

FORESTRY

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

P.O. Box 1628, Juneau, Alaska 99802

1870

January 19, 1978



Senator Kay Poland
Alaska Senate
Pouch V
Juneau, Alaska 99811

Forester

Dear Ms. Poland:

The Forest Service currently has 137 enrollees working in Alaska in the nonresidential part of the Young Adult Conservation Corps Program. We plan to have 588 young people between the ages of 16 and 23 gainfully employed in the YACC Program by September 30, 1978. Additional YACC jobs in Alaska will be provided by U.S. Department of the Interior agencies, and by the Alaska Department of Natural Resources with Federal grant funds.

By location, the number of nonresidential enrollees (those who live at home) that we now have hired are:

Anchorage	53
Angoon	2
Cordova	6
Hoonah	3
Hydaburg	4
Juneau	12
Kake	3
Ketchikan	11
Metlakatla	5
Klawock	3
Palmer	7
Seward	10
Sitka	6
Wasilla	10
Yakutat	2
Total	<u>137</u>

Residential YACC camps, where enrollees live in Government housing, will be operated by the Forest Service in Wrangell, Cordova, Seward, and Kenai. The Wrangell camp is being activated this week with the arrival of the first 20 enrollees. We plan to open the Cordova camp in April, and the


Seward and Kenai camps in June. When fully activated, we will have 120-150 enrollees at Wrangell, and 50 enrollees each at Cordova, Seward, and Kenai.

Assistance with publicity and recruitment for the Program has been given to us by the Alaska Department of Labor, the Governor's Manpower Division, the Tlingit-Haida Central Council, the Tanana Chiefs, and the Southeastern and Rural Alaska Community Action Programs. Their cooperation has been most helpful in getting the Program on its way.

Once our residential YACC camps are in operation, we hope that you will be able to visit one of the centers. Our camp personnel will be available to explain the Program to you, and show you some of the project accomplishments.

During your stay in Juneau, while the current legislature is in session, you are welcome to stop by my office to discuss this or other Forest Service programs with me, or members of my staff.

Sincerely,


JOHN A. SANDOR
Regional Forester

The logo for FIDC (Fairbanks Industrial Development Corporation) features the letters 'FIDC' in a large, bold, sans-serif font. To the left of the letters is a stylized graphic of industrial structures, including towers and pipes, set against a dark background.

DR. WILLIAM R. WOOD
EXECUTIVE VICE PRESIDENT

FAIRBANKS INDUSTRIAL DEVELOPMENT CORPORATION
Phone 907 452-5400 619 Eleventh Avenue Fairbanks, Alaska 99701

March 14, 1977

Senator Kay Poland
Chairman, Resources Committee
Pouch "V", State Capitol Building
Juneau, Alaska 99811

Dear Senator Poland:

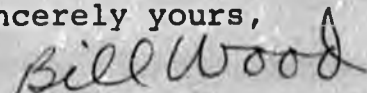
Here are the materials concerning Alaska's Interior Forests which I mentioned to you. For the best run down on this, I suggest conferring with Mr. John Galea of the U. S. Forestry Service. His office is located in Anchorage and his address is: 121 West Fireweed Lane, Suite 205, Anchorage, Alaska, 99503.

We are just now beginning to learn some of the facts about the Alaska's Interior Forests. The article by Hutchison and Schumann, which I marked with a paper clip is quite revealing. It appears that the Interior Forests can produce 634 cubic feet per acre as compared with that of Minnesota at 574 cubic feet per acre. This is on a sustained yield basis. The total volume potential is greater than that of Wisconsin, Michigan, and Minnesota combined.

The Fairbanks Industrial Development Corporation has spent some \$20,000.00 this year through the office of the USDA regional forestry service of Portland for a market feasibility study for a "Structural Particleboard Plant" to be located somewhere in the rail belt area. Since the target selected was the rim of the Pacific countries, the study indicated we may be five or more years away from a sound project. This week, we are having a meeting for score or more of sawmill operators in Interior Alaska. Other forestry specialists will also participate in this meeting.

The prospects for making wise use of Interior Alaska Forests were never better. Harvesting and processing may be developing slowly, but the future is bright. Incidentally, agriculture and timber development work very well together in the Interior Valleys. The situation is somewhat like the old New England farms where the woodlot provides seasonal employment and income that dovetails with that of the crop lands.

Sincerely yours,

A handwritten signature in cursive script that reads "Bill Wood". The signature is written in dark ink and is positioned above the typed name.

William R. Wood
Executive Vice President

Alaska State Legislature

SENATOR
KAY POLAND
DISTRICT L
P.O. BOX 43
KODIAK, ALASKA 99615



Senat.

KODIAK-ALEUTIAN
DISTRICT

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

March 21, 1977

Dr. William R. Wood
Executive Vice President
Fairbanks Industrial Development
Corporation
619 Eleventh Avenue
Fairbanks, Alaska 99701

Dear Dr. Wood:

Thank you very much for sending me the material on Alaska's Interior Forests which we had discussed yesterday at a meeting for the Logger's Convention. I had the privilege of hearing Mr. John Galea speak, and he gave a slide show which was most interesting.

It is my belief Alaska's timber industry will really be reaching the important place it should in our economical development within the next ten years, and hopefully, the legislature will be able to communicate with and assist the industry as it grows.

I would greatly appreciate your keeping me advised in matters that you feel are pertinent.

Sincerely,
Handwritten signature of Kay Poland in cursive script.

Kay Poland
State Senator
Kodiak-Aleutian District

KP:ss

1107 - 9th Street

Sacramento, California
95814

February 10, 1977

The Honorable Hugh Malone
President of the Senate
Pouch "Y"
Juneau, Alaska 99811

Dear Mr. President:

This letter is to acquaint you with and to invite your participation in the Western States Legislative Forestry Task Force. This bipartisan Task Force was formed in 1974 and consists of four state legislators appointed from each of the states of California, Oregon, Washington, Idaho and Montana. It is charged with monitoring federal and state forestry issues and with advocating the interests of the member states in forest policy.

Policy resolutions are adopted after public testimony is taken at Task Force meetings, which are held about six times a year. Resolutions are then sent to federal agencies having jurisdiction over public forest lands and to Congressmen from the five western states. They are followed up in whatever manner promotes action.

For example, frequent contact was made last year with members of Congress to promote increased federal payments to local governments for services rendered to users of public timber lands within their jurisdictions. In this manner, the Task Force, along with other groups, helped to bring an estimated \$86 million to local governments in the member states.

An explanation of this and other Task Force actions are summarized in our Annual Report, a copy of which is enclosed for your review. An agenda and minutes for the latest meeting, together with enabling legislation for Task Force participation from the state of Idaho, are also included.

contd.

Task Force operations are funded entirely by the legislatures of the five states. Shares of the total budget have been determined for the coming biennium on the basis of a formula that emphasizes equally benefits received and ability to pay. This formula is explained on page 17 of the annual report. Should legislators from Alaska decide to participate in the Task Force, an adaptation of the formula suggests that Alaska's cost would be about 7.6% of the budget adopted for support of Task Force staff, or about \$5800 for the coming biennium. Travel expenses of members would be additional.

The Legislatures of the member states have found the benefits of the Task Force have far outweighed the small supporting cost. For this reason we urge you to consider joining with your fellow legislators from major timber producing states to form a stronger voice to speak for our states in matters of forest policy.

With your membership the Task Force would represent states containing about 70% of the soft wood growing stock in the United States. We would have access to a sizeable block of votes in Congress that would be a force to be reckoned with both in Congress and by federal agencies.

Sincerely,

J. Wilson Steen

J. Wilson Steen
Chairman

JWS/ha

cc: Senator Kay Pollard
Chairman-Resources Committee

enc:

LAW OFFICES
JOE P. JOSEPHSON
1526 F STREET
ANCHORAGE, ALASKA 99501

(907) 272-8531

June 7, 1976

OF COUNSEL
GEORGE KAUFMANN, ESQ.
(D. C. BAR ONLY)

HOWARD TRICKEY, ESQ.
(D. C. BAR ONLY)

Mr. Michael C.T. Smith
Director
State Division of Lands
323 E. Fourth Avenue
Anchorage, Alaska 99501

*Port Graham
Timber
Sales*

Dear Mr. ~~Smith~~ ^{Mike}:

As you know, I was very disappointed by the failure of the Legislature to act favorably on S.B. 545. The communication from Mr. Tubbs certainly played a part in the failure of the Legislature to enact this measure. Genuine uncertainty about the effect of the bill as precedent for other situations besides Port Graham was another factor.

In your letter of May 18 to Senator Poland, you indicated that passage of S.B. 545 could involve as much as \$918,000 of State receipts received between December 18, 1971 and April 15, 1976.

One element that requires research before the 1977 session is that there is a great difference, from a policy standpoint, in my judgment, between revenues obtained from the State through the extraction or removal of valuable resources, and revenues received as permits or rental receipts which do not diminish the present or future value of the Native patentee's equity interest or fee simple estate.

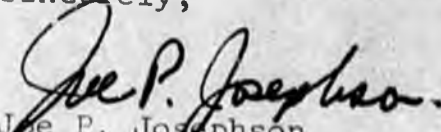
I believe we agree that Port Graham is the outstanding case where some legislative relief, or judicial relief, should be provided. Without attempting to recite all of the reasons again, I do point out that the primary resource value at Port Graham is timber; that the State under the contract with Southcentral Timber Co., Inc. received stumpage fees from and after 1967 until 1976; that the timber was not reappraised in 1972 by the State, and that a reappraisal would have resulted in a higher stumpage fee; that the lands were applied for in 1974 after the passage of the 1971 Claims Act; and the delay of the interim conveyances until December, 1975, was through no fault of the village corporation.

Obviously, if no timber had been taken, the value of the lands conveyed to Port Graham would be much higher than is the actual case today. Under the actual circumstances that prevail at Port Graham, the stockholders of the village corporation may have to wait several generations before the timber stands, where cutting has occurred by Southcentral Timber Development Company, can be again developed commercially. Even this hope for future development generations ahead assumes that State management was not inimical to the area and to the health of the forest in particular, from an

environmental point of view.

My judgment is that the Senate Resources Committee, including its chairperson, Senator Poland, Senator Chancy Croft, and others, gave fair consideration to S.B. 545, but were handicapped by lack of timely information. I only hope that the matter can be rectified for 1977 based on the research done to date and additional research which should distinguish between revenues derived from activities that diminished the value of the equity interest or fee simple estate and, on the other hand, revenues derived from activities which are not damaging to land values.

Sincerely,


Joe P. Josephson

bcc: Senators Croft, Poland + Sackett
Jork Graham Corp.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

*Forestry
- lands*

1560

January 19, 1977



The Honorable Kay Poland
Pouch V
State Capitol Building
Juneau, Alaska 99811

Dear Senator Poland:

I hope you will find the enclosed Smokey Bear pocket planner useful. Although forest fire prevention is not a problem in Southeast, it is a very large problem in the Interior. I share with you the feeling of loss over the many millions of acres of valuable forest and range lands burned over in past years by wildfire.

We are entering the third century of our Nation, and greater demands than ever before will be placed on our valuable renewable resources. Alaska has been and is steadily moving forward to take its rightful place as a storehouse and supplier of these natural resources for the United States and the Pacific Rim countries. The wilderness, scenic and recreation values are unsurpassed and there is a rapidly increasing influx of visitors to Alaska. The National Forests of Alaska had nearly 2 million visitor days of recreation use this past year.

The Forest Service in Alaska is actively working with the State on numerous cooperative programs. The most important cooperative effort to be undertaken in 1977-1978 is the assessment of the Renewable Resources of the State. This is part of the National Assessment authorized by the Resources Planning Act (PL 93-378). A complete assessment of Forest, Range, and related renewable resources is to be completed by December 1979.

Cooperative land-use planning efforts are underway and we recently signed a cooperative agreement with the State to implement the Sikes Act which provides for intensive cooperative wildlife habitat improvement programs. Various resource studies are ongoing in cooperation with the University of Alaska and other State agencies. Our research facilities at Juneau and Fairbanks are currently conducting inventory and research projects in the Interior and Southeast. Through our State and Private Forestry program, we provide technical advice and assistance to forest landowners. This program will be especially important as Native land selections are consummated.

The Forest Service is already engaged in several cooperative forestry assistance programs with Native corporations and villages. If we can aid you in securing background information and natural resource data, please do not hesitate to call on us.

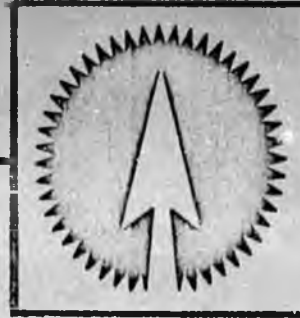
My best wishes as you commence your deliberations and for the New Year. Hopefully, every Alaskan will help make 1977 safe from wildfire.

Sincerely,


JOHN A. SANDOR
Regional Forester

Enclosure

Alaska Loggers Association, Inc.



M Stedman
Ketchikan, Alaska 99901
Phone 225-6114

Forestry

RESOLUTION IN SUPPORT OF MULTIPLE-USE
LAND CLASSIFICATION OF NATIONAL INTEREST
LANDS IN INTERIOR ALASKA

The Alaska Loggers Associations represents the Forest Industry in Alaska. Its membership is represented in the South-eastern, Southcentral and Interior forested areas of our State.

ALA is very interested, and vitally concerned, about upcoming congressional land classification decisions affecting national interest lands in Alaska, brought about by the Alaska Native Claims Settlement Act.

Commercial forest land in Interior Alaska includes over 22.5 million acres. Tree species, size and growing conditions compare favorably with, and in some areas exceed, commercial forests managed in our own Lake States, Western Manitoba and Ontario Canada and the Scandinavian counties of Norway, Finland and Sweden. Successful forest products industries as well as other wildland and recreation activities have co-existed, on these lands mentioned, for hundreds of years. The State of Minnesota, with a smaller forest land base than what is found in interior Alaska has over 60,000 people employed in its timber and forest products industry and maintains many high quality outdoor activities.

The Alaska Loggers Association is on record in support of multiple-use land management. ALA strongly favors public lands in interior Alaska be classified for their multiple use values and placed under the jurisdiction of an established land management agency dedicated for this purpose

Dated: October 23, 1976

By: Donald A. Bell
Donald A. Bell
Secretary
ALASKA LOGGERS ASSOCIATION

Alaska State Legislature

SENATOR
W. I. "BOB" PALMER
P. O. BOX 103
NINILCHIK, ALASKA 99629

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99801



Senate

CHAIRMAN, SELECT COMMITTEE
SPECIAL SENATE FISHERIES
COMMITTEE
NEW SENATE SELECT COMMITTEE
RECORDS COMMITTEE
SUPPORT AND AID COMMITTEE
COMMISSION ON EDUCATION
COMMISSION OF THE UNITED
STATES ADVISORY INTERNATIONAL COMMISSION
ON LAW OF THE SEA

July 10, 1973

Memorandum

To: Sen. W.I. Palmer, Chairman
Special Senate Committee on Fisheries

From: Michael M. Whitenead *MMW*
Administrative Assistant

Re: Forestry Section, State Division of Lands

During the past legislative session, one of the charges to this Committee was a review of the impact of logging on salmon habitat and production. In conducting this review, priority was placed on logging practices on State lands as correspondence and reports from individuals indicated that serious abuses of adequate management practices were taking place. Having inspected most of timber sales in the Haines area and the Windy Bay-Rocky Bay sale on the Kenai Peninsula, it is fortunate that the majority of these sales have not involved salmon producing waters, for the management practices have been less than adequate. The majority of the sales have involved upland areas. Poor timber management practice on these upland areas could ultimately effect salmon habitat and production, though this would be very difficult to document.

