Harvard Economics Study Shows the Boundary Waters Economy is a Winner

An independent study by a prominent Harvard economist compares the effects of the Forest Service’s proposed 20-year mining ban near the Boundary Waters with the consequences of sulfide-ore copper mining in the Boundary Waters watershed. The conclusion: protecting public lands near the Boundary Waters generates greater long-term gain for the region (more employment and income) than copper mining.

Economic Scenarios Comparison: The new study by Harvard Professor James H. Stock, Ph.D., former chair of Harvard’s economics department and former member of the White House Council of Economic Advisors, compares two scenarios being considered by federal agencies:

- **Scenario 1** – The Boundary Waters economy continues to develop during a 20-year mining ban; 
- **Scenario 2** – The mining ban does not occur, and a Twin Metals mine is developed

Important Note: This is the only study to analyze the longer-term dynamic economic effects of the two options over a 20-year timeframe.

Results Summary: The Harvard study projects 36 employment and 72 income scenarios representing a range of employment and income effects. The analysis shows that over a 20-year period, an economy based on copper mining would significantly underperform the growing, sustainable economy already in place. Compared to a Twin Metals mining economy, the proposed mining ban would result in:

- 1,500 to 4,600 more jobs
- $100 million to $900 million more income

The Boundary Waters economy supports a diverse and growing business environment and in-migration of new residents seeking to live near the Boundary Waters and in the Superior National Forest region:

- Studies by Headwaters Economics Group, a non-partisan land management research organization, show that Wilderness and public lands contribute to booming populations, employment, and personal income in local communities, and attract investment and businesses to the rural areas

The introduction of sulfide-ore copper mining – and a Twin Metals mine – would harm the Boundary Waters economy

- Nine Boundary Waters businesses filed a lawsuit challenging the Department of Interior and the Bureau of Land Management’s unlawful decision to reinstate expired federal
mineral leases for Twin Metals – leases that had been rejected in 2016 by the Forest Service and the BLM because of the grave risk of harm to the Boundary Waters and the Superior National Forest

- The businesses - seven outdoor recreation companies near Boundary Waters gateway communities of Ely, the Sawbill Trail, and the Gunflint Trail, and two canoe manufacturers in central and southern Minnesota - would be harmed in a Twin Metals economy

- Jack Lee, Executive Director of Voyageur Outward Bound School (VOBS): “For more than five decades, VOBS has been an important part of the Ely community and regional economy. VOBS employs approximately 25 people year-round, all of whom live in and around Ely, and we employ an additional 75 persons there in the summer months. Our interests as an organization are inextricably tied to the health and preservation of the Boundary Waters and maintaining its wilderness character. The potential pollution and destruction to the Boundary Waters’ lakes, rivers, streams, forest and wildlife by adjacent mining operations presents what VOBS has concluded is a lethal and unacceptable risk to its business and to its mission of changing lives through challenge and discovery in a wilderness setting.”

- Mike Cichanowski, Wenonah Canoe (Winona Post 7.2.18): To explain why his company is suing the federal government, Wenonah Canoe owner Mike Cichanowski walked through the production floor at the company’s Winona factory. It was full of canoes in all stages of assembly – Kevlar hulls drying in molds and craftsmen custom-building wooden gunwales. On each boat was a work order describing who ordered it and what they wanted. Many were bound for BWCA-area outfitters. “It’s a big part of my business. It really is,” Cichanowski said. ... Wenonah Canoe is one of the foremost makers of Kevlar canoes in the world, and the BWCA is one of the most popular canoe destinations anywhere...Chichanowski fears that the Twin Metals mine could change the Boundary Waters for a long, long time. The proposed mine is just a few miles outside the BWCA, at Birch Lake, southeast of Ely, Minn... “Sooner or later you will have a break. They’re not going to contain that forever,” he said.

- The White House recently promoted the success of Boundary Waters businesses
  - Susan Schurke’s Wintergreen Northern Wear was showcased in the White House and appeared on Fox Business News
  - Wintergreen’s message: America’s public lands build business

- A 2017 economic study by Key Log Economics documented the harm to the Boundary Waters economy if copper mining were introduced near the Boundary Waters
  - Travel & Tourism: 4,490 local jobs would be at risk
  - Diverse & Growing Industries: 5,066 to 22,791 jobs and between $402 million and $1.6 billion in lost annual income in the Arrowhead region at risk
  - Property value loss: $509 million

- In-migration of new residents would drop and out-migration would increase:
  - Twenty-three percent of property owners in the four townships in the Ely and Twin Metals mine area say they will move away from the area if copper mining were introduced (University of Minnesota-Morris 4-township survey)