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THE ECONOMIC BENEFITS OF PROTECTED LANDS: A GOVERNMENT-LITE APPROACH

By Ryan Cooper with Eli Lehrer

INTRODUCTION

We must take care of our natural resources and ensure continued access to recreational opportunities so that these resources continue to benefit our quality of life, the lives of future generations and our economy.

– Sen. Mike Crapo, R – Idaho

DURING THE 1966 fight over whether to construct dams within the Grand Canyon, the Sierra Club made their objections known through a full-page advertisement in the *New York Times*. The U.S. Bureau of Reclamation had been arguing the new reservoirs would be a boon to visitors by allowing powerboats to get closer to the canyon walls. Sierra's response: "Should We Also Flood the Sistine Chapel So Tourists Can Get Nearer the Ceiling?"

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This example is typical of how conservation debates have played out since the birth of the environmental movement in the 1950s and 1960s.

Liberals typically argue that certain places should be protected from development because of their aesthetic merit, because certain endangered species should be protected or because some proposed development would cause pollution. Conservatives retort that the luxury good of conservation is something taxpayers can't afford and the wilderness must be sacrificed for the sake of economic progress.

The binary nature of this debate – the classic dichotomy of “the environment” versus “the economy” – is woefully incomplete. Environmental problems sometimes quickly become economic or societal problems. A misguided Soviet irrigation scheme contributed greatly to the death of the Aral Sea, turning what was once the fourth-largest lake in the world largely into blasted salt flats. Or consider a recent study of air pollution in China that found it caused 1.2 million premature deaths in 2010, resulting not just in personal tragedy, but colossal expense, especially from chronic disease.

Just as environmental devastation can cause social and economic problems, a small-government approach to environmental *preservation* can be a source of economic benefits. “Government-lite” conservation is an approach where places are opened up to visitation consistent with the long-term health of the attractions, founded on a good working relationship with local communities. This approach can create long-term economic benefits in nearby “gateway” communities and the nation as a whole, while preserving America's natural heritage.

It's a moderate path between total preservation and totally unrestricted resource exploitation, conserving those places that lure tourists, while still permitting resource extraction and devolving authority to states or the private sector where appropriate.

I visited seven towns and cities across the American West to see these contrasts in action firsthand.

THE RECREATION ECONOMY

Americans enjoy the wilderness for a score of reasons. These include activities like hunting, fishing, hiking, camping, boating, backpacking, mountain biking, off-roading, skydiving, skiing, snowmobiling and many more. In a free country, people are free to explore their own countryside, and the United States, especially its western half, contains some of the finest outdoor experiences in the world. U.S. National Parks received 282.8 million visits in 2012¹, while National Forests received about 160 million². There is money to be made in catering to the needs of those who enjoy these outdoor experiences, making the recreation economy a key service industry.

As manufacturing as a share of total employment has been in secular decline since the 1950s, service sector jobs have been increasing in importance. About 80 percent of all U.S. jobs today are in the service sector. Even when once excludes the government and health care, the service sector still accounts for more than half of all jobs.³

A study commissioned by the Outdoor Industry Association⁴ estimated the recreation economy drives \$646 billion in consumer spending and creates 6.1 million jobs directly. A National Park Service study⁵ concluded that, in 2011, park visitor spending supported 251,600 jobs, \$30.1 billion in sales, \$9.34 billion in labor income and \$16.50 billion in value added. A predictive study by BBC Research found there would be strongly positive economic and fiscal impacts from designated Chimney Rock National Monument in Colorado.⁶ A local government study of a small archeological center near Cortez, Colo. found the same⁷.

1. See NPS statistics: [https://irma.nps.gov/Stats/SSRSReports/National%20Reports/Annual%20Summary%20Report%20\(1904%20-%20Last%20Calendar%20Year\)](https://irma.nps.gov/Stats/SSRSReports/National%20Reports/Annual%20Summary%20Report%20(1904%20-%20Last%20Calendar%20Year))

2. USDA Forest Service, "National Visitor Use Monitoring Results." http://www.fs.fed.us/recreation/programs/nvum/2012%20National_Summary_Report_061413.pdf

3. Bureau of Labor Statistics, "Employment by major industry sector." http://www.bls.gov/emp/ep_table_201.htm

4. Southwick Associates (on behalf of the Outdoor Industry Association), "The Outdoor Recreation Economy: Technical Report on Methods and Findings." <http://www.outdoorindustry.org/pdf/OIA-RecreationEconomyReport2012-TechnicalReport.pdf>

5. National Park Service, "Economic Benefits to Local Communities from National Park Visitation, 2011." www.nature.nps.gov/socialscience/docs/NPSSystemEstimates2011.pdf

6. BBC Research and Consulting, "Economic Impacts of National Monument Designation." http://www.preservationnation.org/information-center/saving-a-place/public-lands/resources/ChimneyRock_FINAL-Report_06-15-12.pdf

7. Region 9 Economic Development District, "Economic Impacts Of Crow Canyon Archaeological Center." http://www.scan.org/uploads/crow_canyon_final.pdf

Other work by independent groups has come to similar conclusions. A peer-reviewed study by Headwaters Economics⁸ found that "on average, western non-metro counties have a per capita income that is \$436 higher for every 10,000 acres of protected public lands within their boundaries."

