Why President Biden Must Reinstate Owl Habitat Protection as Quickly as Possible

Rural poverty, political corruption and far-right extremism are among economic and social ills that plague towns overly invested in Big Timber

By Ernie Niemi and John Talberth

In its last days in office, the Trump Administration dished out favors to corporations that extract oil, gas, coal and timber from federal public lands. One of those favors involved easing timber harvesting restrictions on 3.5 million acres of designated critical habitat for the extinction bound northern spotted owl. On January 15th, 2021 Secretary of Interior David Bernhardt (Secretary) through the US Fish and Wildlife Service (USFWS) issued a final rule in the federal register that excluded nearly 615,000 acres of land managed by the Bureau of Land Management (BLM) in western Oregon and 2.9 million acres of national forest lands regionwide from continued protection as critical habitat, ostensibly, with a finding that the benefits of exclusion outweighed the costs. By law, such a determination needs to rest of a body of scientific and economic data that quantifies, to the extent practicable, all known benefits and costs expressed either in dollars or non-monetary values.

To justify its finding, the USFWS highlighted two economic and social benefits from providing more raw material for the timber industry: rural economic stability and protection of custom and culture. Not surprisingly, like many Trump era decisions, the decision was based on zero quantitative evidence – these benefits were merely asserted – and and flies in the face of socioeconomic realities in Pacific Northwest rural

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2 In December of 2020, the USFWS determined that the northern spotted owl was warranted for uplisting from a ‘threatened’ to an ‘endangered species’. Federal Register Vol. 85, No. 241, pages 81144-81152.
communities. In particular, the new rule promises to set back rather than aid economically distressed rural towns by perpetuating overreliance on an industry that breeds community instability and a culture and custom that helped incubate Timber Unity, the Proud Boys and other far right extremist groups that took part in the insurrection on Capitol Hill. Overreliance on the timber industry is also a big drain on local public finance since logging corporations are good at evading taxes and making taxpayers bear the burden of degraded and depleted water supplies, lost hunting and fishing opportunities, increased fire risk and climate change. The Secretary’s determination contained no mention of these costs.

Nor did the Secretary consider the opposite: how maintaining protection for the owl and the old growth forest ecosystems it inhabits gives rural economies just what they need – the opportunity to diversify and grow by capitalizing on Americans’ desires to live in clean, healthy environments where nature and biodiversity are valued and protected at the highest levels and where managing public forests to capture carbon and combat climate change takes precedent over fueling excessive consumption of wood and paper products. This analysis summarizes what we know about these costs and missed opportunities.

The economic and social costs of lifting spotted owl protections:

1. More logging amplifies community instability and perpetuates the kind of custom and culture that breeds far right extremism.

The Bureau of Land Management (BLM) itself has found that boosting logging levels over and above the current baseline would work to destabilize rather than stabilize the rural economy since the timber industry itself is among the world’s most volatile. As noted in the Final Environmental Impact Statement for the Western Oregon Resource Management Plan “[b]ecause the timber industry has a long, national history of high volatility, alternatives with harvest volumes that exceed current levels are likely to introduce greater instability into local economies, based on past business cycles.”

Some of this instability is due to the timber industry’s exposure to the vagaries of international markets. But the timber industry’s own tactics amplify this effect. Jobs have declined as it busted unions, exported logs rather than sending them to local mills and replaced mill jobs with machinery. Communities have become weaker as it evaded taxes. Regional economic growth has sputtered as it replaces healthy forests with

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clearcuts that externalize billions of dollars in natural resource damages onto the backs of taxpayers. This instability, in turn, is a breeding ground for a host of social ills plaguing rural areas overly invested in extractive industries – a pattern known globally as the resource curse but one all too visible in rural America.

These ills include chronic unemployment and poverty, domestic violence, decaying community infrastructure, and a pattern of corruption by elected officials who provide favors to corporations in return for hefty campaign contributions, dark money advertising, and other forms of electoral support.

Indeed, in a meta-analysis of published research, the National Research Council (NRCS) found that indicators of social well-being were markedly worse in communities where the timber industry has a greater presence (Figure 1). In Oregon, there is a strong statistical correlation between more logging and higher levels of poverty. In counties that devote more land to logging, more of the population lives at or below the official poverty line and workers take home lower median wages (Figure 2).

