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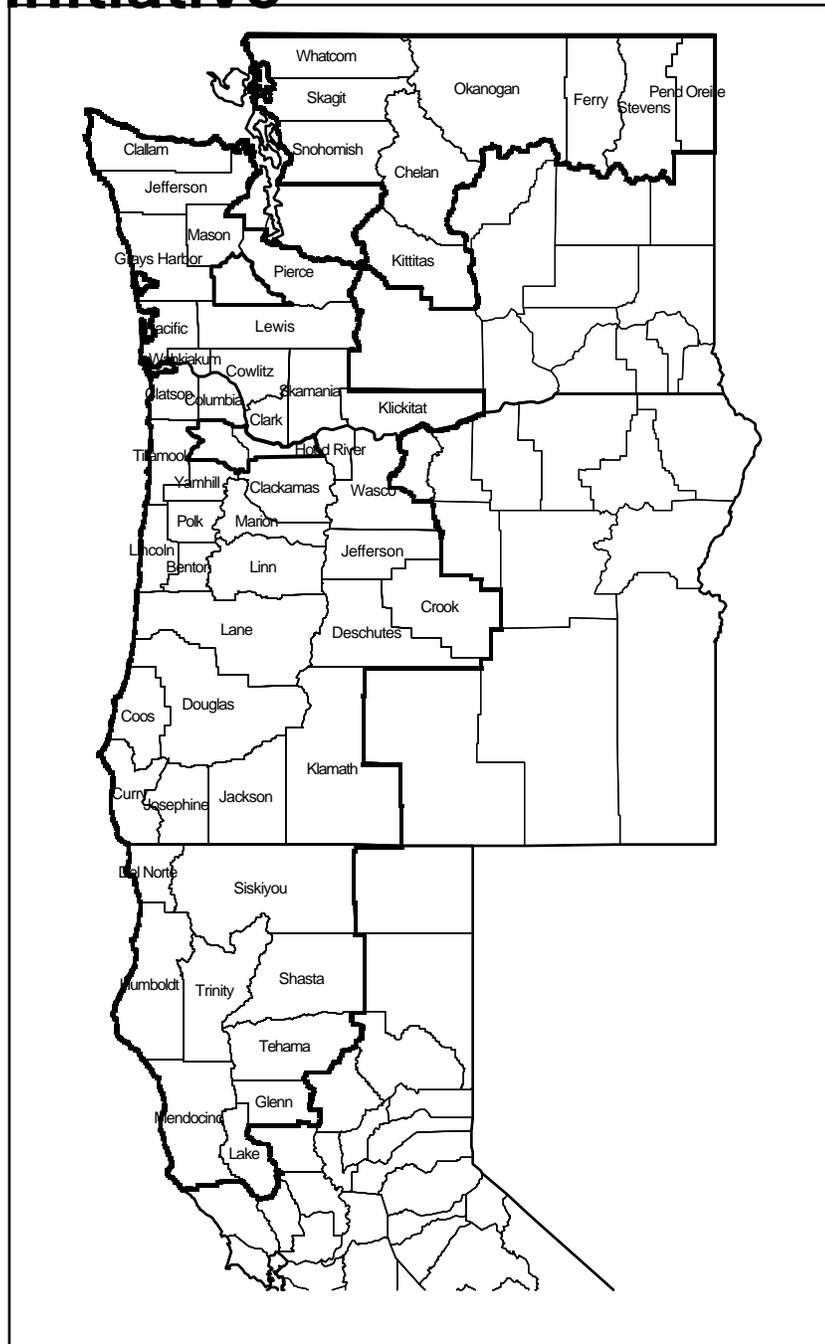
Forest Service

Pacific Northwest
Research Station

General Technical
Report
PNW-GTR-484
November 1999



Northwest Forest Plan: Outcomes and Lessons Learned From the Northwest Economic Adjustment Initiative



Technical Editors

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Proceedings, Northwest Forest Plan: Outcomes and Lessons Learned From the Northwest Economic Adjustment Initiative

Portland, Oregon

July 29th through 30th, 1997

Harriet H. Christensen, Terry L. Raettig and Paul Sommers, Technical Editors

SPONSORS

Center for Urban Studies, Portland State University, Portland, OR.

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Northwest Policy Center, Daniel J. Evans School of Public Affairs, Seattle, WA.

University of Washington, Seattle, WA.

USDI Bureau of Land Management, Portland, OR.

USDA Rural Development, Washington, D.C., and Portland, OR.

Western Rural Development Center, Oregon State University, Corvallis, OR.

U.S. Department of Commerce, Economic Development Administration, Portland, OR.

Published by:

U.S. Department of Agriculture Forest Service

Pacific Northwest Research Station

Portland, OR

General Technical Report PNW-GTR-484

November 1999

In cooperation with: Northwest Policy Center, Institute for Public Policy and Management, University of Washington, Seattle, WA

ABSTRACT

Christensen, Harriet H.; Raettig, Terry L.; Sommers, Paul., tech. eds. 1999. Northwest Forest Plan: outcomes and lessons learned from the Northwest economic adjustment initiative: Proceedings of a forum; 1997 July 29-30; Portland, OR. Gen. Tech. Rep. PNW-GTR-484. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station. 103 p. In cooperation with: Northwest Policy Center, Institute for Public Policy and Management, University of Washington.

This monograph is an examination of the experience in the Pacific Northwest implementing the Northwest Forest Plan, Economic Adjustment Initiative (NWEAI). First, a brief description of the NWEAI background and framework, and a socioeconomic overview of the region prior to the NWEAI provide the setting. Next, accounts of the NWEAI experience in each of the three states in the region; a chapter on the NWEAI impact on people and communities' and a review of field level efforts to implement business, local government, and ecosystem management projects build a comprehensive picture of the NWEAI programs through the eyes of the managers and community development practitioners who conceived and implemented the site specific projects. A synthesis of NWEAI related research work begins the final section on what had been learned from the NWEAI experience and questions still remaining. This monograph ends with an overview of key community and economic development issues in the region that have been addressed by the NWEAI and the potential of the innovative NWEAI model as a guide for other resource related economic development and mitigation efforts.

Keywords: Northwest Forest Plan, Northwest Economic Adjustment Initiative, Pacific Northwest, community development, economic development.

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FOREWORD

This monograph contains the invited papers and individual and panel presentations, at a forum entitled "The Northwest Economic Adjustment Initiative: Have the Hopes Been Realized?", which was held at Portland State University, Portland, OR, from July 29 through 30, 1997. The overall purpose of the forum was to: (a) describe the nature, extent, funding and history of the Northwest Economic Adjustment Initiative (NWEAI), (b) describe the current state of research and monitoring related to the NWEAI, (c) share successful and innovative strategies, techniques and projects in the implementation of the NWEAI, and (d) identify a research agenda to further knowledge in the area.

Many individuals participated in this forum to better understand the NWEAI (see Appendix A.) The participants included a broad array of agency and organization managers, economic development specialists, researchers, and community representatives directly responsible for administering the NWEAI as well as implementing the NWEAI economic and community development projects in the field. Background was provided by those who had been involved in the political processes that conceived and formulated the Northwest Economic Adjustment Initiative.

Many people are to be thanked for their contribution to this forum. The program steering committee, in particular, provided the initial conceptualizing for the forum. Members of the steering committee included: Bob Rheiner, Mark Stanley, Janet Anderson-Tyler, Scott Duff, Eric Herbst, Paul Sommers, Anne Berblinger, Chris Christensen, Karen Berkholz, and Dean Judd. Terry Raettig, of the U.S. Department of Agriculture Forest Service Pacific Northwest Research Station, organized and guided development of the forum as its overall coordinator.

We would also like to thank the organizers at the Center for Urban Studies, Portland State University, and for the assistance we experienced at Harrison Hall. Most of all, we thank the special contributions by the session presenters and moderators and we hope the following monograph captures the spirit and substance experienced at the forum.

Technical Editors.

Chapter 1--The Northwest Economic Adjustment Initiative: Background and Framework

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ABSTRACT

The Northwest Economic Adjustment Initiative (NWEAI) is the economic development component of the Northwest Forest Plan. This chapter describes the Federal policy background that was the basis for the creation of the NWEAI and the principles and objectives that guided the development of the NWEAI. A concise description of the agencies and institutions that provide the operational framework of the NWEAI partnership is included. The purposes and objectives of the papers that follow in this monograph are stated.

Keywords: Northwest Economic Adjustment Initiative, policy background, principles, objectives, institutions.

THE NORTHWEST ECONOMIC ADJUSTMENT INITIATIVE: BACKGROUND AND FRAMEWORK

Court actions, policy changes and controversy brought the timber sale programs of the USDA Forest Service and the USDI Bureau of Land Management, the two largest Federal land management agencies in the Pacific Northwest, to a standstill by 1991. The Northwest Forest Plan, released on July 1, 1993, was a response to this crisis in public land management in the Pacific Northwest (Christensen and others 1995, Clinton and Gore 1993, USDA Forest Service and USDI Bureau of Land Management 1994). The Northwest Forest Plan is a regional plan for implementation of ecosystem management and addresses three primary issues: forest management, economic development and agency coordination (Tuchmann and others 1996).

The Northwest Economic Adjustment Initiative (NWEAI) is the economic development component of the Northwest Forest Plan. The NWEAI was designed to focus economic development and mitigation of impacts from reduced timber harvest in the region (western Oregon, western Washington and northwest California outside the major metropolitan areas), (see fig. 1) through four categories of assistance: workers and families, business and industry, communities and infrastructure, and ecosystem investment. Federal funding for the NWEAI in the region would total 1.2 billion dollars over a five year period.

By July 1997 almost four years of funding and implementation of the NWEAI had been completed. The NWEAI (and the Northwest Forest Plan) have been designed with an emphasis on innovative policy and a feedback-learning loop, or “adaptive nagement” (ROD 1994).

Policy Background

The issue of management of Federal forest lands and old-growth had reached an impasse involving the Executive Branch, Congress and the Federal Courts by the time of the Forest Conference in 1993 (Tuchmann and others 1996). The innovative institutions and actions outlined in the Northwest Forest Plan and the NWEAI are largely administrative actions. Congressional approval and legislation is, however, required for agency and program funding and certain other actions such as the repeal of tax credits for raw log exports. The Cabinet Secretaries and agency heads concerned with the timber issue in the Pacific Northwest signed an interagency memorandum of understanding (MOU 1993) that would define responsibilities and coordination between the Federal agencies. An additional memorandum of understanding (Federal-State MOU 1993) was signed by the Governors of California, Oregon, and Washington, a representative of the local communities in each state and a Federal representative to define the relationship between the Federal, tribal, state, and local entities.

To understand the innovative nature of the NWEAI as it has been conceived, designed and implemented in the Pacific Northwest, it is first necessary to examine the operation of Federal, community, economic and employment development programs in the region before the emergence of the timber issue. As an indication of the complexity of the situation prior to the timber crisis, specific authority and missions for job retraining, community development, economic development, and ecosystem restoration activities that were related to the NWEAI objectives were vested in a diverse array of programs in no less than eight Federal agencies and

five Cabinet Departments (see fig. 2).

Each agency and each program within an agency's authority had specific rules and requirements based on legislative and administrative direction. Cooperation between agencies occurred, particularly within a cabinet department, but was not the central operating tenet. Within the broad array of rural development programs there was no common basis for assembling and considering proposals from client communities and organizations or addressing barriers to effective implementation. State Rural Development Councils provided a mechanism of communication between rural development practitioners but did not provide the operating framework ultimately constructed for the NWEAI.

NWEAI Principles

The NWEAI was designed on a set of principles that provided part of the basis for innovative economic development policy (Tuchmann and others 1996). These principles are as follows:

- [the NWEAI] should have long-term favorable effects and be implemented in a farsighted, strategic manner.
- be implemented quickly and in a manner consistent with national policy.
- be region-specific and tailor the assistance to many different kinds of effects associated with forest policy changes.
- deliver assistance based on geographic rather than conventional programmatic criteria.
- incorporate a high degree of state and local

participation and leadership in providing assistance.

NWEAI Objectives

The NWEAI objectives (Tuchmann and others 1996) further define the innovative nature of the economic assistance initiative. These objectives are:

- provide immediate relief for distressed timber communities and emphasize the need for immediate response.
- create an environment for long-term economic development consistent with and respectful of the character of the communities and their natural resources.
- develop new mechanisms for delivering assistance.
- emphasize the equal partnership of the states and the critical local governments.
- emphasize the use of performance-based funding (outcomes based on creating new opportunities and sustainable jobs) over traditional funding based on programmatic eligibility.

NWEAI Framework

The Northwest Forest Plan and the NWEAI recognize that coordination between the various Federal, tribal, state, and, local governments, agencies and entities is a significant issue. The NWEAI addresses the coordination issue in a direct and innovative manner. Coordination between the Federal funding agencies, and with other non-Federal partners in the region is achieved through NWEAI Committees (Tuchmann and others 1996) (see fig. 3) that are designed in accordance with the

NWEAI principles and objectives. The NWEAI committees and their functions are as listed:

- the Multi-Agency Command (MAC) is a Washington, DC committee and includes representatives from the Federal Agencies, Cabinet Departments and Presidential policy advisors. The MAC provides policy and oversight for the NWEAI.
- the Regional Community Economic Revitalization Team (RCERT) is based in the Pacific Northwest and is made up of representatives of the Federal funding agencies as well as those tribal, state, and local government entities involved in implementing the NWEAI. The RCERT has specifically designated coordination and implementation responsibilities including the assurance of equitable funding within the NWEAI region, monitoring service delivery and accomplishment, and providing for process improvements.
- the State Community Economic Revitalization Team (SCERT) is based in each of the three states in the Northwest Forest Plan Region. SCERT members include representatives of the Federal funding agencies in each State, and tribal, state, and local government officials involved in the NWEAI process. Each state was permitted discretion in the representation on the SCERT and Oregon and Washington also chose to have members of the general public on their SCERT. The SCERTs coordinate NWEAI activities within the respective state, communicate local issues to the RCERT and participate in monitoring and process improvement activities.

The Community Economic Revitalization Teams (CERTs) do more than provide for coordination between the various entities involved in the NWEAI. The CERTs also provide the basis for community empowerment that is a key part of the

NWEAI strategy. Community-focused economic development enables the NWEAI to capture a community's flexibility and creativity, its ability to recognize its problems and concentrate on solutions instead of service delivery, and its commitment to its members (Osborne and Gaebler 1992).

The CERTs also anchor the focus of the NWEAI on outcomes rather than inputs. By creating an organization that maintains a vision of the results and outcomes the stage is also set for adaptive learning. Adaptive management and learning is a critical part of the Northwest Forest Plan, and depends on an extensive monitoring component. The NWEAI explicitly provides for learning from successes and correcting (and not repeating) policy and administrative failures through the CERT process.

The chapters that follow document the collaborative experience of those who have been most intimately involved in the NWEAI in the Pacific Northwest. Key background and contextual information, first person perspectives of the NWEAI experience at the regional, state, Tribal, and community level, and documented research-based learning are provided. The NWEAI is examined in terms of the potential of the model as a innovative basis for focused economic and community development in the future within and outside the region.

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USDA Forest Service; USDI Bureau of Land Management. 1994a. Final supplemental environmental impact statement on management of habitat for late-successional and old-growth related species within the range of the northern spotted owl. Portland, OR. 2 vols. 1 map.

Figure 1. Northwest Economic Adjustment Initiative region.

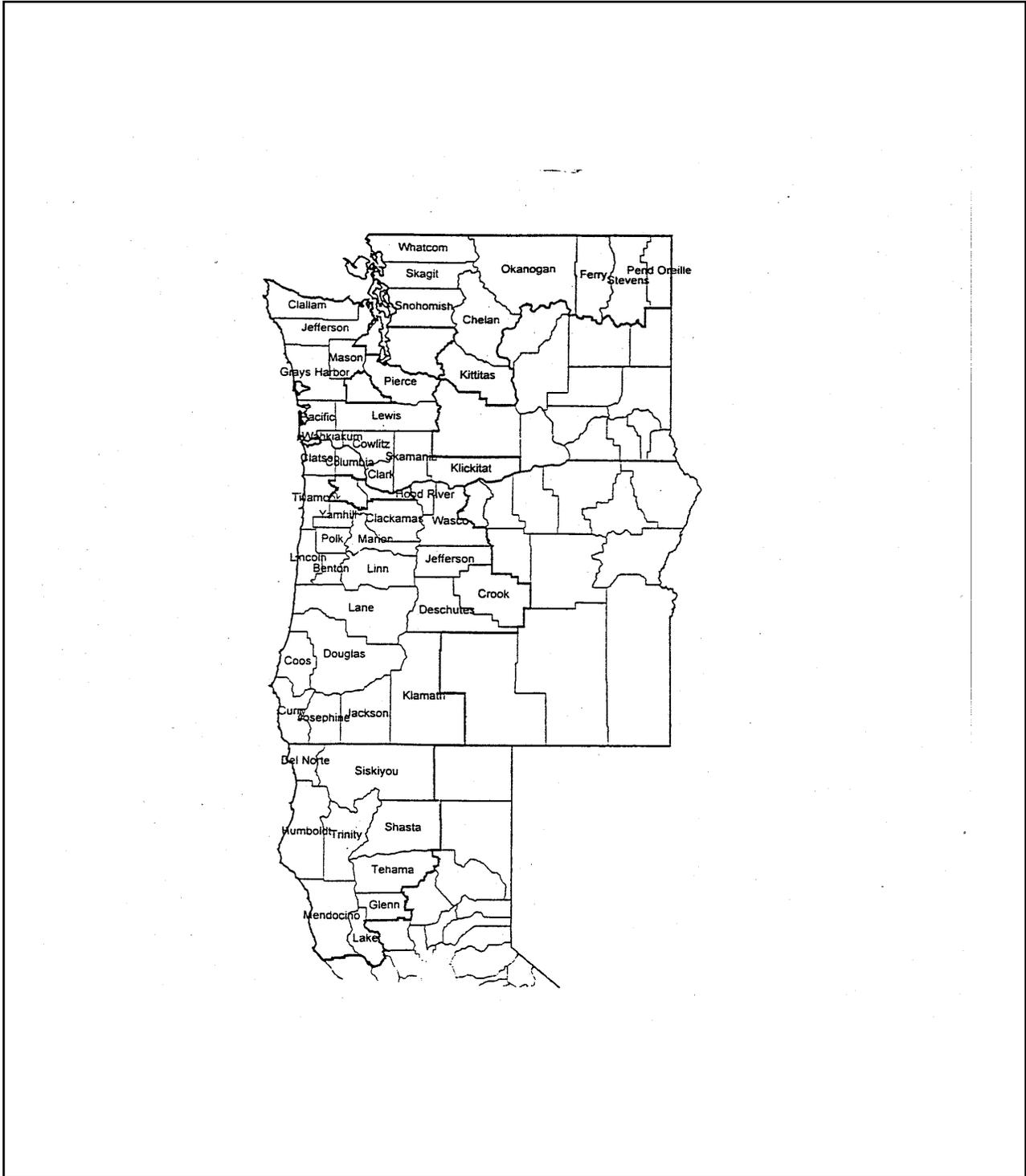


Figure 2. Organization chart for Federal agencies in the Northwest Forest Plan.
 Source: U.S. Department of Agriculture, Office of Forestry and Economic Assistance.

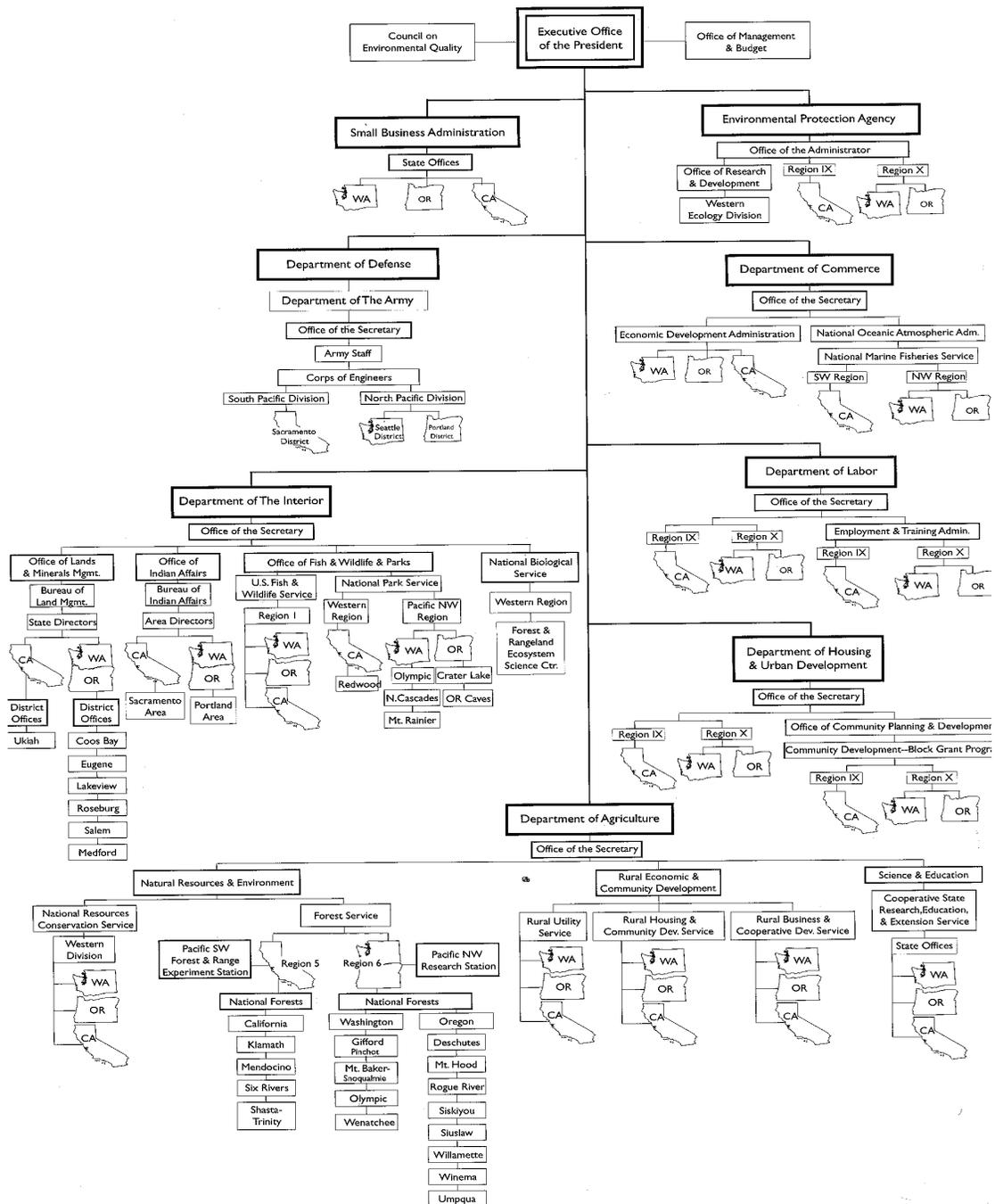
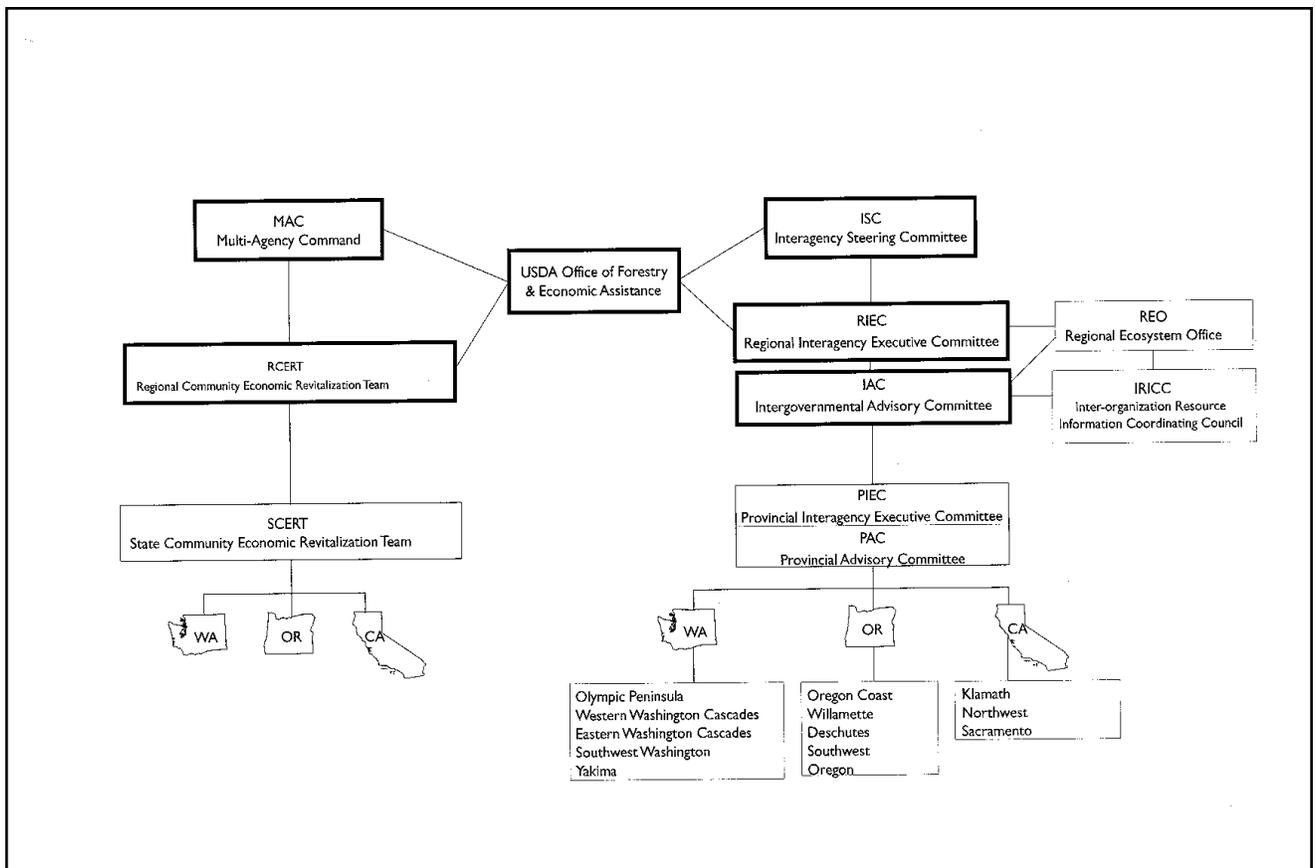


Figure 3--Interagency cooperative structure for the Northwest Forest Plan.
 Source: U.S. Department of Agriculture, Office of Forestry and Economic Assistance



Chapter 2--Socioeconomic Overview: The Situation in 1993

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AUTHOR

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ABSTRACT

This chapter presents a summary of important social, economic and natural resource variables in the Pacific Northwest in the years leading up to the 1993 Forest Conference. The setting is provided for the Northwest Forest Plan and the Northwest Economic Adjustment Initiative. Information on population and population change, employment and employment changes, timber harvest levels and changes, and timber employment and changes is included.

