
<i>Maricopa County</i>	16.5
<i>Navajo County</i>	24.4
<i>Yavapai County</i>	19.2
<i>Arizona</i>	17.4
<i>United States</i>	15.3

Source: U.S. Census Bureau 2010, Table DP03

The incidence of poverty in Coconino and Navajo counties is not evenly distributed among racial and ethnic groups. Approximately 50 percent of American Indian residents in Coconino County and 70 percent of American Indian residents in Navajo County live in poverty (U.S. Census Bureau 2000). The high proportion of American Indian residents in these counties, therefore, increases the poverty rate relative to other study area counties and the state.

Based on the minority status and poverty data presented above, Coconino and Navajo counties appear most at risk for environmental justice issues. The largest minority group in these counties – American Indians – also experience a very high poverty rate. Furthermore, Coconino County contains the most acreage that could be affected by the first stage of 4FRI, which suggests that the consequences of management actions will be felt most acutely by Coconino County residents. In contrast, although Navajo County also has a high proportion of American Indian residents and a high poverty rate, the first stage 4FRI treatments will not occur in the county. However, Navajo County may be affected by employment opportunities associated with harvesting and processing 4FRI wood products.

The conditions described in this section underscore the importance of evaluating environmental justice consequences. The potential for disproportionate adverse impacts on minority and low-income individuals will be evaluated in all study area counties.

In response to a comment from the June 2012 NEPA update public meeting, the possibility of smoke-related environmental justice consequences in Snowflake, Arizona were evaluated. The community does not have a meaningfully greater percentage of minority residents than the state and Snowflake has a smaller proportion of individuals living in poverty than either the state or nation (U.S. Census Bureau 2010). In addition, the community is geographically distant from the first stage project area, and therefore unlikely to experience acute smoke effects. As a result, Snowflake is not considered an environmental justice community in this analysis.

The air quality analysis finds that Flagstaff, Williams, Verde Valley, and Grand Canyon National Park are smoke sensitive areas within proximity to the proposed treatments. The communities of Camp Verde,

Cornville, Cottonwood, and Flagstaff are expected to be affected by the proposed prescribed fire treatments. Camp Verde, Cornville, Cottonwood, and Flagstaff all have lower concentrations of minority residents and lower poverty rates than the study area as a whole (U.S. Census Bureau 2000). Therefore, the potentially disproportionate effect of smoke emissions on these communities is not an environmental justice issue. However, the implications of smoke emissions on 4FRI area communities, particularly vulnerable communities, are addressed in both the air quality and social analyses.

Numerous tribal communities are in airsheds that may be affected by 4FRI prescribed burns. The potential for disproportionate smoke emissions effects to tribal communities is addressed in the environmental consequences analysis. Effects to tribal uses are addressed in the tribal relations report.

Environmental Consequences

The previous sections assessed past and current social and economic conditions. The following section will consider the potential consequences of alternative management scenarios on the social and economic environment. The Tools and Data Sources section below describes the economic and social analysis procedures employed in this document.

Methodology and Assumptions

This analysis addresses on the first stage implementation of 4FRI treatments (Kaibab and Coconino National Forests). Unless specifically indicated otherwise, all estimates of economic and social consequences are based on only the first stage implementation.

Data is typically reported to the nearest acre, mile, or percentage. Most values have been rounded from their actual decimal values. Totals were calculated before any values were rounded in order to give the most accurate sum. Any apparent inconsistency between the total values reported in a table and a sum resulting from adding up individual values in a table typically accounts for a discrepancy of about 1% in the case of rounding percentages or miles, and <2 acres in the case of acres.

In an attempt to avoid confusion over these kinds of inconsistencies, minor adjustments to the numbers in the EIS document were made to allow for numbers in tables to add up correctly as displayed. As a result, some numbers may not be exactly the same in the EIS document as compared to this report. The numbers in this report are the most accurate and any differences do not alter any determination of effects.

Tools and Data Sources

Economic impacts were modeled using IMPLAN Professional Version 3.0 with 2010 data. IMPLAN is an input-output model, which estimates the economic impacts of projects, programs, policies, and economic changes on a region. IMPLAN analyzes the direct, indirect, and induced economic impacts. Direct economic impacts are generated by the activity itself, such as the value of cattle grazed on the Forest. Indirect employment and labor income contributions occur when a sector purchases supplies and services from other industries in order to produce their product. Induced contributions are the employment and labor income generated as a result of spending new household income generated by direct and indirect employment. The employment estimated is defined as any part-time, seasonal, or full-time job. In the economic impact tables, direct, indirect and induced contributions are included in the estimated impacts. The IMPLAN database describes the economy in 440 sectors using federal data from 2010.

Data on use levels under each alternative were collected from the Forest's resource specialists. In most instances, the precise change is unknown. Therefore, the changes are based on the professional expertise of the Forest's resource specialists. Regional economic impacts are estimated based on the assumption of full

implementation of each alternative. The actual changes in the economy would depend on individuals taking advantage of the resource-related opportunities that would be supported by each alternative. If market conditions or trends in resource use were not conducive to developing some opportunities, the economic impact would be different from what is estimated in this analysis.

The regional economic impact analysis also borrows from the 2012 report, “Workforce Needs of the Four Forest Restoration Initiative Project: An Analysis,” conducted by researchers at Northern Arizona University’s Ecological Restoration Institute (Combrink et al 2012).

Economic efficiency analysis was conducted with QuickSilver Version 6. A 4-percent discount rate is commonly used for evaluations of long-term investments and operations in land and resource management by the Forest Service (FSM 1971.21). This discount rate is used in the calculation of net present value (NPV). Inflation can affect NPV; however, due to the uncertainty of future inflation, OMB Circular A-94 recommends the avoiding assumptions about the inflation rate whenever possible. Thus, for the purposes of this analysis, inflation is left at zero. Data on program revenues and program expenditures were provided by the Coconino and Kaibab National Forests’ resource specialists and budget staff.

Social impacts use the baseline social conditions presented in the Affected Environment section, National Visitor Use Monitoring (NVUM) profiles (USFS 2011a and USFS 2011b), and information from the Coconino and Kaibab Economic and Social Sustainability Assessments (USFS 2008a, USFS 2008b) to discern the primary values that the Forests provide to area residents and visitors. Social effects are based on the interaction of the identified values with estimated changes to resource availability and uses. Additionally, key determinants of quality of life that may be affected by 4FRI treatments were identified through scoping and on-going public involvement.

Assumptions

1. The IMPLAN software assumes a static economy – in other words, the industry composition and trade linkages in 2010 will be the same in 2020. 4FRI is expected to attract new timber harvesting and processing facilities to the region, which may influence the economic impact of forest restoration activities. Therefore, the employment and income estimates here may understate the economic activity that would occur in the project area.
2. The economic analysis for grazing assumes a 10 percent reduction in authorized AUMs throughout the 10-year treatment period.
3. The economic impact analysis for recreation assumes that 10 percent of the project area would be unsuitable for recreational use at any given time during the 10-year treatment period. Ten percent of the project area translates to 2 percent of the total acreage of the Kaibab and Coconino National Forests.⁴⁴ The recreation analysis is conducted at the forest level, for consistency with recreation use reporting methods.
4. Trees less than five inches in diameter are classified as woody biomass for the purposes of the economic impact and economic efficiency analyses. Trees greater than five inches in diameter are classified as timber.