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**Figure 1**

“In most cases, timber dependency seemed to hurt rather than help communities” NRCS (2015)

- Higher unemployment - Lower income
- More poverty - Less education
- Lower birth rates - Higher death rates
- Higher infant mortality - Poorer health care
- Fewer churches - More arrests

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**Figure 2:** Among western Oregon counties that have significant timber harvest, more logging is strongly correlated with more people below the poverty line and lower wages (Talberth 2017).

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7 County harvest data courtesy of Oregon Department of Forestry. Poverty and median wage data are taken from the U.S. Census. See Talberth, J., 2017. Modernizing State Forest Practices Laws to Halt and Reverse Deforestation. West Linn, OR: Center for Sustainable Economy.
Another tragic outcome of chronic community instability and poverty associated with high logging levels is that it provides optimal conditions for the customs and culture of far-right extremist groups whose assault on the US Capitol sent shock waves across the nation. The connection between rural poverty, federal policies that favor extractive corporations over people, and the rise of far-right extremism has been established at least since the 1980s.⁸

Timber Unity, one of the groups that helped organize and inspire the assaults on Salem and the US Capitol was founded by Oregon corporate timber money and is a prominent presence in the counties within the range of the northern spotted owl. Recently, Mother Jones exposed how Timber Unity members are aligned with neofascists, anti-government militias, white supremacists, conspiracy theorists and those advocating for violence against climate protesters and politicians (Figure 3).⁹

In making the decision to lift critical habitat designation, the Secretary and the USFWS arbitrarily ignored these destabilizing effects of increased logging as well as the national security threat of maintaining socioeconomic conditions that help enable far right extremism.

2. More logging harms the local tax base and cripples local government finances.

The Secretary and UFWS also turned logic on its head in alleging that more logging is needed to “give weight to the local tax and economic base.”¹⁰ The fact is that counties dominated by the logging industry have been extremely hard hit in their ability to

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¹⁰ Federal Register 86(10) at 4834.
finance schools, libraries and basic human services because the logging industry has been very successful in exempting itself from taxes other Oregonians have to pay.¹¹

For example, Wall-Street based Timber Investment Management Organizations (TIMOs) and Real Estate Investment Trusts (REITS) that own much of the land base pay no state corporate income tax, no severance tax, pay a fraction of the property taxes paid by most landowners, get tax breaks for logging roads and logging equipment. Mills benefit from access to cheap public timber subsidized by taxpayers through agencies that can ill afford it. In Oregon alone, annual timber industry subsidies cost taxpayers over $550 million per year (Figure 4). The tax base would be far better off with less logging and more economic diversity so that counties could depend on businesses that pay their fair share of taxes rather than cope with fiscal shortages resulting from Big Timber’s tax evasion and ability to steer scare public finance their way.

### Oregon logging subsidies (partial listing)

<table>
<thead>
<tr>
<th>Tax break or subsidy</th>
<th>Annual value ($ millions)</th>
<th>Source(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property tax exemption – standing timber</td>
<td>$250.2</td>
<td>ODR Tax expenditure report</td>
</tr>
<tr>
<td>Large tract forestland special assessment</td>
<td>$53.7</td>
<td>ODR Tax expenditure report</td>
</tr>
<tr>
<td>Property tax exemption – logging roads</td>
<td>$22.5</td>
<td>ODR Tax expenditure report</td>
</tr>
<tr>
<td>Property tax exemption – skyline yarders</td>
<td>$2.9</td>
<td>ODR Tax expenditure report</td>
</tr>
<tr>
<td>Subsidized federal timber – BLM</td>
<td>$47.3</td>
<td>BLM analysis</td>
</tr>
<tr>
<td>Partial weight mile tax exemption – logging trucks</td>
<td>$5.2</td>
<td>ODT analysis</td>
</tr>
<tr>
<td>Unreimbursed firefighting costs on timberland</td>
<td>$134.2</td>
<td>USDA, ODF expenditure data</td>
</tr>
<tr>
<td>Unreimbursed ODF private forest program</td>
<td>$23.4</td>
<td>ODF expenditure report</td>
</tr>
<tr>
<td>Severance tax exemption – large owners</td>
<td>$14.9</td>
<td>Calculated</td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
<td><strong>$554.3</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4:** According to federal and state records, the value of annual subsidies to the timber industry in Oregon top $550 million per year, much of which comes at the expense of local government budgets.