Keywords: Social and economic conditions, timber harvest, timber employment, Forest Conference, Pacific Northwest.

INTRODUCTION

The date is April 1993 and President Clinton has returned to Portland to hold the Forest Conference and address the timber crisis in the Pacific Northwest. The stage has been set, and we find a battle waging between two formidable opponents. These sparring partners are symbolized either by the northern spotted owl (*Strix occidentalis*) or by the timber worker (Peterson 1990). It is a fight to the death because the conflict is characterized as jobs versus the environment. This may be an exaggerated description but it does cut directly to the heart and importance of the issue. Change is rampant in the Pacific Northwest and the management of Federal public land is both a gauge to measure the change as well as a cause of the change.

This paper supplies a brief description about key conditions in the Pacific Northwest to provide a backdrop of events that led up to the Forest Conference, the President's Plan, and the Northwest Economic Adjustment Initiative. It is a broad view with much of the information describing the entire

northern spotted owl region. However, it is important to note what is true at the scale of the entire region is not necessarily true for smaller areas of the region, communities, or individuals. Averaged conditions hide many important differences.

The northern spotted owl region (see fig. 1) includes counties in western Washington and Oregon and northwest California. Metropolitan and nonmetropolitan counties (Butler and Beale 1994) are also identified since much of the information presented is classified by these two groupings. For this analysis, two metropolitan counties, Shasta, CA and Benton, OR, are included in the nonmetropolitan category. This was done because of their important rural characteristics and to facilitate data collection.

POPULATION AND POPULATION CHANGE

The population and how it has changed by metropolitan and nonmetropolitan counties are displayed in figure 2. Three quarters of region's population lives in metropolitan counties, but these counties comprise only 23 percent of the owl region land area shown in figure 1. The metropolitan population growth has averaged 2.4 percent annually during the twenty-year period ending in 1993. The nonmetropolitan component has averaged 1.9 percent during the same time period. Although the nonmetropolitan population growth rate is less than the metropolitan rate in the owl region, it almost doubles national population growth rates.

EMPLOYMENT AND EMPLOYMENT CHANGE

Eighty percent of the region's workforce shown in figure 3 is employed in metropolitan counties. Average annual employment growth rates for the metropolitan and nonmetropolitan counties, between 1988 and 1993, were 2.6 percent and 2.0

percent respectively. Similar to the population rates of change, the nonmetropolitan counties double national rates for employment growth. It appears the owl region is doing quite well in relation to the rest of the country.

The increase in people and jobs locally and nationally has in turn brought larger and more varied demands on the region's resources resulting in larger impacts on these resources and greater conflicts over their use. These changes have in turn caused significant social and political shifts in how the Federal public lands are perceived and managed. Changes in Federal land management activities have resulted in some people and communities receiving positive benefits while others do not. Although the region is doing quite well, the people and communities closely tied to Federal lands and resources for their economic and/or cultural livelihoods are often negatively impacted. Those associated with logging and wood products manufacturing were bearing a disproportionate share of the economic and social costs related to implementing existing laws, such as the Endangered Species Act, and due to changes in Federal land management. The following discussion looks at why wood workers and communities with historic links to Federal lands may need additional help to mitigate these impacts.

TIMBER HARVEST LEVELS AND CHANGE

The level of timber harvest in the owl region has always been variable. It follows national and regional economic trends, especially housing booms and busts, and shifts in log availability. Figure 4 displays two important periods affecting timber harvesting on all forest lands. Shown are market slumps in the early 1980s, and the slump from 1989 through the early 1990s. Timber harvest from Federal lands during the early 1990s was also reduced because of new forest and district plans, court injunctions, and shifts Federal land manage-

ment policy.

It should be noted timber harvest has recently decreased on non-federal lands, and the magnitude of the Federal timber harvest decrease in the nonmetropolitan area more than doubles the decrease in the metropolitan area. In other words, log supplies are lower, and the nonmetropolitan counties are bearing the largest share of the decrease.

In figure 5, federal timber sales and volume under contract are added to the information displayed in figure 4. The metropolitan and nonmetropolitan federal timber harvest amounts are also aggregated. Volume under contract is federal timber that has been sold and awarded but which remains in the forest. Federal timber sales and volume under contract are included to show how the effects of key court injunctions and Federal land management changes in the region were masked.

From 1978 through 1988, Federal timber sales were somewhat constant and averaged between 5.4 and 6.3 billion board feet. The first major drop in 1989 coincided with the first of Judge Dwyer's regional timber sale injunctions. New federal spotted owl management plans were also playing a role. In 1990, the primary cause of the increase in Federal timber sales was Section 318 passed by Congress to neutralize Judge Dwyer's injunction. This law required the U.S. Forest Service and Bureau of Land Management to sell enjoined timber sales. The northern spotted owl was listed as a threatened species also during this year. In 1991, Section 318 was not reenacted. During this year, a new injunction on auctioning or awarding timber sales was established which remained in force until the Northwest Forest Plan was finalized. The timber harvest on non-federal lands was relatively constant and generally followed market conditions. Volume under contract grew dramatically in the early 1980s as market conditions declined and

purchasers held on to expensive Federal timber bought in the late 1970s. The large buildup remained in effect until buy-out legislation was enacted in 1986 preventing widespread default on Federal timber sale contracts. With the exception of 1990, timber sales have been less than timber harvest lowering the volume under contract to 2.5 billion board feet by 1993.

The poor housing market and volume under contract reserves masked much of the immediate effects of the timber sale injunctions and changes in Federal forest management during the early 1990s. There was an adequate supply of timber in the region. However, some mills were closing due to localized timber supply conditions, changes in manufacturing technology, and poor market prices.

The depletion of the volume under contract reserves made the effects of the reductions in Federal timber supplies observable. In the communities where historic harvesting and wood products manufacturing utilized proportionally greater amounts of Federal timber, larger negative impacts from the reduced Federal timber supply were incurred.

TIMBER EMPLOYMENT LEVELS AND CHANGE

It was previously noted that 80 percent of the region's workforce was employed in metropolitan counties. Figure 6 shows more than one half of the wood products employment was in the nonmetropolitan counties indicating a high level of specialization in this sector for these counties. Between 1988 and 1993, nonmetropolitan timber employment decreased by 28 percent and metropolitan timber employment decreased by 16 percent. The declines felt in the wood products industry were greater in the nonmetropolitan counties, and the

effects of these declines were more strongly felt. Displaced workers in the nonmetropolitan counties had fewer opportunities to change jobs and remain in the same community.

Several components of the wood products manufacturing sector are displayed in figure 7. Within this sector, the top employers are logging and primary wood products manufacturing which include sawmills and plywood mills. The majority of the employment in these industries is also located in nonmetropolitan counties. The decline in logging and primary wood products manufacturing employment between 1988 and 1993 was 27 percent in metropolitan counties and 32 percent in nonmetropolitan counties. Metropolitan counties slightly gained in millwork employment while nonmetropolitan counties declined. Secondary wood products manufacturing such as millwork was not offsetting losses in logging and solid wood products manufacturing especially in the nonmetropolitan counties.

CONCLUSION

The Pacific Northwest has a regional economy that is doing very well especially when compared to national average. The region shows better population, employment, and nonfarm labor income growth rates. However, the timber industry once considered the backbone of the Pacific Northwest and many forest-based communities is in transition. The industry, and the people and communities linked to it, are being negatively affected by changes in Federal land management activities. The question is whether targeted assistance with an economic adjustment initiative is able to mitigate these impacts on the people and communities.

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Figure 1 -- The owl region, metropolitan and nonmetropolitan counties.

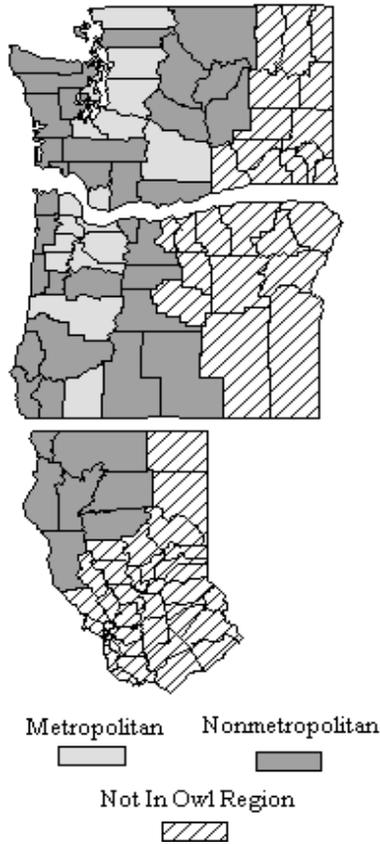
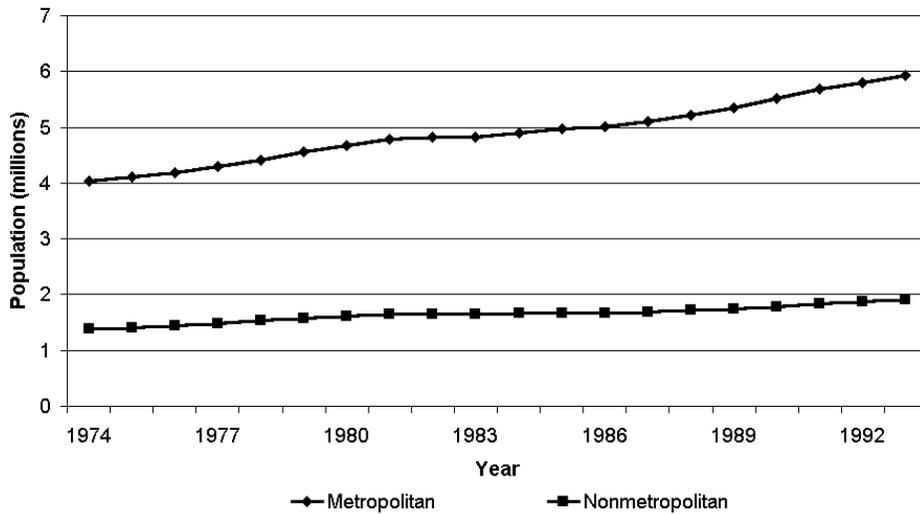
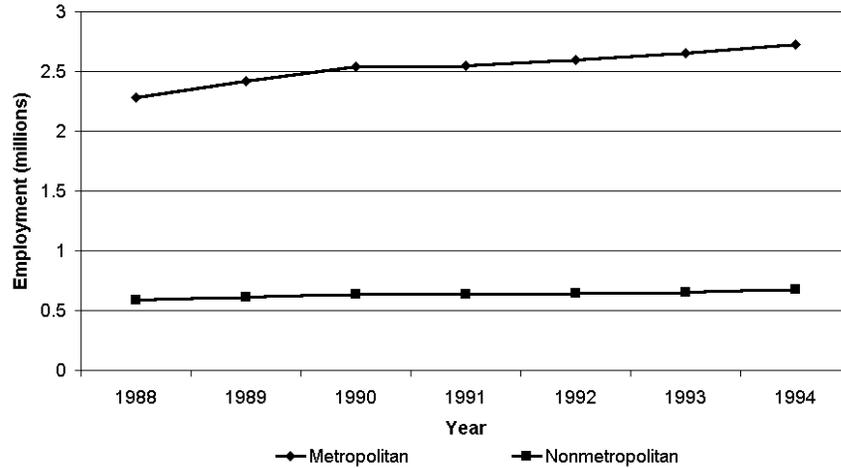


Figure 2 -- Metropolitan and nonmetropolitan population, 1974-93.



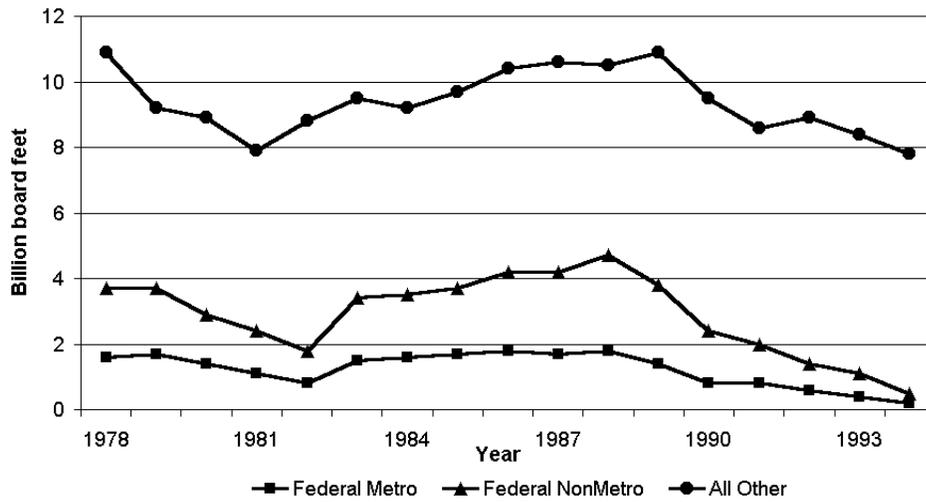
Source: U.S. Census Bureau and State Census Data Centers

Figure 3 -- Metropolitan and nonmetropolitan employment, 1988-94.



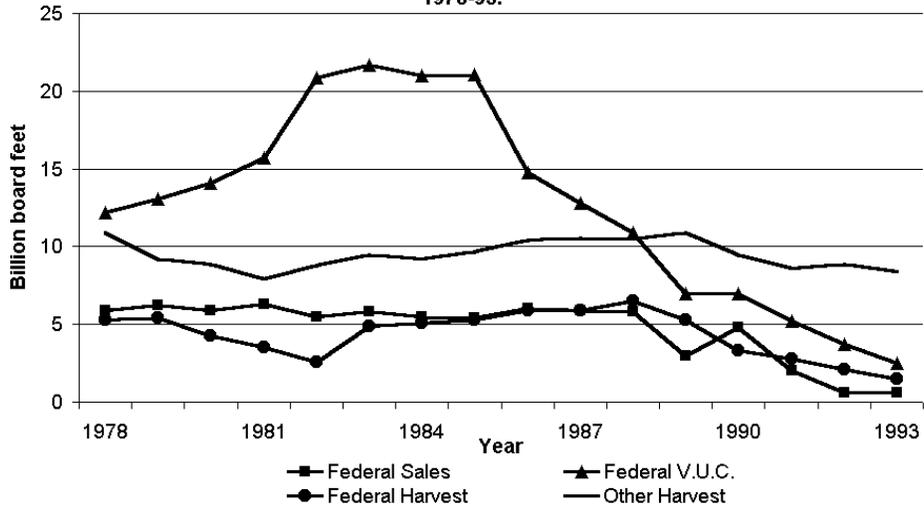
Source: Regional Economic Information System, U.S. Bureau of Economic Analysis

Figure 4 -- Timber harvest in the region, 1978-94.



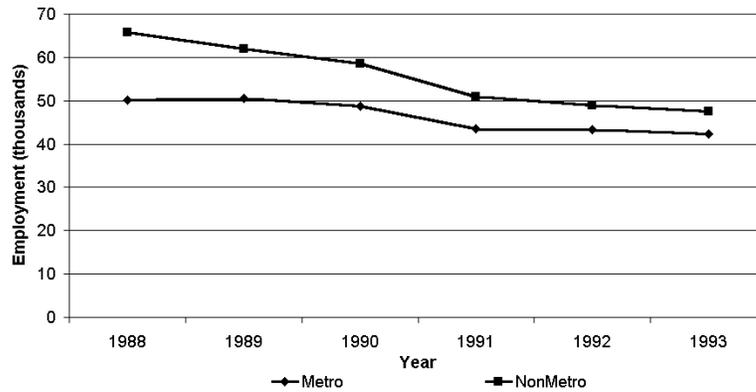
Source: USDA Forest Service, Oregon State ODF, Washington State DNR

Figure 5 -- Timber sales, harvest and volume under contract in the region, 1978-93.



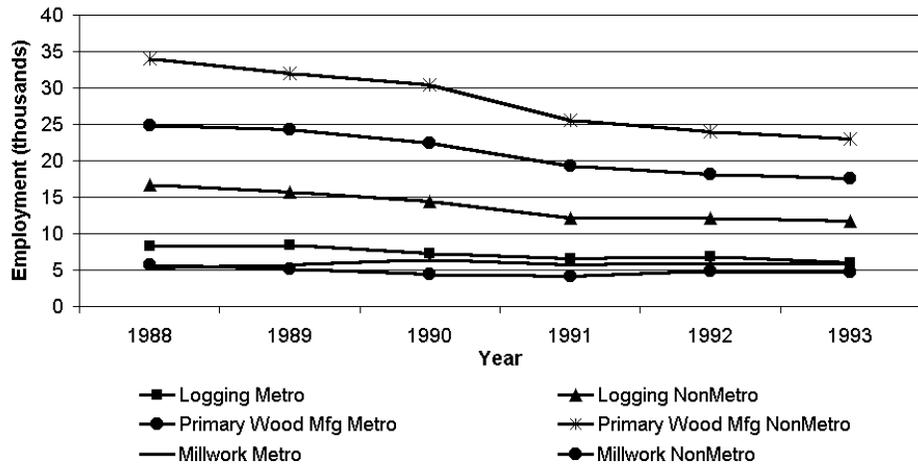
Source: USDA Forest Service, Oregon State ODF, Washinton State DNR

Figure 6 -- Metropolitan and nonmetropolitan wood products employment, 1988-93.



Source: State Employment Security or Employment Development Departments

Figure7 -- Metropolitan and nonmetropolitan wood products employment detail, 1988-93.



Source: State Employment Security or Employment Development Departments

Chapter 3-The Washington Perspective

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ABSTRACT

The Washington Community Economic Revitalization Team (WACERT) is the Washington component of the NWEAI (Northwest Economic Adjustment Initiative). The WACERT developed eligibility criteria that defined its service area within Washington. WACERT has developed project proposal forms, offered training agency staff and communities, made improvements in the project development process and created a lead agency approach that contribute to a one government approach. Further challenges and opportunities remain for WACERT in the continued implementation of the NWEAI.

Keywords: Washington Community Economic Revitalization Team, eligibility criteria, project proposals, lead agency.

INTRODUCTION

The forests of the Pacific Northwest and northern California form a region providing a wide range of resources and services valued across the United States. In the late 1980s and early 1990s tension between the demands for timber harvests and increased environmental protection mounted. These conflicting mandates came to a head in 1991 and 1992; an injunction prevented the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM) from proceeding with any new timber sales in the range of the northern spotted owl.

These legal actions crashed through the rural, natural resources areas of Washington state. The poverty rate in rural areas rose to 50 percent higher than the urban regions. Over 20,000 direct and indirect jobs were lost. In Skamania county, the job loss represented a 31.9 percent reduction of the

labor force.

In 1991, the Washington state legislature enacted a comprehensive set of state programs geared towards providing assistance to dislocated workers, impacted communities and businesses. That effort continues to this day, coordinated by the Governor's Timber Team, now the Governor's Rural Community Assistance Team (GRCAT). Principles of the effort include the following:

- targeting activities and dollars to those communities and individuals in need (see fig. 1).
- utilizing a participatory process to guide activities and dollars according to locally determined priorities.
- maximizing the impact of the state presence and leveraging other state, federal and private resources through collaboration and coordination.
- utilizing strategic problem-solving approaches to find the best solutions to problems.

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, the Northwest Economic Adjustment Initiative (NWEAI.)

WACERT

The Washington Community Economic Revitalization Team (WACERT) is a component of the NWEAI. The goals of WACERT are to:

- 1) respond to locally defined needs with a system that is flexible and innovative, and 2) 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. The first WACERT meeting took place in December 1993. WACERT acted to adopt eligibility criteria developed by the Governor's Timber Team.

GRCAT Eligibility Criteria¹

The GRCAT eligibility criteria are as follows:

- Population
- Poverty Rate
- Unemployment Rate
- Lumber and Wood Products
- Location Quotient
- Finfish location quotient²

The application of these criteria meant that WACERT determined its service area (see fig. 1) was greater than the spotted owl region defined in the record of decision for the Forest Plan. The WACERT took this action to promote consistency in service delivery between state and federal programs and to promote the bottom-up project planning and implementation advocated in the NWEAI.

The WACERT communicated this information in writing and through six community forums. Later in the year WACERT conducted a video conference with down links to each of the 20 designated eligible counties. While the perception was that WACERTS were doing a good job at communicating to constituents, the lesson learned was that communication is the largest and most elusive task facing an administrator. By the end of the year WACERT was sending monthly updates to congressional representatives and periodic mailings to all eligible jurisdictions.

Through the GRCAT Economic Development Subcommittee, WACERT pioneered a two page

project proposal form. The project proposal is the first step towards a one government approach to service delivery and is the decision aiding tool for the WACERT. The project proposal helps the WACERT learn about an economic diversification strategy and the project or projects designed to help achieve that strategy. It helps the WACERT gauge what planning efforts, feasibility, design and engineering work are complete, and what fund raising efforts have taken place to date for a project. The project proposal provides information on short and long term benefits of the project to the jurisdiction and surrounding area. The project proponent identifies local measures of success on the project proposal, as well as special circumstances that make the project compelling.

WACERT Practices, Goals, and Lessons Learned

The first deadline for project proposals to the WACERT was February 1, 1994. Over 600 proposals were submitted from eligible jurisdictions across the state. The WACERT utilized the lead agency approach defined in the implementation plan of the NWEAI. At the end of the fiscal year, the WACERT received feedback that this approach did not result in funding of high priority local projects and that the process used was unclear. The lesson learned was to be more precise in defining methodology.

¹GRCAT criteria reviewed each biennium; for Federal fiscal year 1994, Chelan and Yakima counties were eligible. Yakima was removed from eligibility in 1995 while rural Clark county was added to the list of Rural Natural Resource Areas. In 1997, Clark county was rendered ineligible.

²Added as GRCAT eligibility criteria in 1995 due to closure of coastal salmon fishing season.

For the 1995 Federal fiscal year, WACERT changed its practices. It developed a method of operation that details principles and policies of WACERT in a manner consistent with the Northwest Forest Plan. It deviated from the standards of the implementation plan by developing the WACERT process (see fig. 2) for project development. This includes numeric prioritization of projects and assigning scoping agents to projects rather than scoping agencies. This served to personalize the NWEAI and build accountability into the process. The outcomes of these improvements were that more projects received better technical assistance and support. Another outcome is that assistance was given to high priority projects that were ready to go.

The WACERT continued these methods through the 1996 Federal fiscal year and offered training to state and federal staff in project scoping and to communities in project development. This same year WACERT began using technical teams to provide assistance to complex projects requiring multiple agency participation and solutions.

At the same time, improvements to the project development process were taking place, policy initiatives between federal agencies were underway. In 1996, the USDA Rural Development, Forest Service and the Economic Development Administration laid the groundwork for the next phase of partnerships. The agencies signed an interagency agreement that allows, on jointly funded projects, for one agency to take lead agency status. This means the following:

- Partner agencies transfer project funds to the lead agency, creating one project funding pool.
- The three agencies adopt and/or develop one set of project conditions.

- The three agencies agree that the lead agency will oversee project implementation, establish implementation requirements, and be responsible for fiscal oversight.
- The three agencies agree up front to one set of rules and regulations.
- The local client submits one report to the lead agency.
- The local client submits reimbursement requests to one agency.
- The lead agency takes the responsibility of communicating with and disseminating project information to the partner agencies.

If problems arise, the lead agency is responsible for coordination with partner agencies.

The end result is a more streamlined, less burdensome process. This creates a one government approach, and allows for a seamless delivery system of partnering with local communities to meet and address local priority needs (see fig. 3).

In Federal fiscal year 1997, the WACERT recognized that the really hard work was about to begin. Jurisdictions with the greatest capacity to structure good projects were the ones that received assistance during the first era of the NWEAI. The WACERT recognized that the time had come to work harder to ensure that the most rural communities were given the tools to develop and implement projects. To that end, WACERT designated seven special emphasis areas. These areas would be the targets of technical assistance in Federal fiscal year 1998. The lesson learned through this exercise was that the job of

restructuring rural natural resource economies takes as many years to accomplish as it took to create those economies.

Given that one of the goals of the NWEAI is the marrying of economic development with ecosystem considerations, WACERT attempted various ways of bringing the two sides together. One way was to designate WACERT liaisons to the province teams. The success of this venture was mixed, in part due to changes to the WACERT member roster, and in part to insufficient communications between the province teams and the WACERT. The WACERT also held meetings in the adaptive management areas. This was valuable for information sharing, but working together has yet to be achieved. The lesson learned is: Never give up. In Federal fiscal year 1999, WACERT plans on holding joint meetings with the province teams.

