

October 15, 2019

Paul Ray, Acting Administrator
Office of Information and Regulatory Affairs, Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Ave., NW, Room 262
Washington, DC 20503
Email: Paul_Ray@omb.eop.gov; OIRA_submission@omb.eop.gov

Re: Economic Significance of Alaska Roadless Rule

Dear Acting Administrator Ray:

Taxpayers for Common Sense would like to provide input to the Office of Information and Regulatory Affairs (OIRA) regarding the economic significance of the USDA Forest Service's proposed rulemaking for management of inventoried roadless areas in the Tongass National Forest in Southeast Alaska (Alaska Roadless Rule). Specifically, we believe that OIRA should classify the Alaska Roadless Rule as a "significant regulatory action" requiring a full cost-benefit analysis prior to publication of a proposed rule.

It has been reported that the proposed Alaska Roadless Rule would fully exempt the Tongass National Forest from the protection provided by the Roadless Area Conservation Rule (Roadless Rule).¹ Adopted by the Forest Service in 2001, the Roadless Rule generally prohibits road construction and commercial logging within national forest inventoried roadless areas, including 9.3 million acres in the Tongass National Forest. Such an exemption for the Tongass would have major adverse economic impacts nationally and regionally, while providing few if any benefits.

For federal taxpayers, the proposed rule would likely result in significantly greater financial losses to the U.S. Treasury and American taxpayers. Research has shown that logging on the Tongass National Forest in Southeast Alaska cannot occur without significant federal taxpayer subsidies. According to our recent analysis (see attached), Forest Service timber sales in the Tongass National Forest have lost approximately \$600 million over the last twenty years, or \$30 million per year on average in 2018 dollars. Furthermore, we estimate that the Forest Service could end up losing more than \$180 million in the Tongass over the next four years if sales are conducted according to the "Tongass National Forest 5 Year Timber Sale Schedule 2019-2023." Regarding the proposed exemption of the Tongass from the Roadless Rule, our study concluded that "[e]xempting those acres from the rule in the future would allow the USFS to expand timber sales to new areas, which would require comparatively more road construction for timber access. This would only drive up USFS expenses and deepen taxpayer losses from Tongass timber sales."

¹ J. Helperin and J. Dawsey, "Trump pushes to allow new logging in Alaska's Tongass National Forest," *Washington Post*, Aug. 27, 2019, p. 1. www.washingtonpost.com/climate-environment/trump-pushes-to-allow-new-logging-in-alaskas-tongass-national-forest/2019/08/27/b4ca78d6-c832-11e9-be05-f76ac4ec618c_story.html?wpisrc=al_news_alert-politics--alert-national&wpmk=1.

Tongass roadless areas provide other economic benefits for fish and wildlife and an expansive tourism industry and indirectly support one of the biggest economic drivers in Southeast Alaska – commercial fishing. These two industries, tourism and commercial fisheries, make up approximately 18% and 8% of regional employment, respectively, and are both directly dependent upon the protected roadless areas of the Tongass. In contrast, timber industry employment has fallen by 80% since the 1990s and currently represents less than one percent of regional employment.

Executive Order 12,866 on Regulatory Planning and Review requires a federal agency to perform a cost-benefit analysis of any proposed regulation that OIRA or the agency determines to be a “significant regulatory action,” which includes “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities....” We believe that exempting the Tongass National Forest from the Roadless Rule would clearly result in adverse economic and associated environmental impacts warranting a determination that the Alaska Roadless Rule is a significant regulatory action.

OIRA has consistently classified other Forest Service roadless rulemakings to be “significant regulatory action” requiring cost-benefit analysis. Prior rulemakings deemed to be significant regulatory actions include the original Roadless Rule in 2001,² the Tongass Temporary Exemption in 2003,³ the Idaho Roadless Rule in 2008,⁴ and the Colorado Roadless Rule in 2012.⁵ We see no reason why OIRA should depart from this longstanding precedent in the current Alaska Roadless Rule.

Thank you for considering our input regarding the Alaska Roadless Rule.

Sincerely,

A handwritten signature in black ink that reads "Autumn Hanna". The signature is written in a cursive, flowing style.

Autumn Hanna
Vice President, Taxpayers for Common Sense

² 66 Fed. Reg. 3244, 3267 (Jan. 12, 2001).

³ 68 Fed. Reg. 75,136, 75,144 (Dec. 30, 2003).

⁴ 73 Fed. Reg. 61,456, 61,474 (Oct. 16, 2008).

⁵ 77 Fed. Reg. 39,576, 39,590 (July 3, 2012).