

IMPACTS ON MINING AND THE LOCAL ECONOMY IN SAN BERNARDINO COUNTY

The California Desert Conservation and
Recreation Act of 2015



The Sonoran Institute

Research by the Sonoran Institute finds that the California Desert Conservation and Recreation Act (CDCRA) of 2015 will have minimal impact on mining operations in San Bernardino County. The legislation will also enhance the natural and cultural attractions that have been significant drivers of the regional economy for the past 4 decades.

POPULATION GROWTH

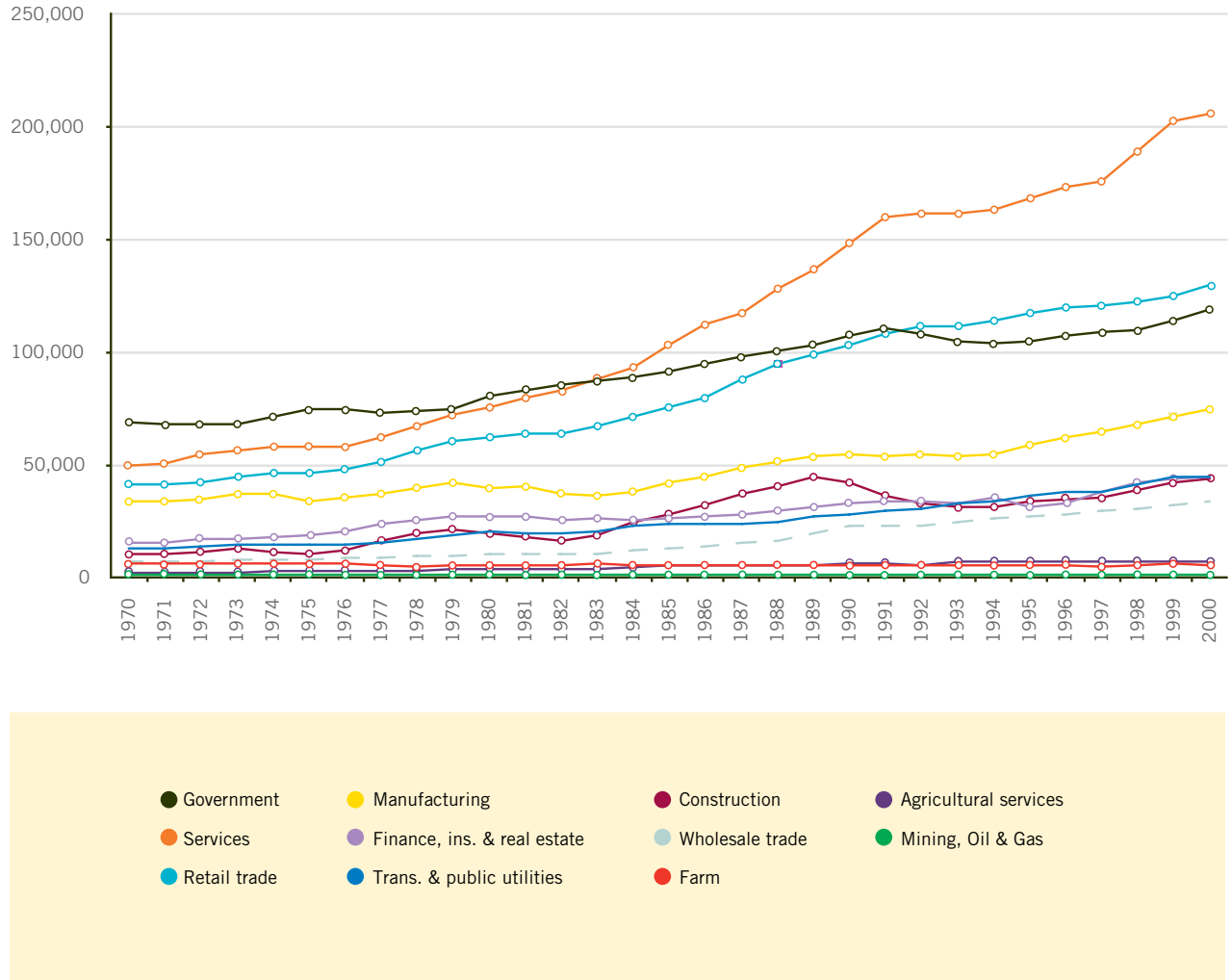
Over the past 4 decades, San Bernardino County has experienced steady growth in population, employment, and personal income. Between 1970–2013, the county saw a 206% population increase, the 2nd highest among the 7 desert counties: Imperial County, Inyo County, Kern County, Los Angeles County, Riverside County, San Bernardino County, and San Diego County.