While the front line of the recreation economy consists to a great degree of lower-paid, lower-skilled employment – food and lodging, cashiers and hotel maids – thoughtful planning can inculcate a more diverse portfolio of services. Establishing the infrastructure to serve a wide spectrum of socioeconomic categories with diverse services, activities and accommodations can pave the way for the sort of decent middle-class jobs – outdoor guides and rock-climbing instructors, higher-end chefs and concierges – that have become vanishingly scarce in some parts of the country.

GOVERNMENT-LITE CONSERVATION

Before positing what role government should play in the recreation economy, it's important to rule out those things it clearly shouldn't do. We don't need government-operated hotels, restaurants or outfitters, and have done well to outsource many of these functions. Neither should government be deciding where people should go or, in most cases, how they should get there. In a government-lite framework, federal land agencies have two central tasks

1. Making destinations accessible.
2. Preserving them such that repeated visits don't degrade the attractions.

The mission statement of the National Park Service from the Organic Act of 1916 contains a reasonable summary: "to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Why is government needed? In short, it's the tragedy of the commons. Absent clear and distinct property rights, an irresponsible minority will gradually trash places of great beauty held in common. This is intuitive to anyone who has seen graffiti scrawled across an ancient petroglyph, or picked up trash in a local park. When Gold Butte Scenic Byway near Las Vegas was established in 1993, "we took out 29 full truckloads of trash," explained Tom Tait, former executive director of the Nevada Committee on Tourism.

8. Headwaters Economics, "The Effect of Protected Federal Lands on Economic Prosperity in the Non-Metropolitan West" http://headwaterseconomics.org/wphw/wp-content/uploads/ProtectedPublicLands_Manuscript_2012.pdf

Just as unmanaged fisheries will tend to be overfished through the rational actions of fishermen, unmanaged public lands will tend towards destructive overuse—destroying the natural capital stock, so to speak. America’s public lands are the property of every citizen; it is only proper that the best places ought to be opened up to everyone, while preserving them for the next generation.

Friedrich von Hayek put it well in *The Constitution of Liberty*⁹:

...the situation is different where the aim is the provision of amenities of or opportunities for recreation or the preservation of natural beauty or of historical sites or places of scientific interest, etc. The kinds of services that such amenities render to the public at large, which often enable the individual beneficiary to derive advantages for which he cannot be charged a price, and the size of the tracts of land usually required make this an appropriate field for collective effort.

The case for national parks, nature reservations, etc., is exactly of the same sort as that for similar amenities which municipalities provide on a smaller scale. There is much to be said for their being provided as far as possible by voluntary organizations...But there can be no objection to the government’s providing such amenities where it happens to be the owner of the land in question...so long as the community approves this, in full awareness of the cost, and realizes that this is one aim competing with others and not a unique objective overriding all other needs.

Overall, the federal conservation system has a good reputation among the American public. In the 2012 edition of the U.S. Forest Service’s annual surveys of National Forest visitors,¹⁰ 95 percent of respondents reported being satisfied with their experiences, including 79 percent who were “very satisfied.” A Gallup poll¹¹ found 68 percent of respondents were satisfied with the work the government does on “National parks and open space.” This raises the potential for new parks and monuments to draw additional visitors thanks to their association with America’s most famous landmarks.

EXTRACTIVE INDUSTRY

Natural resource extraction, such as mining or oil and gas drilling, is central to the economic value of many public



The Monticello Hotel in Longview was built in 1923. Originally a luxury hotel, it is now mostly offices and apartments.

lands. A recent University of Wyoming study¹² commissioned by the Center for Self-Government in the West found that federal land in the Rocky Mountain region contains natural resources worth \$26.5 billion in annual economic output. Pursued sensibly, natural resource exploitation can offer a boon to local economies and a mix of high-skilled, medium-skilled and relatively lower-skilled jobs, without completing destroying the natural beauty, environmental value and recreation potential of federal lands. Indeed, of the 700 million acres of federal mineral estate, oil and natural gas activity actually only occupies about half a million acres, or 0.07% of federal lands.

