

Financial and Economic Efficiency Analysis

Financial efficiency is defined as how well the dollars invested in each alternative produce revenues to the agency. Economic efficiency is defined as how well the dollars invested in each alternative produce benefits to society. Present Net Value (PNV) is used as an indicator of financial and economic efficiency.

Quick-Silver, a public domain Windows-based program, was used to calculate PNV over a 50-year period. A 4% discount rate was used.

Revenues from recreation permittee are highly variable and not therefore not estimated, except for downhill skiing where historical averages are available. Revenues for grazing are set by law. Sawtimber revenues are discussed in more detail in the Spectrum model section of Appendix B.

Economic values were based on either actual revenues where markets exist or on a willingness to pay evaluation. These economic values were developed by the SPRA Staff of the Washington Office and updated to current values by the Regional Office of the Rocky Mountain Region. As discussed in the FEIS, willingness-to-pay estimates for non-use values (scenery, existence values, bequest values, etc) have not been established by the agency, and are therefore excluded from this analysis. All values are in 2002 dollars. The table below displays the economic values and revenues that were used for each resource.

Table B-22(a). Economic Benefits and Financial Revenue Values

Activity	Unit	Economic Benefit	Financial Value
Developed Rec	RVD	\$9	\$0
Downhill Ski	Skier-Day	\$56	\$1
Dispersed Motorized Rec	RVD	\$12	\$0
Snowmobiling	RVD	\$12	\$0
Dispersed Nonmotor Rec	RVD	\$13	\$0
Big Game Hunting	RVD	\$69	\$0
Small Game Hunting	RVD	\$49	\$0
Fishing	RVD	\$78	\$0
Nonconsumptive Wildlife	RVD	\$61	\$0
Grazing – Cattle	HM	\$0	\$1.35
Grazing – Sheep	HM	\$0	\$0.27
Grazing – Cattle & Sheep	AUM	\$11.76	\$0
Timber Harvest - Sawtimber	MBF	\$212	\$212
Timber Harvest – POL	MBF	\$2	\$2
Timber Harvest - Firewood	MBF	\$20	\$20

Detailed costs were not developed for this analysis. Total budgets were assumed to be fully spent for each alternative.

Complete details of the analysis and software used are available in the administrative record.