

## **Social and Economic Aspects of Planning Effects of Alternatives Social Impact Assessment**

PRESENTER: Okay. This is the outline of what we're going to talk about, but I do have, since I have the podium, I feel, the freedom to make a response to the discussion we just had, which I found very interesting, and Tom, you know, your issue in my mind -- you know, we had a slide up there that says all issues are social issues, and to me we're talking about a social issue because -- and economists, tell me if I'm wrong here, but this is not a biological problem, because biologists can measure, you know, with some degree of certainty expected changes in sage grouse populations. And this is not a problem for the economist because economists are scientists and scientists are not going to admit that they cannot measure anything, right? And John can give you values for sage grouse. If he doesn't have them already, they can be imputed like he said. So there's no problem from the bird standpoint. There's no problem from the numbers standpoint. What your problem is, I would guess, or your potential problem, is whether the person in charge, the signee on the record of decision, the people at the BLM who will be negotiating with the company on leases or stipulations, are willing to back the use of nonmarket values in that argument with the company. That's the issue, isn't it, really?

CLASS PARTICIPANT: [inaudible] kind of bringing up the research, he was talking about, and we had a -- a year and a half ago Montana was asking for some reports on us. So they brought out some interim reports. Well, we can't use an interim report because it hasn't been peer reviewed or anything. So we finally a year or so struggled through getting a peer review, came out in the Journal of Wildlife Management. We still don't know if we want to accept it or not. Industry is doing their own thing.

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PRESENTER: It's been in the literature for 30-plus years, and plenty of agencies have formally adopted it, but there is still, we are all willing to admit, a reluctance on the part of some agencies, some managers, some decision makers to view these numbers as real. And when they listen to John talk, John is very persuasive, isn't he? And he is -- you know, you say, yeah, this makes sense. But you may not be able to make that argument, or people in your office may not be able to make that argument. Or you might be able to make it and then you get a really tough question and John would go, well, of course not, because -- and you, or me, for that matter, would say, um, good point. Let me call John and I'll make another appointment with you and let's talk about that tomorrow. And so this is, you know -- there is a resistance within a lot of agencies, and even if an agency adopts something, some managers may not be willing to go to bat, and if we're talking about stipulation on leases, if you're in there talking to high-powered people, you got to be utterly convinced what that you're doing is right, what you're doing is pono (phonetic) as we say in Hawaii, that you have the science to defend this, that you have -- and you have to instill this political will in this decision maker to defend these numbers, to go to bat for them, and they may or may not feel that way, and even if they support it, they may not be able to do it. So it's -- even though the science is there, it's still a difficult social issue in a lot of settings, and I would just, you know, hire John to come down and be my negotiator. So that would be my kind of, I guess, somewhat pessimistic, response to that discussion.

PRESENTER: The other thing that I think is really important, Tom, is your situation covers several field offices, and it's something that really does require some

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collaboration between Field Office and even states in this case, and -- but if you get together and come up with a strategy on how to gather this data and do the analysis, it would be good if everybody kind of supports the idea and the approach so you have some consistency if it's appropriate, and if there's a reason why one Field Office would take a different approach, then you can at least explain why they are taking that different approach.

PRESENTER: There are some economies of scale, and one of the seeds we hope to plant for this course, and actually Stuart and I ended up working on a project in Montana, it was Pat Graham who rose from a lowly field biologist to the head of research and the head of Montana Fish, Wildlife and Parks that took my course in Kansas City in 1982, and, you know, it was that course, they go, wow, we can do this stuff, and as he rose in the agency, his support for that and his funding for that launched a very nice statewide study that Stuart and I did in Montana. So, I mean, the idea here is in many cases, yeah, your Field Office shouldn't be doing a contingent valuation on sage grouse. That information is needed by several field offices, several states, by the Forest Service, by the Fish & Wildlife Service. You know, the idea is you can act as a catalyst and the coordinator to say, Look, we need this information. I think you need this information, too. We all should have this. Do one very well done survey that

is credible by pooling the resources across all of the field offices, the state office and, you know, other agencies to do this. So rather than everybody saying we don't have the time, we don't have the money to do this independently, say, look, this is something we

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need to address this issue that's across state and across agency boundaries. Let's fund one really good survey to do that, and then each one of the field offices can apply that. You know, if it's designed appropriately, can apply that, then, at the RMP level. So that's kind of a way around this impasse that is too big of a chunk for an individual Field Office to tackle, but it's information several field offices and several states and several agencies need.

PRESENTER: So you not only have to convince one person this is the right approach, you have to convince a bunch of them. So -- but I don't want to appear entirely pessimistic. So I'll give you a quick little story of success from my distant past, which was the very first project I ever worked on after graduate school, which was 1980. So we're in the same time frame John is talking about here.

I worked on a -- I was working for the state Department of Natural Resources in Montana and one of the first projects we had was a dam construction project on the Kootenay River, and the dam was going to be built above the falls, but it was going to severely dewater the falls. So there were going to be some changes, and we -- the state decided that since the federal EIS was not going to address nonmarket values, the state wanted to. So the state hired John Duffield, who I worked with, and who John has worked with, and we did a series of studies of visitors, of county residents, of others to develop some nonmarket values, and lo and behold we found that the nonmarket values of the falls remaining in its existing free-flowing state were going to be greater on an annual basis than the value of the hydropower that was going to be produced by the

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project. And the state used this in its EIS, and we went to the -- the case went to an administrative law judge. And so John and I were on the witness stand for days being grilled by lawyers about this set of analyses, and the administrative law judge denied the license for the dam, which at that point was either the first time that had happened or one of the first few times, and it was partly there were some questions about the need for the power. So

that was part of it. But the administrative law judge in his decision did say that part of the argument -- part of the reason he was denying the license was that there was a substantial question about the value that would be lost to this site if the dam was constructed. And this in my mind was the first time that any FERC judge and probably a lot of others had cited the presence of nonmarket values as one of the reasons for denying a license.

So this has fared well in that kind of arena that time and a number of places since. So that's just another way of saying that there is hope and that sometimes there are people and agencies who are willing to kind of stand by their data and to recognize the fact that these nonmarket values exist. I mean, we know they exist. People hold values for these things, and the question is how do you put on that a level playing field with market values that have dollars attached. So I wanted to add that little story just to say that there is some hope, as long as you can find your champions who are willing to support that type of data.

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PRESENTER: The wilderness papers are in there, right? Take a look at those.

Because they're insisting that the Bureau of Land Management look at those issues, and they're routinely reviewing our documents in that vein. So if you get a moment, take a look at those.