EMPLOYMENT

Despite the county's growth, mining's contributions to the local economy have been modest, with jobs in mining playing a small role in total private employment. In 2013, San Bernardino County had 0.2% of employment in mining (around 1,400 employees). For small communities, such as Lucerne Valley, mining operations that employ 25, 50, or 100 persons are considered major employers.

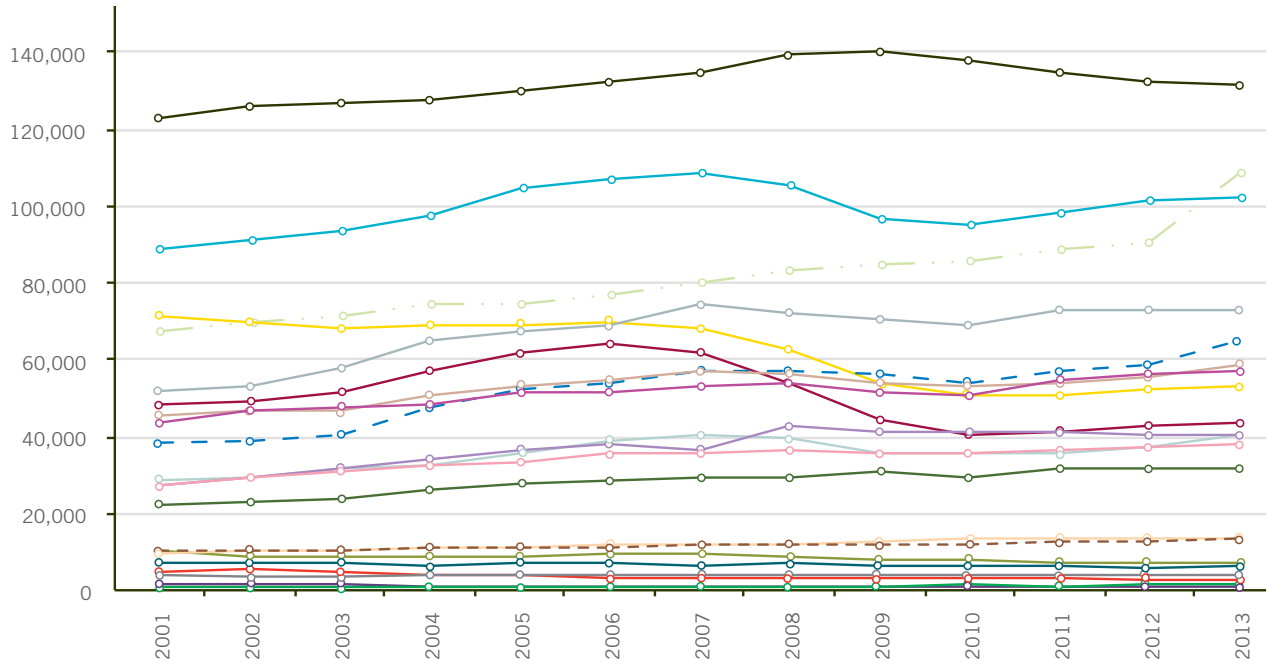
Most of the county's growth is driven by businesses and demographic changes that benefit directly from preserving the desert. Between 1970–2013, most of the county's employment growth was in the Services, Retail, Government, Manufacturing, Farm, and Health Care/Social Assistance Sectors.

Figure 1. San Bernardino County Employment Trends, 1970–2000.



Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

Figure 2. San Bernardino County Employment Trends, 2001–2013.

