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National Forest Fact Sheet

The Economic Case Against National Forest Logging

From a socio-economic perspective, National Forests are far more valuable as living ecosystems than they are cut down and turned into two by fours and paper products. National Forests provide many social and economic contributions to the nation, simply by existing as natural ecosystems. Natural resource economists have coined the term “ecosystem services” to describe such contributions.

Ecosystem services include important functions such as flood control, purification of water, recycling of nutrients and wastes, production of soils, carbon sequestering, pollination, and natural control of pests. They also include valuable products such as plants used in manufacturing life-saving medicines, edible mushrooms, and floral greens. Finally, they include a diversity of uses such as recreation, hunting and fishing. And they include scenic, aesthetic, and cultural values that are important quality of life factors for communities near National Forests.

Economists have recently estimated that ecosystem services provided by natural forests worldwide are worth at least \$4.7 trillion per year. On National Forest lands, ecosystem service values dwarf the value of our National Forests for timber production. For instance,

- National Forests supply over 530.4 million acre-feet of clean water each year to municipalities, businesses, and rural residents. Economists estimate that the value of this water for consumptive purposes alone is over \$3.7 billion per year. This figure does not include the value of maintaining wild fish species, recreation, or the cost savings to municipalities who have reduced filtration costs because water from National Forests is so clean.
- Recreation, hunting and fishing on our National Forests contribute at least \$111 billion to the gross domestic product and generate 2.9 million jobs each year. These uses contribute 31.4 times more value to GDP and generate 38.1 times more jobs than the timber sale program.

- National Forests sequester over 53 million metric tons of carbon from the atmosphere each year. Economists have estimated that this function is worth nearly \$3.4 billion each year.
- National Forests provide habitat for tens of thousands of wild pollinators. Researchers have estimated the potential contribution of wild pollinators to the U.S. agricultural economy to be in the order of \$4-7 billion per year.

In contrast, the Forest Service recently estimated that its timber sale program generated net economic benefits of only \$354 million and 55,535 jobs in 1997.

Logging National Forests Creates More Economic Harm than Good

The National Forest logging program represents a net loss to U.S. taxpayers of over \$1.2 billion per year. Yet these financial costs are just the tip of the iceberg. When National Forests are logged, valuable recreation, fishing, and hunting sites are destroyed. When National Forests are logged, municipalities, businesses, and domestic water users downstream must pay for filtering logging sediments out of water supplies. Economists found that logging imposes costs in the order of \$1.94 per ton on downstream water users in the Little Tennessee River basin. When National Forests are logged, increased flooding destroys prime farmland, washes



Flathead National Forest, Montana.

Photo: Mark Wilson

out bridges and roads, and causes loss of life and property. After the Pacific Northwest floods of 1996, the Forest Service spent over \$100 million repairing bridges and roads that were damaged from landslides largely attributable to clearcuts on unstable soils.

Heavily logged National Forests are scenic eyesores, diminishing property values and thwarting the ability of communities to attract businesses and residents to enjoy high quality environments.

National Forest logging generates millions of dollars in tort claims against the government each year because it creates enormous costs in terms of death, injury and property damage. Logging is consistently the most dangerous profession in the United States, with an accident rate recently estimated at 142 per 100,000 workers. Taxi drivers and chauffeurs are a distant second. A property owner in Washington is seeking \$1,000,000 in damages from the Forest Service for a logging-induced landslide that destroyed her home. She is among many property owners near National Forests who have witnessed destruction of their homes and land from increased floods and landslides.

National Forest Logging is Anti-Competitive

Forest Service timber sales are heavily subsidized, and, as such, they are anti-competitive. Subsidized timber sales on National Forest lands place small scale producers who operate on their own lands at a competitive disadvantage, creating costs in terms of lost revenues and jobs. Subsidized National Forest timber sales also create market barriers for alternative fiber producers and recyclers. Economists call these "displacement costs."

While the Forest Service takes credit for creating wood products jobs, in many cases, the agency is simply displacing jobs that would otherwise be available harvesting timber from private lands or supplying recycled and alternative fiber products. When National Forest timber sales have been reduced, in many regions, jobs and income in the wood products sector have actually increased. In Utah, for example, between 1988 and 1994, National Forest timber harvests dropped by 56%. During that same period, jobs in the wood products sector increased by the same amount.

When added to the \$1.2 billion financial losses incurred by the logging program each year, externalities and displacement costs render the National Forest timber sale program an abysmal failure from an economic perspective.



No Value Unless Logged? The Forest Service is planning to log this remarkable old growth forest within the 18,000 acre Mt. Bailey roadless area of the Umpqua National Forest, Oregon. Unit 27 (pictured) is not yet cut, but the chain saws could roar during the summer of 2000. Look now, because tomorrow it may be gone...stolen from you and future generations. Photo by Francis Eatherington.

Alternative Uses of Timber Sale Subsidies Net Far Greater Returns to Local Communities

Communities near National Forests would benefit far more economically if the \$1.2 billion timber sale program subsidy were invested in other uses. Funds can be used to restore fish and wildlife populations, construct trails, help displaced timber workers develop new skills, and help local communities incubate sustainable businesses. In addition, rather than subsidizing timber sales on federal lands, the Forest Service can take on the role of an extension service and provide technical assistance to small private forestland owners to help them manage their lands better. All of these alternative investments will generate sustainable returns, in sharp contrast with the timber sale program, which is a net loser from an economic standpoint.

For More Information

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