Based on field inspections, interviews with the District Foresters involved, and with administrative personnel in the State Foresters

Memorandum
Sen. W.I. Palmer

office, there is a need for legislative review of all phases of forest management and administration on State lands.

There are three major factors which are contributing to less than adequate forest management. Much of the following information will require further documentation prior to formal review because it has been outside of the present charge to this Committee. Until such time as a formal review is initiated, I would recommend that this information be kept confidential to facilitate access to documentation.

Disposal Orientation

The majority of past and present inadequacies in the management program are a function of the disposal orientation of the Division of Lands. I am attaching a copy of a memorandum written in 1968 which requests the Area Managers to "undertake an aggressive program in your area with emphasis on disposal." The State Forester has indicated that he does not feel that his section is disposal oriented at this time. It may be more appropriate to say that there is not as much emphasis on disposal as in the past. The past emphasis is a current causative factor in that the District Foresters can not adequately administer the sales within their areas. The foresters which I've dealt with feel that movement from a disposal orientation which dominated all other considerations has taken place. However, it appears that the most recent large sale (SC-275, West Side Salvage) was a rush job resulting in inadequate layout, planning or inventory work being accomplished

Memorandum
Sen. W.I. Palmer

prior to the sale. This typifies most of the sales in previous years, especially those involving large acreages. Many of the problems in the Haines area have resulted from the disposal philosophy and resulting rush sales. The number of sales completed was greater than the available staff could properly administer which has led to poor road layout and construction, poor cutting practices, and inadequate supervision of contractual requirements.

Another problem resulting from the disposal orientation in the Haines area is that of exceeding the allowable cut. The annual allowable cut figure of 20 million board feet (MBF) was established as early as 1964 and yet during the period 1961-1971 there was an over-cut of approximately 40 MBF. During the peak period of timber harvest in 1967-1970, the annual commercial harvest varied between 28.7 MBF and 45.3 MBF. The annual allowable cut has been reduced to 19.5 MBF to amortize the overcut over the remaining 89 years in the estimated 100 year rotation. The Haines District Forester has indicated that an annual allowable cut of 19.5 MBF is still in excess of that which should be cut to maintain sustained yield management. This is because all commercial timber stands are used as an inventory base upon which the allowable cut is determined without regard for lands which will be disposed of in the future, buffer zones, intensive management areas, recreational or other multiple-use areas. Also, cottonwood is included in the forest inventory and accounts for approximately 9% of the commercial timber. During the 1961-1971 period,

Memorandum
Sen. W.I. Palmer

cottonwood accounted for about 1.4% of the harvest, allowing for an over-cut of 7.6% on spruce and hemlock. This practice is still in effect. The Haines District Forester feels that an annual allowable cut of approximately 13 MBF would be more realistic and this has been substantiated by the Timber Management Forester.

It would appear that a disposal philosophy has over-shadowed the Constitutional requirement for sustained yield management. It should be noted that requests for timber sales from the industry are often the determining factor in the decision to make a sale. This has been verified for several of the Haines' timber sales and Mr. Sundt's allegation regarding the Icy Cape (White River) sale is correct according to a District Forester. It is somewhat ironical that the industry, who encouraged this type of management, will most likely be adversely impacted, especially in the Haines area. Approximately one-half of the annual production from this area is from National Forest. It has been indicated that the Forest Service does not anticipate increasing timber production in the area, and there will be a delay in planned sales because of the preparation of environmental impact statements on lands in roadless areas. In all probability, the industry will be requesting additional sales on State lands at a time when the State is attempting to reduce the annual allowable cut.

In 1971, an analysis of the forestry organization and programs of the State was conducted at the request of Charles F. Herbert, Commissioner of the Department of Natural Resources. The study

Memorandum
Sen. W.I. Palmer

team consisted of personnel from the U.S. Forest Service and the Montana and Minnesota Forestry Departments. Their recommendations, and the lack of implementation by the State Foresters office, point out another area of apparent inadequacy--that of poor administration and lack of leadership.

Land-Use Planning

The study report states:

"It also became immediately apparent that the sound plans for forest protection and management could not be established and quantified until it was known what the long-range land use plans would be for state lands.... Again, the basis for beginning the management of this resource is to establish with reasonable accuracy through land use planning, the forest lands that may logically be expected to be managed on a sustained yield basis. Any forest industry seeking to harvest timber and manufacture forest products in the state must be assured a continuous predictable supply of raw materials." (emphasis added)

The State Forester has indicated that the classification of lands is not far enough along as far as management is concerned. The Timber Management Forester stated that there is little support from "up the line" for land-use planning, which would allow for revised, dependable allowable cut figures. He felt the State, and especially his department, was far behind in this regard. He indicated that his present work load was a factor, but it would seem that land-use planning should receive a much higher priority.

The study report continues:

"...The lack of classification or determination of the lands to be held (sic) under State Administration is posing many problems to the District Managers.

Lacking this basic information on land retention and overall use plans has forced them to adopt a "policy of accommodation". Although they all have a good knowledge of the lands under their administration and the long-range use that they feel is desirable, they are frequently

Memorandum
San. W.I. Palmer

placed in an indefensible position when requested to make timber sales, long-term leases, or outright sales of their property. Further, management of this type leads to special interest classifications, which will prohibit or make difficult the multiple-use of lands in the future...

The purposes of this recommendation were in essence provided for in Division Order #112 dated October 19, 1966, but to date have not been carried through."

It should be noted "this recommendation" was for land-use planning and "to date" was April 1971.

Policy and Guidelines

The study report states:

- "The general guides for District Managers are given in Division Order #112 dated October 19, 1966. These are very broad and give the District Managers a wide latitude for independent action. While they enjoy this autonomy, this review indicated they would welcome more positive management direction. This will, in part, be met by the preceding land use planning recommended..., but they also desire to be more informed on current thinking in the central office with a better understanding of how well they are performing."

I am enclosing the results of this recommendation which were requested from the Timber Management Forester. He indicated that these policies and guidelines were initiated on his own and were worked on as "time allowed". The emphasis is on general administrative considerations rather than positive management direction.

In addition, both the study report and/or District Foresters indicated a great need for developing contractual cutting standards, specifications for road construction, standards for timber harvesting, guidelines for contract administration, and guidelines for sales preparations. The lack of these guidelines has contributed significantly to the current situation.

Memorandum
Sen. W.I. Palmer

As a result of discussions with the forestry staff, there are additional concerns which should be reviewed:

- (1) Research: Is the research base adequate to support the management practice? At this point, it appears that Mr. Sundt's allegation regarding regeneration rates on the Windy Bay-Rocky Bay sale is accurate and may be indicative of a broader problem.
- (2) Utilization: Are the present contractual requirements for utilization of timber adequate? Forestry personnel feel that requiring greater utilization may be appropriate.
- (3) Illegal removal of timber for State lands as alleged in Mr. Sundt's letter. Information received from staff members indicate little or no check scaling is done to ensure proper payment to the State.
- (4) Adequacy of the present staffing level in relation to the volume of timber being cut.

I have attempted to outline broad areas of concern rather than deal with problems on specific sales. I do have some specific details, but as indicated, additional documentation should be obtained.



Alaska Conservation Society

Box 5-192 College, Alaska 99701

February 7, 1972

Senator Bob Palmer, Chairman
Senate Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Bob:

An informant - apparently an authoritative one - recently discussed a situation with me that might merit your investigation. It concerns the Division of Lands Branch of Forestry, and amounts to a pretty solid roundhouse swing at the whole operation. The criticisms were

- a) That the Branch, concerned for years almost exclusively with timber sales, has used very questionable economics to rationalize many of its contracts. The Yakataga sale was cited.
- b) That the basic inventory data used to establish allowable cuts (timber cruise volumes, site index, growth rates) are poor and unprofessionally collected.
- c) That actual logging shows under state contracts are not well supervised, resulting in shoddy logging, erosion, cut timber left in the woods, etc. Haines and Yakataga shows were mentioned specifically

I know nothing about this first-hand. If you think your Committee would want to question Keenan or Sachek, it might be well to contact Branch people like Tom Wade (forester stationed in Haines) and Ray Settles (forest protection man in Anchorage) as well. Reportedly they have not been happy with some of the state's forest management. Further investigation could indicate these criticisms are not substantiated, of course.

I understand Jack Hession, Dave Hickock, and other Anchorage people have looked into this a bit.

Sincerely yours,

Bob

Robert E. Weeden

P. O. Box 1054
Eagle River, Alaska 99577

March 7, 1972

Senator W. I. "Bob" Palmer
Fouch V
Juneau, Alaska 99801

Dear Senator Palmer:

Please excuse my delay in replying to your inquiry regarding mismanagement of State forest lands. I have been busy with other matters and wished to give my reply to you the thought and attention it deserves.

The problem is not so simple as a few cases of logging abuse, although such cases do exist. The basic problem is in the organization of State forestry personnell and in the philosophy of the State Forester.

You may remember that shortly after statehood, in the initial organization of the Division of Lands, Roscoe Bell hired Earl Plourde as State Forester. It's pretty well agreed within the forestry profession that Plourde was a visionary, and perhaps ahead of his time in some respects. He predicted a rapid development of Alaskan Forests and he worked diligently to bring this about within the framework of good forest practices. It soon became evident that forestry could go nowhere without land to manage on a long term basis, and thus began the conflict between Forestry, which was management oriented and championed by Plourde, and Lands, which was disposal oriented and run by Joe Keenan. There was constant bickering and jockeying for position, and Roscoe Bell would neither settle anything in favor of one side or the other, nor step in and firmly tell them to quit fighting.

Plourde's two main assistants were Ted Smith in charge of Parks and Recreation, and Bill Sacheck, in charge of Management and Protection. Plourde could never see the tremendous importance that parks were to achieve, and as a consequence Smith succeeded in divorcing his section from forestry and proceeding on his own. Parks and Recreation has since achieved the Division status which it deserves, although it can still be argued that the split should never have taken place since there are certain management and protection functions which must be duplicated with Parks and Forestry as separate sections.

Sacheck was unhappy working under Plourde. I believe it was a personal thing but it manifested itself in attempts to obstruct and undermine the program. For example Sacheck once hired a forester whom he despised "as a joke on Plourde". That forester is still with the State and in my opinion is a good man, but

Sacheck's motive in hiring him could certainly not be considered in the best interests of the organization he was supposed to be working for.

Once in an argument with Sacheck I was espousing forest management and he stated that no forests in the state outside of Southeastern were worth managing. The talk then swung to fire protection and he gave the opinion that we should protect nothing, and let it all burn. I told him then that he was certainly the only Management and Protection Officer who believed in neither management nor protection ! This man is now our State Forester.

Roscoe Bell was aware of the strong frictions within his Division and began to think of some type of reorganization as the solution. Sacheck became his Special Assistant and campaigned successfully for a plan which would leave Plourde and all other branch chiefs as mere staff advisors with no line authority. Meantime we had a change of administration and commissioners. Tom Kelly knew nothing about timber but was pleased at the prospect of officiating at the forthcoming Shuyak timber sale, which could not hope to rival his later oil lease sale but was at that time to be the largest State sale to date. Our timber didn't sell, happily as later events were to prove, but Kelly apparently felt he had lost stature, and in a fit of pique he transferred Plourde to an untenable position which forced his resignation.

Sacheck was made State Forester, his main qualification being that he was anti-Plourde, and ironically he inherited the crippled organization structure he had been instrumental in creating.

I hope I have not bored you with this long discourse, a good share of which was petty "office politics", but I wished to make clear how a potentially vital forestry program fell into the hands of a second-rate administrator and lost its momentum. Sacheck never had creative plans but made his way by being negative. He is firmly ensconced and has the typical bureaucratic attitude that "if you don't stick your neck out, your head is safe". There are no forestry programs initiated except as reactions to outside pressure. For example, no attempt was made to discover whether Rocky-Windy Bay was regenerating itself, until last year when I understand some outside inquiries were instituted, possibly by yourself. At that time a token effort was made to assess the situation but no satisfactory conclusion was reached, at least from what I have been able to discover. That is a huge cutover area and deserves more attention, but a Division forester told me the other day "All we do now is fill out forms".

I have worked as a logger and from my contacts within the industry I believe there are areas within the state from which millions of feet of timber have been illegally removed. I won't go into any more detail on this matter but will simply state that under a strong forestry organization with proper leadership this wouldn't have happened.

In my opinion the Icy Bay sale was also badly mishandled. It began with a request from the Japanese for a sale of 100MM feet

in White River. The State cruised it and was preparing to offer it but got some rumbles from other large timber firms who, as you may know, constitute a sort of monopoly in Southeastern and didn't think they wanted any competition in the Icy Bay area. The State Forester immediately scrapped his plans for White River and "entertained proposals" from the industry at large. The original Japanese firm submitted their White River plan but someone else asked for twice the amount in Icy Bay. Naturally the larger proposal was accepted, in spite of very limited inventory statistics for the area upon which to base an allowable cut. A new cruise was made, somewhat lengthy due to the fact that the cruise party, led by the Forest Management Officer, spent a whole week cruising in the wrong place and didn't realize it until their pilot picked them up and apologized for setting them down at the wrong river.

When the auction was held nobody showed up except the original Japanese group who didn't want 200 MM feet in Icy Bay but wanted 100 MM feet at White River. They bid the appraised price and were eventually awarded the sale after some unexplained hesitation on the part of Commissioner Kelly. I should think that at that point, in the interests of conservative forest management, the original 100 MM feet in White River should have been offered as an alternative, since that's what the Japanese wanted in the first place. To my knowledge this was not done, and the 200 MM foot sale is now being logged with as little supervision as Rocky-Windy Bay has received.

I am aware that my criticism of the Division of Lands can be construed as "sour grapes". Prior to Plourde's resignation I was his chief assistant and bumped heads constantly with Sacheck. One of Sacheck's first official acts as State Forester was to remove me completely from all contact with forestry work and have me placed in a position for which I was eminently unqualified. An attempt was then made to discredit me on the basis of poor attitude and performance but that backfired and I eventually worked my way back into forestry. I survived the pressures placed upon me and resigned voluntarily in disgust at the aimlessness of the Division of Lands and its Forestry section. I have been much happier doing constructive work than I ever was simply filling out forms.

To summarize my recommendations I shall quote from the termination interview form which I completed when I resigned from the Division 2½ years ago. Under the heading "Suggestions on how to improve the unit..." I wrote, "Remove forestry from the Division of Lands and place it under the leadership of a strong, competent State Forester who has as his goal the creation, protection, and management of a system of State Forests, and make it possible for land to be evaluated and classified for that purpose".

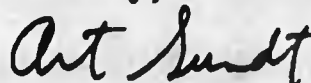
We need first of all a leader of stature, vision, and principles. I believe such a person could be enticed from one of the other states that already possesses a good forest program.

Beyond that Forestry needs the power to classify and manage land. Not just for timber but for watershed, recreation, etc..

The total need for public land cannot be satisfied simply by a system of parks, which are very limited, single-use withdrawals. I have long held the view that on all State highway construction projects we should reserve large stretches of frontage and the land behind for public use. One mile out of every ten or perhaps every five could be so reserved and posted as "State Forest-Open to Public Use", but instead the Division of Lands consistently sells every available foot and we have strip private ownership with no public access to vast areas on either side. Drive the new highway from Anchorage to Talkeetna and you'll see what I mean. I've seen people from "outside" aghast at this but the practice continues.

