

SJR

51

Alaska State Legislature

*sent to attached
sjr51 file*

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 485-4907

Senate Committee on Resources

July 22, 1986

Ray and Linda Yeatts
Box 1477
Petersburg, AK 99833

Dear Ray and Linda:

Thank you for your interest in SJR 51 supporting the Alaska Timber industry and opposing changes to ANILCA during the past legislative session.

As chairman of the Senate Resources Committee, I introduced and supported this legislation. The Senate Resources Committee unanimously endorsed the resolution and it passed the Senate. Unfortunately, the House failed to act on this resolution and it died in the House Rules Committee.

I was pleased to sponsor this legislation because I feel that the timber industry is an important part of our economy and deserves our support. I will continue to work for diversification of the state's economy and jobs for Alaskans.

Please keep in touch.

Sincerely yours,

Arliss

Senator Arliss Sturgulewski
Chairman, Senate Resources Committee

For

[Handwritten mark]

SJR 51 - H. Rules
HJR 75 - H. Rules

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: DON KOENIGS
BOX 674
PETERSBURG
772-4204

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

REGARDING SJR51(OR HJR75), I STRONGLY URGE THE RESOURCE COMMITTEE TO ADOPT THE RESOLUTION AS PRESENTED. SOUTHEASTERN ALASKA RESIDENTS NEED A DIVERSIFIED ECONOMY OF WHICH THE TIMBER INDUSTRY IS A VITAL PART. CONGRESS SHOULD RECEIVE THAT MESSAGE FROM THE STATE OF ALASKA REGARDING ANILCA'S TIMBER PROVISIONS. THEY NEED NOT BE REVIS ED.

DATE: 04/28/86 TIME: 10:51:36 SENT BY: PETERSBURG LIO

COPIES TO: REPRESENTATIVE: JOHN SUND
REPRESENTATIVE: ROBIN L. TAYLOR
SENATOR: BETTYE M. FAHRENKAMP
SENATOR: JOHN B. (JACK) COGHILL
SENATOR: RICHARD I. (DICK) ELIASON
SENATOR: RICK HALFORD
SENATOR: FRED F. ZHAROFF
SENATOR: VIC FISCHER

692

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: KENT REID
BOX 174
PETERSBURG
772-3402

99A33

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I URGE PASSAGE OF SJR51. THE TIMBER INDUSTRY IS VITAL TO THE
ECONOMY OF SOUTHEAST ALASKA.

DATE: 05/08/86 TIME: 09:17:20 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: DELL JOHNSON
BOX 1273
PETERSBURG
772-4857

99833

BILL NO: SJR 51
SUBJECT: ALASKA TIMBER AND ANILCA
MESSAGE:
I URGE YOU TO SUPPORT SJRS1. THANK YOU.

DATE: 05/08/86 TIME: 10:11:19 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: RALPH BUZARD, MAYOR PRO TEM
BOX 87
PETERSBURG
772-4480

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE SUPPORT RES. 1073R AS PRESENTED FROM THE PETERSBURG
CITY COUNCIL. THANK YOU.

DATE: 05/08/86 TIME: 10:28:14 SENT BY: PETERSBURG LIO

COPIES TO HOUSE MEMBERS
SENATE MEMBERS

PA

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: ERNIE HAUGEN
BOX 1049
PETERSBURG
772-3142

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT MAINTAINING THE MAXIMUM ALLOWABLE CUT IN THE TONGASS
NATIONAL FOREST. ANY REDUCTIONS IN THE ANNUAL CUT PRESENTLY ALLOWED
WILL DRASTICALLY EFFECT THE ECONOMY OF SOUTHEAST ALASKA.

DATE: 05/08/86 TIME: 10:49:38 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: JACKIE DURETTE
10117 SILVER ST.
JUNEAU, AK
789-3585

99801

BILL NO:

SUBJECT: ANILCA HEARINGS

MESSAGE:

THIS IS IN SUPPORT OF THE SOUTHEAST ALASKA TIMBER INDUSTRY
CALLING FOR NO CHANGES IN THE FEDERAL ACT GOVERNING TIMBER
HARVESTING. THE LOGGING INDUSTRY HAS BEEN A VITAL INDUSTRY
IN SOUTHEAST FOR THE PAST TWENTY YEARS AND IT IS ESSENTIAL
TO RETAIN THE ALLOWED CUT WHICH IS STATED IN THE ALASKA LANDS
ACT AS IT IS PRESENTLY WRITTEN.

DATE: 05/07/86 TIME: 11:36:21 SENT BY: JUNEAU LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: STAN LANGAKER
BOX 1270
PETERSBURG, AK
947-4443**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**I STRONGLY URGE PASSAGE OF THIS PIECE OF LEGISLATION. IT IS VITAL
TO TIMBER AND RELATED INDUSTRIES. IT IS ALSO VITAL TO OUR COMMUNITY.
WITHOUT THESE INDUSTRIES, SOUTHEAST WOULD CEASE TO EXIST.**

DATE: 05/07/86 TIME: 13:40:55 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: RONN BUSCHMANN
BOX 1367
PETERSBURG, AK
772-3003

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY ENCOURAGE PASSAGE OF SJR 51. THE TIMBER INDUSTRY IS AN
INTEGRAL COMPONENT OF THE SOUTHEAST ALASKA ECONOMY, WHICH NEEDS OUR
SUPPORT.

DATE: 05/07/86 TIME: 13:43:19 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: CELIA CARLSON
BOX 1232
PETERSBURG, AK
772-3765

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT THE ANILCA RESOLUTION. I FEEL THAT THE TIMBER
INDUSTRY IS A VIABLE RESOURCE AND VERY IMPORTANT TO THE ECONOMIC
STABILITY OF ALASKA.

DATE: 05/07/86 TIME: 13:45:00 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: RAY & LINDA YEATTS
BOX 1477
PETERSBURG, AK
772-9206**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**WE STRONGLY URGE PASSAGE OF SJR 51. THE TIMBER INDUSTRY NEEDS
SUPPORT AND PLAYS A VITAL ROLE IN THE ECONOMIC WELL-BEING OF
OUR COMMUNITIES.**

DATE: 05/07/86 TIME: 13:50:54 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

Fit

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKY

FROM: TOM CHRISTIAN
BOX 1477
PETERSBURG, AK
772-9206

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY URGE PASSAGE OF THE ANILCA RESOLUTION. THE TIMBER
INDUSTRY MUST BE SUPPORTED, AS IT PLAYS A VITAL ROLE IN THE
ECONOMIC STABILITY OF OUR COMMUNITIES.

DATE: 05/07/86 TIME: 13:52:29 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: GREG EINERSON
BOX 307
PETERSBURG
772-3489

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR51. THE TIMBER INDUSTRY, AS WELL AS ALL INDUSTRIES THAT PROVIDE EMPLOYMENT FOR ALASKA, NEEDS YOUR SUPPORT. THE ECONOMIC SURVIVAL OF OUR COMMUNITIES DEPENDS ON ALL INDUSTRIES AND RENEWABLE RESOURCES. PLEASE SUPPORT SJR51. THANK YOU.

DATE: 05/07/86 TIME: 14:28:04 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: ARLENE PENCE, CITY COUNCIL MEMBER
BOX 993
PETERSBURG 99833
772-3067

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I URGE YOU TO VOTE FOR SJR51 IN ORDER THAT THE STATE CONTINUES TO SUPPORT THE TIMBER INDUSTRY TO PROVIDE A DIVERSIFIED ECONOMICAL BASE FOR SOUTHEAST ALASKA. THE PETERSBURG CITY COUNCIL RECIEVED CONSIDERABLE TESTIMONY IN FAVOR OF A PETERSBURG RESOLUTION SIMILAR TO THE SJR51 WHICH WAS PASSED MONDAY NIGHT.

DATE: 05/07/86 TIME: 15:13:26 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: RICK BRAUN
BOX 211
PETERSBURG
772-3986

99833

BILL NO: SJR 51

SUBJECT: 9

MESSAGE:

I SUPPORT EXISTING ANILCA LEGISLATION WHICH INCLUDES \$40M.
ANNUAL TIMBER SUPPORT FUND AND 450MBF ANNUAL TIMBER HARVEST
LIMIT. I OPPOSE ANY INCREASE IN WILDERNESS AREAS.

DATE: 05/07/86 TIME: 15:37:20 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: MAX WORHATCH
BOX 986
PETERSBURG
772-4695

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

TIMBER AS BEEN A VITAL PART OF OUR ECONOMY IN THE PAST AND
IS MORE IMPORTANT PART OF OUR FUTURE ECONOMIC BASE THAN EVER
BEFORE. YOUR SUPPORT IS NEEDED NOW FOR SJR51.

DATE: 05/07/86 TIME: 15:40:52 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PA

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: DAVE CARLSON
BOX 3765
PETERSBURG
772-3765

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE SUPPORT SJR51. IN LIGHT OF DRASTICALLY DECLINING OIL REVENUES OUR COMMUNITIES NEED OUR TRADITIONAL RESOURCE AND ECONOMIC BASE IN ORDER TO SURVIVE. THE TIMBER INDUSTRY IS VITAL TO ALL THE COMMUNITIES IN SE ALASKA. PLEASE SUPPORT SJR51. YOUR VOTE "YES" IS A VOTE FOR OUR COMMUNITTEE.

DATE: 05/07/86 TIME: 15:44:17 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: VICKI HAYES
P.O. BOX 404
CRAIG
N/A**

99921

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**I SUPPORT THE PASSAGE OF SJR 51 AND HJR 75. I DON'T WANT TO SEE
PRINCE OF WALES ISLAND TURNED INTO A WILDERNESS AREA.**

DATE: 05/05/86 TIME: 08:50:35 SENT BY: SITKA LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: CAROL KANDOLL
BOX 1363
PETERSBURG
772-3430**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**I AM A FISHERMAN'S WIFE AND I SUPPORT SJR 51. THIS ISSUE SHOULD NOT
BE VIEWED AS A CONFLICT BETWEEN THE FISHING AND TIMBER INDUSTRIES.
DON'T LET OUTSIDE INFLUENCES MUDDY THE WATER.**

DATE: 05/05/86 TIME: 09:21:39 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: TERRI SWANSON
BOX 924
PETERSBURG
772-3187

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE LEAVE ANILCA AS IT IS. IT IS TIME TO GET OUR STATE FINANCIALLY STABLE. IT CANNOT BE DONE WITH AN OVEREMPHASIS ON WILDERNESS AREAS, OVERFISHING OR OVERCUTTING THE FORESTS. PLEASE VOTE FOR SJR 5L.

DATE: 05/05/86 TIME: 09:32:26 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PH

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: MR & MRS. JERRY LUTTON
BOX 405
CRAIG, AK.
826-3364

99921

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

WE SUPPORT THIS BILL. WE ARE AGAINST ANY MORE WILDERNESS
AREA DESIGNATION IN ALASKA.

WE SUPPORT HJR 75 FOR THE SAME REASON.

DATE: 05/03/86 TIME: 09:14:58 SENT BY: SITKA LIO

COPIES TO: REPRESENTATIVE: PETER GOLL
SENATOR: RICHARD I. (DICK) ELIASON
HOUSE RESOURCES
SENATE RESOURCES

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: VIRGIL GILES
BOX 281
WRANGELL, AK
874-3783

99929

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE ENDORSE SJR 51. I SPEAK AS A LONGSHOREMAN
AND CONCERNED CITIZEN IN SUPPORT OF THIS BILL.

DATE: 05/02/86 TIME: 07:20:24 SENT BY: KETCHIKAN LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: JOE PENTTILA
BOX 1069
PETERSBURG
772-3531

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY URGE THE SENATE AND THE HOUSE TO SUPPORT THIS
RESOLUTION. WE NEED TO ENHANCE OUR ECONOMIC STANCE RATHER
THAN PUSH IT FURTHER INTO A NEGATIVE POSITION. WE CANNOT
BEAR FURTHER RESTRICTIONS ON OUR INDUSTRIES.

DATE: 05/02/86 TIME: 08:12:54 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: JACK MCKERNAN
BOX 1290
PETERSBURG
772-3449**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**WE NEED THE SUPPORT OF THE LEGISLATURE DUE TO THE ONSLAUGHT
OF THE OBSTRUCTIONIST GROUPS THAT ARE TRYING TO STOP THE
LOGGING AND ROADBUILDING IN THE TONGASS NATIONAL FOREST.
THIS SHOULD NOT BE AN ISSUE BETWEEN THE FISHING AND LOGGING
INDUSTRIES.**

DATE: 05/02/86 TIME: 09:14:05 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: PATRICIA A. LEHMAN
BOX 210
CRAIG, AK
826-3364

99921

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT PASSAGE OF SJR 51. IN LIGHT OF OUR DECLINING
OIL REVENUES IT IS MOST IMPORTANT WE SUPPORT ALL OF
OUR INDUSTRIES IN SOUTHEAST ALASKA.

DATE: 05/02/86 TIME: 09:33:46 SENT BY: KETCHIKAN LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: JOHN SCOBLIC
BOX 48
PETERSBURG
772-3833**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**I VERY MUCH SUPPORT SJR51 AND URGE YOU TO VOTE IN FAVOR OF THE
RESOLUTION. THE PROVISIONS OF ANILCA WERE A COMPROMISE REACHED
BY PEOPLE WHO WERE SUPPOSED TO KNOW WHAT THEY WERE DOING. NOW
AT REVIEW TIME ONE SIDE IS TRYING TO UNDO THE COMPROMISE. BOTH
SIDES MUST BE HEARD.**

DATE: 05/01/86 TIME: 16:23:11 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: FAYE ENNIS
BOX 263
PETERSBURG, AK 99833
772-3133
BILL NO: SJR S1
SUBJECT: ALASKA TIMBER AND ANILCA
MESSAGE:
SUPPORT SJR S1 TO CONTINUE THE ANILCA CONCEPT.

DATE: 05/01/86 TIME: 13:18:16 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: MIKE DEAN
BOX 30
PETERSBURG
772-3269

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

DUE TO THE EXTREME IMPORTANCE OF THE TIMBER INDUSTRY TO THE ECONOMY OF PETERSBURG, I SUPPORT PASSAGE OF SENATE JOINT RESOLUTION 51, RELATING TO THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT, SECTIONS 705 AND 706.

DATE: 05/01/86 TIME: 14:20:14 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: DAVID R. CARLSON
BOX 1232
PETERSBURG, AK
772-3765**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51. IN LIGHT OF DRASTICALLY DECLINING OIL REVENUES, IT IS ESSENTIAL THAT OUR TRADITIONAL ECONOMIC INDUSTRIES BE SUPPORTED. WITH THE ONSLAUGHT IN CONGRESS BY THE PRESERVATIONIST GROUPS TO FURTHER CRIPPLE THE TIMBER INDUSTRY, IT IS VITAL THAT THIS RESOLUTION BE PASSED.

