Center for Western Priorities

Conservative Group Pushes Flawed Economic Study on Federal Lands, Ignoring Billions Spent Protecting Communities From Wildfire

The Property and Environment Research Center (PERC) has released a flawed cost comparison of federal and state land management. The report is a continuation of the group's long effort to push for the "transfer" and sale of our national public lands.

PERC considers protecting communities from wildfire "government waste." These unavoidable costs make up $3.13 billion (over 40%) of the PERC cost estimate.

Buried on page 29 of the report, the authors claim:

> *"...We do not directly address the cost of managing and suppressing wildfires, which presents a significant financial and environmental challenge on federal lands. Whether states could absorb or defray these costs...is a question for future research."*

Yet PERC includes the cost of protecting communities from wildfire – often-unavoidable natural disasters – to show money is lost on public lands management. If these necessary wildfire-fighting expenses are removed (which have averaged $3.13 billion annually in recent years), the federal government **actually makes $1.17 billion** in revenue from national public lands each year.

	Revenue	Expenses	Net Revenue
PERC's Cost Analysis (including wildfire spending)	$5.26 billion	$7.22 billion	-$1.95 billion
PERC's Cost Analysis (without wildfire spending)	**$5.26 billion**	**$4.09 billion**	**$1.17 billion**

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Congress and land managers can learn from states and ensure American taxpayers are receiving a fair return from development of our public resources.

As the PERC study discusses, the federal government charges abysmally low rates to oil and gas companies for the opportunity to drill on public lands and to ranchers for the opportunity to graze.

National public lands could be generating an additional $1 billion per year if century-old federal royalty rates matched state rates. And additional revenues would be generated if the federal government modernized grazing fees, which, as PERC shows, are only a fraction of the rates charged by states.

It is up to our leaders in congressional and administrative offices to ensure Americans receive a fair share from the development of our national public lands.

More rigorous studies on land transfers by economists in Utah and Idaho show states couldn't afford to manage national public lands.

Two recent studies from respected economists in Utah and Idaho offer a much more thorough analysis of federal land management issues than the PERC study. The Utah study – conducted for over a year by three economists from Utah universities – determined that the state could not afford to manage public lands unless some wildly improbable assumptions took place, including oil prices remain constantly high and the state is given the mineral rights currently owned by all Americans.

Similarly, a study from a University of Idaho economist found that Idaho would lose millions if a fringe of politicians were successful in their efforts to take control of the national public lands within the state's borders.

The PERC study fails to account for the multiple values provided by national public lands.

Unlike state lands – which are often managed as industrialized landscapes to maximize profits – national public lands are managed for multiple uses.

The study completely overlooks many of these economic benefits that are above and beyond resource extraction. For example, national public lands provide a competitive advantage to nearby communities. They attract businesses and talented employees wanting to live close to national public lands. Public lands also provide clean water to rural communities (reducing costs to towns), and access to trail systems (attracting tourists and improving quality of life).