⁴⁴ The proposed 4FRI project area is 988,764 acres. Restoration activities would occur on approximately 587,923 acres on the Coconino NF and Kaibab NF. The Coconino NF is composed of approximately 1.8 million acres and the Kaibab NF is composed of approximately 1.5 million acres (approximately 890,000 acres in the southern portion).

Summary of Effects

Economic Consequences

The economic analysis of the Four Forest Restoration Initiative (4FRI) uses two types of analysis: (1) regional economic impact analysis and (2) economic efficiency analysis.

Regional Economic Impact

Economic impact analysis measures how activities related to 4FRI would affect employment, income, and economic activity in the regional economy.

Table 12 displays the change in employment and income between current conditions and the action alternatives. Therefore, no effects are presented under alternative A, as these reflect current conditions. The changes in employment and income under alternatives B, C, D, and E reflect an increase in employment and income due to 4FRI harvesting and processing activities as well as the potential for a temporary reduction of 60 jobs and \$2 million in labor income due to recreation displacement.

Table 12: Summary of Economic Impacts, Change from Current Conditions

	Alternative A	Alternative B	Alternative C	Alternative D	Alternative E
Change in Employment	--	1,599	1,615	1,599	1,535
Change in Labor Income	--	\$74.9 million	\$75.6 million	\$74.9 million	\$71.9 million

A breakdown and analysis of employment and labor income consequences are addressed below and in the alternative-specific descriptions of consequences.

Tourism and Visitor Spending

According to the National Visitor Use Monitoring (NVUM) reports, there are approximately 2,868,000 visits to the Coconino NF and 456,000 visits to the Kaibab NF each year (USFS 2011a and USFS 2011b). It is unknown what portion of these visits occurs in the 4FRI project area. At any given time during the 10-year treatment period, approximately 2 percent of the Coconino and Kaibab NFs would not be suitable for recreational use.

Visitors to the Coconino and Kaibab National Forests support approximately 3,000 jobs and \$110 million in labor income in the study area economy, annually. None of the alternatives is expected to change the economic contribution from recreation. Although the 4FRI treatments would make portions of the forests temporarily unsuitable for recreational use, most visitors would engage in substitute behavior that would also contribute to the local economy (e.g., visiting an alternate site on the forest, visiting nearby national parks, state parks, or other public lands). Annually, the 4FRI treatments would affect about 60,000 acres of the more than three million acres of the Coconino and Kaibab National Forests (two percent of the total acreage). Therefore, the probability that visitor use would be substantially disturbed is low within the Coconino and Kaibab National Forests.

Grazing

In the 4FRI project area, 49 allotments provide forage for 110,173 cattle animal unit months (AUMs) and 13,616 sheep AUMs.

The 4FRI treatments would entail one major pasture burn per year, per allotment. Over the 10-year treatment period, a 10 percent reduction in AUMs is expected. At the end of the 10 years, a return to pre-treatment AUM levels would occur. Therefore, during the 10-year treatment period, cattle AUMs would decrease to approximately 100,000 and sheep AUMs would decrease to approximately 12,250.

At current levels, grazing supports approximately 130 jobs and \$2.15 million in labor income in the local economy, annually. The brief duration and advance notice of disturbances due to 4FRI treatments will make it easier for ranchers to adapt to changes. As a result, no reductions in grazing-related employment are expected. However, minor and temporary reductions in rancher income are possible if ranchers purchase more expensive private forage or reduce their stocking levels. However, over the long-run, improved forest health would improve forage quality and ranching viability.

Treatment and Forest Products

4FRI treatments would produce commercially-valuable forest products. Table 13 shows the expected forest product volumes from 4FRI treatment for all action alternatives. These are the total volumes over the 10-year project period; annually, approximately one-tenth of the volume would be harvested and processed.

Table 13: Forest Product Volumes, by Alternative

	Alternative B	Alternative C	Alternative D	Alternative E
Timber (ccf)	3,566,683	3,602,303	3,566,656	3,428,155
Biomass (dry tons)	79,218	78,095	79,218	77,909

The NAU workforce analysis estimates 422 full-time equivalent (FTE) private sector employees will be required to support full implementation of the 4FRI. This estimate is not based on any alternative considered in this analysis, but is based on treatment of all four forests – approximately one-half of this employment is expected under the first stage implementation (Coconino and Kaibab NFs). The employment estimate includes only direct employment – it does not capture employment in forest product utilization, effects to suppliers, or the consequences of employee spending. The workforce analysis is based on an extrapolation of the employment impacts of the White Mountain Stewardship Project on the Apache-Sitgreaves National Forest (Combrink et al 2012). An additional 300 FTE jobs are expected as a result of forest product utilization and other indirect effects. Again, approximately half of this employment can be attributed to the first stage implementation (Combrink et al 2012). The total workforce estimate, therefore, is 361 FTE employees. These estimates do not include induced effects (the effects from households spending income associated with the 4FRI).

An internal analysis was conducted using an input-output method. The employment estimates obtained are higher than the NAU workforce analysis estimates. Between 726 and 763 direct jobs (full and part-time jobs) would be supported by 4FRI harvesting and restoration activities. An additional 869 to 912 indirect and induced jobs would be supported in forest product utilization, supplying firms, and as a result of household spending. Thus, the first stage of 4FRI is expected to support between 1,595 and 1,675 private sector jobs on an average annual basis. While this estimate is higher than the NAU workforce analysis estimate, there are two key factors that explain the discrepancy: (1) the NAU estimate uses full-time equivalents (FTE). The internal estimate includes both full and part-time jobs. (2) The NAU estimate does not account for induced employment effects, which are the consequences of increased household spending attributable to 4FRI-

related employment. For example, the individuals employed by firms contracted to implement 4FRI harvesting and restoration activities will spend their money on housing, gas, groceries, and other goods and services in the local economy. The firms that these individuals buy from will benefit from these expenditures. Therefore, even counties without harvesting and processing firms may experience economic activity due to 4FRI.

U.S. Forest Service Employment

The Forest Service does not anticipate that additional employees will be required to administer 4FRI implementation. Approximately 35 Forest Service personnel will be required to administer and monitor the first stage (Coconino and Kaibab NFs) implementation of 4FRI. Existing personnel are expected to meet this need (Combrink et al 2012). The indirect and induced impacts of Forest Service 4FRI implementation and monitoring are expected to support approximately eight jobs in the local economy. In total, Forest Service implementation and monitoring of 4FRI is expected to support 42 jobs. This represents no change from existing conditions.

Economic Efficiency

Economic efficiency analysis measures the ratio of economic benefits to economic costs resulting from activities under the 4FRI. However, not all elements of the economic efficiency analysis are easily monetized to fit within the net present value framework. The subsequent section analyzes direct costs as well as effects to health, tourism, ecosystem services, and the timber market.