DATE: 04/29/86 TIME: 12:13:57 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: KERRY HARGAND
BOX 1743
PETERSBURG
772-3164

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE VOTE FOR SJR 51 IN SUPPORT OF THE TIMBER INDUSTRY IN ALASKA.
IT IS YOUR LIVLIHOOD AS WELL AS THAT OF ALL OF US IN THE INDUSTRY.

DATE: 04/30/86 TIME: 09:37:17 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: ED LAPEYRI
BOX 852
PETERSBURG
772-3708

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT SJR 51 AS PROPOSED. I FEEL WE HAVE ENOUGH WILDERNESS NOW TO SATISFY THE PEOPLE WHO WANT A WILDERNESS EXPERIENCE. AND MORE IMPORTANTLY, THIS SHOULD NOT BE VIEWED AS A CONFLICT BETWEEN THE FISHING AND TIMBER INDUSTRIES.

DATE: 04/30/86 TIME: 09:25:57 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: JOHN LAPEYRI
BOX 1541
PETERSBURG
772-3541

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT THE PASSAGE OF SJR51. WE MUST SUPPORT THE TIMBER
INDUSTRY.

DATE: 04/30/86 TIME: 09:53:33 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: COLYN LYONS
BOX 74
PETERSBURG
772-4638

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT SJR 51. TIMBER IS MY LIVLIHOOD AND ALSO A MAJOR ECONOMIC
BASE IN SOUTHEAST ALASKA.

DATE: 04/30/86 TIME: 09:57:07 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: JUDITH L. BECK
BOX 1163
PETERSBURG
772-3951

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT SJR 51 IN ITS ENTIRETY.

DATE: 04/30/86 TIME: 11:07:05 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: PETE LITSHEIM
BOX 856
PETERSBURG
772-3275

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I AM AN ALASKAN INTERESTED IN A VIABLE ECONOMY. THEREFORE, I
SUPPORT THIS NEEDED RESOLUTIONS.

DATE: 04/30/86 TIME: 11:03:52 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: LAURENCE BECK
BOX 1163
PETERSBURG, AK
772-3957

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJRS1. THIS AREA NEEDS A STRONG
DIVERSIFIED ECONOMY MADE UP OF FISHING, LOGGING, ETC.
OBSTRUCTIONIST GROUPS ARE TRYING TO PIT THE TIMBER AND FISHING
INDUSTRIES AGAINST EACH OTHER. THIS SHOULD NOT BE THE ISSUE.

DATE: 04/30/86 TIME: 11:15:28 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: NORMAN BARNES
BOX 242
PETERSBURG
772-3093

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51. IT IS IMPERATIVE THAT OUR
TRADITIONAL ECONOMIC BASES BE SUPPORTED AND PROTECTED FROM THIS
ONSLAUGHT BY OBSTRUCTIONIST GROUPS. THIS ISSUE SHOULD NOT BE
SEEN AS TIMBER VERSUS FISHING, BUT AS OUTSIDE INFLUENCE TRYING
TO DIVIDE AND CONQUER. THANK YOU.

DATE: 04/30/86 TIME: 11:22:19 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: JIM GOVE, EC. DEV. /WRG
BOX 531
WRANGELL, AK 99929
874-2381

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE ENDORSE SJR 51, INCLUDING TERM "WILDERNESS,"
LINE 14-15, PAGE 2. BOTH CITY COUNCIL AND CHAMBER
OF WRANGELL HAVE UNANIMOUSLY PASSED SAME RESOLUTION.
ECONOMIC FUTURE OF ALASKA ENDANGERED. WE ASK YOUR
SUPPORT.

DATE: 04/30/86 TIME: 11:44:44 SENT BY: KETCHIKAN LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: DONALD J. THORSTEINSON
BOX 728
PETERSBURG
772-3516

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51 . IT IS OF EXTREME IMPORTANCE
THAT TRADITIONAL ECONOMIC BASES BE SUPPORTED AND PROTECTED FROM
PRESERVATIONIST GROUPS

DATE: 04/30/86 TIME: 11:38:16 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: LARS EIDE
BOX 942
PETERSBURG
772-4484

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

VOTE FOR SJR51 IN SUPPORT OF TIMBER INDUSTRY OF ALASKA.
IT IS YOUR LIVELIHOOD AS WELL AS THAT OF ALL OF US IN THE
INDUSTRY.

DATE: 04/30/86 TIME: 11:27:17 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: LARRY M. GIBB
BOX 1372
PETERSBURG, AK
772-3816

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51. IT IS IMPERATIVE THAT OUR TRADITIONAL ECONOMIC BASES BE SUPPORTED AND PROTECTED FROM THIS ONSLAUGHT BY OBSTRUCTIONIST GROUPS. THIS ISSUE SHOULD NOT BE SEEN AS TIMBER VERSUS FISHING, BUT AS OUTSIDE INFLUENCE TRYING TO DIVIDE AND CONQUER.

DATE: 04/30/86 TIME: 14:10:37 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: DAN L. SYKES
BOX 884
PETERSBURG, AK
772-3816

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51. IN LIGHT OF FALLING OIL REVENUES, IT IS ESSENTIAL THAT OUR TIMBER INDUSTRIES BE SUPPORTED BY ALL ALASKANS TO ENSURE A STRONG STATE ECONOMY. FOR OUR LONG-RANGE FUTURE IT IS VITAL THAT THIS RESOLUTION BE PASSED.

DATE: 04/30/86 TIME: 14:05:03 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: BRENDA NORHEIM
BOX 935
PETERSBURG, AK
772-3671

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT THE PASSAGE OF SJR 51. THIS AREA NEEDS A
DIVERSIFIED ECONOMIC BASE TO CONTINUE TO PROSPER. ALL INDUSTRIES,
FISHING, AND LOGGING SHOULD BE SUPPORTED.

DATE: 04/30/86 TIME: 13:33:05 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: SKIP HALLINGSTAD
BOX 228
PETERSBURG, AK
772-4768**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**I VERY MUCH SUPPORT THE PASSAGE OF SJR 51. I FEEL IT IS IMPORTANT
FOR ONE OF OUR ECONOMIC BASES TO BE SUPPORTED AND PROTECTED.**

DATE: 04/30/86 TIME: 13:23:29 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

**FROM: DAN NEWPORT
BOX 1105
PETERSBURG, AK
772-3682**

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

**ENVIRONMENTALISM HAS GONE TO AN EXTREME. I AM AN ENVIRONMENTALIST
AND A CONCERNED CITIZEN OF THE STATE OF ALASKA. MY CONCERN IS MAINLY
THAT COMMON LABORERS OF THIS INDUSTRY ARE BEING WIPED OUT. THERE'S
NO CONFLICT BETWEEN THIS INDUSTRY'S LABORERS & FISHING. BOTH UTILIZE
NATURAL RESOURCES FOR THE ECONOMY AND THE WELL-BEING OF ALL.**

DATE: 04/30/86 TIME: 13:14:10 SENT BY: PETERSBURG LIO

**COPIES TO: HOUSE MEMBERS
SENATE MEMBERS**

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: LINDA J. CRAMER
BOX 1563
PETERSBURG
772-3816

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I STRONGLY SUPPORT PASSAGE OF SJR 51. THIS ISSUE SHOULD NOT BE VIEWED
AS A CONFLICT BETWEEN TIMBER AND FISHING.

DATE: 04/30/86 TIME: 12:11:43 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI
FROM: BILL PRIVETT, MAYOR OF WRANGELL
PO BOX 555
WRANGELL, AK 99929
874-2381

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

PLEASE ENDORSE SJR 51, INCLUDING THE TERM "WILDERNESS,"
LINE 14-15, PAGE 2. BOTH CITY COUNCIL AND CHAMBER OF
COMMERCE OF WRANGELL HAVE UNANIMOUSLY PASSED SAME
RESOLUTION. ECONOMIC FUTURE OF ALASKA ENDANGERED. WE
ASK YOUR SUPPORT.

DATE: 04/30/86 TIME: 14:36:03 SENT BY: KETCHIKAN LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

W

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI

FROM: JOHN W. JOHNSON
BOX 1273
PETERSBURG, AK
772-3791

99833

BILL NO: SJR 51

SUBJECT: ALASKA TIMBER AND ANILCA

MESSAGE:

I SUPPORT SJR 51.
WE MUST PROTECT JOBS AND DIVERSIFY OUR ECONOMY.
DO NOT CHANGE ANILCA.

DATE: 04/28/86 TIME: 15:01:40 SENT BY: PETERSBURG LIO

COPIES TO: HOUSE MEMBERS
SENATE MEMBERS

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 51 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the Alaska National Interest
6 Lands Conservation Act Sections 705 and
7 706.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the timber industry is an important industry and a major
10 contributor to the economy of the state; and

11 WHEREAS tourism, commercial fishing, and recreation industries are
12 also vital to Southeast Alaska and are major contributors to the state's
13 and region's economy; and

14 WHEREAS the passage of the Alaska National Interest Lands Conservation
15 Act (ANILCA) recognized the importance of these industries to the state;
16 and

17 WHEREAS Section 705 of ANILCA was a compromise between those advocat-
18 ing wilderness additions, those supporting a viable timber industry, and
19 those concerned about other values within the Tongass National Forest; and

20 WHEREAS Section 705 provided for a timber supply fund to make timber
21 harvest in marginally economic stands economically feasible; and

22 WHEREAS Section 705 authorized a timber supply harvest goal of 4.5
23 billion board feet per decade; and

24 WHEREAS Congress's objective in Section 705 was to maintain employment
25 in the dependent timber industry of Southeast Alaska at pre-ANILCA levels,
26 while ensuring that other resource values and public uses would be pro-
27 tected on nonwilderness land in accordance with Federal law and the Tongass
28 Land Management Plan; and

29 WHEREAS Section 705 has not been properly implemented, particularly as

1 a result of the forest service's failure to allocate Section 705 funds in
2 accordance with representations it made to Congress at the time of ANILCA's
3 passage; and

4 WHEREAS Congress is about to begin oversight hearings to consider
5 Section 705 of ANILCA;

6 BE IT RESOLVED by the Alaska State Legislature that Section 705 of
7 ANILCA not be amended so that the delicate compromise crafted by Congress
8 balancing values within the Tongass National Forest be maintained; and be
9 it

10 FURTHER RESOLVED that the forest service continue to manage the
11 Tongass National Forest in a manner that will maintain the balance between
12 jobs and development, and fish, wildlife, recreation, and wilderness in
13 Southeast Alaska, and that the timber harvest level of 4.5 billion board
14 feet per decade be maintained; and be it

15 FURTHER RESOLVED that the Tongass Timber Supply Fund be adequately
16 funded and spent in accordance with the manner and for the items that the
17 forest service advised Congress it would spend the funds; and be it

18 FURTHER RESOLVED that before Congress begins any further consideration
19 of ANILCA that hearings be held within the State of Alaska.

20 COPIES of this resolution shall be sent to the Honorable Ronald
21 Reagan, President of the United States; to the Honorable George Bush,
22 Vice-President of the United States and President of the U.S. Senate; to
23 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
24 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
25 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
26 members of the Alaska delegation in Congress.

James
4/30/86

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 51 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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9 WHEREAS the timber industry is an important industry and a major
10 contributor to the economy of the state; and

11 WHEREAS tourism, commercial fishing, and recreation industries are
12 also vital to Southeast Alaska and are major contributors to the state's
13 and region's economy; and

14 WHEREAS the passage of the Alaska National Interest Lands Conservation
15 Act (ANILCA) recognized the importance of these industries to the state;
16 and

17 *your report* WHEREAS Sections 705 and 706 of ANILCA were a compromise between those
18 advocating wilderness additions, those supporting a viable timber industry,
19 and those concerned about other values within the Tongass National Forest;
20 and

21 WHEREAS Section 705 provided for a timber supply fund to make timber
22 harvest in marginally economic stands economically feasible; and

23 WHEREAS Section 705 authorized a timber supply harvest goal of 4.5
24 billion board feet per decade; and

25 WHEREAS Congress's objective in Sections 705 and 706 was to maintain
26 employment in the dependent timber industry of Southeast Alaska at pre-
27 ANILCA levels, while ensuring that other resource values and public uses
28 would be protected on nonwilderness land in accordance with Federal law and
29 the Tongass Land Management Plan; and

*person
engels*

1 WHEREAS Sections 705 and 706 have not been properly implemented,
2 particularly as a result of the forest service's failure to allocate Sec-
3 tion 705 funds in accordance with representations it made to Congress at
4 the time of ANILCA's passage; and

5 WHEREAS Congress is about to begin oversight hearings to consider
6 Sections 705 and 706 of ANILCA;

7 BE IT RESOLVED by the Alaska State Legislature that Sections 705 and
8 706 of ANILCA not be amended so that the delicate compromise crafted by
9 Congress balancing values within the Tongass National Forest be maintained;
10 and be it

11 FURTHER RESOLVED that the forest service continue to manage the
12 Tongass National Forest in a manner that will maintain the balance between
13 jobs and development, and fish, wildlife, recreation, and wilderness in
14 Southeast Alaska, and that the timber harvest level of 4.5 billion board
15 feet per decade be maintained; and be it

16 FURTHER RESOLVED that the Tongass Timber Supply Fund be adequately
17 funded and spent in accordance with the manner and for the items that the
18 forest service advised Congress it would spend the funds; and be it

19 FURTHER RESOLVED that before Congress begins any further consideration
20 of ANILCA that hearings be held within the State of Alaska.