I apologize again for perhaps being too lengthy and I can only hope you will take the time to read and digest my remarks and will realize their validity. It has long been my wish that someone in a position to change the system would take an interest in what has become an orphan profession in this State. I believe you are sincere in your interest and I wish you success. I would be happy to talk with you at any time and to answer any further questions which might arise.

Sincerely,



Arthur A. Sundt

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS

323 E. 4TH AVENUE
ANCHORAGE 99501

February 18, 1972

Senator W. I. Palmer
Senate Resources Committee
Alaska Legislature
Pouch V
Juneau, Alaska 99801

Re: Management of State Timber

Dear Senator Palmer:

This office has received three questions from Commissioner Herbert which you have raised, with instructions to reply directly to you.

First Question: That the branch, concerned for years almost exclusively for (with) timber sales, has used questionable economics to rationalize many of its contracts? Reference was made to the Yakataga sale.

Answer: The State has a sale in the Yakataga area, specifically the Icy Cape No. 1 timber sale, Contract No. SC-182. Before we can answer the question, however, we need clarification as to what is meant specifically by the term "questionable economics".

Second Question: That the basic inventory data, (site index, growth rates) used to establish allowable cut are poor and unprofessionally called?

Answer: The individuals on our staff involved with allowable cut computations and who make decisions concerning allowable cuts are all graduate foresters from forestry schools and colleges recognized as some of the best such schools in the nation. These individuals have considerable training and experience in resource inventory procedures and apply modern concepts of field plot sampling, aerial photo interpretation, statistical analysis, and automatic data processing (computer programs) in making allowable cut determinations.

In most of our resource inventory projects, which supply the data used in allowable cut determinations, we have joined with the U.S. Forest Service, Institute of Northern Forestry, Forest Survey of Alaska, to collect and analyze the data obtained. This is done in either of two ways: 1) a cooperative project is set up where the State and the Forest Service work together in undertaking and completing all phases of the project or 2) the State undertakes the project alone and compares the results with Forest Survey data for similar timber in adjacent stands or stands in close proximity. By working cooperatively with other forest management agencies, such as the U.S. Forest Service, we establish a system of checks and balances, thereby avoiding serious errors in our computations.

Page 2

Senator W. I. Palmer
February 18, 1972

We feel that the Forest Service personnel in Forest Survey are highly competent in the field of resource inventory. They are specialists in that field who do this type of work exclusively. They are all graduate foresters with many years of experience represented on their staff.

For your information, several of our published inventory reports are enclosed together with other reports and related memorandum showing allowable cut determinations. If you have questions about allowable cut as determined for any specific area, we would be pleased to answer them and to explain the procedures and techniques used.

Third Question: That the actual logging shows under State contracts are not very well supervised, resulting in shoddy logging, erosion, cut timber left in the woods, etc. Reference was made to Haines and Yakataga.

Answer: State personnel concerned with the development and disposal of State timber sales and the administration of such sales are again, all graduate foresters, many of whom have years of experience in the management and sale of timber. It is our practice to enforce the State's timber sale contracts and to supervise these contracts in the field. Our district and field forester make frequent visits to the State's sales and submit periodic inspection reports. Whenever contract violations or poor logging practices are observed corrective action is taken. Such action is frequently initiated by written notice which is followed up when necessary with suspension and possibly termination of the contract if compliance is not obtained.

Much of the State's timber, particularly in the areas cited, is overmature. The timber contains a large amount of defect and is adding very little if any volume. In many stands the volume of new growth each year may be less than the volume lost by decay resulting in a net loss of volume. The total yield is being reduced, not only because of volume losses in the existing stands, but also because it will take longer to establish new healthy stands for the next cutting cycle. Prolonging the harvest of these overmature stands is poor resource management.

The cutting of overmature timber usually results in large amounts of defective, unmerchantable, timber left on the ground. To the "uneducated" and "inexperience" this timber left after cutting out the merchantable wood often has the appearance of a log and the cry is "waste". It is however, unreasonable to expect a logger or purchaser to remove and attempt to utilize a piece of wood that is not merchantable by any recognized standard. A similarity would be our inability to utilize waste material from fish canneries for useable products such as pet food or fertilizer.

Contracts for the sale of State timber specify utilization standards established by the Puget Sound Log Scaling and Grading Bureau of Tacoma, Washington. These standards are recognized and accepted by both

Page 3

Senator W. I. Palmer
February 18, 1972

industry and the U.S. Forest Service in Alaska. State contracts specify that all No. 3 logs, the lowest sawlog grade established by the Bureau, be utilized. For both spruce and hemlock a No. 3 log may be six (6) inches in diameter on the small end and may contain as much as sixty-six and one-third (66 1/3) percent defect.

The State does not require the utilization of so called pulpwood, logs or timber which contain more than 66 1/3 percent defect. The main reason is due to labor and transportation costs which make the utilization of such wood uneconomical. As with U.S. Forest Service sales, the utilization of pulpwood is optional.


The State's contracts and regulations contain numerous provisions for collecting penalties and damages resulting from "shoddy" logging practices or utilization. Loggers will not leave much merchantable timber in the woods when they know they will have to pay for it twice if they leave it and only once if they take it. Our contracts also contain numerous provisions for the protection of streams, construction and use of roads, prevention of and control of fire, and prevention of erosion. A copy of a sample contract from one of our recent sales is enclosed with significant sections bracketed.

Also enclosed is a copy of our MEMORANDUM OF UNDERSTANDING with the Department of Fish and Game. This memorandum was initiated in 1968 by field personnel from both departments who felt the need for mutual cooperation in the administration of State timber sales for the protection of the fish and wildlife habitat. This was the first such memorandum between the two departments.

Poor logging practices are a matter of degree. We admit that some loggers do a better logging job than others. We maintain, however, that we know of no State timber sale where logging practices do not comply with contract specifications or where corrective action has not been taken. We know of no State timber sale where the timber has not been utilized as specified in the contract or where corrective action has not been taken. We have no erosion problems on State timber sales where corrective action has not been taken.

Sincerely,

F. J. KEENAN, Director



By: William A. Sacheck
State Forester

cc: Commissioner Herbert

LAW OFFICE OF
RICHARD C. FOLTA

POST OFFICE BOX 37
HAINES, ALASKA 99827

Gateway Building
Haines, Alaska
766-5555

Skagway, Alaska
933-2219

February 24, 1972

Honorable Robert Palmer
Chairman, Senate Resources Committee,
Alaska State Legislature,
Capitol Building,
Juneau, Alaska 99801

Dear Senator Palmer:

I have received a letter from your staff concerning information concerning alleged mismanagement of State forest lands and abuses in logging practices. One of the reasons that Lynn Canal Conservation, Inc., was formed was to gather facts on management of State forests and logging practices in this area. We are presently taking pictures and cataloging information on this subject.

I believe if you confronted Mr. Sacheck, Forestry Director in the State Division of Lands with questions concerning the actual harvesting of timber with the allowable annual cut you will find a substantial overcut, in the State forests. In the Haines area the annual allowable cut was determined to be 20 mbf, which included the cottonwood, not harvested at this time, and areas which should be excluded as recreational sites. This determination was made in 1964 and remains as the basis of the State's timber cut. When the actual act is added, it exceeds the allowable by a substantial amount, each year. Assuming the 20 mbf is a reasonable estimate for an allowable cut, it goes without saying that the State is overharvesting the timber in the Haines area. At the present time, the State Division of Lands is not bound to multiple use concepts like the Department of Agriculture, so it is felt that other uses of the State forests other than harvesting, are not properly considered. The State administration is industry oriented because they are in dire need of income. As a result conservation matters have second priority.

LAW OFFICE OF
RICHARD C. FOLTA

POST OFFICE BOX 37
HAINES, ALASKA 99827

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Haines, Alaska
766-5555

Skagway, Alaska
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The reason that the forests are being overcut is to maintain the production of the sawmills. The question that needs to be answered is whether our forests can support the present mills. From what information that I now have, I seriously question whether the Haines-Skaagway area can continuously support two mills that Haines now has. Yet I think the majority of the Haines residents would rather have the jobs than worry about the overharvesting, especially when the physical evidence of overcutting is not yet evident.

The forestry people have adopted the policy of clear cutting from the Forest Service without any independent study to see if in fact the idea is feasible for State forests, which are different from Forest Service forests areas in certain respects. I would like to see a requirement for public hearings for State policies such as the Forest Service has, so that the public is aware of what is going on. Upon our request, the Forestry Department has indicated that they will have hearings this spring on the proposed land use plans designed for this area.

At this time I don't have pictures of logging practices, however when the snow is off the ground, they can be obtained.

Last night a public hearing was held on H. B. #614 in Haines, with Representative Morgan Reed, Fred Robards of the Fish and Wildlife Service and State Fish and Game people. The persons in attendance opposed the bill because they feel it will hinder development, that enough laws are on the books now and they questioned the motives of Reed in authoring this legislation. The unshot of it all was that Reed admitted that the bill was "window dressing" to stop Federal legislation that might be forecoming and that due to the opposition, he would sit on the bill or withdraw it. Mr. Robards point was the passage or non-passage of a bill would show to the people of the south 48 the concern or non-concern for a national bird and that he was felt that existing laws do not protect the perch trees by the river. Perhaps by administrative code action, this regulation could be implemented without going through the bill procedure.

I think the difficulty lies in the listing of priorities. A small minority of us here feel that the Chilkat concentration of eagles, reportedly the largest in the world, is a uniqueness that needs protection as a long run asset of the area and for the people in the lower "49". Apparently a majority feel that the jobs now appeal of the logging and ore development of a shorter term are number one. Perhaps they can all co-exist

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if assurances can be made that the developments will not impair the scenic and fish and wildlife of the area. One of those assurances would be a surface stripping law similar to what West Germany and the State of Pennsylvania have. The companies are required to replace the countours of the land and replant the area or areas concerned. Unfortunately this law would be considered uneconomical most likely for the Klukwan iron ore proposal.

Unfortunately the word conservation has a bad connotation for many in Alaska including Haines. For voicing my opinions, I have had economic sanctions imposed upon me by persons in Haines. Haines, as well as other southeast towns are heavily reliant on the lumber or pulp industry, and those who claim that not all is well in the industry from an environmental standpoint, are considered threats to the community.

Very truly yours,



Richard C. Folta

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 583-6440
JUNEAU, ALASKA 99801

1976 MAY 7 PM 1 30

PMAFUB AHG

1-0108980 128-001 05/07/76

SUSPECTED DUPLICATE

ICS SOTOIPN MLTN

RETRIEVAL REPLY: 1-038735A 127 ICS 1PMNAWA WSH

10149 NL GOVT NFWASHINGTON DC 720 05-06 717P EDT

PMS KAY POLAND

ALASKA STATE SENATE TOUCH V

JUNEAU ALASKA 99811

MY OVERRIDING CONCERN IN THE WHOLE TIMBER ISSUE IS THAT NO JOBS BE LOST. AS YOU KNOW THERE HAS BEEN A CONTROVERSY FOR YEARS OVER THE BEST USE OF CERTAIN AREAS OF THE TONGASS NATIONAL FOREST. I HAVE BEEN AWARE OF THIS CONTROVERSY SINCE I FIRST BEGAN SERVING IN PUBLIC OFFICE. MY PURPOSE IN GETTING INVOLVED AT THIS TIME IS TO SEEK A FINAL SOLUTION TO END LITIGATION OVER TIMBER SALES THAT IS COSTLY AND HURTS EVERYONE.

MY VIEW IS THAT THERE IS SUFFICIENT LAND AND RESOURCES IN THE TONGASS TO SATISFY REASONABLE DEMANDS OF ALL THE THE COMPETING RESOURCE-INTERESTS. I RECOGNIZE THAT THE FISHING INTERESTS, THE TIMBER INDUSTRY, THE MINING INDUSTRY, THE CONSERVATIONISTS AND THE NATIVES HAVE LEGITIMATE CONCERNS. I HAVE BEEN WEEKING AN ACCOMMODATION WITH THE VARIOUS GROUPS TO SEE IF WE CAN GET AN AGREEMENT ON THE AREAS IN THE TONGASS THAT SHOULD BE REVIEWED FOR POSSIBLE INCLUSION IN THE WILDERNESS SYSTEM. THERE HAVE BEEN STUDIES IN THE PAST, BUT NONE HAVE BEEN COMPREHENSIVE ENOUGH TO PROVIDE ADEQUATE, UNBIASED DATA ON WHICH TO MAKE SUCH JUDGMENTS. ONCE WE GET A

STUDY OF THESE AREAS AND EVERYONE HAS AN INFORMATION BASE FROM WHICH TO OPERATE WE WILL BE ABLE TO MAKE A DETERMINATION OF THEIR FUTURE BEST USES.

THE AMENDMENT THAT I PROPOSED EXCLUDED ALL AREAS CURRENTLY BEING LOGGED AND ALL AREAS SCHEDULED FOR LOGGING IN THE FORTHCOMING SEASON. THIS ASSURES THAT LOGGING OPERATIONS WILL NOT BE JOEPARDIZED AND THAT NO JOBS WILL BE LOST.

MY GOAL IN SEEKING THE STUDY OF CERTAIN AREAS IN QUESTION IN THE TONGASS IS TO PROVIDE THE NECESSARY INFORMATION TO MAKE AN INTELLIGENT DECISION ON THE BEST USE OF THE RESOURCES. WITH THIS APPROACH I FEEL CONFIDENT WE CAN END THE CONSTANT CONFRONTATION WITH EVERY INDUSTRY ACTIVITY IN THE FOREST.

I WAS EXTREMELY ENCOURAGED BY THE WILLINGNESS OF THE REPRESENTATIVES OF THE VARIOUS INTERESTS GROUPS, ALASKA LUMBER AND PULP, ALASKA FISH AND GAME DEPARTMENT, CONSERVATIONISTS, AND SEALASKA, TO SIT DOWN AND DISCUSS THE WHOLE ISSUE.

THE REASON FOR HASTE, WHICH CONTRIBUTED TO THE PUBLIC MISUNDERSTANDING THAT HAS OCCURRED, WAS THAT THE SENATE AGRICULTURE AND FORESTRY COMMITTEE AND THE SENATE INTERIOR COMMITTEE WERE HOLDING THE FINAL MEETINGS TO COMPLETE ACTION ON THE BILL TO REFORM FOREST MANAGEMENT PRACTICES. IT BECAME CLEAR THAT, AS THE LEGISLATION WAS DEVELOPING, ALASKAS PROBLEMS WOULD BE LEFT UNRESOLVED. I MET WITH THE REPRESENTATIVES OF THE INTERESTS GROUPS LATE MONDAY ON MY RETURN FROM ALASKA SO I COULD ATTEMPT TO GET THIS STUDY IN THE TIMBER BILL WHICH I COSPONSORED. I REGRET THAT BECAUSE OF THE SPEED OF THE ACTION ON THE BILL, WHICH WAS APPROVED BY THE COMMITTEE THE NEXT DAY, I DID NOT HAVE THE OPPORTUNITY TO FULLY INFORM YOU OF THE SITUATION.

WHILE I FELT THE TIMBER BILL MIGHT SERVE AS A VEHICLE TO RESOLVE THE CONFLICT OVER RESOURCE USES IN THE TONGASS, I WAS ADVISED THAT IT SHOULD INSTEAD BE CONSIDERED IN OTHER LEGISLATION BEFORE THE INTERIOR COMMITTEE. I INTEND TO PURSUE THAT COURSE AND

HAVE BEEN ASSURED THAT A HEARING WILL BE HELD IN THE EARLY SUMMER
ON MY PROPOSAL TO RESOLVE THIS CONFLICT. BASED ON THE
DISCUSSIONS THAT I HAVE HAD WITH THE REPRESENTATIVES OF THE USER
GROUPS OF THE TONGASS, IM CONVINCED A COMPROMISE CAN BE REACHED
AND THERE WILL BE NO ECONOMIC DISLOCATION.

