

Summary, Regional Economic Development Lower Snake River

This report estimates the number of jobs that will be provided by outdoor recreation spending in the six southeast Washington counties along the LSR as a result of dam breaching. In January 2015, Earth Economics released a report entitled *Economic Analysis of Outdoor Recreation in Washington State*, one of the most comprehensive studies of its kind in the state. This economic contribution analysis follows the same methodologies to analyze the regional economic effect of increased outdoor recreation spending.

The Earth Economics statewide report found that the six southeast Washington counties along the LSR (Asotin, Columbia, Franklin, Garfield, Walla Walla, and Whitman) were among the lowest performers for total expenditures in outdoor recreation. A free-flowing LSR will attract visitors from across the country. These visitors will increase spending and foster the growth of income, jobs, and tax revenue. While local users may not spend much to visit the river, long-distance participants will likely dine at local restaurants and bars, stay in campgrounds or hotels, and buy from local shops. This analysis finds that a free-flowing LSR will significantly boost the economic activity within these six counties, which in turn will boost incomes, create jobs, and generate local, state, and federal taxes. A free-flowing LSR can be a vessel for economic development through outdoor recreation tourism.

TABLE 1. ECONOMIC CONTRIBUTION OF RECREATION DIRECT EXPENDITURES (VALUES IN MILLIONS, 2015 USD)

	Totals	Asotin	Columbia	Franklin	Garfield	Walla Walla	Whitman
Year 1	\$383.8	\$111.3	\$13.3	\$109.2	\$16.4	\$44.0	\$84.0
Year 5	\$203.1	\$50.0	\$7.3	\$60.1	\$10.5	\$24.5	\$47.7
Year 10	\$244.5	\$59.3	\$8.9	\$73.3	\$12.1	\$29.7	\$57.5
Year 20	\$263.0	\$63.5	\$9.7	\$79.2	\$12.8	\$32.1	\$61.8

Year 1 spending will also contribute to over 4,000 full- and part-time jobs.¹ These jobs estimates encompass only outdoor recreation-related jobs supported within the county, although other jobs may be supported in other industries, in neighboring counties or within the region.

TABLE 2. JOBS SUPPORTED BY RECREATION EXPENDITURES

	Total	Asotin	Columbia	Franklin	Garfield	Walla Walla	Whitman
Year 1	4161	1104	181	1177	219	529	951
Year 5	2380	663	99	640	135	294	526
Year 10	2876	788	121	785	157	357	640
Year 20	3098	843	131	849	168	385	691

¹ It is expected that a high proportion of total outdoor recreation jobs are part-time jobs. For example, the U.S. Forest Service and National Parks Service hire many seasonal workers in the summer who are students the rest of the year.

The large influx of visitors in Year 1 will have expenditures of \$500 million and will generate nearly \$400 million in economic contribution. This economic contribution will support and generate jobs, tax revenue, and boost incomes. The economic models clearly show that this economic activity will contribute to nearly 150 industry sectors, many of which are not directly related to the recreation industry.

What is not captured by this analysis are the up-river and down-river economic effects of a free-flowing river. This report does not capture economic effects that would occur in upriver communities, such as the city of Lewiston, ID. Lewiston's population grew at a slower rate than the rest of Idaho according to the 2010 Census (1.8% compared to 4.3%). A free-flowing LSR would increase tourism in Lewiston, making it a more attractive city to live in as incomes grow.

Additionally, the 2002 FR/EIS did not consider the economic effects of lost recreational value due to the potential loss of salmon species should system improvements fail to provide sufficient Snake River Chinook returns. These lost benefits were not considered in the 2002 FR/EIS economic analysis because it was assumed that Alternative 3 would increase salmon runs. However, given the failure of these improvements to restore runs, this must now be taken as a serious potential economic loss. Should a greater number of salmon return to spawn upstream, Idaho would likely have increased opportunities for recreational fishing.

Down-river, the effects may be even greater. Wildlife viewing generated the most consumer expenditures in Washington State in 2014.ⁱ Whale watching, centered on the Southern Resident Killer Whales, provides an immense value to the state through wildlife viewing opportunities. The Southern Residents rely on salmon for food. While it may be difficult to predict the mortality of these whales over time if wild and hatchery Snake Chinook fall below current levels, the killer whales' diminishing numbers will certainly have an impact on viewership and economic benefits that are now running at about \$60 million per year in Washington.ⁱⁱ Given the status of the Snake River stocks outlined in the Salmon Update/Reevaluation White Paperⁱⁱⁱ, a crashing population of wild/natural/hatchery Chinook could lead to starvation given that 70-80% of the Southern Residents' diet is Chinook. It should also be noted that the birth of nine calves would require at least 30,000 more Chinook per year that, under the current system, must come from commercial or sport fisheries.

ⁱ Briceno, T., Schundler, G. 2015. Economic Analysis of Outdoor Recreation in Washington State. Earth Economics, Tacoma, WA.

ⁱⁱ Grace, S., 2015. Southern Resident Killer Whale Chinook Salmon Initiative. Available at: <http://srkwcsi.org/fact-sheets/>

ⁱⁱⁱ Christianson, C., Grace, S., Waddell, J., 2014. The Case for Breaching the Four Lower Snake River Dams to Recover Wild Snake River Salmon. Available at: http://www.damsense.org/wp-content/uploads/2014/12/Report_Snake-Salmon-White-Paper.pdf