Another lesson learned is that there are other ways of achieving the marriage between ecosystem enhancement and economic development. One example of this is the Forestry Training Center in Forks, Washington. Another example is the partnership between the federal Jobs in the Woods programs and the Washington state Jobs for the Environment Program. Through this collaboration, state and federal agencies were able to partner across watersheds, cluster contracts to offer longer term employment and achieve goals for habitat restoration. A final example of a successful partnership between the two components of the Northwest Forest Plan is the Watershed Restoration/Resource Joint Apprenticeship Program. This program is a state Labor and Industries approved apprenticeship program. To date, five workers have achieved the competency standards for this classification. This classification is an example of the "Eco-worker" envisioned by the Clinton Administration.

The Future

Challenges and opportunities remain for the coming years. Examples are as follows:

Work in terms of workers and families-- Timber impact areas ranging from Grays Harbor to Okanogan County continue to experience economic dislocations. These workers need assistance with retraining and job placement. The WorkFirst program and welfare reform carry major implications for rural areas in Washington state. The WACERT, through its monthly meetings in rural areas and its ties to other policy arenas in state government, can help identify issues and needs as well as a framework for discussion and resolution of some future challenges.

Work in terms of communities and infrastructure-- Many infrastructure investments, such as upgrades to the wastewater treatment facility in Ilwaco are enough to bring communities into compliance with current regulations. Enabling communities to pursue strategies for economic development and job creation requires additional infrastructure investments. The WACERT needs to work with regulatory and funding agencies to ensure alignment of resources from the project planning phase through project implementation.

Work in terms of business and industry-- The goal in many rural areas is the retention of existing commercial and industrial businesses. Key issues include: business assistance, access to capital, identifying and capturing trade leads, and Internet access. WACERT has provided some support to business and industry projects. Given that business growth in rural areas lags behind that in urban areas, WACERT should be an information forum to ensure that rural businesses have a voice in setting policies that affect them.

Work in terms of habitat-- Successful implementation of the Northwest Forest Plan requires a high level of coordination and cooperation among agencies to conserve fish, wildlife, and plants, including those federally listed or endangered species by preserving and restoring the forest ecosystems on which they depend. Given potential listings of salmonid species, and eastside ecosystem issues, work in this area has just begun. It is the hope of WACERT that the Locke administration coordinates emerging initiatives with ongoing and successful efforts of the Northwest Forest Plan ecosystem projects.

The challenge to the Federal government and the state of Washington is to renew its commitment to the principles of the NWEAI, and to pursue its goals with vigor.

GENERAL INFORMATION ABOUT WACERT

Website: [Http://www.wa.gov/governor/wacert](http://www.wa.gov/governor/wacert)

Service Area: 20 counties, tribal governments and other eligible jurisdictions located therein.

Membership: 10 Federal and 3 state agencies; 4 county and 4 city representatives, 2 economic development council representatives, 1 public port representative, 5 tribal government representatives, 3 not-for-profits, organized labor, and 1 private lender.

Partnerships: 12 Federal and 5 state agencies; all eligible counties, cities, tribes, economic development councils, public ports, and not-for-profit entities.

Special Features: Training sessions for staff and communities, goals and performance measurement system implementation, the WACERT Awards,

special emphasis areas.

Publications: Annual Reports (94 to 97); County by county project updates (94 to 97); Success stories for Federal fiscal year 1994 and Federal fiscal year 1995.

Figure 1: GRACT eligible counties in Washington

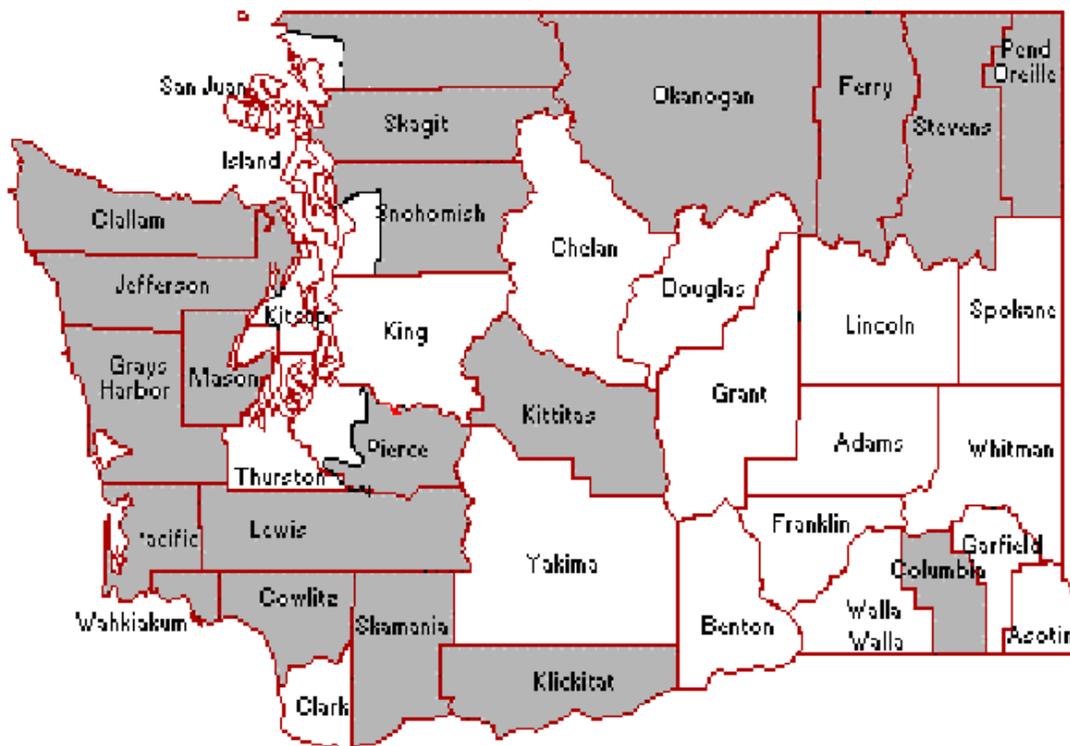


Figure 2: -The WACERT Process

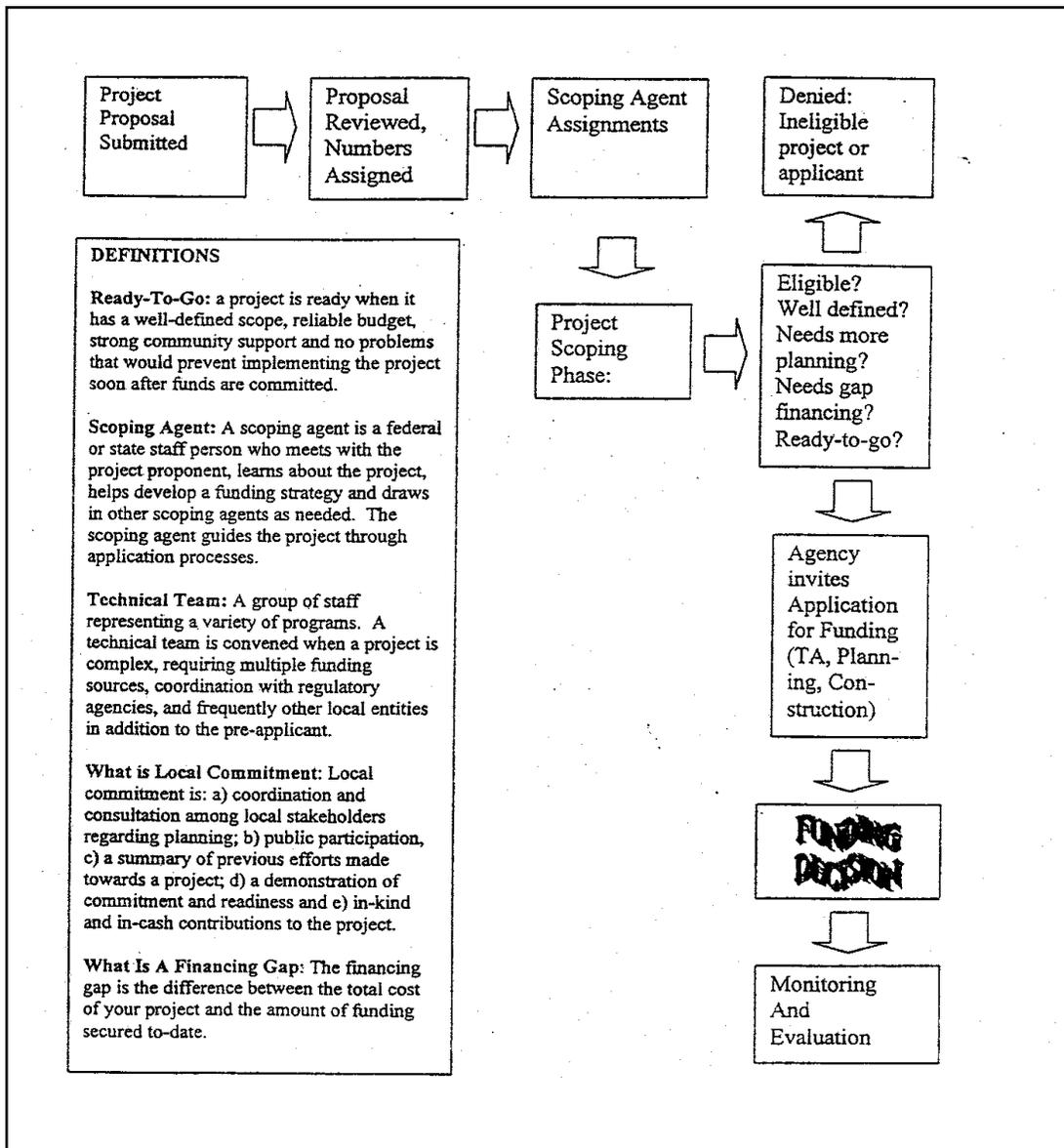


Figure 3: WACERT policies resulted in increased partnership between Federal and state funding programs, a primary objective of the NWEAI, as demonstrated by the number of projects with multiple funding sources. In Federal fiscal year 1994, eight projects were funded with multiple sources. In Federal fiscal year 1995, that figure increased to 15. In Federal fiscal year 1996 multiple funding sources made 23 projects possible. Federal fiscal year 1997 saw multiple funding sources on 29 projects.

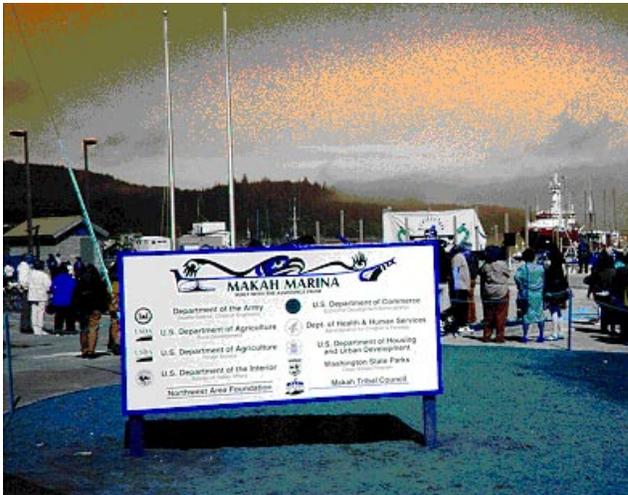


Figure 3 continued. Notes on and descriptions of various projects up for NWEAI funding in Washington state.

Project Description	Estimated Cost	By When?	Category	1	2	3
ATER SYSTEM			-design -pre-constr -permitting -constr/maint -close-out	CDBG Community Investment Fund	RD	Drinking Water SRF
storage tanks		1997		<ul style="list-style-type: none"> • CDBG plan is RA for • 1997 Act • 1997 Act • final draft stage of • no more info • no help 	<ul style="list-style-type: none"> • local fund 50% • max 5% of cost • eligibility criteria • include local • include private • include service 	<ul style="list-style-type: none"> • focus on drinking water • mostly tanks • ready to go • 1997
7,000 gal at Seidel Street #2 (includes storm piping 1,000 gal at PRV location #1 pressure reducing valve)	\$190,900 \$141,300	ASAP		<ul style="list-style-type: none"> • CIP - how long would it take to get the money or does drinking water need to be done • drinking water fund • building up fund • Cap doesn't say more 	<ul style="list-style-type: none"> • up to 20 yrs but 20 yrs - with 20 yrs - and 20 yrs - and • match to state • can guarantee • RD gets 50% • 5% of 100% fund • 5% of 100% fund 	<ul style="list-style-type: none"> • yes
12" line to schools #1A	\$134,900 \$46,100	1997	Construction			yes
meters in town	\$150,000	before ready purchase + PWT + RD funds	install	yes		21582 yes

Chapter 4—The Oregon Perspective

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ABSTRACT

The Oregon Community Economic Revitalization Team for the Northwest Economic Adjustment Initiative (NWEAI) is patterned on the Oregon Rural Development Council that preceded the Northwest Forest Plan. The team and the council meet jointly in Oregon rural communities and are in the third year of alignment, at the time of this forum. The team and the council are part of the statewide effort to optimize assistance to Oregon communities experiencing distress.

Keywords: Oregon Rural Development Council, Oregon Community Economic Revitalization Team, economic assistance.

THE OREGON PERSPECTIVE

Similar Goals, Different Approaches

The formation and implementation of the Oregon Rural Development Council (ORDC) preceded the implementation of the Northwest Economic Adjustment Initiative (NWEAI), the economic recovery element of the Northwest Forest Plan, and the formation of the State Community Economic Revitalization Team (CERT) by three years. Both initiatives are a collaborative effort with the state of Oregon as memorialized within existing Memorandums of Understanding.

The CERT patterned its approach and implementation of the NWEAI upon the operational model developed earlier by the Council. During the first two years of the NWEAI both organizations conducted meetings throughout rural Oregon. Many of the participating partners were different, but the majority of Federal and state partners were the same. The meetings were convened within rural communities throughout the state and were focused

upon locally identified needs and issues. This approach provided a focus upon rural communities; the ORDC had statewide focus, while the CERT focus was principally upon those communities within the western and central areas of the state indicated as distressed due to a decline in timber harvests, mill closures, and job losses.

In implementing the strategic measures of the NWEAI, the CERT developed a consensus-based project prioritization process that was focused upon specific funding needs to alleviate conditions of economic distress in four key areas: Workers and Families; Business and Industry, Community and Infrastructure, and Ecosystem Investment. The resources of the collaborating Federal partners were focused on these activity areas. However, the ORDC is not focused upon projects or project funding but on the identification and resolution of barriers and impediments to the overall health and well being of rural communities.

Collaboration and Cooperation

In 1994, a series of information discussions were held regarding the possible alignment of integration of the two organizations. In 1995 scheduling of concurrent meetings around the state began. During that year a series of five forums were held jointly by the ORDC and the CERT to identify and discuss alignment related issues to further the two organization's cooperative and collaborative efforts. This process identified the following reasons for alignment:

- 1) The ORDC and CERT represent Presidential initiatives at work in Oregon through formal agreements between the Federal government and the state.
- 2) The ORDC and CERT meet with communities throughout the state to identify issues, needs,

and opportunities in order to assist with resolution of impediments to community health and economic well-being.

3) The dialogue with Oregon communities, networking with locally based community organizations, a cooperative approach to provide consistency in the provision of technical assistance, and project funding focused upon locally determined priorities represents a building block in Oregon's future economic foundation.

4) Neither the ORDC or CERT administers public funds, but enhances coordination of problem solving activities between Federal, state, Tribal, cities, counties, and private sector partners.

5) The ORDC and CERT are committed to providing assistance to rural communities experiencing distress in the identification of local needs and opportunities, the development of strategic plans for economic recovery, the nurturing of local response teams and action committees, the removal of barriers impeding success, and the encouragement of each community to implement its plan for community health, economic sustenance, and planned growth management.

6) The ORDC, by consensus of the partnership, will be the enduring organization.

A Partnership Develops

The outcome of this combined effort resulted in the development of an aligned strategic plan to focus the activities of the ORDC and the CERT during 1996. Beginning in January 1996 the organizations began convening monthly meetings using a coordinated agenda, and a total of four regional forums were convened throughout the state. The regional forums shifted focus from the project and barriers orientation of the CERT, to the broader

needs and issues identification of the ORDC. The process embraced the emerging Healthy Community concept being introduced through Governor Kitzaber's Community Solutions Team. The team project notification process, based upon the prioritization of projects through a locally focused consensus model, was expanded to include all counties and communities within the state. The process enables funding partners to focus scarce resources on locally identified, high priority needs.

At the time of this forum, the ORDC and the CERT are engaged in the third year of alignment and continue to meet jointly with rural communities throughout the state. We continue to carefully listen to our local partners, to gain greater understanding and insights into their issues and challenges, and to continue to evolve responsive techniques that emphasize sound community planning and outcomes. The Governor's office, through the Community Solutions Team (comprised of the directors of the departments of Land Conservation and Development, Transportation, Environmental Quality, Housing and Community Services, and Economic Development) have developed quality development objectives for Oregon communities. The objectives provide guidance in the development of healthy and sustainable communities. Oregon's present focus, as directed by the Oregon legislature and the Governor's office, is to optimize assistance to Oregon's rural communities, with an emphasis upon assistance to those communities experiencing distress. The ORDC and the CERT are engaged in this statewide effort and will continue to work within the Principles of Partnership established in 1995 through a joint effort of the Governor's Office, partnership agencies, and local governments.

The alignment of the Oregon Rural Development Council and the State Community Economic Revitalization Team is one aspect of the joint efforts of collaborating agencies to improve and change

the way that the business of Government is conducted. The two organizations continue to focus efforts on problem solving rather than program management. The effort and partnership continues...

Chapter 5--The California Perspective

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ABSTRACT

California is different from both Oregon and Washington in that California's population centers are located far away from the impacted part of the State. The formation, operation and linkages of the California Community Economic Revitalization Team (CERT) are documented in this paper. The CERT's role in California has been to provide staff support and Coordination between the counties, and the Federal and State agencies for the 1364 proposals that have been submitted. Future plans for the CERT and research needs related to the NWEAI are also included in this paper.

Keywords: California Community Economic Revitalization Team, Northwest Forest Plan, projects, research needs.

INTRODUCTION

California is not the same as Oregon and Washington. What most people think they hear is that we in California are "different". That is not what we are saying. We just have a different perspective on the President's Forest Plan in California than that of the other two states for a number of reasons.

CALIFORNIA'S DIFFERENCES

One of those reasons is people. We have over 30 million people in California and the overwhelming majority of those people live in areas not directly impacted by the Forest Plan. The geography of California is different from the geography of Oregon and Washington. Although Oregon and Washington have large population centers in Portland and Seattle, neither San Francisco nor Los Angeles are even close to the impacted areas. Only nine of

California's 58 counties were designated as being directly impacted by the plan. They are all in the northwestern part of the state, away from the population centers and voters. The closest most people in California get to the timber industry is going to the local Home Depot to buy a two by four, but most people don't realize where that two by four originates. The basic economies of the three states are also different as was pointed out in the Forest Ecosystem Management Assessment Team (FEMAT) document. In California less than five percent of the economy is comprised of timber sectors. Tourism, high tech, entertainment, and many other sectors overshadow the timber industry. The timber industry is an important component of the economy but it gets lost in everything else. It is not dispersed throughout the state as is the timber industry in Washington and Oregon. For the majority of California's residents, forests are what you see on television or drive to for recreation. However, in those nine impacted counties timber was and still is the mainstay of the economy. Finally, the politics are different in California than in Oregon and Washington. I am not talking about how liberal or conservative California is. What I am talking about is that the administration that is in place in California is Republican, while President Clinton, whose administration developed the Forest Plan, is a Democrat. This made the climate for implementing the plan quite different in California than in either of the other two states.

IN THE BEGINNING

While the CERT's started officially in December of 1993, the foundation for the California CERT started long before. In April, 1993 a number of county supervisors got together and enlisted the involvement of all of the eight (and later nine) county supervisors from the affected counties. They started meeting together with Terry Gorton, Assistant Secretary of the California Resources

Agency for Forestry and Rural Economic Development. Terry was the first chair of the CERT, and I worked for Terry beginning in August, 1993 on the CERT and other forestry related matters. The County Supervisors have always and still are the backbone of our CERT. Both Oregon and Washington have some local representation on their CERT but we have a county supervisor from each county on our CERT team. We all believe that they represent the people and communities that have been directly impacted and they were elected to represent home constituents. The County Supervisors should have a say in what direction the CERT should take to try to get relief to the impacted people and communities.

HOW IT WORKS IN CALIFORNIA

State CERTs work (as indicated by both Bill Scott of the Oregon CERT and Karin Berkholtz of the Washington CERT) because of the flexibility we have and, most importantly, because of the people. The people are the ones that make the CERT work. Most of the Federal and state representatives on the CERT have a one person shop. When we first called for proposals in November for 1993, we did not expect the large volume that we received the following month. We received nearly 600 proposals that first month. Each agency reviewed each proposal. You can imagine the agency folks having to review each and every CERT proposal for its' potential, as well as continuing to do their previous workload for the remainder of their territory (which in many cases was the entire state). This took a great deal of time and commitment from our Federal and state partners. This is where the flexibility came in. While the Ecosystem side of the plan was getting advice from the Provincial Advisory Committees (PACs), which are Federal Advisory Committee Act (FACA) chartered committees, the CERTs are not. State CERTs cannot advise the

Federal members what to do. The CERTs are information sharing, networking and coordination bodies only. But that also enables us to make changes in how we do things quickly. We talked to Oregon and Washington to find out how they were doing the evaluations and tracking and incorporated some of their techniques into our CERT. Each state CERT operates a little differently but there are more similarities than differences. In both Oregon and Washington the CERTS have much more of a state financial commitment for staff and resources than in California. In California two people from the Resources Agency operate the CERT. The coordinator, Janel Tarczy, and myself are the staff. Her salary and operating expenses are now provided through a grant from the Forest Service (initially funds were provided by a U.S. Department of Commerce, Economic Development Administration grant). In my case I also have another full time job with the Department of Forestry. I don't think this is the case in either Oregon or Washington. Oregon and Washington also had a Rural Development Council in place when the Northwest Forest Plan started.

OTHER CONNECTIONS

Another difference between the California CERT and the Oregon and Washington CERTs is connection to the ecosystem side of the Plan. At the beginning of this process we all felt that we needed to keep the economic and ecosystem sides separate. We in California were not in agreement with the Northwest Forest Plan and therefore did want a direct link to implementing it on Federal lands. But it became very obvious that there needed to be a link to the resource side in order to help the communities that had been impacted. The idea was to put displaced workers back to work in the woods doing restoration. Since all that funding was controlled through the U.S. Forest Service and Bureau of Land Management, and that was going to

be directed by the Provincial Advisory Committees (PACs), we saw a need for a link between the CERT and the three PACs in California. First, we tried to make sure that the county supervisors from the CERT applied for seats on the PACs. Secondly, we proposed to each one of the PACs that they form a subcommittee of five people to work with a subcommittee from the CERT to give the PACs some advice on the economic concerns of the counties and to better coordinate between the two groups. Also, myself and Mark Weetley from the California Resources Agency, occupy the single state seat on each one of the PAC's. I also represent the Governor's office on the Intergovernmental Advisory Committee (IAC). Figure one is a diagram of the organizational structure that we developed and each PAC and the California CERT agreed to. This link has worked but not as well as we had hoped in the beginning. We are continuing to try to make better connections between the two groups.

THE STATE'S ROLE IN THE CERT

You have heard from both Oregon and Washington representatives as to what their involvement and role is in their respective CERTs. As I said before, we have not had the fiscal resources to bring to the table in California that either of the other two states have had. Our role in California had been to provide staff support and to help provide better communication and coordination between the counties and the agencies, both state and Federal. We are the ones that call the meetings, staff the meetings, do the minutes, track the projects and troubleshoot the problems. We have had very little turnover at the state level. Terry Gorton, who left state service, was there since the beginning; I have also been there since the beginning (prior to the formation of the CERT) and will continue till the end. We have had several coordinators that have played a key role in this CERT organization

working in the Resources Agency but the direction has come from Terry and myself. The California Resources Agency has also been one of the links to accessing additional resources. Early on it was obvious that there was a lack of human infrastructure at the county-level, and there was no one person present to help people with the proposal process. The Governor committed one million dollars from his discretionary funds to fund a community coordinator in each of the nine counties. This came at a time when we had a number of major defense base closures but the Governor was convinced that this was a high priority. The community coordinators have proven to be an extremely valuable resource to both the CERT and, more importantly, to the counties where they work.

Delivery of the funding to the impacted communities has been very important in trying to diversify those impacted counties, communities, and people but the process that we all have gone through has also proven to be very valuable. As indicated before we asked the counties to submit project proposals on a short three page proposal form called a concept proposal. This proposal would give the potential funds, an idea of what the project was, the amount needed, and the number of people that would be employed. From these concept proposals the agencies would then ask for more detailed applications if the proposal was a project that they could, or in conjunction with another agency, fund.

There was tremendous diversity in the first 600 proposals received in December, 1993. We had proposals ranging from very complete and detailed projects that were already on the drawing board and were ready to go, to very primitive concepts. One of the proposals received was hand written and went something like this: "We have a great idea to employ lots of people and make lots of money. We need 13 million dollars for the project. We can't tell you what the project is because it is a secret.

Just send us the money and trust us.” I do not believe that this proposal got funded.

We did change the process using ideas from the other states, and probably the best change was the addition of the community coordinators to work with people submitting proposals. Some of the changes worked and some did not but we continue to refine the process to provide better service for the communities we are trying to assist. The community coordinators put on workshops with the representatives from the funding agencies and helped to develop projects that were more realistic and had a better chance of getting funded. Since the approximately 600 proposals submitted the first month we have received another 760 for a total of 1,364 proposals. The new proposals are better than the first proposals and some of those first ones have been rewritten or developed to make them better proposals. We have much better communications between the agencies and the counties. The CERT has assisted in delivering over \$78,000,000 from CERT-funded projects and an additional \$140,000,000 in CERT counties from non-CERT projects.