21 COPIES of this resolution shall be sent to the Honorable Ronald
22 Reagan, President of the United States; to the Honorable George Bush,
23 Vice-President of the United States and President of the U.S. Senate; to
24 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
25 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
26 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
27 members of the Alaska delegation in Congress.
28
29

Introduced: 4/24/86
Referred: Resources

*Don't want
to lose
economy*

*Harvest level
too high -
depleting
resources*

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE JOINT RESOLUTION NO. 51

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Relating to the Alaska National Interest

6

Lands Conservation Act and endorsing

7

support for the timber industry.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the timber industry is a vital industry in the state and a
10 major contributor to the economy; and

11 WHEREAS the passage of the Alaska National Interest Lands Conservation
12 Act (ANILCA) in 1980 recognized the importance of the timber industry to
13 the state; and

14 WHEREAS ANILCA provided for a timber supply fund and also authorized a
15 timber supply harvest level in order to ensure economic stability within
16 the timber industry; and

17 WHEREAS ANILCA was a compromise reached in 1980 between those advocat-
18 ing wilderness additions and those supporting a viable timber industry and
19 a renewable resource; and

20 WHEREAS ANILCA has already mandated and set aside over 50 percent of
21 Southeastern Alaska land as wilderness and roadless areas; and

22 WHEREAS the total acreage of the Tongass National Forest is 16,706,895
23 acres excluding land in other ownership and, of that total, only 1,749,700
24 acres are scheduled for harvest over the rotation of 100 years which con-
25 stitutes only one-tenth of one percent a year or 10 percent over the life
26 of the rotation; and

27 WHEREAS any attempt to change ANILCA to create additional wilderness
28 areas, and decrease the mandated timber harvest level or eliminate the
29 authorized timber supply fund would cause severe detrimental damage to the

*But need more - not opening up ANILCA
changes in land.
timber industry*

See p. 84 State

1 economy of Southeastern Alaska; and

2 WHEREAS the Congress is about to begin hearings to consider ANILCA and
3 special interest groups are requesting significant changes in ANILCA that
4 may cause severe economic damage to the existing timber industry and,
5 consequently, many communities in Southeastern Alaska;

6 BE IT RESOLVED by the Alaska State Legislature that ANILCA not be
7 reopened or amended as this action would have the effect of voiding the
8 delicate compromise and subsequent legislation passed in 1980; and be it

9 FURTHER RESOLVED that the timber harvest level of 4.5 billion board
10 feet per decade as mandated by ANILCA be maintained; and be it

11 FURTHER RESOLVED that the timber supply fund as enacted as part of
12 ANILCA be maintained and adequately funded; and be it

Amme
13 FURTHER RESOLVED that the land base made available under ANILCA for
14 renewable timber harvest not be reduced and no further additions to wilder-
15 ness areas be enacted; and be it

16 FURTHER RESOLVED that before the Congress begins any further consider-
17 ation of ANILCA that hearings be held within the State of Alaska.

18 COPIES of this resolution shall be sent to the Honorable Ronald
19 Reagan, President of the United States; to the Honorable George Bush,
20 Vice-President of the United States and President of the U.S. Senate; to
21 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
22 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
23 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
24 members of the Alaska delegation in Congress.

See into hearings in one aspect.

LEACC State

Fischer - Pertinent recommendations - sufficient S/S
Clark @ carrying out law -

Introduced: 4/24/86
Referred: Resources

Amended

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 SENATE JOINT RESOLUTION NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the Alaska National Interest
6 Lands Conservation Act and endorsing
7 support for the timber industry.

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21 Southeastern Alaska land as wilderness and roadless areas; and

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26 of the rotation; and

27 WHEREAS any attempt to change ANILCA to create additional wilderness
28 areas, and decrease the mandated timber harvest level or eliminate the
29 authorized timber supply fund would cause severe detrimental damage to the

1 economy of Southeastern Alaska; and

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3 special interest groups are requesting significant changes in ANILCA that
4 may cause severe economic damage to the existing timber industry and,
5 consequently, many communities in Southeastern Alaska;

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8 delicate compromise and subsequent legislation passed in 1980; and be it

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12 ANILCA be maintained and adequately funded; and be it

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14 renewable timber harvest not be reduced and no further additions to wilder-
15 ness areas be enacted; and be it

16 FURTHER RESOLVED that before the Congress begins any further consider-
17 ation of ANILCA that hearings be held within the State of Alaska.

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20 Vice-President of the United States and President of the U.S. Senate; to
21 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
22 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
23 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
24 members of the Alaska delegation in Congress.

Offered: 5/1/86
Referred: Rules

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 51 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
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13 and region's economy; and
14 WHEREAS the passage of the Alaska National Interest Lands Conservation
15 Act (ANILCA) recognized the importance of these industries to the state;
16 and
17 WHEREAS Section 705 of ANILCA was a compromise between those advocat-
18 ing wilderness additions, those supporting a viable timber industry, and
19 those concerned about other values within the Tongass National Forest; and
20 WHEREAS Section 705 provided for a timber supply fund to make timber
21 harvest in marginally economic stands economically feasible; and
22 WHEREAS Section 705 authorized a timber supply harvest goal of 4.5
23 billion board feet per decade; and
24 WHEREAS Congress's objective in Section 705 was to maintain employment
25 in the dependent timber industry of Southeast Alaska at pre-ANILCA levels,
26 while ensuring that other resource values and public uses would be pro-
27 tected on nonwilderness land in accordance with Federal law and the Tongass
28 Land Management Plan; and
29 WHEREAS Section 705 has not been properly implemented, particularly as

1 a result of the forest service's failure to allocate Section 705 funds in
2 accordance with representations it made to Congress at the time of ANILCA's
3 passage; and

4 WHEREAS Congress is about to begin oversight hearings to consider
5 Section 705 of ANILCA;

6 BE IT RESOLVED by the Alaska State Legislature that Section 705 of
7 ANILCA not be amended so that the delicate compromise crafted by Congress
8 balancing values within the Tongass National Forest be maintained; and be
9 it

10 FURTHER RESOLVED that the forest service continue to manage the
11 Tongass National Forest in a manner that will maintain the balance between
12 jobs and development, and fish, wildlife, recreation, and wilderness in
13 Southeast Alaska, and that the timber harvest level of 4.5 billion board
14 feet per decade ^{if deemed} be maintained; and be it

15 FURTHER RESOLVED that the Tongass Timber Supply Fund be adequately
16 funded and spent in accordance with the manner and for the items that the
17 forest service advised Congress it would spend the funds; and be it

18 FURTHER RESOLVE that before Congress begins any further consideration
19 of ANILCA that hearings be held within the State of Alaska.

20 COPIES of this resolution shall be sent to the Honorable Ronald
21 Reagan, President of the United States; to the Honorable George Bush,
22 Vice-President of the United States and President of the U.S. Senate; to
23 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
24 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
25 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
26 members of the Alaska delegation in Congress.

Editorial

What to expect

We expect another verbal assault on the Alaska timber industry in Washington, D.C. this week. The House subcommittee on lands, chaired by Rep. John Seiberling, is holding an oversight hearing on the Alaska National Interest Lands Conservation Act.

The Wilderness Society is the lead conservation agency in a battle to amend ANILCA to eliminate the 450 million board foot per year cut guarantee to the timber industry and the \$40 million per year authorized to make that amount of timber available.

Those provisions were put in ANILCA to assure that putting five million acres of Southeastern Alaska in wilderness would not reduce the number of jobs in the industry. Unfortunately, the number of jobs dropped because of the economy. Now that the industry is down, the environmentalist want to finish it off in Southeast by taking those provisions out of ANILCA and canceling the long term sales to the two pulp mills. The half-truths they use to bolster their arguments have served only to reduce the credibility of the conservation organizations in Alaska. But In Washington they do have supporters such as Seiberling.

Some Alaskans are rallying to support the timber industry. We hope to see a more balanced news story out of Washington, D.C. than has been the experience in the past. The Alaska Legislature has before it a resolution supporting the 450 million board foot cut and the financial support to make the timber available. It appears the resolution will pass in time for the Congressional hearing.

Many communities' legislative bodies have passed similar resolutions. Smaller communities where the conservation movement is strong have passed resolutions condemning the Forest Service and the timber industry.

We hate to see a rehash of the battle for Alaska lands that raged for over two years and resulted in ANILCA. But it was ordained. The environmental community didn't gain all they wanted in 1980, a complete lock up of Southeast from developers.

If Alaskans want to continue living in Southeast and enjoying it, they should wake up to the nationally guided lockup threat and support the timber industry. Or, after the timber industry is gone, then it will be mining, then commercial fishing, and on down the line.

Editorial

An accurate report

Regional forester Mike Barton has forwarded a status report on the Tongass National Forest to Congress. Under terms of the Alaska National Interest Lands Conservation Act passed in 1980, a report of the effect of ANILCA on Tongass National Forest, its resources and people was to be made to Congress within five years. The draft of the report was ready by the deadline and now four months later the final version is on the way.

It's an accurate report, judging by reactions. None of the cooperating agencies is happy. Strangely, none of the agencies dispute the report. They simply use the report as a means of advancing their own special interests, or, in the case of the state of Alaska, to make political points. The state agrees with all of the critics.

Environmentalists, as could be predicted, want less logging and other activity in the Tongass. Southeastern Alaska Conservation Council begins its comments with "The troubled Tongass: How our taxes subsidize the devastation of America's largest national forest." They go on to "endless rhythm and beauty is threatened with destruction," and proceed to say how things would be better if the portion of ANILCA aiding the timber industry was repealed and the long-term timber sales supporting the two pulp mills were canceled. Nothing argues with the report.

The Alaska Loggers Association, of course, wants the forest Service to use more of the money made available under ANILCA to help the depressed timber industry.

Sealaska Corporation wants the Forest Service to make the pulp mills buy their pulp logs and keep anyone from competing with them in the round log market.

The fishermen were brief in their comments, probably because it is hard to say logging and forest management are harming fisheries after the area has experienced six record salmon seasons in a row.

The state agrees with all of the above, which does little to settle the issues, and recommends that Congress hold hearings on Forest Service management of the national forest.

A hearing will be held May 7-8 in Washington before the House Subcommittee on Public Lands. It will be little more than a soap box for the environmental community to repeat its views. Chairman John Seiberling has championed their cause. The environmentalists on Prince of Wales Island, who pulled their well publicized stunt Monday of saying they would secede from the union, knew when the hearings were to be held a full day before Alaska Congressman Don Young, who sits on the committee. That tells how the hearing is stacked. With a pipeline like that to Congress, why secede?

Which gets us off the subject of the Forest Service report, as other commenting on it got off the track.

Briefly, the status of the Tongass is that ANILCA solved nothing in southeastern Alaska. The comments in the report from cooperating agencies proves that, which tells us the report is especially fair and accurate.

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 485-4907

Senate Committee on Resources

MEMORANDUM

April 26, 1986

TO: All Members
Senate Resources Committee

FROM: Staff, Senate Resources Committee

RE: SJR 51 ⁷ Endorsing support for the timber
industry

Congress is about to begin hearings on ANILCA in Washington, D.C., and SJR 51 urges that there not be any amendments that would cause economic damage to the existing timber industry.

The resolution further urges that: (1) the current timber harvest level of 4.5 billion board feet per decade be maintained; (2) the timber supply fund be maintained and adequately funded; (3) no reduction be made in the land area available for timber harvest; (4) no additions be made to wilderness areas; and (5) public hearings be held in Alaska before any further consideration of ANILCA by Congress.

There is a zero fiscal note.

Enclosure:
Status of the Tongass National Forest,
U.S. Forest Service

S-14.
~~7-13~~

SENATE AMENDMENT

#1

By

Rodney

To:

CSS JR

SENATE BILL No.

51 Res

To:

HOUSE BILL No.

PAGE: 2

LINE: 14

After the word "decade"

add:

"if desirable,"



United States
Department of
Agriculture

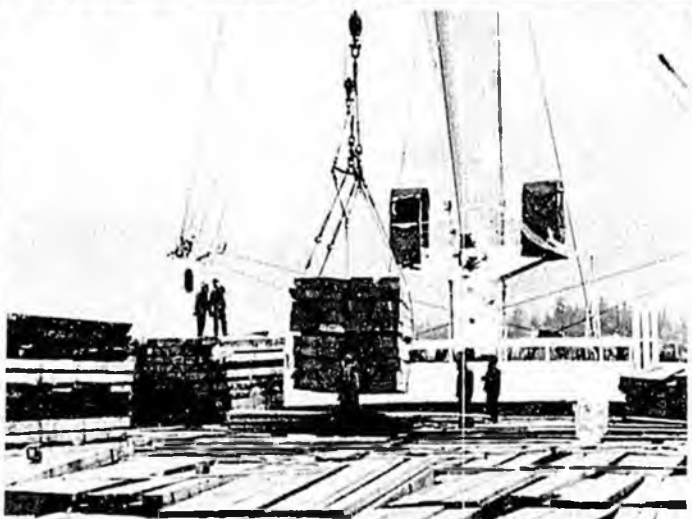
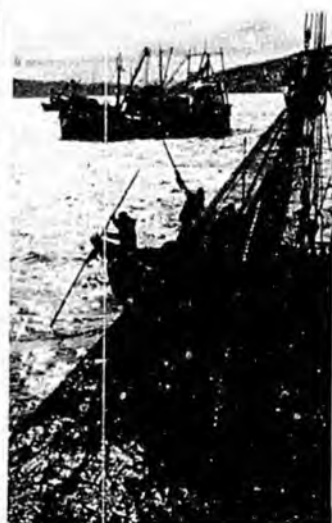
Forest Service

Alaska Region
Admin. Doc.
Number 153



Status of the Tongass National Forest

1985 Report



STATUS OF THE TONGASS NATIONAL FOREST

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

Section 706(b), Report Number 1

United States Department of Agriculture
Forest Service

April 1986



BACKGROUND

The Alaska Region of the Forest Service has been preparing a Report on the Status of the Tongass National Forest called for by Congress in the Alaska National Interest Lands Conservation Act (ANILCA), Sections 706 (b) and (c). The report is due to be released in mid-April and includes information on important facets of Tongass National Forest management: Tongass timber harvest levels, impacts of Wilderness designation on timber, fishing, and tourism industries, protection measures for fish and wildlife, and the status of the small business set aside program. The Executive Summary from the report is attached.

Information for the report was drawn from many sources, including the timber industry, several Departments of the State of Alaska, and Forest Service records.

The report was prepared along with five "cooperators" named in ANILCA: the State, the affected Native Corporations, the Southeast Alaska timber industry, the Southeast Alaska Conservation Council (SEACC), and the Alaska Land Use Council (ALUC). At the urging of Senator Ted Stevens, a group of commercial fishing organizations were also invited to participate.

During preparation of the report, the Forest Service invited the cooperators to review and comment on study plans and the draft report. As a result, changes were made that strengthened the report. The cooperators were also asked to present their own views in the form of a "Cooperators' Chapter" in the final report to Congress.

