

**Northwest Colorado Stewardship (NWCOS)
Socioeconomic Meeting with Colorado State University (CSU) Staff
May 3, 2005
Meeting Summary**

Action Items

Who	What
CSU (Loomis)	Provide NWCOS with citation for Loomis's text book. The citation follows: Loomis, John, <i>Integrated Public Lands Management</i> , 2nd ed., Columbia University Press, New York, 2002.
CSU (Loomis)	Provide NWCOS with an example of other recreation surveys. This document can be found at: http://nwcoss.org/Resources/Loomis%20%20South%20Fork%20Survey%205-25-04.pdf .
NWCOS Sectors	Identify one person per sector to serve on a subcommittee to track the socioeconomic study. Please inform Kristi of this person by no later than Friday, May 13.
CSU/BLM	Finish contracting process.
CSU (Loomis)	Begin traditional parts of baseline.
CSU, Keystone, BLM	Work to develop consultative process with NWCOS that doesn't blow the budget or the schedule.

Attendance

Vanessa Cameron, Jeremy Casterson, Jeff Comstock, T. Wright Dickinson, Stephen Flaherty, Dean Gent, Rick Hammel, Suzanne Jones, Reed Morris, Sandy Orgoglioso, Brad Petch, Marianna Raftopoulos, Tamara Todres, Jane Yazzie, and Kristi Parker Celico.

Guest Speakers: John Loomis and Steve Davies, CSU Professors

Current Status of Contract with CSU

Jeremy Casterson is in the process of finalizing the contract with CSU to perform a baseline and socioeconomic analysis. Jeremy notes a couple of specifics regarding this effort:

- BLM would like NWCOS to contribute some finances to this effort given the increased costs. Jeremy interprets this to mean approximately \$10,000 to \$20,000. He noted that the sooner the money comes in the better, since BLM has limited funds for this fiscal year.
- Jeremy noted that the federal government has rules that dictate the types of surveys that an agency can conduct.

CSU Staffing

Steve Davies stated that he, Andy Siedel, and John Loomis would take the lead on this effort for CSU. He noted that his focus is in regional analysis and, specifically, social accounting matrixes to provide a more complete picture of county economies than IMPLAN does. Siedel specializes in natural resource and environmental economics, with a great deal of past experience in Moffat County.

The group had a detailed discussion regarding whether CSU staff had sufficient background in oil and gas economics. Some of the NWCOS oil and gas participants noted that University of Wyoming has staff that specialize in this area and that it may make sense to subcontract to them for parts of the analysis. CSU staff noted that none of the three of them are mineral economists, but all of them have addressed similar issues in prior efforts. They noted that the information from oil and gas revenues is readily available, and that they would work with each of the individual sectors to ensure that they have the right data and it is appropriately interpreted. Further, Loomis noted that a copy of his textbook may be of interest to NWCOS participants. The citation for this book can be found in the action items above.

NWCOS noted the importance of this consultative process with NWCOS and the need to groundtruth data so that it appropriately fits the two counties affected.

Establishment of Baseline

Loomis provided a brief review of how they typically calculate the baseline. His briefing slides of the presentation can be found at:

<http://nwcoss.org/Resources/Draft%20CSU%20Econ%20Assessment%20SOW.pdf>. NWCOS participants mentioned several specific ideas that they would like CSU to consider, including:

- Gathering input on all taxes and revenues and tracking their specific earmarked uses to determine the specific economic impacts.
- The need to draw the relationship between the tax dollars and public development.
- How much money is actually spent in Moffat County? Examples raised included whether those who recreate in Moffat County on BLM lands buy their supplies locally or not and where oil and gas drillers buy most of their supplies.
- The retired population: what brings them and what keeps them.
- BLM noted that they have limited data regarding recreation use on BLM lands.

Analysis of Socioeconomic Impacts

Again, Loomis provided a brief review of how they might begin to analyze the impacts of the various alternatives. He noted that there are basically market and nonmarket types of impacts to consider. Market impacts are those where money exchanges hands and thus, these impacts are easy to calculate (e.g., the market place sets a price for oil and gas). Values that are not typically traded in the market are more difficult to calculate, but increasingly the federal government is using different techniques for doing such including. These nonmarket values are typically divided into two categories: use (e.g., hunting, hiking, camping, etc.) and nonuse (e.g., the value

of knowing that an area is a wilderness even if one does not intend to visit it). The nonmarket, use values are typically calculated using one of three strategies: travel cost method, house price differential, and contingency value method. Nonmarket, non-use values are typically calculated using the contingency value method.

NWCOS participants noted the following ideas:

- The analysis should probably focus on Moffat County as opposed to Routt County, given the percentage of BLM lands that are within Moffat County;
- A detailed conversation occurred regarding the use of contingency values to determine the baseline or impacts of any alternative. In general, the group agreed that:
 - This study will focus on use impacts (e.g., hunting, hiking, oil and gas drilling, etc.) as opposed to non-use (e.g., the appreciation that Vermillion Basin exists, without any intent to visit it) impacts. Thus, contingency valuation for non-use factors will not be included in this study.
 - Some NWCOS participants expressed concern about using contingency value methods for the use calculations, since this involves people estimating how they value something as opposed to pulling money out of their pocket. Others stated that the whole Resource Management Plan (RMP) process is a planning process that requires using models and estimating likely impacts. The group agreed that they would continue to look on a case-by-case basis regarding how contingency valuation is used in their effort.
 - The group noted that recreation is an important area to get good nonmarket values for and that BLM currently lacks this data. However, some NWCOS members noted that other areas need nonmarket analysis as well, including:
 - Rural lifestyle (ranching and agriculture);
 - The nonmarket quality of life impact that oil and gas has on society;
 - The impact that wilderness character has on open space.

Next Steps

The group generally agreed to the following next steps:

- CSU should proceed forward with the traditional elements of the baseline.
- Sectors of NWCOS should appoint one individual each to help track on the details of this effort and inform Kristi regarding the appropriate contact.
- This subcommittee will work to identify key areas for nonmarket analysis and generally serve in a consultative role through the analytic process.