

# Chapter II

## Institutional Analysis

### Introduction

The analysis begins by examining the institutional challenge of the Northwest Economic Adjustment Initiative, describing in detail the policy problems affected by changes in the timber economy. However, the Initiative was also explicitly designed to change the behavior and capacities of the policy agents (or implementers) responsible for program administration. Consequently, particular attention is paid to the agents of policy design and the innovative organizational structure that was established to implement the Initiative and deliver economic assistance to the Northwest. The various components of the structure at the national, regional, and state levels—the Multi-Agency Command (MAC), the Regional Economic Revitalization Team (RCERT), and the three state Economic Revitalization Teams (SCERTs)—are described, and the factors influencing the effectiveness of their operations examined. A list of individuals interviewed for this analysis can be found at the end of this section.

### Institutional Challenge of the Initiative: Policy Setting, Goals, and Problems to be Solved

#### *The Issue Context*

The institutional challenge of the Initiative was two-fold: 1) to deal with the socioeconomic effects facing the Pacific Northwest as a result of declining timber harvests and the effects of the Administration's forest management decisions in the Forest Plan; and 2) to unravel the administrative gridlock that had accompanied the forest controversy, paralyzing attempts to resolve it and the accompanying land management and socioeconomic consequences.

#### *"Owls Versus Jobs"*

The Northwest forest controversy was a high stakes conflict (Yaffee 1994). It was not just a region-

al dispute, but received national attention, even rating a cover story in Time magazine with a picture of a spotted owl and the question "Who Gives a Hoot?" dominating the cover (Gup 1990). Another major article appeared a month earlier in The New Yorker (1990), and the issue was given extensive coverage in professional journals, which devoted entire issues to the debate (e.g., American Forestry Association 1991). At the local community level, the issue was pervasive. Small town businesses placed placards in their windows proclaiming, "We Support the Timber Industry," and neighbors nailed them to their fences. Grocery store sacks—paper, of course—carried similar messages. Newspapers ran special reports, such as the Portland Oregonian's seven-day series, "Northwest Forests: Lives in Transition" (Meehan and Church 1990). Second in a series of special reports the newspaper ran on the controversy that year, "Lives in Transition" focused on Douglas County, Oregon, as a microcosm of the region's timber-dependent communities. Feelings ran high. Not only did bumper stickers read "Spotted Owls: Well Done," but dead owls appeared nailed up in public places. Environmentalists, agency officials, and timber industry executives received death threats.

Any microcosm, however, is also part of a macrocosm. External forces, including changes in social values, demographically generated shifts in political power, and transitions in international, national, and regional markets, affected counties like Douglas County heavily. The environmental movement gave social and political voice to the public's growing concerns about the visible effects of resource extraction activities on the environment. Meanwhile, as a result of the U.S. Supreme Court's reapportionment decisions of the early and mid-1960s,<sup>1</sup> political power was shifting from rural areas to urban areas—and urban areas tended to

1. Reapportionment involves the allocation of representation in the U.S. House of Representatives and other government bodies based on the number of residents determined by decennial U.S. Census Bureau surveys. Challenges were being brought to the courts because for years, to protect entrenched interests, a number of states conducted no reapportionment. In 1964, in Reynolds v. Sims (377 U.S. 533), the Supreme Court developed the rule, "one person, one vote," and power that had long resided in rural areas moved into urban areas with the population ([usinfo.state.gov/usa/infousa/facts/democrac](http://usinfo.state.gov/usa/infousa/facts/democrac)).



Douglas County Courthouse in Roseburg, Oregon

be the places where support for environmental protection and wilderness values grew most pronounced. In a largely urbanized West—even in the face of strong opposition from rural, resource-dependent communities—the more environmentally friendly candidate, Bill Clinton, was able to carry Washington, Oregon, and California in the 1992 presidential election.

Moreover, the Pacific Northwest had a regional economy that was doing very well; between 1989 and 1994 the economies of the states of Washington and Oregon outperformed the U.S. economy as a whole. The growth in jobs was not occurring in the rural areas, however, but in the counties surrounding Seattle and Portland and at points along the north/south Interstate 5 corridor running through the region. Loss of jobs due to transitions in the timber industry was simply not felt uniformly throughout the states; it was a locally, not a regionally, important factor. For the region as a whole, employment losses in the lumber and wood products sector attributable to increasing mechanization in the industry or declines in federal timber harvest were not as large proportionately as harvest declines. Employment losses were offset by increases in secondary forest products manufacturing or in other components of the lumber and wood products sector not dependent on locally based tim-

ber harvests (Raettig and Christensen 1999, p. 14). International markets drove industry decisions, affecting where and what industry cut and produced.

#### *Administrative Gridlock*

As the Northwest forest controversy dragged on, neither Congress, nor the Bush administration, nor the federal land management agencies appeared able to adequately resolve the issue. The decision space narrowed as timber harvesting continued, and owl habitat declined. Unsatisfied with both legislative and executive branch responses, environmentalists sued the agencies. Eleven judges found the agencies to be in violation of one or more federal laws or regulations affecting federal forest management and endangered species protection, or compliance with NEPA procedures (Tuchmann et al. 1996, p. 26). Judge Dwyer, for example, strongly rebuked the Forest Service for deliberately violating federal law. The agencies often appeared to be in denial, believing that they would ultimately win in court and be back cutting timber, just as before. They were not seriously asking the “what-if” questions in terms of timber harvests and community effects. Both operationally, in terms of timber programs, and metaphorically, in terms of agency learning, they were at a standstill.

Endeavoring to move beyond the “owls vs. jobs” framing of the issue to examine how both could be linked in new and positive ways, the Clinton Administration also had to confront the fragmented nature of community economic development policy. Long before the timber crisis, authority for job retraining and community and economic development had been spread throughout a number of federal agencies, each with its own specific rules and requirements. Cooperation between agencies occurred, but not on a regular and sustained basis. There was no common basis for assembling and considering proposals from client communities and organizations, nor for addressing barriers to effective implementation. State Rural Development Councils provided channels of communication between rural development practitioners, but not the operating mechanisms to link federal and state agencies that NEAI ultimately required (Raettig et al. 1999, p. 3).

As the President reviewed the administrative landscape at the Forest Conference, the “interagency conflicts he found on this matter left him ‘mortified.’” Consistent with the “reinventing” theme of his administration, he declared, “the first thing that would have to happen would be for the government to develop one policy” (Smith 1993, p. 13). From the Forest Summit forward, dealing with administrative gridlock was an integral part of policy design.

### *The Forest Plan*

Following the Forest Summit, the teams the President put in place went to work. A Forest Ecosystem Management Assessment Team (FEMAT) composed of agency and university scientists worked on forest management options, focusing on the ecological trade-offs between timber harvests and spotted owl protection. FEMAT’s three-month deliberations resulted in development of the Administration’s Option 9, which served as the basis for the forest management side of the Forest Plan. Option 9 reduced harvest levels, established 10 adaptive management areas for forest management, and 12 intergovernmental and interagency province teams to focus on watershed-level analyses.

In putting together the package to meet the President’s economic objectives, the economic develop-

ment team was chaired by the Director of the National Economic Council. The economic component of the Forest Plan differed from FEMAT in that FEMAT had to derive options that complied with the court decisions, which narrowed the range of possibilities. As discussions progressed on what form the economic package would take, senior persons from each federal agency, representatives of the governors of the three states, and other interested non-federal parties including community leaders, industry leaders, and workers provided information to those developing the outline.

The White House’s July 1, 1993 press release announcing the Forest Plan addressed the economic component of the Plan, promising:

New economic assistance to help local workers, businesses, and communities to strengthen the region’s economy, create family-wage jobs, offer new economic opportunities, and ensure the region’s long-term economic health, confronting economic issues ignored by past Administrations.... The President’s plan will provide immediate and critical support for economic adjustment and diversification in the region, including expanded funding for business development, economic planning, infrastructure development, and worker retraining to help build a foundation for long-term economic strength and environmental health. The President’s plan will help existing companies grow and attract new businesses. It will add more jobs for the timber harvested by encouraging value added manufacturing and help those workers and those communities who rely on a future in wood.

The focus of our study, the Northwest Economic Adjustment Initiative (NEAI), was only part of the Forest Plan’s economic relief program. In addition to NEAI (which focused on economic development in four categories of assistance: workers and families, business and industry, communities and infrastructure, and ecosystem investment), the Plan also addressed issues in three other areas: 1) payments to

counties to compensate for reductions in payments traditionally tied to federal timber receipts; 2) removal of tax incentives for the export of raw logs; and 3) assistance to encourage growth and investment of small businesses and secondary manufacturers in the wood products industry. The fifth category of assistance mentioned in the original announcement of the Plan, a \$13 million Northwest Economic Adjustment Fund, was included in the Administration's proposed national economic stimulus legislation that failed to secure congressional approval (Tuchmann et al. 1996).

The press release also tied the Forest Plan to the President and Vice-President's interest in "reinventing government," noting that the Plan called for replacing restrictions on the use of federal funds with performance-based measures, making new use of leveraged private resources, and creating new processes and institutions responsive to local needs and priorities. According to the press release, the Forest Plan would provide, "Improved coordination among federal agencies responsible for managing federal lands, ensuring that federal agencies will work together, with state and local officials, with tribes, and with private landowners for the best interests of the people and communities in the region, instead of working against each other, undermining the law, and creating gridlock."

Initial discussions with members of Congress during preparations for the Forest Summit, and subsequent planning periods, had indicated that a presidential plan could or should be legislatively authorized. The potential for doing so soon vanished, however, as influential members of Congress on both sides of the issue united to oppose the Plan, arguing either that it went too far to protect the owl, or that it called for timber harvest levels that were too high. "Without a legislative solution, the Administration moved to implement the Plan administratively, which meant using the FEMAT report as a basis for developing an Environmental Impact Statement in compliance with the National Environmental Policy Act (Tuchmann et al. 1996:34)." Consequently, following the formal announcement of the Forest Plan, the Administration set to work on the required environmental impact statement (EIS) for the forest

management side of the Plan. The Administration released the draft EIS in four months—"light speed" in terms of how the process usually works. Included in the draft EIS was a selection of Option 9 from the FEMAT report. The record of decision was issued in April of 1994 and the immediate effect of this action was to lift the court injunctions.

