

# Chapter I

## Introduction

### Preface

The quintessential resource conflict of the 1980s and early 1990s centered on management of old-growth forests in the Pacific Northwest. Timber production had historically played an important cultural and economic role in the region, with the supply from national forests increasing rapidly after the end of World War II. Beginning in the late 1960s and early 1970s, the environmental movement and others began to question the ecological and aesthetic impacts of timber harvesting practices, especially harvest of stands of old growth trees. Considerable debate focused on the effects of harvesting on species such as the northern spotted owl, which depend upon old growth stands for habitat (Dietrich 1992; Yaffee 1994). The dispute grew particularly acrimonious during the 1980s, and in 1990 the U.S. Fish and Wildlife Service listed the owl as threatened under the Endangered Species Act. In 1991 and 1992, injunctions issued by U.S. District Judge William Dwyer virtually halted any new timber sales in federally managed lands that provided owl habitat.

As scientific studies, congressional committees, and judges grappled with the question of how much late successional/old-growth populations required, individuals, families, and communities struggled with the loss of jobs and income associated with declining timber harvests on public lands. Compounding the situation were the job losses associated with the impacts of harvest and mill mechanization throughout the 1980s and early 1990s, and a shift in private industry's focus from forests in the Northwest to southern plantations (Yaffee 1994; Sample and LeMaster 1992; Dietrich 1992). Depending upon the source of the analysis, and the assumptions used regarding federal harvest levels and the other contributing factors, estimates of the number of jobs varied greatly (Sample and Le Master 1992).

However complex in reality, the issue in the Northwest became framed simply as "owls versus jobs." The issue was highly volatile, nationally visible,

and emotionally charged. Not surprisingly, it figured prominently in the 1992 presidential campaign, with each candidate speaking publicly about the region's forest controversy. Presidential candidate Bill Clinton made a campaign pledge in a timber worker's backyard to hold a timber "summit" to find a solution. Following his successful campaign, Clinton followed through on his pledge, establishing a Timber Summit Transition Office to prepare for the promised meeting, and convening the Forest Conference in April of 1993 in Portland, Oregon. At a day-long meeting, the President, Vice-President Al Gore, the Secretaries of Agriculture, Interior, Commerce, and Labor, the Administrator of the Environmental Protection Agency, the Director of the Office of Environmental Policy, the Deputy Director of the Office of Management and Budget, and the president's science advisor listened to representatives from all sides of the dispute, including environmentalists, timber industry representatives, workers, other community members, political officials, and academics.

At the conclusion of the Forest Conference, the President committed to the development of a comprehensive plan for forest management and community economic assistance. To achieve that goal he established three task forces: 1) Forest Ecosystem Management Assessment to develop, analyze, and evaluate a range of options for federal forest management; 2) Labor and Community Assistance to address economic and community issues; and 3) Agency Coordination to improve coordination among federal and state agencies.

Three months later, on July 1, 1993, the President released his Forest Plan for a Sustainable Economy and Sustainable Environment, embracing the three themes of forest management, economic development, and agency coordination. The Northwest Economic Adjustment Initiative (NEAI) constituted the package of economic measures outlined in the Plan to help mitigate the socioeconomic impacts associated with the changes in federal timber policies.

## **Purpose of the Study**

The purpose of this study of the Northwest Economic Adjustment Initiative is to help federal, state, and local agencies; the tribes; non-governmental agencies; community developers; residents, workers, and other members of Northwest communities better understand the Northwest Economic Adjustment Initiative and the effectiveness of projects. More specifically, this assessment advances our understanding of how the institutional and organizational structure affected NEAI implementation, and how Initiative-funded community building and community development projects affected community capacity and well-being in the three-state Initiative region (see Figure 1). This work provides lessons for communities elsewhere that are facing similar economic and social transitions, conditions of decline and under-investment, or looking for ways to improve well-being. Finally, this project improves our understanding of the connection between resource-related jobs and community well-being, helping us to develop more socially and environmentally responsive natural resource policy and community development practice. While this study was undertaken to develop lessons for the development of more effective and efficient programs to improve worker and community well-being in the Northwest, this work provides lessons for communities elsewhere that are facing similar economic and social transitions, conditions of decline and under-investment, or looking for ways to improve well-being. Lessons pertaining to intergovernmental collaboration also extend far beyond the resource issues and agencies, and the geographic region of the Northwest.

To date, approximately \$1.2 billion has been spent on the Northwest Economic Adjustment Initiative. Despite calls in the organizing documents for monitoring, “benchmarking,” and obtaining feedback from customers (Regional Community Economic Revitalization Team Implementation Plan 1993), there has been no systematic analysis of the Initiative. The evaluations that have been done have tended to focus either on individual funding programs, site-specific interventions, or broad regional analyses that, for the most part, ignore site-specific projects. Agencies may well have been interested in undertaking a comprehensive analysis, but the lack

of a single institution taking responsibility for it and the combination of a lack of agreement among scientists about a robust methodology for conducting the analysis, the expense of a comprehensive assessment, and the difficulty of carrying out such a study conspired to prevent it from being done. As a result, policy makers, agency officials, and others involved in the NEAI haven’t programmatically assessed Initiative projects and their community outcomes. Given the novel nature of many of the interventions, including support for projects that link ecosystem management with work designed to improve local well-being and build diverse forms of community capacity, it is important to review what has worked and what hasn’t, and to examine what can be learned from this grand and expensive experiment.

## **Organization of the Report**

This report is divided into three parts.

Part One contains the following chapters:

- Chapter I, the Introduction, describes the purpose of and need for the study and the organization of the report.
- Chapter II discusses the institutional framework of the Northwest Economic Adjustment Initiative and its effectiveness. This section introduces a virtual alphabet soup of acronyms of the structures and agencies responsible for administering and implementing the Initiative. It includes, for example, a discussion of the MAC, the Multi-Agency Command team that convened agency leaders and provided direction from Washington; the RCERT, the Regional Community Economic Revitalization Team, that coordinated activities regionally and linked the state CERTs—the California, Oregon, and Washington Community Economic Revitalization Teams—to each other, to the region, and to the MAC. It also includes a discussion of tribal interaction with these groups.
- Chapter III discusses the regional and economic and social setting in which NEAI was launched, the universe of projects that are

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part of NEAI, and our assessment of the 31 community case studies and their articulation with the institutional structure of the Northwest Economic Adjustment Initiative. The 31 case studies include 34 communities: 9 in California, 11 in Washington, and 14 in Oregon. All NEAI projects that were conducted in the 34 communities or that took place at a regional level and affected these communities were examined in the context of local (and to a lesser extent, regional) social and economic conditions, past and present. Four broad categories of community development projects are the focus of our analysis of the community case studies. These development categories include A) workforce development/training, B) industrial recruitment / expansion / retention described generally as industrial development, C) small business loan programs, and D) leadership development/human capacity building or soft infrastructure development.

- Chapter IV discusses the lessons learned from the study. Included with these lessons are policy recommendations.

Part Two of the report contains case studies.

- Seven of the 31 case studies are presented: two from California and Washington, and three from Oregon. The 23 remaining cases are attached in a CD in the report jacket pocket.

Part Three concludes with three Appendices.

- I. A literature review discussing the theory that informs the assessment.
- II. A discussion of methods utilized in the institutional analysis and the community case studies.
- III. A literature review that includes all literature cited in this report except that which is cited in the individual case studies. The case studies contain their own literature reviews.



Highway 101 running through downtown Forks.

## Counties Eligible for Northwest Economic Adjustment Initiative Assistance\*



\*Based on the Northwest Forest Plan Report, Tuchmann, et al, 1996.