Avoided Treatment Costs

Treatment is associated with a decrease in wildfire suppression costs and a decrease in net resource damage (Mercer et al 2000). Prescribed burning is often preferred to mechanical thinning due to the lower cost of prescribed burning. However, depending on proximity to urban centers, mechanical thinning may be preferred in some circumstances. The cost of smoke exposure, for instance, is higher when prescribed burning occurs near population centers. Mechanical treatment also has costs that are not accounted for in the cost of implementation, such as soil erosion. However, the indirect consequences of prescribed burning are more easily observable, which generally make it a less publicly popular treatment option.

The cost of prescribed burning ranges from \$50 to \$300 per acre on the Coconino and Kaibab National Forests. The cost of thinning generally ranges from \$100 to \$400 per acre on the forests, but some projects may be as costly as \$1500 per acre.⁵

Table 14 summarizes the present value of avoided costs from the use of stewardship contracts that rely on the utilization of small diameter wood to make private restoration economically feasible. The analysis uses typical treatment costs to evaluate what it would cost the Forest Service to treat an acreage equivalent to the first stage of 4FRI over a ten-year period. Over the 10-year treatment period, assuming a 4 percent discount rate, the first stage of 4FRI would avoid between \$156 and \$232 million of cost to the taxpayer. This figure can be viewed as a proxy for the economic value of 4FRI treatments.

Table 14: Present Value Cost Savings to Taxpayer of 4FRI Treatments over 10-year Period, 4 Percent Discount Rate

	Alternative A	Alternative B	Alternative C	Alternative D	Alternative E
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⁵ The cost difference between prescribed burning and thinning is larger than indicated in these data, as the per acre prescribed burning costs include the cost of NEPA, planning, and a fire management organization. In contrast, the per acre thinning estimates include only crew and equipment costs.

Prescribed Fire Acres	--	583,330	586,110	178,441	581,020
Estimated Cost of Prescribed Fire per Acre	\$175				
Mechanical Treatment Acres	--	384,996	431,049	384,966	403,218
Estimated Cost of Mechanical Treatment per Acre	\$400				
Net Present Cost of Treatments	--	\$216 million	\$232 million	\$156 million	\$222 million

Wildfire Costs

Central to the economic efficiency analysis of forest treatment is the relationship between treatment (prescribed burning and thinning, in the case of the 4FRI) and wildfire risk (incidence) and hazard (severity) reduction. Mercer (2000) notes that treatment is associated with a decrease in wildfire suppression costs and a decrease in net resource damage; however, the precise relationship between treatment and wildfire cost reduction is not identified. Therefore, the following discussion of economic efficiency is primarily descriptive in its analysis of tradeoffs.

Direct costs include only expenses associated with personnel and supplies used to suppress a wildfire. Federal and state budgets are finite – and increasingly limited in recent years. The direct cost of extinguishing a wildfire can be devastating for state and federal agencies. From 2000 to 2008, wildfire suppression funding increased from 25 percent to 44 percent of the U.S. Forest Service budget (WFLC 2010). The more money spent suppressing wildfires, the less funding remains for activities that promote forest health and improve the quality of recreation opportunities for visitors.

Table 15 displays historic wildfire expenditures⁶ of the Coconino and Kaibab National Forests.

Table 15: Historic Wildfire Suppression Costs, by Forest

	Coconino National Forest	Kaibab National Forest
2006	\$11,554,537	\$6,821,329
2007	\$5,473,007	\$1,969,503
2008	\$1,181,338	\$1,442,289

⁶ Wildfire suppression and wildfire use expenditures are reported together. However, according to the budget and fire staff, suppression accounts for the vast majority of the reported expenditures.

2009	\$6,081,460	\$5,718,035
2010	\$13,500,703	\$6,332,694
2011	\$5,137,758	N/A
Average Annual Expenditure	\$7,154,801	\$4,456,770

Source: Forest Service Fire Ecology and Budget Staff, Coconino and Kaibab National Forests

Wildfire costs are very difficult to predict because wildfires range enormously in size, terrain, and proximity to local communities. All of these factors will affect the direct cost of dealing with a wildfire. The Wallow Fire of summer 2011, for instance, cost more than \$79 million to extinguish (WMI 2011). However, not all wildfires need to be extinguished. Fire is a natural part of the landscape and unnecessary wildfire suppression leads to fuel buildup and increased fire risk and hazard.

Suppression costs are generally only a small component of the total cost of a wildfire. The Western Forestry Leadership Coalition finds that the total cost of wildfire ranges from two to 30 times greater than the suppression cost (WFLC 2010). A full cost accounting of the 2010 Schultz Fire, which occurred in the vicinity of the 4FRI project area, estimated that the fire cost between \$133 million to \$147 million (Combrink et al 2013). Forest Service expenditures associated with the fire accounted for \$14.4 million (Combrink et al 2013). For context, historic wildfire suppression costs data are presented in Table 15.

Health Impacts

Smoke is inevitable in the airsheds of northern Arizona, whether from wildfire or prescribed fire. Smoke can travel great distances and affect communities far away from the burn unit, sometimes persisting after the burn has been completed. Fires burning under historic conditions (wildfire or prescribed fire) produce behavior and effects that are low to moderate. Fires that burn under more extreme conditions (most/all fires in this category are wildfires) produce behavior and effects that are moderate to severe.

Ambient particulate matter (PM) concentrations increase substantially during a wildfire (Kochi et al 2010b). A dose-response function is an equation that estimates the health consequences of exposure to pollution. Compared to conventional PM studies (based on urban air pollution), wildfire studies are “less likely to find a significant positive mortality effect in spite of the substantial increases in PM levels during the wildfire period” (Kochi et al 2010a). There are several probable reasons for this finding, including: (1) urban air pollution and wildfire smoke are chemically different (wildfire smoke is generally less toxic), (2) wildfire events are more likely to promote averting behavior, such as evacuation (Kochi et al 2010a). However, the wildfire studies did find increased hospital admissions linked to asthma and respiratory problems during wildfire events (Kochi et al 2010a). PM studies find that the dose-response function is not linear. In other words, a doubling of PM concentration more than doubles the health consequences. Furthermore, at low-levels an increase in PM may result in no measureable health consequences (Kochi et al 2010b).

Five key health outcomes are considered in the literature: (1) mortality, (2) restricted activity days, (3) hospital admissions, (4) respiratory symptoms, and (5) self-treatment. Kochi et al (2010b) estimate that the cost of health effects due to smoke from wildfire events range from \$0.26 million to \$1.2 billion depending on the scale of the fire and the health outcomes considered.

The timing of prescribed fires is predictable, the volume of smoke produced is far less than in a wildfire, and there is time to notify the public when burns will be implemented. As a result, adverse health consequences are less likely to result from prescribed fires.