Congressional division over the Plan largely mirrored the reaction of environmental and industry groups. The Wilderness Society, for example, spoke of "The Perils of Option 9" (Watkins 1993), and the timber industry didn't like it much either. A coalition of timber industry associations reacted by submitting a set of papers by industry scientists and outside consultants as comments on the draft supplemental EIS. One paper, for example, disputed Option 9's projected job loss of 6,000 direct jobs, arguing that employment effects could probably exceed 80,000 jobs (Olson and Maki 1993). Another paper directly attacked the broad outlines of the proposed NEAI, asserting that the Plan would not come close to meeting the region's economic needs. The critique argued that the economic package was terribly under-funded; new funding of \$1.2 billion over five years could not meet an expected annual reduction in worker wages and earnings of approximately \$2.3 billion. Moreover, it raised the issue of no new monies, asserting that new monies would be essential, otherwise the federal government would be siphoning off dollars that could be used to mitigate similar problems elsewhere. It noted a lack of coordination between the job training funds available under Title III of the Job Training Partnership Act (JTPA) and the ecosystem management program, asserting that funding for restoration programs stood at 10 times retraining. Barriers would also need to be removed to ensure that displaced workers received income and benefits, in addition to training subsidies, so that they could afford training. Finally, it questioned whether interagency barriers and jealousies could be overcome (Schallau 1993).

While industry did not follow up legally on its criticisms of the proposed economic assistance package, it did act to challenge the deliberations of the FEMAT team, asserting violations of the Federal Advisory Committee Act (FACA). The suit claimed that because non-agency scientists had been included on

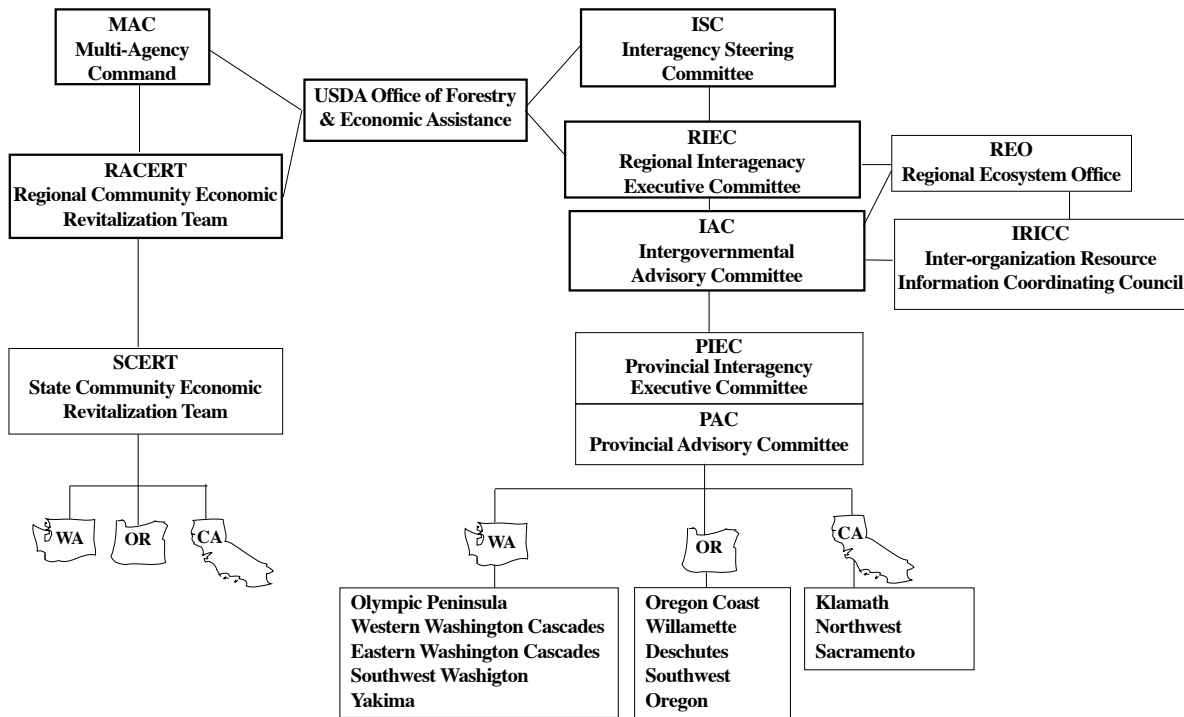
FEMAT and the team operated in secret, the Act's provisions for open meetings and balanced representation of interests had been violated. While the court ruled in favor of industry, there was no direct effect on the Plan. Courts have, for the most part, operated with restraint when finding remedies for FACA violations, especially for expensive, time consuming, and completed planning projects. But the indirect effects were immense, as Administration officials and the agencies became gun-shy about consulting with outside advisors, and the federal agencies took a conservative approach in their interactions with partnerships and collaborative groups.

Efforts to implement the Plan's forest management provisions were slowed as the lawyers worked on ways to comply with FACA, and established several FACA-based committees to oversee implementation of this part of the Plan. All of this resulted in a complicated implementation structure. For example, the Inter-agency Steering Committee (ISC) sets policies for the Plan and resolves regional issues. Then there is a Regional Interagency Executive Committee (RIEC). Advising the RIEC is the Intergovernmental

Advisory Committee (IAC), which ensures a forum for the states, local governments, and tribes. Each of the 12 provinces has a Provincial Interagency Executive Committee and a FACA-chartered Provincial Advisory Committee (PAC) advising it (Tuchmann et al. 1966, p. 6). To provide administrative and scientific staff support for the RIEC, the Administration established the Regional Ecosystem Office, with staff members on loan from the federal agencies participating in the Plan. An Interorganizational Resource Information Coordinating Council serves as a subcommittee of the Intergovernmental Advisory Committee to coordinate data sharing. The Office of Forestry and Economic Development (referred to by some as "White House West"), which had evolved from the Timber Summit Transition Team, was tasked with overseeing and coordinating the implementation of the Plan for two years. (Figure 1 presents the interagency cooperative structure of the Forest Plan and the NEAI.)

The forest management provisions of the Forest Plan and its EIS were legally challenged on the merits and the processes by which they were developed. All

**Figure 2.1: The Interagency Cooperative Structure Under the Northwest Forest Plan**  
(from Tuchmann et al. 1996:46)



told, at least eight lawsuits were filed. The Initiative side of the Plan, however, proceeded without such legal challenges. As the details of the NEAI were being put together, decisions were made that the Initiative's coordinating structures would not be legally advisory in nature. They would only share information; thus FACA's burdensome legal and administrative requirements would not apply. As the coordination and collaboration components of the Plan fell into place, the three interrelated parts of the Forest Plan—ecosystems, economies, partnerships and collaboration—were being directed into separate tracks. State and local fears of being enmeshed in political and legal haggling over the forest management side of the Plan, and practical concerns about the legal burdens of FACA contributed to this separation.

### **Institutional Design: Target Populations**

As Schneider and Ingram (1997) point out, a policy may have several relatively separate target populations whose capacities or behavior it is expected to effect. With the NEAI, there were two main, relatively distinct groups that can be considered the target populations: one whose capacities the Initiative was intended to effect (i.e., workers and communities), and one whose behavior it was intended to effect (i.e., the agencies).

During the Forest Conference there were personal stories of people and communities hard hit by the loss of timber-related jobs. There were reports of increased alcoholism and suicides; people displaced from their homes, jobs, and communities; people made homeless; and communities devastated by plant or mill closures, rising unemployment, and reduced tax bases. These communities, businesses, and individuals were the most publicly visible, and politically salient, policy targets. The Initiative aimed to improve their lives and enhance their capacities to deal with these problems and prevent their reoccurrence.

It is important to note that these policy targets were, however, simultaneously viewed both as victims and villains. On the one hand, woods workers and many residents in rural communities felt that changes in government policy had insufficient regard for human consequences. "It's as if the government em-

ployed tenant farmers and then took the land away.... The loggers and mill workers believed that the government would always provide them wood on a sustained-yield basis," reasoned one natural resource sociologist at a Northwest university (Russell and Reynolds 1991, p. 64). When timber policy changed, many workers and communities felt that the federal government had cheated them out of their future. On the other hand, these policy targets were also painted as villains. Now loggers, other woods workers, and timber-dependent rural communities were more likely to be viewed by urban residents and environmentalists as indifferent to the environment, and as dupes of the timber industry who would kill the goose that laid the golden egg. Complicating the picture were divisions in the timber industry itself. Publicly, the controversy was often portrayed as loggers versus owls, in part, because the individual logger was the most visible link to industry. However, within the industrial sector itself, individual workers and small mill owners were not always viewed as victims but as anachronisms. Some in the timber industry saw the weeding out of too many mills propped up by public timber and policies as desirable (Dietrich 1992). The timber controversy not only threatened people's livelihoods, it also threatened their sense of purpose and relationships within their communities (Kusel et al. 2000).

A second targeted group included government agencies and bureaucrats. The Initiative was designed to change their behavior and coincided with the Administration's theme of reinventing government. Interestingly enough in terms of policy design, government administrators were both a policy target and the policy agents charged with implementation.

### **Institutional Design: Rationales and Assumptions**

The Clinton Administration understood from the outset that the Forest Plan would cause further social and economic dislocations as the economic base of timber-dependent communities continued to disappear. Diversification of the economy became a priority for the Administration in order to cushion the transition for affected communities. One key assumption of the President and his top advisors was that economic growth and environmental protection

were not mutually exclusive; they saw economics, environment, jobs, and development as part of a single, multi-faceted issue. They thought a formula that allowed for a sustainable resource base, healthy forest ecology, and productive economic opportunity was possible; this assumption formed the core of the Forest Plan and the inclusion of the NEAI within it.

