



United States Department of Agriculture  
Forest Service

# **Limestone/Silver Vegetation Management Project**

**Newport-Sullivan Lake Ranger Districts**

**Colville National Forest**

## **Economic Analysis Report**

Prepared by:

Jesselyn Thornton

Presale Forester

03/30/17

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## Relevant Laws, Regulations, and Policy

Regulatory direction relevant to the Limestone/Silver Vegetation Management Project includes:

- Colville National Forest Land and Resource Management Plan (LRMP), December 1988, as amended
- National Forest Management Act (NFMA 1976)
- National Environmental Policy Act (NEPA 1970)
- Travel Management Rule (TM) (36 CFR 212, 251, 261, and 295)

## Information Sources

Economic analysis of the proposed treatment for the Limestone/Silver Vegetation Management Project was completed using the Transaction Evidence Appraisal (TEA) method with the most recent (February 2017) product log values. TEA appraisal costs were used for evaluation.

The economic analysis presented here is a best estimate of costs. Actual appraised value may change over time. The analysis can be used to compare alternatives, but not to give any absolute numbers for the outputs.

The harvest volumes and species mix are estimates from the silvicultural prescriptions. Timber values were calculated using the current Product Quality Adjustment (PQA) for delivered logs in eastern Washington. Stump to truck logging costs were analyzed using the current version of Logcost 15.1. Haul costs were calculated using the most recent version of Haulcost 15.1.

## Existing Condition

Past economic activities began in earnest in the early 1900s with homesteading, mining, grazing and logging. For most of the early to middle part of the 20th century, high valued trees, such as western white pine and western redcedar were favored for removal. Harvest often occurred within relatively accessible sites, such as low- to mid-elevation benches, slopes, and riparian areas. Logging in the later part of the 20th century was expanded to include timber stands within the upper reaches of watersheds.

The project area contains more than 130 miles of Forest Service System, non-system, state, and county roads, the majority of which were designed for timber harvest and removal. Although vegetative re-growth and earthen berms have closed many of these roads to motorized access, the existing road profiles provide an excellent opportunity to facilitate proposed management activities.

## Proposed Action

The proposed action would result in the harvest of about 19 million board feet (MMBF) of timber. The proposed action has the potential to provide economic benefit to the local economy and agency.

**Table 1. Financial Summary for Timber Sale and Fuels Treatments**

Item	Proposed Action
Timber Sale And Related Projects Revenues	\$1,485,749
Timber Sale and Related Project Costs	\$842,088
Net Present Value (with associated projects)	\$643,660

Item	Proposed Action
Cost/Benefit Ratio (gross value/ associated costs)	1.76
MMBF (Volume)	19
Jobs Directly Created	146
Jobs Indirectly Created	608
Total Jobs Created	754

Numbers in the above table were generated from input into TEA-R6 Econ 6.1. Data and worksheets are available in the project file.

## Direct and Indirect Effects

Timber harvest activities can reasonably be expected to result in economic benefits for rural communities. Estimates of direct and indirect jobs per year created from 1 million board foot of timber harvested in Washington State range from 7.7 to 13.2 direct jobs per MMBF per year and 32.3 to 36.82 indirect jobs per MMBF per year (Mason 2005, Lippke and Mason 2005).

The proposed action for this project would provide economic benefit to the local economy through the harvest of an estimated 19 MMBF of timber. Local mills rely partially on wood products supplied by National Forest System lands, and the proposed timber harvest would help sustain jobs by providing material to keep the mills operating. Secondary economic benefits will be created from preparation, implementation and administration of logging, thinning, reforestation, and fuels reduction activities. A wide variety of skills and equipment would be required to complete the various treatments.

## Compliance with LRMP and Other Relevant Laws, Regulations, Policies and Plans

The current Colville National Forest Plan states that “Employment and receipts generated by National Forest uses and products are important to local economics. This issue is closely related to the timber management issue as timber harvest has a greater influence on the local economy than any other National Forest resource.” (Forest Plan, page 3-1).

The Colville National Forest has about 615,600 acres designated for primary timber production (Forest Plan, page 3-2), and an annual timber harvest of about 50 to 60 MMBF.

One of the Colville National Forest’s management goals is to “provide for the sustained production and utilization of wood fiber in the various product forms, consistent with the multiple-use objectives of the Forest Plan” (Forest Plan, page 4-3).

The proposed action complies with the Forest Plan by fulfilling our obligation to provide an annual harvest volume which provides an economic benefit for the economy and the U.S. Treasury.

## References Cited

Colville National Forest Land and Resource Management Plan (LMRP). 1988. USDA Forest Service, Colville, WA.

Lippke, B. and L. Mason. 2005. Implications of Working Forest Impacts on Jobs and Local Economies. University of Washington, Seattle, WA. November 2005.

Mason, Larry C. 2005. An Examination of the Washington Department of Natural Resources Timber Sale Program Against a Backdrop of Changing Regional Infrastructure and a Growing Forest Health Crisis. April 2005.

USDA Forest Service. 2015. LogCost 15.1 – Stump to Truck Logging Appraisal and HaulCost 15.1 – Trucking Appraisal. December 2015  
[http://www.fs.usda.gov/detail/r6/landmanagement/resourcemanagement/?cid=fsbdev2\\_027048](http://www.fs.usda.gov/detail/r6/landmanagement/resourcemanagement/?cid=fsbdev2_027048)