The cooperators have made some key points that emphasize their desires for and concerns about the Tongass National Forest, including:

- The Forest Service should terminate the Alaska Pulp Corporation and Louisiana Pacific-Ketchikan long-term timber sales. (SEACC)
- The Forest Service has not used the funds provided through Section 705(a) of ANILCA properly. The road program on the Tongass National Forest has not been fully funded. (State and timber industry)
- The Forest Service has not provided adequate protection for fisheries resources while conducting the timber program. (State, SEACC, and Commercial Fishing Groups)
- The Forest Service has not provided adequate protection for the habitat of the Sitka Black-tailed Deer while conducting the timber program. Over time, the timber program will lead to dramatic declines in critical deer habitat and, therefore, deer populations. (State and SEACC)
- Forest Service timber policies have had negative effects on the Native Corporations' timber programs. (State, Sealaska, and SEACC)





In addition to broader topics, the Report on the Status of the Tongass National Forest addresses the cooperators' desires and concerns:

- The long-term sales were established with the support of local, State, and federal governments and private interests to improve community and economic stability in Southeast Alaska, and given the effects of market changes, they have done so. Grounds to terminate the contracts have never appeared, not even during recent Department of Justice evaluations of anti-trust violations.
- Congress designated Wilderness areas in ANILCA that contained high-quality timber that had previously been potentially available to the timber industry. Congress provided funds to make the cost of harvesting sales containing poorer-quality timber outside the Wildernesses roughly equal to the cost of harvesting the average timber sale sold prior to 1979 and the Tongass Land Management Plan. The ANILCA funding was designed mainly to adjust for changes in the quality of timber available to the industry, and was not designed to insure profits in times of poor timber markets.
- Other federal and State agencies and the Forest Service are cooperating and funding research programs to determine the best methods of protecting fisheries. As improved methods are developed and tested, they are put into practice in new timber sales. An example is the use of "large woody debris": root wads, stems and larger tree limbs. Up until recently, timber operators were required to remove such material from streams in timber sale areas. Today, researchers generally agree that some large woody debris is beneficial to the fisheries habitat and timber operators must add some to parts of streams identified by fisheries biologists.
- Over 4.1 million acres of deer winter habitat were identified on the Tongass in 1979. If present use patterns continue over a century, almost 2.9 million acres will remain in the same condition as identified in 1979. Therefore, in 2079, over 70% of the total deer habitat would remain unchanged. This does not mean that total deer populations would necessarily decline by 30% or, accordingly, that hunter demands would not be met.
- During the Congressional deliberations on ANILCA, the Senate reduced their proposal for timber supply from the Tongass from 5.2 billion board feet to 4.5 billion board feet per decade. In part, this reduction reflected the potential timber harvest on newly conveyed Native Corporation lands. Since then, market forces such as depressed demand, increased international competition, and currency exchange rates have had far more impact on Native Corporation log sales than the sales of processed logs cut on the National Forests.

Last week, the Executive Summary was shared with Congress and the cooperators.



Preface

Management of the Nation's National Forests has been shaped by a variety of laws and regulations. Perhaps the most instrumental of these in the past 15 years has been the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) and the National Forest Management Act of 1976 (NFMA). The two acts established specific procedures and guidelines for assessing the Nation's forest and rangeland resources and for incorporating land management planning in meeting multiple resource use and protection goals.

In Alaska, forest management has been further refined by the Alaska National Interest Lands Conservation Act of 1980 (ANILCA). This Act was a comprehensive Congressional treatment of Alaska land issues related to land claim disputes and management of Federal areas. Many of these issues were carry-overs from earlier legislation, primarily Section 17(d-2) of the Alaska Native Claims Settlement Act, and required resolution before State and Native Corporation land selections could be completed. These land selections were authorized in the Alaska Statehood Act (1959) and the Native Claims Settlement Act (1971).

An important source document for the Southeast Alaska portion of the deliberations leading to ANILCA's passage was the Tongass National Forest Land Management Plan (Forest Plan) completed in 1979. Because of the close relationship between the Forest Plan and ANILCA, much of the reporting and monitoring efforts required under both have proceeded in a parallel fashion. In fact, much of the information contained in this report draws from earlier forest planning documents and ANILCA reports. For example, the major factors influencing timber supply and demand in Southeast Alaska are described in annual timber supply and demand reports called for by Section 706(a) of ANILCA. A report on "Opportunities to Increase Timber Yields from National Forest Timber in Alaska" was called for by Section 705(c) of ANILCA. Subsistence management and use provisions implementing Title VIII of ANILCA are highlighted in a report called for by ANILCA Section 813. More recently, the Tongass Land Management Plan Evaluation Report (1984) described changes in management since the Forest Plan was implemented and how the Forest Plan has influenced activities on the Tongass National Forest. The Evaluation Report also identifies "mid-course" corrections needed to make the Forest Plan more responsive to current management conditions. Changes to the current Forest Plan are made through periodic amendments beginning with the one in 1985.

This is the first in a series of ANILCA reports to Congress on the status of the Tongass National Forest called for by Section 706(b). Information contained in this and other reports as well as the Forest Plan amendments will be used in scheduled revisions of the Tongass National Forest Plan. The first revision is currently scheduled to be completed in 1989.



Executive Summary

Status of the Tongass National Forest, Southeast Alaska

The total land area for the Tongass National Forest is approximately 16.7 million acres. Under the current Tongass Land Management Plan, 41 percent of the total land base is available for timber management, 33 percent is designated Wilderness and the remaining 26 percent is managed in an unroaded condition. Table 1 displays the amount of forested land in each of the above categories, the amount classified as commercial forest lands, the amount suitable for timber harvest, and the amount programmed for timber harvest. Eleven percent of the total land base is programmed for timber harvest during the first rotation, or 100-120 years.

Table 1 — *Tongass National Forest land base, Southeast Alaska*

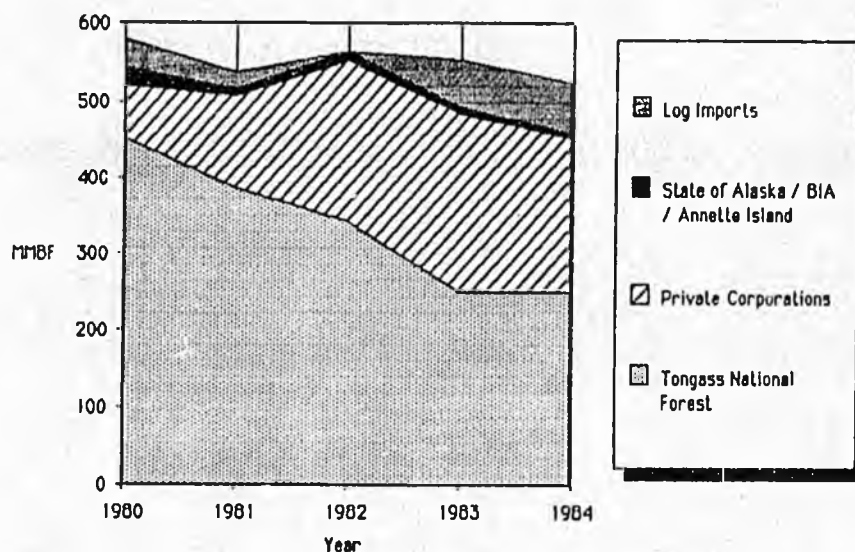
	Total area (millions of acres)	Forested lands (%)	Commercial forest lands (%)	Suitable for harvest (%)	Program for harvest (%)
Available for timber management	6.9	80	52	29	25
Wilderness	5.5	48	29	16	0
Managed in an unroaded condition	4.3	25	15	8	0
Forest total	16.7	57	35	18	11

Timber Harvest Levels

The overall timber harvest from all ownerships in Southeast Alaska has remained relatively constant since the passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980. However, new suppliers of timber have appeared during this period. The increase in the amount of timber supplied by private landowners has almost tripled as Southeast Alaska's Native corporations have received title to the lands selected under the provisions of the Alaska Native Claims Settlement Act of 1971. These private landowners have been able to export unprocessed logs; in contrast to purchasers of Tongass National Forest timber who are required to complete some form of primary manufacture prior to exporting. The lack of primary manufacturing requirements, the presence of more environmental protection on National Forest timber sales, and a preference for round logs by many buyers in the Pacific Rim countries, have contributed to increased timber being purchased from private ownerships in Southeast Alaska. Figure 1 displays timber harvest levels from 1980 to 1984 on Forest Service, State of Alaska, and privately managed lands. Also displayed is the amount of log imports from British Columbia for the same period.

The amount of timber harvested on the Tongass National Forest has substantially decreased since the enactment of ANILCA. Several factors in addition to the increased private timber harvests are responsible for this decrease. These factors include a poor market for Alaska's lumber products and dissolving pulp; the substitution of low-quality logs from British Columbia for Southeast Alaska pulp logs; and the value of products after primary manufacturing compared to round log exports from private lands in Alaska. The dominating factors are

Figure 1
Timber Harvests in
Southeast Alaska,
1980-84



the lower overall demand for Alaska's manufactured wood products and the higher costs of manufactured wood products in Alaska.

The economic condition in the Pacific Rim, which some have described as the worst since the 1930's, has severely affected the profitability of National Forest timber sales. Both the timber industry and the Forest Service have instituted cost-saving measures which have provided significant savings in the harvesting and manufacture of Alaska's wood products. However, the composite value of wood products made from Tongass National Forest timber in Southeast Alaska has dropped nearly \$200 per thousand board feet (mbf) since 1980. The result is that the cost savings being realized are not offsetting the drop in end-product values. For this reason many sales remain unsold.

Another result of the depressed markets is the delayed realization of benefits from added investments envisioned in the Forest Plan and provided by ANILCA. The Forest Plan anticipated that harvest of lower volume and more expensive stands would be necessary in order to offer 4.5 billion board feet per decade. This was due to several factors including the designation of Wilderness, the establishment of areas to be managed in an unroaded state, and the need to protect other resource values. Investments in road construction prior to the sale of timber (preroading) and advanced logging technology were intended to offset the increased cost of harvesting these stands. Precommercial thinning is also needed if the 4.5 billion board feet per decade timber supply is to be made available. While precommercial thinning investments have been carried out as planned, the industry has shown little interest in the marginal timber stands made available. Consequently, with some exceptions, the benefits of the investments in these areas will not be realized until these areas are needed to meet market demands.

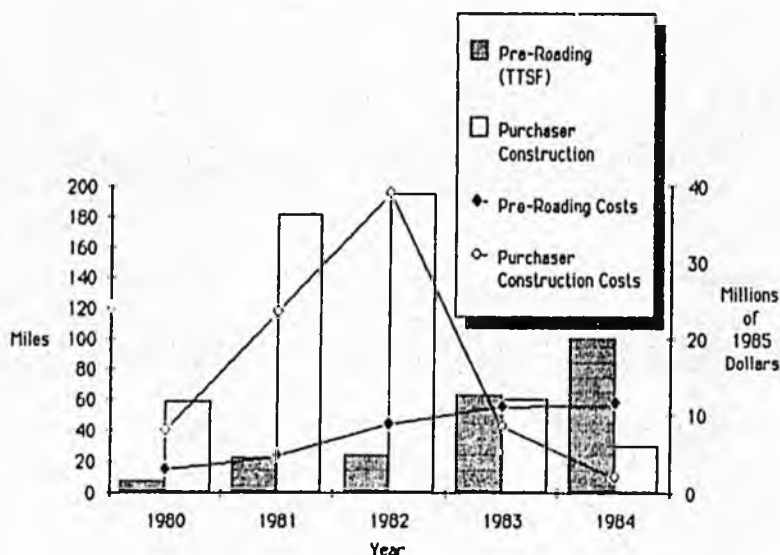
Recognizing the impact these economic conditions have had on the programs envisioned in the Forest Plan and ANILCA, the Forest Service has attempted to be flexible in its administration of these investments. For example, the scheduling of public works construction of roads used in the timber program has been modified to decrease the time between preroading construction and actual timber harvest. Also the timber sales being offered are being designed to improve the economics of the sale from both the timber purchasers and the American taxpayer's perspective.

The Forest Service has begun scheduling public works road construction on selected short-term timber sales after the sales are sold rather than prior to sale offerings, in order to insure Federal expenditures are used where timber harvest will actually occur in the near future.

Further, timber purchasers are being reimbursed for part of the costs associated with the construction of certain roads on the National Forest in those stands that are of lower

Figure 2

Timber Road Funds and Miles of Construction Contracts Awarded, Tongass National Forest, FY 1980-84



average quality or with more difficult access than those assumed in the Forest Plan.

Figure 2 compares the dollars spent and the miles of roads built by the Forest Service (preroading) versus that constructed by timber purchasers through credits; that is, credit against the amount owed to the Federal Government for the timber.

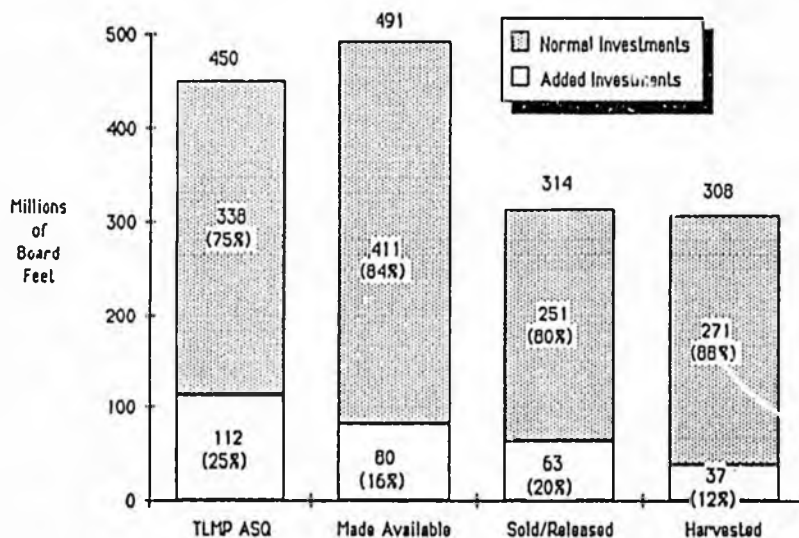
Added investments to encourage advanced logging technology have been reduced until timber demand increases to near pre-ANILCA levels. This was done because timber stands requiring this advanced logging technology are more expensive to harvest and generally have less valuable timber. Until demand for timber increases, thereby making these marginal stands more attractive, it is felt that this type of investment would serve little purpose.

Precommercial thinning investments have met the expectations envisioned in ANILCA. The precommercial thinning program has increased the efficiency of producing timber on the existing land base.

Figure 3 compares the timber volume attributed to normal and added investments in the Forest Plan (1978), with the timber volumes made available, sold, and harvested since 1980.

Figure 3

Average Annual Timber Volume Attributed to Normal and Added Investments in the Forest Plan Versus the Volumes Made Available, Sold, and Harvested, 1980-84



Impact of Wilderness

The Southeast Alaska economy is dependent on natural resources supporting the timber, fisheries, and tourism industries, as well as government expenditures. Figures 4 and 5 show the relative importance of these economic sectors in terms of employment and earnings. Note that employment is expressed in average annual jobs, not full-time equivalents (FTE's).