Longview, Wash. offers a case in point. Due to the Port of Longview, a deepwater port that ships to points all over the world, and Weyerhaeuser, a huge timber and paper products company, the city has an unusually high number of well-paying manufacturing jobs. Weyerhaeuser owns more than six million acres of forest, and is well-respected even among environmentalists for their excellent forestry management. Since trees take decades to grow, the company has an unusually long-term business model. Thus, in addition to providing a more sustainable economic base, Weyerhaeuser’s business has allowed development of a local supply ecosystem for timber equipment, all of which redounds to the long-term benefit of the community. It’s a model that would be more difficult to replicate with oil or gas industry, since timber is fundamentally a renewable resource, but it is a good demonstration of the principle at work.

9. FA Hayek, *The Constitution of Liberty*, p. 497. University of Chicago Press, 2011.

10. See footnote 2.

11. Gallup, “Americans Praise Gov’t Work on Natural Disasters, Parks.” <http://www.gallup.com/poll/163487/americans-praise-gov-work-natural-disasters-parks.aspx>

12. University of Wyoming, “The Economic Value of Energy Resources on Federal Lands in the Rocky Mountain Region.” <http://endfedaddiction.org/wp-content/uploads/2013/09/Economic-Value-of-Energy-Resources-on-Federal-Lands-Final-Revision-9.17.13.pdf>

However, there are costs associated with resource extraction, and they aren't just environmental costs. Particularly when energy prices are high, extractive industries like oil and gas tend to sink as many wells as possible as fast as possible, which sometimes leads to a boom-and-bust cycle that can impede long-term community development. While this cycle might be tolerated and even welcomed in regions like North Dakota, with a relative paucity of significant recreation attractions, headlong drilling can work at cross-purposes with recreation if pursued too aggressively.

An example of this risk can be seen in Vernal, Utah. Lying about three hours north of Moab, Vernal is undergoing a massive economic boom from nearby oil drilling. The flood of oil money has had many salutary effects—growing tax receipts have paid for new public buildings, employment is high and there is a brand-new Uintah Basin Applied Technology College. But drillers have bid up the price of unskilled labor so high that other local companies can't afford to hire workers—thereby introducing a structural distortion that will hurt badly when the oil runs out, as it must.

Many of the workers drawn in by the oil boom also have no intention of staying in Vernal. As locals told me, Halliburton recently booked an entire new Holiday Inn for a year, before the hotel was even completed. Many workers travel with the company, moving from town to town as wells are exhausted. Vernal itself, in fact, has already suffered two devastating busts before, in the early 1980s and 2000s. It is almost certainly headed for another.

Furthermore, the intensity of oil drilling seen in places like Vernal tends to crowd out recreation activity. On BLM land near Vernal, there has been “a tremendous decline in recreation activity” said Bill Stevens, a BLM recreation planner for nearby Grand County. Not only is it very expensive for tourists to stay in the area, due to transient drillers filling up the hotels, “there's a perception it's become a giant oil patch.”

On the other hand, Vernal has had sustained development of both oil and natural gas for decades, and one could argue that -- other than specific areas that are already protected as a monument, wilderness or Wilderness Study Areas -- the region may be better suited to energy development than recreation. In fact, the state, local communities, the congressional delegation, industry and environmental groups are currently engaged in a “grand bargain” process on exchanging lands that are truly conservation worthy with those that are more suited to energy development, mitigating the current situation where locals must live with top-down, broad-brush wilderness designations of millions of acres in Utah, despite the lack of suitability in many places.

This is not to say that oil and gas should not be developed, just that their development should be considered carefully.

A big oil and gas find is kind of like winning the lottery—a one-time payout that has the potential to solve many economic problems, but could also introduce a range of new ones if the windfall isn't invested wisely. A more moderate pace of development would stretch the earnings out over time, crowd out less recreation and mitigate the boom-bust tendency of sudden development. Some resource finds might not be worth developing at all even on strict accounting terms, if they have too drastic an effect on key visitation sites.

That is why some BLM areas have started developing Master Leasing Plans -- identifying upfront the public lands most suitable for development, areas best-suited for recreation or conservation and areas of conflict. In this way, new leasing can be targeted to the areas with the most energy potential, instead of being stalled by lawsuits from communities and environmental activists concerned about impacts to recreation, endangered species, etc. In the future, MLPs and proposed new leases should include an analysis of impact on the local recreation and tourism sector.

Development of carbon-based resources is, of course, inseparable from the problem of climate change. Roughly speaking, natural gas is the best conventional resource for climate, coal is the worst, while oil is somewhere in the middle. R Street has long argued¹³ in favor of a conservative, market-based approach to climate policy, which would account for these differences by making the more carbon-intensive fuels relatively more expensive. But until that time, gas and oil leasing is preferable to new coal production.