Tourism

During wildfire events, tourism decreases due to evacuations, road closures, and negative publicity (Mercer et al 2000). Depending on the size and intensity of the wildfire, impacts to tourism may be long-lasting. For instance, the 2002 Rodeo-Chediski fire burned 106 miles of trails on the Apache-Sitgreaves National Forest (Morton et al 2003). Recreation and tourism displacement can reduce contributions to the local economy (discussed above in the Regional Economic Impact section). In addition to the costs to local businesses, individuals may have lower consumer surplus⁷ values if they must recreate at a substitute site due to the presence of fire or smoke.

Knotek et al (2008) find that local visitors are more accepting of prescribed fire than non-local visitors are. This finding may be due to (1) better communication between federal agencies and local residents, (2) more local familiarity with the role of fire in the landscape, or (3) more opportunities to engage in substitute behavior.

Ecosystem Services

Wildfire has the potential to reduce ecosystem service values through: (1) destruction of wildlife habitat, (2) water quality and watershed impacts, (3) damage to cultural and archaeological sites, and (4) soil erosion and impacts to water quality (Morton et al 2003). In contrast, forest restoration has the potential to improve ecosystem services. Expected ecosystem service benefits from 4FRI treatment include:

- Reduction of unnaturally large wildfires
- Protection of watersheds, leading to increases in surface water and decreases in soil loss
- Diversification of understory composition and protection of rare habitat from fire
- Better management of wildlife habitat
- Enhanced recreation that is aesthetically pleasing
- Sequestering carbon in large trees and soils (Combrink et al 2012).

Timber Market

Prescribed burning allows for the measured and controlled use of fire to manage forest density and health. Wildfire events, however, are unplanned and have the potential to cause extreme destruction. Wildfires can be a substantial shock to timber markets. Following a wildfire, some of the killed timber is salvaged and brought to market. This can flood markets, temporarily decreasing the price of timber. In the American Southwest, processing capacity is generally too limited for this to lead to a substantial price shock. However, in the longer-term, the price of timber increases due to reduced timber inventories (Mercer et al 2000). The Rodeo-Chediski fire burned approximately 1 billion board feet of timber, valued at more than \$300 million (Morton et al 2003).

Social Consequences

In addition to effects on the local economy, activities under the 4FRI have the potential to affect quality of life. The social consequences are measured both quantitatively and qualitatively, with a particular focus on traffic, smoke emissions, recreation displacement, scenery management, and environmental justice.

Road Traffic

Truck volume would increase throughout the 4FRI treatment period. Approximately 120,000 additional truck trips per year are expected to result from activities under 4FRI. Individuals who commute along the roads to be used for 4FRI activities will experience longer drive times. Longer commutes reduce quality of life due to

⁷ Consumer surplus is the value that individuals receive above what is paid to consume the good or service. For instance, if an individual pays \$10 to recreate at a site, but would be willing to pay \$25, his/her consumer surplus is \$15.

increased stress and reduced leisure time. Individuals who live and recreate in proximity to the roads used for 4FRI activities may be disturbed by increased noise and dust associated with the truck traffic. The transportation report addresses 4FRI-related road traffic in detail.

Smoke Emissions and Quality of Life

Smoke emissions are inevitable under all alternatives – whether from prescribed burns or wildfire. The degree (intensity and duration) of emissions, however, are variable. With prescribed burns, burn plans are developed, which helps to minimize adverse effects to quality of life in nearby communities. The Forest Service is required to work with the Arizona Department of Environmental Quality (ADEQ) to ensure that smoke impacts to human health are avoided or minimized. In contrast, wildfires are by definition unplanned. The community smoke effects from wildfire can range from negligible to severe. The advance notice associated with prescribed burns allows individuals with acute sensitivity to smoke (e.g., asthmatics) to engage in averting behavior, which reduce the negative quality of life impacts.

Recreation Displacement

Both wildfire and prescribed burns may prevent individuals from recreating at their favorite sites. When individuals engage in substitute behavior within the local area, there is unlikely to be a decrease in visitor spending. However, individuals may get less pleasure from their alternate pursuit. As a result, consumer surplus and quality of life are reduced. The recreation analysis addresses this issue in detail.

Scenery Management

Wildfire, prescribed burns, and other treatments may adversely affect scenic areas. The 4FRI treatments would affect scenery; however, all anticipated effects are short-term. Forest visitors and nearby residents may have interrupted views during portions of the 10-year treatment period. The ability to experience scenic views is central to many individuals' visit to the forests. A change in scenery may affect both quality of life and consumer surplus. The scenery and recreation analyses address the consequences in detail.

Environmental Justice

The goal of environmental justice is for agency decision-makers to identify impacts that are disproportionately high and adverse with respect to minority and low-income populations and identify alternatives that will avoid or mitigate those impacts. None of the alternatives would reduce employment and income relative to current conditions, therefore, no disproportionate adverse economic effects would occur. The mill in Cameron, which is on the Navajo Nation, may benefit from increased supply from 4FRI. However, any effect to the mill is likely to be small. Changes in employment and income associated with the mill are more likely to be affected by activities unrelated to 4FRI, such as potential growth in Tuba City.

Smoke emissions resulting from wildfires and prescribed burns can have health and quality of life consequences. Smoke is most likely to affect vulnerable populations – children, the elderly, and individuals in poor health. Limited communications technology, language barriers, and cultural differences may also limit the effectiveness of informing nearby residents of upcoming prescribed burns. These conditions are true under all alternatives – including the no action alternative. No alternative eliminates fire on the forests - smoke from wildfires and prescribed fires would occur regardless of chosen alternative. Additional detail on smoke emissions is contained in the alternative-specific description of environmental consequences.

Traditional and sacred forest uses would continue under all alternatives. The heritage and tribal relations reports address these uses and potential effects in detail.

Coconino NF Plan Amendments (Alternatives B – D)

The proposed forest plan amendments address management in Mexican spotted owl habitat, management of canopy cover, management of select areas for open reference conditions, and managing for a no effect or no adverse effect for heritage resources. Economic activity would not be affected by the proposed amendments, therefore, their implementation (or not) would not lead to differences in local employment or economic efficiency. Social conditions would not be affected by the proposed amendments. Since no social or economic effects would result from the implementation of the proposed amendments, low income and minority populations would not be disproportionately affected.

Alternative A: No Action

As required by 40 CFR 1502.14(c), the no action alternative (alternative A) has been analyzed to contrast the impacts of the action alternatives with the current condition and expected future condition if the project was not implemented.

Direct and Indirect Effects

Recreation: No changes to visitor spending or recreational activities are anticipated as a direct result of activities under alternative A. As stated above, visitors to the Kaibab and Coconino National Forests support approximately 3,000 jobs and \$110 million in labor income to the study area economy on an average annual basis.