Over the long term, a result of including commercial forest lands in Wilderness (hence unavailable for harvest), will increase the use of lower-quality timber and the need to use areas requiring advanced harvest technology. The timber supply goal of 4.5 billion board feet

Figure 4
Average Annual
Number of Jobs
(Not Full-Time
Equivalents),
Southeast Alaska,
1977-84

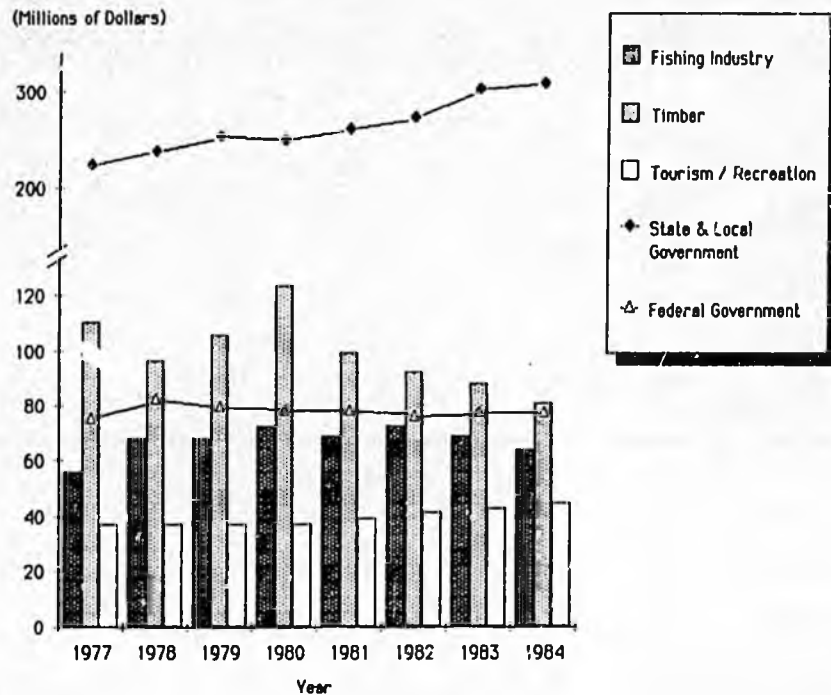
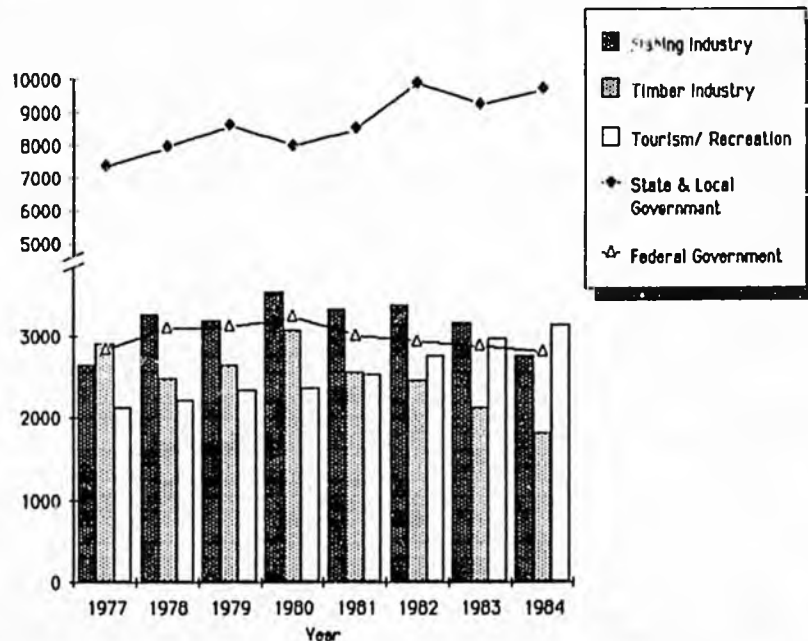


Figure 5
Direct Earnings,
Southeast Alaska,
1977-84



per decade cannot be achieved without using this lower-value, more expensive timber. If commercial forest lands were not in Wilderness, there would be less need for low-volume timber stands and areas requiring advanced logging technology over the harvest rotation, 100-120 years. Because of reduced market demands since 1980, there has been little need to harvest the marginal areas identified in the Forest Plan which require higher logging and transportation costs.

The impacts of Wilderness on the fisheries industry are neutral to positive. ANILCA provided for the management and enhancement of fisheries habitat in Wilderness areas, including aquaculture projects. This provision is unique to Alaska and provides the opportunity to manage the fisheries resource in both the Wilderness and non-Wilderness areas of the Forest. Comprehensive fisheries management in Wilderness areas will continue under the joint direction of State and Federal agencies. Wilderness will continue to provide opportunities for research and management of existing stocks of fish under natural conditions.

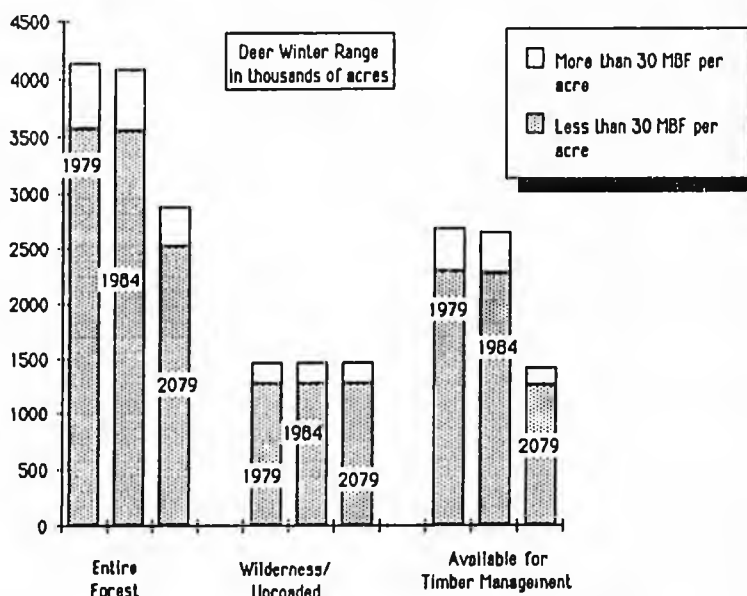
The impact of Wilderness on the tourism industry is mixed, but generally favorable. The tourism industry is primarily based on Alaska's undeveloped scenic character both within designated Wilderness and in other areas with relatively undeveloped characteristics. The State of Alaska and the tourism industry have used these characteristics successfully in advertising campaigns to bring out-of-state tourists to Alaska. The majority of tourism operators feel Wilderness is a positive attribute, but also recognize the restricted effects Wilderness designation has on facilities such as lodges and resorts.

Measures Instituted to Protect Fish and Wildlife

Protecting and managing fish and wildlife habitats on the Tongass National Forest remains a high priority and a public issue. Forty percent of the areas having high wildlife value and 50 percent of the areas having high commercial and recreational fish values have been placed in Wilderness or in unroaded areas managed primarily for primitive recreation. In addition, 273,000 acres of commercial forest lands in areas available for timber harvest have been set aside for wildlife and fisheries purposes. While originally intended to maintain the visual quality of an area, extended timber harvest rotations (120 to 200 years versus 100 years) on an additional 244,000 acres of commercial forest lands, will also benefit fish and wildlife habitat. With these measures, the Forest Service estimates that 69 percent of 4,146,000 acres of deer winter habitat identified in the Forest Plan on the Tongass will remain at the end of the timber harvest rotation. Figure 6 displays the distribution of old-growth deer winter range on the

Figure 6

Distribution of Old-Growth Deer Winter Range, Tongass National Forest, 1979, 1984, and Projected to 2079



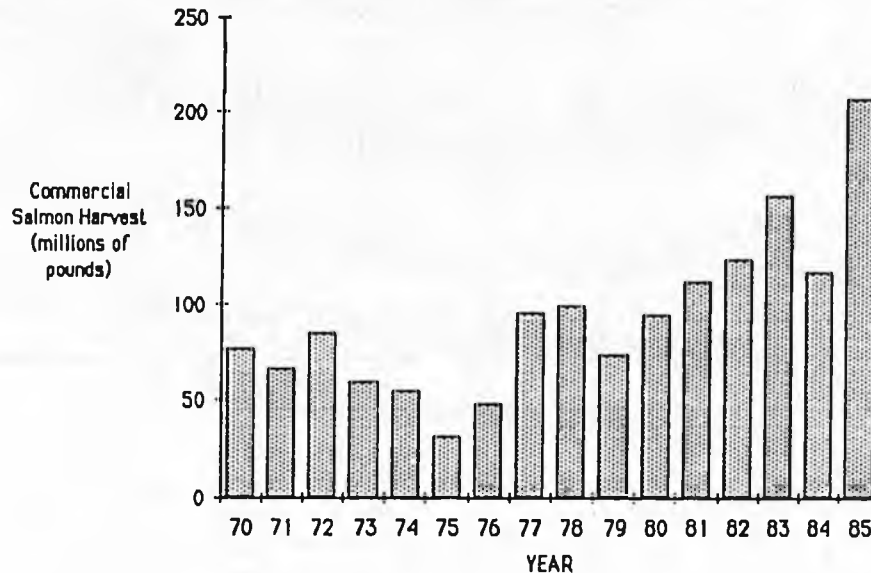
Tongass now and at the end of the first planned timber harvest rotation, the year 2079.

Studies to improve habitat in second-growth areas, which have the potential of reducing the impacts of old-growth habitat loss while at the same time increasing wood production, continue. Measurement of public demand for fish and wildlife use, including subsistence, will also be continued.

Fisheries management and enhancement projects on the Forest have contributed to increases in salmon stocks since the late 1970's. Cooperative fisheries management with other Federal and State agencies will continue until the optimum sustained yield for fisheries is reached. Habitat management and enhancement projects will continue to include projects in Wilderness areas as provided in ANILCA. Figure 7 shows the trend in commercial salmon harvests from 1970 to 1985.

Figure 7

**Commercial
Salmon Harvests,
Southeast Alaska,
1970-85**



Status of the SBA Timber Program

The SBA Set-Aside Timber Sale Program was started in 1977 and has increased the amount of National Forest timber sold to qualifying small businesses. However, the poor timber markets since 1980 which have resulted in an increased number of timber sale offerings having reduced opportunities for profit; and, the greater competition (specifically from Alaska's private log exporters and lumber suppliers in British Columbia), have all combined to severely depress the harvesting and sawmill operations of small businesses. Two of six small business mills are currently in bankruptcy and the remaining four are operating on an intermittent basis.

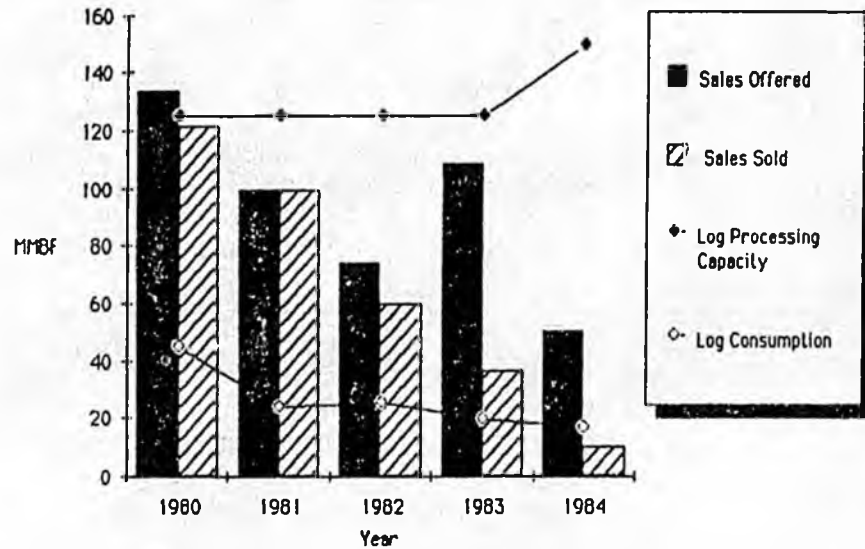
The SBA set-aside program is important to small businesses in their bid to secure National Forest timber. The Federal Timber Contract Payment Modification Act of 1984 will help small businesses remain competitive with the two pulp companies holding long-term National Forest timber sales. However, improvement of existing markets or development of new markets is important to the maintenance of existing industry. Figure 8 shows the amount of Tongass National Forest timber made available and sold in the SBA program from 1980 to 1984.

Community Stability and Timber Economics of the Tongass National Forest

Primary processing of National Forest timber and the establishment of long-term timber sale contracts were two methods used to stabilize the timber industry and diversify the economy of Southeast Alaska. To a large extent, these efforts have been successful. Between 1954 and

Figure 8

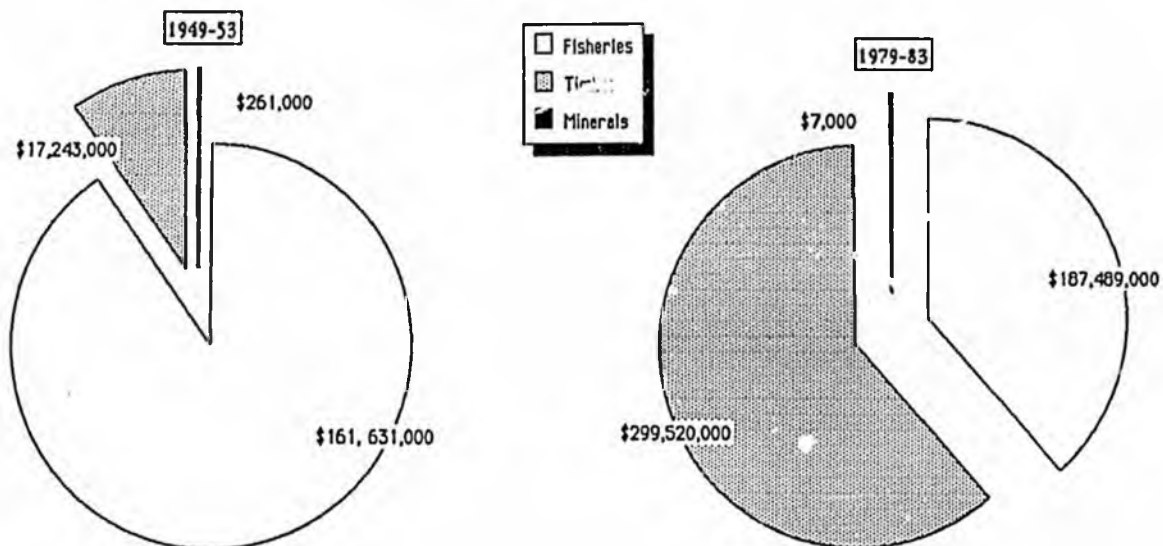
SBA Timber Made Available and Sold to Small Sawmill Owners, Tongass National Forest, 1980-84



1974, timber industry employment grew from 29 to 54 percent of the total employment in natural resource industries in Southeast Alaska (fisheries, timber, minerals). Since 1980, however, depressed timber markets for National Forest timber have altered this trend, and timber now accounts for approximately 40 percent of the region's employment in natural resource industries. Figure 9 shows the significance of the timber industry in the natural resource economic sectors of Southeast Alaska, during the periods 1949-53 and 1979-83. The heavy reliance on export markets for Alaskan wood products means that the industry is heavily influenced by timber market trends within Pacific Rim countries. Figure 10 shows the estimated cumulative costs and returns of the Tongass National Forest timber program over the next 50 years under two market demands, weak (current) and strong. Each of the schedules displayed in figure 10 achieves a timber supply of 4.5 billion board foot per decade and is consistent with the multiple

Figure 9

Value of Timber, Fisheries, and Minerals, 1949-53 and 1979-83



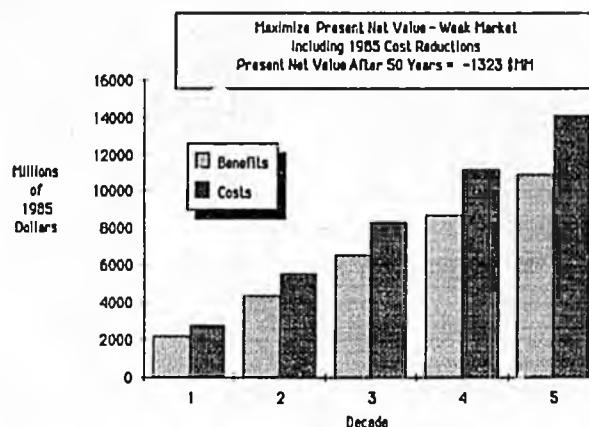
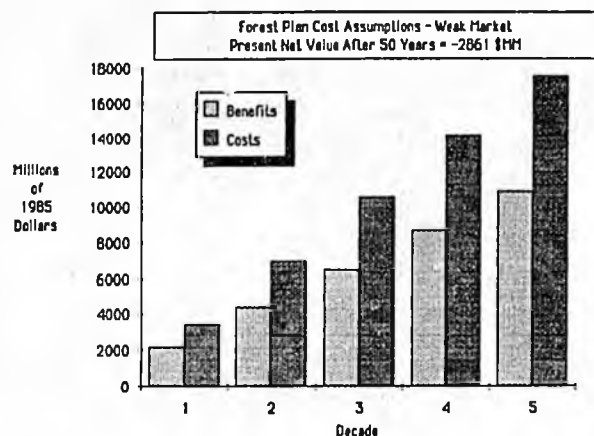
resource direction in the Forest Plan. The calculated returns do not include dollar benefits or costs for nontimber resources such as wildlife, fisheries, and recreation, nor other indirect benefits associated with transportation systems and other infrastructure.