WHILE THERE WAS HASTE IN INTRODUCING MY AMENDMENT FOR A STUDY
OF CERTAIN AREAS IN THE TONGASS, THERE WAS EQUAL HASTE BY THE
DETRACTORS OF MY PROPOSAL IN SCREAMING ABOUT THE DAMAGE IT WOULD
CAUSE WHEN THAT IS NOT THE CASE. THE CONFUSION ABOUT MY POSITION
ON THIS ISSUE HAS RESULTED FROM A MISREPRESENTATION BY A FEW
IRRESPONSIBLE ELEMENTS OF THE TIMBER INDUSTRY, BOTH IN THEIR
CONVERSATIONS AND THROUGH NEWSPAPER INTERVIEWS.

I WANT TO CLEAR UP THE FALSE IMPRESSION THAT MY AMENDMENT WOULD
SEAL OFF AREAS OF THE TONGASS AND FORCE THE CLOSING OF LOGGING CAMPS.
THIS KIND OF FEAR-MONGERING SERVES NO USEFUL PURPOSE AND FAILS TO
SOLVE THE PROBLEMS. I BELIEVE WE HAVE AN OPPORTUNITY TO WORK OUT
A
COMPROMISE THAT WILL PROVIDE A LASTING SOLUTION TO THE CONFLICT
OVER
THE BEST USE OF THE TONGASS NATIONAL FOREST. I WILL BE WORKING
TOWARD THIS END. I AM SENSITIVE TO YOUR CONCERNS AND WOULD WELCOME
YOUR THOUGHTS ON THIS MATTER.

MIKE GRAVEL

(GRAVEL M/NA/NA/WU/GWA 088394/350/X/GRAVEL).

15 02 EST

IPMAFUB AHG

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P.O. Box 1628, Juneau, Alaska 99802

March 12, 1976

Dear Friend: *Senator Kay*



After 42 years of association with the Forest Service, I have decided to hang up my "float coat" and head back to the Lower 48 on March 30, 1976, and retire from my present job as Regional Forester.

The 5 years spent in Alaska have been enjoyable. There have been some real challenges and real opportunities during this time. There have been some battles won and lost, but all in all the experience has been gratifying and I wouldn't have missed it for the world.

During this time, the Forest Service has adopted some environmental changes in management, too many say some, not enough say others. This leads us to believe we are not too far off of where we should be. We know we can't satisfy everyone when we work with a fixed or reducing land base but an expanding public demand for its goods and services.

It has been stimulating to work with the people of this great State, with your openness, frankness, "can do" attitude, optimistic outlook, and drive to make your State better than your counterparts down below. You have the individualism and optimism of youth, a trait that is fast disappearing in "old world" circles.

I want to thank you for all the assistance and support you have given the Forest Service over the years and both of us during the last five. You have made Patty's and my stay in Alaska memorable, a time we will always remember with a warm feeling.

My successor will be John Sandor, no stranger to Alaska. John had two previous tours, one as District Ranger in Ketchikan and one on the Regional Forester's staff in Juneau. I hope you will continue the same close working relationships with him that you have with me.

After April 5, 1976, my new address will be 32 Manzano Court, Novato, California 94947. I will keep up on Alaska affairs and wish you well in your future endeavors.

Sincerely,

Charley

C. A. YATES
Regional Forester

*We really appreciate the support
you have given us.*

C.

*Evelyn Sears, USFS, Box 1628
Rm 549 Fed Bldg
586-7263*

Alaska's Timber Resource

A Summary

The State of Alaska has 16 percent of the forest land in the United States, or 119 million acres. These forest lands include over 28 million acres of commercial timber lands that, along with the remaining 91 million acres of forest lands provides important interrelationships with wildlife habitat, recreation, watersheds and the utilization of timber and mineral resources. This mixture of renewable natural resources provides a sound basis for land use planning and management opportunities under the principals of Multiple Use.

Recognized regional economic and geographic differences have essentially resulted in the identification of two distinct forest areas in Alaska. These are separated into the coastal and interior regions.

Coastal Region: This region makes up all of the Southcentral and Southeastern coastal portion of Alaska. Commercial forest lands comprise up to 5.3 million acres of this region's 13 million acres of forest land. Productive timber growing site qualities are similar to those of the Pacific Northwest forests.

Coastal commercial forests presently contain a total net volume of 135 billion board feet of predominately over mature forests.

Timber processing mills located in the Coastal Region include two pulp mills with a combined capacity of processing over 450,000 tons of pulp annually. A third pulp mill is being considered that will increase the pulp producing capacity of the Coastal Region by 50 percent.

In addition, there exists over 12 major active sawmills that annually produce over 440 million board feet of lumber. The lumber and cant production level reported during the period 1967-1974 has increased on an average of 16% per year.

Research shows that areas now being harvested, can under management, provide twice as much recoverable volume in the next rotation. One may then project that under multiple-use management, the coastal forests of Alaska should sustain twice the industry being planned for, in the present old growth stands.

Interior Region: Alaska's Interior commercial forest lands have received little recognition. Yet, this region's 106 million acres of forest lands include 22.5 million acres of commercial timber lands.

If the commercial forest area could be sustained and managed for timber production on a pulpwood economy, the estimated allowable annual cut, on a 100 year rotation, would amount to about 4.5 million cords of pulpwood annually. By comparison, the Lake States Region (Michigan, Minnesota and Wisconsin) in 1963 cut about 3.7 million cords of pulpwood.

The interior forests of Alaska are analogous both in species composition and properties to those of the Lake States. The physiographic and climatic conditions are also quite similar. It is reasonable to assume that the Interior forests of Alaska could sustain a forest products industry comparable to that of the Lake States. Parallels could also be drawn between Finland, Norway, Sweden and interior Alaska. All three of these boreal countries support a thriving forest products industry under like conditions.

These interior commercial forest areas have the productive capability of sustaining at least 10 pulpmills of the 500-tons-per-day class.

The equivalent annual allowable cut of sawtimber amounts to 900 million board feet. The interior wood-using economy, if developed, will provide an excellent opportunity for integrated lumber and pulp production.

The total recoverable timber volumes found in Alaska's interior can be greatly increased under intensive management through shorter rotations and periodic removal of suppressed and inferior trees.

The interior's 83.3 million acres of non-commercial forest land under present classification can provide an additional 4.6 million acres of forests that support a total growing stock of 1.1 billion cubic feet. Included in this growing stock are 2.8 billion board feet of sawtimber.

Six interior sawmills reported processing 13 million board feet of lumber and cants in 1974.

New concepts of converting logs and wood fibre into lumber, particle board and sheeting panels along with advanced logging systems and equipment development, presently in use, will enhance the attractiveness of the forest products industry in Interior Alaska.

Projecting the productive potential of Alaska's commercial forest land will show substantial increases in the job economy. Existing lumbering and pulping activities result in the employment of five employees for every million board feet of logs processed. Introducing dry lumber processing and remanufacturing of lumber products can add an additional 20 employees for every million board feet of logs processed. The present wood industry in Washington and Oregon employs 28 people for every million board feet processed.

Throughout the history of Alaska, the forest has played a key and important role in this State's development. Coastal forests provided timber and planks for ships built by early Russian explorers. Native trees provided pilings and float logs for canneries and fish traps.

Interior forests provided real economic benefits in supplying fuel for river steamers, logs for cabins and crossties for the State's railroad system. Recent oil exploration in the Arctic region made use of interior forest logs for pilings, support pads for drilling operations and blocking for the oil pipeline.

Substantial information is available that describes scenic beauty, the abundant wildlife and pristine wilderness that abounds in Alaska. The need to identify and maintain a balance of these natural quality ecosystems is without question.

The identity of the forest biome in interior Alaska should not be taken lightly. The economic climate in this State is changing rapidly. Oil development activities have and will continue to make other resources more readily available. Development and use of resources from private, Native and State lands will follow. The Road to the North Slope has made the timber of the Yukon and Porcupine valleys accessible. The need for core National Forest is essential to help insure orderly management and development of the total interior forest resource, through principals of Multiple-Use. National Forest have historically, through cooperation with neighboring land owners, provided land management assistance and valuable research contributions that resulted in orderly development on local and national levels.

As our Nation's need for energy, goods and services continues to increase, Alaska's total forest land will be looked upon to provide, not only recreational amenities, but also critical renewable, raw materials. Alaska's interior forests stand today much like our mid-eastern and western forests stood in the 1800's. Not yet reachable, but available for use, provided they are recognized for their multiple use characteristics and opportunities.

COOK INLET CHAPTER
JUNEAU CHAPTER
KETCHIKAN CHAPTER
YUKON RIVER CHAPTER
SITKA CHAPTER

SOCIETY OF AMERICAN FORESTERS

Alaska Section

P.O. Box 432
Douglas, Alaska 99834



May 15, 1975

Honorable Jay S. Hammond
Governor of Alaska
Pouch A
State Capitol Building
Juneau, Alaska 99811

Dear Governor Hammond:

We wish to reconfirm a position by the Alaska Section of the Society of American Foresters, in encouraging establishment of a Division of Forestry within the Department of Natural Resources.

In 1967 we stated our concern in the form of the enclosed resolution. Governor Hickel responded in a letter dated June 28, 1967, which mentioned such a move was not justified at that time because of a rather modest forestry workload. We were pleased, though, that the Administration intended to keep it in mind for future action.

Significant new events have occurred since 1967 to strengthen this direction. The enclosed summary of recent developments exemplifies an accelerated and growing forestry program in Alaska. More jobs are being provided through new industrial operations throughout the state, and the forest economy has a stable future outlook.

Alaska's 375 million acres are one-third forest covered and over one-half forest or forest related land. Much of the selected 44 million acres of new private land under the Alaska Native Claims Settlement Act will fall into this category. Also, additional selections under the Statehood Act will add substantial new forest land acreage to the current significant changing land ownership pattern.

Environmental concerns and movements have reached Alaska in full force. To many, Alaska is the great environmental battle of the century. Pressures will be strong to preserve large blocks of wilderness and to demonstrate the best possible management practices on the land base that is left to provide economic growth.


The State Forester plays a key role in demonstrating sound management practices on state lands administered for protection and utilization of forest resources. He is also responsible for extending forest management leadership and technical assistance to private landowners throughout the state. Much of this public service is accomplished through cooperative

forestry programs with the U.S. Forest Service. The State Forester's organization should be commensurate with these important land management responsibilities. It should also be capable of meeting the demands of a fast-growing forestry industry and profession in Alaska.

Consistent with our professional interest in this matter, are the findings of a 1970 "Study of the Alaska Forestry Organization and Programs" by Ross L. Stump, Earl J. Adams, and Robert B. Griffes. You may be familiar with the management report which was presented April 13, 1971 to Commissioner Charles F. Herbert. Specifically, Recommendation A.2. deals with Division status for Forest Management and Protection. Analysis rationale for the four recommendations pertaining to Organization is given on pages 7-11 of the report. This quote from the report seems pertinent: "In view of the potential timber production programs, the need for better management guidance, and the pending transfer of the fire protection from the Bureau of Land Management to the state, the Study Team feels Forest Management and Protection warrants Divisional status."

We believe the time is definitely here to justify Forestry being raised to the level of Division status in the State. We urge you to have the organizational change implemented this year.

Sincerely,


ROBERT C. JANES
Chairman, Alaska Section

Enclosure

cc: Guy Martin, Commissioner, Department of Natural Resources
Kay Poland, Chairman, Senate Resources Committee
Nels A. Anderson, Jr. Chairman, House Resources Committee

RCJ:tw

FACT SHEET

FORESTRY GROWTH IN ALASKA

1967-1975

1. Twelve major Native regional corporations and over 200 Native village corporations presently are in the process of selecting 44 million acres of new private land. The Natives face a major problem in gearing up to provide the needed natural resource management skills at both technical and professional levels. The State Forester's organization is extremely important for technical assistance at this particular point in time.
2. In 1967, the volume of State timber under timber sale contract was 258.6 mm bfm. Today it's 850.0 mm bfm - an increase of 229% in seven years.
3. In 1967, the volume of timber cut from State timber sales was 46 mm bfm. At \$3.60/mbm payment for all species, this yielded \$165,600 receipts to the State. Volume cut in 1974 was 51 mm bfm. At \$7.34/mbm payments, receipts were \$374,340. This is an increase in value of 126% in seven years.
4. Bug-killed timber has a considerable impact on the volume of timber under contract. The State's Westside Salvage Timber Sale, near Cook Inlet, was sold in 1975. This spruce beetle infested area covers 223,000 acres. A 10-year contract provides for the salvage of 285 mm bfm white spruce and 140 mm bfm other species. In 1975 the volume cut will approximate 30-40 mm bfm, increasing substantially

the cut of 51 mm bfm in 1974. Current insect detection surveys indicate active infestations to the north near Beluga Lake, and it is quite possible another sale will take place to help prevent another major spruce beetle epidemic. Industrial activity in the area has resulted in a new sawmill and dock facilities at Tyonek.

5. Timber sale activity in the interior has been developing rapidly. In 1973, the Louisiana Pacific Corporation purchased Kenai Lumber Company of Seward. This company has been purchasing cants from sawmills located along the rail belt as far north as Fairbanks. An increased demand for State timber has resulted, and a corresponding increase in the Cook Inlet, Matanuska-Susitna Valley, and Tanana Valley areas.
6. Timber inventory work has been steadily increasing since 1968, and the State has been cooperating with the U.S. Forest Service in the State-wide Forest Survey Program. During 1975, 13,000,000 acres of forest land in the Tanana Valley will be completed, providing a sound base for timber management plans and allowable annual cut determinations for a sustained yield of the timber resource. In the Susitna Valley area, 2,500,000 acres have been completed. Forest Survey plans for the next 2-3 years call for 243,000 acres in the Yakataga area and a re-survey of State land in the Haines-Skagway locality.
7. In 1967, State fire control presuppression costs were \$145,000 and suppression costs were \$188,000. In 1974 presuppression costs were \$425,000 and suppression costs approximately \$500,000. This

178% increase of expenditures in seven years shows there is a critical wildland fire problem in the State. And as the Bureau of Land Management phases out their fire protection coverage in the interior, the State will have a substantially larger responsibility to meet.

8. Federal grants for cooperative forestry programs have increased from \$97,800 for 1967 to \$432,400 for fiscal year 1976. This growth of 342% was mostly for cooperative fire control; however, cooperative forest management programs have also grown. A tree seedling distribution program now exists, providing 10,000-15,000 seedlings annually to landowners in the southcentral region of the State.
9. Establishment of a State tree nursery is underway at the Palmer Plant Materials Center. The objective is to develop a containerized seedling greenhouse and nursery, with an initial capacity of producing 50,000-60,000 seedlings per year. These will be purchased by private and Federal landowners for conservation practices, as well as a source for State projects. The facility will also provide for tree cone collection, seed processing, and seed storage.
10. The U.S. Forest Service budget for the Alaska Region has experienced a growth of 215% in eight years. For fiscal year 1967, it was \$5,430,000; for fiscal year 1975, it is \$17,121,000. Permanent full-time personnel have increased from 266 to 394 at present.
11. The Forestry Incentives Program, administered by the U.S. Agricultural Stabilization and Conservation Service, provides new

opportunities to Alaska landowners. Cost-sharing projects are on the move for forestry practices such as planting trees and improving a stand of forest trees. The State Forester plays an important role in promoting practices by eligible landowners. With regional and village Native corporations becoming eligible, the current grant level of \$5,000 for Alaska is expected to make a significant jump.