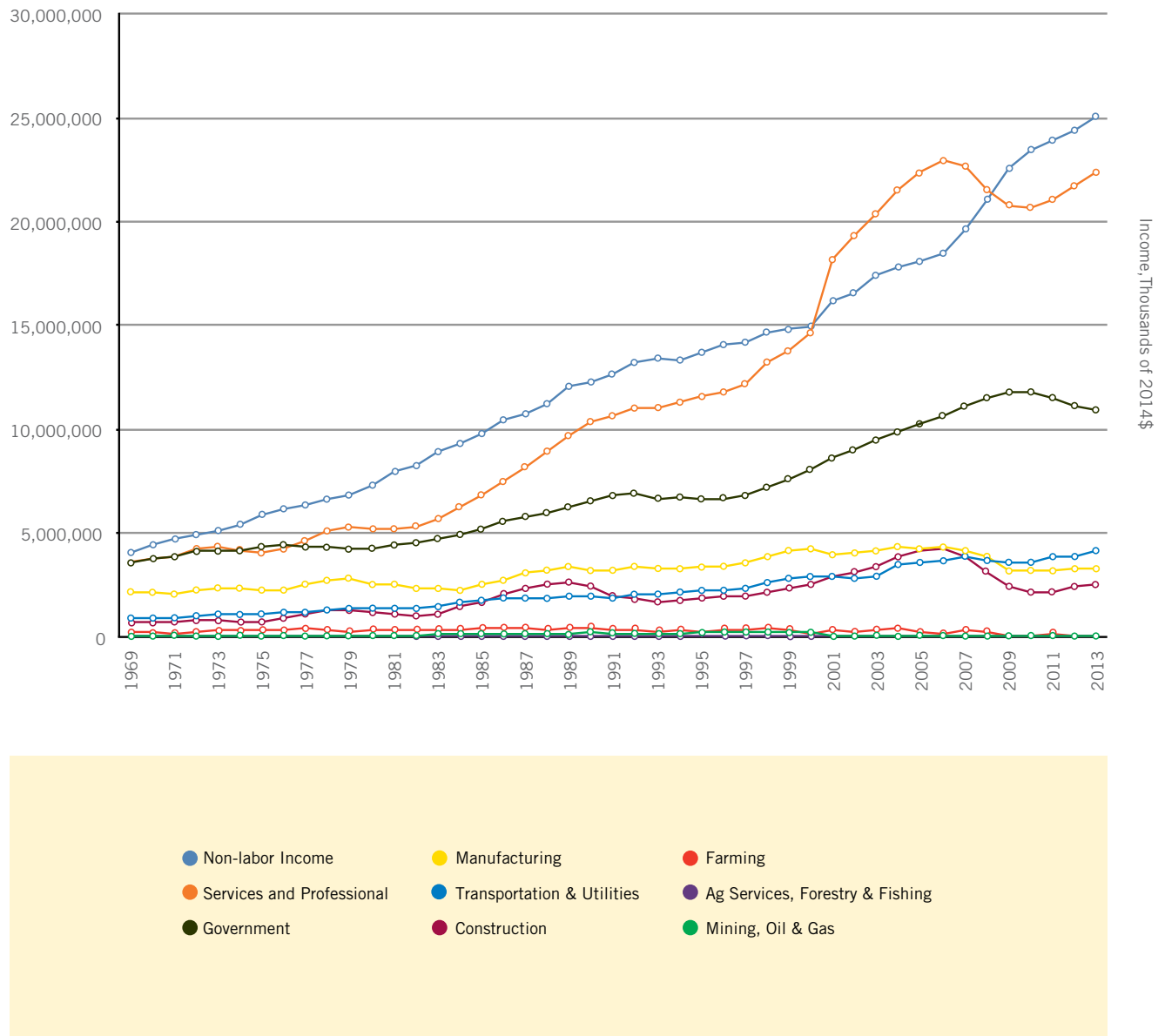


Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

PERSONAL INCOME

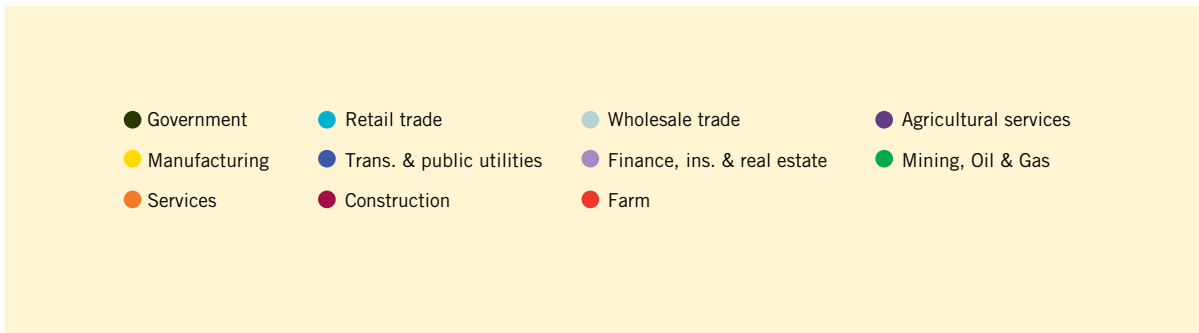
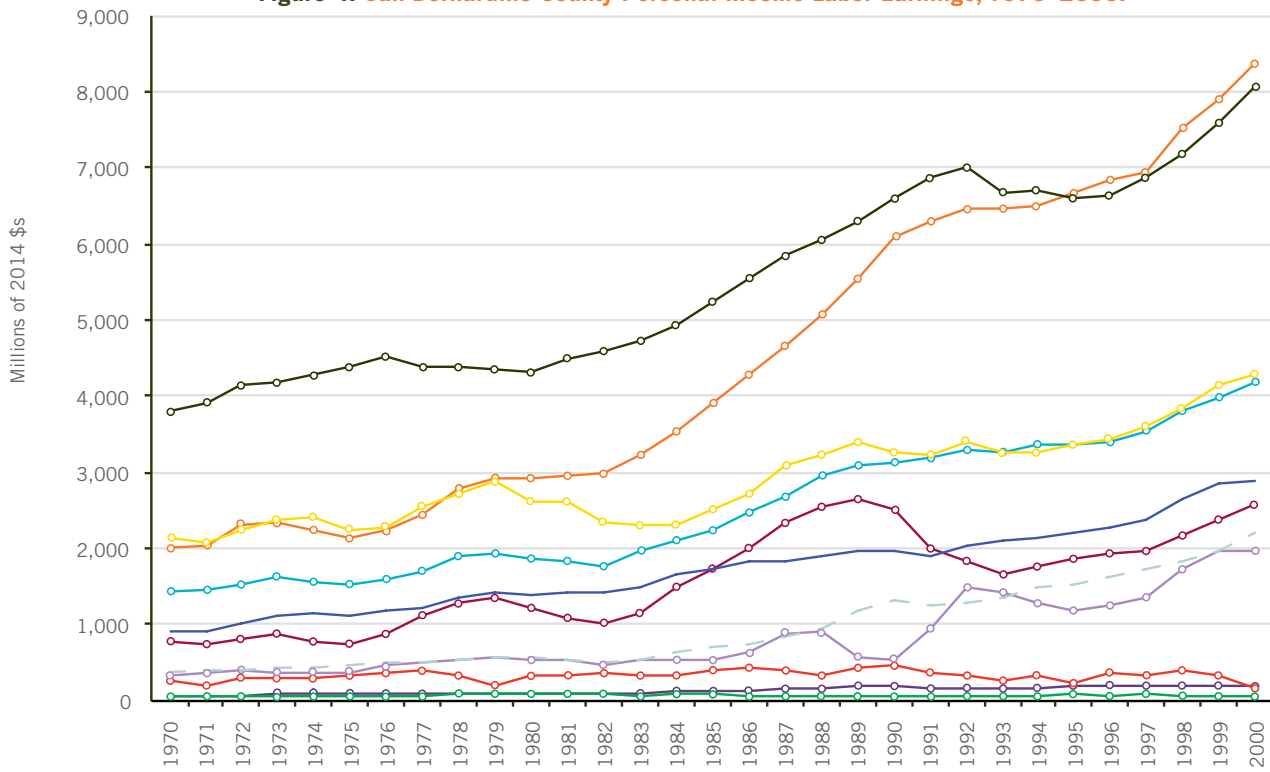
In 2013, mining's contribution (including oil and gas) to overall labor-related income was small, approximately 0.20%. Between 1970-2013, contributions from mining operations to labor-related income fluctuated between 0.2% and 0.5%, with no defined trend. In contrast, the county's labor-related earnings between 1970 and 2013 increased by 559%. The county's non-labor income increased by 370% in that time period.