Finally, many resource extraction industries are heavily subsidized, both explicitly and implicitly, by the federal government. In addition to billions in traditional giveaways and tax breaks,¹⁴ water and grazing rights are badly underpriced¹⁵ when leased—a subsidy that also encourages overuse and degradation of the resources. Perhaps worst of all is hard-rock mining. As a result of the 1872 General Mining Act, virtually unchanged since passage, certain “locatable minerals” like gold, silver or zinc can be claimed and extracted without paying any royalty—a huge subsidy.

Companies also aren't held fully responsible for clean-up of pollution. Instances of mining companies declaring bankruptcy and leaving a pile of toxic waste to locals and the gov-

13. R Street Institute, “Climate Change: It's Time for a Conservative Alternative.” <http://www.rstreet.org/wp-content/uploads/2013/08/43.10728.pdf>

14. International Monetary Fund, “Energy Subsidy Reform: Lessons and Implications.” <http://www.imf.org/external/np/pp/eng/2013/012813.pdf>

15. Congressional Budget Office, Budget Options, Volume 2, p 64. <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/102xx/doc10294/08-06-budgetoptions.pdf>



These sandstone fins are found in Devil's Garden in Arches National Park

ernment¹⁶ are common in western history. Needless to say, this kind of special treatment is unjustifiable from a free-market perspective.

GO WEST, YOUNG MAN

Over the course of a more than a month, I visited seven locations across the western United States: Longview, Wash.; Hood River, Ore.; Lewiston and Idaho Falls, Idaho; Moab, Utah; Prescott, Ariz.; and Cortez, Colo. I chose these locations because they mostly lie fairly close to several different kinds of protected lands, and represent a broad diversity of biomes, population sizes and states. The spectrum ranges from places like Idaho Falls or Longview – small cities which depend relatively little on recreation – to Moab, an extremely remote town of 5,000 with hardly anything but recreation.

These two extremes of the recreation economy demonstrate its effects well. For Longview, Mount St. Helens National Monument (created in 1982 by President Ronald Reagan) is a classic spectacle and has many fine hiking trails, receiving 230,000 visits per year. Ape Cave, a lava tube which at 2.5 miles is the longest in the contiguous United States, is an especially popular destination in the nearby Gifford Pinchot National Forest. Mountain biking is on the rise, as it is almost everywhere I visited. There is fine hunting in the area, with elk, deer, several game birds and even a few bear and cougar permits. The Washington state government has built an impressive hunting support website, including a web app called “GoHunt”; a frequently updated database with

property boundaries; season dates; game locations; and much more. It is basically a Google Maps for hunters. All this supports a sizable sporting-goods and cycling sector. Bob's Sporting Goods, at 50,000 square feet, is by far the largest independently owned sporting goods store I've ever seen.

The scenery and amenities can be useful for attracting business in and of themselves, says Scott Walstra, vice president of the Cowlitz Economic Development Council. Longview “is considered a beautiful place to have a business. It's got a high quality of life, and terrific natural resources,” Walstra said. Mark Plotkin, founder of Canyonview Cyclery in Longview, bears this out. Not only is his new business working out fairly well, “I get to ride in a great place and make a living at it.”

Idaho Falls is a similar community, though significantly larger, with a population of 58,000. To the west lies Craters of the Moon National Monument (visitation: 198,000¹⁷), to the north and northwest are several moderate-sized national forests, and most importantly, to the northeast is Yellowstone and Grand Teton National Parks. At 3.4 million and 2.7 million visits respectively in 2012¹⁸, these are the fourth and eighth most popular national parks in the whole system. Like Longview, it lies too far away from these places to serve as a true base camp (compared to Jackson, Wyo., for example), but with that kind of visitation, the economic benefit is still considerable, says Linda Martin, chief executive of Grow Idaho Falls, the local economic development agency.

In Bonneville County, of which Idaho Falls is the county seat, lodging, recreation and restaurant sales were up 13 percent year-on-year to \$143 million in 2011, the most recent year for which numbers were available. Again like Longview (and Hood River—see below), the nearby amenities attract business, notably a tech sector specializing in wind turbines. Other factors (like the plethora of nearby windy locations) are more important, but it helps on the margin, says Martin.

Overall, these cities do not receive nearly the per-capita visitation that a place like Moab does, but they demonstrate the natural strength of larger towns in capturing economic value from recreation. Both cities have other economic anchors—Longview has an unusually large number of good blue-collar jobs due to the nearby Port of Longview and a large timber and paper products sector, while Idaho Falls has become a regional medical hub and is home to several smaller corporations—so they naturally have a deeper service bench. With more and better restaurants, hotels, movie theaters, museums and so forth, larger towns have an easier time capturing visitors' business.

