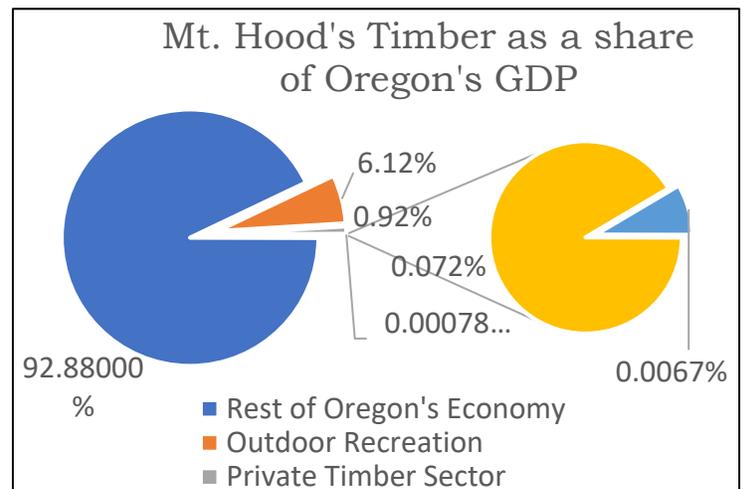


## What is the Value of Mt. Hood National Forest?

Today, Oregon has approximately 22,000 people employed in the timber industry and contributes less than 2% to the Oregon GDP.<sup>iv</sup> In contrast, outdoor recreation statewide generates \$12.8 billion in spending (6.12% of Oregon GDP), creating 141,000 jobs<sup>v</sup>.

Troubling for households trying to stay afloat is that timber industry jobs' pay, in real terms, has been on the decline for decades<sup>vi</sup>. Of further concern for struggling rural communities is that increased logging volume will not bring these jobs back. Worker productivity in the timber sector has increased considerably over the past decade because of mechanization of the industry. Thus, the number of jobs created per boardfoot of lumber is in decline as fewer workers are needed to produce the same amount. When logging decreases the number of jobs goes down but **when logging goes back up, jobs do not return in proportion.** For example, in Marion County, logging peaked in 2005 at 98,000

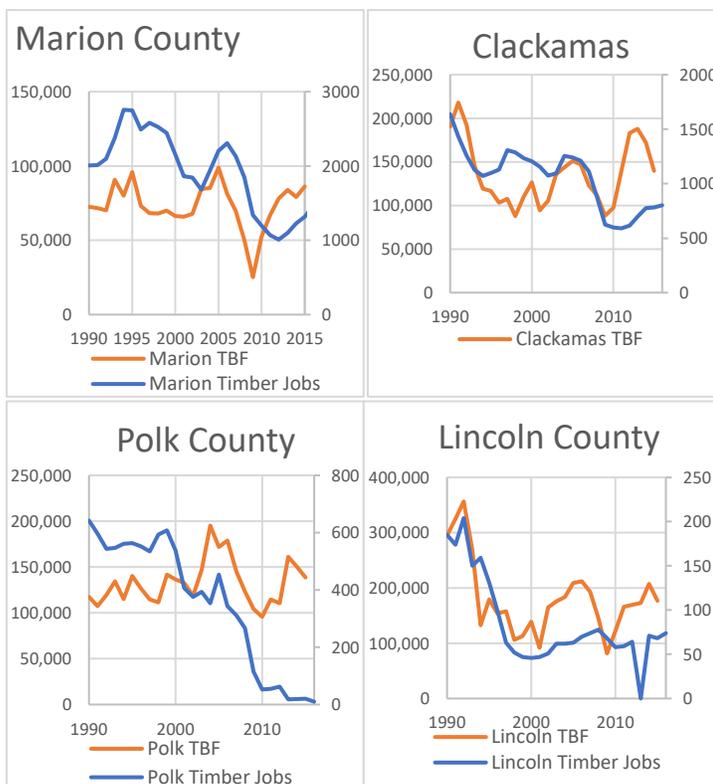
tbf. During the 2008 recession, this fell 74.5% to 25,000 tbf. Following this decline, timber jobs in Marion County dropped 56.2%. By 2013 logging had returned to 83,000 tbf. *This is a 340% increase in volume from the low, but jobs only increased 14.8%.* This pattern is clear in Polk and Clackamas counties, and subtle in Lincoln county.

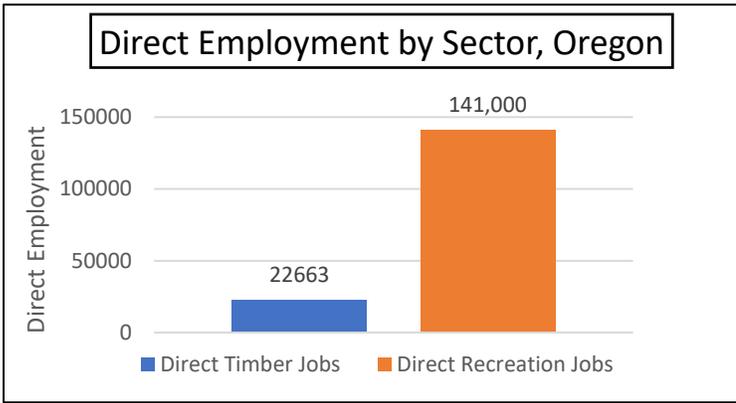


## Valuing recreation.

Since the 1970's, commercial logging as a share of Oregon's GDP has steadily declined<sup>vii</sup>; since 2007, it has hovered around 1%.<sup>viii</sup> Of this 1%, for the past 20 years, logs from National Forests have supplied, on average, 7.8% of the timber volume. Of this 7.8%, over the last 15 years Mt. Hood National Forest supplied on average 8.5% of the timber sales, or \$15 million worth of logs.