However, uncharacteristic wildfire could displace recreation visitors to the Kaibab and Coconino National Forests, Grand Canyon National Park, and other recreation sites in the area. In addition to the approximately 3.3 million annual visitors to the Kaibab and Coconino National Forests, Grand Canyon National Park receives approximately 4.3 million visitors (USDA 2011a, USDA 2011b, NPS 2013). Combined, these visitors support more than 10,000 jobs in Arizona (NPS 2013). Large wildfires generate negative publicity and close roads, which decrease tourism. Reduced visitor spending may persist after a fire is extinguished due to the destruction of trails, campsites, and other forest or park infrastructure (Morton et al 2000, Mercer et al 2003). Alternative A would treat the fewest acres on the forests, which would increase the probability of uncharacteristic wildfire relative to the action alternatives (B, C, D, and E). Therefore, alternative A may reduce recreation-related employment and income in the regional economy in the long term.

Grazing: The forests would continue to provide forage for 110,173 cattle animal unit months (AUMs) and 13,616 sheep AUMs. These activities support approximately 130 jobs and \$2.15 million in labor income to the study area economy on an average annual basis.

The increased probability of uncharacteristic wildfire on untreated land could lead to the destruction of pasture, reduce forage availability, and lead to soil erosion. These conditions could reduce available AUMs. Therefore, over the long-term, untreated land could lead to a reduction in grazing-related employment and income.

Forest Products: Under alternative A, both forests would continue to provide forest products and support restoration activities. However, the scale of these activities would be substantially smaller than activities under the 4FRI. The provision of forest products unrelated to 4FRI treatments would be the same under all alternatives, and therefore, are not described in detail in this report.

Wildfire Expenditures and Economic Efficiency: Historically, the Coconino NF and Kaibab NF have annually spent an average of \$7,154,801 and \$4,456,770 on wildfire, respectively. Under alternative A, wildfire suppression costs would, on average, increase due to fuel buildup and the expanding wildland-urban interface.

The per-acre administrative burden (cost of time and other resources) of planning, implementation, and monitoring forest restoration activities would be highest under alternative A. The 4FRI benefits from economies of scale – a single environmental compliance document addresses nearly 600,000 acres of restoration activities. Furthermore, the large treatment area reduces cost to government through increased private sector interest in engaging in harvesting and restoration activities on the forests. In contrast, restoration activities under alternative A would occur piecemeal – requiring numerous environmental compliance documents and increased administrative costs.

Social Consequences: As described in the “Fire Ecology” report, alternative A has the most potential for high-severity fire. The area south of Flagstaff, near Munds Park, has the most potential for high-severity fire among the restoration units (RU) in the project area. A fire in this area could damage the Lake Mary watershed, which provides ecosystem service values related to water provision and recreation. In addition to the direct effects of fire – smoke emissions, damage to property, destruction of forest infrastructure – a fire in this area could also produce flooding, which would further damage water supplies, recreation opportunities, private property, and human health. In addition, fuel loads are expected to increase over time, which would increase the smoke emissions from wildland fire. Higher emissions would increase health costs and decrease spending associated with tourism. Fire risk would be highest in Flagstaff, Munds Park, Kachina Village, Williams, Parks, and Belmont.

Environmental Justice: The communities that surround the 4FRI project area, particularly in Coconino County, have large minority populations, a relatively high population, and individuals vulnerable to smoke. None of the alternatives eliminates smoke – either from wildfire or prescribed burns. Alternative A would treat the fewest acres with prescribed fire; however, it would also due the least to restore fire-adapted forests. As a result, smoke from uncharacteristic wildfire is most likely under alternative A. Smoke emissions from prescribed burning would be lower under alternative A. Smoke emissions resulting from wildfires and prescribed burns may produce health and quality of life consequences. Smoke is most likely to affect vulnerable populations – children, the elderly, and individuals in poor health.

Cumulative Effects

Treatment and Restoration: Forest restoration activities are emphasized in the existing and proposed forest plans in the region. Restoration activities would continue to occur in the region regardless of the 4FRI decision. Between 2000 and 2013, approximately 138,679 acres have been mechanically treated and 122,800 acres have been treated with prescribed fire on the Coconino and Kaibab NFs. During this period, another 105,793 acres were treated on private, state, and other federally-managed lands in the vicinity of the project area. On-going and reasonably foreseeable projects will use mechanical treatment on an additional 209,938 acres and prescribed fire on 253,790 acres. Reasonably foreseeable actions on private, state, and other federally-managed lands will mechanically treat 18,448 acres and use prescribed fire on 19,082 acres. These actions will occur regardless of the selected 4FRI alternative.

The effect of past, present, and reasonably foreseeable treatment activities in the project area would improve forest health relative to existing conditions even without the implementation of 4FRI. Ongoing and reasonably foreseeable prescribed fire treatments will contribute to smoke emissions, which may affect the health and quality of life of individuals who live near or visit the forests. Since the no action alternative would not prescribe additional treatments, it would not cause cumulative effects related to smoke emissions from prescribed fire. However, the risk of uncharacteristic wildfire and associated smoke emissions in the project area would be highest under this alternative.

Alternative B: Proposed Alternative

Alternative B would mechanically treat 384,966 acres of vegetation and utilize prescribed fire on 583,330 acres on the Coconino and Kaibab National Forests over approximately 10 years or until objectives are met.

Direct and Indirect Effects

Recreation: Under alternative B, approximately 2 percent of the Coconino and Kaibab NFs would be unsuitable for recreational uses at any given time. As section 4.6 of the National Visitor Use Monitoring (NVUM) surveys for the forests demonstrate, when individuals are unable to visit their preferred site, most will engage in substitute behavior that will continue to have an effect in the local economy (USFS 2011a, USFS 2011b). As a result, 4FRI treatments are not expected to measurably reduce the economic impact of recreation in the study area. However, if recreational activities reduced one-to-one with the reduction in suitable recreation areas (i.e., by 2 percent), approximately 2,940 jobs and \$108 million in labor income would be supported on an average annual basis for the duration of the project. This is a decrease of approximately 60 jobs and \$2 million in labor income relative to alternative A.

Grazing: The 4FRI treatments would entail one major pasture burn per year, per allotment. Over the 10-year treatment period, a 10 percent reduction in AUMs is expected. At the end of the 10 years, a return to pre-treatment AUM levels would occur. Therefore, during the 10-year treatment period, cattle AUMs would decrease to approximately 100,000 and sheep AUMs would decrease to approximately 12,250.

At current levels, grazing supports approximately 130 jobs and \$2.15 million in labor income in the local economy, annually. The brief duration and advance notice of disturbances due to 4FRI treatments will make it easier for ranchers to adapt to changes. As a result, no reductions in grazing-related employment are expected. However, minor reductions in rancher income are possible if ranchers purchase more expensive private forage or reduce their stocking levels. However, post-treatment soil and forage quality is expected to increase. Therefore, over the long-term, ranchers would benefit from 4FRI activities.

Forest Products: Alternative B would provide approximately 357,000 ccf of timber and 7,900 dry tons of biomass on an average annual basis throughout the 10-year treatment period. As described above, harvesting and utilization activities related to 4FRI would support approximately 1,659 jobs and \$76.9 million in labor income in the study area economy on an average annual basis throughout the 10-year project period. Forest Service project administration will require 35 employees who are currently on staff.