16. Accounting and the Public Interest, “When the Gold is Gone: Reporting of Asset Retirement Obligations for the Ultimate Cleanup of Closed Mining Operations.” <http://aaajournals.org/doi/abs/10.2308/api.2010.10.1.57> The Center for Public Integrity, “Wasting Away.” <http://www.publicintegrity.org/environment/health-and-safety/wasting-away>

17. See NPS stats: <https://irma.nps.gov/Stats/>

18. See NPS “Annual Ranking Report,” <https://irma.nps.gov/Stats/Reports/National>

Moab, on the other hand, is smaller, but has a more developed tourism sector. It has become a world-class specialist in desert recreation. It gets massive visitation for its size—according to government measurements, Canyonlands and Arches recorded more than 1.5 million visits last year; Dead Horse Point State Park received 200,600;¹⁹ and BLM land about 1.8 million,²⁰ all of which is very close by. It thus has seven bike shops and 22 outdoor outfitters, not to mention 29 hotels with more hotel beds than permanent residents. The community has worked diligently over the years to deepen its service bench, and though it doesn't approach Longview or Idaho Falls, it comes surprisingly close for a tiny desert oasis, with Thai and sushi places. "It used to be that restaurants closed in the winter, but now almost all of them stay open," says Paul Henderson, assistant superintendent of Canyonlands and Arches.

As a tiny and remote town, Moab has had to work for those visitation numbers, and has been remarkably innovative with self-promotion. Half of the money generated by a transient room tax is returned to the Moab Area Tourism Council, which uses it to promote the place. This includes advertising campaigns, which have drawn in much visitation not just from Salt Lake City and Denver, but also overseas. As I witnessed, during the high season Moab is practically an honorary European Union member. The tax also supports a well-equipped visitor's center and a fairly sophisticated website, which outlines lodging, attractions and which outfitters will take you on what trips. Delicate Arch in Arches National Park has become probably the most famous piece of rock this side of Gibraltar (it's the one on the Utah license plate). The small but steady business in films and television commercials also helps get the word out.

Equally important is the network effects of innovators and enthusiasts. Moab became a world-famous mountain bike destination in large part through word of mouth, enabled by the entrepreneurship of people like the now-legendary Groff family, who helped develop and popularize mountain biking in the 1980s.

Moab is arguably somewhat too invested in tourism. Just as with oil and gas, economic monocultures are risky, though with the case of recreation there is at least less danger of the attractions being exhausted, as with natural resources, or being outsourced, as with manufacturing. Back in 2009, then-Interior Secretary Ken Salazar canceled 77 local oil and gas leases, saying they had not gone under proper environmental review. Those might be worth revisiting, if their impact on the local recreation economy can be proved to be minimal.

19. Utah State Government, "Utah State Parks 2012 Visitation," <http://static.state-parks.utah.gov/docs/2012visitation.pdf>

20. BLM estimate provided by local officials.



Cool kiteboarding tricks are in a quite literal sense integral to Hood River's economy.

ENDURING POPULARITY OF RECREATION

Hood River sits along the Columbia River smack in the middle of the Columbia Gorge National Scenic Area. It is more towards the Moab edge of the spectrum, having long been famous as one of the finest windsurfing locations in the world – although kite-boarding has overtaken it in popularity of late—due to strong, consistent winds coming up the gorge during the day. There is a lot of fine whitewater kayaking and fishing in the area and Mount Hood, with its ski resort, provides consistent business during the winter. What's more, a few years ago the drone manufacturer Insitu set up shop, anchoring a small tech sector which has become a key part of the local economy.

Hood River demonstrates a surprising aspect of the recreation economy—people's demand for some kind of wilderness vacation is fairly inelastic, even in hard economic times. A common assumption is that strapped consumers tend to cut out vacations first. This is true to some degree—people tend to cut down on expensive overseas travel or large equipment purchases such as motorboats when times are hard—but there is a substitution effect as people downshift to more affordable vacations. A poll sponsored by Travelocity found travelers consider vacations as important or more important than before the recession, but they are cutting expenses to do so.