In contrast, goods and services produced within the region for recreation visitors equate to \$45.1 million every year, which is roughly triple the market value of average annual logging.<sup>ix</sup>





### Valuing Carbon Sequestration.

Let's consider the Mt. Hood National Forest from the perspective of carbon sequestration. A typical hectare of logged western Cascades forestland left to its own devices will sequester approximately 6.4 metric tons of carbon a year.<sup>x</sup> Across the Mt. Hood National Forest over 25 years, this amounts to 44 million metric tons, or 2.8% of Oregon's carbon emissions over the same period.

Carbon emissions have a social cost that gets spread out. The Obama Administration's interagency working group determined that this spread out social cost was equivalent to \$31 per metric ton of Carbon (in 2007 dollars.) This value is projected to increase non-linearly up to \$64 by 2045.<sup>xi</sup> By this metric, the carbon

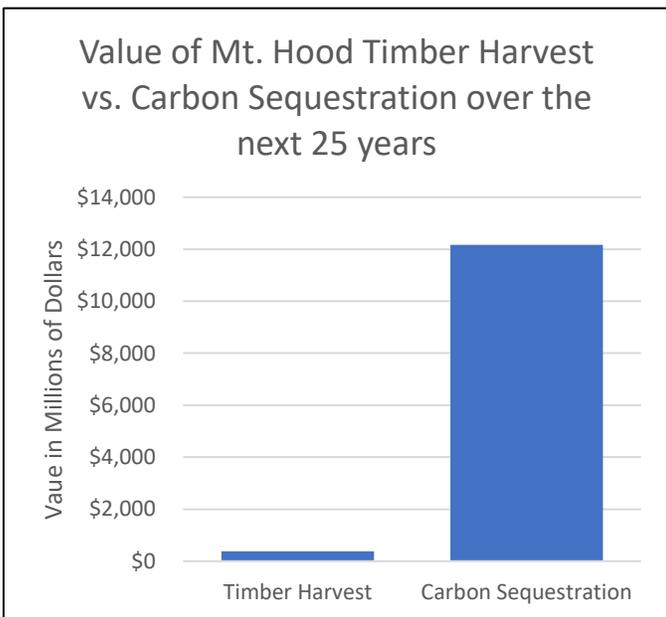
sequestration services of Mt. Hood National Forest are worth \$2.2 billion dollars over 25 years, or 5.9 times as much as the average timber harvest over the same period.

The sequestration value of Mt. Hood NF can be considered from another standpoint: how much it would save the state in terms of net emissions reductions. The carbon sequestered by Mt. Hood NF would save the state from needing to fund the most expensive energy projects otherwise necessary to meet various emission reduction targets. If Mt. Hood NF were managed primarily to sequester carbon and the state of Oregon were to act diligently to meet the goal set by state Democrats in 2007, the sequestration services of Mt. Hood would be valued at \$2.47 billion over 25 years. If the state were to become a global leader in emission reductions, in line with Senator Merkley's 100% renewable plan, the sequestration services as net emission reductions would be worth \$9.9 billion over 25 years.

### Valuing Drinking water.

The Clackamas River supplies water to an eighty thousand Oregonians.<sup>xii</sup> In fact, at least 95% of the Mt. Hood National Forest is someone's drinking watershed. Unlike the Bull Run Reservoir that provides the Portland area with water, the rest of the National Forest does not benefit from the same degree of protection. Erosion from logging roads can lead to water sedimentation which lowers water quality and increases water costs.

Commercial logging today does far less for Oregon's economy than commonly thought. Mt. Hood National Forest provides a greater social and economic benefit as an intact ecosystem delivering clean drinking water, sequestering carbon, and supporting the recreation economy.



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<sup>iv</sup> <https://www.bls.gov/cew/datatoc.htm>

<sup>v</sup> [https://www.jec.senate.gov/public/\\_cache/files/7c1c8204-b272-40f3-ae31-46c340e64ff9/economic-impact-of-public-lands-final.pdf](https://www.jec.senate.gov/public/_cache/files/7c1c8204-b272-40f3-ae31-46c340e64ff9/economic-impact-of-public-lands-final.pdf)

<sup>vi</sup>

[https://oregoneconomicanalysis.files.wordpress.com/2012/01/woodproducts\\_wages.jpg](https://oregoneconomicanalysis.files.wordpress.com/2012/01/woodproducts_wages.jpg)

<sup>vii</sup> <https://oregoneconomicanalysis.com/2012/01/23/historical-look-at-oregons-wood-product-industry/>

<sup>viii</sup> <http://www.bber.umt.edu/pubs/forest/fidacs/OR2013.pdf>

<sup>ix</sup> National Forest Economic Contributions (USDA Forest Service 2016c)

<sup>x</sup> <https://landcarb.forestry.oregonstate.edu/>

<sup>xi</sup> <https://obamawhitehouse.archives.gov/sites/default/files/omb/info/oreg/scc-td-final-july-2015.pdf>

<sup>xii</sup> <http://www.cwater.com/about-us/>