12. The Alaska Section of the Society of American Foresters has increased from 125 members in 1967 to 236 at present. This 12-13% annual increase reflects a growing profession in Alaska which exceeds the national average growth of the Society's 19,000 members. New opportunities in Alaska will continue to attract foresters to the State. A new Chapter has been formed at Sitka. Other Chapters exist at Ketchikan, Juneau, Anchorage and Fairbanks.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 28, 1967

Mr. Robert C. Janes
Secretary-Treasurer
Society of American Foresters
Alaska Section
Box 1628
Juneau, Alaska

Dear Mr. Janes:

I appreciate your sending me the resolution passed by the Alaska Section of the Society of American Foresters, which I have received with great interest.

A preliminary approach to the establishing of a Division of Forestry within the Department of Natural Resources has recently been taken. The area offices of the Division of Lands in Juneau and Anchorage are now under the management of Foresters.

The four trained Foresters on the staff seem adequate to handle the problems in view of the present status of the industry. The future growth of the timber industry will no doubt, demand a reorganizing of the present setup into a division. A District Forestry Office near Wasilla was abandoned because of complete lack of work for the District Forester. It is difficult in some areas to stimulate enough interest for the State Forester to conduct a timber workshop.

I assure you that this subject is of concern to me and until such time as some of the present problems in the timber industry are solved, the present organization appears to be the most economically feasible.

With warm personal regards.

Sincerely yours,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

KETCHIKAN AREA
JUNEAU AREA
YUKON AREA
ANCHORAGE AREA

SOCIETY OF AMERICAN FORESTERS

Alaska Section



June 9, 1967

Honorable Walter J. Hickel
Governor of Alaska
Pouch A, State Capitol
Juneau, Alaska

Dear Governor Hickel:

Enclosed is a copy of a resolution unanimously passed by the Alaska Section of the Society of American Foresters at their annual state-wide meeting in Petersburg on June 2, 1967.

We feel the situation is serious enough to warrant your immediate attention. Our 125 members in Alaska hope you see fit to implement the organizational change expressed in our resolution.

Sincerely yours,

R. C. Janes
Robert C. Janes
Secretary-Treasurer

enclosure

RESOLUTION ADOPTED BY
SOCIETY OF AMERICAN FORESTERS, ALASKA SECTION
ANNUAL MEETING, PETERSBURG, ALASKA JUNE 2, 1967

BE IT RESOLVED BY THE ALASKA SECTION OF THE SOCIETY OF AMERICAN FORESTERS:

WHEREAS the Interior part of Alaska has about 22½ million acres of commercial timber land supporting about 14 billion cubic feet of merchantable timber; and

WHEREAS a large portion of these resources are in private ownership for which the State is obligated to furnish technical assistance; and

WHEREAS the manufacturing capacity for both hardwoods and softwoods is on the threshold of expansion at an accelerated rate; and

WHEREAS the problems of establishing new industry within the State are of a complex and technical nature that require a workable organization of professional Foresters; and

WHEREAS the forested areas acquired by the State furnish the habitat for a large portion of our wildlife within Alaska and needs wise management; and

WHEREAS the State is responsible for the fire protection on State and private lands within the State which will eventually require an expanded fire organization; and

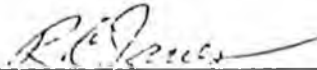
WHEREAS each acre of forested land is a potential recreation area in some form and should not be ignored; and

WHEREAS the constitution of the State of Alaska stated under article 8, section 4 that ". . . Forests. . . and all other replenishable resources belonging to the State shall be utilized, developed and maintained on the sustained yield principle, . . .";

NOW, THEREFORE, BE IT RESOLVED that the Alaska Section of the Society of American Foresters recommends that the State of Alaska raise the present Branch of Forestry in the Division of Lands, Department of Natural Resources to at least full Division status; and

BE IT FURTHER RESOLVED that the proposed new Division of Forestry be adequately staffed and financed to accomplish the afore mentioned responsibilities; and

BE IT FURTHER RESOLVED that the Secretary of this section of the Society of American Foresters be instructed that copies of this resolution be sent to the Governor of Alaska, and the Commissioner of Natural Resources.



Robert C. Janes
Secretary-Treasurer

Alaska Section, Society
of American Foresters

ALASKA LUMBERMEN'S ASSOCIATION

P.O. Box 979

Ketchikan, Alaska

99901



February 15, 1974

The Honorable Kathryn Poland
State of Alaska Senate
P. O. Box 45
Kodiak, Alaska 99615

Re: Independent Timber Sale Shortage
Tongass National Forest

Dear Senator Poland:

The Alaska Lumbermen's Association has received many questions from throughout Alaska on the highly publicized independent timber sale shortage in the Tongass National Forest, which the Association has stated threatens the future of the timber industry in Southeast Alaska unless early solutions to the shortage are found.

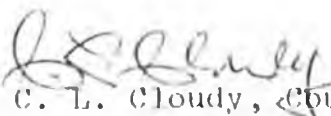
Enclosed for your information are the most commonly raised questions, together with our answers.

We hope this information is helpful to your understanding of the timber sale shortage problems presently confronting the timber industry in Southeast Alaska.

Sincerely

ALASKA LUMBERMEN'S ASSOCIATION

By


C. L. Cloudy, Counsel

CLC:bh
enc.

QUESTION: Has there been a recent increase in the productivity of the sawmill industry in the Tongass National Forest area, if so, is not this circumstance the real cause of the current timber supply shortage?

ANSWER: Yes, there has been a recent increase in sawmill productivity. In fact, assuming the availability of timber, 1974 sawmill production is expected to exceed 1972 production in excess of fifty percent. In terms of the increased timber harvest demand, however, the 666 million board feet annual harvest required by the entire timber industry exceeds its 1972 requirements by only eighteen percent. Consequently, whatever effect sawmill productivity increases may have on timber supply, the effect must be analyzed in the light of an eighteen percent harvest demand increase, rather than a fifty percent production increase.

The real cause of the current timber supply shortage, however, is not the increase in sawmill productivity--rather, it is the almost total collapse of the Forest Service independent sales program which took place over the three year period 1971-1973. Until 1971, the Forest Service had been pursuing an ongoing independent sales program of at least seven years' duration which, if it had continued, would have been more than capable of supporting the sawmill expansion which took place during 1972-1973. In point of fact, the expansion of 1972-1973 was the result of advance industry planning which was based upon that historically proven seven year capability of the Forest Service sales program to support such an expansion. During the seven year period, 1964-1970, the Forest Service sold 2 billion 213 million feet in independent timber sales, which averages out to the equivalent of 316 million feet per year. During the three year period 1971-1973, however, they sold only 192 million feet, which averages out to the equivalent of 64 million feet per year. In order for industry to survive under this reduced program, it not only would have had to forego the sawmill expansion in question, but it would have had to reduce its annual harvest by almost 150 million board feet under what it needed in any event without any sawmill expansion. By way of further contrast, industry's harvest demands of 666 million board feet per year could have been met by simply increasing the annual volume averages formerly available under the 1964-1970 program by less than five percent.

QUESTION: Since 1970, three new export sawmills specializing in the sawing of hemlock lumber for the Japanese market have been brought into production in Southeast Alaska. Was the Forest Service aware, or made aware, of the plans for this expansion before it took place?

ANSWER: Yes. In fact, all during the 1960's the Forest Service, both on the Regional level in Juneau, and the Chief's level in Washington, D.C., repeatedly urged industry to develop a market in Japan for Alaska hemlock lumber. Although this market was slow to develop, industry kept the Forest Service fully advised of its progress and its expectations at all times. Industry assumed (mistakenly, as it turned out) that inasmuch as the Forest Service had recommended the development of these markets, the Forest Service would have maintained the ongoing sales program necessary to supply the sawmills in question.

QUESTION: Is the timber sale shortage in any way related to the fact that both Ketchikan Pulp Company and Alaska Lumber and Pulp Co., Inc. have increased the daily capacity of their respec-

tive pulp mills?

ANSWER: No. Both mills were required to construct pulp plants with a minimum design capacity of 525 tons per day. Through 1973, both mills have produced less pulp since they commenced initial operation than this initial design capacity was capable of producing. Daily capacity has been increased in each mill, with the result they will undoubtedly produce more pulp over the next ten years than they did over the previous ten years. However, most, if not all, of this increased capacity will be supplied by technological improvements which give a higher volume of pulp recovery per thousand board feet of raw material than the mills were originally capable of obtaining. Consequently, neither pulp mill has increased its raw material demands to such an extent as to create a timber shortage.

QUESTION: The Forest Service has stated that the timber industry in Southeast Alaska has suddenly increased its processing capacity to such an extent that they are now capable of processing 900 million board feet of logs per year, which capacity exceeds the annual allowable cut of the Tongass National Forest by 90 million feet. What is the present processing capacity of the Southeast Alaska timber industry?

ANSWER: It is not 900 million board feet. It does approximate 666 million board feet. The Forest Service statement is based upon their "observation" that the ability of industry to "triple shift" the processing mills creates this capacity. The fact of the matter is that the two pulp mills have been on triple shift since they commenced operations: their product requires a continuous process of manufacture, and consequently, they must remain in constant operation so long as they are producing pulp. The ability of the pulp mills to triple shift, therefore, has nothing to do with whatever increase in capacity the timber industry has achieved. As to the sawmills, of the eight export mills in operation, only one of them is capable of triple shifting its operation, and this is the new cull and defect sawmill located at Ketchikan Pulp Company's pulp mill at Ward Cove, Alaska. This latter sawmill operates in conjunction with the pulp mill, and seeks to recover whatever marketable lumber may be found in the pulp logs, and necessarily operates on the same work shifting as the pulp mill.

QUESTION: How much timber needs to be harvested each year to meet the present capacity demands of the Southeast Alaska timber industry, and is the Tongass National Forest capable of supplying these demands?

ANSWER: Industry requires an annual harvest of 666 million board feet per year. 336 million board feet per year are available from the long-term allotment sales held by Ketchikan Pulp Company, Alaska Lumber and Pulp Co., Inc., and Alaska Wood Products, Inc., and 330 million per year must come from independent sales outside of these allotments. The annual allowable cut in the Tongass National Forest is 320 million board feet per year. It is obvious, therefore, that the industry presently requires less than the harvest capacity of the Tongass National Forest.

QUESTION: The Forest Service now hopes to sell 298 million board feet of independent timber sales in fiscal 1975, and 461 million board feet in fiscal 1976. These plans represent an increase over original plans of 130 million board feet in 1975, and 224 million board feet in 1976. Will these sales wipe out the

shortage and avoid production cutbacks?

ANSWER: No. Despite these increases, the volume of independent sale timber ready to harvest will continue its decline into 1975, and will commence a slow ascent in 1976 (88 million board feet will be available in 1975: a shortage of 242 million feet; 130 million board feet will be available in 1976: a shortage of 200 million feet; 222 million board feet will be available in 1977: a shortage of 118 million feet). These shortages will occur despite the fact that the opening inventories of uncut independent sales in the years 1974, 1976, and 1977 will exceed the harvest requirement of 330 million board feet by a substantial margin.

The reason for this seeming paradox is the fact that merely because timber has been sold, and therefore becomes part of the inventory available for harvest, does not mean that the timber can be harvested. One and one-half to two years elapse from the date a timber sale is purchased to the date the purchaser can start logging. This delay is caused by the time required by the purchaser to obtain as many as twelve Federal and State permits, to construct roads, to lay out camp sites, to meet initial environmental safeguard requirements, to construct log dumps, etc. None of these activities can take place until after the timber has been purchased, and no logging can commence until after all of these activities have been completed.

Consequently, neither the independent sales scheduled for 1975 and 1976, nor the hoped for increases announced by the Forest Service, will be ready to log in time to head off the shortages forecasted for 1975, 1976, and 1977. Even during 1974, despite the fact that on paper at least, industry has 330 million feet of independent sales ready to harvest, it is most unlikely that this harvest can be attained, due to the logistical complexities involved in attempting to maintain the 1974 logging activity on independent sales at the 330 million board feet level while, at the same time, getting ready to face the realities of reducing such activity to the 1975 level of 88 million board feet. As a result, mill operations have already been curtailed in 1974, and more will follow.

QUESTION: If there is such a timber sales shortage, why are logs exported from Southeast Alaska instead of being processed locally?

ANSWER: There are three sources of logs from which logs may legally be exported from Southeast Alaska without being processed locally, namely, (1) Annette Island Indian Reserve, (2) privately owned lands, and (3) National Forest lands. The timber on Annette Island is administered by the Bureau of Indian Affairs, and the Bureau permits this timber to be exported without processing, despite the long and vigorous opposition of this policy by the Alaska Lumbermen's Association and the Alaska Loggers Association, Inc. The timber on privately owned lands is subject to disposal at the pleasure of the land owner. The timber industry, as such, and contrary to the situation in Washington and other states, owns very little private land of any significance. Timber on National Forest lands may not be exported without processing, unless there is no local processing demand.

The only National Forest export in Southeast Alaska is cedar, for which there is an extremely limited local processing demand. Export of this specie is limited to that which exceeds the local demand. The local processing demand for this timber is limited,

due to the fact that the timber is of extremely poor quality, and there simply is no great market for the lumber, either inside or outside of Alaska. Aside from cedar, the timber from Metlakatla and private lands is exported simply because the owner will not sell this timber at a price low enough to enable the local mills to process the timber at a profit. In order to acquire the cutting rights to this timber, the mills would have to compete with a log export market price which equals or exceeds the market price of the finished local product. As a result, industry has little effective voice in making these logs available for local use.

QUESTION: Industry has complained about the increased cost of logging in Southeast Alaska brought on by new environmental standards being imposed by the Forest Service. Aside from the fact that increased costs mean decreased profits for industry, what effect does this have upon the general economy of Southeast Alaska?

ANSWER: Two major areas of economic concern to Southeast Alaska are involved. In the first place, the imposition of the new standards further extends the time required for the Forest Service to ready a prospective timber sale area for sale, and at the same time further extends the time it takes the purchaser to get to the actual business of logging after he purchases the sale. As a result, the timber sale shortage will extend over a longer period of time than originally anticipated, with extended adverse economic impact upon Southeast Alaska. In the second place, the cost of meeting the new standards has to come out of the value of the trees being harvested. Twenty-five percent of whatever the purchaser pays the Federal Government for these trees is returned to Alaska for local government use in the area within which the harvest took place. As environmental costs increase, the value of the tree decreases under what it would have been without these costs, thus reducing the return to the State and local governments.

QUESTION: What is industry's understanding as to why the Forest Service did not maintain its independent sale program to keep pace with industry expansion?

ANSWER: Several factors combined to produce this result. In 1972 the Sierra Club sued the Forest Service, charging them with failure to comply with the Environmental Protection Act on new timber sales. Although this suit did not directly include Alaska, the Forest Service was made aware that Alaska would be included unless the Forest Service terminated its sale activity pending the outcome of the suit. Consequently, sale activity in 1971 and 1972 dwindled into insignificance. The suit was settled by compromise in late 1972, with the understanding that the Forest Service would develop new environmental standards and apply them to each sale. Unfortunately, for Alaska, the funding and manpower required to overcome this slowdown in 1971-1972, and the funding and manpower required to implement the new standards, far exceeded the assignment of funds for Alaska. In addition, prior to the onset of environmental standards, the Forest Service was geared to providing a two or three year backlog of independent sales at the most. As a result, even a temporary disruption in sale activity had a sudden and adverse consequence.

QUESTION: Has the Forest Service offered sales within the past several years which have not been purchased, and if so, how can industry justify this in view of the sale shortage now claimed?