Ways to improve the economics of timber production in Alaska include different product mixes, instituting cost reduction methods and assessing the long-term means of providing the most cost-effective access to timber stands. For example, a alternative product mix favoring the production of more dimension lumber could increase the net benefits by 11 percent.

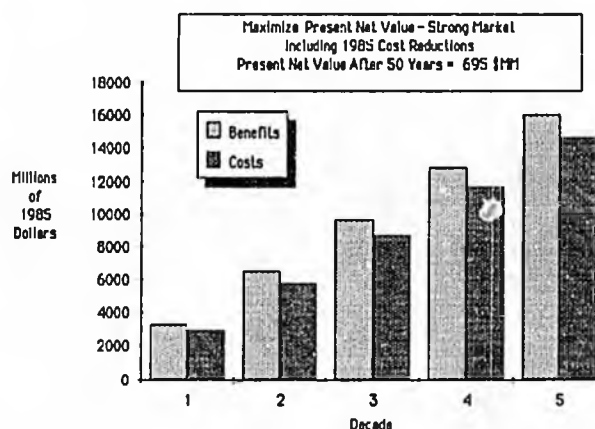
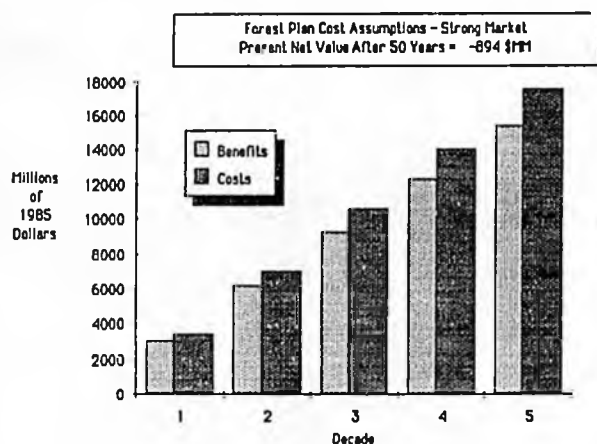
The timber industry in Southeast Alaska needs to be aware of the changing demands in the world market and make any needed adjustments in the products delivered to those

Figure 10
Cumulative Cost and Returns of Two Harvest Schedules
Under Weak and Strong Markets

"Weak" or Current Market



"Strong Market"



markets. The type of pulp products that have been the mainstay of the industry, are no longer in demand at the levels of the late 1970's. Large stands of high-quality timber for use as dimensional lumber, are becoming more expensive to access. Increased dependence upon lower-quality wood can be expected. Higher production costs and lower-quality timber work against the industry in remaining cost competitive with other North American timber suppliers. The industry needs to continue to seek out better means of meeting world demands.

Subsistence Management and Use

Subsistence, as defined by ANILCA, provides a priority status for customary and traditional consumptive uses of fish, wildlife, and other renewable resources by rural Alaska residents on Federal public lands. Subsistence management does not preclude the use of other resources but requires the Forest Service to consider subsistence uses in making resource decisions. There have been no findings of significant restrictions on subsistence use from the Section 810 evaluations prepared on Forest Service projects.

Cooperators' Views

Section 706(c) of ANILCA calls for the Forest Service to work in cooperation and consultation with groups named in the section. This chapter provides the unfiltered views of the cooperators. The Forest Service received comments on the draft report from the cooperators listed in Section 706(c), as well as other interested groups and individuals, and has responded to or made changes in this final report.

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Introduction

The Tongass National Forest is the largest National Forest in the National Forest System, extending over more than 16.8 million acres or nearly 85 percent of Southeast Alaska. Glaciers, volcanic processes and a cool maritime climate yielding some 100 inches of precipitation annually have sculptured the "Alaska Panhandle." Today, Southeast Alaska is characterized by hundreds of large and small islands, rugged coastlines, tidewater glaciers, an intricate system of fiords and waterways, high mountains, vast spruce and hemlock forests, and countless rivers and streams. Fish and wildlife resources are varied and plentiful. Some of the more commonly known species include Sitka black-tailed deer, brown and black bears, bald eagles, wolves, moose, mountain goats, and five species of Pacific salmon.

It is within this setting that human occupation of Southeast Alaska and use of the Tongass National Forest has evolved. From the region's earliest settlement by Tlingit and Haida Indians, use of the area's natural resources has been the primary focus of human activity. Today, timber, fishing, mineral exploration and development, tourism, recreation, and subsistence are the major activities which rely on Southeast Alaska's and, thus, the Forest's resources.

Unfortunately, not all of these activities are viewed as compatible. Congress recognized these potential resource conflicts when it passed the Alaska National Interest Lands Conservation Act (ANILCA). In a broad sense the Act attempted to balance many of the competing demands being placed on Alaska's natural resources. While the Act addresses land and resource use issues throughout the State, several important provisions directly influence management activities in Southeast Alaska and the Tongass National Forest in particular. Specifically, Section 703 created 5.5 million acres of National Monument and Wilderness Areas within the Tongass National Forest; Section 705 authorized a funding mechanism to maintain a supply of National Forest timber to the dependent industry at a rate of 4.5 billion board feet (bbf) per decade; and Section 706 established a Congressional reporting process to monitor timber supply and demand conditions in Southeast Alaska and management of the Tongass National Forest.

Under Section 706(b) of ANILCA, the Secretary of Agriculture is to report to Congress in 1985 and every two years thereafter on the status of the Tongass National Forest.

The report will include, but not be limited to, (1) the timber harvest levels in the Forest since the enactment of the Act; (2) the impact of Wilderness designation on the timber, fishing, and tourism industry in Southeast Alaska; (3) measures instituted by the Forest Service to protect fish and wildlife in the Forest; and (4) the status of the small business set-aside program in the Tongass National Forest.

This is the first ANILCA report on the status of the Tongass National Forest, commonly termed the 706(b) Report. It provides information on management activities on the Tongass since the passage of ANILCA in 1980, and how these activities have impacted resource-dependent industries and users in Southeast Alaska. The report is divided into seven chapters based on the topics identified in the Act and requested additions from cooperators to the study.



Logging continues to be an important part of Southeast Alaska's economy.

Chapter 1

Timber Harvest Levels in the Tongass National Forest Since ANILCA

This chapter examines the timber program on the Tongass National Forest since ANILCA, and the factors, both market and institutional, which have affected timber harvest. Harvest of timber from Forest Service, State, and private lands is summarized for the period 1980 to 1984. State and Native land selections and the creation of Wilderness in ANILCA introduced substantial changes to the land base available for timber harvest on the Tongass. The effects of these changes are analyzed in terms of timber supply availability from the Forest. The amount of timber offered for sale, sold and harvested from the Tongass since 1980 is compared to that originally scheduled in the Forest Plan. The contribution of investments in intensive management practices and preroaded by the Forest Service in achieving the Forest Plan timber sale schedule is described. The overall role of preroaded and intensive management on the Forest is highlighted. The status of the ANILCA Loan Program to promote special harvest technology is summarized. Finally, an explanation of current timber sale and roading policies is provided.

Congress, through the passage of ANILCA, balanced wilderness demand and timber supply on the Tongass National Forest. Various national and local publics desired preservation of specific areas through Wilderness designation. Others desired a timber supply which would maintain employment and associated economic conditions in Southeast Alaska at near 1970-76 levels. The resulting legislation designated over 5.4 million acres as Wilderness, and provided a funding process to maintain a timber supply of 4.5 billion board feet (bbf) per decade from the available timber-producing land base. Congress recognized that to sustain this supply, intensive management of the land remaining available for timber harvest would be required. ANILCA authorized the establishment of a permanent appropriation to be drawn from Federal receipts from oil, gas, timber, coal, and other natural resources to fund the Tongass timber program. This appropriation, called the Tongass Timber Supply Fund (TTSF), provided for intensive timber management practices and investments in Government preroaded of areas prior to the sale of timber. ANILCA Section 705(a) provides that:

... the Secretary of the Treasury shall make available to the Secretary of Agriculture the sum of at least \$40,000,000 annually or as much as the Secretary of Agriculture finds is necessary to maintain the timber supply from the Tongass National Forest to dependent industry at a rate of four billion five hundred million board foot measure per decade.

This chapter of the report describes the Tongass timber program since 1980. Included are:

1. A display of the volume of timber harvested and brought to market since ANILCA from State, Native, and Federal ownerships in Southeast Alaska.
2. An assessment of the effect of land status or ownership changes since the enactment of ANILCA on the Tongass National Forest's capability to maintain a timber supply of 4.5 bbf per decade.
3. An evaluation of the effectiveness of the Tongass Timber Supply Fund in maintaining the timber supply from the Tongass National Forest.
4. The present status of the Timber Utilization Loan Program.
5. A clarification of the current timber sale policies on the Tongass National Forest.

SOUTHEAST ALASKA TIMBER HARVEST

The Pacific Rim countries (primarily Japan, but with increasing interest from Taiwan, South Korea, and the Peoples Republic of China) are the primary purchasers of Southeast Alaska timber products. The stability and growth of the industry therefore is dependent upon the ability of the industry to meet the needs of these countries at a reasonable cost. A

variety of factors have influenced how well the industry has been able to meet these needs from timber harvested from the Tongass National Forest.

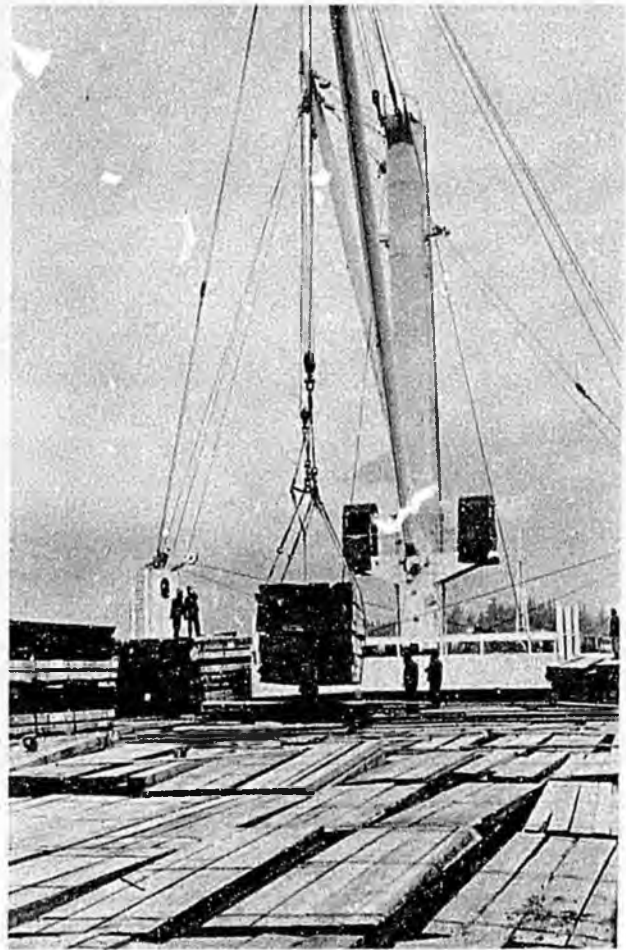
These factors include increased product competition from private corporations for the same market, changing market demand for products produced from National Forest timber, and the availability of cheaper timber from sources other than National Forest lands. These factors taken alone or in combination mean lower profits from National Forest timber, which in turn result in decreased harvests. It is not surprising, then, that since enactment of ANILCA, timber harvests from the Tongass National Forest have steadily declined.

Specific examples of how these factors have affected harvests on the Tongass National Forest may prove useful.

Timber harvested on Federal lands is required to receive at least minimum primary manufacture prior to export. This minimum primary manufacture, which is mandated by Federal regulation, is the processing of logs into cants and waneys (semiprocessed, rough sawn logs having at least two sides sawn and less than 8 3/4 inches thick). Unprocessed logs, sometimes called "round logs," have been preferred in the Pacific Rim countries to the wood products manufactured from National Forest timber. This preference is primarily due to cost differences in some grades of logs, the ability to utilize the entire log, and the employment provided in timber processing within the importing country.

In contrast, timber harvested from Southeast Alaska's private lands is not subject to the primary manufacturing requirements and is commonly exported as unprocessed logs. Private timber harvests in Southeast Alaska have steadily increased since 1979. This increase, however, cannot be attributable directly to ANILCA for it was not until the late 1970's that the private landowners began to receive title to significant portions of the lands conveyed to them under the provisions of the Alaska Native Claims Settlement Act of 1971.