The process is, in the long term, as important as the funding of individual projects since the process will outlive the Northwest Forest Plan dollars funded through the CERT. The proportion of the project proposals that has been funded has increased over time (see fig. 2). The community coordinators and leaders in the communities have been working hard to learn the process and what makes a project that is likely to be funded. This is in large part, due to the ability of the coordinators knowing the requirements of the programs that could potentially fund projects. This will also carry over to projects after the special CERT funding is no longer available.

FUTURE ACTIONS

Because everyone who has been involved with the CERT process feels that it has been very beneficial, we want to, and have been working since the beginning, to putting things in place that will outlive the CERT. The CERT was originally set up for three years and has been extended to five years. We in California have always been planning to go out of business as a CERT. But we have also been planning to continue those things that were developed as a function of the CERT that need to continue. The communications and networking between agencies and the link to the counties in need of assistance are CERT processes we don't want to lose.

We have benefited from increased communication and started using a communications system called Team California Online (TCO). This is an electronic network through the California Trade and Commerce Agency that connects all economic development people in the state, not just those in the nine CERT counties. While we have our own forum to discuss privately CERT issues, we are also connected to the rest of the Economic Development community. TCO was not funded by the CERT and is therefore not dependent on the CERT for its continued existence.

We saw a need to train present and future community leaders in leadership skills to provide leadership in their own communities. We had a leadership-training workshop in 1995 where each county brought 30 members of the county who will help lead their communities into the future. At the workshop, we had speakers from around the country and gave each participant a workbook of tools to help them in their leadership role. The workshop also gave the county teams a place to start working on a county plan for the future. We are committed to find ways for the counties and the agencies to

continue to meet together even if there is no official CERT to orchestrate that interaction.

WHAT WE NEED FROM THE RESEARCH COMMUNITY

There are a number of things that we need the research community to step up and do. One of the purposes of this forum is to stimulate researchers to find out how well the CERT process has works. We need to find out:

Were the economic impact predictions in the Northwest Forest Plan correct? This Forest Plan and the planning process may serve as a model of how things will be done in the future. We must know if the projects were based on predictors that were correct. If we do not test to see if the rationale was correct then we cannot modify the process to more accurately predict impacts next time this type of model is used.

What were the actual economic impacts? Were they greater than expected or less? Was the type of impact that was expected actually realized? These have to be quantified at the local level, not at the state or county level. Many of the counties have one or two population centers that skew the statistics that are gathered on a county or state level. While those statistics may show that the county is recovering in fact it might only be the population center that is recovering and not those communities that experienced devastating economic effects and the real impact of the changing forest management policies.

Which economic diversification tactics worked and which ones did not work? This is a very important question that needs to be answered. We want to replicate those things that did work and modify those that did not. The last thing that I would wish

on the next group that tries to do a similar task is to make the same mistakes that we did if there is information out there to keep from making those tactical errors. The intent in these initiatives to get the assistance to the affected people as soon as possible and each wrong road you go down uses not only precious energy but also time.

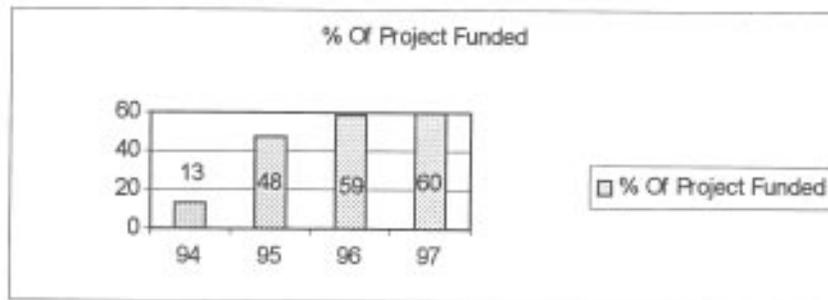
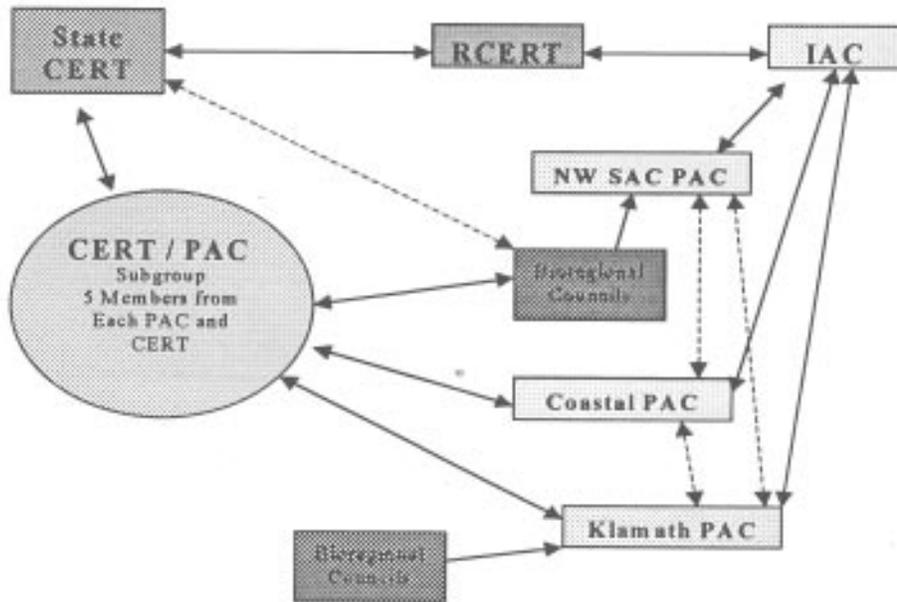
Our group and following groups need to know what factors to track from the beginning to see if we are going down the right road. We have all said we should have started measuring the effectiveness from the beginning to see how things were working. One reason we didn't measure effectiveness was that we were all too busy helping, and secondly, we did not know what, how and what scale to measure it in. We need your help in determining those factors.

Importantly, we need quick research results and your creativity in looking at nontraditional factors to monitor. We need approximate results early on, to see if what we are doing is working or not. We don't have three to five years to wait to see if what we are doing is effective. By that time it will be too late for the people and communities that we are trying to help. We need to know early on if something is not working, with the understanding that the level of accuracy of the information is low. We need indicators that show if we are on the right track or if we need to change to another path.

Finally we need your creativity to get out of the box of "this is the way we have always done it or measured it." We need to look at new ways of evaluating what we are doing including the scale of information that we are going to track. These need to be collected starting now so that there will be baseline information for the next community hit by changing forest management policies or some other event that impacts a community.

Figure 1--Northwest Forest Plan Community Economic Revitalization Team (CERT) and Provincial Advisory Committee (PAC) interaction and coordination in California.

Figure 2--Percent of project proposals submitted to the California CERT that were funded, by year



Chapter 6– People and Communities

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ABSTRACT

A variety of successful Northwest Economic Adjustment Initiative (NWEAI) projects from four counties in three states are examined and explained in detail. How communities were able to implement these projects is investigated, including addressing the key organizations, players and relationships. Possible room for improvement within the NWEAI process is discussed, as are concerns for the future of many communities.

Keywords: Siskiyou County, Linn County, Clallam County, Pacific County, economic diversification, Fairchild Medical Center, rural communities, Sweet Home Economic Development Group, Oregon Jamboree, Coastal Resource Science Center, Natural Biopolymer, infrastructure development, Makah Indian Reservation, Neah Harbor, Oregon Native American and Entrepreneurial Network.

SISKIYOU COUNTY, CA.

Overview: Background and History

Located about 70 miles north of Redding and about 70 miles south of Medford, Oregon, Siskiyou county is the northernmost county in the state of California. Small communities that are not easily accessible characterize the county; most are not near Interstate Five and are difficult to provide services to.

The size of Siskiyou county is approximately 6,300 square miles and two thirds of this is publicly owned land. The population is approximately 44,000 citizens.

Since 1990 Siskiyou county has been suffering from

a lack of timber and work. The lowest unemployment rate the county has experienced is 11 percent. The highest unemployment rate, normally experienced during the winter months, is 16 percent.

Of the nine California counties eligible for the Northwest Economic Adjustment Initiative (NWEAI) Program, Siskiyou county has been recognized as one of the most successful counties in regards to utilizing the NWEAI programs. Several factors in the county expedited the Northwest Economic Adjustment Initiative.

The Siskiyou County Economic Development Council and county business leaders conducted a countywide economic assessment five years prior to the NWEAI. This assessment showed that timber harvest, production and employment would not continue to support Siskiyou county as the major industry. The end result was a plan of potential economic projects that supported economic development and diversification compatible with the county's existing timber and agricultural industries.

When the NWEAI went into effect, it could easily be implemented because the necessary interagency relationships had already been formed. Facilitated by this interagency representation, numerous projects were developed and submitted. One such project involves the south Weed interchange area.

Community of Weed

The community of Weed, California consists of approximately 3,000 citizens. Weed is located in the middle of Siskiyou county, near the Interstate Five Corridor. This area had developable land, but no water capacity or sewer capacity.

Great Northern, a community based organization, had already been working on developing Weed

when the NWEAI was passed. The community of Weed was well prepared for handling the NWEAI process, resulting in the installation of water and sewer.

Five new businesses have since entered the community of Weed and two original businesses have expanded. A total of 169 people are now employed due to this project. A second project in this same community will allow for the Crystal Geyser water bottling plant to move into the south Weed area. This will create an additional 150 jobs.

The median annual income in the community of Weed, at the time of this forum, was \$40,000. This was an improvement when compared with the mill workers wages of \$7.50 to \$8.00 an hour. The state of California has ranked the community of Weed third on its list of developable property off of Interstate Five.

The success outlined here was made possible financially through grant and loan packages funded by the state of California Office of Rural Development, U.S. Economic Development Administration, and the U.S. Forest Service.

The Fairchild Medical Center

Siskiyou county successfully used the NWEAI to assist in building a new hospital in the town of Eureka. The county had only two hospitals to serve its 6,300 square miles; one of these hospitals was built in 1926 and asbestos had been detected in the building. The community responded to the economic opportunity offered through the NWEAI by organizing several local fund-raisers. The community succeeded in securing a \$2 million challenge grant from the McConnell Foundation, a local foundation covering both Shasta and Siskiyou counties.

The community went to the state of California Office of Rural Development for assistance, but the funds were not available. Instead of giving up on the project, the Office of Rural Development contacted its counterpart offices in Washington and Oregon, asking for unobligated funds. Washington and Oregon granted a total of \$8.5 million dollars for this project.

The hospital opened in the summer of 1997 as a 30-bed, state of the art facility, focusing on outpatient services. It can be seen as an example of coordination and collaboration among the agencies involved in the NWEAI process.

Common Ground and Future Issues

The participants in the planning process have seen their experience as a positive one. Not only was Siskiyou county well prepared for its involvement in the NWEAI process, the participants saw the value in meeting with state and federal partners to discuss common issues and search for integrated support.

Siskiyou county realized that in addition to strong interagency relationships and community resources, a large amount of time and efficient coordination were also necessary to build local capacity. Siskiyou county is still behind schedule in establishing effective economic opportunities for many of its more remote communities and tribes, with only one year left to the NWEAI process, at the time of this forum. Concerns over assistance for the future, funding for technical assistance, and funding for capacity building are strong in Siskiyou county.

LINN COUNTY, OREGON

Overview

The town of Sweet Home, Oregon is located 30 miles to the south, southeast of Albany. The population is approximately 7500 citizens. The economy of Sweet Home has always relied primarily on the timber industry. Sweet Home experienced a major recession in the 1980s and by the late 1980s the economy still had not fully recovered. When the controversy over the northern spotted owl began and regulations started taking effect, Sweet Home and Linn county felt the effects. By 1993, mill employment in Linn county was down to 3,600 jobs compared to 5,840 jobs in 1979.

Strategic Planning

The decline in the timber economy stimulated the Oregon Economic Development Department and Oregon communities to work together on developing a strategic plan to help prepare for the major shifts ahead. Sweet Home formed the Sweet Home Economic Development Group (SHEDG) in order to deal with diversifying the economy and help their community handle the changes. The Rural Development Initiative funded and implemented a Rural Futures Forum to help develop leadership in state timber communities in Oregon.

The northern spotted owl--The listing of the northern spotted owl was the test for many of these programs and their plans. Following the listing of the northern spotted owl, many communities experienced despair, job loss, and saw a population reduction of approximately 4,000 as families left Linn county. Linn county had approximately an 80-85 percent reduction in public timber, following the listing of the owl. It was time to test the strategic

planning the numerous groups had worked on earlier. As part of the NWEAI, a statewide Community Economic Revitalization Team (CERT) was established.

Projects for Recovery

The Oregon jamboree--The Sweet Home Economic Development Group, with the assistance of the Oregon Economic Development Department and the Rural Development Initiative, has for six years been sponsoring the Oregon jamboree. This three-day event draws up to 10,000 people per day, offering country music, showcases, and various talents.

Encouraging economic diversification--The Sweet Home Economic Development Group, working through the NWEAI, has assisted in putting in a water line to the eastern portion of the city limits, which in turn resulted in the establishment of a KOA campground, owned and run by two ex-timber families. Other projects include assisting economic diversity by attracting different businesses to the area, such as Invest-a-Cast, a manufacturer of titanium golf clubs, and Smurfit, a manufacturer of building materials and newsprint.

The Sweet Home Economic Development Group has also encouraged the Federally funded Jobs in the Woods program, which is working on watershed restoration and flood damage repair in the Sweet Home community area. The SHEDG also works with local contractors in employing graduates from the Jobs in the Woods program.

The NWEAI Process

What worked--One of the greatest benefits of the NWEAI process was the requirement that grant proposals come from a community supported

strategic plan. This planning process brought together diverse elements of the community; as a group they sorted out community goals, objectives, projects, and priorities. Another strength in the NWEAI process was the consultation and commitment provided by the program managers for the NWEAI in all state, Federal and local agencies. Whether it was the Oregon Economic Development Department or the Linn county Business Development Center, the assistance and encouragement was present. Finally, of utmost importance was the assistance provided to rural communities, not just urban and metro areas.

Room for improvement--The NWEAI Process could have been improved in the areas of communication, estimation of impacted counties, project ranking, and expected funding. Communication difficulties were experienced on the local level in regards to grants programs. Grant managers from different agencies often had difficulty establishing ground rules when brought into one program. On the federal level, Linn county felt it was possible to improve communication on the part of the Multi Agency Command (MAC). The procedure for estimating the number of impacted counties in Oregon could have been improved. The initial count was four and was later expanded to seven, and finally to include all western Oregon counties. Eastern Oregon was not included and they are just now beginning to feel the impacts of a declining timber industry.

Many communities found a loophole when submitting projects for priority ranking. Some communities submitted projects to the CERT, going through the ranking process, while others submitted their projects directly to alternative agencies for funding, bypassing the ranking process. Linn county sees room for improvement in this area. Another funding issue is based upon the difference between what was expected for new funding and what was actually

allocated.

The Future

The future for Linn county involves more than just the NWEAI process. The future involves a change in thinking. For example, Linn County has relied on the U.S. Forest Service and the Bureau of Land Management to handle many of its traditional outdoor heavy labor work, such as tree planting and road restoration. Now, with Jobs in the Woods, Linn county needs to support its dislocated timber workers by switching to private contractors to handle this resource work.

Linn county will continue to need outside leadership to assist in providing expertise, support, opportunities, and training; this assistance will be essential in keeping community spirit and momentum going during this recovery process. Support from local watershed councils is seen as a potential link which will need to be formed in Linn county, as it will bring communities, the private work force and natural resources management together to address watershed management while generating jobs. The final concern for Linn county is funding for the future, including funding and incentives for private land restoration.

PACIFIC COUNTY, WASHINGTON

Overview

Pacific county is located in the southwest portion of Washington State. The county has relied primarily on timber, agriculture, and fishing for most of its existence. The Pacific county economy saw a reduction in both its commercial and charter fishing industries in the 1970s. In 1994, salmon restrictions resulted in the closure of most of Pacific county's salmon fishing areas, with the exception of Willapa

Bay. In 1996, two seafood processors shut down and 150 jobs went with them.

Pacific county saw reductions in the timber economy, as well. The county once had 50 mills; by the late 1980s two mills remained in the city of Raymond. Pacific county had lost 60 percent of its workforce in the wood products industry.

Taking Action

Pacific county had not had a lot of positive experiences with state and Federal agencies. Pacific county officials were therefore very skeptical about the NWEAI; they assumed some type of regulations would be associated.

Pacific county officials were impressed and surprised when Federal and state representatives did not force regulations upon the county, but instead were willing to sit and listen to the proposed projects the county had in mind. Instead of telling Pacific county how they should implement the projects, they explained how they could help implement the projects. One of the projects was a community assessment project. With the assistance of the U.S. Forest Service, funding was obtained. This funding allowed for hiring of professionals who helped the county identify assets, liabilities, and potential directions for the community to take.

Projects

The boatyard--The City of Ilwaco had a boatyard at the port that was the only positive economic part of the port left. The boatyard's discharge permit was up for renewal. One of the requirements, which needed to be met before the Washington State Department of Ecology would allow for renewal, was installation of a water collection system in the area where the boats are pressure washed. The U.S.

Forest Service, Office of Rural Development assisted in financing the water collection system. The permit was renewed and business has continued.

The coastal resource science center--An earlier project was the Coastal Resource Science Center. It was realized by the citizens of Pacific county in the 1980s the salmon fishing industry would not last forever. One idea that would benefit all would be a way to coordinate all natural resource industries in the area, to use valid scientific methods to find ways natural resource industries can work together. Included in this idea would be the establishment of a database of information about the natural resources in the Pacific county area, even outside the area. The Coastal Resource Science Center will provide information to the public about the natural resources available in this area. The idea for the Coastal Resource Science Center was born early, but only recently has it started to become reality with help from the Washington State Department of Ecology, the Pacific County Economic Development Council, and the U. S. Forest Service.

City of Raymond

The city of Raymond in Pacific county is a natural resources-based town. The reductions in timber and fishing industries have contributed to reducing population size from 55,000 to 3,000 citizens. Numerous mills once existed in Raymond, now there are two. The community of Raymond reacted with frustration to their predicament, but soon realized economic diversification was necessary for the community to survive. After going through a period of focusing on what the community did not have, the community of Raymond switched gears and started to realize what it did have. Raymond recognized their location as being in one of the most naturally productive and pristine areas in the world. The community decided to sell this concept, and working with various eco-trusts and The Nature

Conservancy, formed the Willapa Alliance.

Portions of downtown Raymond once had an abandoned, industrial appearance. The city is now working to install a public waterfront, maritime museum, public market, a theater, parking, and artwork to make the city more attractive. The city of Raymond has also had continuing problems with their sewage plant, built in 1983. The NWEAI process encouraged the creation of the North Pacific county infrastructure planning committee, as well as gave them the financial opportunity to investigate new ways of managing their wastewater and solid waste issues.

Natural biopolymer---Kitasen is a by-product of crab and shrimp shells. It is found in various dietary supplements, products for rheumatoid arthritis, and shampoos. It is manufactured in Raymond by the parent company, Natural Biopolymer. As of July 1997, there were 36 employees; production had doubled and demand still could not be met. The company received a \$175,000 Community Economic Revitalization Board grant to help fund a new building in order to expand facilities.

Another company is interested in Kitasen. This company is also located in Raymond and currently specializes in producing cleaning supplies for pools and spas. The company is also interested in getting into the production of Kitasen. As both companies expand, their wastewater needs will increase. That brings the north Pacific county infrastructure committee back into the picture. Work has been continuing on this issue, with all parties involved.

Reflections and The Future

The partnerships which evolved from the NWEAI experience were beneficial for the city of Raymond, and Pacific county as a whole. The process was seen as flexible and educational. Some concerns cen-

tered around the Federal Jobs in the Woods and the state funded Jobs for the Environment program. Both are watershed/environmental restoration programs that hire dislocated natural resource workers. The question was asked as to whether workers are being set up for failure in these programs. That is, are jobs available after the training?

CLALLAM COUNTY, WASHINGTON

Overview: Makah Indian Reservation

Clallam county is located on the tip of the Olympic Peninsula in Washington state, just below the Strait of Juan de Fuca. The Makah Indian Reservation is located on the northwest tip of Clallam county, where Neah Bay and Cape Flattery are found. Neah Bay is located at the northwestern tip of the continental United States.

The Makah Indians have relied heavily on the fishing industry, primarily salmon, to support their economy. The timber industry has played a secondary role, but has been an important factor in the Makah Indian economy. The Makah Indian Reservation has seen both a steady decline in the supply of salmon and increasing regulations surrounding its timber harvesting methods due to the northern spotted owl and the marbled murrelet. Both of these factors have hit the Makah economy hard.

As of July 1997, unemployment on the Makah Indian reservation is about 50 percent during fishing seasons. During the off season, it can hit nearly 60 percent.

As of July 1997, the population living on the Makah Indian Reservation is estimated at 1,800 but the overall enrollment is approximately 50,000+ residents.

The Makah Indian Reservation realized they needed to establish economic goals. These goals included economic development, maximization of resources, preservation of culture and improved quality of life. One way to meet these goals was to create jobs for the future that provided economic self-sufficiency. This meant economic diversification.

Makah Marina

Neah Bay is subject to severe winter storms, due to its location on the northwestern tip of the United States. Up to six fishing boats a year are damaged in this area. For many years, the Makah Tribal Council had asked the U.S. Army Corps of Engineers to assist in developing a safe harbor and a marina for winter protection. In 1991, the Army Corps of Engineers finally agreed to assist in sharing some of the costs.

The breakwater facility--The first project was construction of a breakwater facility, a barrier to protect harbors from the impact of waves. The Makah Tribe needed to raise 20 percent of the costs for this 4 million dollar facility. By constructing the breakwater facility themselves, the Makah Tribe would save over 1 million dollars.

The Makah Tribal Council introduced the project into the Washington County Economic Revitalization Team (WACERT) process and by June 1995 had over 11 different state and Federal sources forming a funding package. This funding included help in both the planning and construction phases. The breakwater facility was completed by December 1995 and the marina completed by May 1997. This was the realization of a 30 year dream. Because of the safety provided by the breakwater facility, the fishing vessel fleet has expanded from seven to 150 vessels and two fish processing plants are now able to operate year round.

One of the economic development goals was improved quality of life, that can be met by providing year round employment found in economic diversification. Spin-off businesses have taken hold on the marina, such as vessel repair and supplies, tourism, charters, restaurants and shore-side services. The community has felt the rejuvenation of the economy and there has been a great sense of optimism for the future.

ONABEN

The Makah Tribal Council and the Makah Small Business Development Program signed a memorandum of agreement with the Oregon Native American Business and Entrepreneurial Network (ONABEN). The purpose of ONABEN is to assist tribal members begin successful businesses on their reservations by helping them develop business ideas, find start up capital, and create viable business plans. ONABEN's work with the Makah and other Washington tribes is funded in part through grants obtained through the Washington CERT process with NWEAI dollars.

Education and entrepreneurs--ONABEN has opened up an office on the Reservation and offers to the Makah community the Native Employment Works Program (NEW). The NEW Program provides information on how to obtain and complete a GED and college courses at the nearby Northwest Indian College. The NEW Program also provides the opportunity to enter The Basics Program, which helps with skill and career assessment, and/or development of a business idea. One goal behind ONABEN is to keep money circulating within the reservation by encouraging the development of locally owned businesses. ONABEN has noticed many continued needs within the Makah Indian Reservation and by working closely with the Makah Tribal Council and the community, hopes to get their program off the ground.

Chapter 7— Implementing the Initiative: On the Ground

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ABSTRACT

This paper documents a variety of ways the Northwest Economic Adjustment Initiative (NWEAI) provided assistance. The NWEAI worked with local governments and businesses, creating ways to implement community projects, create jobs, and retrain dislocated workers. For communities, the NWEAI provided both encouragement, resources for economic, community development planning, and infrastructure. Business aide provided entrepreneurs access to management assistance, valuable information and capital. This chapter examines programs that provided these types of assistance, or were formed with NWEAI assistance, including the USDA Rural Development Administration, the Oregon Native American Business and Entrepreneur Network, and the Coos, Curry, and Douglas Counties Business Development Corporation.

This chapter also provides information on programs which directed NWEAI funds towards ecosystem investment and/or workers and their families. One of the unique programs developed through the NWEAI was the Federally-funded Jobs in the Woods, an effort to retrain dislocated timber and mill workers in the skills needed to perform ecosystem restoration. Washington state's Jobs for the Environment program and Oregon's Rogue Valley Ecosystem Workforce are discussed. The establishment of the Siskiyou Training and Employment Program (STEP) and the Forks Forestry Training Program are provided. STEP and Forks Forestry Training programs provide different types of training related to forest management. It is explained how the programs work, including curriculum, benefits to communities, and employment opportunities for program graduates.

Keywords: ONABEN, Grand Ronde, Warm Springs, Klamath, SBA, Native American, entrepreneurs, RDA, Rural Enterprise, Roseburg, commer-

cial lenders, marketing, CCD, strategic planning process, One Stop Process, Coos County Business Incubator, Skamania, technical assistance. Jobs For The Environment, Jobs in the Woods, Columbia-Pacific Resource Conservation and Development, Rogue Institute for Ecology and Economy, restoration, sustainability, STEP, JTPA, ecosystem management, Siskiyou County, commercial thinning, silvicultural training

BUSINESS ASSISTANCE

Business Assistance: ONABEN

Creation--The Oregon Native American Business and Entrepreneur Network (ONABEN) was created in 1992 when representatives from four Oregon tribes realized that the Native American rate of participation in private ownership was well below the norm. In the state of Oregon, the rate for all races was around sixty whereas for Native Americans it was around nine. These four Oregon tribes, the Klamath, Warm Springs, Siletz and Grand Ronde, saw no connection being made between the Native American Community and the Small Business Development Center Network, which helps communities in Oregon create small businesses. The result was a lack of access to technical knowledge, of actual market accessibility, and of access to credit for existing and potential Indian businesses. These are major impediments to any entrepreneur. ONABEN is a solution to this problem, designed as an integrated program to help Native Americans create new businesses. A two class program was created; the first class lasts ten weeks, teaching students how to create a bankable business plan. After successful completion, the second class, the capitol access program, provides access to a micro-lending fund. The student may apply for loans through the Small Business Administrations

7A Program and/or a SeaFirst Bank's umbrella utilization program, classified as preferred lending status.