Unlike the ecosystem team, which had to integrate a complex set of environmental laws as defined by the courts, the initial group of people forming the NEAI had considerable flexibility. While they discussed whether to develop something new or to use existing programs, they realized that there really wasn't the planning time to develop a new program or to write regulations. Legislation could have taken even longer—perhaps two or more years. There was also a strong impetus to improve existing programs.

The Clinton Administration thus decided to launch the Initiative through existing federal programs. However, not all of the programs fit the Initiative very well, and it required some creativity to make them fit. Nonetheless, the trade-off of speed in getting the program up and running won out over taking the time to develop an efficacious program that, regardless of its quality, would have to pass through congress.

Congress' rejection of the President's national economic stimulus package meant that all of the Initiative's dollars would need to come out of existing

programs. This raised the question asked by many community members and others of whether the Initiative was made up of "old dollars" versus "new dollars." On the one hand, it was argued that the \$1.2 billion represented new money to the region, that is, dollars that wouldn't have been otherwise available. States such as Oregon, however, disagreed and expressed concern about the lack of new dollars. From a national perspective it wasn't new money. Dollars had to be reprogrammed from existing programs with a national scope and redirected to the Pacific Northwest. This took political control over the allocation of program dollars away from the cabinet undersecretaries, and took money away from potentially worthy recipients in other regions. For example, as a result of structural changes in the industry, North Carolina's textile industry had problems at the same time, but the Administration's focus on the Northwest meant they didn't get the same focused benefits, and arguably received less aid overall. As a result resentment surfaced.

The initial group of policy designers also realized that both the geographic and political scope of the economic problem and the need for localized decision-making called for a new way of delivering services. Existing economic assistance tools were not efficient; they needed to be redesigned to be more easily accessible and usable by local communities who otherwise would have been frustrated by the federal bu-



Aberdeen, Grays Harbor, Washington

reaucracy. Maximum flexibility in administering the dollars would need to be encouraged. Using “old dollars,” one respondent said in hindsight, forced agencies to cooperate, look for barriers, and work to resolve them. The Initiative, said another policy maker:

...Was trying to capitalize on all of the resources that were available and all the funds that were there, in an efficient way. We knew we needed to do something to directly assist woods workers and the individuals who either lost their jobs because of the change in the timber industry, or for other reasons. We knew that we had to help communities plan, and, in some cases, to develop their own capacity to understand what they could do; we knew dollars were necessary to help them, whether it was small grants or whether it was connections to other sources of funds. We knew you couldn't do that from the federal government down to the local level and bypass the states, because the states played a political role, and politically you'd shoot yourself in the foot if you tried to. And we knew that there was a lot of energy and creativity in the communities, so we were trying to figure out how to create a framework that would allow those communities to tap into that. In a manner of speaking, it was almost like getting a computer today and hooking up to the Internet. The net makes so many things possible. Connections, communication; it gives you instant access to so many resources. We created, in a figurative way, a kind of economic Internet through this organization. And then communities could literally tap into it by participating in projects, applying for grants, and securing technical assistance.

The team in Washington D.C. had to talk agencies into rearranging funds, get Memorandums of Understanding (MOUs) signed, and get states to work together. Meetings were also held with state and regional representatives, who presented their ideas of what the Initiative should look like. “We start-

ed scrapping,” noted one state representative, “but eventually ended up being good friends.” While several interviewees specifically pointed to a couple of “lightening rod” individuals in the Administration who were instrumental in the Initiative's design, it is probably significant that no one person or one model could uniformly be recalled as the source of a driving set of assumptions and rationales. Even one of the identified “lightening rod” individuals refused to take credit: “No truly good idea (and I consider this a good idea) has a single parent. Nor can any of the creators abstract the creation process from the environment in which it was created.” Therefore, each state sees some of its ideas incorporated in Initiative design, existing models, or experiences, which eventually facilitated buy-in. Because the original policy designers did not have a single model in mind from the outset, they “pinched” policy ideas from here and there and they adjusted as they went along. For example, once the stimulus legislation was voted down they had to adjust their assumptions about new dollars and figure out how to gain maximum flexibility with what they had. Expectations had to be changed; however, when those changes weren't adequately communicated back to the regional and state levels, inevitable misunderstandings arose. By most measures of Washington time, the speed with which the Initiative got launched was remarkable. This speed, however, meant that some crucial steps in helping agencies to gear up for their new responsibilities and communicating with affected policy targets didn't receive as much attention as they should have.

By October of 1993, a Memorandum of Understanding (MOU), signed by five cabinet secretaries and six Administration officials, formally launched the Initiative. The MOU officially instituted an elaborate structure of interagency and intergovernmental committees at the national, regional, and state levels to develop the details of the Initiative—a Multi-Agency Command (MAC) at the Washington level to provide oversight and policy making authority, and Economic Revitalization Teams at the regional level (RCERT) and within each state (SCERTs) to coordinate and facilitate the delivery of assistance. The interagency memorandum brought 16 different programs within the confines of the Initiative and set

forth the financial commitments of each party to the agreement. (Figure 2 illustrates the federal agencies involved in the Initiative, and Table 1 lists the programs included within it.)

Responding to the MOU's charge that it define the goals of the Initiative, the MAC delineated the Initiative's mission in its November 30, 1993, Final Working Strategy for the Forest Plan Economic Adjustment Initiative. This document reflected the rationales and assumptions of the Initiative as they had evolved from the Forest Summit through the design process. The mission of the Initiative would be:

...To develop, stabilize, and augment the capacity of individuals, businesses, communities, and tribes to adjust to, and thrive in the face of, declining timber harvests, by increasing the scope and effectiveness of federal investments in economic and community assistance, through improved coordination and integration of federal, state, and local resources and efforts.

To achieve that mission, the first stated goal of the Initiative outlined in the Working Strategy—to “respond to locally-defined needs with a system that is flexible and innovative”—was an institutional component designed to be responsible for the efficient, timely delivery of services to affected communities.

Given the amount of distrust of government that exists in rural America in general, coupled with federal intervention in timber harvests due to the spotted owl listing as an endangered species, logging communities were skeptical, to say the least, about the ability of the federal or state governments to respond to community needs. In addition, many communities, at least initially, were reluctant to legitimize the plan by participating in it. In response, one of the major public affairs goals was to emphasize the Initiative's new way of doing business.

The new system under the Initiative emphasized two major changes from past practices: subsidiarity in decision-making and agency consolidation. Subsidiarity can be defined as functions that subordinate or help local organizations to perform functions effectively that belong more properly to them than to a dominant central organization. The shift to subsidiarity was embodied in the Initiative's assumption “that the most workable solutions include local knowledge and expertise, and, therefore, decision-making, authority, and resolution should be moved as far downstream as possible (Multi Agency Command 1993).”

For decisions to be made at a local level, the existing methods of service delivery needed to be radically altered. The agencies involved in implementing the Initiative had been operating individually for decades in most cases, and the new system attempted



The old part of town, Klamath Falls, Oregon

to streamline the process for the delivery of services through the MAC, RCERT and SCERT processes. When talking about the Forest Plan, in general, Administration officials highlighted the Initiative's goal of consolidating agency functions and decentralization. These themes remained prominent as they explained the rationales of the Initiative to the press.

The second stated goal of the Initiative, according to the MAC's strategy document, is to "enable affected workers and families, businesses, communities, and tribes which have depended on forest products-based economies to regain or improve their economic and social well-being." Hence the delivery of economic assistance to dislocated individuals, families, businesses, and communities was the second main talking point to the press in the early period of the Initiative. The Administration, from President Clinton on down, emphasized the need to retrain timber workers who were facing declining employment opportunities. During the Northwest Forest Conference in April of 1993 the President spoke of the comparisons between the rural Southwest during the Great Depression and the rural Northwest in the early 1990s, and peoples' inability to manage "a process of change" (The Oregonian 2/7/94, p. B7). This emphasis on the people of these rural communities continued throughout the Initiative. In fact, workers or job training are the focus of four out of the six objectives listed in the Working Strategy under the second goal of the Initiative.

### **Institutional Design: Rules and Tools**

The rules and tools the Initiative put in place were designed to facilitate operation of a decentralized delivery system that provided maximum flexibility, but would also achieve its major goals. However, the boundaries of the Initiative would not always be clearly defined or consistent across space, time, and/or institutions. The Initiative invented and reinvented itself as it went along.

#### *Rules*

Policy rules typically define who comes under the umbrella of the policy (eligibility rules), when and in what sequence actions by targets and agents are to take place (timing rules), who is included in

the decision processes (boundary or participation rules), and how decisions are made (decision rules) (Schneider and Ingram 1997, pp. 97-98).

The theme of decision-making flexibility carried into how each state eligible for NEAI assistance approached the task of implementing the Initiative. While the SCERTs were guided by a "road map" that set common parameters for program implementation, each SCERT was also free to choose its own organizational structure. The SCERTs in turn determined which counties within their boundaries would be eligible for assistance. The SCERTs then looked to the counties to organize how they would prioritize all of the projects submitted by eligible entities. Each state also set up procedures by which the counties could submit projects. Two innovations that helped the agencies work together in this regard, included, for example, a single short notification form that all agencies could use and the single list of projects from each county or tribe (Berblinger 1999, p. 81).

Several programs that came to the region were administered outside of the regional and state CERT prioritization processes: for example, the Job Training Partnership Assistance program, the Jobs-in-the-Woods program, Small Business Administration loans, and Environmental Protection Agency 319 non-point-source funds. Confusion arises from a lack of clear distinctions between complementary programs and projects handled through the RCERT and SCERT processes, whether they receive NEAI dollars or not, and NEAI projects administered apart from those processes. Boundary and participation rules were often unclear to project recipients. While it can be, and has been, argued by Initiative participants that such administrative separations didn't make any difference, it does make bounding the scope of the Initiative more difficult for tracking dollars and projects, and for evaluating effects and outcomes attributable directly to NEAI.