Figure 3. San Bernardino County Personal Income by Source, 1969–2013.



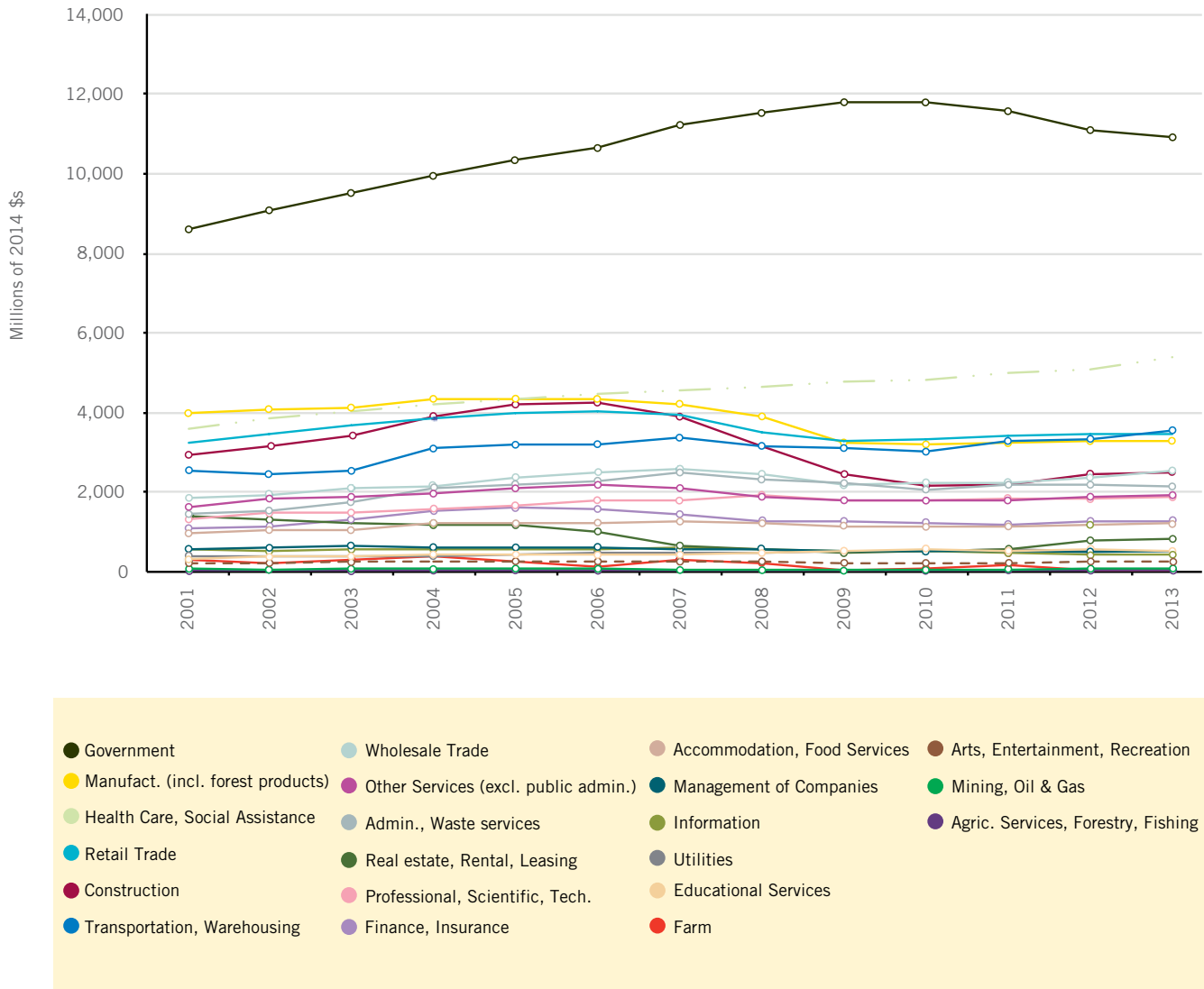
Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

Figure 4. San Bernardino County Personal Income Labor Earnings, 1970–2000.



Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

Figure 5. San Bernardino County Personal Income Labor Earnings, 2001–2013.



Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

OVERALL ECONOMIC CONTRIBUTION

These trends reflect the increasing importance of regional amenities, notably natural and cultural attractions. This has profound implications for the economic role of protected public lands as an important economic asset. Tourism and recreation remains one of the bright spots of San Bernardino County's economy: total direct travel spending in the county in 2013 reached \$4.4 billion, as reported by Dean Runyan Associates to the California Travel & Tourism Commission.

By comparison, when direct, indirect, and induced impacts on Gross Domestic Product (GDP) are considered, mining's contribution to nominal GDP in 2014 is estimated at \$1.2 billion, 1.5% of nominal GDP (nominal GDP is a Gross Domestic Product figure that has not been adjusted for inflation). In the desert portion of the county, mining's contribution may reach as high as 5%. These estimates likely represent upper limits, as the multipliers used were developed for use at the state level and likely overestimate impacts.

CONSERVATION DESIGNATIONS

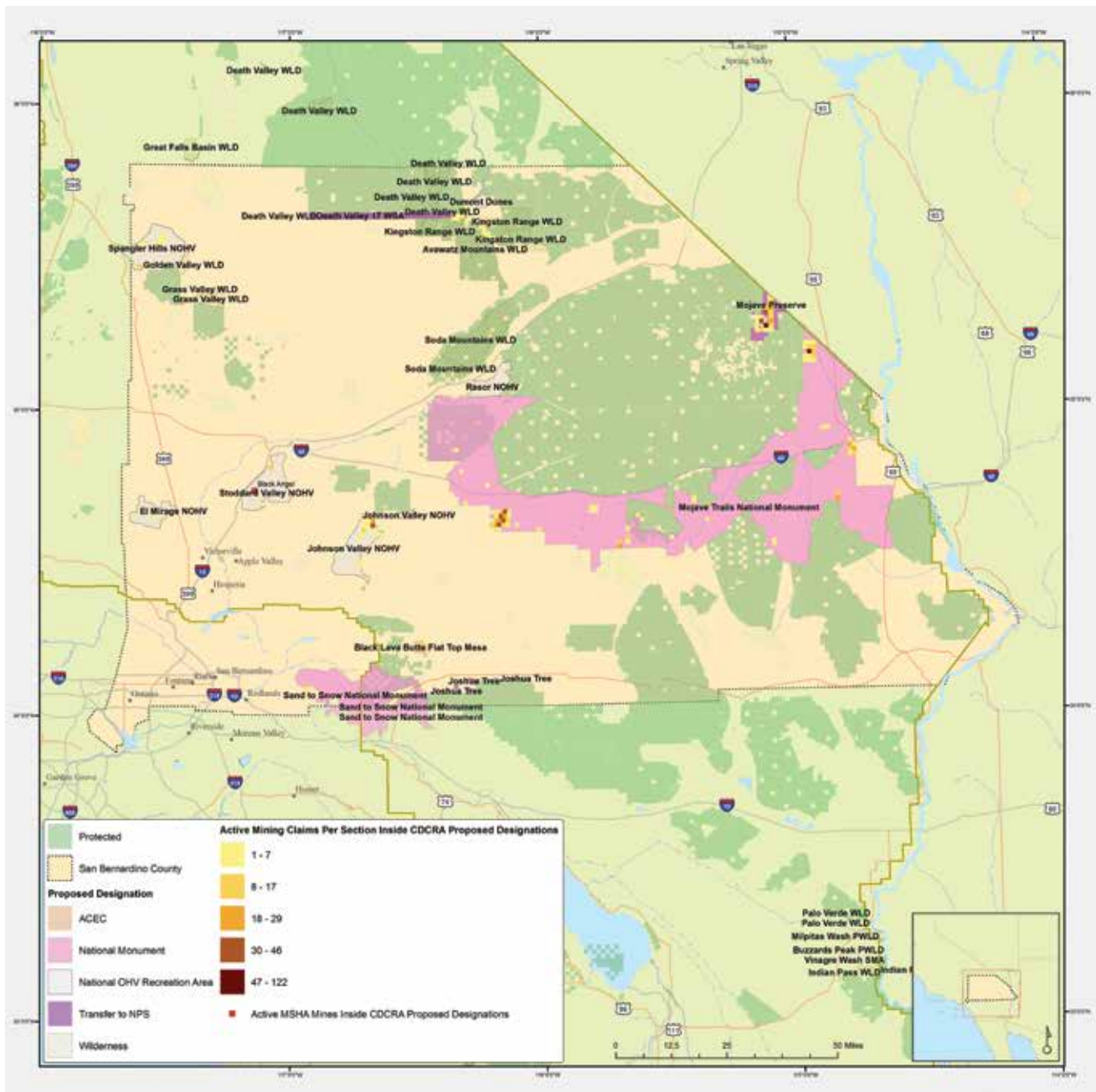
Through its extensive conservation designations, the California Desert Conservation and Recreation Act (CDCRA) of 2015 seeks to preserve San Bernardino County's natural and cultural attractions, which have fueled much of the region's growth and prosperity.