ANSWER: Yes. In June of 1972, the Forest Service offered four sales totalling 106.3 million feet, for which there were no bids received. These were salvage sales hurriedly put together, and assigned stumpage values in excess of what the economics of the sale could afford, and involved unrealistic and uneconomical conditions of sale. These matters were pointed out to the Forest Service, with the result that one of the sales was dropped by the Forest Service as being totally unloggable, and two others were completely redesigned and sold under different terms than the original offering. Industry takes little comfort in the suggestion that the shortages can be avoided if industry is willing to operate at a loss.

QUESTION: It has been pointed out by the Ketchikan Area Offices of the Forest Service on numerous occasions, in response to the industry requests for increased sale activity, that the Ketchikan area annual harvest is at maximum levels now, and cannot be increased, and that the capacity of the Ketchikan area mills far exceeds the harvest capacity of the Ketchikan area. What does this have to do with the shortage?

ANSWER: Nothing. The capacity of the Ketchikan area mills does in fact exceed the harvest capacity of the Ketchikan area; however, this poses no threat to the Ketchikan area harvest, nor does it establish that the industry is guilty of over expansion. Mills in Southeast Alaska are capable of utilizing the raw material of the Tongass National Forest without regard to the location of either the mill or the logging operation. The Tongass National Forest, as a whole, has the harvest capacity to support the existing mills. The mere fact that the harvest capacity of a local area has been exceeded by the mill capacity of the mills located within that area does not mean that the Tongass National Forest lacks the capacity to supply those mills.

QUESTION: The Forest Service has related the current timber sale shortage in part to recent expansion of the sawmill industry, and the sawmill expansion in turn to the desire of industry to capitalize on the sudden increase in the demands of the Japanese market in 1973. What is the connection between the 1973 Japanese market and the current sale shortage?

ANSWER: None. Japan has been short of timber ever since the end of World War II. Their need to import timber is not a new or recent circumstance. Alaska lumber competes for its share of the Japanese market, and when purchased by the Japanese replaces a source previously looked to for supplying the specific use to which the Alaska lumber is placed. This market has been slowly developed over the past eighteen years. Market acceptance of this product was completed before 1973, and before the "sudden" housing boom in Japan. With or without the curtailment of exports from the Pacific Northwest to Japan, and with or without the housing boom of 1973 in Japan, the sawmills which went into production in 1973 would have gone into production in any event (short of a market collapse). Industry intends, and has long intended, to develop markets for its products up to the full allowable cut of the Tongass National Forest. The mill expansion of 1973 is nothing more or less than the natural progression toward that goal.

QUESTION: Why does not the Southeast Alaska timber industry sell its lumber product in the domestic United States instead of in Japan?

ANSWER: Simply because the domestic United States markets

do not consider the product worth enough money to enable the processors to operate at a profit. This situation has existed for over forty years, and until such time as the domestic United States becomes a net importer of timber (as is Japan), the situation is not likely to change. It has often been incorrectly stated that if the Jones Act was repealed, our timber products would find a profitable United States domestic market. This, however, is not the case. Our competitive disadvantage arises out of many other factors than shipping rates, which include higher logging costs, higher costs of accommodating to environmental standards, higher processing costs, and higher percentage of defect in the raw material. Often overlooked in this regard, is the fact that the United States imports fifty percent to seventy percent more lumber from Canada in any given calendar month than Southeast Alaska exports to Japan in an entire calendar year. Almost all of this import is used East of the Mississippi River. The reason for this import is that Canadian mills can produce and deliver the end product for less money than can the mills in Oregon, Washington, and California. If the mills in the Western United States cannot compete with Canada, it is most obvious that Alaska has no chance of entering the domestic United States market in the foreseeable future.

QUESTION: Are the other areas of the United States faced with the same timber sale shortage problem as Southeast Alaska?

ANSWER: No. Despite the fact that, as everyone generally is aware, a severe domestic lumber supply shortage developed in the United States during 1972-1973, this shortage is unrelated to Alaska's problem. In the United States, only fifty-two percent of the soft wood saw log volume is in National Forest ownership. In Washington and Oregon, only thirty-two percent and forty-seven percent respectively is in National Forest ownership. To whatever extent the domestic United States lumber supply shortage of 1972-1973 may have been related to a timber sale shortage, it is obvious that many other factors than who owned the raw material were involved. In Southeast Alaska, however, over ninety percent of Southeast Alaska's soft wood saw log volume is in National Forest ownership. If there is a timber sale shortage in Alaska, therefore, the only significant factor involved is National Forest ownership. So long as the ownership in question has the harvest capacity to meet the shortage, the problem becomes one of forest management by the Forest Service.

QUESTION: How does the Tongass National Forest rank generally in relation to other National Forests?

ANSWER: The Tongass National Forest is the largest National Forest in the United States, and is within the administrative area of Region 10 of the Forest Service headquartered in Juneau. Bearing in mind that there are nine such Regions throughout the United States, the other eight of which contain from fourteen to nineteen separate National Forests, it is noteworthy that the annual harvest in the Tongass National Forest alone exceeds the total annual harvest in five out of those eight Regions. Despite this fact, Alaska's Region 10 ranks last in Federal funds. (In 1971, for example, the closest Region on the ladder above Alaska received \$18,000,000.00 more than Alaska).

QUESTION: What is meant by the term "independent timber sale"?

ANSWER: The term refers to the sales of timber made by the

Forest Service in the Tongass National Forest which are independent of the existing long-term allotment contracts (that is, other than, the long-term contracts held by Alaska Lumber & Pulp Co., Inc. for its pulp mill, Ketchikan Pulp Company for its pulp mill, and Alaska Wood Products, Inc. for its sawmill). With regard to the long-term allotment contracts, the Forest Service releases for cutting each year a maximum of 336 million board feet. Inasmuch as industry requires 666 million board feet of harvest per year, the additional 330 million board feet must come from short-term sales independent of the allotment contracts.

QUESTION: Why can't industry merely shut down its sawmills for several years and allow the Forest Service time to catch up on its sales program?

ANSWER: There are a number of reasons which make this solution totally unrealistic as opposed to industry's proposed solution of an immediate large scale increase in sales.

First and foremost is the fact that the high cost of logging and processing in Alaska makes it absolutely mandatory that industry sell the end product for the highest possible price. At present, approximately fifty percent of the fiber volume in the Southeast Alaska timber harvest can be sawn into export lumber and sold for a much higher return than if the entire volume was converted into pulp. If the sawmills are shut down, the entire harvest will have to be converted into pulp. If this takes place, the pulp mills will not be able to operate at a profit, and loss operations will sooner or later force a closure of these mills.

Secondly, assuming the pulp mills can weather out the storm until the sawmills are able to resume operations, there is absolutely no assurance that the sawmills will still have a market for their product at such time as they have logs available to process. It seems rather obvious that the Japanese market will not stand around waiting for the sawmills to get back into operation. The Japanese will be forced to look to other raw material sources and, in so doing, as they did in Alaska, will be required to make long-range commitments to these other sources. Once this takes place, the reentry into the Japanese market by Southeast Alaska lumber will be extremely difficult, time consuming, and expensive. This will further delay a return to full saw/pulp integrated use of the timber harvest, and further increase the risk of a complete industry collapse.

Finally sawmill shutdown will cause a dissipation of the skilled sawmill labor pool developed by the Southeast Alaska sawmill industry over the years, as well as a disruption of a significant portion of the skilled logging labor pool developed by the Southeast Alaska logging industry over the years. Loss of jobs will cause these skills to move elsewhere, either in pursuit of the oil pipeline opportunities, or in pursuit of such other opportunities as are available outside of Alaska. As and when logs become available in sufficient supply to warrant resumption of sawmill operations, and companion logging operations, the labor pool necessary to these operations will have to be again developed from scratch. This will further add to the delay of the return to full saw/pulp integrated use of the timber harvest, and further compound the risk of a complete industry collapse.

Almost all of this could be avoided if enough money and manpower were allotted to the administration of the Tongass National Forest. Industry frankly fails to see how anyone could seriously

consider shutdown and curtailments as an acceptable alternative.

QUESTION: If the timber industry in Southeast Alaska collapses as the industry has claimed it will unless an early solution of the timber sale shortage is found, what will be the effect upon the Southeast Alaska economy?

ANSWER: There are many ways of looking at the economic impact of an industry upon a given area. At the risk of over simplification, the loss to the Southeast area is probably most easily appreciated with reference to direct industry employment and indirect employment dependent upon industry payrolls. During 1972, out of a total Southeast Alaska census population of forty-two thousand five hundred sixty-five, approximately seventeen thousand five hundred people were gainfully employed. Of these, in excess of three thousand were directly employed by the timber industry, and an additional two thousand five hundred to three thousand five hundred people were dependent upon industry payrolls for their employment. Industry, therefore, foresees a job loss in excess of eight thousand employees in the event of an industry collapse.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P.O. Box 1628, Juneau, Alaska 99802

March 12, 1976



Dear Friend: *Senator Kay*

After 42 years of association with the Forest Service, I have decided to hang up my "float coat" and head back to the Lower 48 on March 30, 1976, and retire from my present job as Regional Forester.

The 5 years spent in Alaska have been enjoyable. There have been some real challenges and real opportunities during this time. There have been some battles won and lost, but all in all the experience has been gratifying and I wouldn't have missed it for the world.

During this time, the Forest Service has adopted some environmental changes in management, too many say some, not enough say others. This leads us to believe we are not too far off of where we should be. We know we can't satisfy everyone when we work with a fixed or reducing land base but an expanding public demand for its goods and services.

It has been stimulating to work with the people of this great State, with your openness, frankness, "can do" attitude, optimistic outlook, and drive to make your State better than your counterparts down below. You have the individualism and optimism of youth, a trait that is fast disappearing in "old world" circles.

I want to thank you for all the assistance and support you have given the Forest Service over the years and both of us during the last five. You have made Patty's and my stay in Alaska memorable, a time we will always remember with a warm feeling.

My successor will be John Sandor, no stranger to Alaska. John had two previous tours, one as District Ranger in Ketchikan and one on the Regional Forester's staff in Juneau. I hope you will continue the same close working relationships with him that you have with me.

After April 5, 1976, my new address will be 32 Manzano Court, Novato, California 94947. I will keep up on Alaska affairs and wish you well in your future endeavors.

Sincerely,

Charley
C. A. YATES
Regional Forester

*we really appreciate the support
you have given us.*

C.

Evelyn Sears, USFS, Box 1628
 Rm 549 Fed Bldg.
 586-7263

Alaska's Timber Resource

A Summary

The State of Alaska has 16 percent of the forest land in the United States, or 119 million acres. These forest lands include over 28 million acres of commercial timber lands that, along with the remaining 91 million acres of forest lands provides important interrelationships with wildlife habitat, recreation, watersheds and the utilization of timber and mineral resources. This mixture of renewable natural resources provides a sound basis for land use planning and management opportunities under the principals of Multiple Use.

Recognized regional economic and geographic differences have essentially resulted in the identification of two distinct forest areas in Alaska. These are separated into the coastal and interior regions.

Coastal Region: This region makes up all of the Southcentral and Southeastern coastal portion of Alaska. Commercial forest lands comprise up to 5.3 million acres of this region's 13 million acres of forest land. Productive timber growing site qualities are similar to those of the Pacific Northwest forests.

Coastal commercial forests presently contain a total net volume of 135 billion board feet of predominately over mature forests.

Timber processing mills located in the Coastal Region include two pulp mills with a combined capacity of processing over 450,000 tons of pulp annually. A third pulp mill is being considered that will increase the pulp producing capacity of the Coastal Region by 50 percent.

In addition, there exists over 12 major active sawmills that annually produce over 440 million board feet of lumber. The lumber and cant production level reported during the period 1967-1974 has increased on an average of 16% per year.

Research shows that areas now being harvested, can under management, provide twice as much recoverable volume in the next rotation. One may then project that under multiple-use management, the coastal forests of Alaska should sustain twice the industry being planned for, in the present old growth stands.

Interior Region: Alaska's Interior commercial forest lands have received little recognition. Yet, this region's 106 million acres of forest lands include 22.5 million acres of commercial timber lands.

If the commercial forest area could be sustained and managed for timber production on a pulpwood economy, the estimated allowable annual cut, on a 100 year rotation, would amount to about 4.5 million cords of pulpwood annually. By comparison, the Lake States Region (Michigan, Minnesota and Wisconsin) in 1963 cut about 3.7 million cords of pulpwood.

The interior forests of Alaska are analogous both in species composition and properties to those of the Lake States. The physiographic and climatic conditions are also quite similar. It is reasonable to assume that the Interior forests of Alaska could sustain a forest products industry comparable to that of the Lake States. Parallels could also be drawn between Finland, Norway, Sweden and interior Alaska. All three of these boreal countries support a thriving forest products industry under like conditions.

These interior commercial forest areas have the productive capability of sustaining at least 10 pulpmills of the 500-tons-per-day class.

The equivalent annual allowable cut of sawtimber amounts to 900 million board feet. The interior wood-using economy, if developed, will provide an excellent opportunity for integrated lumber and pulp production.

The total recoverable timber volumes found in Alaska's interior can be greatly increased under intensive management through shorter rotations and periodic removal of suppressed and inferior trees.

The interior's 83.3 million acres of non-commercial forest land under present classification can provide an additional 4.6 million acres of forests that support a total growing stock of 1.1 billion cubic feet. Included in this growing stock are 2.8 billion board feet of sawtimber.

Six interior sawmills reported processing 13 million board feet of lumber and cants in 1974.

New concepts of converting logs and wood fibre into lumber, particle board and sheeting panels along with advanced logging systems and equipment development, presently in use, will enhance the attractiveness of the forest products industry in Interior Alaska.

Projecting the productive potential of Alaska's commercial forest land will show substantial increases in the job economy. Existing lumbering and pulping activities result in the employment of five employees for every million board feet of logs processed. Introducing dry lumber processing and remanufacturing of lumber products can add an additional 20 employees for every million board feet of logs processed. The present wood industry in Washington and Oregon employs 28 people for every million board feet processed.

Throughout the history of Alaska, the forest has played a key and important role in this State's development. Coastal forests provided timber and planks for ships built by early Russian explorers. Native trees provided pilings and float logs for canneries and fish traps.

Interior forests provided real economic benefits in supplying fuel for river steamers, logs for cabins and crossties for the State's railroad system. Recent oil exploration in the Arctic region made use of interior forest logs for pilings, support pads for drilling operations and blocking for the oil pipeline.

Substantial information is available that describes scenic beauty, the abundant wildlife and pristine wilderness that abounds in Alaska. The need to identify and maintain a balance of these natural quality ecosystems is without question.

The identity of the forest biome in interior Alaska should not be taken lightly. The economic climate in this State is changing rapidly. Oil development activities have and will continue to make other resources more readily available. Development and use of resources from private, Native and State lands will follow. The Road to the North Slope has made the timber of the Yukon and Porcupine valleys accessible. The need for core National Forest is essential to help insure orderly management and development of the total interior Forest resource, through principals of Multiple-Use. National Forest have historically, through cooperation with neighboring land owners, provided land management assistance and valuable research contributions that resulted in orderly development on local and national levels.

As our Nation's need for energy, goods and services continues to increase, Alaska's total forest land will be looked upon to provide, not only recreational amenities, but also critical renewable, raw materials. Alaska's interior forests stand today much like our mid-eastern and western forests stood in the 1800's. Not yet reachable, but available for use, provided they are recognized for their multiple use characteristics and opportunities.