Decision rules surfaced as an issue in the early stages of the Initiative. Some individuals at the state and county levels wanted to have the ability to make the decisions where dollars could go. Legally, however, they couldn't do so. The SCERTs could only inform federal agencies, which had the legal responsibility and authority to make final decisions. This

led to discussions about whether the state and county levels should be constituted as Federal Advisory Boards and given legal standing to make formal recommendations, or whether the Initiative should have been given a legal exemption from FACA. What, in effect, transpired is that the SCERTs had tremendous informal power to influence even in the absence of formal rules giving them legal power to decide. For those enmeshed in the intricate workings of government, this distinction is very significant and, indeed, reflects one of the great challenges and strengths of the NEAI program. For others less involved, the distinction is without a difference; it reflects perceptions of empowerment and legitimacy and the role of the public in the process.

### *Tools*

NEAI relied on two primary, and linked, policy tools: capacity-building tools and learning tools. (As alternatives, there are authority tools, which rely on command-and-control strategies and provide agents power to punish those who don't meet standards or guidelines, and hortatory tools, which rely on persuasion.) The Initiative's emphasis on capacity-building and learning tools, combined with its emphasis on cooperation, decentralization, and maximum flexibility, effectively served both agencies administering the programs and funds, as well as the communities, businesses, and individuals affected by changes in federal timber harvest levels.

### **Institutional Design: Agents**

The interagency MOU signed by the cabinet secretaries and administrators laid out the organization and responsibilities of the MAC, RCERT, and SCERTs. The original MOU called for a three-year program, but the MOU was extended by agreement of the signatories in August of 1996 for two more years.

### *Multi-Agency Command*

Under the interagency MOU, the Secretaries of Agriculture and the Interior each designated two individuals to serve on the Multi-Agency Command, and the remaining agencies each designated one. The Secretary of Agriculture designated one of the MAC representatives to serve as Chair. (A March 1994

memo showed 18 members of the MAC.) In turn, the MAC designated one or more representatives to sit on the RCERT. The interagency MOU also directed the MAC to enter into another MOU with the governors and representatives of affected communities within the region. This federal-state MOU, which was signed in November of 1993—one month after the interagency MOU—was to complement the interagency MOU and “set forth in greater detail the responsibilities of RCERT, the SCERTs, relevant state and local governments, and other parties, as well as relationships between state and local representatives” (see Figure 1 above for a schematic of these relationships).

According to the interagency MOU, ultimate authority for the implementation of watershed restoration projects and attendant Jobs-in-the-Woods efforts (except where federal law vests such decisions in the states or elsewhere; i.e., Clean Water Act) rested with the Regional Interagency Executive Committee (RIEC) established to oversee the forest management side of the Plan. It specified that the RIEC and the RCERT were to work together to prepare a plan for implementing those projects so as to promote “creation (i) of family-wage jobs, a preference for displaced timber workers, integration with job training and placement programs, and minimal administrative overhead; and (ii) integration of these employment criteria with environmental criteria.” This level of cooperation never occurred, however. The forest management side of the Forest Plan regularly trumped the economic side because the Forest Plan was more visible, especially to those outside of the region, and more controversial; moving it forward took precedence. The lack of paid RCERT staff—a decision made by the RCERT itself—and lower ranking RCERT members compared to their counterparts on the forest management side of the Forest Plan, which had paid staff, further undermined any hope of connecting the economic and environmental programs. One official believes these differences were a primary reason the Initiative didn't achieve its full potential.

The MAC was also charged with preparing a strategic plan for the Initiative, which it finalized on November 30, 1993. The MAC's “Final Working Strategy for the Forest Plan Economic Adjustment

Initiative” recognized that the NEAI was a work in progress, and the “beginning of an evolutionary process.” The Strategic Plan spelled out the Initiative’s mission, detailed the goals of the strategy, and discussed the roles of the MAC, RCERT and SCERTs in a streamlined process for delivery of economic assistance and services. It also set the themes of decentralizing authority, “tweaking” regulations, empowering those on the front lines to get things done, and encouraging teamwork and partnerships.

The MAC served as the tie to the White House. It gave the Initiative a voice and a focus in Washington D.C., where the policy makers were and where resources would be committed. For Washington D.C. staff, having had a cabinet officer sign off on the MOU provided clout that made a difference in moving those agencies that were less than enthusiastic participants at the beginning, or who thought they were going to be able to do things as usual. Strong leadership in the early years contributed to successes as well. For the first two years, the MAC focused on “barrier busting,” or removing impediments that the region and the states had identified as standing in the way of streamlining the delivery of assistance to communities and individuals. At the end of the federal fiscal year of 1994, 49 barriers had been identified. Of those, 26 had been resolved as requested, 16 remained under study, and seven had been denied. In March 1995, the chairs of the SCERTs submitted a list of 22 impediments and barriers to MAC. Of these, seven were resolved as requested within one month (Tuchmann et al. 1996, p. 173).

However, the MAC’s focus and commitment began to diminish as other priorities emerged and the President and his Administration turned to other initiatives. Over time, attendance of senior policy-making officials eroded; each year attendance was delegated further “downstream”—to staff that had neither clout nor commitment to the Initiative. Obtaining a quorum at meetings became difficult. As Administration officials who had championed the Initiative at the outset moved on, there was considerable slippage in leadership. While the first MAC chair received high marks for being committed and available, these attributes weren’t a very high priority for the last chair. Federal officials in the region also expressed disappoint-

ment that their superiors had little apparent interest in the Initiative or in the effectiveness of their agency’s contributions (Tuchmann et al. 1996, p. 192). Over time and overall, the MAC didn’t achieve the discipline within the executive branch that was hoped for.

Moreover, communication between the MAC and the RCERT was often inadequate, and communication between the MAC and the RIEC never did achieve the level envisioned in the interagency memorandum of understanding that became hung up in government paperwork simplification requirements. While the Chair of the MAC urged members to regularly contact their regional counterparts, such communication did not routinely occur. An institutional drawback was the lack of accountability to MAC members in Washington D.C. The MAC structure didn’t have a system of reporting between headquarters and regional staff; as a result there was “inertia” and a breakdown in communication between field offices and headquarters, which caused unnecessary friction. Lack of communication, for example, contributed to misunderstanding and frustration about the ability of the MAC to bust barriers. For many at the state and regional levels, the barriers they identified went into a “big black hole” because somebody (either agencies or congressional committees) wasn’t willing to give up decision-making authority. From the perspective of the MAC, however, the RCERT would send in a list of things to change without adequate analysis of why those things needed changing. This made it difficult to build a persuasive case in Washington. Barriers involving regulations took a long time to fix, but if people didn’t get immediate assistance, they got jaded. Moreover, the states kept bringing requests that the MAC couldn’t handle; it simply didn’t have the power to change laws.

In addition to expectations from the region and states about what the MAC could do to promote cooperation, there was also a lack of awareness at the MAC level of what it would take to get and to keep things moving. Because the MAC did not have a dedicated full-time staff, this emerged as a problem. The staff members that were assigned to the MAC also had other job responsibilities in terms of the Initiative and their home agencies; each of these could have been a full-time job.

*Regional Community Economic Revitalization Team (RCERT)*

According to the MAC's Working Strategy, the RCERT's charge was to serve as a coordinating body and a forum for discussion of issues, to develop implementation plans to ensure the equitable distribution of funds, to work to remove administrative and regulatory barriers at the regional level and forward unresolved barriers to the MAC, and to establish a process to measure Initiative performance. The RCERT consisted of the regional representatives of the secretaries and administrators who signed the interagency MOU. The Secretary of Agriculture and the Secretary of the Interior designated two of the federal representatives to serve as RCERT co-chairs. Each state also had two representatives—one designated by the governor and the other designated by the non-federal members of the State CERT. The Intertribal Timber Council provided a liaison role to the tribes by providing information concerning the RCERT. In contrast to the Mac leadership's desire for directive leadership, the RCERT co-chairs proved to be more facilitative than directive.

The interagency MOU instructed the RCERT to develop an Implementation Plan for submittal to the MAC and the governors. The RCERT's plan, dated December 10, 1993, provided more detail than did the MAC's Working Strategy about responsibilities, the barrier busting process, and the process of moving a project from idea to funding. The Implementation Plan also noted (in a footnote) two already identified problems with the Initiative: 1) a preponderance of loan funds (as opposed to grant funds); and 2) population requirements that restricted loans to small communities that paradoxically didn't have either the authority to assume debt, nor the capacity to support debt loads.

As the organizational link between the policy level in Washington and the "street level bureaucrats" in the states, the RCERT had difficulties in drawing its boundaries. Despite its written charges in the Working Strategy and the Implementation Plan, the RCERT still had to figure out its role. Was it removing barriers or discussing things at a more general level? Was it a way to provide oversight and report accomplishment? While some wanted the RCERT

to make funding decisions—and indeed it was instrumental in determining the allocation between the states—it eventually decided not to take on this role. The RCERT continued to be the subject of many criticisms along the way; yet interviewees at the RCERT level still considered it the only place within the region where the federal agencies came together. Federal executives served as co-chairs; within the SCERTS there were no federal counterparts as co-chairs. Differences between the states also showed as schisms in the RCERT. Eventually a shadow organization of states emerged that worked "off line," meeting unofficially, for example, prior to the full RCERT meetings to deal with differences between the states and hold the political conversations that the federal partners didn't need to be involved in.

Like the MAC, RCERT's effectiveness with busting barriers varied considerably, and it had problems with resources. The RCERT had assigned staff only at the beginning and there were also no travel resources within the official NEAI structure to bring local people to meetings. Federal agency representatives had to cobble together resources enabling local representatives to sometimes travel to meetings so that their perspectives could be heard.

*State Community Economic Revitalization Teams (SCERTs)*

The interagency MOU established a State Community Economic Revitalization Team (SCERT) in each state that would have responsibility to implement the Working Strategy and Implementation Plan. According to the Working Strategy, their chief roles were to coordinate delivery of state and federal assistance, and to work with tribal governments, local governments, and private and non-profit organizations.

SCERTs, as outlined in the interagency MOU, included state representatives for each of the federal agencies, representatives of state government who were appointed by the governor, and representatives of local government, also appointed by the governor with approval of local governmental organizations. The non-federal members of each SCERT elected the chair.