Another example of how Tongass National Forest harvest levels have been affected by market conditions is the decline in the demand for dissolving pulp. Because much of the timber in Southeast Alaska, both public and private, is of a quality not suitable for dimension lumber, it is unsatisfactory for export as logs or cants. If harvested, this timber is usually processed into dissolving pulp or woodchips. Woodchips are used to make paper and/or dissolving pulp. Dissolving pulp is manufactured into rayon, cellophane, certain photographic films, and some dietary products. Since passage of ANILCA, demand for these products has steadily declined. This decline can be attributed to increased competition from newer



Cants that are processed in Southeast Alaska mills, are loaded on a freighter destined for a Pacific Rim country.

pulpmills as well as changing demands for products made from dissolving pulp.

The third factor is that other Southeast Alaska suppliers of wood products are not required to meet standards resulting from various Federal laws and regulations. These regulations include utilization standards for small-volume logs, limitations on the size of harvest areas, and construction specifications for roads. Compared to the late 1970's, relatively the same total volume of timber is now being harvested from lands under a variety of ownerships. The increased costs incurred by operators harvesting National Forest timber to meet Forest Service timber sale contract requirements puts them at a competitive disadvantage relative to other suppliers of Pacific Rim markets.

An associated impact has been the recent importation of pulp logs from Canada. Southeast Alaska processors find it less expensive to purchase Canadian logs for use in their pulpmills than National Forest timber. The result has been less timber harvested from the Tongass National Forest.

While the overall demand for National Forest timber has declined since 1980, timber harvest from private ownership has almost tripled. Because of lower demand for manufactured wood products, foreign buyers of timber products have been extremely selective, favoring only the highest and best quality material. Purchasers of National Forest timber sales are limited in their capability to respond to the lowered demand since they must incur the cost of harvesting and processing all the timber included in a timber sale contract—both high and low quality—within the time limit specified in the contract.



Balloon logging is an example of advanced logging technology referred to in the Tongass Land Management Plan.

In response to market demand, harvest on private lands appears to have been directed at the more accessible and better-quality timber. Because current harvest from private lands appears to consist of high-volume, high-quality old growth, it is anticipated that present private harvest levels will be difficult to maintain over an 80- to 120-year rotation. Timber harvests from private lands may range up to 350 million board feet (mmbf) per year until the mid to late 1990's if current market conditions continue (1984 ANILCA Supply and Demand Report). Once these finite high-quality stands of old growth are harvested, the remaining less valuable, low-volume stands will be more expensive to harvest and more difficult to market.

Long-term demand for Southeast Alaska timber

has remained relatively constant. If demand continues at these levels there will be greater demand for National Forest timber for cant and dimension lumber production when harvests on private lands decline and harvest cost differentials narrow.

Figure 1.1 shows the distribution of timber harvest in Southeast Alaska between 1980 and 1984 by land owner or managing agency and log imports from Canada.

TONGASS NATIONAL FOREST TIMBER HARVEST ATTAINMENTS

The Tongass Land Management Plan (Forest Plan) anticipated an average annual timber sale volume of up to 450 mmbf. The sale level is consistent with the upper bounds of the allowable sale quantity¹ for the Tongass.

Figure 1.2 displays the Tongass National Forest timber program attainments for fiscal years 1980 through 1984. It compares the acres scheduled for harvest in the Forest Plan, the acres made available for sale, and the acres sold or released for harvest for the first five years of the Forest Plan.

Tongass National Forest timber is made available to industry through two types of sales: short-term sales and two long-term (50-year) sale contracts. The ANILCA timber supply is considered "made available" to industry when it has been offered for sale (for short-term sales) or prepared for release (for the long-term sales). The volume of timber made available from the Tongass to the timber industry has averaged approximately 491 mmbf per year. Of this, approximately 314 mmbf per year has been sold (or released). Although the ANILCA timber supply goal has been met, it is unlikely that an annual average of 450 mmbf will be sold in this decade unless there is an unusually rapid recovery and expansion of the timber market from current levels. For this report the volumes sold (released) by volume classes are compared to determine how well the Forest Plan sale goals are being attained. See table 1.1.

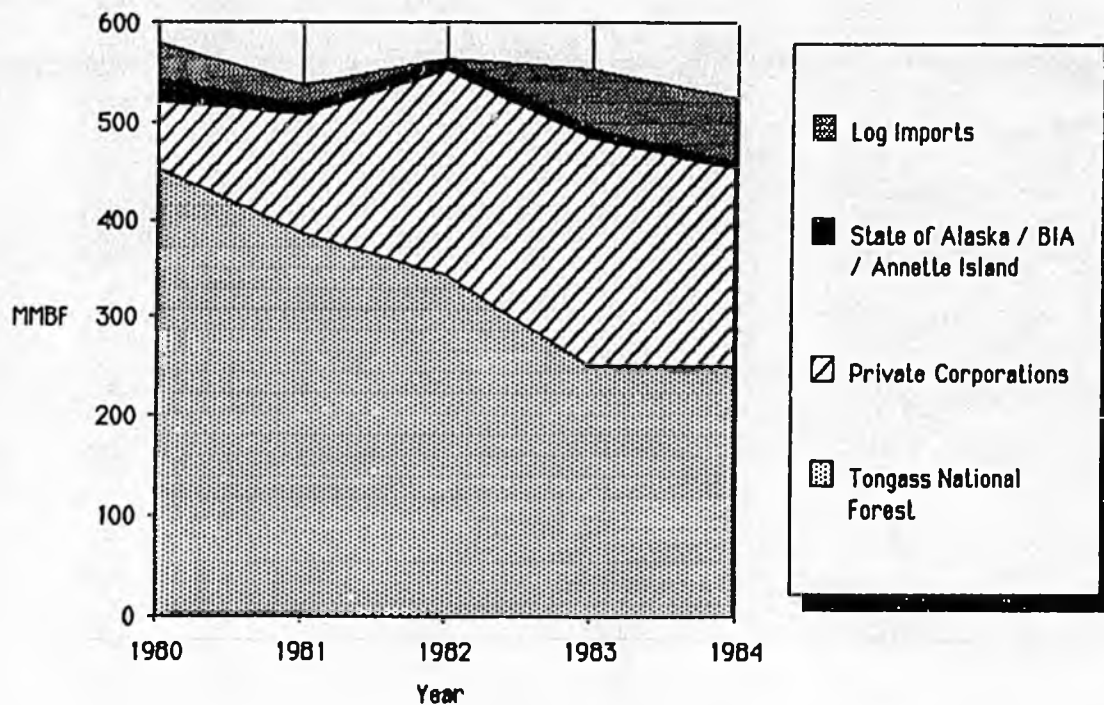
EFFECTS OF LAND STATUS CHANGES ON THE ALLOWABLE SALE QUANTITY

National legislation has had a dramatic effect upon the land status of the Tongass National Forest.

¹ Allowable sale quantity, as defined by the National Forest Management Act, is the quantity of timber that may be sold during the planning period (1979 to 1989) from land the Forest Plan identified as suitable for timber harvest. This quantity is usually expressed on an annual basis as the "average" annual allowable sale quantity.

Figure 1.1

Timber Harvests and Log Imports, Southeast Alaska, Calendar Years 1980-84
(Millions of board feet, log scale)^a



^aIncludes utility volume. Log scale is the volume of timber as measured at the mill, without defect.
Source: ANILCA Section 706(a) Supply and Demand Report, 1984.

Figure 1.2

Tongass National Forest Timber Program Attainments Annual Average, Fiscal Years 1980-84

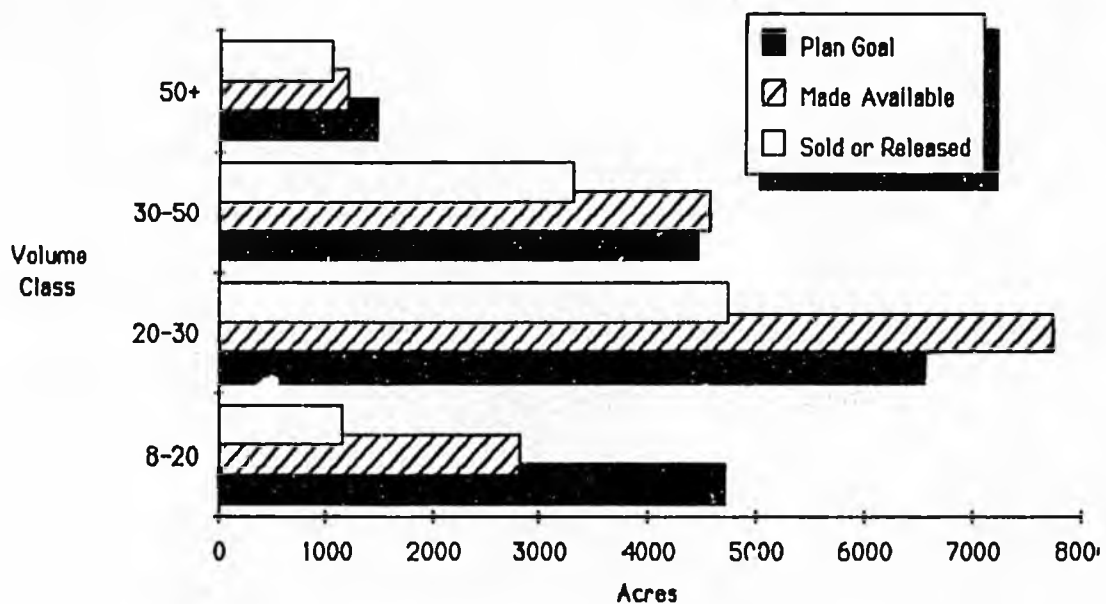


Table 1.1 — Tongass National Forest Timber Program attainments, annual average for fiscal years 1980–84

Volume class (mmbf/acre)	Plan goal ^a	Acres made available			Acres sold or released		
		Short-term	Long-term	Total ^b	Short-term	Long-term	Total
8–20	4,725	1,436	1,393	2,829	577	594	1,171
20–30	6,573	3,236	4,508	7,744	1,887	2,867	4,754
30–50	4,475	1,554	3,012	4,566	895	2,425	3,320
50 +	1,503	476	746	1,222	428	635	1,063
Total acres	17,276	6,702	9,659	16,361	3,787	6,521	10,308
Total volume (mmbf)	450	164	327	491	92	222	314

^aTotal acres under the "plan goal" include 970 acres per year from the allowable cut effect and 523 acres per year of advanced logging. While these 1,493 acres were not disaggregated by volume class in the Forest Plan, they have been broken down into their appropriate volume classes in this table.

^bThe Forest Plan attainment is measured on acres "sold or released." Total acres by volume class and volume "made available" may exceed the plan goal as long as the acres sold or released total by volume class and volume is equal to or less than the plan goal for the decade.

Source: Timber Management Information System STANDS Data Base and Tongass Land Management Plan Evaluation Report and the 1985 Forest Plan Amendment Data Base.

Changes which have occurred since the Forest Plan was finalized include:

1) ANILCA added 1,458,144 acres to the Tongass from the public domain and transferred 64,075 acres near Yakutat to the Glacier Bay National Park, resulting in a net addition of 1,394,069 acres to the National Forest System. In general, the lands added to the Tongass by ANILCA have a low value for timber production.

2) The Alaska Native Claims Settlement Act of 1971 (ANCSA) authorized the transfer of about 44 million acres throughout the State of Alaska from Federal management to private ownership. Under ANCSA, Native regional and village corporations were given the opportunity to select from National Forest System lands. At the time the Forest Plan was finalized, these corporations had tentatively selected 575,133 acres on the Tongass. These acres were excluded from the land base used for calculating the allowable sale quantity. The current selection figure is 549,839 acres based on adjustments by the corporations. While this does not represent the final selection figure, it can be used for determining the allowable sale quantity for the remainder of the planning period (1980–1989). The impact of this overestimation was to increase the allowable sale quantity by 3.7 mmbf annually. How this volume affects the attainment of the 450 mmbf annual sale quantity is displayed in the "Additional Information and Current Timber Sale Policy" section of this chapter.

3) The Alaska Statehood Act of 1958 authorized the selection of up to 400,000 acres from the Tongass and Chugach National Forests by the State of Alaska. The State selected 153,104 acres on the Tongass prior to Forest Plan implementation. These selected acres were considered unavailable for timber management during the development of the Forest Plan. Current inventory records indicate that 172,606 acres of land have been conveyed or have been approved for conveyance to the State, resulting in a net reduction of 19,152 acres from the total National Forest System acres estimated in the Forest Plan. The impact of this underestimation was to decrease the allowable sale quantity by 3.5 mmbf annually. How this volume affects the attainment of the 450 mmbf annual sale quantity is displayed in the "Additional Information and Current Timber Sale Policy" section.

Both State and Native selections on the Tongass National Forest will continue into the 1990's.

Effect of Land Status Changes in Commercial Forest Land on the Allowable Sale Quantity

The State and Native land selections and ANILCA have affected the total commercial forest land² as well as the total land base. The total Tongass land

²Commercial Forest Land (CFL) in the Tongass Land Management Plan was defined as forest land capable of producing 20 cubic feet of wood fiber per acre annually.

Table 1.2 — Total and commercial forest land by land allocation
(Millions of acres)

	Original Forest Plan land area				Present land area				
	Recom- mended Wilderness	Un- roaded	Avail- able for harvest	Total	Wilderness	Un- roaded	Avail- able for Harvest	Unallo- cated ^a	Total
Total land area	5.399	2.745	7.045	15.189	5.546	2.643	6.969	1.549	16.707
Total commercial forest land	1.646	0.532	3.514	5.692	1.660	0.495	3.486	0.095	5.736
Commercial forest land that can be harvested with existing equipment	—	—	1.811	1.811	—	—	1.796 ^c	—	1.796 ^c
Commercial forest land that requires new harvesting	—	—	0.443	0.443	—	—	0.439	—	0.439
Total land area not scheduled for harvest	5.399	2.745	5.092	13.236	5.546	2.643	5.219	1.549	14.957
Total commercial forest land available but not scheduled for harvest ^b	1.646	0.532	1.561	3.739	1.660	0.495	1.736 ^d	0.095	3.986
Commercial forest land scheduled for harvest	—	—	1.953	1.953 ^f	—	—	1.750 ^e	—	1.750

^aUnallocated areas include those that were recommended for wilderness classification by the Forest Plan but not included in the ANILCA wilderness designation as well as unallocated Forest additions made by the Act. These areas will be reconsidered for allocation during revision of the Forest Plan, and at the present time are being managed to maintain their wilderness characteristics.

^bThis is the commercial forest land that was not included in the calculation of the Forest allowable sale quantity. Included are Wilderness areas, areas managed for uses that preclude timber harvest (such as roadless areas, important wildlife habitat, and other administratively withdrawn areas), and areas where timber harvest would cause permanent resource damage.

^cIncludes 208,000 acres of low-volume marginal commercial forest lands.

^dIncludes 187,200 acres (90 percent) of the available low-volume, marginal commercial forest lands, and 298,000 acres (68 percent) of lands requiring new harvesting techniques.