COOK INLET CHAPTER
JUNEAU CHAPTER
KETCHIKAN CHAPTER
YUKON RIVER CHAPTER
SITKA CHAPTER

SOCIETY OF AMERICAN FORESTERS

Alaska Section

P.O. Box 432
Douglas, Alaska 99834



May 15, 1975

Honorable Jay S. Hammond
Governor of Alaska
Pouch A
State Capitol Building
Juneau, Alaska 99811

Dear Governor Hammond:

We wish to reconfirm a position by the Alaska Section of the Society of American Foresters, in encouraging establishment of a Division of Forestry within the Department of Natural Resources.

In 1967 we stated our concern in the form of the enclosed resolution. Governor Hickel responded in a letter dated June 28, 1967, which mentioned such a move was not justified at that time because of a rather modest forestry workload. We were pleased, though, that the Administration intended to keep it in mind for future action.

Significant new events have occurred since 1967 to strengthen this direction. The enclosed summary of recent developments exemplifies an accelerated and growing forestry program in Alaska. More jobs are being provided through new industrial operations throughout the state, and the forest economy has a stable future outlook.

Alaska's 375 million acres are one-third forest covered and over one-half forest or forest related land. Much of the selected 44 million acres of new private land under the Alaska Native Claims Settlement Act will fall into this category. Also, additional selections under the Statehood Act will add substantial new forest land acreage to the current significant changing land ownership pattern.

Environmental concerns and movements have reached Alaska in full force. To many, Alaska is the great environmental battle of the century. Pressures will be strong to preserve large blocks of wilderness and to demonstrate the best possible management practices on the land base that is left to provide economic growth.


The State Forester plays a key role in demonstrating sound management practices on state lands administered for protection and utilization of forest resources. He is also responsible for extending forest management leadership and technical assistance to private landowners throughout the state. Much of this public service is accomplished through cooperative

forestry programs with the U.S. Forest Service. The State Forester's organization should be commensurate with these important land management responsibilities. It should also be capable of meeting the demands of a fast-growing forestry industry and profession in Alaska.

Consistent with our professional interest in this matter, are the findings of a 1970 "Study of the Alaska Forestry Organization and Programs" by Ross L. Stump, Earl J. Adams, and Robert B. Griffes. You may be familiar with the management report which was presented April 13, 1971 to Commissioner Charles F. Herbert. Specifically, Recommendation A.2. deals with Division status for Forest Management and Protection. Analysis rationale for the four recommendations pertaining to Organization is given on pages 7-11 of the report. This quote from the report seems pertinent: "In view of the potential timber production programs, the need for better management guidance, and the pending transfer of the fire protection from the Bureau of Land Management to the state, the Study Team feels Forest Management and Protection warrants Divisional status."

We believe the time is definitely here to justify Forestry being raised to the level of Division status in the State. We urge you to have the organizational change implemented this year.

Sincerely,


ROBERT C. JANES
Chairman, Alaska Section

Enclosure

cc: Guy Martin, Commissioner, Department of Natural Resources
Kay Poland, Chairman, Senate Resources Committee
Nels A. Anderson, Jr. Chairman, House Resources Committee

RCJ:tw

FACT SHEET

FORESTRY GROWTH IN ALASKA

1967-1975

1. Twelve major Native regional corporations and over 200 Native village corporations presently are in the process of selecting 44 million acres of new private land. The Natives face a major problem in gearing up to provide the needed natural resource management skills at both technical and professional levels. The State Forester's organization is extremely important for technical assistance at this particular point in time.
2. In 1967, the volume of State timber under timber sale contract was 258.6 mm bfm. Today it's 850.0 mm bfm - an increase of 229% in seven years.
3. In 1967, the volume of timber cut from State timber sales was 46 mm bfm. At \$3.60/mbm payment for all species, this yielded \$165,600 receipts to the State. Volume cut in 1974 was 51 mm bfm. At \$7.34/mbm payments, receipts were \$374,340. This is an increase in value of 126% in seven years.
4. Bug-killed timber has a considerable impact on the volume of timber under contract. The State's Westside Salvage Timber Sale, near Cook Inlet, was sold in 1975. This spruce beetle infested area covers 223,000 acres. A 10-year contract provides for the salvage of 285 mm bfm white spruce and 140 mm bfm other species. In 1975 the volume cut will approximate 30-40 mm bfm, increasing substantially

the cut of 51 mm bfm in 1974. Current insect detection surveys indicate active infestations to the north near Beluga Lake, and it is quite possible another sale will take place to help prevent another major spruce beetle epidemic. Industrial activity in the area has resulted in a new sawmill and dock facilities at Tyonek.

5. Timber sale activity in the interior has been developing rapidly. In 1973, the Louisiana Pacific Corporation purchased Kenai Lumber Company of Seward. This company has been purchasing cants from sawmills located along the rail belt as far north as Fairbanks. An increased demand for State timber has resulted, and a corresponding increase in the Cook Inlet, Matanuska-Susitna Valley, and Tanana Valley areas.
6. Timber inventory work has been steadily increasing since 1968, and the State has been cooperating with the U.S. Forest Service in the State-wide Forest Survey Program. During 1975, 13,000,000 acres of forest land in the Tanana Valley will be completed, providing a sound base for timber management plans and allowable annual cut determinations for a sustained yield of the timber resource. In the Susitna Valley area, 2,500,000 acres have been completed. Forest Survey plans for the next 2-3 years call for 243,000 acres in the Yakataga area and a re-survey of State land in the Haines-Slagway locality.
7. In 1967, State fire control presuppression costs were \$145,000 and suppression costs were \$188,000. In 1974 presuppression costs were \$425,000 and suppression costs approximately \$500,000. This

178% increase of expenditures in seven years shows there is a critical wildland fire problem in the State. And as the Bureau of Land Management phases out their fire protection coverage in the interior, the State will have a substantially larger responsibility to meet.

8. Federal grants for cooperative forestry programs have increased from \$97,800 for 1967 to \$432,400 for fiscal year 1976. This growth of 342% was mostly for cooperative fire control; however, cooperative forest management programs have also grown. A tree seedling distribution program now exists, providing 10,000-15,000 seedlings annually to landowners in the southcentral region of the State.
9. Establishment of a State tree nursery is underway at the Palmer Plant Materials Center. The objective is to develop a containerized seedling greenhouse and nursery, with an initial capacity of producing 50,000-60,000 seedlings per year. These will be purchased by private and Federal landowners for conservation practices, as well as a source for State projects. The facility will also provide for tree cone collection, seed processing, and seed storage.
10. The U.S. Forest Service budget for the Alaska Region has experienced a growth of 215% in eight years. For fiscal year 1967, it was \$5,430,000; for fiscal year 1975, it is \$17,121,000. Permanent full-time personnel have increased from 266 to 394 at present.
11. The Forestry Incentives Program, administered by the U.S. Agricultural Stabilization and Conservation Service, provides new

opportunities to Alaska landowners. Cost-sharing projects are on the move for forestry practices such as planting trees and improving a stand of forest trees. The State Forester plays an important role in promoting practices by eligible landowners. With regional and village Native corporations becoming eligible, the current grant level of \$5,000 for Alaska is expected to make a significant jump.

12. The Alaska Section of the Society of American Foresters has increased from 125 members in 1967 to 236 at present. This 12-13% annual increase reflects a growing profession in Alaska which exceeds the national average growth of the Society's 19,000 members. New opportunities in Alaska will continue to attract foresters to the State. A new Chapter has been formed at Sitka. Other Chapters exist at Ketchikan, Juneau, Anchorage and Fairbanks.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 28, 1967

Mr. Robert C. Janes
Secretary-Treasurer
Society of American Foresters
Alaska Section
Box 1628
Juneau, Alaska

Dear Mr. Janes:

I appreciate your sending me the resolution passed by the Alaska Section of the Society of American Foresters, which I have received with great interest.

A preliminary approach to the establishing of a Division of Forestry within the Department of Natural Resources has recently been taken. The area offices of the Division of Lands in Juneau and Anchorage are now under the management of Foresters.

The four trained Foresters on the staff seem adequate to handle the problems in view of the present status of the industry. The future growth of the timber industry will no doubt, demand a reorganizing of the present setup into a division. A District Forestry Office near Wasilla was abandoned because of complete lack of work for the District Forester. It is difficult in some areas to stimulate enough interest for the State Forester to conduct a timber workshop.

I assure you that this subject is of concern to me and until such time as some of the present problems in the timber industry are solved, the present organization appears to be the most economically feasible.

With warm personal regards.

Sincerely yours,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

KETCHIKAN AREA
JUNEAU AREA
YUKON AREA
ANCHORAGE AREA

SOCIETY OF AMERICAN FORESTERS

Alaska Section



June 9, 1967

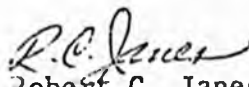
Honorable Walter J. Hickel
Governor of Alaska
Pouch A, State Capitol
Juneau, Alaska

Dear Governor Hickel:

Enclosed is a copy of a resolution unanimously passed by the Alaska Section of the Society of American Foresters at their annual state-wide meeting in Petersburg on June 2, 1967.

We feel the situation is serious enough to warrant your immediate attention. Our 125 members in Alaska hope you see fit to implement the organizational change expressed in our resolution.

Sincerely yours,


Robert C. Janes
Secretary-Treasurer

enclosure

RESOLUTION ADOPTED BY

SOCIETY OF AMERICAN FORESTERS, ALASKA SECTION
ANNUAL MEETING, PETERSBURG, ALASKA JUNE 2, 1967

BE IT RESOLVED BY THE ALASKA SECTION OF THE SOCIETY OF AMERICAN FORESTERS:

WHEREAS the Interior part of Alaska has about 22½ million acres of commercial timber land supporting about 14 billion cubic feet of merchantable timber; and

WHEREAS a large portion of these resources are in private ownership for which the State is obligated to furnish technical assistance; and

WHEREAS the manufacturing capacity for both hardwoods and softwoods is on the threshold of expansion at an accelerated rate; and

WHEREAS the problems of establishing new industry within the State are of a complex and technical nature that require a workable organization of professional Foresters; and

WHEREAS the forested areas acquired by the State furnish the habitat for a large portion of our wildlife within Alaska and needs wise management; and

WHEREAS the State is responsible for the fire protection on State and private lands within the State which will eventually require an expanded fire organization; and

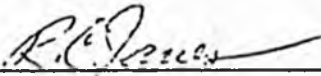
WHEREAS each acre of forested land is a potential recreation area in some form and should not be ignored; and

WHEREAS the constitution of the State of Alaska stated under article 8, section 4 that". . . Forests. . . and all other replenishable resources belonging to the State shall be utilized, developed and maintained on the sustained yield principle,. . .";

NOW, THEREFORE, BE IT RESOLVED that the Alaska Section of the Society of American Foresters recommends that the State of Alaska raise the present Branch of Forestry in the Division of Lands, Department of Natural Resources to at least full Division status; and

BE IT FURTHER RESOLVED that the proposed new Division of Forestry be adequately staffed and financed to accomplish the afore mentioned responsibilities; and

BE IT FURTHER RESOLVED that the Secretary of this section of the Society of American Foresters be instructed that copies of this resolution be sent to the Governor of Alaska, and the Commissioner of Natural Resources.



Robert C. Janes
Secretary-Treasurer

Alaska Section, Society
of American Foresters

ALASKA LUMBERMEN'S ASSOCIATION

P.O. Box 979

Ketchikan, Alaska

99901



February 15, 1974

The Honorable Kathryn Poland
State of Alaska Senate
P. O. Box 45
Kodiak, Alaska 99615

Re: Independent Timber Sale Shortage
Tongass National Forest

Dear Senator Poland:

The Alaska Lumbermen's Association has received many questions from throughout Alaska on the highly publicized independent timber sale shortage in the Tongass National Forest, which the Association has stated threatens the future of the timber industry in Southeast Alaska unless early solutions to the shortage are found.


Enclosed for your information are the most commonly raised questions, together with our answers.

We hope this information is helpful to your understanding of the timber sale shortage problems presently confronting the timber industry in Southeast Alaska.

Sincerely

ALASKA LUMBERMEN'S ASSOCIATION

By


C. L. Cloudy, Counsel

CLC:bh
enc.

QUESTION: Has there been a recent increase in the productivity of the sawmill industry in the Tongass National Forest and, if so, is not this circumstance the real cause of the current timber supply shortage?

ANSWER: Yes, there has been a recent increase in sawmill productivity. In fact, assuming the availability of timber, 1974 sawmill production is expected to exceed 1972 production in excess of fifty percent. In terms of the increased timber harvest demand, however, the 666 million board feet annual harvest required by the entire timber industry exceeds its 1972 requirements by only eighteen percent. Consequently, whatever effect sawmill productivity increases may have on timber supply, the effect must be analyzed in the light of an eighteen percent harvest demand increase, rather than a fifty percent production increase.

The real cause of the current timber supply shortage, however, is not the increase in sawmill productivity--rather, it is the almost total collapse of the Forest Service independent sales program which took place over the three year period 1971-1973. Until 1971, the Forest Service had been pursuing an ongoing independent sales program of at least seven years' duration which, if it had continued, would have been more than capable of supporting the sawmill expansion which took place during 1972-1973. In point of fact, the expansion of 1972-1973 was the result of advance industry planning which was based upon that historically proven seven year capability of the Forest Service sales program to support such an expansion. During the seven year period, 1964-1970, the Forest Service sold 2 billion 213 million feet in independent timber sales, which averages out to the equivalent of 316 million feet per year. During the three year period 1971-1973, however, they sold only 192 million feet, which averages out to the equivalent of 64 million feet per year. In order for industry to survive under this reduced program, it not only would have had to forego the sawmill expansion in question, but it would have had to reduce its annual harvest by almost 150 million board feet under what it needed in any event without any sawmill expansion. By way of further contrast, industry's harvest demands of 666 million board feet per year could have been met by simply increasing the annual volume averages formerly available under the 1964-1970 program by less than five percent.

QUESTION: Since 1970, three new export sawmills specializing in the sawing of hemlock lumber for the Japanese market have been brought into production in Southeast Alaska. Was the Forest Service aware, or made aware, of the plans for this expansion before it took place?

ANSWER: Yes. In fact, all during the 1960's the Forest Service, both on the Regional level in Juneau, and the Chief's level in Washington, D.C., repeatedly urged industry to develop a market in Japan for Alaska hemlock lumber. Although this market was slow to develop, industry kept the Forest Service fully advised of its progress and its expectations at all times. Industry assumed (mistakenly, as it turned out) that inasmuch as the Forest Service had recommended the development of these markets, the Forest Service would have maintained the ongoing sales program necessary to supply the sawmills in question.

QUESTION: Is the timber sale shortage in any way related to the fact that both Ketchikan Pulp Company and Alaska Lumber and Pulp Co., Inc. have increased the daily capacity of their respec-

tive pulp mills?

ANSWER: No. Both mills were required to construct pulp plants with a minimum design capacity of 525 tons per day. Through 1973, both mills have produced less pulp since they commenced initial operation than this initial design capacity was capable of producing. Daily capacity has been increased in each mill, with the result they will undoubtedly produce more pulp over the next ten years than they did over the previous ten years. However, most, if not all, of this increased capacity will be supplied by technological improvements which give a higher volume of pulp recovery per thousand board feet of raw material than the mills were originally capable of obtaining. Consequently, neither pulp mill has increased its raw material demands to such an extent as to create a timber shortage.

QUESTION: The Forest Service has stated that the timber industry in Southeast Alaska has suddenly increased its processing capacity to such an extent that they are now capable of processing 900 million board feet of logs per year, which capacity exceeds the annual allowable cut of the Tongass National Forest by 90 million feet. What is the present processing capacity of the Southeast Alaska timber industry?