I found anecdotal confirmation of this effect nearly every place I visited. According to Angie Williamson of the Kayak Shed in Hood River, kayak fishing (from which it is possible to land swordfish) is popular among those moving down from more expensive motorboat-based fishing. Dave Sinker, manager at Bob's Sporting Goods in Longview agrees. In hard times, people will spend less on hotel rooms, "but then make some of that up in camping equipment." With relatively cheap permit and parking fees, public lands are a flexible, low-cost option. There's no practical way to visit New York

SIDEBAR: STUDIED AREAS

LONGVIEW/KELSO, WASHINGTON

Population: 49,000

Notable protected lands: Mount St. Helens National Volcanic Monument, Gifford Pinchot National Forest, Willapa National Wildlife Refuge, Lewis & Clark National Wildlife Refuge, Seaquest State Park

HOOD RIVER, OREGON

Population: 7,000

Notable protected lands: Columbia Gorge National Scenic Area, Gifford Pinchot National Forest, Mt Hood National Forest

LEWISTON, IDAHO

Population: 32,000

Notable protected lands: Hells Canyon National Recreation Area, Wallowa National Forest, Nez Perce National Forest, Umatilla National Forest

IDAHO FALLS, IDAHO

Population: 58,000

Notable protected lands: Yellowstone National Park, Grand Teton National Park, Canyons of the Ancients National Monument, Red Rock Lakes National Wildlife Refuge, Beaverhead-Deerlodge National Forest, Targhee National Forest, Salmon-Challis National Forest, St. Anthony Sand Dunes Recreation Area

MOAB, UTAH

Population: 5,000

Notable protected lands: Arches National Park, Canyonlands National Park, Dead Horse Point State Park, Manti-La Sal National Forest

PRESCOTT, ARIZONA

Population: 40,000

Notable protected lands: Prescott National Forest, Coconino National Forest, Grand Canyon National Park

CORTEZ, COLORADO

Population: 8,000

Notable protected lands: Mesa Verde National Park, Canyons of the Ancients National Monument, Hovenweep National Monument, Yucca House National Monument, San Juan National Forest, Chimney Rock National Monument

City cheaply but one can go to a local park for almost nothing.

Prescott and Lewiston are slight variations on the Longview-style larger gateway community. Nearly surrounded by its eponymous national forest, Prescott has a Longview-style forest recreation sector with a lot of mountain biking, while Lewiston has a thriving business in jet-boat tours and whitewater rafting on the nearby Hells Canyon of the Snake River. Lewiston has the only port in the state of Idaho, which some oceangoing vessels actually reach, due to the extensive system of locks and dams downstream on the Snake and Columbia rivers. Like Idaho Falls, Prescott has become a regional medical hub. Also, with Prescott College and Lewis-Clark State College, both cities have a substantial youth population, which is a natural customer base for activities like mountain biking, whitewater rafting and rock climbing. Both colleges, in fact, have become well-known for their outdoor opportunities, both educationally and for pure recreation.²¹

Prescott illustrates another notable characteristic of gateway communities, especially those with mild climates: their attractiveness for retirees. They can be perfect for those desiring scenic beauty and/or a more active retirement, and thus provide non-labor income for services, especially medical care.

LAUNCHING THE RECREATION ECONOMY

Diversity of use is key to a solid recreation economy. The ideal portfolio of public lands would have something set aside for as many different groups of users as possible, ranging from ecotourists looking for pristine

nature to mountain bikers to four-wheel-drive or dirtbike enthusiasts. How much of each will depend on the relative popularity and long-term potential of each use. The most fragile or spectacular attractions are designated as national parks, which receive a high level of protection—no off-road mountain biking, for example. National Monuments allow more uses, while BLM and Forest Service-managed lands have the most flexibility, and can set aside less-spectacular or tougher areas (like sand dunes) for motor sports.

There is no absolutely perfect situation, given the complex and historically contingent nature of land preservation. But most of the gateway communities I visited offer a close approximation of an ideal diversity of options. In Longview, the highly protected Mount St. Helens National Monument, which mostly covers the direct blast zone of the 1980 eruption, preserves viewshed for tourism and for scientific study of how devastated areas naturally recover. The rest of the nearby Gifford Pinchot National Forest (out of which the monument was carved) allows many more uses, including logging.

Idaho Falls has a good balance of uses as well. In Yellowstone and Grand Teton, visitor usage is strictly regulated, of course, but the several National Forests nearby allow for uses such as snowmobiling, while the St. Anthony sand dunes are a famed motorsport playground. This park-forest-BLM/monument trifecta is a good rule of thumb for where the recreation economy is likely to be strongest.

As an economic study of Moab's Grand County put it,²² "a significant reason for the county's economic success stems from the diversity within its tourism and recreation economy."

A WORKING RELATIONSHIP WITH GOVERNMENT

Cortez is not much distinguished from Moab in terms of theory and practice—it is a relatively small, remote town largely dependent on tourism. Again, mountain biking is popular, with the locally built Phil's World (an extensive mountain biking complex) an increasingly popular attraction among people looking for some variation from Moab, which is two hours away.