Guiding vision--The guiding vision for ONABEN has been to create quality service oriented businesses within the Native American communities that can compete with those outside the communities. Dollars brought into the communities will remain and recirculate within the Native American community. ONABEN believes that by creating successful businesses within the Native American community, successful role models are being provided for the Indian children. Children will see success as an expectation in life, not just an aspiration.

Track record--In the first year of operation, ONABEN worked with approximately 100 entrepreneurs and assisted in starting 25 businesses. In the second year of operation, ONABEN worked with 90 businesses, again starting 25 businesses. ONABEN anticipates helping to start 75 businesses in its third year of operation (1997) and projects to have helped start a total of 300 businesses by the end of 1998.

Location and assistance--The headquarters for ONABEN are located in the state of Oregon, with primary sites in Grand Ronde, Warm Springs, and Klamath. The Small Business Administration has been the primary underwriter for these sites, and the Rural Business Cooperative Service, located both in Siletz and Umatilla. The individual sites are called business information centers and have provided counseling, access to capital and marketing resources, and business information.

ONABEN has expanded out of Oregon, lending assistance to tribes in Washington state, such as the Makah, Colville and Yakama and has planned to expand to California state to assist the Hoopa tribe. There are 20 different sites in North Dakota, South

Dakota, Montana and within the Navaho Nation, which have been created based upon the experiences of ONABEN.

Business Assistance: USDA Rural Development Administration

Challenge of resentment--The Rural Development Administration (RDA), formerly the Farmer's Home Administration, was met with numerous challenges when the NWEAI was first announced. One challenge was explaining to those not directly involved in the NWEAI effort why so much funding was being directed to three states. Many career people in Washington, DC expressed resentment and or confusion, resenting the NWEAI process because it meant less funding for their areas to utilize.

Challenge of proposals--Another challenge was handling and prioritizing proposals. One RDA office received about 600 proposals during the first week on the job, and with only five to six staff to handle all that paperwork, it was demanding. Some projects were easily funded, such as water and waste projects. These projects improve infrastructure and take about two to three years to implement, often because of environmental processes. Rural Business Grant Enterprise proposals were those where economic planning teams had formed years earlier, and projects had already been envisioned in the context of a community plan. These proposals were also funded easily. Because not all counties had planned in advance, funds were not distributed equally in all areas. The RDA has been working on getting other communities to catch up. Other projects were in gray areas, others were very creative and visionary. When told a project was not going to be funded, an unfortunate response often received from the community was that they had the idea everything was to be funded. This miscommunication is something that needs to be improved for the future.

Challenge of state politics--Politics between the states created further challenges for the RDA. The Community Economic Revitalization Team (CERT) process in California was different from Oregon and Washington, and agencies that had never worked closely had to learn to build relationships in order to make the NWEAI work effectively among states. Paper trails were created in agencies in each of the three different states for one project receiving funding from all three states. This was not the most efficient way to handle paperwork, and is one of the problems which needs to be dealt with to improve the process.

Future challenges--Challenges remain for the future. The timber funds will disappear and a shortage of funding will occur in the RDA. Rural Business Enterprise Grants will decrease in availability. For grant and infrastructure programs, if there is to be funding at the level experienced with the NWEAI, it will have to come from Congress. For the loan funds created through the Intermediary Re-lending Program (IRP), there is a way to replenish funds without waiting for the loans to be repaid. IRP borrowers can explore utilizing secondary markets to sell off revolving loans, thereby creating additional revolving loan funds in an area. This potential should be investigated. The Guaranteed Business and Industry Program has not been fully utilized for funding, with the first step being outreach to lenders. Native American Tribes should be fully able to utilize business loan programs, and checks should be done to make sure the community coordinators are in place and funded. Finally, the importance of maintaining relationships and continually creating new relationships cannot be stressed enough.

Business Assistance: The Small Business Development Center

First stop project--The Small Business Development Center predates the NWEAI. The NWEAI assisted the Small Business Development Center by funding a project called the First Stop Project. Funding came from the Small Business Administration, the Oregon Economic Development Department, USDA Rural Development, and the Old Growth Fund. Although over fourteen centers in the state of Oregon participated in the First Stop Project, the following perspective is that of just one in the city of Roseburg, Oregon.

Making connections--The First Stop Project found that established businesses were of higher priority for funding than start up businesses in the Roseburg area. They chose established businesses as the target, although start up businesses were also assisted. The First Stop Project helped businesses find the program through commercial lenders by creating a pad of referral forms, which were handed out for free to numerous lenders throughout the county. Another way to make connections between the businesses and resources providers was setting up a meeting. Early during the project, a successful lunch meeting was set up between professionals and business resource providers, where 50 participants attended. Community corporations, business development corporations, attorneys, accountants and bankers throughout the county were invited to this meeting.

Jobs in the Woods--The state network office in Eugene noticed interest in the Federally-funded Jobs in the Woods program. Questions were being asked about how to access workers from the program and if the workers were successfully starting their own businesses after completing the program. The First Stop Project noted this interest and placed ads in newspapers advertising free business assistance for

individuals planning to enter woods related business or expand on existing woods related business.

There was zero response to this ad, which the First Stop Project believes was due to timing. The ads were placed in early 1996 and the appropriate time for this type of advertisement may have been 1992 to 1993.

Success on a small budget--For the First Stop Project in Roseburg, Oregon, a budget of only \$25,000.00 for two years assisted 337 businesses. These businesses were able to land approximately \$2.5 million in loans. Feedback from the clients of the First Stop Project supported the planning process chosen, and the ultimate summation was nothing would change if the First Stop Project were to be implemented again.

COMMUNITIES AND INFRASTRUCTURE

Communities and Infrastructure: Coos, Curry, and Douglas Counties Business Development Corporation

Barriers to getting started--The media generated by the NWEAI created many unrealistic expectations. The coastal programs for Coos, Curry, and Douglas Counties Business Development Corporation (CCD) received numerous applications from private businesses, many assuming everyone was going to receive grant funds from this NWEAI. Assistance from the Small Business Administration was necessary to sort through all the applications in order to find truly eligible projects.

Other barriers the CCD faced included a lack of knowledge about the state and Federal programs involved in the NWEAI process and a lack of strategic planning on the part of Coos, Curry, and Douglas counties. This lack of strategic planning often resulted in projects that had no clear defini-

tion, unrealistic timelines, and little budget information. It was also difficult for the counties to set priorities for their projects. The county planners did not give a lot of direction in this area and when the CERT process was established. Consequently, the people that the County Commissioners chose for local CERT teams felt overwhelmed.

Overcoming the barriers--State and Federal representatives came to the area and hosted a countywide forum in each county. The response was very positive. Counties learned how to establish priorities and develop long term strategies. Counties learned that the projects arise from a strategic plan, which helps the applicants reach agreement about the community's and county's priorities. The CCD learned about criteria for the priority setting process, which it passed on to the county, and difficulties in priority setting were minimized.

Other lessons learned included the need to maintain a level playing field. This meant no special treatment for any district, community, or port and conduct the establishment of priorities publicly to avoid perceptions of secrecy and possible suspicion.

Long-term outcomes--Many of these new skills will stay with the CCD and with others involved in the NWEAI process after it ends. Strong partnerships have been created between state, Federal, and local agencies that will remain long into the future. These agencies have also designed new ways of doing business, one that includes collaborative techniques.

Communities understand the importance of maintaining strategic plans for the future. The CCD has been able to obtain assistance through its funding partners and the Rural Development Administration to help the Coos, Curry, and Douglas counties annually update their strategic plans. The CCD has taken many of the important lessons from the CERT

process and transferred them into a regional strategies program. For example, the program mandates county projects come from a strategic plan, and that the regional strategies board must use an evaluation worksheet to help establish project funding.

Success stories--The importance of what CCD has learned from the NWEAI process is evident in many of its success stories. One such story is that of Coos and Curry counties finally being able to overcome the lack of flexible, affordable space for emerging small businesses. This had been an ongoing problem, but after four and a half years, the Coos County Business Incubator was created. The first result was 22,000 sq.ft. of space for lease to small businesses at affordable prices. The Port of Brookings harbor had added nearly 10,000 sq.ft. of retail space to their area, and the city of North Bend has been working to add 43 acres to their airport business park.

Other successful projects include the city of Coquille, which lost over 300 jobs after the closure of a Georgia-Pacific mill in 1990. One project has focused on turning the mill site into a business park. The city of Myrtle Point is another example. After the closure of a Georgia-Pacific mill, the city almost became a ghost town. However, funding to create a new main street has given existing businesses along the street the incentive to improve their appearance, also helping improve the quality of life in the area.

Communities and Infrastructure: Port of Skamania, Skamania County, WA

Skamania county--Skamania county, Washington, is composed almost entirely of rugged, mountainous areas, 80 percent of which are the Gifford Pinchot National Forest. Another eight percent is comprised of public, state and federal ownership and the remaining 12 percent is private, of which only 1.7 percent is taxed at full value. The entire population of Skamania county is 10,000; nearly all live along

the Columbia River, near the Cascades. The largest urban area has a population of 1,200 citizens.

Skamania county has been continually experiencing various forest management practices and environmental regulations, and in 1986, 15 percent of the county became the Columbia River Gorge National Scenic Area with land use restrictions placed upon the only occupied lands within the entire county. Next came timber harvest restrictions from 1992 to 1993. Timber jobs, numbering nearly 1,000 in the early 1980s, were less than 200 in 1997. Service-oriented jobs, on the other hand, rose from 100 in the late 1980s to over 700 in 1997. The average cost of a home in the city of Stevenson, however, rose from \$73,000 in the late 1980s to \$175,000 in 1997.

Skamania county protested these impacts and formed the Community Action Team, a 42 member committee made up of various public entities and county citizens.

Feedback on four goals

Four goals had been mentioned earlier in the symposium in regards to communities: 1) allow communities to manage their own destinies; 2) provide technical assistance; 3) cut red tape; 4) provide access to the dollars. Skamania county, one of the two hardest hit counties in Washington state, had feedback on these four goals.

Managing destinies and providing technical assistance--Overall, Skamania county saw that when it came to providing community assistance, the CERT program was successful in implementing these four goals. There were concerns about providing technical assistance to communities. Do the communities have the tools to continue building healthy economies once the technical assistance is gone? The importance of continuing technical

assistance within the county and communities after the NWEAI ends is emphasized.

Skamania county has seen the importance in allowing communities to choose their own destiny. Sustainability is generally seen as good but may not be the appropriate goal for some rural communities. Each individual community should be able to address any rising conflicts between the rural quality of life and fear of change due to economic impacts.

Cutting red tape and providing access to dollars-- After developing a comprehensive plan of goals and objective, the CERT process gave Skamania county and the Community Action Team the avenues to implement necessary projects. The CERT process had definitely cut through red tape, created partnerships, helped establish mutual understanding and communication in Skamania county. The CERT process was able to provide avenues for implementation of many projects, which brought in needed dollars into various communities. But communities of Skamania county asks if this was enough? Did the money go to the right projects? What will happen once the money is gone and the NWEAI ends? Skamania county's rural communities do not have the same options as many metropolitan areas when economic challenges such as this arise. These rural communities are natural resource dependent; they have never had to conduct a long term capital facilities plan or a marketing plan for economic development. It was never necessary in the past and now it is necessary. Cost/Benefit analyses, long-term budget planning, long term comprehensive planning, wide range public involvement processes: these are seen as the kinds of tools necessary for all communities if they are going to survive after the NWEAI ends.

ECOSYSTEM INVESTMENT & WORKERS AND FAMILIES

Ecosystem Investment: Columbia-Pacific Resource Conservation & Development

Background--The Columbia-Pacific Resource Conservation and Development Organization (Columbia-Pacific RC&D), located on the Olympic Peninsula in southwest Washington state, provides technical assistance in the form of project planning, implementation, and administration to community groups involved in the Northwest Economic Adjustment Initiative (NWEAI). Examples include setting up a revolving loan fund for high risk businesses and managing habitat restoration projects. The main goal of the program is to provide communities with projects with encourage sustainable economic development.

History--Columbia-Pacific Resource Conservation & Development began its involvement in 1990, when it sponsored the Pacific Coastal Economic Recovery Conference. Four Washington state counties participated: Mason, Grays Harbor, Pacific, and Wahkiakum. Many ideas were formulated during this conference and one idea stressed the need for a workforce to restore salmon habitat. This helped lead Columbia-Pacific RC&D to begin its role in researching the Jobs in the Woods Program and eventually implementing the Washington state funded program, Jobs for the Environment.

Ecosystem Investment: Jobs for the Environment

Creation--In 1992, with support from various Washington state timber companies, lumber mills, timberland owners, and the International Woodworkers of America, Columbia-Pacific RC&D successfully lobbied their state legislature for an appropriation of \$15 million for a program now known as Jobs for the Environment. The ultimate

goal for Columbia-Pacific RC&D was to create a new environmental restoration industry, using Federal, state and private funding.

Private industry--The creation of such an employment industry would provide the availability of a worker who is skilled in multiple jobs. Columbia-Pacific RC&D was servicing private industries, timber companies, conservation districts and public works departments in over five Washington State counties. Ninety percent of the work had been done on private land.

Training--The employee is trained in a variety of skills, including habitat restoration, watershed restoration, road decommissioning, commercial and pre-commercial thinning, ecosystem management, culvert removal, bioengineering, erosion protection, road maintenance, tree planting, stream bank protection and monitoring. Columbia-Pacific RC&D has in place an apprenticeship program which is 4,000 hours long, only 562 of which is classroom time. There is also an additional 2,000-hour add-on requirement for heavy equipment operation.

The Future

Columbia-Pacific RC&D created the first organized labor restoration nonprofit group in the nation. They will continue to build confidence within the private and public sectors, providing workers who are multi-skilled to handle an increasing variety of restoration projects. To assist in the continuing success of this program and others related to the Northwest Economic Adjustment Initiative, Columbia-Pacific RC&D sees a need for greater involvement on the part of the Congress and President's Administration.

Ecosystem Investment: The Rogue Institute for Ecology and the Economy

Background--The Rogue Institute for Ecology and Economy was founded in 1989 by a group of concerned citizens searching for a better way to deal with issues related to the economy and the environment, particularly with the effects of the declining northwest timber industry on Oregon communities.

In collaboration with other organizations, the Rogue Valley Ecosystem Workforce training partnership was created. As of 1997, the Rogue Institute is in its third year. In 1997 the training program had 16 first year students and four second year apprentices. Enrollees from the program find work experience on Federal lands with the assistance of the Oregon Economic Development Department.

Concerns

Funding--The training programs provided at the Rogue Institute are similar to those provided at the Columbia-Pacific Resource Conservation and Development program but the emphasis is on catering to the USDA Forest Service and the Bureau of Land Management as the primary contractors. The Rogue Institute has had concerns about its ability to continue negotiating partnership agreements with Federal agencies. Oregon state does not have a matching nonfederal funds like the Washington state Jobs for the Environment program. The Rogue Institute suggests that any savings in costs between a for-profit contractor and a nonprofit training organization should be allowed credit as a match.

The Future

A Sustainable economy and reinvestment--The Rogue Institute for Ecology and The Economy

strives to assist in helping communities create sustainable ecosystems and economies, particularly in rural areas. A primary focus for the Rogue Institute is linking people back to the land. Through the Little Applegate Landscape Design program, the Rogue Institute is striving to break down the wall between the economic and ecosystem sides of the Northwest Forest Plan. The Little Applegate Landscape Design effort shows communities how they can create a reinvestment mechanism and benefit from natural resource management. This will ensure reinvestment of dollars created from timber harvesting, dollars that will benefit local communities. The program also involves the agency in every step of the planning process in order to make sure they understand the reinvestment they have created through landscape restoration.

Workers & Families: STEP

Background--The Siskiyou Training and Employment Program (STEP) of California was developed in 1996 as a way to provide dislocated timber workers with training similar to that found in Federally-funded Jobs in the Woods Programs sponsored in Oregon and Washington. A demonstration grant was provided by the US Department of Labor, which provided funding for ecosystem management training programs in 16 northern California counties. Siskiyou county, a small county of about 40,000 citizens, has effectively created partnerships with numerous public agencies. The Job Training Partnership Agency of Siskiyou county used this funding and its close partnerships with the Economic Development Council, the local community college, and the US Forest Service offices to implement STEP.

The community coordinator, involved in the California CERT process and present on the Economic Development Council, provided resource assistance. The community college provided classrooms and

curriculum development assistance. The U.S. Forest Service provided the training projects necessary for the curriculum and technical assistance. STEP began recruitment assessment and enrollment of trainees.

The Program

Training provided--Although ecosystem management was the main focus of the curriculum, STEP saw the need for other classes. Basic survival training skills were taught, such as first aid and CPR. Safety classes teaching the operation of tools such as chainsaws were included. The basics in wildfire fighting were part of the curriculum. As both men and women were working together, STEP included sexual harassment prevention training.

The individuals were also trained in ecosystem management, which included watershed restoration, manual release, planting, thinning, and native plant propagation. Projects students are trained on include thinning, planting, and manual release projects for the U.S. Forest Service. For private landowners, clearing land for irrigation use and installing draining pipes. For the Shasta Community Forest, a greenhouse, which hadn't been used for over two years, was rebuilt for native plant propagation.

Changes made in 1997--STEP was only one of two California counties to continue offering training in 1997. Some changes were made in the program structure. The screening process was modified to target individuals who were interested in a learning experience versus a temporary job. Transportation was provided, as work sites were often two to three hours away from a student's home. This also allows for fewer vehicles, and less damage, on any roads traveled. A debriefing time was added at the end of each day to gather positive and negative feedback about the day's experiences. Classroom training

days were rescheduled from Fridays to Mondays followed by fieldwork Tuesday through Friday, giving the students a better mindset.

Enrollees and success--STEP was not intended to provide jobs; this was a training program with pay. Out of the initial 20 applicants, six dropped out during the six to seven month training period, possibly because they thought they were going to be provided with employment similar to the Jobs in the Woods Program.

Out of the remaining 14 who graduated, all were offered job search and placement assistance from STEP. All graduates found work. Five found temporary work conducting public land watershed restoration. Four applicants found employment with private resource management agencies. Two applicants went to work for STEP; two went to work for the U.S. Forest Service. One graduate is working part time and is also a full time student in natural resource studies.

Future--STEP hoped to continue offering its assistance as long as possible. One goal is to aim towards a more technical oriented curriculum, with the assistance of the U. S. Forest Service. STEP will continue to look for ways to provide services for the community, private landowners, and public agencies.

Workers & Families: Forks Forestry Training Center

History--The Forks Forestry Technology Training Center of Forks, Washington state, is the only center of its kind in the United States. Noticing that more and more young people who entered the industry lacked traditional forestry labor skills, local logging companies and landowners established the nonprofit center to address this problem, using funding provided by the CERT process. The Forks Forestry

Training Center established an executive committee of 21 people and decided the mission of the center would be to provide world class leaders in vocational forest worker and development training throughout United States and Canada.

Purpose and training--The purpose of the Forks Forestry Training Center is to provide operator training and equipment testing for new and developing equipment design to make forest operations more efficient, bridging the gap between technology and jobs. Services provided include regular training programs, contract training, and practical research. While students attend a training program, they are also taught technical forestry skills such as silvicultural skills, landscape design, soils, and wildlife habitat management. There were two regular training programs: a 13 week machine operator program and a six week hand falling for cable thinning program. In the machine operator program, students were taught how to operate both a harvesting machine and a forwarder, doubling chances for employment. There was a significant need for well trained cut-to-length machine operators; many landowners were suffering stand damage due to ill-trained machine operators.

The hand falling for cable thinning program incorporated techniques that minimize wildlife habitat and stand damage while are cost-effective. Some helicopter logging has been used and expansion to include yarders is being investigated.

The Public

Relations--The Forks Forestry Technology Training Center encouraged public education and relations by giving tours. From local high school classes to visiting teachers from Utah, over 45 tours to 175 people were given in 1996. The president of Simpson Timber Company was among one of the many tourists.

Obstacles

Struggles and recommendations--The Forks Forestry Technology Training Center was created to meet a need. That need was a well trained logger who could implement necessary silvicultural prescriptions. The labor force did not realize that need and the center has not been able to provide enough students to meet the job demand. Another obstacle was the timeframe. With less than one year to become self-supportive, difficulties were encountered in obtaining staff and instructors. The final obstacle was available land base for the center to use for its training. For-profit local contract loggers competing for the same land created this obstacle. Recommendations given by the center on how to deal with these obstacles included educating employers, workers and developing a strategy, which sets a given timeline for projects. The Forks Forestry Training Center did not recommend establishing numerous training centers throughout the United States. Although there is a demand, it is a limited demand. Too many centers would weaken everyone's chances of being effective.

Chapter 8--The Northwest Economic Initiative: Lessons Learned and Questions Remaining

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ABSTRACT

Panelists at the forum entitled “Northwest Economic Adjustment Initiative: Have the Hopes Been Realized?” presented lessons learned and questions remaining about the NWEAI process. The lessons revealed that attention to process, particularly with respect to barrier removal, communication, and building trust, was important to successful implementation of the NWEAI. The lessons also reinforced the many challenges of community and regional economic development. Most communities had multiple needs, ranging from basic infrastructure to employment. Although sizeable, the amount of NWEAI funds had not met all needs, and prioritization was an important process. The lessons learned and unanswered questions discussed during this panel will be useful not only to NWEAI administrators and researchers, but also to administrators and participants of other regional and community economic development strategies.

Keywords: Northwest Economic Adjustment Initiative, lessons learned, research questions, development opportunities, community capacity, administrative processes, regional economic development.

INTRODUCTION

This chapter summarizes the major points made by a panel of speakers during the forum entitled “The Northwest Economic Adjustment Initiative: Have the Hopes Been Realized?” The objective of the panel was to provide a diverse group of presenters an opportunity to highlight key lessons learned and questions remaining about the implementation and impacts of the Northwest Economic Adjustment

Initiative (NWEAI), while at the same time allow for audience interaction and contribution. Panelists were affiliated with governmental and non-governmental community development organizations, Native American Tribes, the US Forest Service, and the Washington State Community Economic Revitalization Team (WACERT). This session was designed to assist NWEAI program administrators and researchers in identifying key areas for program modification, evaluation, and study.

The topic of the panel complemented the project and outcome specific information presented by NWEAI funding recipients, program administrators, and rural development specialists in previous panels (see for example, chapters 6 and 7). The ideas and comments from the panelists and audience are summarized below in two sections: lessons learned and questions remaining. Additional lessons and research considerations are discussed throughout this proceedings (see for example, chapters 9, 10, and 11).

LESSONS LEARNED

An economic development assistance program as large and innovative as the NWEAI will produce a number of lessons arising from unintended consequences, outcomes, and oversights. Community members, program administrators, rural development specialists, and other participants in the NWEAI have valuable insights that are useful for understanding the NWEAI process and for developing future regional development strategies. Below are some key lessons about the NWEAI process as identified by a panel of NWEAI participants.

Emphasize Community Interests and Needs

The CERT process was designed to facilitate a community-based approach. Communities, in collaboration with the state CERTs, identified problem areas and potential development opportunities, rather than have Federal agencies prescribe development projects. This structure proved to be important not only because it forced agencies to examine previously existing barriers to interagency collaboration, but also because it generated opportunities for community empowerment. Expanded and improved mechanisms were developed to assist government agencies in responding to local initiatives.

Balancing Long-term Economic Development Objectives with Short-term Needs is Difficult

The experience of the NWEAI demonstrates that even extensive development strategies, with large budgets and broad scope, have difficulty achieving a balanced, holistic approach to meeting short- and long-term needs. In many resource-based communities in the Pacific Northwest, a host of short-term immediate needs, such as unemployment, emerged out the period of declining timber harvests. However, a sizeable portion of the NWEAI money was allocated for large-scale projects, such as wastewater and drinking water projects. These projects will improve the distribution of services and quality of life in rural communities. Large infrastructure projects are also important for attracting new businesses into an area. However, except for some construction jobs and employment at the new facilities, large infrastructure projects did not provide immediate relief for the economic hardships faced by people formerly employed in the timber or wood products industries. More work is needed to balance short- and long-term needs and objectives.

Communities Have Varying Abilities to Respond to Economic Development Opportunities

Although the CERT process was designed to even out the playing field and reduce some of the barriers that may inhibit rural communities from applying for development assistance funds, communities in the region had differing experiences participating in the NWEAI process. Communities had varying levels of prior experience acquiring grants and loans for community projects. The existence of a grant writer on a community's administrative staff was not a prerequisite for success in obtaining NWEAI funds. The NWEAI was designed so that a lead agency would assign staff to assist communities with technical matters pertaining to the application process. Nonetheless, the process went more smoothly for communities that had more experience. Communities that had been through a strategic planning process were better equipped to prioritize projects. As one panelist suggested, participation in the program required that "...community leaders master three Ps: patience, perseverance, and paperwork."

The NWEAI experience reinforced the importance of developing a community's capacity to identify and prioritize its needs and seek out opportunities for funding and technical assistance. Also, because out-migration often results from declining economic opportunities, communities were faced with the challenge of keeping talented leaders and business people in the community.