The Implementation Plan spelled out SCERT responsibilities: to coordinate state issues, keep abreast of local community and tribal needs and concerns,

and raise those concerns to the Regional CERT when appropriate. It also specified that additional responsibilities could include suggesting improvements in existing processes and identifying and highlighting programmatic requirements and provisions that inhibit the effectiveness of existing federal, state, and local programs.

As noted previously, SCERTs had the responsibility to define the counties in their state that would be eligible for assistance. They were also charged with deciding the organizational ground rules for how they would operate. All states developed a one-stop process. While it is important to reiterate that the SCERTs were not funding agencies and they could not bind federal agencies, their members could work among themselves to find funding possibilities once they received proposals. Each state was permitted discretion concerning who was represented on its SCERT. Both Oregon and Washington, for example, chose to have members of the general public on their SCERT, while California's members were all county or state officials.

The Implementation Plan introduced the concept of the lead agency. It also indicated that "The State CERT will make an initial effort to determine the most appropriate source of funding for a project and assign each project to a 'lead agency' based on that determination." The lead agency would then assist the applicant in preparation of a complete package. This meant that a community did not have to apply to numerous separate federal agencies. If the lead agency could not fund the entire project it was to bring the project back to the SCERT so that a multi-agency package could be assembled.

The eligible counties prioritized projects from their areas. There are two perspectives about the role of counties in this regard. Generally, participants further up the policy chain saw the focus on counties as moving decision-making to the community level, and empowering the people closest to problems to deal with solutions and make decisions concerning competing community needs. However, for some communities, county representatives were just as far removed symbolically and politically as their federal counterparts. Caught in the middle, some counties even came to advocate having the federal agencies

take back the decision-making lead, which led one respondent to remark: "they only want local control until it costs politically."

The SCERT configurations reflect several significant differences among the states: differences in the scale and kinds of effects they were experiencing; differences in their political situations vis-a-vis one another; differences in the internal politics of each state; and differences in where each state started from organizationally. First, there were important differences in the scale and type of timber effects. For example, there were significant contrasts in the states' industrial situation. Oregon had more mills, while Washington historically was a larger log exporter and had more private land from which to draw exportable logs. California was dealing with yellow pine forests and mixed coniferous forests, in addition to Douglas fir, which meant that there were different fire regimes and restoration issues that had to be dealt with and which, as the state argued with the administration, the forest side of the Plan did not adequately address. Additionally, the timber industry in northern California had contracted a number of years before the Forest Plan and ahead of most of Oregon and Washington. How communities in a state were affected was a function of the nature of the forest products industry in the area, historic patterns, the amount of private versus public land, and ongoing changes in the industrial sector.

Second, each state had a different political situation to begin with. California had a Republican governor who did not support the Forest Plan. The White House press release announcing the Plan, for example, specifically noted that the President's proposal was supported by Governor Barbara Roberts (Oregon) and Governor Mike Lowry (Washington). Both were Democrats. Conspicuously absent was the name of California Governor Pete Wilson, a Republican. Wilson, at the time, was testing the waters for a run at the presidency. Not surprising then that some Initiative participants described California's posture at the outset as "a little foot dragging."

Despite the fact that much of northern California was part of the area in which court injunctions halted timber sales, other observers argued that California was brought into the Plan because of its large and influential congressional delegation, and that the

political clout of California affected core decisions. As one interviewed observer mused:

There were some nasty arguments over allocation of funds between the states—California got more than they should have, but there’s good political reason why that probably made sense.... Oregon and Washington clearly saw that the Clinton administration really responded to those 56 electoral votes in California. Even though most of the Initiative was in Northern California, it still didn’t make any difference. When California was part of the asking the Administration paid attention.

The partisan political differences were a mix of real and perceived tensions. Eventually, there was a core agreement on the part of the states to resolve their differences among themselves rather than with the federal agencies in the room, and to try to present themselves as one voice on every level—with their D.C., regional, and local partners. Despite the partisan political differences in the early years, the three states developed good working relationships, conferring and lobbying together for changes.

Third, there were internal political differenc-

es within each state. In California, counties affected by the forest controversy were in the northern reaches of the state, far away from the major population centers of San Francisco and Los Angeles—the bulk of the state’s voters. The timber economy, while economically significant in the affected counties, was insignificant if viewed from the perspective of the state’s economy as a whole. The northern counties often felt like orphans within the state—a place politically where no one ever put much focus. Reluctant to have the NEAI program run by the state, they insisted on having each county represented on its CERT.

Finally, each state differed in where it began organizationally. Both Oregon and Washington had well-developed economic development departments that regularly worked with rural communities, and staff who knew one another well: these states sprang into action. California—where rural economic development was “personality driven” and “by chance and by golly”—got off to a slower start. Rural development was not a state priority, particularly in the sparsely populated, upstate forested communities, and there existed no statewide, organized comprehensive effort. California had to start from scratch. California placed its CERT operation in the California Resources Agency, with people who were not oriented to economic development. SCERT represen-



Neah Bay, Washington

tatives from the other two states believed that this made it harder for the CA-CERT to connect to federal agencies such as the Department of Labor and the Small Business Administration, because there were no pre-established links between the natural resource-oriented agency and those human resource-oriented agencies. Oregon and Washington already had established links. In Oregon, for example, the state capitalized on the existing Oregon Rural Development Council, and activities underway within the Oregon Economic Development Department, which staffed the CERT. Similarly, Washington's CERT built upon the experiences of the Governor's Timber Team, later the Governor's Rural Community Assistance Team, which administered programs geared to assisting dislocated timber workers, businesses, and communities. Personnel from the Governor's Rural Community Assistance Team staffed the CERT. The Oregon and Washington CERTs also started with a greater financial and staff commitment than did the California CERT. California eventually accessed Economic Development Administration grant dollars to hire staff, which were subsequently supported by the Forest Service. California also began working from the premise that its CERT would end in three years, which, according to one California respondent, framed CA-CERT's focus on building local leadership capacity that would take over once the CERT process ended.

### *California (CA-CERT)*

In April of 1993, prior to the official launch of the NEAI, several county supervisors met and enlisted the participation of all eight (later nine) county supervisors from the affected Northern California counties. The eight included: Del Norte, Humboldt, Lake, Mendocino, Shasta, Siskiyou, Tehama, and Trinity counties. Later, Glenn County (1994) was added. California also had about 30 tribal rancherias that were eligible for Bureau of Indian Affairs funding even though they were not located in NEAI-eligible counties. The supervisors began to meet with the state's Assistant Secretary for Forestry and Rural Economic Development, who had been assigned by Governor Wilson to represent the state in Forest Plan negotiations (The assistant secretary, who held the only

policy-level position with rural development in its title, was eventually named CERT chair by the governor.) The county supervisors decided to have conference calls every week at 7 a.m. (which they continued for several years). Despite often stark political differences, the supervisors united behind making the CERT process work for their constituents. Unlike Oregon and Washington, the California prioritization took place at the county as opposed to the state level.

The counties originally rejected the idea of the CA-CERT because they were suspicious of the state's ability to adequately represent their interests. Lacking the voting voice of the population centers in the Bay Area and South State and holding limited influence in Sacramento, North State county supervisors felt politically and economically neglected by the state. They believed that there was little reason to expect California to aggressively pursue Initiative dollars on their behalf. The Initiative also came at a bad time for California county governments. Facing a severe state budget shortfall, one way then Governor Pete Wilson balanced the budget was to take an increasing share of county tax revenue for the state. As one supervisor noted, "Out of the 19 million dollars we get in property tax, he [the governor] had just taken 10 million dollars." Concerns about being ignored were exacerbated by the fact that California had no rural economic or community development department. Working with the assistant secretary, the CA-CERT evolved to include a county supervisor from each of the affected counties in the NEAI region. Although the California Resources Agency became the lead agency for the CA-CERT, the supervisors became the backbone of the CA-CERT, strongly influencing its direction from the beginning.

Another difference between CA-CERT and its counterparts in Oregon and Washington was its connection to the forest management side of the Forest Plan. As noted previously, at the beginning of the Initiative California had a Republican governor who was both politically opposed to the Forest Plan and opposed to forestry recommendations not tailored to California's forest types. He did not want to play an overt role in Plan implementation. However, when it became obvious that the two sides of the Plan needed



Logs on the Suislaw River in Mapleton, Oregon

to be linked if displaced workers were going to be put back in the woods doing restoration work, the California participants set out to forge closer linkages. Consequently, county supervisors applied for seats on the three Provincial Advisory Committees (PACs) in California. They also formed PAC-CERT Subcommittees, consisting of subcommittees from each PAC and the CERT that worked to coordinate the work between the two groups. These PAC-CERT Subcommittees reviewed project proposals and made recommendations based on environmental factors as well as economic development considerations. Moreover, agency staff from the California Resources Agency occupied the single state seat on each one of the PACs, and represented the governor on the Intergovernmental Advisory Committee (IAC). However, like other attempts to link the two sides of the Plan, these efforts also did not bear the fruit the participants hoped for (Stanley 1999, p. 36).

#### CA-CERT to Scale: From the State to the County and Community

Below the State CERT, there were as many as three levels of CERT teamwork in California. In addition to the State CERT, some California counties had a CERT at the county seat, and some counties also had sub-county CERTs, or prioritization teams at the community level. These community CERT teams spread information about the process in their

communities, helped applicants write proposals, sorted applications, and sent them on the county-level CERT, which, in turn, sent them to the State CERT. In counties like Trinity or Humboldt, with many small, rural, widely dispersed communities, socioeconomic conditions and local capacity were often highly variable from place to place. In Trinity County, for example, those living in distant south county communities, such as Mad River and Ruth, as well as, more centrally located communities, like Hayfork, felt that they faced different economic and social challenges than in Weaverville, the county seat. One interviewee states, "...unemployment was three percent in Weaverville and 22 percent in Hayfork, so Weaverville (the county seat) didn't see a problem." Another individual argued that the lack of county initiative at the beginning of the NEAI would have left the most needy areas of the county without access to any of the funds. Thus in Trinity County, the local CERT process was decentralized, and each community had its own CERT/action team (i.e., Southern Trinity CERT, Big Bar CERT, Hayfork CERT, Weaverville CERT, and an attempted CERT in Trinity Center).