What is notable, however, is that the Cortez area receives relatively little visitation, considering the high quality and number of its outdoor attractions. These include Mesa Verde National Park, Hovenweep National Monument, San Juan National Forest, McPhee Reservoir and the Dolores

21. Full disclosure: my father attended Prescott College.

22. Headwaters Economics, "The Economic Value of Public Lands in Grand County, Utah," http://headwaterseconomics.org/wp-content/uploads/GrandCounty_Report.pdf

River, Yucca House National Monument and Canyons of the Ancients National Monument. Chimney Rock National Monument was just designated by President Obama on Forest Service land last year. Mesa Verde has decent visitation, with 489,000 visits last year, but the rest, especially the Canyons of the Ancients/Hovenweep complex on the western edge of Montezuma County (contains more than 6,000 Ancestral Puebloan archeological sites) are seriously under-visited.

According to BLM officials, Canyons of the Ancients receives only about 25,000 visits per year, and most of those are to the Sand Canyon complex, which was popular before the monument was designated—the hundreds of archeological sites are barely visited at all. Similarly, Hovenweep, which is older and better-known, racked up less than 27,000 visits²³ last year. These sites couldn't sustain Yellowstone visitation numbers, but double or triple their current level is easily within reason.

There are two main problems. First and most obviously, Canyons of the Ancients is badly understaffed, as evidenced by the chronic problem of looting that has plagued the area for years. Some progress has been made, most notably with the bust of a major illegal artifact-selling²⁴ ring in 2009, but more work is needed, especially in surveying and cataloging the unexplored sites, which has barely started. Mesa Verde was once quite similar to Canyons of the Ancients, with crumbling, understudied sites, but was made much more popular with some rebuilding, stabilization and access improvements. Ancient ruins are fragile, of course, and many might be best left undisturbed, but Hovenweep, Sand Canyon Pueblo, and Lowry Pueblo at least could stand reasonably increased visitation. What's more, Canyons of the Ancients contains much high-quality redrock wilderness, and could attract many more visitors on the strength of the scenery alone.

How might this be achieved? The recreation economy might be best served by a good working relationship between private business, local government and the federal land management agencies. Moab provides an instructive example. The Park Service has “gotten a whole lot better at understanding that gateway communities are important partners,” said Paul Henderson. “It used to be the average length of stay was two to four years,” but now NPS employees stay much longer, he said, adding that he himself has been there for 15 years. “I raised my kids here, they went through the school system,” he said.

Agencies worked with locals to pass a night-sky ordinance, realizing that a good view of the stars was a major reason people visited, and also work closely with the local search-and-rescue organization, which rescues lost or heat-stricken

visitors on an almost-daily basis during the high season.

Katie Stevens and Jennifer Jones, two recreation planners for the Grand County BLM, point out that the agency is legally obligated to “provide opportunities for private enterprise.” In addition to their traditional maintenance of campgrounds and hiking trails, they've worked with the local bike community on a plan to build 150 miles of new mountain bike trails, which is more than half completed²⁵.

But in Montezuma County (of which Cortez is the county seat), the relationship with federal land agencies is extraordinarily bitter and acrimonious²⁶. Recently, the county commission considered a motion declaring local sovereignty²⁷ over all federal lands in the county and demanding all roads closed by the Forest Service and BLM be opened immediately.

The designation of Canyons of the Ancients was extremely controversial in Montezuma County. One can still see fading “NO NATIONAL MONUMENT” signs in a few places from back when the monument was first designated in July 2000. It is unfortunate that the Clinton administration was unable or unwilling to build more local support for the designation, but after 13 years, in all probability, the monument is not going to be repealed. The local population might be better served by trying to adapt to—and take advantage of—the land agencies rather than spending taxpayer dollars on an expensive and probably doomed legal fight with the federal government that would accomplish little²⁸ in any case.

But this is not to say that locals should obey the government unquestioningly. Even in Moab, there are constant squabbles with the agencies over usage designations and restrictions, maintenance, fees, and so forth. Indeed, that is how they make sure their concerns are addressed. But the basic local consensus is that public lands are there for all citizens, and the land agencies are just somewhat-dysfunctional organizations made up largely of their own neighbors, not jackbooted thugs out to trample over everyone's rights.