ANSWER: It is not 900 million board feet. It does approximate 666 million board feet. The Forest Service statement is based upon their "observation" that the ability of industry to "triple shift" the processing mills creates this capacity. The fact of the matter is that the two pulp mills have been on triple shift since they commenced operations: their product requires a continuous process of manufacture, and consequently, they must remain in constant operation so long as they are producing pulp. The ability of the pulp mills to triple shift, therefore, has nothing to do with whatever increase in capacity the timber industry has achieved. As to the sawmills, of the eight export mills in operation, only one of them is capable of triple shifting its operation, and this is the new cull and defect sawmill located at Ketchikan Pulp Company's pulp mill at Ward Cove, Alaska. This latter sawmill operates in conjunction with the pulp mill, and seeks to recover whatever marketable lumber may be found in the pulp logs, and necessarily operates on the same work shifting as the pulp mill.

QUESTION: How much timber needs to be harvested each year to meet the present capacity demands of the Southeast Alaska timber industry, and is the Tongass National Forest capable of supplying these demands?

ANSWER: Industry requires an annual harvest of 666 million board feet per year. 336 million board feet per year are available from the long-term allotment sales held by Ketchikan Pulp Company, Alaska Lumber and Pulp Co., Inc., and Alaska Wood Products, Inc., and 330 million per year must come from independent sales outside of these allotments. The annual allowable cut in the Tongass National Forest is 820 million board feet per year. It is obvious, therefore, that the industry presently requires less than the harvest capacity of the Tongass National Forest.

QUESTION: The Forest Service now hopes to sell 298 million board feet of independent timber sales in fiscal 1975, and 461 million board feet in fiscal 1976. These plans represent an increase over original plans of 130 million board feet in 1975, and 224 million board feet in 1976. Will these sales wipe out the

shortage and avoid production cutbacks?

ANSWER: No. Despite these increases, the volume of independent sale timber ready to harvest will continue its decline into 1975, and will commence a slow ascent in 1976 (88 million board feet will be available in 1975: a shortage of 242 million feet; 130 million board feet will be available in 1976: a shortage of 200 million feet; 222 million board feet will be available in 1977: a shortage of 118 million feet). These shortages will occur despite the fact that the opening inventories of uncut independent sales in the years 1974, 1976, and 1977 will exceed the harvest requirement of 330 million board feet by a substantial margin.

The reason for this seeming paradox is the fact that merely because timber has been sold, and therefore becomes part of the inventory available for harvest, does not mean that the timber can be harvested. One and one-half to two years elapse from the date a timber sale is purchased to the date the purchaser can start logging. This delay is caused by the time required by the purchaser to obtain as many as twelve Federal and State permits, to construct roads, to lay out camp sites, to meet initial environmental safeguard requirements, to construct log dumps, etc. None of these activities can take place until after the timber has been purchased, and no logging can commence until after all of these activities have been completed.

Consequently, neither the independent sales scheduled for 1975 and 1976, nor the hoped for increases announced by the Forest Service, will be ready to log in time to head off the shortages forecasted for 1975, 1976, and 1977. Even during 1974, despite the fact that on paper at least, industry has 330 million feet of independent sales ready to harvest, it is most unlikely that this harvest can be attained, due to the logistical complexities involved in attempting to maintain the 1974 logging activity on independent sales at the 330 million board feet level while, at the same time, getting ready to face the realities of reducing such activity to the 1975 level of 88 million board feet. As a result, mill operations have already been curtailed in 1974, and more will follow.

QUESTION: If there is such a timber sales shortage, why are logs exported from Southeast Alaska instead of being processed locally?

ANSWER: There are three sources of logs from which logs may legally be exported from Southeast Alaska without being processed locally, namely, (1) Annette Island Indian Reserve, (2) privately owned lands, and (3) National Forest lands. The timber on Annette Island is administered by the Bureau of Indian Affairs, and the Bureau permits this timber to be exported without processing, despite the long and vigorous opposition of this policy by the Alaska Lumbermen's Association and the Alaska Loggers Association, Inc. The timber on privately owned lands is subject to disposal at the pleasure of the land owner. The timber industry, as such, and contrary to the situation in Washington and other states, owns very little private land of any significance. Timber on National Forest lands may not be exported without processing, unless there is no local processing demand.

The only National Forest export in Southeast Alaska is cedar, for which there is an extremely limited local processing demand. Export of this specie is limited to that which exceeds the local demand. The local processing demand for this timber is limited,

due to the fact that the timber is of extremely poor quality, and there simply is no great market for the lumber, either inside or outside of Alaska. Aside from cedar, the timber from Metlakatla and private lands is exported simply because the owner will not sell this timber at a price low enough to enable the local mills to process the timber at a profit. In order to acquire the cutting rights to this timber, the mills would have to compete with a log export market price which equals or exceeds the market price of the finished local product. As a result, industry has little effective voice in making these logs available for local use.

QUESTION: Industry has complained about the increased cost of logging in Southeast Alaska brought on by new environmental standards being imposed by the Forest Service. Aside from the fact that increased costs mean decreased profits for industry, what effect does this have upon the general economy of Southeast Alaska?

ANSWER: Two major areas of economic concern to Southeast Alaska are involved. In the first place, the imposition of the new standards further extends the time required for the Forest Service to ready a prospective timber sale area for sale, and at the same time further extends the time it takes the purchaser to get to the actual business of logging after he purchases the sale. As a result, the timber sale shortage will extend over a longer period of time than originally anticipated, with extended adverse economic impact upon Southeast Alaska. In the second place, the cost of meeting the new standards has to come out of the value of the trees being harvested. Twenty-five percent of whatever the purchaser pays the Federal Government for these trees is returned to Alaska for local government use in the area within which the harvest took place. As environmental costs increase, the value of the tree decreases under what it would have been without these costs, thus reducing the return to the State and local governments.

QUESTION: What is industry's understanding as to why the Forest Service did not maintain its independent sale program to keep pace with industry expansion?

ANSWER: Several factors combined to produce this result. In 1972 the Sierra Club sued the Forest Service, charging them with failure to comply with the Environmental Protection Act on new timber sales. Although this suit did not directly include Alaska, the Forest Service was made aware that Alaska would be included unless the Forest Service terminated its sale activity pending the outcome of the suit. Consequently, sale activity in 1971 and 1972 dwindled into insignificance. The suit was settled by compromise in late 1972, with the understanding that the Forest Service would develop new environmental standards and apply them to each sale. Unfortunately, for Alaska, the funding and manpower required to overcome this slowdown in 1971-1972, and the funding and manpower required to implement the new standards, far exceeded the assignment of funds for Alaska. In addition, prior to the onset of environmental standards, the Forest Service was geared to providing a two or three year backlog of independent sales at the most. As a result, even a temporary disruption in sale activity had a sudden and adverse consequence.

QUESTION: Has the Forest Service offered sales within the past several years which have not been purchased, and if so, how can industry justify this in view of the sale shortage now claimed?

ANSWER: Yes. In June of 1972, the Forest Service offered four sales totalling 106.3 million feet, for which there were no bids received. These were salvage sales hurriedly put together, and assigned stumpage values in excess of what the economics of the sale could afford, and involved unrealistic and uneconomical conditions of sale. These matters were pointed out to the Forest Service, with the result that one of the sales was dropped by the Forest Service as being totally unloggable, and two others were completely redesigned and sold under different terms than the original offering. Industry takes little comfort in the suggestion that the shortages can be avoided if industry is willing to operate at a loss.

QUESTION: It has been pointed out by the Ketchikan Area Offices of the Forest Service on numerous occasions, in response to the industry requests for increased sale activity, that the Ketchikan area annual harvest is at maximum levels now, and cannot be increased, and that the capacity of the Ketchikan area mills far exceeds the harvest capacity of the Ketchikan area. What does this have to do with the shortage?

ANSWER: Nothing. The capacity of the Ketchikan area mills does in fact exceed the harvest capacity of the Ketchikan area; however, this poses no threat to the Ketchikan area harvest, nor does it establish that the industry is guilty of over expansion. Mills in Southeast Alaska are capable of utilizing the raw material of the Tongass National Forest without regard to the location of either the mill or the logging operation. The Tongass National Forest, as a whole, has the harvest capacity to support the existing mills. The mere fact that the harvest capacity of a local area has been exceeded by the mill capacity of the mills located within that area does not mean that the Tongass National Forest lacks the capacity to supply those mills.

QUESTION: The Forest Service has related the current timber sale shortage in part to recent expansion of the sawmill industry, and the sawmill expansion in turn to the desire of industry to capitalize on the sudden increase in the demands of the Japanese market in 1973. What is the connection between the 1973 Japanese market and the current sale shortage?

ANSWER: None. Japan has been short of timber ever since the end of World War II. Their need to import timber is not a new or recent circumstance. Alaska lumber competes for its share of the Japanese market, and when purchased by the Japanese replaces a source previously looked to for supplying the specific use to which the Alaska lumber is placed. This market has been slowly developed over the past eighteen years. Market acceptance of this product was completed before 1973, and before the "sudden" housing boom in Japan. With or without the curtailment of exports from the Pacific Northwest to Japan, and with or without the housing boom of 1973 in Japan, the sawmills which went into production in 1973 would have gone into production in any event (short of a market collapse). Industry intends, and has long intended, to develop markets for its products up to the full allowable cut of the Tongass National Forest. The mill expansion of 1973 is nothing more or less than the natural progression toward that goal.

QUESTION: Why does not the Southeast Alaska timber industry sell its lumber product in the domestic United States instead of in Japan?

ANSWER: Simply because the domestic United States markets

do not consider the product worth enough money to enable the processors to operate at a profit. This situation has existed for over forty years, and until such time as the domestic United States becomes a net importer of timber (as is Japan), the situation is not likely to change. It has often been incorrectly stated that if the Jones Act was repealed, our timber products would find a profitable United States domestic market. This, however, is not the case. Our competitive disadvantage arises out of many other factors than shipping rates, which include higher logging costs, higher costs of accommodating to environmental standards, higher processing costs, and higher percentage of defect in the raw material. Often overlooked in this regard, is the fact that the United States imports fifty percent to seventy percent more lumber from Canada in any given calendar month than Southeast Alaska exports to Japan in an entire calendar year. Almost all of this import is used East of the Mississippi River. The reason for this import is that Canadian mills can produce and deliver the end product for less money than can the mills in Oregon, Washington, and California. If the mills in the Western United States cannot compete with Canada, it is most obvious that Alaska has no chance of entering the domestic United States market in the foreseeable future.

QUESTION: Are the other areas of the United States faced with the same timber sale shortage problem as Southeast Alaska?

ANSWER: No. Despite the fact that, as everyone generally is aware, a severe domestic lumber supply shortage developed in the United States during 1972-1973, this shortage is unrelated to Alaska's problem. In the United States, only fifty-two percent of the soft wood saw log volume is in National Forest ownership. In Washington and Oregon, only thirty-two percent and forty-seven percent respectively is in National Forest ownership. To whatever extent the domestic United States lumber supply shortage of 1972-1973 may have been related to a timber sale shortage, it is obvious that many other factors than who owned the raw material were involved. In Southeast Alaska, however, over ninety percent of Southeast Alaska's soft wood saw log volume is in National Forest ownership. If there is a timber sale shortage in Alaska, therefore, the only significant factor involved is National Forest ownership. So long as the ownership in question has the harvest capacity to meet the shortage, the problem becomes one of forest management by the Forest Service.

QUESTION: How does the Tongass National Forest rank generally in relation to other National Forests?

ANSWER: The Tongass National Forest is the largest National Forest in the United States, and is within the administrative area of Region 10 of the Forest Service headquartered in Juneau. Bearing in mind that there are nine such Regions throughout the United States, the other eight of which contain from fourteen to nineteen separate National Forests, it is noteworthy that the annual harvest in the Tongass National Forest alone exceeds the total annual harvest in five out of those eight Regions. Despite this fact, Alaska's Region 10 ranks last in Federal funding (in 1971, for example, the closest Region on the ladder above Alaska received \$18,000,000.00 more than Alaska).

QUESTION: What is meant by the term "independent timber sale"?

ANSWER: The term refers to the sales of timber made by the

Forest Service in the Tongass National Forest which are independent of the existing long-term allotment contracts (that is, other than, the long-term contracts held by Alaska Lumber & Pulp Co., Inc. for its pulp mill, Ketchikan Pulp Company for its pulp mill, and Alaska Wood Products, Inc. for its sawmill). With regard to the long-term allotment contracts, the Forest Service releases for cutting each year a maximum of 336 million board feet. Inasmuch as industry requires 666 million board feet of harvest per year, the additional 330 million board feet must come from short-term sales independent of the allotment contracts.

QUESTION: Why can't industry merely shut down its sawmills for several years and allow the Forest Service time to catch up on its sales program?

ANSWER: There are a number of reasons which make this solution totally unrealistic as opposed to industry's proposed solution of an immediate large scale increase in sales.

First and foremost is the fact that the high cost of logging and processing in Alaska makes it absolutely mandatory that industry sell the end product for the highest possible price. At present, approximately fifty percent of the fiber volume in the Southeast Alaska timber harvest can be sawn into export lumber and sold for a much higher return than if the entire volume was converted into pulp. If the sawmills are shut down, the entire harvest will have to be converted into pulp. If this takes place, the pulp mills will not be able to operate at a profit, and loss operations will sooner or later force a closure of these mills.

Secondly, assuming the pulp mills can weather out the storm until the sawmills are able to resume operations, there is absolutely no assurance that the sawmills will still have a market for their product at such time as they have logs available to process. It seems rather obvious that the Japanese market will not stand around waiting for the sawmills to get back into operation. The Japanese will be forced to look to other raw material sources and, in so doing, as they did in Alaska, will be required to make long-range commitments to these other sources. Once this takes place, the reentry into the Japanese market by Southeast Alaska lumber will be extremely difficult, time consuming, and expensive. This will further delay a return to full saw/pulp integrated use of the timber harvest, and further increase the risk of a complete industry collapse.

Finally sawmill shutdown will cause a dissipation of the skilled sawmill labor pool developed by the Southeast Alaska sawmill industry over the years, as well as a disruption of a significant portion of the skilled logging labor pool developed by the Southeast Alaska logging industry over the years. Loss of jobs will cause these skills to move elsewhere, either in pursuit of the oil pipeline opportunities, or in pursuit of such other opportunities as are available outside of Alaska. As and when logs become available in sufficient supply to warrant resumption of sawmill operations, and companion logging operations, the labor pool necessary to these operations will have to be again developed from scratch. This will further add to the delay of the return to full saw/pulp integrated use of the timber harvest, and further compound the risk of a complete industry collapse.

Almost all of this could be avoided if enough money and manpower were allotted to the administration of the Tongass National Forest. Industry frankly fails to see how anyone could seriously

consider shutdown and curtailments as an acceptable alternative.

QUESTION: If the timber industry in Southeast Alaska collapses as the industry has claimed it will unless an early solution of the timber sale shortage is found, what will be the effect upon the Southeast Alaska economy?

ANSWER: There are many ways of looking at the economic impact of an industry upon a given area. At the risk of oversimplification, the loss to the Southeast area is probably most easily appreciated with reference to direct industry employment and indirect employment dependent upon industry payrolls. During 1972, out of a total Southeast Alaska census population of forty-two thousand five hundred sixty-five, approximately seventeen thousand five hundred people were gainfully employed. Of these, in excess of three thousand were directly employed by the timber industry, and an additional two thousand five hundred to three thousand five hundred people were dependent upon industry payrolls for their employment. Industry, therefore, foresees a job loss in excess of eight thousand employees in the event of an industry collapse.