While most counties developed sub-county CERT activities, not all did. Lake County chose to keep the CERT process sequestered at the county level and did not disperse information about the NEAI so as not to raise false hopes among residents. As a

result, no Lake County communities benefited from the capacity building activities of creating a community plan, interacting with diverse communities and agencies, developing projects, or learning how to write grants. Lake County's plan focused on county-wide economic development, not community specific projects. As a result, residents of one of the study communities in Lake County, Upper Lake, felt left out of the process and under served.

Each California county used a different process to develop project proposals. When one county lost 40 percent of its staff, the process slowed considerably. At first all project proposals, which were prepared in a three-page format, were distributed to all CERT agencies. These different agencies had differing capacities to sift through the nearly 600 proposals that came in the first round, and which grew to 900 by the end of 1994 (Stanley 1999). Subsequently, the CERT adopted the single "lead agency" system. Applying ideas learned from the other states, California also changed its process by adding community coordinators to work with entities submitting proposals and to more effectively standardize the CERT process within the counties. Coordinators did outreach and assisted with project preparation and grant writing. Today such coordinators exist in 16 counties.

The American Indian Community Coordinator was housed at the Northern California Indian Development Council, and initially funded by the California Economic Development Department. This coordinator helped link native people to CERT resources, spread information on the application process and grant availability, offered cultural awareness workshops, and held two economic development summits to bring federal and state agencies together to hear Native American issues. The work of the coordinator facilitated sharing among tribes of varying levels of capacity and helped to strengthen overall tribal economic development planning.

The California CERT process is recognized by many for having increased collaboration and communication among agencies, and, for many but not all, streamlining the process for communities to access funds. The networking inherent in bringing agency, county, community, and tribal representatives together resulted in knowledge sharing between these

entities that helped to strengthen rural economic development processes. However, increased contact among agencies and county, community, and tribal representatives was not without conflict. Ideologically, groups were at loggerheads over the issue of how to support communities affected by timber industry declines and harvest reductions. Some individuals argued for "hard" infrastructure, like industrial parks, and water and sewage systems, while other residents called for support for "soft infrastructure," or the community building grants that focused on increasing civic skills and local leadership. Many of these individuals advocated local skill building and facilitated meetings focused on planning and training residents to compete more effectively in the NEAI process.

Since the initiation of the CA-CERT, California has formed a Rural Development Council, which resides in the Department of Technology, Trade and Commerce. From the original position that CA-CERT would sunset, California's CERT continues to operate, albeit under a different name and with responsibilities that go far beyond the North State, with staffing provided by the department.

#### *Oregon (OR-CERT)*

Prior to the Forest Conference, Oregon's Governor Barbara Roberts asked the Economic Development Department (today the Oregon Economic and Community Development Department, or OECD) to establish a team that could be recommended to the President to coordinate a process for delivering federal funds to affected communities. Many of these ideas provided the basis for organizing the Initiative within the state. The OR-CERT also capitalized on the experiences of the Oregon Rural Development Council, which had been established three years prior to NEAI.

Initially, five Oregon counties were delineated as affected by the Forest Plan: Coos, Curry, Douglas, Lane, and Linn. The State of Oregon then added Benton, Jackson, and Josephine to the list, and the OR-CERT further expanded the list to include Klamath, Deschutes, Hood River, and Wasco counties. After a number of affected communities successfully argued that the analysis for determining effects unfairly excluded their areas, the list was expanded

once again to include the counties of Clatsop, Columbia, Yamhill, Lincoln, Clackamas, Tillamook, Marion, and Polk. These 20 counties represented all of the area west of the Cascade Mountains and several areas to the east. In 1997, the OR-CERT extended its project notification process statewide (except for Multnomah County and U.S. Census Metropolitan Statistical Areas), based on a report that found eastern Oregon communities also affected by timber harvest declines, mill closures, and worker job losses. At the project's end, funding for OR-CERT projects came from both NEAI-designated funds and non-NEAI funds. Examples of non-NEAI projects included in the OR-CERT process and regional investment projects funded through the OECDD from state lottery dollars.

The Oregon Economic Development Department was directed by the Governor to be the lead state agency for the OR-CERT, with department employees assigned as staff. Project applicants prepared two-page project notification forms and submitted them to county prioritization committees. Like California, the county prioritization procedures varied from county to county.

At the beginning of the Oregon process, the counties' prioritized lists were distributed to one of four OR-CERT committees: Workers and Families; Business and Industry; Community and Infrastructure; and Ecosystem Investment. Top-ranked county projects received priority and were assigned a lead agency, although lead agency commitment, did not, as in the other states, represent a commitment to fund a project. A fifth subcommittee on community impact developed the timber dependence index which was used to determine priorities for project funding.

The Business and Industry Committee encountered problems in its first year because of misunderstandings about what assistance was available and a change in leadership. The Workers and Families Committee encountered problems with the Department of Labor's strict interpretation of the guidelines for funding JTPA programs, became frustrated by reduced Labor funding, and failed to get their reporting done for the Oregon database. By 1996, both the Business and Industry and the Workers and Families

committees dropped out of the OR-CERT process. A new category "Other" was developed, and lead agencies were assigned to "other" projects based on interest. Regional development officers, placed throughout the state, would also take the lead.

The Ecosystem Investment Committee also confronted several barriers that prohibited project funding. For example, Forest Service and Bureau of Land Management monies for watershed restoration could not be used for private projects. Further, the selection process for restoration projects on federal lands, which involved Provincial teams, was separate from the CERT process. This created a gap between Jobs in the Woods projects and the needs of displaced workers. Near the end of the process, the Ecosystem Investment Committee was the active committee, along with the Communities and Infrastructure Committee which held monthly "one-stop shop" meetings. This committee is still in existence today.

During the first two years of the NEAI, both the OR-CERT and the Oregon Rural Development Council conducted meetings throughout rural Oregon. There were differences between the two entities: OR-CERT focused on NEAI-eligible counties while the geographic focus of the Rural Development Council was statewide; the substantive focus of the OR-CERT was on projects and project funding while the Council focused more generally on the issues of community health and well-being. Despite these differences, the meetings offered the advantage of taking the NEAI on the road, and an opportunity to focus on locally identified needs and issues. In 1994 and 1995, discussions were held regarding the possible integration of the two organizations, and, by consensus, the partners decided that the Council would be the enduring organization and absorb the work of the OR-CERT (Campbell 1999).

As in California, the Oregon CERT process is continuing, although somewhat modified from its original shape and form. The OECDD has put its annual "Needs and Issues Inventory" for each rural community on a website, and holds two-day meetings every year to pair issues, needs, and agencies. OECDD routinely convenes one-day "one-stop" meetings for communities and agencies. The 2001 Oregon legislature created a \$150 million infrastruc-

ture development fund to attempt to meet the backlog of rural infrastructure needs throughout the state. Oregon's work is facilitated by OECDD's development of a coordinated database, and by organizational changes within the department, undertaken largely because of the NEAI.

*Washington (WA-CERT)*

Washington State had mechanisms in place prior to the announcement and formulation of the NEAI. Washington's experience dates back to 1989, when then Governor Gardener established the Timber Team, later formalized in legislation in 1991, which was created to assist workers, communities, and businesses. In addition to representing the state on federal policy issues, coordinating a comprehensive menu of state programs relating to timber communities and workers, and overseeing state log export restrictions, the Timber Team stressed community empowerment. When the NEAI came on line, Washington had been up and running, with the pre-existing Timber Team to provide staffing for the WA-CERT. Having invented the two-page CERT application form as a "one-government" approach to service delivery, Washington, like its counterparts, pointed out that the Clinton Administration adopted some of its experience and concepts as a model for the NEAI: "In 1992, the Team was a new way of doing business in state government—a new model. In 1993, the Clinton Administration grasped the concepts as a model for delivery of federal assistance...(Berkholtz 1999, p. 20)." Now the Governor's Rural Community Assistance Team (GRCAT), this team brings together programs that serve dislocated timber workers, advance business and community economic diversification strategies, and human service programs.

One of the first things the WA-CERT did in its initial meeting in December of 1993 was to adopt the legislatively mandated methodology for determining timber impacted areas as eligibility criteria. As a result, right away the state deviated from the original boundaries of the NEAI, because application of this methodology meant that WA-CERT's service area was greater than the spotted owl region, as it had been defined by physiographic and ecological criteria in the record of decision for the forest manage-

ment EIS. (By contrast, Oregon's initial argument had been for more federal appropriations to go beyond the spotted owl zone.) Washington also eventually split those counties (Pierce, Snohomish, and Whatcom) that contained large metropolitan areas as well as timber affected communities, which the other states did not. Later, the state added a salmon component. Not surprisingly, opinions differ among the participants interviewed as to whether Washington's decision to expand to the eastside reflected the spirit and intent of NEAI.

The WA-CERT asks county and tribal officials to act as the central collecting point for project proposals, and to numerically prioritize those proposals. The prioritized lists are accompanied by resolutions of support from boards of county commissioners or tribal councils.

At the end of the first year, results of a customer satisfaction survey indicated that the WA-CERT process wasn't getting money to the right places. As a consequence, WA-CERT changed its practices. It began to assign scoping agents (i.e., specific individuals from participating agencies) rather than scoping agencies to top-ranking projects. "People told us that they wanted to know not just what agency was going to help us, but who in that agency would help us," one agency staff person explained. Scoping agents were responsible for helping with project development, identifying funding sources, and serving as a liaison between the community and the agencies.