Need to Reach out to Highly Impacted Communities

More personnel resources and an improved strategy may be needed to reach out to highly impacted communities that do not have sufficient capacity to develop project proposals and are not well informed about development opportunities. Larger communi-

ties located along transportation corridors or with previous experience with community projects were better equipped to participate and, in general, received more funding relative to the more isolated, less prepared communities.

Need for Reinvestment of Local Profits and Attention to Scale

One element for building stronger, more flexible communities is to reinvest the profits from both resource-based and non-resource based industries back into the local community. Historically, timber sales and economic development projects have had inherent biases toward “bigness” in terms of scale, scope, and objectives. Also, investment in capital or technology is more likely than investment in labor. Smaller scale commodity extraction may be an appropriate and desirable scale for some communities. However under the current timber contracting system, small scale bids may not be competitive. The current system does not emphasize small scale commodity extraction and yet the smaller scale may provide communities with the flexibility they need to adjust to changing ecosystem management practices.

Importance of the Job Retraining Process

Many hard lessons were learned by timber-based communities about the potential drawbacks of basing the local economy on a single industry. Unemployment impacts were substantial in some areas in the Pacific Northwest. Education, training, and job-retraining programs that are designed to be flexible to changing employment needs and opportunities will better serve job seekers, employers, and economic development objectives. Without a strong correlation between retraining programs and employment opportunities, displaced workers and

employers will not be well-served. Jobs in the Woods and other retraining efforts have provided some important lessons along these lines.

Building Trust and Good Communication Between Federal Agencies and Communities

The process of building trust takes time and must be sensitive to the history of experiences that Native American Tribes and rural communities have had with government agencies. Some communities had strong relationships with Federal programs or employees, while other communities were reluctant to work closely with Federal agencies. The degree of clarity of the information about the state CERT process was one factor that affected community engagement in the NWEAI process. As projects were developed, continual communication between agencies and communities about the status of the project was important in building community confidence and providing feedback to agency officials.

Need for On-Going Monitoring and Evaluation of Assistance

Like many public projects, the NWEAI was not designed with a mechanism (fiscal or administrative) to monitor and evaluate the implementation and outcomes of the NWEAI. While the NWEAI was designed to be flexible and innovative at an administrative and policy level, it did not include a mechanism to allow for a comprehensive evaluation of the program. An initiative-wide accounting system would have contributed to this, as would better accounting of socioeconomic indicators at the community level prior to the implementation of the NWEAI. For instance, while it was predictable that a common post-NWEAI question would be “Did the communities most in need benefit from the

NWEAI?," little attention or resources were put to creating a mechanism to answer this type of question.

QUESTIONS REMAINING

Panelists and audience members provided a range of questions about the implementation, impacts, and processes of the NWEAI. The following is a compilation of these questions.

1. To what extent did financial and technical resources reach those communities most impacted by the declines in timber harvests? What are the constraints and opportunities for future assistance?

2. In what ways can the NWEAI be implemented more efficiently? Can the application process be shortened even further? Is there a way to make the procedures and processes better reflect the size of a project, given that bigger projects may require a lengthier more detailed process?

3. Did the State CERT process work for all potential recipients? What additional institutional barriers can be removed? Is there an opportunity for Tribes to work directly with Federal agencies rather than go through the state CERT process?

4. What are the opportunities and constraints for building new collaborative relationships between federal land managers and communities adjacent to federal lands?

5. How are the benefits and costs associated with federal land management actions distributed?

6. To what extent does the prioritization of wood commodity projects reflect the need for value-

added, high skilled, and high paying jobs?

7. How can the Forest Service, Bureau of Land Management, and other federal agencies mesh their annual programs of work with the strategic action plans of rural communities? What are the constraints and opportunities for this?

8. How can communities build more effective linkages to organizations that provide economic development assistance?

9. There is a need for more evaluation of the type and extent of jobs that were created with assistance from the NWEAI. What type of jobs were created? How were the jobs categorized and measured? What was the placement process, and what are workers perceptions about that process?

10. How much economic diversification at the community level is enough? What are the benchmarks of progress in economic diversification?

11. What are the constraints and opportunities for bringing together researchers and community members to develop a research agenda? How are these efforts funded?

CONCLUSION

Continued dialogue that includes diverse perspectives is important for understanding and addressing the range of intended and unintended outcomes of the NWEAI. The above lessons revealed that attention to process, particularly with respect to barrier removal, communication, and building trust, was important to successful implementation of the NWEAI. The lessons also

reinforced the many challenges of community and regional economic development. Communities vary in their abilities to respond to economic development opportunities. Agencies have limited resources and personnel to provide technical assistance to rural communities. Even with multiagency cooperation, collaboration, and process simplification, it takes time for the effects of economic development assistance to be felt at the community level. Once an economic impact occurs, such as what resulted from the decline in timber harvests, people begin reacting and unanswered questions discussed during this panel will be useful not only to NWEAI administrators and researchers, but also to administrators and participants of other regional and community economic development strategies.

Panel members were:

Karen Berkholtz, Washington SCERT Chair

Sue Burcell, Karuk Community Development Corporation Executive Director

Chris Gannon, Confederated Tribes of Warm Springs Soil Scientist

Lynn Jungwirth, The Hayfork Watershed Research and Training Center Director

Darrel Kenops, Willamette National Forest Supervisor

Dan Leinan, Forks, WA. City Clerk-Treasurer and Forks Economic Development Steering Committee Chairperson

Charles Spencer, Labor Education Research Center Coordinator

Jim Zelenka, Lane County Council of Governments Economic Development Coordinator

**Chapter 9— Research on the Northwest Economic Adjustment Initiative:
Outcomes and Process**

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ABSTRACT

Several presentations at the Northwest Economic Adjustment Initiative (NWEAI) conference discussed ongoing or completed research on the impacts of the NWEAI. These research efforts can be divided into two general groupings: 1) research on the outcomes for workers and communities, and 2) work on the changes in Federal and state funding processes and perceptions at the local level of the importance of these changes. New forms of collaboration have emerged among Federal and state agencies, enabling many communities to implement locally designed projects easier. This innovation in agency decision-making with respect to infrastructure funding programs seems to be the most successful outcome associated with the NWEAI. In addition, successful programs have been created to teach ecosystem management skills to natural resource workers, but weak demand for such skills among public agencies and private landowners is inhibiting the application of these skills and the emergence of a new high skill/high wage profession.

Keywords: Collaboration, infrastructure, economic development, ecosystem management, workforce skills

INTRODUCTION

This chapter summarizes major points made by speakers who conducted research on the implementation and impacts of the Northwest Economic Adjustment Initiative (NWEAI). These studies fall into two major categories: studies of worker retraining programs, and observations of the implementation and impacts of infrastructure funding programs. These studies are summarized below, after which some comments are offered on the major findings

and their policy implications.

OUTCOMES FOR WORKERS AND COMMUNITIES

One of the important aspects of the NWEAI was to make funds available to retrain dislocated timber workers. All of the affected states made special efforts to connect dislocated workers with training programs to ease their transition into new careers and new sources of employment. Two presentations examined the impacts of these retraining efforts.

Margaret Hallock, director of the Labor Education Research Center and member of the Oregon Community Economic Revitalization Team (CERT), discussed ongoing work on the impacts of the Federally-funded Jobs in the Woods program in Oregon. Jobs in the Woods was an effort to define and implement a high skill/high wage strategy designed to achieve overall goals of the NWEAI to not only restore the health of watersheds but to also help communities, businesses, and workers move into a field called ecosystem management. The goals of Jobs in the Woods were to train people for ecosystem restoration work in forests, and to work on policy changes to ensure that there would be demand for these trainees as they graduated. Also, graduates would earn sufficiently high wages so they could remain in rural towns they resided in before the entire forest economy transition began, at about the time of the owl listings. The high skill/high wage strategy was meant to overcome a level of compensation for forest restoration work that hovered around \$5,000 a year prior to this project. Training programs were accompanied by efforts to build partnerships with a variety of state and Federal agencies, including JTPA, the U.S. Forest Service, U.S. Bureau of Land Management, and the state Department of Forestry. Other partners included unions, community based organizations, and rural

development organizations. Calling this a “sandwich approach,” Margaret Hallock indicated that neither top-down mandates, nor bottom-up organizing efforts alone can change the labor market outcomes. Change takes place only when training institutions and public agencies coordinate their programs with workers and communities.

Three kinds of outcomes needed to be tracked to see if the training and policy changes made any difference:

- 1) workforce outcomes, such as skill levels, employment, and wages;
- 2) forest ecosystem management practices, and community health, such as involvement in (3);
- 3) forest planning and community benefits from forest management activities.

Eight separate demonstration projects were funded in Oregon to train workers, and complementary activities were funded in the states of California and Washington. Through these demonstrations, forest ecosystem restoration activities were carried out on U.S. Forest Service and Bureau of Land Management lands, and some very limited activities on private lands. Each demonstration project involves steering committees with representation from Federal and state agencies, community-based organizations, work crews, and sometimes unions. Oregon State University developed a curriculum, and a new state approved apprenticeship has been approved based on this curriculum. The steering committees and projects have been active for three to four years.

While it is too early to report on final outcomes, preliminary findings can be summarized. The demonstrations prove that there are workers inter-

ested in doing restoration work, a point that some skeptics had disputed initially. Skill development has certainly taken place, including among Latino workers who went through a special Spanish language version of the curriculum. Job quality has improved relative to the kinds of forest restoration jobs that existed prior to these projects; wages are higher, and the jobs are of longer duration. However, there are not very many of these jobs; perhaps only two percent of the in-the-woods jobs available are ecosystem restoration jobs. The commitment to new ways of managing forests is not very widespread within the land management agencies. The program has had limited impacts with respect to the second criterion, land management practices. A current strategy for trying to increase the supply of jobs for these high skill ecosystem restoration workers is to create a tool kit for watershed councils and communities on how to take control of ecosystem management. On the third criterion, community health, the local steering committees that had been created seem likely to become permanent institutions; one project evaluator said that they are “...a real intellectual infrastructure that will live beyond these projects.”

Looking back on the experience, Margaret Hallock indicated that building partnerships is very time consuming but essential. Moving these new practices into the private sector will be an additional challenge. Research continues with support from several foundations to track outcomes more completely.

Corrine Gobeli from Oregon State University discussed her research on two dislocated worker training programs, Jobs in the Woods, and Choices and Options, an Oregon state program funded in 1991. Her research was carried out with a multidisciplinary team composed of two foresters, a rural sociologist, and an adult education specialist. The research project was based on interviews with

persons who went through these two training programs. Tracking them down months or years later, and getting them to cooperate in the research process was the first challenge. To achieve a final sample of 69 former dislocated timber workers required contacting all Jobs in the Woods participants, of whom 19 agreed to be interviewed, and choosing a random sample of the 586 Linn and Benton county Choices and Options participants from February 1992 to December 1994, of whom 30 were eventually located and agreed to participate in interviews. Choices and Options participants were interviewed one to four years after they participated in a two week workshop. Jobs in the Woods participants from 1994 were interviewed one year after they completed the program, while the 1995 participants were interviewed just after they completed the training in October and again the next spring as they were moving into the workforce and searching for jobs. The nature of the research process indicates that the findings are necessarily qualitative and exploratory.

The dislocated timber workers who participated in these programs were typically Caucasian, male, non-veterans, ages 30-54, and had completed high school. Most live in rural communities where job opportunities are few, and their job skills often do not match the available openings. Of the 49 interviewees, 30 had worked previously in wood products mills, 11 had been loggers, and 8 had been forest technicians.

While these demographic profiles indicate a common type of dislocated worker, the interviews revealed a great deal of diversity within these groups of workers. While many of them came from families that had long worked in the timber industry, others went into forest or mill jobs simply because that was the only employment available in the area. Workers made comments such as “It was never my dream, but what else was I to do?” Loggers tended

to be proud of the skills they had learned in the woods and liked the independence these jobs had offered. Forest technicians also frequently mentioned the skills they had acquired on their former jobs. Some of the former mill workers reported that the work was comfortable and predictable, but for some it was perceived as monotonous and boring.

The layoff experience disrupted these individuals' lives in many ways, and while alternative career choices were perceived, no choice was costless. The need for these dislocated workers to go back into some form of training or schooling had to be balanced against their children's educational needs. Many of them had depleted financial resources and were afraid of going back to school or concerned about age discrimination.

Those workers who had experienced mill shutdowns and layoffs in the past were better prepared to cope with these situations. A typical comment from these workers was, “Hey, I have been through two mill closures, I’ve made it before, and I’m going to make it again.” Workers who applied for the Jobs in the Woods program went through a competitive process to enter the program and tended to be more thoughtful about their options and more committed to a new career in the forests.

After leaving these programs, the paths of these workers diverged further. At the time of the interviews, 26 of the 49 workers were working in full time, permanent positions. Two were unemployed, three had semiretired, six were still in school, and six were working in part-time or seasonal jobs. Of the 33 working full- or part time, 26 had moved out of the timber industry and seven had taken ecosystem restoration jobs.

There were also impacts of the training programs in terms of coping with dislocation, finding out how to find a job, acquiring new skills, and finding work

that they enjoyed doing. However, the interviewees reported very diverse outcomes on these issues. The research team classified six people as “survivors,” or people who had nothing positive to say about the dislocation experience, and were worse off financially. About 20 workers had adjusted relatively well, achieving a measure of financial security in new jobs. Four people had made significant changes, achieving goals they had never considered reachable.

Based on this exploratory research, Gobeli offered several suggestions for reemployment programs. One point was that no program can make career transition simple or painless, and the diversity of people and their approaches to changes in their lives must be accommodated. Positive outcomes may take a long time and cannot be measured simply in terms of wages or job placement.

STATE INFRASTRUCTURE FUNDING: CASE STUDIES

In this group of studies, the focus was on infrastructure funding processes. Researchers were attempting to describe and characterize what went on in each state that participated in the NWEAI in terms of reshaping the funding processes through which local areas access state and Federal programs for assistance in funding local infrastructure such as water and sewer systems, or community facilities.

The opening presentation was made by Jan Bargen, a graduate student in Texas who previously worked with both the Oregon and California Community Economic Revitalization Teams (CERTs) and their funding processes. The focus of the CERTs was not on dislocated workers, but on restructuring the local economies disrupted by the cessation of harvesting on many public forests and the closure of many mills that had been the economic mainstay of a

number of small towns. Restructuring these economies meant that various infrastructure investments were needed to prepare these areas for new employers, who would not even examine potential sites until the infrastructure was in place. The CERT process was used to funnel available federal program dollars into infrastructure projects developed by local areas. Reflecting on the process in California, Bargen and a student colleague examined how well the process worked from the state agency’s point of view.

The report by Bargen and her colleague Shawn Garvey noted that while harvest volumes fell after 1990, stumpage values increased so dramatically that around 1994 or 1995 the total value of timber harvested in northern California actually increased from about \$400 million to \$600 million. At the same time the affected counties grew by about 16,000 in population, only two of them growing at a slower rate than the state as a whole. Lumber and wood product jobs went up by 600, and unemployment was at a six year low when the report was published in 1996. Due to the stumpage value increases, Federal and state payments to timber counties rose by more than \$1.5 million. There were 691 new businesses from 1993 to 1996, and a 6.4 percent increase in taxable sales. The region remained below the state level of per capita income, although the gap narrowed slightly during this time period, and the increase in the number of food stamp and general relief program clients slowed.

Associated with this economic activity was an impressive amount of investment by U.S. Department of Agriculture in infrastructure, which was funneled through the CERT process. A total of 64 projects were funded, tripling the investment level reached in the previous three year period.

The Bargen/Garvey report examined four case studies to get a better feel for how well the funding

process worked. These cases suggest the CERT process contributed to new partnerships and relationships among local, state, and Federal government officials. These relationships paid off in a number of ways, making it possible for multiple agencies to work together, something they had not done in the past, and making it possible for someone to identify a problem and get it resolved. For the first time, funders came out to the communities rather than forcing community representatives to come to Sacramento. Another key aspect in successful projects was leadership, often just one persistent person who made a difference. Readiness was also important. When the CERT program started, communities that were ready with a plan both received earlier funds and more total funds compared to communities that had to get organized and do community level planning before approaching the CERT.

Scott Duff, past director of USDA Rural Development in Oregon, and Terry Raettig of the USDA Forest Service described the Rural Development programs that were administered through the CERT process in Oregon. Funds from six programs became a significant part of the Northwest Economic Adjustment Initiative, as listed below:

- drinking water loans and grants
- wastewater loans and grants
- community facility loans and grants
- rural business enterprise grants
- inner urban re-lending programs
- business and industry loan guarantees

Evaluating the impacts of these very different programs collectively as they were delivered

through the CERT process is a complicated undertaking. Duff and Raettig attempted this evaluation task using three different approaches, as follows:

- 1) description of the nature and extent of each program in Oregon,
- 2) assessments of the socioeconomic policy,
- 3) assessments of specific programs to determine if participants thought the programs had made a difference

The Duff/Raettig evaluation examined 63 projects, all projects funded in 1994 and 1995 in Oregon. First, program files and other secondary data such as census data were examined in the descriptive part of the work. Next, a questionnaire was sent out to 181 people to gather information on service delivery issues and program impacts. Finally, intensive on-site examinations were conducted to as part of the third research approach.

The following tabulation shows the rough magnitude of the 1994-95 RDA projects:

	<u>Year</u>	<u>No. of projects</u>	<u>Total funding</u>	<u>RDA Contribution</u>
	1994	28	\$33 million	\$27 million
	1995	35	\$72 million	\$65 million

A report is available describing job impacts in detail. Looking across all 63 projects, a total of over 2,000 jobs were created, with rural business enterprise grants and intermediary re-lending programs accounting for most of the job impacts.

The 63 projects were quite diverse, including such projects as:

- a tribal administration center that had consolidated offices spread all over the community.
- hospital project that had been in the planning stages before NWEAI. Because of the CERT process, the project was restructured and was able to secure community development block grant funds that were not previously accessible due to organizational problems.
- a water project that increased fire protection, transmission, and distribution capacity.
- a business re-lending project that allowed the merger of six different loan programs, enhancing a local area's ability to leverage federal dollars with funds from other sources.

The administrative process was streamlined by the CERT, making it possible for Duff to administer these programs with a significant growth in program volume at the same time that he was reorganizing his agency and reducing overall staffing levels from 130 to 87 persons. From a loan applicant point of view, the time required to develop a project and secure funding went down, another significant impact.

Mary McBride, Rural Development director in Washington state, summarized her efforts to evaluate the effectiveness of the NWEAI in Washington, focusing on what happened in three case study communities. Sultan, in the eastern part of Snohomish county, is within proximity of a major urban area and was in danger of becoming a bedroom community for commuters, which was not

consistent with the community's vision of itself. Their water treatment facility was at capacity and there was a moratorium on new development. The community decided that new infrastructure should be developed so that new businesses could get started and more local jobs would be available. Up to 100 jobs may result from this investment. In Lewis county, a \$1.9 million loan was provided for re-lending throughout Lewis and Cowlitz counties, leveraging private investment of nearly \$2 million and resulting in 111 new jobs at an average annual wage of over \$23,000. In the northwestern corner of the Olympic Peninsula, the Makah tribe used funds from this program to develop a marina to serve their own and visiting vessels working the offshore fisheries.

The assessment process suggested a number of lessons that can be carried forward into future work, as listed:

- more technical assistance funding is needed because there are not enough resources for planning and feasibility studies. The U.S. Forest Service and the Economic Development Administration have helped in this area.
- the CERT process brought people to the table that had not been a part of the discussion in the past.
- the funding process was significantly streamlined and many barriers to getting funding have been removed by the CERT process.
- Federal agencies should build partnerships with state and local government, allowing each agency to handle the part of a project that is its unique capability, breaking

projects into manageable pieces that each agency can deal with effectively.

McBride concluded that there was a great deal of value in the innovations of the CERT process and that ways should be found to preserve and build on these new ways of doing business.

CHANGES IN FUNDING PROCESSES

The final group of research studies focused on how the NWEAI and the CERTs have changed the funding processes as perceived by local governments and non-profits.

Bill Campbell of the Oregon Economic Development Department was involved in evaluation the process and impacts of the NWEAI in Oregon from 1993 to 1995. Several research methodologies were used including surveys of contact people listed on project applications, interviews with key people involved in implementing projects, surveys of community leaders in impacted areas, and review of public documents. Cooperation with the research process was very good; 203 of 245 identified local contacts participated in the necessary interviews. The process covered some 677 projects in the works from 1993 to 1995.

About two-thirds of the interviewees were familiar with the federal funding process prior to the initiative. Half of them said there was insufficient money available prior to NWEAI, and 65 percent said that the scarcity of funding prevented projects from going forward. However, those projects that did receive funding met community objectives.

The NWEAI attempted to meet local communities' objectives rather than imposing program objectives from the Federal level. However, the majority of

survey responses indicated that local prioritization was not completely effective as a way of establishing project priorities; Federal objectives would have aided the decision makers.

Local leaders perceive the initiative as aiding local level communication, and helping to create better community unity as well as providing new infrastructure, jobs, and businesses. One reason these multiple impacts were possible is that the state of Oregon convened various agencies so that infrastructure, family issues, business development, and ecosystem needs could all be considered simultaneously. The mechanism led to new kinds of adjustment and flexibility among the agencies. Campbell concluded that the keys to the success of the initiative are "communication, cooperation, and collaboration." An example of the outcomes is a wastewater project in Cave Junction in which four Federal agencies had some jurisdiction or involvement. Usually it takes four separate environmental assessments if four agencies are involved, but in this case, a single assessment was agreed on and carried out.

A key problem Oregon faces is that, as those involved may say, "We're building a pipeline of projects some ten feet high. And we're able to fund or finance the upper six inches." The capacity is just not there in Federal and state programs to address all of the needs out there. If one looks outside the official impact zone for the NWEAI to some of the counties on the east side of the state, there are many communities that meet NWEAI assistance criteria that are not able to access funds because they are not included under the umbrella of NWEAI. The state is attempting to extend the CERT process to these communities.

The last presentation was by Jan Bargaen, concerning the views of California participants towards the CERT process. Survey instruments were sent to 142

people, essentially all key players in the projects in California. A total of 44 percent responded to the survey, resulting in coverage of 76 percent of the projects USDA Forest Service funded. In this survey the awareness results were intriguing. Essentially all respondents were aware that dollars were coming from USDA Forest Service, but relatively few knew what the NWEAI was. Whether this is good or bad is debatable; if local decision making is a goal then perhaps it is good that the process was not identified separately from the agencies since it is the agency people that are seen in communities. While respondents were satisfied with the procedures and outcomes, but they were not specific or definitive in their responses to how much difference in outcomes can be attributed to the initiative. Respondents did perceive less red tape, and more collaboration among state and Federal agencies, but they were not able to say that due to the initiative things are better in their particular communities.

CONCLUDING COMMENTS

These presentations, while diverse in scope and methodology, suggest two broad impacts of the NWEAI:

- 1) Improved interagency and intergovernmental collaboration and,
- 2) Promising workforce training initiatives but limited demand for program graduates.

Agency Collaboration

The NWEAI funding process inspired an entirely new level of collaboration among and between Federal and state agencies. Many communities report that for the first time agencies are working together to help communities achieve their goals,

rather than making separate decisions and paying no attention to the projects that fell between the cracks because they needed several different forms of assistance to succeed. Many new relationships emerged among agency representatives that had not worked together in the past. A general feeling from several of the studies was that these new relationships would be useful in meeting local area funding needs in the future.

Specialization among agencies--Collaboration among agencies allowed each agency to specialize a bit, offering its special competency or resource to improve outcomes for the local areas. This aspect of coordination was particularly helpful in moving a number of projects forward.

Funding: Planning and Problems

Prior planning--Planning ahead helped community projects get early funding. Communities that had engaged in serious planning efforts prior to the NWEAI knew what they wanted and were better able to secure funding than those who had to come together to plan before preparing acceptable proposals.

Funding insufficiencies--A common complaint from the communities is that funds are insufficient to solve all of the infrastructure problems that are inhibiting economic development. While collaboration among agencies greatly improved the allocation of the available funds, the overall level of funding is inhibiting the resolution of problems that hold these regions back.

Worker Training and Workforce Development

Ecosystem management training is promising--Ecosystem management training was a success in

the sense that workers acquired new skills and obtained significantly higher wages. However few new ecosystem management jobs seem to be opening up, raising questions about the overall success of the Job in the Woods efforts in Oregon and Washington. Even within the Federal agencies, demand for these newly trained workers is weak, and private demand is almost nonexistent. The long term survival of these efforts to make ecosystem management a reality, and to raise income possibilities for people who work in the forests, is not clear at this point.

Workforce development/economic restructuring coordination--Essentially, there has not been any coordination between the workforce retraining programs and the economic restructuring funding. The workforce retraining provided new skills in managing forests on the ground through the Jobs in the Woods programs, and other individuals were able to correct basic education deficiencies or acquire specific vocational skills at community college programs. However, these efforts were unrelated to the funding for economic restructuring, most of which has gone into infrastructure investment so as to permit new firms to establish themselves within the impacted region. Individual communities are pursuing new firms through industrial recruiting efforts but few communities are targeting forest management firms that could utilize the ecosystem workers. Other firms explicitly focus on the skills displaced forest workers have acquired through the retraining programs. This appears to be a lost opportunity to maximize impact of the federal funds, but it should be noted that economic development efforts tend to produce outcomes over long periods of time, and it is not obvious at the present what kinds of firms will locate in these communities. For the majority of the displaced workers, there is no way to predict the exact vocational skills that may be demanded in their community in 3-5 years. For many, the

retraining is part of a process of preparation to leave the area for larger communities with better job prospects. Missed opportunities, such as taking steps to create more ecosystem management jobs or targeting certain kinds of firms and focusing training efforts on the needs of those firms, may have required new program authority. A fundamental aspect of the NWEAI strategy was to make do with existing programs. We are left in a trap, knowing that better outcomes could have been achieved but with no feasible strategy for moving in those directions.