Wildfire Expenditures and Economic Efficiency: Under alternative B, wildfire suppression costs would, on average, decrease due to the restoration of fire-adapted forests. The decrease in wildfire suppression costs would allow more Forest Service expenditures to be directed toward forest health (e.g., fire management for resource benefit) and visitor services activities.

The per-acre administrative burden (cost of time and other resources) of planning, implementation, and monitoring forest restoration activities would be lower than alternative A and approximately equivalent to alternatives C, D, and E. The 4FRI benefits from economies of scale – a single environmental compliance document addresses nearly 600,000 acres across two forests. Furthermore, the large treatment area reduces cost to taxpayers through increased private sector interest in engaging in harvesting and restoration activities on the forests.

The present net cost to taxpayers to conduct restoration treatments equivalent with those proposed under alternative B would be approximately \$216 million. However, the certainty of a sustained supply under 4FRI would encourage private sector restoration, significantly reducing the cost to taxpayers. Furthermore, the treatments will reduce the risk and hazard of uncharacteristic wildfire. The costs of a single large fire may greatly exceed the annual wildfire expenditures listed above. The Forest Service, for instance, spent

approximately \$14.4 million responding to the 2010 Schultz Fire (Combrink et al 2013). Furthermore, the total cost of the Schultz Fire – including decreased property values, loss of life, cleanup, evacuation, and habitat destruction – is estimated to be between \$133 million and \$147 million (Combrink et al 2013). Therefore, economic benefits of 4FRI described here should be viewed as lower-bound estimates.

Social Consequences: Alternative B would increase truck traffic volume on Forest Service and nearby roads. Approximately 120,000 truck trips per year are expected to result from 4FRI activities under alternative B. The increased truck volume would increase commute times and lead to noise and dust effects. Individuals who use and live near those roads would have their quality of life adversely affected. A site-specific design feature for dust abatement will minimize this effect (see Appendix D for specific road segments where this will occur)

Alternatives B, C, D, and E would decrease the likelihood of crown fire relative to existing conditions and alternative A. Over time, forest restoration treatments would decrease fuel load and decrease potential smoke emissions from both planned and unplanned ignitions. The proposed activities under these alternatives would protect ecosystem services and other social values, such as water provision from the Lake Mary watershed, recreation opportunities, infrastructure, private property, and human health. The activities under these alternatives, therefore, are expected to improve quality of life in the communities within and adjacent to the project area. The reduced risk of high-severity fire would most affect quality of life in Flagstaff, Munds Park, Kachina Village, Williams, Parks, and Belmont.

As with all action alternatives (B, C, D, E), some individuals may not be able to recreate at their preferred sites during the treatment period. If these individuals engage in substitute behavior (e.g., recreating at a different site in the local area), there would be no impact to visitor spending. However, there are social and non-market consequences to recreation displacement. Individuals may get less fulfillment or enjoyment from recreating at an alternate site, which would adversely affect quality of life. Due to the short duration and relatively few sites that are expected to be affected, the quality of life implications of recreation displacement would be small.

Environmental Justice: Alternative B would not reduce employment and income relative to current conditions and the community smoke effects are not expected to disproportionately adversely affect low income or minority populations. The employment and income associated with 4FRI are expected to have a small, but positive, effect on employment and income in minority and low income communities.

Tribal areas in the Colorado River, Little Colorado River, and Verde River airsheds are likely to experience air quality effects. Elders are more likely to experience acute health effects. Technological and cultural constraints to effective communication would make smoke effects more pronounced, as averting behavior is limited. However, burn plans written for implementation of the proposed prescribed fires would include modeling to determine the most appropriate conditions under which to burn in order to minimize smoke impacts.

Cumulative Effects

Treatment and Restoration: Past, present, and reasonably foreseeable forest restoration activities are described under the no action alternative. The effect of past, present, and reasonably foreseeable treatment activities in the project area would improve forest health relative to existing conditions even without the implementation of 4FRI. Under alternative B, due to the expected increase in the size of the timber harvesting and processing industry in the region, the local economic impact of current and future restoration activities would increase. The estimated employment and income consequences of non-4FRI treatment activities, therefore, are likely underestimated in the related environmental compliance documents.

Ongoing and reasonably foreseeable prescribed fire treatments will contribute to smoke emissions, which may affect the health and quality of life of individuals who live near or visit the forests. The 4FRI treatments and other ongoing and foreseeable treatments could increase exposure to smoke emissions, which could cause cumulative effects to health and quality of life for individuals who are sensitive to smoke. However, the cumulative effect of these treatments would be to decrease the risk of uncharacteristic wildfire, which would decrease the probability of smoke emissions associated with these events.

Recreation: Other on-going and reasonably foreseeable vegetation treatments in the project area will reduce the opportunities for substitute behavior when the preferred recreation site is unavailable. As a result, individuals may choose to stay home, which would decrease visitor spending and consumer surplus to a greater extent than estimated in the direct and indirect effects analysis.

Planned expansions and improvements to recreation opportunities within the project area, however, may counterbalance the visitor use consequences of treatment. Increased recreation opportunities may increase both the number and appeal of substitute recreation activities in the study area.

The extent to which these two forces (vegetation treatment and recreation opportunity improvement) will balance each other is unknown. Therefore, the cumulative effects to the social and economic impacts from recreation cannot be precisely described. Based on the available information, the net effect to visitor spending and consumer surplus from on-going and reasonably foreseeable actions is not expected to change.

Alternative C: Preferred Alternative

This alternative would mechanically treat 431,049 acres of vegetation and utilize prescribed fire on 586,110 acres on the Coconino and Kaibab NFs over a period of 10 years or until objectives are met.

Direct and Indirect Effects

Recreation: The social and economic consequences related to recreation are the same as described for alternative B.

Grazing: The social and economic consequences related to grazing are the same as described for alternative B.

Forest Products: Alternative C would provide approximately 360,000 ccf of timber and 7,800 dry tons of biomass on an average annual basis throughout the 10-year treatment period. As described above in the Summary of Effects section, harvesting and utilization activities related to 4FRI would support approximately 1,675 jobs and \$77.6 million in labor income in the study area economy on an average annual basis throughout the 10-year project period. Forest Service project administration will require 35 employees who are currently on staff.

Wildfire Expenditures and Economic Efficiency: Under alternative C, wildfire suppression costs would, on average, decrease due to the restoration of fire-adapted forests.

The per-acre administrative burden (cost of time and other resources) of planning, implementation, and monitoring forest restoration activities would be lower than alternative A and approximately equivalent to alternatives B, D and E. The 4FRI benefits from economies of scale – a single environmental compliance document addresses nearly 600,000 acres of restoration activities. Furthermore, the large treatment area reduces cost to taxpayers through increased private sector interest in engaging in harvesting and restoration activities on the forests.