The ability of scoping agents to effectively carry out this task, however, varied over time and by agency. Also, as Initiative funds diminished, staff were cut and remaining scoping agents were required to cover more ground. For example, the Washington State Office of Trade and Economic Development currently has three scoping agents that cover the entire state. One staff person observed, "We are building up the expectations of the communities, but there isn't enough staff. A lot of communities don't realize that the staff person they have been working with is a scoping agent. The community doesn't recognize it as part of the WA-CERT process." Confusion over roles and responsibilities of scoping agents often extended to the agencies themselves. The staff person explained,

The scoping agent was intended to be a person that worked beyond his/her individual program. But a lot of people didn't understand that. They are supposed to represent all of us—to meet with the community and understand the whole picture...to identify the types of tools and resources available, and put together a technical team—to problem solve. We needed people with the ability and capacity to work at that level. But most of the time, staff didn't have that capacity. When staff would go out, they would look at a project based on their own program's criteria—they'd have a programmatic perspective. Once they awarded the money, they'd think they were done. But to the community, it didn't address their whole need, just one part.

The effectiveness of the individual scoper was thus dependent upon both the individual's and agency's ability to look beyond their particular agency's programmatic goals and develop a holistic understanding of how a project fit the development goals of a community.

In 1996, WA-CERT also initiated its annual Rural Communities Symposium, an intensive three to five-day workshop in which five selected communities worked with “technical teams” (i.e., relevant fed-

eral and state agency staff) on developing and implementing high-priority projects. “We were sick of ‘talking head’ conferences and wanting to do something that added value to the communities,” remarked one OTED staff person. In addition to providing technical assistance to communities, the Symposium served to build capacity among the agency staff themselves. One agency staff person noted,

These are program staff—they want to implement their piece of the project and close out. They were not hired to go in and look at the big picture. So the Symposium was a way to bring them together to help problem solve—to get them to work with the communities. That's one of the primary reasons for holding the Symposium. Ninety-five percent of it was to train state and federal staff to think out of the box... A cultural change needed to occur. They had to have that perspective to know what they needed to be flexible on.

The Symposium thus played a unique role in the NEAI by serving as a formal means of transforming agency culture and staff perspectives through direct engagement with communities.

In 1997, the town of Forks accused the WA-CERT of not serving communities most affected by



The view of Columbia River Gorge from Stevenson, Washington

the timber crisis. Writing to President Clinton, the Mayor of Forks stated:

I think it is also noteworthy that in Washington State, our program has been implemented by County, not Community. A monumental verbal difference in such a diversified state as Washington.... Yet we stand by and watch other communities receive huge NEAI grants to build water and sewer systems that are justified because of 'growth problems.' ... I do not believe that timber impact funds should go to communities whose revenue and population are growing" (letter from Mayor Phil Arbeiter, May 27, 1997).

Forks was upset by variations it saw within its own county, questioning, for example, why Sequim, a largely retirement-based community in the county, got dollars. Moreover, while CERT representatives argued that the county seat, Port Angeles, was highly affected, Forks remained unsatisfied. Just as rural counties feel overwhelmed by the political power of state government or large urban areas, small rural towns and unincorporated areas can feel out-manuevered by the political clout of the larger communities or county seats in their own rural counties. For Forks, the solution of "you got county commissioners, work through them," was no solution at all.

A report accompanying the Mayor's letter, prepared by the Fork's clerk-treasurer, argued that the counties in the state most affected by declines in federal timber harvests were receiving far fewer dollars than those counties with lower impacts (Leinan 1997). Following the publicity this disputed report generated, the WA-CERT designated seven areas of special emphasis/high impact regions that needed extra attention to recognize and realize their economic diversification strategies. The next year it targeted those areas for technical assistance to ensure they had the capacity to develop and implement projects.

The WA-CERT also had the legislative mandate to develop performance measurement indices, and the WA-CERT became the only NEAI organization to set goals by which performance could be mea-

ured. Despite making significant progress in several categories, adding, for example, new state and federal programs to the WA-CERT process, one of the goals the WA-CERT did not adequately achieve was the development of relationships with the ecosystem side of the Forest Plan. This was to be done through WA-CERT liaisons attending province team meetings, and by holding WA-CERT meetings in conjunction with province team or Adaptive Management Area (AMA) events. However, as the WA-CERT 1997 annual report concluded, "This goal confronts the most troublesome aspects of the Forest Plan and the NEAI... (WA-CERT) cannot assert that the relationship with the ecosystem side of the Forest Plan is developed" (Washington Community Economic Revitalization Team 1997). Like its counterparts in the other states, WA-CERT found it difficult to meet this objective.

In January 1998, WA-CERT and the Governor's Rural Community Assistance Team were transferred to the Washington Department of Community, Trade, and Economic Development. This transfer—part of Governor Gary Locke's Rural Development Initiative—was intended to bolster state efforts in rural areas. By 1999, the WA-CERT process had grown to include 31 rural counties, tribes, and others with funding for its operations included within the state budget.

The WA-CERT conducted meetings in several tribal communities during the initiative. The WA-CERT also invited several tribes to participate in their annual Rural Communities Symposium. After attending the symposium, tribal leaders understood that the initiative focused on interagency funding and technical assistance and was not a state forum for prioritizing funding.

#### OR-CERT and the WA-CERT to Scale: From the State to the County and Community

Despite some variability both within and between Oregon and Washington, the roles and activities of county government, incorporated and unincorporated communities, quasi- and non-governmental, and community-based organizations with respect to the CERT process largely adhered to a similar pattern across the landscape. At the county level,

CERT activities included outreach to notify eligible applicants, soliciting and collecting pre-applications, providing assistance in the preparation of pre-applications, and prioritizing and approving a list of county projects to submit to the state CERT. Although county government was responsible for submitting prioritized lists of projects and Project Notification Forms to the State CERT, in most Oregon and Washington counties, actual coordination and administration of CERT activities were carried out by quasi-governmental or nonprofit organizations. Because of their familiarity with federal agencies and local community development, Economic Development Districts commonly took lead responsibility for coordinating CERT activities via Economic Development Councils in Washington or Councils of Government in Oregon. These organizations were also responsible for conducting outreach and providing technical assistance to communities and special districts to facilitate their participation in the CERT process. Insofar as prioritizing a list of projects, county governments typically divorced themselves from the process; organizations responsible for coordinating and administering the CERT process generally developed the prioritized list for county commissioners to approve. Particularly in Washington, project applicants prioritized projects, using criteria developed by the county, for county approval. It was more common in Oregon for board of commissioners or intermediary organizations to appoint a committee to prioritize projects. However, in several counties, like Benton County, Oregon, the county convened advisory councils to complete the prioritization of projects. In both states, county board of commissioners approved the prioritized list of projects, usually without modification, before submitting it to the state CERT.

In Washington, Okanogan County was the first of three to develop its own internal prioritization process, which was later adopted by WA-CERT as the state model for local prioritization. To try to make the process as objective as possible and to remove the potential for political influence, the Okanogan County Economic Development Council (the entity responsible for administering the CERT process at the county level) developed a set of weighted criteria to rank project proposals. These criteria in-

cluded: (1) the ability to address the long-term economic status of people and businesses directly affected by declines in the timber industry (40 percent weight); project readiness (20 percent); ability to support long-term economic diversification (20 percent); regional impact (10 percent); and high local commitment in the form of local cash contributions and multi-jurisdictional support (five percent) (Phillips 1994). An additional five percent credit was also awarded to a project for “exceptional merit,” either with regards to the criteria mentioned above or other criteria established by the reviewers. Using these criteria, the Okanogan County EDC would convene a meeting among all groups that submitted proposals to develop a common understanding and support of all of the proposed projects. Each jurisdiction gave a presentation about its project to generate support and buy-in from the other groups, discussing the merits of the project and the criteria that it addressed. Each jurisdiction would then rank the other projects until a final ranking was established. A similar process occurred in Oregon. For example, in Lane County, the Lane Council of Governments’ project evaluation criteria included rural status, project readiness, presence of a match or potential to leverage funds, job and economic impact, support of a strategic plan, community foundation building, and overall value. Projects that had been on the CERT list for a number of years and with a high priority from their community also tended to receive higher rankings.

Though the ranking of projects tended to be a consensus-building process, at times it was highly contentious. Communities were often put in a position of competing against each other for top ranking status on projects. Because county government or organizations like economic development councils that represented the county or multiple counties could also apply for funds, disputes arose as to whether interventions targeted at a regional or county-wide level deserved higher priority over community-level projects. Also, communities with staff and resources to devote to project development or that had projects “on the shelf” were more likely to receive top ranking status than those with limited resources. With “project readiness” being a common criteria for prioritization, lower capacity communities were often

at a disadvantage because they lacked the staff, time, funding, and/or skills to adequately develop a project to the point where it was ready to be funded. Consequently, some felt that Initiative funds were not reaching those communities most in need. For some projects prioritization did not necessarily determine funding. Projects with a relatively low ranking could be funded because they matched an agency's funding criteria while some higher ranking projects were not supported. While advantageous to some, this sometimes led to bitterness and frustration. Despite these problems, and acknowledging the fact that responding to the needs of the lower capacity communities represent the greatest challenges, the processes for the most part leveled the playing field. In some instances, the processes sunshined projects that needed support or partnership development to bring to a state of readiness to receive project funding. For projects requiring preliminary project and feasibility studies and basic human and social capacity building, support from Forest Service and/or the Economic Development Administration sometimes made the difference between a project getting off the ground or not.

The ability of communities to successfully participate in the CERT process was determined by their pre-existing capacity (i.e., level of organization, skills, knowledge, staff time, and resources) prior to NEAI, as well as through capacity-building efforts that occurred during the Initiative or as a result of its programs. Many communities had initiated some type of strategic planning or visioning process in the late 1980s and early 1990s as a result of state and/or federally sponsored programs that had both prepared them for the CERT process and put them in a position to immediately take advantage of Initiative dollars. In Oregon, the Oregon Economic Development Department facilitated much of the development of Community Action Teams or Community Response Teams in the late 1980s and early 1990s through its Community Initiatives Program. Working with communities that experienced mill closures, the program worked to build community capacity and facilitate economic development through training in leadership and community problem solving. Communities participating in this program conducted SWOT analyses (identification of Strengths, Weaknesses,

Opportunities, and Threats) and developed strategic plans to identify specific economic development goals. In 1992, Community Initiatives became a separate non-profit organization renamed Rural Development Initiatives, Inc., and throughout the Initiative continued to provide capacity-building assistance (e.g., leadership development training, strategic planning assistance) to rural communities. Community Action/Response Teams often evolved into more formal economic development organizations.