3. More logging means more political corruption.

One of the most cynical aspects of the Secretary’s decision is the undue deference given to local elected officials who are presumed to have more expertise in the areas of “economic wellbeing, employment, tax base, and custom and cultures of the citizens

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within their jurisdictions.” The reality is that elected officials in areas dominated by resource extraction are more prone to corruption and advancing corporate interests above those of their constituents. This is a well-established global phenomenon being addressed by the OECD and a large cadre of civil society groups, political scientists, and sociologists worldwide.

The Pacific Northwest is no exception. One of the hallmarks of political corruption is when “lobbying and undue influence” by extractive industries “distort policies and laws in favor of vested interests rather than the public good.” The corrupt influence of Oregon’s timber industry on the democratic process is a quintessential example. In an Oregonian/Oregon Live series entitled “Polluted by Money,” reporters found that Oregon ranks number one in timber industry contributions to legislators – a fact that helps explain the inability of state regulators to halt and reverse the alarming decline of fish and wildlife species harmed by industrial logging practices (Figure 5).

![Timber contributions](image)

**Figure 5:** Oregon ranks number one in timber industry contributions per legislator, a fact that helps explain why efforts to modernize the state’s forest practices laws are routinely thwarted.

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12 Federal Register 86(10) at 4837.
While bad for fish and wildlife, these investments have paid off handsomely for timber corporations. The industry is heavily subsidized, has its own taxpayer financed propaganda institute, and is exempted from many taxes. These tax breaks, in turn have had devastating consequences for rural communities in the form of closed schools and libraries, inadequate social services, and little opportunity to invest in economic diversification.

As such, the Secretary and the USFWS erred in deferring to a small subset of self-interested local elected officials on matters essential for a full and fair analysis of benefits and costs of the final rule. Use of objective, evidence-based analysis in place of the biased views expressed by some local elected officials would no doubt have taken the decision in the opposite direction.

4. More logging means more damage to resources rural towns need to diversify.

Converting more of the land base from protected forests to timber plantations will damage the very resources rural communities need most to diversify and grow – clean water, scenery, recreation, abundant fish and wildlife, and the full range of ecosystem services protected forests can provide. For example, recent research clearly shows that conventional logging practices within the range of the northern spotted owl reduce the amount of water in streams, increase turbidity, and raise water temperature, thereby creating risks for municipal water supplies and for aquatic species dependent on higher and colder flows.\(^\text{16}\)

The BLM has found that, given conditions that have existed in the past, the negative impact on recreation from logging would equal almost one-half the value of the logs, and other research indicates it is reasonable to anticipate that the value of lost recreation from logging on federal lands will increase rapidly in the future.\(^\text{17}\) The Secretary and USFWS entirely ignored these and other negative economic effects (externalities) of increased logging.


5. More logging means more carbon emissions, more climate damages and more vulnerability to climate change.

In Oregon, industrial forest practices are the leading source of greenhouse gas emissions (Figure 6). Lifting owl restrictions would boost such emissions. By how much is unclear since the owl rule contains little quantitative information. But if the affected land base is managed more like nearby industrial forestlands, we can get a sense of the emissions increase, and its social costs.

Currently, mean carbon density on BLM and national forest lands affected by the rule are, respectively, 143 and 157 tons carbon per acre. About half of this is above ground stored in trees and other vegetation. By lifting critical habitat restrictions, the pace of logging will accelerate on these lands. This means more of these acres will be cut each year. A rotation age of 80 years (on federal owl-protected lands now) if reduced to say 50 years (the average pace on state and private lands) means 26,040 extra acres logged

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19 Oregon Global Warming Commission (OGWC), 2017. Table 5. Estimates of carbon stocks in Oregon by pool type, from FIA data 2001-2010 (soil C modeled), by ecoregion section and owner group. Salem, OR: OGWC.
each year – about 4,600 acres on BLM lands and the rest on national forest. If the carbon density of those lands matches the mean carbon density reported for each ownership, this means roughly 2 million metric tons more carbon hauled out of the woods each year, which translates into nearly 7.5 million metric tons $CO_2$ emitted into the atmosphere as a result of increased logging.