Continuation of Agency Relationships

Since the strongest aspect of the NWEAI seems to be the new forms of interagency cooperation, it is important to consider how these relationships can be preserved and extended. As the Pacific Northwest encounters new challenges similar in some ways to the coastal forest region issues, particularly with respect to endangered or threatened salmon runs, the same cooperative model may help other communities in responding to some challenges to their economic vitality. In addition, other parts of the country might be able to learn from successful practices in the Pacific Northwest. In this context, the fragility of the successful practices in this region should be noted. The new forms of interagency cooperation are not institutionalized in laws or agency rules. The cooperation can continue if: 1) the individuals who participated stay in their current positions and remain committed to continuing these modes of operation, and 2) state and Federal policy makers do not create new policies that inhibit cooperation, and 3) program authorization and funding remain available.

None of these conditions are guaranteed, and it would be preferable to develop mechanisms to institutionalize some aspects of the new cooperative mode of operation. Rather than legislation that may

end up inhibiting further innovation, Memorandum of Understandings between agencies could be a useful option to consider to preserve the joint decisionmaking and specialization of agency roles that have emerged. Occasional forums could be convened among agency leaders to consider mechanisms to improve current processes, and to encourage other regions to adopt some best management practices.

Chapter 10—What We Have Done, What We Have Learned, and What’s Next

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ABSTRACT

The Northwest Economic Adjustment Initiative (NWEAI) has helped many forest dependent communities improve infrastructure, support economic diversification, offer job training to dislocated workers, begin to restore forest ecosystems, and even realize long held dreams. The people involved at every level in the NWEAI have learned lessons as well. This experience has taught us how important it is to provide clear information and make sure it is understood, to take full responsibility for ensuring that all the communities impacted by an economic dislocation have access to the funds and resources provided for recovery, to honor and empower the volunteers and paid staff who make a program like this work, to solve problems rather than just run programs, and to break down the barriers which prevent resources from being invested in as effective a way as possible.

Beyond the NWEAI, what do communities need in order to continue to adjust and thrive? There are unfinished items to be addressed before the NWEAI can be considered complete.

The labor intensive process which brought economic improvement to many communities has depended on local staff, many of whom were paid with NWEAI funds. This funding will no longer be available when the NWEAI is over. Will there be local funding to take up the slack?

Can we institutionalize the best practices of the Jobs in the Woods program?

Can we maintain spirit and momentum of the team of agencies serving rural communities through the NWEAI?

What about other forest communities in the Northwest which got started later, received less from

NWEAI funding, and are not yet well advanced in the process of economic adjustment?

Can the community spirit, hard work, and commitment of so many at the local level be maintained and supported until the job is done?

Keywords: NWEAI, Skamania county, city of Raymond, Pacific county, Linn county, Clallam county, Makah Indian Reservation, infrastructure, investment, job training, Jobs in the Woods, Jobs for the Environment, Rogue Valley Ecosystem Workforce, Siskiyou Training and Employment Program, STEP, Siskiyou County, USDA Rural Development, US Forest Service, Economic Development Administration, loopholes, priority ranking, commitment, collaboration, barriers, momentum.

NWEAI ACCOMPLISHMENTS

The mission of the NWEAI has been “...to develop, stabilize, and augment the capacity of individuals, families, businesses, communities, and tribes to adjust and thrive in the face of declining timber harvests.” This conference highlighted some of the ways we have done this.

Investment in Communities

The Northwest Economic Adjustment Initiative has provided many impacted communities with the opportunity to resolve long standing community capacity and infrastructure problems.

Skamania county was one of the two hardest hit counties in Washington state. Populated with isolated communities amidst rugged terrain, this natural resource dependent county has had little experience with practices like strategic planning, capital facilities planning, and cost/benefit analyses.

These are the tools a community needs under any circumstances to be successful. The NWEAI helped economic development practitioners learn how to use these and other tools and rewarded them with project grants and loans when they were used effectively. Skills like these will be a lasting benefit for the Skamania county and many other communities.

The city of Raymond in Pacific county, Washington had wastewater and solid waste problems which needed to be solved before they could realistically undertake any job creation strategy. Pacific county officials were at first skeptical of the entire NWEAI process because of prior negative experience with state and Federal agencies. When the agencies involved in the NWEAI gave this city and county the necessary encouragement, worked with the newly created county infrastructure committee through the project development process, and cooperated in financial packages, skepticism was replaced with trust and a constructive working relationship. The needed infrastructure was funded and built, and Raymond has created new jobs.

Scores of communities can tell similar stories to these two.

Business Development and Economic Diversification

In contrast to some early expectations, the NWEAI did not provide free money to implement good ideas and turn them into thriving businesses overnight. However, meaningful business development resources were provided across the region. Oregon state First Stop program, as described by Terry Swagerty, Director of the Small Business Development Center at Umpqua Community College in Roseburg, provided a resource to help people with business ideas turn them into realistic business plans. The U.S. Department of Agriculture's Inter-

mediary Re-lending Program has put millions of dollars in the hands of locally controlled organizations, which have made scores of loans for businesses start-ups and expansions, creating loan funds that are permanent resources for business development in the region.

New Opportunities for Dislocated Workers and Ecosystem Investment

The NWEAI process has provided funds for training programs which have given dislocated timber workers new careers. Jobs for the Environment was created by the Columbia-Pacific Resource Conservation & Development Council in southwest Washington State. They successfully lobbied the state legislature for an appropriation of \$15 million to begin the program. The goal was to create a new environmental restoration industry to provide services to Federal, state and private landowners. Workers become skilled in a variety of jobs, including habitat and watershed restoration, road decommissioning, commercial and pre-commercial thinning, road maintenance, and ecosystem management. The NWEAI partnered with the Washington state program to create many more jobs and train many more workers.

The Rogue Valley Ecosystem Workforce, one of many Jobs in the Woods pilot program partnerships in Oregon, was created by the Rogue Institute for Ecology and Economy, whose leadership was looking for a better way of dealing environmental issues. The Rogue Institute's programs are provided primarily through contracts with Federal and state agencies, which "bundled" needed work within each watershed to provide long term employment and maximum benefit to the ecosystem. Training programs are similar for workers to those provided by Jobs for the Environment.

Siskiyou county, California, had created STEP, or the Siskiyou Training and Employment Program. STEP was funded by a demonstration grant provided by the US Department of Labor. The Siskiyou County Job Training Partnership Agency utilized its close partnerships with the local Economic Development Council, the community college and the US Forest Service to begin a training program. All 14 enrollees who graduated during the first year of STEP's existence (1996) found work in the field. Training provided includes ecosystem management, basic wildfire fighting, preventing sexual harassment, survival skills, CPR, and first aid.

Besides these well publicized Jobs in the Woods program, the NWEAI helped fund programs to train dislocated timber workers for many other jobs. A very high percentage of training program participants now hold jobs outside the declining timber industry.

Community Dreams Realized

The NWEAI has provided financial resources for the implementation of projects long planned for, but seemingly out of reach. The Makah Indian Reservation is located in an area subject to severe storms, Clallam county, Washington state, on the northwest corner of the Olympic Peninsula. A safe harbor and marina to protect the fishing fleet and transient recreational vessels has long been needed. For years, the Makah Tribe had been asking the U.S. Army Corps of Engineers for assistance in building a breakwater.

In 1991, the Army Corps of Engineers finally agreed, provided the Makah Tribe could raise 20 percent of the cost. The Makah Tribal Council introduced the project into the Washington Community Economic Revitalization Team (WACERT) process and was successful in obtaining funding

from 11 different state and Federal sources for the breakwater matching share and for construction of the marina. The breakwater was completed in December 1995 and the marina in May 1997. This was the realization of a 30-year dream. The safe harbor created by the breakwater has allowed for an expansion in the fishing fleet and two fish processing plants can now operate year round.

LESSONS WE HAVE LEARNED

Advice to Others Undertaking Major Economic Adjustment Initiatives

Be understandable and realistic in announcing and promoting the program-- Make sure information is clear and well understood by the communities intended to benefit from the NWEAI. Dave Schmidt of Linn county, Oregon (who also represents the Association of Oregon Counties), told us that elected officials and their constituents were frustrated and confused when new funding for the NWEAI didn't match what they expected. Although representatives of the Clinton administration who promoted the program never said that the NWEAI would offer free money to any person, business or community with a good idea, many people in the impacted communities had that expectation. Then they were disappointed to learn that most of the new money for communities and businesses came in the form of loans, that the limited grant funding was not directly available to businesses, and that all the funding came with obligations and local share requirements.

Honor existing local plans--Many communities and tribes were well prepared for the NWEAI, having earlier conducted strategic economic planning. Siskiyou county is one example. The county attributes its success in getting NWEAI resources

invested in its communities, particularly those along the Interstate Five corridor, to a previous countywide economic assessment and the resulting economic planning. When the NWEAI started, local leadership had agreed on priorities, formed local interagency partnerships, and were ready to submit projects for funding. Chuck Clendenin of the USDA Rural Development, California, on July 30th 1997: "...Rural Business Grant Enterprise proposals which were funded easily were those where economic planning teams had formed years earlier, and projects had already been envisioned in the context on a community plan..."

Support local planning where it is not well developed, and understand that it can be a time consuming process. Other communities had not conducted economic assessments or economic development planning prior to the NWEAI and found themselves at a disadvantage. It takes time to understand and develop trust in a process like the NWEAI, time to establish the partnerships, time to achieve community consensus on a vision, goals and priorities, and time to develop and implement projects. Unprepared communities, often the smallest and most isolated, did receive money and technical assistance for planning and project development, from the Economic Development Administration (EDA) and the U.S. Forest Service. Many of them were ready for grant and loan funding to implement their plans several years into the NWEAI.

Ensure that all communities have access to the benefits even if local planning and implementation capacity is limited. NWEAI funds were granted by the EDA to councils of government, economic development districts, and Native American Tribes to augment existing staff and resources and especially to provide staff support to small and unincorporated communities. CERT meetings and agency outreach promulgated the ethic of nurturing economic adjustment and community develop-

ment in all of the impacted communities, especially the most rural and isolate communities.

Nikki Whitty of the Coos, Curry, and Douglas Counties Business Development Corporation who staffed the CERT process for Coos, Curry, and Douglas counties in Oregon described how challenging it was for local leaders to engage in the process. One problem was the unrealistic expectations of the NWEAI described above. Another was a general lack of knowledge about state and Federal programs involved in the NWEAI process. A third was a lack of clear direction on the part of the county planners when it became necessary to set priorities for projects. Persistence and commitment on the part of leaders and staff overcame these problems, and now the process is working smoothly and credibly in Coos, Curry, and Douglas counties.

Provide adequate staff--Provide enough staff and other resources at the field level to the agencies responsible for implementing the NWEAI. The NWEAI took place in the context of major downsizing of most of the Federal agencies involved in the NWEAI, and the northwest region was not spared in this process. The administration heard from local people that spending resources on a big bureaucracy would not be acceptable. They made the decision, based on that input, to do the job with existing staff, and then existing staff was downsized as part of another administration initiative. And in some agencies there were yet other initiatives which competed for staff time and resources. While Federal staff did rise to the occasion and accomplished many of the goals of the NWEAI, the goal of speeding project review and decision-making was not achieved. The lack of adequate staff to do the best possible job also produced burn out, expressed in an attitude of "waiting for the NWEAI to be over, so things could get back to normal," or "declare victory and go home," which may mean a return to business as usual and abandonment of new and better ways of doing business.

The states of Oregon and Washington staffed their SCERTs (State and Community Economic Revitalization Teams) with state employees and got off to a running start. The Regional CERT had assigned staff only in the beginning. The California CERT did not have a staff person until the Resources Agency received an EDA grant for that purpose about a year into the NWEAI. Lack of CERT staff was a real problem in these two cases.

State and Federal agencies can work together effectively. The NWEAI produced two innovations which helped agencies work together and helped communities gain access to the financial assistance, as follows:

- a single short project notification form that all participating agencies can use to become familiar with potential projects.
- a single list of projects from each Tribe or county (prioritized in Oregon and Washington, but mostly not in California), used by all agencies to inform their investments.

These tools provided a basis for collaboration on projects and for cooperation in responding to communities in a seamless way. Pacific county, Washington, is a good example of how collaboration and cooperation helped the county get past its preconceived suspicions of state and Federal agencies. For Linn county, the consultation provided by the managers and staff of state, Federal, and regional agencies was one of the strong points of the entire NWEAI process. If a unified process of priority setting is adopted, as in Washington and Oregon (where all the agencies pay attention to the same list of priorities), watch out for loopholes in the process. Dave Schmidt, Linn county, Oregon, pointed out that some communities were submitting their projects directly to agencies for funding,

bypassing the ranking process.

We realize now that we should have started the NWEAI with more integration and communication between the ecosystem management and economic adjustment programs. We have made progress in making these connections, but there is still a long way to go.

Break down the barriers--An increased understanding of how proactive and responsive programs can become has led to a lower tolerance of barriers, by which we mean laws, regulations, or agency policy and practices that prevent programs from responding effectively to community needs and priorities. Barriers identified by local or agency staff were raised to SCERTs, the Regional CERT, and the Multiagency Command (MAC), and many were resolved.

Probably the most important barrier that was broken was the grantsmanship syndrome. We shifted away from staging competitions in which the winners were those who could prepare good applications responsive to top down agency criteria, and toward funding those projects identified by the communities as most important to them. This change often includes hands on help with paperwork by agency staff to some of the less sophisticated applicants, and hands on help with project management after the projects are approved.

Other barriers, such as duplicative paperwork on projects where more than one agency is involved, have not been thoroughly resolved.

THE JOB OF ECONOMIC ADJUSTMENT IS NOT COMPLETE

The NWEAI has been a particularly satisfying experience because the substantial additional

has enabled many communities to actually finish the process of economic adjustment, or at least to have infrastructure and economic development resources in place to continue the process without much additional outside help. But there are many communities which are just at the beginning of the process. Mill closings are still happening, creating more dislocated workers. We have only scratched the surface in ecosystem investment.

Where do funds for projects to finish the adjustment effort come from? Siskiyou county, despite its success utilizing the NWEAI program, is still behind in establishing effective economic opportunities for many of its remote communities and Tribes at the time of this presentation. The representatives of this county and others are concerned that assistance is ending just as they are in a position to take advantage of it.

Dave Schmidt of Linn county, Oregon, points out that eastern Oregon, eastern Washington and the Sierras communities in California, were not included in the NWEAI are suffering the impacts of timber industry decline. What about these counties/communities?

Anita Gahimer, Port Director for Skamania county, Washington, asks, "Did the money go to the right projects?" This is a natural concern. Communities and agencies were willing to take risks in the NWEAI process. What if some of the projects don't work out for the communities? Are the resources out there to support a second chance?

Once the NWEAI funding runs out, will there be enough local resources to keep staff in place for this labor intensive process?

This is a demanding job for agency staff. As new initiatives appear and agency downsizing continues, will staff continue to devote time and energy to the

NWEAI process?

The Jobs in the Woods program is the prototype for a new relationship between public lands and the people who have depended on them: a high skill, family wage strategy for high quality land management work done by people who live in communities adjoining or within the forest. This program should become a permanent result of the NWEAI. It would be a valued asset to eastside counties feeling the impact of a declining timber industry, and to forest communities around the country. Continuation of the Jobs in the Woods program will also mean a continued investment in building the capacity of contractors, workers, and land managers. Mr. Jim Lowery of the Pacific County Economic Development Council, Washington, expressed concern over the ending of Jobs in the Woods/Jobs for the Environment, wondering if workers and contractors were being set up for failure. We can't let that happen.

Severely impacted communities who are making progress need to continue working at it, and agencies need to keep providing technical and moral support. Linn county wants continued outside leadership to keep community spirit and momentum going during the recovery process after the NWEAI ends.

All of us, local leaders and staff, agency staff, elected officials, dislocated workers, business people, and those in Sacramento, Salem, Olympia, and Washington, D.C., who have supported this effort. We have achieved great and meaningful progress in helping communities, workers and businesses adjust to and thrive in the face of reduced timber harvests. We have learned so much in the process that we can share with others undergoing similar economic crises. We are not done. Many of us will keep on.

Chapter 11--Extending the Northwest Economic Adjustment Initiative to other Regions:

Utilizing the Initiative and the Institutions

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ABSTRACT

The Northwest Economic Adjustment Initiative (NWEAI) was conceived and designed to provide an innovative approach to respond to a regional economic and social crisis. This paper specifically describes the innovative nature of the NWEAI, how it is used as a model for economic and community development, and how it is continuing through application elsewhere. There are a number of broader implications of the NWEAI experience. Several critical issues remain to be addressed in the region.

Keywords: Northwest Economic Adjustment Initiative, institutions, community and economic development.

UTILIZING THE INITIATIVE AND THE INSTITUTIONS

"The Northwest Forest Plan is producing a radical and massive change in federal agency culture."

- - James Pipkin,

The Northwest Forest Plan Revisited, 1998

The NWEAI was conceived and designed to provide an innovative approach to respond on a regional basis to an economic crisis caused by dramatic changes in forest management objectives and policies (ROD 1994, Tuchmann and others 1996). When compared with the existing approaches to economic and community development that have been used elsewhere, the NWEAI coordination, policies and institutions are indeed an innovative model (Raettig and others 1998). The NWEAI is built on a base of existing Federally funded eco-

conomic assistance and development programs and is the institutional framework of coordination and service delivery that is a model for implementing a geographically targeted assistance initiative. The innovative nature of the NWEAI model has been asserted through these mechanisms:

- A systematic basis for providing coordination between the various Federal, state and local entities involved in economic and community development within the NWEAI region. This coordination was designed to be accomplished through the Community Economic Revitalization Team(s) (CERT)s and Multi-Agency Command (MAC) without creating a new bureaucratic organization.
- A process for focusing on service delivery and removing perceived barriers to effective and efficient provision of the economic and community development programs.
- The provision of a "seamless delivery" environment.
- An economic and community development initiative that is based on outcomes and results rather than programmatic and bureaucratic inputs.
- Community-focused development.
- A process for providing a dynamic initiative that responds to changing conditions as the NWEAI is implemented.
- Linkages to the ecosystem management institutions and activities that are concurrently being implemented as part of the Northwest Forest Plan.

The success of the NWEAI and its utility as a model for economic and community development will, in part, be measured by the continuing application of the NWEAI policies and institutions

within the region. Another measure of the utility of the NWEAI model is the potential use by other economic and community development efforts in other regions.

The continuation of the NWEAI institutions and policies within the NWEAI region has been insured by the extension of the NWEAI for an additional two years. The extended NWEAI will not continue to receive and manage enhanced levels of economic and community development money from the Federal funding agencies as was the case for the original five years of the NWEAI, but will utilize the NWEAI processes, institutions, and coordination to manage the normal levels of agency funding in the region. This extension was supported by the three states and effected through the signing of a revised Memorandum of Understanding (MOU) by the original Federal agencies participating in the NWEAI. In the words of Regional Community Economic Revitalization Team (RCERT) co-chair, Bob Rheiner “The NWEAI process and [experience with] collaboration will not allow agencies to go back and do business the way we used to.” The Federal, Tribal, state, local government and non-government NWEAI partners will continue to expect to be involved early in the decision process and on a continuing basis as economic and community development programs are implemented.

Further use of the NWEAI created institutions may also occur in the Pacific Northwest outside the NWEAI region. Both Oregon and Washington are considering asking the Federal government to use their respective State CERT to manage economic development efforts in conjunction with the Interior Columbia Basin Ecosystem Management Project (ICBEMP). So far, the only enhanced economic development funding associated with the ICBEMP is 20 million dollars in fiscal year 1999 for planning purposes.

Even without additional economic development and assistance funding the NWEAI model may provide useful strategies for implementing ecosystem management and associated economic development activities in the Columbia Basin. The process of systematically assembling and considering economic development proposals through a state or regional community economic revitalization team may prove useful. Also the explicit involvement of practitioners and managers from all of the funding agencies in the process and the emphasis on “seamless” delivery of economic assistance may enhance the level of service in the basin.

There are also indications that some of the essential elements of the NWEAI processes, policies and institutions are being considered for use in other regions facing severe economic dislocations because of changes in natural resource policies and changes in resource dependent industries. The southeastern part of Alaska is experiencing mill closures, large reductions in timber harvest on Federal lands, and decreases in lumber and wood products employment. The Federal agencies with economic and community development programs in the area and their state and local partners are in the process of creating a “Southeast Alaska Community Economic Revitalization Team” (SEA-CERT). The SEA-CERT is based on the NWEAI model. Federal program managers dealing with the collapse of the George’s Bank fishery in the North Atlantic Ocean and resource policy changes in the Everglades region of Florida have also expressed interest in the potential use of NWEAI approaches in their respective regions.

The effects of the NWEAI on the region, rural communities, and people will extend far beyond the five years of the NWEAI that had already been funded. Economic and community development programs provide a capacity base for future developments, improvements, and social and economic well-being. Many NWEAI projects have

provided training and development to enhance leadership, business management, and technical planning and community development skills in local communities. The empowerment of people in these rural communities is a potential lasting legacy of the NWEAI. Communities and groups within communities may have differing perspectives on the value, usefulness, and desirability of the social and economic changes and the success of the NWEAI.

Other economic and community development projects that have been part of the NWEAI are, by their very nature, long term investments that will continue to provide positive long term economic impacts. For example, the initial investment in infrastructure such as water systems and industrial parks will continue to attract new and expanding businesses to recipient communities until the added capacity is fully utilized. Intermediary relending projects will provide capital in future cycles of relending as the original loans are repaid. Even for those projects that are already providing direct positive economic impacts, secondary and induced impacts will be generated as respending of the original income occurs within the community.

The NWEAI programs and projects represent broad scale funding decisions. While strategic community plans played an important role in the project generation and prioritizing process, actual project funding represents availability of funding as much as a systematic response to documented or perceived needs. The actual mix of funded projects in a specific community may not necessarily represent a coherent program of community development. On a positive side, multi-agency funding and leveraging of scarce resources allowed for the completion of community projects that would not have been funded under previous institutional arrangements.

There are a number of broader implications of the NWEAI experience:

- There is no assurance that rural communities will not face economic dislocations in the future even if the NWEAI is successful in diversifying the economies of rural communities. Outside forces such as global economic conditions, intra-region migration, and national social and cultural changes will continue to affect rural, natural resource-dependent communities.
- Local efforts to create sustainable communities may force resident's to make difficult choices between short-term prosperity and long-term objectives.
- Changes in natural resource management may have significant costs to rural communities such as workforce retraining, relocation and loss of established community leadership. These costs are not shared equitably by various groups within the community.
- There is a question as to what extent NWEAI community and economic development programs will be sufficient to achieve desired community goals. The cumulative impact of reductions in timber industry employment and income and reductions in land management agency budgets and personnel for natural resource management activities can be very large in certain communities.

A number of critically important issues remain to be addressed. As Sommers (Chapter 8) noted: "the new forms of inter-agency cooperation are not institutionalized in laws or agency rules." Continued collaboration will depend on commitment by key individuals to continue and in absence of policies that would roll back the innovative gains that the NWEAI has made. Berlinger and others (Chapter 7) said, "communities in the region have not yet completed the process of economic adjustment and still have concerns for the future." Berblinger in Chapter 10 also noted, "Can we maintain spirit and

momentum of the team of agencies serving rural communities through the Initiative? And, can the community spirit, hard work, and commitment of so many at the local level be maintained and supported until the job is done?"

Research and Assessment-based Responses to RCERT and OFEA Issues

The RCERT and the Office of Forestry and Economic Assistance (OFEA) staff have maintained a focus throughout the NWEAI on utilizing research and evaluative information as the basis for evolutionary change in the Initiative. An indication of this commitment to adaptive learning is the development of a list of key research and assessment questions that were to be answered as the NWEAI was implemented. These questions can logically be grouped into 3 categories:

- Initiative process issues.
- Initiative capacity issues.
- Initiative outcomes and accomplishments.

The questions are important as they represent the collective view by those most intimately associated with the NWEAI of critical research and monitoring issues and concerns that are the basis for the adaptive learning process for the NWEAI. A synopsis of how these research and assessment questions have been addressed by research and studies reported in this forum and other efforts provides a suitable benchmark of the NWEAI. An explicit review of how each question has been addressed by category follows:

Process-Related Questions

Ten of the questions deal with process issues. We list the number of the question from the original list and discuss findings from the research studies and

discuss findings from the research studies and assessments:

1. Did participants in the Initiative improve the Federal delivery system? Improving the Federal delivery system in the course of implementing the NWEAI has been a key consideration since the inception of the Northwest Forest Plan and the NWEAI (Multi Agency Command 1993, Tuchmann and others 1996). Every one of the studies referenced in this synopsis attempted to determine how successful the implementation of the NWEAI had been in improving the Federal service delivery system. In general, assessments of the NWEAI have concluded that there have been important improvements in the Federal delivery system (Bargen 1997, Raettig and Christensen 1994, Tuchmann and others 1996). The studies also recognize that improving the delivery system is a process that continues throughout the implementation of the NWEAI, and that some of the efforts at specific improvements in service delivery have not been successful. A variety of suggested improvements in the service delivery processes and institutions are included in many of the reports.

2. What actions were taken to accomplish the above? Across the entire NWEAI, the emphasis on collaboration and partnerships, and the process to address barriers and impediments (Tuchmann and others 1996) are cited as actions that have contributed to improvements in the federal delivery system. Individual Federal agencies have also taken actions to directly improve the delivery of specific NWEAI programs (Raettig and Christensen 1994, Raettig and others 1996, Reyna and others 1996). Another action the RCERT, SCERTs, MAC and the agencies have taken to effect improvements in the delivery system is through the support of assessment activities. The development of the 26 questions by OFEA and RCERT, the support of the array of research reports and studies including this manuscript are examples of such actions that

ultimately contribute to delivery improvements.