| Proposed Designation in San Bernardino County | Designation Type |
|--|------------------------------|
| Avawatz Mountains WLD | Wilderness |
| Black Lave Butte Flat Top Mesa | ACEC |
| Death Valley 17 WSA | Transfer to NPS |
| Death Valley WLD | Wilderness Addition to NPS |
| Dumont Dunes | National OHV Recreation Area |
| El Mirage NOHV | National OHV Recreation Area |
| Golden Valley WLD | Wilderness Addition |
| Grass Valley WLD | Wilderness Addition |
| Johnson Valley NOHV | National OHV Recreation Area |
| Joshua Tree | Transfer to NPS |
| Kingston Range WLD | Wilderness Addition |
| Mojave National Preserve (inc. Castle Mountains) | Transfer to NPS |
| Mojave Trails National Monument | National Monument |
| Rasor NOHV | National OHV Recreation Area |
| Sand to Snow National Monument | National Monument |
| Soda Mountains WLD | Wilderness |
| Spangler Hills NOHV | National OHV Recreation Area |
| Stoddard Valley NOHV | National OHV Recreation Area |

CURRENT MINING IMPACTS

As currently drafted, the legislation recognizes and protects existing mining claims and minimizes impacts on current mining operations. The county's major mining operations include Mountain Pass Rare Earth Mine and Mill (scheduled for closure in October 2015); the cement plants Cushenbury Plant, Oro Grande Quarry, Black Mountain Quarry and Victorville Cement Plant; and limestone from Lucerne Valley Plant and Quarry, and Omya California. The boundaries of the conservation designations have been drawn so as not to impact these and other operations.

Figure 6. Current Mining Activities Inside the Proposed Designations, San Bernardino County.