This relationship pays dividends. In August 2010, a massive flash flood destroyed Mineral Bottom Road, a key access point for river outfitters taking trips out of the Green River,²⁹

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26. The Denver Post, “County lands in feud with Forest Service.” http://www.denverpost.com/ci_17710322

27. Four Corners Free Press, “County mulls road-takeover resolution.” <http://fourcornersfreepress.com/?p=1626>

28. Cato Institute. “Should Congress Transfer Federal Lands to the States?” <http://www.cato.org/pubs/pas/pa-276.html>

29. Moab Times. “Severe storm strands boaters, drivers at Mineral Bottom, damages other area roads, trails,” http://www.moabtimes.com/view/full_story/9275320/article-Severe-storm-strands-boaters--drivers-at-Mineral-Bottom--damages-other-area-roads--trails

23. Found in NPS stats: <https://irma.nps.gov/Stats/>

24. Four Corners Free Press, “Pot-hunting crackdown.” <http://fourcornersfreepress.com/news/2009/070904.htm>

threatening the local economy. The BLM produced a study showing a possible \$5 million per-year loss of tourism, and an application to the Department of Transportation's Emergency Relief for Federally Owned Roads program for a repair grant was accepted. A local contractor won the bid and got quickly to work. By March 19, 2011, the road was open again, ahead of schedule and for less than half the original budget³⁰.

For their part, the government's land agencies certainly aren't flawless. America's public land management has been the home of some of the most awesome graft and corruption in U.S. history, from the massive estates built out of fraudulent Homestead Act filings to Teapot Dome to the wreck that was the Minerals Management Service. As mentioned previously, BLM could stand some market-based reforms of its hardrock mining, grazing and water permit system³¹ and the Park Service has several expensive, low-visitation parks which could probably be jettisoned or downgraded.

For instance, the Edgar Allan Poe Site receives fewer than 16,000 visitors and costs nearly \$400,000 a year; the Eugene O'Neill Site in California receives fewer than 4,000 visitors and costs more than \$700,000 a year.³² Consolidation of NPS-managed sites would also help the agency focus on its extensive maintenance backlog.³³ Any reforms would require action from Congress, which largely created these problems, offloading white-elephant sites onto the federal government.

But what Moab and other places prove is that the land agencies can be worked with, and a hardline, take-no-prisoners approach will achieve little except mutual distrust and irritation.

Of course, all these points are moot if the government isn't operating. The October government shutdown meant all the federal land agencies were closed, and while some public lands were still accessible, most of the national parks were closed to visitors. It caused not only short-term damage to the economies of gateway communities,³⁴ but also long-term damage to the recreation potential of the United States. During the shutdown, thousands of tourists (especially foreign ones) whose vacations were planned months or years in

advance learned the United States could not be trusted even to keep its most beloved and uncontroversial landmarks accessible. In all likelihood, some will think twice before visiting again.

CONCLUSION

Some of the research finding benefits from the recreation economy should be taken with a grain of salt, particularly those studies funded by interested parties. It might be the case that the \$646 billion in spending found by the Outdoor Industry Association is somewhat too large (studies from other researchers would be most welcome). One might also be suspicious of Headwaters Economics, since they are clearly an environmentalist-leaning consultancy, although their studies comport with the economic consensus. When Grand County, Utah wanted an economic report done, they hired Headwaters,³⁵ and locals presumably have a strong interest in accurate information.

But there remain very strong a priori reasons to believe in the strength of the recreation economy. There are 59 national parks, 108 national monuments, and many other lesser attractions visited hundreds of millions of times each year, supporting dozens of gateway communities across the nation. Farther up the food chain lies a whole supporting ecosystem of recreation gear manufacturers, producing things like guns, ammunition, cars and off-road vehicles, tents and RVs, boats, roof racks, backpacks, waterproof bags, boots, hats, fishing rods, bikes, harnesses, ropes, etc. The city of Ogden, Utah, has built a substantial business cluster consisting of nine separate outdoor gear companies and a large ecosystem of support industry. It would be preposterous to ignore the recreation economy's potential.

All of which is to say, it should be no surprise that the hottest outrage over the recent government shutdown centered on closing the national parks. The very idea of the national park is an American one—Yellowstone was the first in history and was quickly copied around the world. That rich tradition is reflected in the broad popularity of protected lands and their massive yearly visitation. As the United States adjusts to an economy based almost entirely on services, protected lands will form a critical part of our economic future.

RYAN COOPER is web editor of *Washington Monthly* and an associate fellow of the R Street Institute. Born in Utah and raised in Colorado, Ryan is a former Peace Corps volunteer. In 2008, he received a bachelor's degree in chemistry from Reed College in Portland, Ore.

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31. Cato Institute. "Improving Incentives for Federal Land Managers The Case for Recreation Fees," http://object.cato.org/sites/cato.org/files/pubs/pdf/pa726_web.pdf

32. Department of the Interior. "Budget Justifications and Performance Information: National Park Service, Fiscal Year 2012," http://home.nps.gov/applications/budgetweb/downloads/fy_2012_greenbook.pdf

33. Government Accountability Office. "Department of Interior: Major Management Challenges," <http://www.gao.gov/assets/130/125531.pdf>

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