### **Tribal**

There were a total of seven tribes in Oregon, 26 in Washington, and 30 in California that were eligible to participate in the Initiative. Because of each tribe's nation-to-nation status, one tribe cannot represent another. Thus, tribes selected the Intertribal Timber Council to represent them on the RCERT. Because of their sovereign status, the involvement of federally recognized tribes in the state CERTS differed markedly from that of non-native communities. Tribal participation in the three state CERTs also differed from one another. This review of Tribal-state CERT engagement is based on case studies of the Makah and Skokomish Tribes, and the Confederated Tribes of the Colville (discussed as part of the Omak community study) of Washington, the Confederated Tribes of the Warm Springs reservation in Oregon, and the Hupa people and Karuk of California.

While not required to participate, a number of tribes were quite involved with the state CERTS. Other tribes continued to work directly with agencies, and a number did both. Exclusive involvement with the federal agencies typically stems from long and well-developed tribal relations with the federal government, in contrast to relations with state agencies and programs that are typically weaker because of the sovereign status of federally recognized tribes.

In Oregon, Tribal governments set priorities on their own behalf, separate from counties, but sometimes submitted through the counties (particularly when they weren't required to). The OR-CERT conducted meetings in tribal communities. The governor signed an executive order during the initiative which directed programs to work with a state/tribal forum with committees addressing issues between the tribe

and the state. One of the committees involved economic development. The executive order was facilitated through the state's Commission of Indian Services. The Warm Springs Tribes have a history of direct involvement in state economic development processes, such as the Regional Strategies and the Regional Investment Program. Because of this involvement, the Warm Springs Tribes were able to take advantage of Economic Adjustment Initiative funding as soon as it became available. Since the reservation is located primarily in two counties, the Tribes had to work with both the Central Oregon and the North Central Oregon regions. The Tribes would prefer to be an equal partner and deal with only one region. The state, however, has stuck to the regional approach made up of counties in which the project identification forms are routed through the county commissioners. While the Warm Springs Tribes could bypass both the county and the state, they believe that it is to their advantage to have good working relationships with both and chose to work within the CERT system. Similar to the Hoopa, and the Skokomish and Makah of Washington, they have a representative directly involved in their State CERT process.

The Makah Tribal Council regularly sends a tribal representative to WA-CERT meetings. Based on their participation, the Makah Tribal Council strategizes how to effectively move projects through the process. In the past, the Makah Tribal Council's representative has been instrumental in writing pre-applications and grant proposals. The current tribal representative, a Planning Department staff person, says the meetings are of great value. They are a "learning by example even where people struggle with real problems," the staff person says. The Makah Tribal Council hosted several multi-agency meetings in Neah Bay, and hosted a WA-CERT meeting in nearby Clallam Bay. The Makah Tribal Council members viewed participation in the WA-CERT process as beneficial. One council member stated that the WA-CERT created, "easier relationships between funders and fundees; there is more control over what the Tribal Council wants funded and what gets funded."

The Skokomish too found working with the WA-CERT beneficial, both in terms of increasing di-

alogue with other groups that could help projects be successful, and internally, by forcing the tribe to submit synthesized plans for prioritization. Yet, at the same time, they became frustrated with the lack of support for tribal engagement with the CERT process. In response to these concerns, the WA-CERT and the Governor's Office of Indian Affairs cooperatively funded a staff position to hire a tribal economic development consultant who would help all Washington tribes participate more fully in the WA-CERT. Similarly, the efforts of the Hupa tribal members in Northern California led to the presence of a Native American representative on the California CERT, and the establishment of a Native American community coordinator position at the Northern California Indian Development Council to link native people to CERT resources.

In California, the Karuk Tribe used its development corporation to secure close to 2 million dollars directly through federal agencies, over half of which was obtained from the Bureau of Indian Affairs. It was its involvement in the Happy Camp Community Action Committee, however, that led to its engagement with the California CERT. Despite dissent within the tribe about participation in the town's action committee, the Tribal Council eventually agreed to participate and, as a result, brought the skills of their economic development corporation to the greater Happy Camp community which included many non-natives, and, in the process, opened a door to a collaboration that had never existed and helped the rest of the community secure funds through the State CERT process.

For the Hoopa Tribe, the combination of strong links with the federal government and weak links with the state government influenced the CERT process in several ways. Because of the pre-existing direct relationships with most of the agencies participating in the Northwest Economic Adjustment Initiative, almost all of the CERT projects at Hoopa were negotiated directly between the tribe and the relevant federal agency. Most CERT project proposals did not go through the county evaluation and prioritization process, nor were they ranked by the State CERT along with non-tribal proposals. Hoopa Tribal relations with California are generally not based on sovereign

government-to-government protocols and agreements as the state has resisted efforts to extend full sovereign status to tribes within the state. This is at least in part due to the state-wide conflict and unresolved issues surrounding Indian gaming. Nonetheless, despite these issues and their direct relations and work with the federal agencies, the Hoopa participated in the California CERT meetings. This participation facilitated peer learning between the tribe and other participants in the CERT process. The Executive Director of the Office of Research and Development on the Hoopa reservation reported that he enjoyed the sharing and learning from what other communities were doing that occurred at the CERT meetings. A Hoopa business incubator plan draws directly from a model presented and discussed at a California CERT meeting. Participation in the CERT process also helped develop a regional network of practitioners that could draw on one another for support.

Despite Hoopa participation in the California CERT process, overall engagement with CERT at the state level was limited and at the county level was minimal. After submitting proposals to be reviewed and ranked by the county ranking group, skepticism over the likelihood of success for these proposals and issues of tribal sovereignty made the tribe reluctant to subject itself to a county-level ranking process. This is an issue that all the tribes confronted. From the perspective of a sovereign governmental body there is little rationale for participating in a county-level competitive funding process, nor for that matter is there rationale for doing the same at the state level, especially when the great majority of funds were federal. In some cases, as with Tribal Forestry and the Bureau of Indian Affairs or with the Office of Research and Development and the Economic Development Administration, personnel within tribal departments independently sought and received CERT project funding for department-sponsored projects from key agency personnel with whom ongoing relationships had preceded the CERT process.

Another key point of intersection between CERT and Tribes in California was through the creation of the American Indian Community Coordinator position at the Northern California Indi-

an Development Council. The Northern California Indian Development Council, established in 1976, provides a wide variety of services to American Indian people in mostly northwestern California counties. The Council has been designated a Native American Grantee by the U.S. Department of Labor in order to provide employment and training opportunities to American Indians in its primary service area; it also functions as a Community Action Agency and is a Community Services Administration Indian grantee. Given this broad array of social service functions, the Northern California Indian Development Council was a logical organization in which to house the coordinator position. Information dissemination was one of the many tasks associated with the position. Meeting notices, the development of an electronic bulletin board, distributing information on how to apply for a CERT grant, and holding meetings were some of the ways the coordinator outreached to North State American Indian tribes. The coordinator paid particular attention to groups faced with funding and other capacity constraints, those groups, as he said, "struggling to keep the lights on and the doors open."

Through field trips and other means, the Northern California Indian Development Council coordinator, who is Hupa, facilitated relationship-building between federal agencies such as the Forest Service and Economic Development Administration and low-capacity tribes. These agencies had excellent follow-up and in many cases grants and program opportunities (especially funds for economic development planning) were made available to tribes, such as Table Bluff, Round Valley, and Bear River Reservations, with whom there had been little or no prior tribe-agency relationship. As a reflection of this extension and outreach work, the amount of CERT financial support to American Indian groups increased dramatically during the mid- to late-1990s from approximately \$100,000 to as high as \$1,000,000. A primary benefit of tribal involvement with the CERT process in the North State is that it enabled several tribes, especially some of the smaller ones, to strengthen their own economic planning capacities and to use those capacities to advance their own economic development.

Finally, by increasing the coordination between and among state and federal agencies and tribes, the CERT process also provided a vehicle for high capacity tribes, such as Hoopa, to share with other tribes relevant insights, lessons, and institutional development. The example of the Hoopa business and court codes developed by the Hoopa Valley Tribe Self-Governance Coordinator and Director, Department of Commerce, is a case in point. The coordinator emphasizes the necessity of having a separation of powers within tribal government between the council, law enforcement, and the court system as a prerequisite for decision-making accountability and effective conflict resolution capacities, both of which, he argues, are necessary preconditions for sustainable economic development, especially private business ventures that entail non-tribal entrepreneurs and capital. He noted the crucial role of the legal and institutional infrastructure the Hoopa have been developing for achieving this separation of power within tribal governance structures, and suggested that Self-Governance Coordinator work was at the leading edge of national efforts to develop these forms of tribal infrastructure. The CERT process, involving the position and responsibilities of the American Indian Community Coordinator, has played an important role in helping to share the pioneering work being done at Hoopa on business and court codes with other interested tribal entities.

From the perspective of American Indian sovereignty, the importance, indeed the necessity, of autonomous tribal law enforcement, judiciary, and executive institutions for sustainable economic development is clear. However, if the principle of tribal sovereignty is not embraced, then it becomes less clear why such institutions need to be developed as a prerequisite to economic development; some would argue that analogous state and/or federal institutions could provide the certainty, conflict resolution capacity, and accountability required for economic development. This, apparently, is the view of some of the state and federal agencies involved in the CERT process. As described by the American Indian Community Coordinator, this has resulted in some degree of resistance or lack of support for efforts to support such tribal governance structure development. As he put it, “some federal and state level folks didn’t get how court development had anything to do with economic development.” While an extended discussion of this issue is beyond the scope of this study, it is clear that NEAI support for projects on tribal lands is in many respects entirely different from NEAI involvement in non-tribal communities, and yet the nature and importance of those differences was underestimated by some of the state and federal agencies involved in the CERT process. To help address some of these issues the Native American Community Coordinator developed and led cultural awareness training for the Forest Service, BLM, as well as some state agencies.

## Chapter II: Institutional Analysis