



## Using Economic Principles to Achieve Ecosystem Objectives Ideas Submitted to the WRSC from METI

During outreach to western stakeholders regarding the Cohesive Strategy, many stakeholders expressed the need to maximize return on investment and use economic principles to achieve environmental objectives. Both ideas are central to achieving the restoration and fuels treatments needed to support resilient landscapes, fire-adapted communities, and effective wildfire response.

In order to make a difference in the large task of creating and maintaining resilient landscapes, we will need to look beyond the traditional resources of public agencies to the even larger resource of the economy. As one stakeholder put it, “there are not enough resources in the Treasury to do the job, but there are in the economy.” There are two basic ways to maximize return on investment – reduce the cost of the investment and/or increase the returns. Sometimes those returns will come partially from sale of products or from exchanges of products for services. That’s all well and good, but what can we do right now, right here to get a start?

**Do everything possible within existing authorities.** There is much that can be done using Stewardship End Result Contracting, cost-share agreements, partnerships, and other authorities and tools. Through collaboration, we can work together to get more done than any one stakeholder can do alone. Many times the barriers to using new or different authorities are embedded in agency culture and various objections to change. We will always be working in an environment where people hold a range of attitudes about risk for a variety of reasons.

**Don’t do unnecessary analysis, planning, and documentation.** One way to reduce costs is to do enough planning to meet legal requirements and satisfy stakeholder desires for engagement without imposing “analysis paralysis.” Some stakeholders expressed a desire to do away with NEPA, but in reality there are ways to work within the spirit of the law to avoid situations where it takes longer to plan for a project than it does to implement it.

**Pursue projects that take advantage of natural fire barriers, recent disturbance events, and past investments.** It makes sense to tie fuel treatment and fire suppression activities into natural barriers such as rivers and lakes, rock slides, roads, and so on, to make investments more effective on larger landscape scales. We should also take advantage of recent disturbance events, especially those that reduced fuel loading, as well as past investments and projects. Too often invest in fuels treatments and then do not maintain them, but it is a lot easier to keep the reduction treatment functional than it is to start over again.



**Be innovative with regard to new products, uses, and treatment techniques.** With more collaboration, more innovative ideas will come to light – along with people willing to invest to try their ideas out. Being open to the new and unusual may just identify a real improvement.

**Make sure that investments are effective.** One example from the outreach of an *ineffective* investment was the spreading of straw to prevent erosion after a fire. It was pointed out that the first rain usually washes this straw away – changing a protective measure in one location into a problem in another. One solution suggested was to use livestock to walk on the area to “stitch” the straw into the soil where it would continue to hold that soil in place. Opportunities can be sought to understand, document, and share successes and failures from investments before, during, and after fire so that mistakes are not repeated and good ideas flourish.

**Continue to stress that real cost savings in fire and fuels management may come from comparing the cost of fire suppression with the cost of fuels treatment.** It is almost always less expensive to prevent cost outlays than it is to spend money in emergency situations. This is most applicable where recurring fire is most predictable – and much of that area is in the West.

**An Option for WFLC**

In the long run, the way to get at the use of economic principles (efficiency and effectiveness) in a serious way (specific proposals as well as raising awareness) would be to hold a symposium (or series of symposia) hopefully chartered from WFLC and populated by economists, industry representatives, bankers, stakeholders of every kind, and agency people as well as others. The purpose of the symposium would be to answer the following two questions in each of three ways. The two questions are:

- 1) How can stakeholders better use economic principles to achieve the goals of the Cohesive Strategy?
- 2) How can stakeholders better maximize return on investment?

Answers to each of the questions would be categorized by:

- a) It would take legislation,
- b) It would take a change in policy or regulation, and
- c) It can be implemented right now.

We know we have been around the block on this stuff for years and know long term stewardship contracting, for example, is important to a guaranteed product supply necessary to encourage industry investment, etc. We would like to see the development power of the Forest Products Lab set loose on finding/developing products for small diameter mixed species; and forest engineers on removal techniques that are cost-effective. This kind of committed effort might be a way not only to gain a recommitment to the importance of economics but getting the right people together might generate something significant.