

Southeast Alaska Conservation Council

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March 29, 2017

Representatives Andy Josephson and Geran Tarr, Co-Chairs House Resources Committee Alaska State Legislature Juneau, Alaska

Dear Representatives Josephson and Tarr:

For over 47 years, the Southeast Alaska Conservation Council (SEACC) has dedicated itself to preserving the integrity of Southeast Alaska's unsurpassed natural environment while providing for balanced, sustainable use of our region's resources. Our members live in Southeast Alaska, from Hydaburg on south Prince of Wales Island to Yakutat in the northeast corner of the Gulf of Alaska. The Tongass National Forest, America's biggest, wettest and wildest National Forest, is a natural treasure of international and national renown. It is also our home. The intimate connection enjoyed by our Native brothers and sisters to this incredible place stretches back for millennia.

Since 2007, the Southeast Alaska Conservation Council has worked in good faith to fashion the best possible outcome for a land exchange proposed between the Alaska Mental Health Trust and the Forest Service. The best outcome for this exchange protects the safety and community use areas important to Southeast Alaska communities. While both HB 155 and the bills introduced by the Alaska Delegation in Congress earlier this year meet the objective of protecting communities, it comes at the loss of increasingly important old-growth forest habitat from the Tongass National Forest to prop up a shrinking piece of Southeast Alaska's economy.¹ We find this untenable.

In testimony before the House Resources hearing on HB 155 on March 27, 2017, Representative Ortiz explained this bill "would help sustain the timber industry, which is particularly beneficial to the Southeast Alaska economy." We disagree. The financial reality of the Tongass timber program is it simply cannot compete in the world market. The Tongass is a high-cost producer in a tough international market where competing products come cheap. The decline of the Tongass timber industry occurred because economic realities favor other regions of the globe.²

The Trust Lands Office mistakenly blames the timber industry's long-term decline on the United States Forest Service. The root of the industry's problems, however, is greed. At breakneck speed, the industry targeted the biggest and most accessible stands of forest first instead of logging in a sustainable fashion that supported all communities over the long-term. The industry is collapsing today because it picked the lowest-hanging (and most profitable) fruit first.

Southeast Alaska is a resilient place. We encourage the Trust to seize opportunities to develop new, innovative conservation finance options for Trust lands that yield financial and environmental benefits for Trust beneficiaries and Southeast Alaska communities. Collaboration between the Trust

¹ See <u>Southeast Conference, Southeast Alaska by the Numbers 2016</u> at 9 (Sept. 2016)("Since 2010, employment in this industry has been reduced by 24%.").

² Alaska Department of Labor and Workforce Development, Natural Resources Mining and Timber, Alaska Economic Trends (Dec. 2003)(available at <u>http://labor.state.ak.us/trends/dec03.pdf</u>).

and conservation buyers can create new finance opportunities by using funds such as carbon credits, Land and Water Conservation Funds, wetland mitigation, and other grants.

SEACC supports maximizing returns to trust beneficiaries through non-timber revenue sources, such as selling parcels, easements, or carbon credits to conservation buyers. Now is the time for the Trust to <u>develop aggressively long-term conservation revenue sources</u> for mental health beneficiaries without liquidating the valuable old growth fish and wildlife habitat on the Tongass National Forest upon which the health and future of all Southeast Alaska depend.

Thank you for the opportunity to submit testimony on HB 155 and for considering our position.

Best Regards.

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