## Economy

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In addition to Grant, the other Oregon counties included Baker, Harney, Malheur, Umatilla, Wallowa, Crook, Morrow, Union and Wheeler. In Washington, Walla Walla, Garfield, Asotin and Columbia counties were studied.

The three national forests that sprawl across that 14-county region — the Umatilla, Wallowa-Whitman and Malheur — are collectively known as the Blue Mountain Forest and are covered by a single, over-arching management document called the Blue Mountains Forest Plan.

Each of the three national forests in the region also has its own individual resource and management plan that identifies the goals and desired conditions for the landscape. The plans establish broad guidelines for livestock grazing, timber harvest, wilderness and roads.

The data collected in the analysis, along with the goals and desired conditions established by the BIC, will frame how the U.S. Forest Service drafts its management plans in the region.

Forest plans are supposed to be updated every 15 years to account for the latest science and changing conditions. The Blue Mountains Forest Plan, however, was last updated in 1990. Coming up with a new plan has been a difficult and contentious process. In 2019, the Forest Service scrapped its most recent draft management plan after it came under widespread scrutiny and faced public backlash.

Nils Cristofferson, executive director of Wallowa Resources, told the newspaper in a phone interview that one of the criticisms of the 2019 draft management plan was that a supporting socioeconomic analysis missed essential differences between the counties and even the communities within the counties.

This time around, Maille said, the Forest Service brought in EOU and the REV because the agency realized how different the counties in Eastern Oregon and Southeast Washington are from one another.

"(The Forest Service) acknowledged that, based on past experience, they were looking at the region from the



Steven Mitchell/Blue Mountain Eagle Prairie Wood Sawmill employee Brian Luglan stacks lumber on Monday, Sept. 26, 2022.



Steven Mitchell/Blue Mountain Eagle

The Innovation Gateway area of John Day, consisting largely of former lumber mill property.

# Blues

The Blue Mountain region as a whole has lagged behind the rest of Oregon and the U.S. when it comes to population, income and job growth, but the situation is especially dire in a half-dozen Eastern Oregon counties.

Among the 14 counties in the study, the authors point out that Grant, Baker, Harney, Union, Wallowa and Wheeler are isolated rural counties without easy access to a metropolitan area or main highway to stimulate economic activity. That leaves them with lower average wages and more unpredictability in employment.

Many people in those six counties, the study's authors write, have fluctuating incomes that are characterized by seasonal employment, poor job earnings, and limited

access to higher-paying jobs. In 2020, the total population in the region was 296,000, with a density of 11 people per square mile. Oregon's counties dropped to six people per square mile, third to last nationwide, ahead of

Blue Mountain Forest region through the agency's staffing levels, land management plans, timber sales, service work contracts, stewardship contracting and grazing allotments, the study determined.

Additionally, each county receives an annual payment in lieu of taxes to help offset property tax revenue losses due to federal land as well as payments designed to make up for losses related to declining timber harvest levels.

Grant County has more acres per resident - 222 than any other county in the Northwest. Thus, according to the study's authors, Grant County is the most dependent on the Forest Service for county payments in lieu of property taxes. These payments support various county functions, including road maintenance, law enforcement and public safety, search and rescue, public school districts and other services.

Timber and natural resource production have long played a significant role in the local and regional economies of the Blue Mountains. But environmental protections and changes to mill technology led to steep declines in those industries. As a result,

the annual timber volume in the Blue Mountain Forest declined from 700 million board feet in the late 1980s to 70 million in the last few years. In the past decade, the authors note, the Malheur National Forest has made up just over 30% of the total timber volume of the Blue Mountain Forest region.

The loss of timber from the forests led to the closure of sawmills across the region, the loss of contractors and the decline of other related industries.

For several counties in the region, Grant especially, natural resources and forest products was the largest employer. Unemployment rates across the Blue Mountains region are among the highest in Oregon.

The loss of timber and natural resources in the region led to population declines as working families moved out of the area. That created ripple effects that impacted small businesses, schools, health care and property values.

## **Risk vs. opportunity**



Sierra Dawn McLane/Capital Press, File

Home to three national forests, a 14-county region of Northeast Oregon and Southeast Washington is economically dependent on the U.S. Forest Service.



Steven Mitchell/Blue Mountain Eagle An abandoned lumber mill on the west end of John Day.

a "risk/opportunity index," which evaluates a county's relative sensitivity to positive or negative impacts from forest management decisions.

Maille said the index has two measures. First, he said, is economic resilience — in other words, the ability for a county to weather financial calamity. Second, Maille said, is a county's level of exposure to a national forest. This, he said, depends on how much community income is related to Forest Service lands and the volume of public land in a particular area.

Christofferson pointed out that forest management decisions in Grant and Wallowa counties would have a greater significance than they would in Malheur or Walla Walla counties, for instance.

While federal land management decisions are not entirely irrelevant in Walla Walla and Malheur counties, he said, they are a much bigger factor in the economic activity and social conditions of more isolated and rural counties like Grant and Wallowa.

Malheur and Walla Walla

#### Is Grant County too dependent on the Forest Service?

Between 2010 and 2021, according to the study, the Forest Service awarded \$46 million in contracts for forest restoration work in Grant County, including \$29 million that went directly to local contractors.

While that revenue is certainly a welcome addition to Grant County's economy, the fact that it all came from a single source underscores the county's vulnerability to an economic downturn if the Forest Service should change its policy in the area.

Webb said the county should continue working to diversify its economy, but it would be unrealistic to think that a broad range of companies that could provide that diversification would choose to come to Grant County rather than, say, Bend or Boise.

However, Webb also pointed out that Grant County could be an attractive location for companies that can take advantage of the economic activity generated by the Forest Service.

He said the goal of Blue Mountains Forest Partners has been to diversify the natural resource economy by working with the agency in various ways, such as pushing for stewardship contracts that keep the work local or looking for opportunities to open up more grazing allotments.

Asked if that would ultimately keep Grant County dependent on the Forest Service, Webb said it's important to think about what being dependent really means.

"Does it mean not do any of this (forest restoration) work? Or does it mean to

level of the forest and not the level of the county," Maille said.

### **Grant County and the**

just Wyoming and Alaska. The U.S. Forest Ser-

significantly impacts vice the economy throughout the

in taking into account the vast differences between each county, Maille said he and McConnell came up with what they dubbed

counties, according to the assessment, are among the least exposed, with less than 1% of Forest Service-owned land.

complement it with something else?" he asked. "In my view, you would complement it with other efforts."

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