The present net cost to taxpayers to conduct restoration treatments equivalent with those proposed under alternative C would be approximately \$232 million. However, the certainty of a sustained supply under 4FRI would encourage private sector restoration, significantly reducing the cost to taxpayers. Furthermore, the treatments will reduce the risk and hazard of uncharacteristic wildfire. The costs of a single large fire may greatly exceed the annual wildfire expenditures listed above. The Forest Service, for instance, spent approximately \$14.4 million responding to the 2010 Schultz Fire (Combrink et al 2013). Furthermore, the total cost of the Schultz Fire – including decreased property values, loss of life, cleanup, evacuation, and habitat destruction – is estimated to be between \$133 million and \$147 million (Combrink et al 2013). Therefore, economic benefits of 4FRI described here should be viewed as lower-bound estimates.

Social Consequences: The social consequences are the same as described in alternative B.

Environmental Justice: The environmental justice consequences are the same as described for alternative B.

Cumulative Effects

The cumulative effects to social and economic conditions are the same as described for alternative B.

Alternative D

Alternative D would mechanically treat 384,966 acres of vegetation and utilize prescribed fire on 178,441 acres on the Coconino and Kaibab NFs over a period of 10 years or until objectives are met. Under alternative D, the acres to be prescribed burned decrease by more two-thirds relative to alternatives B, C and E.

Direct and Indirect Effects

Recreation: The social and economic consequences related to recreation are the same as described for alternative B.

Grazing: The social and economic consequences related to grazing are the same as described for alternative B.

Forest Products: Alternative D would provide approximately 357,000 ccf of timber and 7,900 dry tons of biomass on an average annual basis throughout the 10-year treatment period. As described above in the Summary of Effects section, harvesting and utilization activities related to 4FRI would support approximately 1,659 jobs and \$76.9 million in labor income in the study area economy on an average annual basis throughout the 10-year project period. Forest Service project administration will require 35 employees who are currently on staff.

Wildfire Expenditures and Economic Efficiency: Alternative D significantly reduces (by 70 percent) the acres to be treated by prescribed burning. As described in the fire ecology report, prescribed burning is the most effective and least costly treatment option. Per acre, thinning is approximately twice as costly as prescribed burning. Alternative D would lead to fewer restored acres than alternatives B, C, and E. The net ecological and economic benefits of alternative D, therefore, are the lowest among the action alternatives. However, Forest Service expenditures related to 4FRI implementation and monitoring activities are expected to be the same under all action alternatives. As a result, alternative D would be less economically efficient than alternatives B, C, and E.

The per-acre administrative burden (cost of time and other resources) of planning, implementation, and monitoring forest restoration activities would be lower than alternative A and approximately equivalent to alternatives B, C, and E. The 4FRI benefits from economies of scale – a single environmental compliance

document addresses nearly 600,000 acres of restoration activities. Furthermore, the large treatment area reduces cost to taxpayers through increased private sector interest in engaging in harvesting and restoration activities on the forests.

The present net cost to taxpayers to conduct restoration treatments equivalent with those proposed under alternative D would be approximately \$156 million. However, the certainty of a sustained supply under 4FRI would encourage private sector restoration, significantly reducing the cost to taxpayers. Furthermore, the treatments will reduce the risk and hazard of uncharacteristic wildfire. The costs of a single large fire may greatly exceed the annual wildfire expenditures listed above. The Forest Service, for instance, spent approximately \$14.4 million responding to the 2010 Schultz Fire (Combrink et al 2013). Furthermore, the total cost of the Schultz Fire – including decreased property values, loss of life, cleanup, evacuation, and habitat destruction – is estimated to be between \$133 million and \$147 million (Combrink et al 2013). Therefore, economic benefits of 4FRI described here should be viewed as lower-bound estimates.

Social Consequences: The key difference between alternative D and alternatives B, C, and E is the reduction in the use of prescribing burning as a forest restoration method. Individuals in nearby communities who oppose the use of prescribed burning due to smoke would experience the highest quality of life under alternative D. However, alternative D is expected to be less effective at restoring fire-adapted forests. Therefore, the probability of uncharacteristic wildfire would be higher under alternative D (relative to alternatives B, C, and E). Unlike prescribed burns, which require burn plans and are implemented under favorable conditions, the smoke consequences of wildfire on nearby communities are likely to be more severe.

Alternative D would not achieve desired conditions in Restoration Unit 1. A high-severity fire in this area could damage the Lake Mary watershed, which is critical to the water supply in Flagstaff. Therefore, this alternative does less to support social values and quality of life in Flagstaff and surrounding communities than alternatives B, C, and E.

As with all action alternatives (B, C, D, E), some individuals may not be able to recreate at their preferred sites during the treatment period. If these individuals engage in substitute behavior (e.g., recreating at a different site in the local area), there would be no impact to visitor spending. However, there are social and non-market economic consequences to recreation displacement. Individuals may get less fulfillment or enjoyment from recreating at an alternate site, which would adversely affect quality of life and consumer surplus. Due to the short duration and relatively few sites that are expected to be affected, the quality of life implications of recreation displacement would be small.

Environmental Justice: Alternative D would not reduce employment and income relative to current conditions. The economic impacts associated with 4FRI are expected to have a small, but positive, effect on employment and income in minority and low income communities.

Alternative D would treat the fewest acres with prescribed burns, which would reduce smoke emissions related to prescribed burns. However, alternative D would also be less effective than alternatives B, C, and E in terms of reducing the risk and hazard of uncharacteristic wildfire. Therefore, wildfire smoke is more likely under alternative D (and alternative A). Tribal areas in the Colorado River, Little Colorado River, and Verde River airsheds are likely to experience air quality effects. Elders are more likely to experience acute effects. Technological and cultural constraints to effective communication would make smoke effects more pronounced, as averting behavior is limited. However, burn plans written for implementation of the proposed prescribed fires would include modeling to determine the most appropriate conditions under which to burn in order to minimize smoke impacts. Since wildfire is unplanned, the potential for severe effects to human health and quality of life are higher during wildfire events.

Cumulative Effects

Treatment and Restoration: Past, present, and reasonably foreseeable forest restoration activities are described under the no action alternative. The effect of past, present, and reasonably foreseeable treatment activities in the project area would improve forest health relative to existing conditions even without the implementation of 4FRI. Under alternative D, due to the expected increase in the size of the timber harvesting and processing industry in the region, the local economic impact of current and future restoration activities would increase. The estimated employment and income consequences of non-4FRI treatment activities, therefore, are likely underestimated in the related environmental compliance documents.

Ongoing and reasonably foreseeable prescribed fire treatments will contribute to smoke emissions, which may affect the health and quality of life of individuals who live near or visit the forests. Alternative D would treat fewer acres with prescribed fire than alternatives B, C, and E. Therefore, cumulative effects to smoke emissions from prescribed fire would be lower under alternative D, which may improve quality of life for individuals who are sensitive to smoke. However, this alternative would be less effective at reducing the risk of uncharacteristic wildfire, which may cause greater smoke emissions over time.

Recreation: The cumulative effects to social and economic conditions related to recreation are the same as described under alternative B.

Alternative E

Alternative E would mechanically treat 403,218 acres of vegetation and utilize prescribed fire on 581,020 acres on the Coconino and Kaibab NFs over a period of 10 years or until objectives are met.