The economic damages of these additional emissions can be approximated by using the social cost of carbon (SCC) – a metric the Biden-Harris Administration has pledged to reinstate after work on it was discontinued by one of President Trump’s first executive orders.\textsuperscript{20} Recently, researchers surveying the literature have reported a mean SCC of $420$/ton in 2021 dollars.\textsuperscript{21} This translates into economic damages of roughly $3.2$ billion/year if critical habitat restrictions are dropped and the affected lands are managed more like neighboring industrial forests. The Secretary and USFWS have all the data they need to refine this estimate.

But increasing emissions is not the only climate concern. Industrial logging activities make the land more susceptible to the impacts of climate change as well. Decades of research throughout the Pacific Northwest and many other regions has established that replacing native forests with extensive networks of recently clearcut lands, logging roads and timber plantations makes the land more susceptible to the risks of wildfires, floods, landslides, heat stress, invasive species, water shortages and water quality contaminants.\textsuperscript{22} All of these threats are already on the rise due to climate change. Industrial logging activities are working to amplify the damages. The Secretary and USFWS entirely ignored these increased climate risks to rural communities.

The economic and social benefits of reinstating critical habitat protection:

1. Americans prefer owls over logs.

The custom and culture of most Americans includes a reverence for life and a willingness to pay for programs to provide the best possible chance for species headed toward extinction to recover – including protection of critical habitat for the northern spotted owl. Americans strongly believe that the benefits of protecting owl habitat on federal lands far exceed the benefits from logging.

Support for this conclusion comes from:

• A national survey found that, under different assumptions, the ratio of benefits from owl conservation to the benefits from logging ranges from 3.53 to 42.56.23

• A review of 20 studies of the economic value Americans place on rare, threatened, and endangered species found that, “[t]o date, for even the most expensive endangered species preservation effort (e.g., the northern spotted owl) the costs per household fall well below the benefits per household.”24

• The Washington Department of Natural Resources compared benefits of restricting logging to protect habitat surrounding potential nesting sites for northern spotted owls with the benefits from allowing the logging to proceed. The analysis concluded that the benefits of protecting the habitat are 2–5 times the benefits from logging.25 DNR subsequently stated, “[i]t is a [net] public benefit to protect Washington’s Northern Spotted Owl population.”26

In the Secretary’s rush to protect the customs and culture perpetuated by the timber industry, he ignored the negative effects on the customs and culture of the vast majority of Americans.

2. **Conserving forests has positive impacts on local economic stability and on community custom and culture.**

Conservation increases economic stability for nearby communities; logging diminishes it. For example, communities within 10 miles of land designated for species protection “experienced higher growth in community wealth than communities more than 10 miles from...protected land, even among those that were dependent upon logging.”27 Related research corroborates that logging on federal lands typically has negative impacts, but conservation has positive impacts on local economies (Figure 7).

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26 Id.
Moreover, evidence from across the western states regarding the positive and negative impacts of logging on federal lands indicates that, if the BLM were to log an additional 10,000 acres in Douglas County, Oregon, activity in the timber industry would have a positive impact of about $18 on income per county resident, but the loss of protected lands would reduce income by about $436, for a net reduction of $418 per person.28

3. Carbon benefits from conservation exceed that from timber production.

As noted above, the timber industry generates one-third of Oregon’s CO₂ emissions, more than any other source. So, it was no surprise that the BLM’s most recent analysis (2014) of logging on federal lands found the carbon-related benefits of not logging exceed the timber-related benefits from logging.29 For example, relative to the agency’s habitat-conservation Scenario D, with the lowest level of logging, the additional logs produced annually under the agency’s preferred scenario would have an economic benefit (value) of $14.2 million.

Conversely, implementing the habitat-conservation scenario would increase the amount of carbon stored in the forest, with an economic benefit of $57 million per year, or almost 4 times greater than the benefits from increased logging. Subsequent research concludes that the benefit per ton of carbon would be about 10 times greater,30 raising the ratio of conservation benefits to logging benefits to about 40-to-1.

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29 BLM, 2014, note 5.
30 Ricke et al., 2018, note 21.
In sum, the information above shows that the decision by the Secretary and USFWS did not tell the truth when they stated that, using the best available science, they determined the benefits of logging the almost 3.5 million acres exceed the benefits that would be realized if the lands retained their designation as critical habitat for the northern spotted owl. The facts—which were readily available to them if they had looked—clearly show that the opposite is true.

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