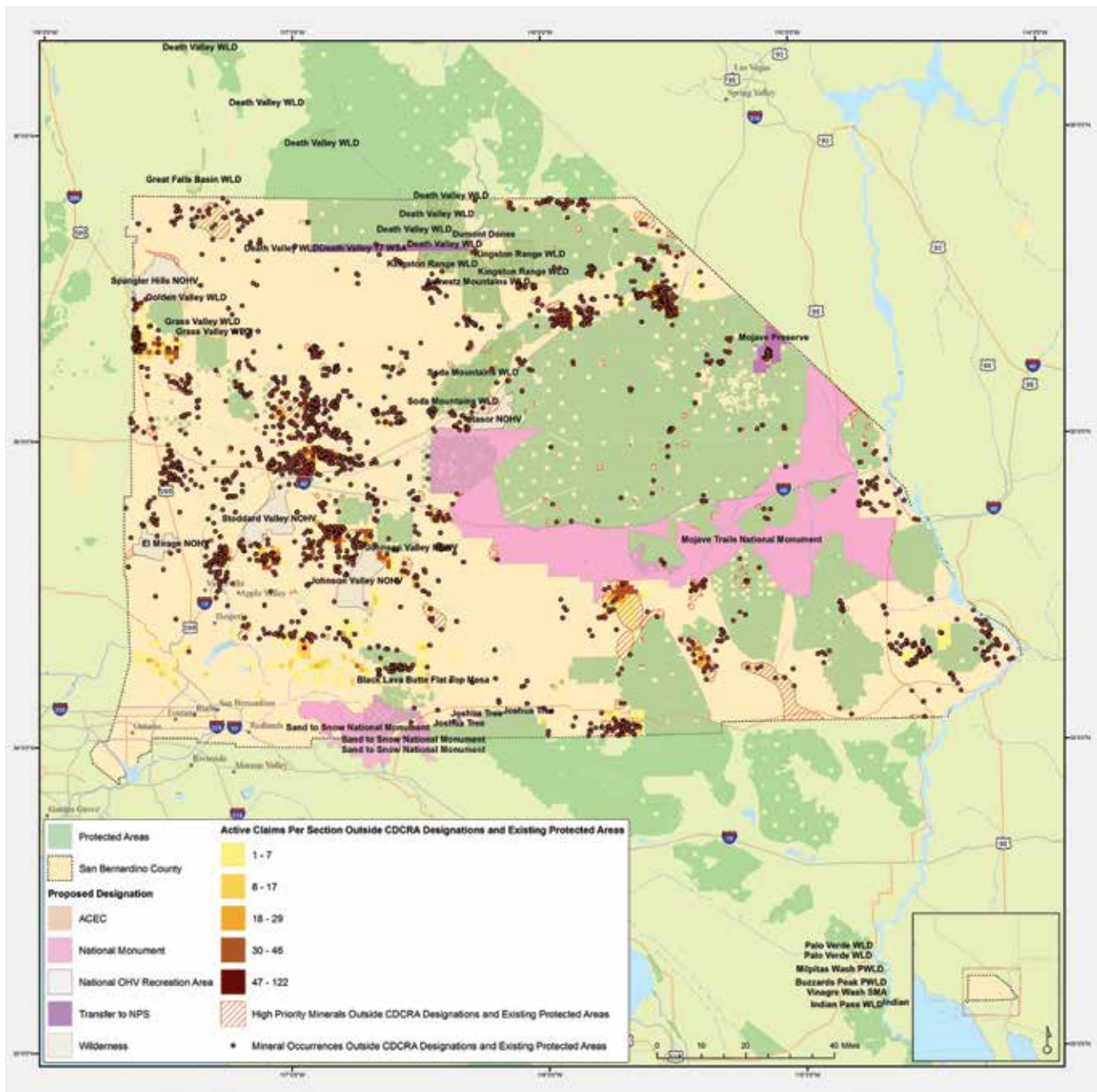


Sources: Bureau of Land Management Land & Mineral Legacy Rehost 2000 System (LR2000 System), <http://www.blm.gov/lr2000/>; US Department of Labor, Mine Safety and Health Administration, <http://www.msha.gov/OpenGovernmentData/OGIMSHA.asp>; DRECP EIS analysis, Appendix R1.15, <http://www.drecp.org/draftdrecp>.

FUTURE MINING IMPACTS

Potential impacts of the legislation on future mining activities in San Bernardino County are few, due to significant mineral development opportunities *outside* of the proposed conservation designations. These areas include: 3,001 instances of mineral occurrences; 8,803 active mining claims; and 392,773 acres of high mineral potential.

Figure 7. Active Mining Claims, Mineral Occurrences and High Potential Minerals, San Bernardino County.



Sources: Bureau of Land Management, Land & Mineral Legacy Rehost 2000 System, <http://www.blm.gov/lr2000/>; USGS Mineral Resources Data System dataset, <http://mrdate.usgs.gov/mrds/>; DRECP EIS analysis, Appendix R1.15, <http://www.drecp.org/draftdrecp>.

CONCLUSION

The California Desert Conservation and Recreation Act is compatible with ongoing mining activities and allows for future development of critical and competitive mineral resources. Moreover, the protective designations proposed under the legislation likely represent the highest and best economic use of those public lands.

ABOUT THE SONORAN INSTITUTE

Founded in 1990, the Sonoran Institute's mission is to connect people and communities with the natural resources that nourish and sustain them. We work at the nexus of commerce, community, and conservation to help people in the North American West build the communities they want to live in while preserving the values that brought them here. We envision a West where civil dialogue and collaboration are hallmarks of decision making, where people and wildlife live in harmony, and where clean water, air, and energy are assured.

This fact sheet is part of a study the Sonoran Institute prepared, *The California Desert Conservation and Recreation Act of 2015: Impacts on Mining and the Regional Economy*, which can be found at www.sonoraninstitute.org.





Shaping the future of the West

www.sonoraninstitute.org