Direct and Indirect Effects

Recreation: The social and economic consequences related to recreation are the same as described for alternative B.

Grazing: The social and economic consequences related to grazing are the same as described for alternative B.

Forest Products: Alternative E would provide approximately 343,000 ccf of timber and 7,800 dry tons of biomass on an average annual basis throughout the 10-year treatment period. As described above in the Summary of Effects section, harvesting and utilization activities related to 4FRI would support approximately 1,595 jobs and \$73.9 million in labor income in the study area economy on an average annual basis throughout the 10-year project period. Forest Service project administration will require 35 employees who are currently on staff.

Wildfire Expenditures and Economic Efficiency: Under alternative E, wildfire suppression costs would, on average, decrease due to the restoration of fire-adapted forests.

The per-acre administrative burden (cost of time and other resources) of planning, implementation, and monitoring forest restoration activities would be lower than alternative A and approximately equivalent to alternatives B, C and D. The 4FRI benefits from economies of scale – a single environmental compliance document addresses nearly 600,000 acres of restoration activities. Furthermore, the large treatment area reduces cost to taxpayers through increased private sector interest in engaging in harvesting and restoration activities on the forests.

The present net cost to taxpayers to conduct restoration treatments equivalent with those proposed under alternative E would be approximately \$222 million. However, the certainty of a sustained supply under 4FRI would encourage private sector restoration, significantly reducing the cost to taxpayers. Furthermore, the

treatments will reduce the risk and hazard of uncharacteristic wildfire. The costs of a single large fire may greatly exceed the annual wildfire expenditures listed above. The Forest Service, for instance, spent approximately \$14.4 million responding to the 2010 Schultz Fire (Combrink et al 2013). Furthermore, the total cost of the Schultz Fire – including decreased property values, loss of life, cleanup, evacuation, and habitat destruction – is estimated to be between \$133 million and \$147 million (Combrink et al 2013). Therefore, economic benefits of 4FRI described here should be viewed as lower-bound estimates.

Social Consequences: The social consequences are the same as described in alternative B.

Environmental Justice: Environmental justice consequences are the same as described for alternative B.

Cumulative Effects

The cumulative effects to social and economic conditions are the same as described under alternative B.

Unavoidable Adverse Environmental Consequences

Unavoidable adverse impacts are associated with activities that have the potential to affect quality of life. Social consequences focus on traffic, smoke emissions, recreation displacement and scenery management, see the previous effects analysis.

Forest Plan Consistency

The land and resource management plans for the Kaibab and Coconino NFs do not specify desired conditions and strategies specific to the social and economic environment. However, both plans incorporate strategic direction related to air quality, transportation, forest products, wildland fire management, and other resource areas that are relevant to the social and economic environment. The following consistency analysis draws on those sections that are linked to proposed management actions under the 4FRI project.

Kaibab National Forest Plan

The following desired conditions and guidelines from the Kaibab NF plan (2014) are relevant to the 4FRI project:

1. “Fire management needs to maintain an appropriate balance between smoke impacts and public concerns” (pg. 19).
2. “Project design for prescribed fires and strategies for managing wildfires should incorporate as many emissions reduction techniques as feasible, subject to economic, technical, safety criteria, and land management objectives” (pg. 56).
3. “Wood products and other products are available to businesses and individuals in a manner that is consistent with other desired conditions on a sustainable basis within the capacity of the land” (pg. 71).
4. “A sustainable supply of wood is available to support a wood harvesting and utilization industry of a size and diversity that can effectively and efficiently restore and maintain the desired conditions for ponderosa pine and frequent fire mixed conifer communities” (pg. 71).

As described above, smoke emissions are inevitable under all alternatives – whether from prescribed burns or wildfire. The degree (intensity and duration) of emissions, however, are variable. With prescribed burns, burn

plans are developed, which helps to minimize adverse effects to quality of life in nearby communities. The Forest Service is required to work with the Arizona Department of Environmental Quality (ADEQ) to ensure that smoke impacts to human health are avoided or minimized. In contrast, wildfires are by definition unplanned. The community smoke effects from wildfire can range from negligible to severe. The advance notice associated with prescribed burns allows individuals with acute sensitivity to smoke (e.g., asthmatics) to engage in averting behavior, which reduce the negative quality of life impacts. Therefore, the 4FRI project would be consistent with statements (1) and (2), above.

The 4FRI project would contribute to a sustainable supply of wood in the project area, which would support local employment and income in the wood products sector, as described above. Therefore, the 4FRI project would contribute to the attainment of desired conditions related to wood products on the Kaibab NF (statements (3) and (4), above). See the vegetation analysis for consistency with standards and guidelines and objectives for forestry and forest products.

Furthermore, the 4FRI analysis is consistent with management approaches for various major vegetation types or community types. In particular, the Kaibab NF plan emphasizes collaboration in the management of ponderosa pine and aspen (pp. 20, 28, 29). 4FRI is a large-scale, collaboratively driven project that is consistent with the forest plan's management approach to involve stakeholders in forest restoration. The heritage, fire, and wildlife sections of the 4FRI analysis provide detail on collaboration efforts with federal and state agencies, tribes, and communities.

Coconino National Forest Plan

The following desired conditions and guidelines from the Coconino NF plan (1987, as amended) are relevant to the 4FRI project:

1. "Provide and manage a serviceable road transportation system that meets needs for public access, land management, resource protection, and user safety" (pg. 24).
2. "Manage smoke from prescribed fires to meet legal standards and to provide for public safety" (pg. 92).

The 4FRI project would create no new permanent roads. Implementation of 4FRI would decommission 904 miles of existing roads (across the two forests). The transportation analysis discloses how each alternative moves toward a safe and more affordable transportation system. Therefore, the 4FRI project would be consistent with statement (1), above.

The project's consistency with statement (2) is the same as described above for the Kaibab NF plan.

Changes from Previous Version of Specialist Report

The revised socioeconomic specialist report incorporates the following substantive changes, based on internal review and public comments.

1. This version of the socioeconomic specialist report incorporates a more detailed explanation of study area determination to clarify why Maricopa and Navajo counties were included in the economic analysis and Gila County was not.
2. This version of the socioeconomic specialist report includes additional discussion of community-level effects to airshed and infrastructure under each alternative. The specialist report identifies

communities that would experience the highest risk of fire and the assets (e.g., watersheds, ecosystem services, private property) that could be affected.

3. This version of the socioeconomic specialist report includes a discussion of the potential effects employment supported by Grand Canyon visitation from a wildfire.
4. This version of the socioeconomic specialist report evaluates the social and economic consequences of alternative E, which was not considered in the DEIS.
5. This version of the socioeconomic specialist report includes revised efficiency analysis, which evaluates the potential public savings from 4FRI treatments and also includes the Combrink et al (2013) study of the 2010 Schultz Fire.
6. This version of the socioeconomic specialist report uses new timber and biomass harvest volume figures, which resulted in revised economic impact (employment and income) estimates.

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