3. How satisfied were the participants, etc. with the actions of the agencies and the effects of the improvements? A number of the studies have attempted to measure participant satisfaction with the Federal agencies' NWEAI-related processes in general and specifically attempts to improve the process. Raettig and others (1998), Raettig and others (1994), Pacific Rim Associates (1995), Bergen (1997), and Tuchmann and others (1996) all have addressed the satisfaction issue. These studies portray a general climate of participant satisfaction with improvements in the delivery systems but also cite dissatisfaction concerning specific improvements remaining to be addressed or completed. The collaboration of the Federal agencies to reduce redundancy in the application process and speed the funding process up, and technical assistance from the funding agencies are positive examples that participants noted (Raettig and Christensen 1994, Raettig and others 1996, Bergen 1996). Dissatisfactions noted include the failure of available resources to meet expectations, ineffective or absent communications with local proponents, and excessive bureaucratic rules (Bergen 1997, Pacific Rim Associates 1995, Raettig and Christensen 1994). This is not surprising given the innovative and dynamic nature of NWEAI as it is being implemented.

4. What barriers were removed? Did they apply to the Initiative or program? Temporary or permanent? Specific examples of Initiative-level barriers that have been removed and their impact have been cited (Raettig and Christensen 1994, Pacific Rim Associates 1995, Tuchmann and others 1996, Bergen 1997). A notable example of a barrier that was removed is the development of "first stop shop--seamless delivery" concepts to make the NWEAI--CERT process more accessible to project proponents. Other examples of program specific barriers have been noted in many of the agency

reports as well as program specific studies and include the decentralization of Business and Industry Guaranteed Loan program decision authority, and the changes in the Departments of Agriculture and Interior contracting requirements to favor local participants in the Jobs in the Woods program (Raettig and others 1996, Reyna and others 1996, Tuchmann and others 1996).

Our interpretation is that given the collaborative nature of the NWEAI and multi-agency nature of many of the specific projects, the distinction between Initiative level barriers and program level barriers may not be particularly meaningful. Barriers that have been removed have addressed issues ranging from the conception, planning, consideration and funding of proposals to on-the-ground implementation. The permanence of the removal of these barriers can only be assessed in the future as implementation of the NWEAI projects proceeds.

7. What did the participants do to ensure that programs were accessible and easy to use? Given the magnitude of the NWEAI, the geographically dispersed region, and the immediate nature of the needed assistance, it is inevitable that accessibility to clients has been a major issue. Since the NWEAI is really a collection of existing authorized and funded agency programs with an existing complement of application, participation, implementation and reporting requirements, this has been a formidable task. Early in the NWEAI process concepts of "seamless delivery" and "the one stop shop" were proposed as major ways to enable clients to focus on responding to opportunities for assistance rather than the complexities of the application process (Raettig and Christensen 1994, Washington State Community Economic Revitalization Team 1994, Raettig and others 1996). Other efforts to improve ease of use of NWEAI programs have focused on reducing

redundancy in the application process, simplifying program requirements, and public contact by NWEAI managers.

Raettig and others (1998) document the successes of some of these efforts as well as some dissatisfaction over perceived complexities and barriers to easy access to NWEAI programs.

9. How well did other efforts described above work? In general other efforts to make the NWEAI processes accessible and easy to use such as the “one-stop shop” and simplifications in the application documentation produced positive results (Tuchmann 1996, Bargaen 1997, Washington Community Economic Revitalization Team 1994). Raettig and others (1998) reference a number of the successes as well improvements that could still be made. There is evidence that some of the difficulties in terms of ease of use and accessibility noted in earlier studies had been resolved by the time later studies were completed.

8. Was the “lead agency” approach effective in making programs more accessible and easy to use? The detailed process of implementing the NWEAI has varied in each of the three states. Each state has had a version of the “lead agency” or “lead agent” concept as a part of the SCERT process that has contributed positively to NWEAI implementation (Tuchmann and others 1996), but there have been differences in what the concept was, how it has been applied and the results. In Oregon the lead agency concept has been an explicit part of the process. In Washington the “lead scoping agent” has successfully been a single contact point to link applicants and the NWEAI institutions (Washington Community Economic Revitalization Team 1996). The “lead agency” concept has been applied in Oregon as an integral part of the application process. Participant satisfaction with the process has generally been good in Oregon but there have been perceived deficiencies in

understanding, outreach and the effectiveness of the application process (Pacific Rim Associates 1995). The California SCERT applied the “lead agency” concept in a process that forwarded applications to a lead agency on the judgement of an individual CERT coordinator (as opposed to the committee decisions used in Oregon). This could result in increased efficiency at the expense of collaboration between CERT participants (Bargaen 1997).

13. What did CERT do to coordinate forest management and economic development? and

14. What were successes and frustrations resulting from these efforts?

The RCERT and three state CERTs have directly supported the coordination of forest management and economic development through their support of the ecosystem investment parts of the Initiative (Washington Community Economic Revitalization Team 1994, Tuchmann and others 1996). Tuchmann and others (1996) also noted the complexities of the program that has two potentially conflicting objectives: the remaining disagreements over the intent of the program, and problems funding all of the ecosystem management components of the Initiative. A review of the 1994 Jobs in the Woods Program (Tarnow 1995) pointed out that major problems were the unrealistically high expectations among potential workers resulting from agency promotion efforts and difficulties arising from agency contracting and procurement practices. The CERTs have also had a direct but less obvious impact on coordinating forest management and economic development through the funding and implementation of projects that support existing and emerging businesses dealing with forest products including special forest products and expanded secondary manufacturing of locally produced timber (Raettig and others 1996, Washington State Community Economic Revitalization Team 1994).

Our interpretation is that the NWEAI supported training activities such as the Forestry Training Center at Forks, Washington that will impact both forestry and economic development by creating a highly skilled workforce for new forestry methods.

15. What did CERT participants learn from efforts that may help future efforts to coordinate ecosystem management & economic development?

Among the most significant lessons learned concerning the coordination of ecosystem management and economic development are the following (USDA/USDI 1996, Tarnow 1995, USDA, Forest Service 1996):

- The coordination of the often conflicting objectives of ecosystem management and economic development is very complex, particularly as compared to other NWEAI program areas.
- Adequate funding is ultimately the prerequisite to accomplishing both objectives on a meaningful scale. This has not been realized in the NWEAI and the demand for funding has exceeded available resources.
- Existing agency contracting and procurement processes can create real barriers to accomplishing the desired coordination.
- An agreement on the vision and goals of a coordinated program is necessary, and extremely difficult to achieve.

Capacity-Related Questions

Six of the evaluation and monitoring questions deal with capacity issues.

5. What did the Initiative do to provide assistance for local planning and decision making?

The Forest Service, USDA Rural Development,

and the Economic Development Administration in the Department of Commerce all have NWEAI programs that provide assistance to support local planning and decision making (Tuchmann and others 1996, Raettig and others 1996). In some cases financial support goes directly to the local community or planning entity for specific planning products or processes while in other instances support has been given to organizations such as Rural Development Initiatives Inc. in Oregon to support broad programs supporting local planning and decision-making. These NWEAI programs often build on existing State economic development programs supporting local and sub-State efforts (Tuchmann and others 1996). Some NWEAI programs such as specific USDA Rural Development loan and grant programs have indirectly encouraged local planning and decision-making by requiring completion of certain planning processes and products such a strategic or comprehensive plan a prerequisite for receiving assistance.

6. Did the assistance improve the quality of local planning and decision making? It is reported that these programs for supporting local planning and decision making have made positive contributions to the quality of local processes and represent one of the significant accomplishments of the NWEAI (Raettig and others 1996, Tuchmann and others 1996). One example of the kind of improvements in the local planning process supported by NWEAI programs is the unincorporated community of Happy Camp, California (Bargen 1997). NWEAI programs and support enabled Happy Camp, a community that did not have an existing plan, to begin a planning process, become an active partner in the NWEAI process, and undertake positive community development projects. Other positive NWEAI contributions to local planning activities are documented across the region.

23. What was the existing base of community capacity prior to the Initiative? Although there is no base measurement of community capacity, NWEAI economic development efforts in the region have built on a foundation of existing capacity and local institutions. Federal programs such as those in the Economic Development Administration and state supported institutions such as Rural Development Initiative Inc., the Oregon Economic Development Department and the Washington Department of Community Trade and Economic Development were actively supporting local economic development activities before the Northwest Forest Plan. There is evidence, however, that local capacity for economic development was lacking or needed improvement in parts of the region and in certain unincorporated communities (Bargen 1997, Raettig and others 1996). Infrastructure in many of the rural NWEAI areas was either lacking or obsolete.

24. What did the CERTs do to improve local capacity? The CERTS were able to improve local capacity directly by funding projects aimed specifically at improving local economic development capacity through either technical assistance or supporting specific capacity improving projects (Bargen 1997, Raettig and others 1996, Tuchmann and others 1996, Washington Community Economic Revitalization Team 1994). NWEAI programs have also set the stage for local economic development by funding infrastructure projects such as water and wastewater facilities that are essential for future development (Raettig and others 1996, Tuchmann 1996). Finally, the requirements for local planning and economic development products and institutions as a precondition for participation in NWEAI programs has provided a powerful incentive for local communities. The collaboration that is the foundation of the NWEAI is one of the essential conditions for efficient and effective planning for community development.

25. What changes in local capacity took place as a result of CERT efforts? It is perceived that CERT support of NWEAI projects to enhance local capacity provided an increased capability in communities across the region to undertake community and economic development activities (Bargen 1997, Raettig and others 1996, Tuchmann and others 1996). Some of this capability was realized in an increased skill level among both economic development practitioners and the community at large as a result of support for such projects as the Rural Development Initiatives Inc. business assistance team project and the Lane Community College first stop shop project. Other enhanced capability has been in specific community development plans, projects and capital facilities such as the industrial park in the City of Oakridge, Oregon. Also, many communities have realized the benefits of partnerships and collaboration to provide a base for community development activities and this model can be used by the communities in future development activities using skills enhanced in the NWEAI process

26. How much were community plans advanced as a result of the Initiative? NWEAI financial support has provided for the completion of plans that had already been started and enhanced the quality of plans in progress in the region (Pacific Rim Associates 1995, Raettig and others 1996, Tuchmann and others 1996). The NWEAI has also initiated strategic planning activities in communities that had not previously been involved in such activities (Bargen 1997). Practitioners have indicated that these efforts have been a significant factor in enhancing the level of community capacity (Tuchmann and others 1996).

Outcome and Accomplishment Questions

Ten of the questions deal with outcomes and accomplishments of the NWEAI.

10. What did the Initiative do to ease the short-term transition for workers? The Initiative program that directly addresses the transition for dislocated workers is the Job Training Partnership Act (JTPA) funded through the Department of Labor Secretary's Reserve. This program provides for worker retraining and, importantly, for temporary living expenses while the worker is in training. The initial minimum target level of funding for this NWEAI program was \$12,000,000 and this level has been exceeded in every year of the Initiative since 1995. Indirectly, the Northwest Forest Plan is providing assistance in that timber sales on Federal lands have been resumed and some workers will find or be able to continue employment in harvesting and processing timber (Tuchmann and others 1996).

11. How many workers benefited from these efforts? Did families benefit? What were the benefits? The OFEA report noted that "Since the initiative began, 4900 worker-training opportunities had been created in the region" (Tuchmann and others 1996:176). It is not clear if this is a total for fiscal years 1994 through 1996 or a total for some shorter period of time. In fiscal year 1996, the RCERT reported that training opportunities for 2433 workers were provided (Regional Community Economic Revitalization Team 1996). Training for family members was not reported separately in either the OFEA report or RCERT annual reports. The 1996 RCERT annual report does indicate that training opportunities were extended to other workers in timber communities in addition to primarily and secondarily-impacted forest product workers.

12. JTPA questions: Workers served by JTPA and by other programs; the success rates; were family members served; and what were the results? JTPA training opportunities provided are noted in the response to the previous question. Information is not available on other programs or family members served. Tuchmann and others (1996) reported that 1006 workers had either completed or left training programs by the end of fiscal year 1995 and 817 of these workers had found jobs.

16. Were economic benefits enhanced through this coordination? Ecosystem benefits enhanced? How much? The NWEAI ecosystem investment programs across the region have generated an important economic impact (Tuchmann and others 1996). In fiscal year 1994, for instance, an estimated 2,200 jobs (equivalent to 600 full-time jobs) were created by the ecosystem management programs. In fiscal year 1995, the total number of jobs created increased to almost 3,700. Another measure of the economic impact of these jobs is indicated by the total wage and benefit value of \$17.10 per hour for the fiscal year 1995 program (USDA/USDI 1996). While an accounting of ecosystem accomplishments is not available, a variety of needed watershed and ecosystem restoration projects were completed including road, culvert, stream, and vegetation projects.

17. What have the CERTs done to create a network to coordinate training for dislocated workers with economic development efforts? One of the more visible efforts to coordinate training for dislocated workers and economic development has been the ecosystem workforce demonstration projects in Oregon (Labor Education and Research Center 1995, Tarnow 1995). The ecosystem workforce demonstration projects have been conceived to create a quality workforce (certified ecosystem management workers) through training and experience on actual ecosystem management projects. An important element of the ecosystem management workforce demonstration projects has

been the payment to participants of wages and benefits sufficient to provide support for the worker and family. Completing quality ecosystem management projects was also an explicit consideration in the ecosystem workforce demonstration projects. Similar networks have been created in other states to provide the necessary training and experience to develop an ecosystem management workforce. Notable efforts in other states include California projects in Eureka, Hayfork and Yreka and the Columbia Pacific RC&D project in Washington. Yet another method that training, ecosystem management and economic development have been coordinated through the support of the Jobs in The Environment program in Washington State--an existing cooperative effort.

18. Did these efforts improve the success of job training programs? One of the defining characteristics of the ecosystem workforce demonstration program has been the emphasis on evaluating the program and projects on an ongoing basis. Evaluation work has been undertaken directly by the entities involved such as the Labor Education and Research Center at the University of Oregon (Labor Education and Research Center 1995), the Federal land management agencies (USDA/USDI 1996), the State CERTS (Washington Community Economic Revitalization Team 1996), and outside interest groups (Tarnow 1995). These evaluation efforts all documented successful strategies, techniques and projects that have improved the success of the training/ecosystem management coordinated program but also pointed out the large measure of improvement that could be made as implementation continued. On a regional level, funding and the extraordinary complex nature of implementing projects with such diverse and potentially conflicting goals were identified as factors that have complicated implementation (Tuchmann and others 1996).

19. What did the CERTs do to stimulate job opportunities in forest-related economic activity? The CERTs stimulated job opportunities in forest-related sectors through the entire process of managing the Jobs in the Woods program. Support of innovative methods of contracting, packaging of potential projects and project administration directly translated ecosystem investments into jobs for dislocated timber workers (Tarnow 1995, Tuchmann and others 1996). Creative management of the projects has meant that many of the ecosystem management opportunities are accessible to dislocated workers. Coordination of workforce training and ecosystem management enabled the program to create new employment opportunities in the impacted rural communities. In addition, CERT support of other economic development projects has enhanced job opportunities in the more traditional forest products harvesting and processing industries as well as secondary manufacturing components of the sector (Raettig and others 1996).

20. How successful were efforts to create forest-related jobs? Answers have already addressed the magnitude of employment opportunities created by ecosystem management investments. It is important to note that the program has done well in matching job opportunities and displaced timber workers. Of 2,226 jobs that were reported as created by the 1995 program, 45 percent went to dislocated timber workers (USDA/USDI 1996). Across the region the program's efforts and success in meeting expectations were limited by the lack of full program funding (Tuchmann and others 1996).

21. What long-term strategic economic investments were made by Initiative participants? The NWEAI programs have made important investments in long-term capital facilities in the timber communities. Raettig and others document the magnitude of economic investments from a regional perspective. Notable examples of infrastructure investments include water and

wastewater treatment facilities (Raettig and others 1996, Reyna and others 1996, Washington Community Economic Revitalization Team 1994), community health facilities in Reedsport, Oregon (Raettig and others 1996), industrial park improvements in Oakridge, Oregon (Raettig and others 1996), and marine facilities in Washington (Washington Community Economic Revitalization Team 1996). Other long-term strategic investments have been made in revolving loan funds funded by agencies such as USDA, Rural Development and the US Department of Commerce, Economic Development Administration (Raettig and others 1996, Reyna and others 1996) that will provide a crucial source of credit for emerging and expanding small businesses. A third way the NWEAI has invested in long-term economic development is in human capital. NWEAI projects like the business assistance teams and first stop shops in Oregon (Raettig and others 1996), and a forestry training center in Washington (Washington Community Economic Revitalization Team 1996) provide enhanced skills among individuals and groups that are a base for future economic development.

The next series of questions all involve specific outcome measures. A number of studies have answered some of these items for 1996 at the state or regional level and results are discussed for each specific sub-question.. A comprehensive monitoring system is not in place or planned to answer these questions definitively in the future.

22 a. What private investments associated with the public investments had been made by 1996? By 2003? Two information sources addressed this question for portions of the NWEAI region. In Washington for fiscal years 1994 through 1996, non-federal sources accounted for 32 percent of total WACERT project funding. The 3.8 million dollars of private investment accounted for 2.5 percent of total project funding and 7.3 of the non-federal funding (Washington Community Economic

Revitalization Team 1994, 1995, 1996). A study of USDA Rural Development NWEAI programs for fiscal years 1994 and 1995 in Oregon (Raettig and others 1996) indicated that non-Federal sources accounted for 17.1 percent of total project value but did not separately account for private sources. Private investments have been an important part of NWEAI project funding but an exact accounting has been precluded by the lack of a systematic accounting system.

22 b. How many/what kinds of businesses were created, expanded, or located in affected communities by 1996? By 2003? The most comprehensive source of information on business impacts of NWEAI programs is the USDA Rural Development assessment for Oregon (Raettig and others 1996). In 1994 and 1995 NWEAI projects funded by USDA Rural Development in Oregon impacted 146 businesses. Information for those business impacts that were categorized indicates 11 new businesses, 3 retained businesses and 32 expanded businesses.

22 c. By 1996, how many dislocated workers were hired and how many other people? How many threatened jobs were retained? How does this compare with the jobs lost in the forest products industry? Only a partial answer is possible for this question. Tuchmann and others (1996) found that of the 16,542 NWEAI “job effects” for fiscal year 1996, 12 percent were jobs that were retained or found by workers after retraining, 44 percent were jobs created during the fiscal year, and 44 percent were jobs expected to be created in future years. One indication of the portion of these workers that were dislocated timber workers is that 45 percent of the workers receiving jobs through the Jobs in the Woods program in fiscal year 1995 were, in fact, dislocated timber workers. Jobs lost by the timber industry are discussed in detail in Raettig and others (1998).

22 d. By 2003, how many affected communities have adjusted to and thrived in the face of reduced timber harvests? How many jobs in those communities are associated with public investments made by the Initiative? This question needs a monitoring and reportingsystem in place to be addressed.

22 e. By 1996, which investments or combination investments have had the most beneficial impact? By 2003? Capital investments in infrastructure that have had construction activities begin or complete are candidates for immediate (1996) beneficial impacts. Water and wastewater facilities, and other community facilities are examples and have generated construction job impacts as well as providedservices as they have been completed (Raettig and others 1996, Reyna and others 1996). Another category of NWEAI projects that has already had a positive impact are business and industry programs such as revolving loan funds and loan guarantees. In many case funds have already been loaned out and recipient businesses have hired new employees. Investments in human capital and capacity often have only just begun to generate beneficial impacts.

The studies cited in response to the list of questions and the continuing evaluation and monitoring efforts of those working on the NWEAI and Northwest Forest Plan provides a comprehensive, if not complete, accounting of how successful the NWEAI has been in addressing community and economic development needs in the region. We acknowledge the contributions by Bob Rheiner, CERT Co-Chair, and all participants at the Forum.

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APPENDIX A

List of participants at forum entitled "Northwest Economic Adjustment Initiative: Have the Hopes Been Realized," July 1997, Portland, Oregon.

Name	Agency	City and State
Roger Ahlbrandt	Portland State University	Portland, OR
Aldred Ames	U.S. Department of Commerce, Economic Dev. Ad.	Boise, ID
Merle Anderson	Siskiyou County Economic Development Corporation	Yreka, CA
Rolf Anderson	U.S. Forest Service, Willamette National Forest	Sweet Home, OR
Janet Anderson-Tyler	U.S. Forest Service, State and Private Forestry	Portland, OR
Al Angrignon	Forks Forestry Training Center	Forks, WA
Jan Bargaen	LBJ School of Public Affairs, Univ. of Texas	Austin, TX
John Benoit		Willows, CA
Anne Berblinger	U.S. Department of Commerce, Economic Dev. Ad.	Portland, OR
Karin Berkholtz	Governor's Rural Assistance Team	Olympia, WA
Patrick Borunda	OR Native American Business Entrepreneur Net.	Portland, OR
Bob Buckingham	Makah Tribal Center	Neah Bay
Suzanne Burcell	Karuk Community Development Corp.	Happy Camp, CA
John Butterworth	Benton Bulletin	Philomath, OR
Bill Campbell	Oregon Economic Development Department	Salem, OR
Rebecca Chaffey	City of Raymond	Raymond, WA
Scott Chapman		Portland, OR
Harriet H. Christensen	U.S. Forest Service, PNW Research Station	Seattle, WA
Chuck Clendenin	USDA Rural Development	Woodland, CA
Budd Denny	Small Business Development Program	
Ellen Donoghue	U.S. Forest Service, PNW Research Station	Portland, OR
Scott Duff	USDA Rural Development	Portland, OR
Anita Gahimer	Port of Skamania County	Stevenson, WA
Chris Gannon	Confederated Tribes of Warm Springs	Warm Springs, OR
Corrine Gobeli	Oregon State University	Corvallis, OR
Terry Gribben	U.S. Department of Labor	Seattle, WA
Magaret Hallock	Labor Ed. Research Center, Univ. of Oregon	Eugene, OR
Richard Haynes	U.S. Forest Service, PNW Research Station	Portland, OR
Eric Herst	USDA Rural Development	Portland, OR
Ollie Jones	U.S. Forest Service, Willamette National Forest	Eugene, OR
Kim Judge	State of Alaska	Ketchikan, AK
Lynn Jungwirth	Karuk Community Development Corp.	Hayfork, CA
Darrel Kenops	U.S. Forest Service, Willamette National Forest	Eugene, OR
Jim Kimbrell	Siskiyou county, CA	Eureka, CA
Lloyd Kirry	U.S. Department of Commerce, Economic Dev. Ad.	Seattle, WA
Jim Kraft	Eastern Oregon University	La Grande, OR
Jonathan Kusel	Forest Community Research	Taylorsville, CA

Bert Larson	Internat. Assoc. of Machinists, Woodworkers	Gladston, OR
Dan Leinan	City of Forks	Forks, WA
Curt Loop	Regional Ecosystem Office	Portland, OR
James F. Lowery	Economic Development Corporation	South Bend, WA
Jerry Lucas	Makah Tribal Council	Neah Bay, WA
Mary E McBride	USDA Rural Development	Olympia, WA
Al McKee	Washington CERT	Stevenson, WA
Renate Mengelberg	Clackamas county, OR	Oregon City, OR
Susan Morrison	Rural Human Service	Crescent City, CA
Casandra Mosely	Rogue Institute	Ashland, OR
Bob Nash	Superior CA Economic Development Dis.	Redding, CA
Jim Neuva	Port of Willapa Harbor	Raymond, WA
Jennifer Nolton	Makah Tribe	Neah Bay, WA
Ron Ochs	U.S. Forest Service, State and Private Forestry	Portland, OR
Richard Phillips	U.S. Forest Service, Region Six	Portland, OR
Terry L. Raettig	U.S. Forest Service, PNW Research Station	Olympia, WA
Robert Reiss	Trinity county, CA	Hyampom, CA
Wendy Reiss	Trinity county, CA	Hyampom, CA
Bob Rheiner	Bureau of Land Management (RCERT)	Portland, OR
Dave Rux	Internat. Assoc. of Machinists, Woodworkers	Aberdeen, WA
Ron Saranich	U.S. Forest Service, State and Private Forestry	Washington DC
Dave Schmidt	Linn county, OR	Albany, OR
Phyllis Schrauger	City of Hoquiam	Hoquiam, WA
Bill Scott	Oregon Economic Development Department	Salem, OR
Heidi Sickert	Sustainable Northwest	Portland, OR
Sam Sirkin	Oregon Economic Development Department	Salem, OR
Paul Sommers	Northwest Policy Center, Univ. of WA	Seattle, WA
Charles Spencer	Labor Ed. Research Center, Univ. of Oregon	Eugene, OR
Mark Stanley	California Resources Agency	Sacramento, CA
Jim Strathman	Portland State University	Portland OR
Francie Sullivan	CEWAER	Sacramento, CA
Joanne Sutherland	Confederated Tribes of Warm Springs	Warm springs, OR
Kathy Suvia	Siskiyou Training and Development	Weed, CA
Terry Swagerty	Umpqua Community College	Roseburg, OR
Janel Tarczy	California Resources Agency	Sacramento, CA
Sinclair Tedder	British Columbia Ministry of Forests	Victoria, BC
Tom Tuchmann	USDA, Office of the Secretary	Portland, OR
Victor Vasquez	USDA Rural Development	Washington DC
Jim Walls	Columbia Pacific Res. Conservation & Development	Aberdeen, WA
Nikki Whitty	Coos, Curry, Douglas Council of Governments	North Bend, OR
Jim Zelenka	Lane County Council of Governments	Eugene, OR
Joyce Zwanziger	Siskiyou County Economic Development Corporation	Weed, CA