^eIncludes 20,800 acres (10 percent) of low-volume marginal lands out of 208,000 acres available and about 140,500 acres (32 percent) of land requiring new harvesting techniques out of 439,000 acres available.

^fThe display of the "original" land scheduled for harvest figure includes approximately 193,500 acres that were not actually scheduled for harvest in the Forest Plan. To correct this display of area scheduled for harvest these acres are not included in the "present" figure.

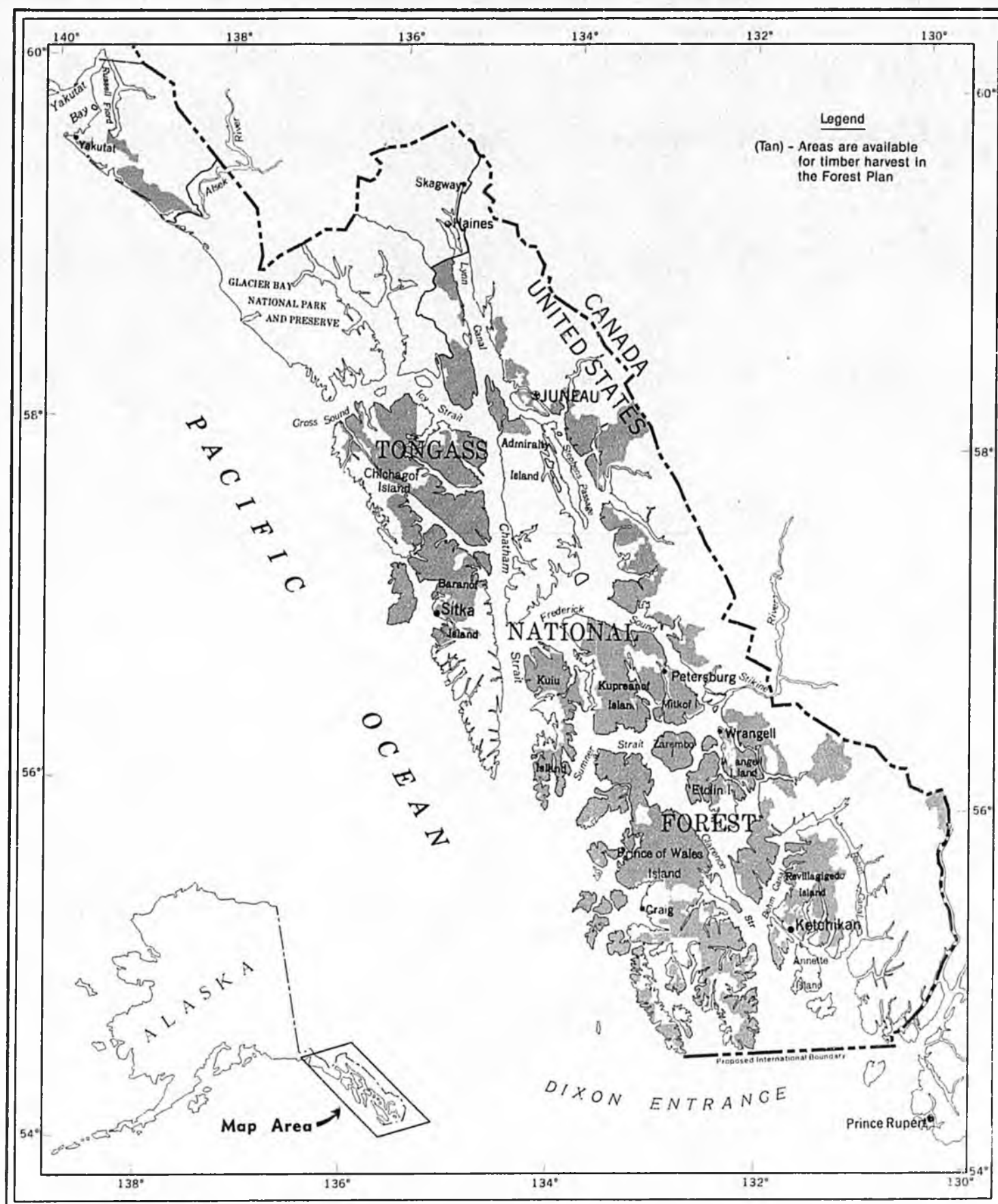
base has increased by approximately 10 percent. While the total commercial forest land has increased by about 1 percent, the acres available for harvest have decreased by 1 percent due to State and Native selections and the final Wilderness Area boundaries established in ANILCA. Table 1.2 illustrates these changes. Map 1.1 identifies areas currently available for timber harvest.

The majority of the changes involved land that could be readily harvested using existing equipment and technology. (In contrast, land status changes have affected only 3 percent of the timber acreage that required new harvesting equipment or techniques not in common use on the Tongass during the 1970's.) Since all available acres (after deductions

for other resource considerations such as wildlife habitat) were not included in the harvest schedule developed in 1979, there was enough flexibility to accommodate these changes and still not affect the Tongass timber supply.

An annual volume reduction in the allowable sale quantity of 15.0 mmbf was also made in the Forest Plan in anticipation of exchanges in land selections by certain Native corporations.³ Of the 15.0 mmbf allowance, 5.7 mmbf have actually been used to date

³These corporations had made several selections on Admiralty Island (a recommended Wilderness Area), and active negotiations were underway to exchange selected lands on Admiralty for lands located elsewhere on the Forest. These alternate selections were expected to decrease the National Forest acres available for harvest.



Map 1.1—Areas Available for Timber Harvest

in the land adjustment process. Future selections under provisions of the Alaska Statehood Act (1959) and the Alaska Native Claims Settlement Act (1971) will further reduce the National Forest acres available for harvest. For example, up to 92,400 acres of State selections from National Forest System lands remain which could result in a direct net reduction of approximately 6-10 mmbf per year if all of these selections were made from the Tongass. These selections may also have indirect impacts on National Forest timber harvest by restricting access to otherwise available commercial timber areas. Given the present land status and funding provision, the annual 450 mmbf timber supply can be maintained.

ANALYSIS OF TIMBER SUPPLIED TO INDUSTRY THROUGH THE TONGASS TIMBER SUPPLY FUND

Before analyzing its effects, a brief description of how the funding for the Tongass Timber Supply Fund was developed may prove useful.

Planning Efforts

The amount of forest land available for harvest in the final Forest Plan was determined by selecting a mix of forest goods and services considered acceptable to Forest users. One important compromise sought in the Forest Plan was between unroaded areas and areas available for management activities which would alter the existing landscape, such as timber harvest. In attempting to reach this compromise three variables received special consideration: (1) methods needed to harvest timber (operability); (2) the types and restrictions on the management activities permitted in the area (land use designation [LUD]); and (3) the level of added investment necessary to make less productive, less accessible, or more environmentally sensitive land equivalent to lands already in production (in terms of roading and harvest costs).

The commercial forest land was divided into those areas which could be harvested with the equipment and harvesting methods already in use on the Forest during the late 1970's (normal operable), and those areas which required special equipment or harvesting methods not in use on the Forest at that time (marginally operable). The Forest was also divided into four land use designations. Of the four designations, Land Use Designations III and IV are available for timber harvest. Environmental standards are maintained in both these land use designations. The Forest Service realized at the time of the Forest Plan's development that the reduction in the available land base and the selected mix of goods and services would require additional funding to maintain a

timber supply of 4.5 billion board feet per decade.

Normal Timber Sale Investments

Sales requiring investments in equipment and harvesting methods already in use on the Forest prior to the Forest Plan are called normal timber sales. The miles of timber road construction and the relative proportion of each tree species in these normal sales are similar to economically viable sales that were sold prior to the development of the Forest Plan.

The original planning records indicated that the normal program could provide an annual average timber volume of approximately 338 mmbf that would be economical under the prevailing conditions at the time the Forest Plan was developed using standard harvest systems and equipment. The annual funding required to support this 338 mmbf program was estimated to be approximately \$22.5 million per year (1985 dollars). To achieve an annual sale goal of 450 mmbf, the remaining volume would have to be obtained through intensive timber management or from economically marginal and/or environmentally sensitive areas. (See the "Contribution of Added Investments to the Allowable Sale Quantity" section of this chapter.)

Of the total average annual volume made available between 1980 and 1984 (491 mmbf), approximately 411 mmbf per year has been from forest land classified as requiring normal timber harvest systems. Of the normal volume offered for sale (prepared for release on the two long-term sales), an average annual volume of 251 mmbf has been sold (released on the two long-term sales), leaving approximately 160 mmbf per year as offered but unsold (not released on the two long-term sales).

The reduction between the volume anticipated in the Forest Plan to be sold and the volume actually sold is primarily due to sale price, harvest costs, species mix, and potential markets. These factors have made many of the sales unattractive to potential timber purchasers. Table 1.3 displays the average annual attainment and cost of the timber sale program (under "Normal Investments").

Tongass Timber Supply Fund

ANILCA Section 705(a) provides for funding of at least \$40 million annually, or as much as the Secretary of Agriculture finds necessary to maintain the timber supply from the Tongass National Forest. This funding is necessary to compensate for the loss of higher-quality areas available for timber harvest prior to the Forest Plan and ANILCA. The fund, entitled the Tongass Timber Supply Fund, was based on the Forest Plan estimate of the funding necessary

Table 1.3—Timber Management Program projected in the Forest Plan and actual annual attainment for fiscal years 1980–84

	Projected annual average Forest Plan FY 1980–89		Actual annual average attainment FY 1980–84	
	Volume (mmbf)	Cost ^a (1985 mm\$)	Volume ^b (mmbf)	Cost (1985 mm\$)
Volume available with:				
Normal investments				
Land Use Designation III ^c	67	4.4	96 (21)	5.2
Land Use Designation IV ^d	271	18.1	315 (139)	16.7
Added investments				
Preroading ^e	60	22.2	40 (14)	3.7
Preroading funds obligated but volume not yet sold/released ^f	—	—	—	10.9
Precommercial thinning (ACE) ^g	34	4.6	34 (—)	4.3
Advanced logging technology ^h	18	4.3	6 (3)	0.7
Total cost and associated volume	450	53.6	491 (177)	41.5

^aOriginal 1978 dollars in the Forest Plan have been converted to 1985 dollars using a factor of 1.52 based on the GNP Implicit Price Deflator.

^bThe volume in parentheses indicates the portion of the total volume fully prepared and offered for sale/release but not purchased. Funding for preparation is included in the Cost column.

^cLand Use Designation III (LUD III) represents areas identified in the Forest Plan to be managed where emphasis is directed at providing a combination of both amenity and market values (aesthetic values and products of forestry or mining). The goal is to achieve compatibility among resource uses within the same area to provide the greatest combination of benefits. An error in the original Forest Plan calculation has been corrected by decreasing the volume available with normal investments by 3 mmbf and \$0.2 million. For simplicity, the Forest Plan displayed all LUD III volume as qualifying for "Preroading." *Annual cost includes support and sale preparation of 67 mmbf. The Forest Plan assumed, for developing cost information, that the LUD III areas would be accessed by purchaser credit road construction even though the areas qualified for preroading.*

^dLand Use Designation IV (LUD IV) represents the areas identified in the Forest Plan to be managed where emphasis is on market values. The goal is for environmentally sound development and use of these resources. It includes all volume considered available using harvest methods and equipment normally used on the Forest. An error in the original Forest Plan calculation has been corrected by increasing the volume available with normal investments by 3 mmbf and \$0.2 million. *Annual costs include support and sale preparation of 271 mmbf assumed in the Plan to be able to be accessed by purchaser credit road construction.*

^eVolume accessed and sold as a result of preroading timber sales for mitigation of effects on other resources (reduction of environmental impacts) or where the sale conditions are less than those qualifying as economically viable when the Forest Plan was developed. Cost includes Forest Service road construction, engineering support, and sale preparation. *To get a complete picture of volume and cost of the preroading program, LUD III Normal Investments must be considered as available for preroading.*

^fPreroading obligated in fiscal years 1980–84 for future sales or used for sales previously offered but unsold.

^gVolume derived from increased future yields resulting from precommercial thinning of 6,300 acres per year ("Allowable Cut Effect"). Cost includes thinning and sale preparation.

^hVolume from areas requiring logging systems not presently used on the Tongass National Forest. There is an additional 8 mmbf of this component included as incidental annual volume in the normal sales program of the Forest Plan. Cost includes sale preparation and research/administrative studies.

Source: Tongass Land Management Plan, Timber Management Information System STANDS Data Base, and 1984 ANILCA Section 706(a) Supply/Demand Report.

to continue a timber sales program similar to the timber program prior to ANILCA.

The intent of the Tongass Timber Supply Fund under the post-ANILCA timber sales program was to ensure that a timber operator would have approximately the same chance of success or failure as the operator had before ANILCA. There was no guaran-

tee of profit or continuing high timber markets.

The fund included monies for the additional investments needed to accomplish the Forest Plan sale goal. These additional investments include (1) preroading to access selected areas with special resource needs, or where sale conditions are worse than those defined as being economically viable when the Forest

Plan was developed; (2) precommercial thinning to accelerate growth of regenerated stands; and (3) research/administrative studies to develop and/or implement more sophisticated logging systems to allow harvest of areas traditionally too difficult to log. Table 1.3 shows the original Forest Plan volume goals and estimated cost associated with each of these added investment categories.

Contribution of Added Investments to the Allowable Sale Quantity

Added investments contribute 112 mmbf per year to the allowable sale quantity from timber activities which were not economically or technologically viable at the time the Forest Plan was developed. The 112 mmbf volume is composed of 60 mmbf accessed by prerooting of economically marginal areas or areas with special resource needs, 34 mmbf due to precommercial thinning, and 18 mmbf from advanced logging technology (table 1.3). These investments do not include the 67 mmbf from prerooting in Land Use Designation III. The Forest Plan estimated the cost of making this 112 mmbf available to be approximately \$275 per thousand board feet (mbf). The actual costs have averaged \$245 per mbf. The added investment program included 24 mmbf (\$13.3 million) within the ongoing timber program prior to ANILCA and 88 mmbf (\$17.8 million) designated for additional prerooting and intensive timber management practices (1985 dollars).

The following discussion focuses on each of the three investment activities called for under the added funding.

Rooting

Road construction is necessary to access most timber sales on the Tongass National Forest. Two methods have been used for accomplishing and funding this timber road construction. The first method calls for the purchaser to construct the roads necessary to harvest the timber in the sale. As the roads are constructed, the purchaser earns purchaser credits that can be applied against the value of the timber purchased rather than paying cash. In times of depressed markets, however, the selling value of the timber may not earn the purchaser enough credits to recover the costs of the road. When timber is purchased under these conditions, the portion of road construction cost above the available timber value is termed "ineffective." In these instances, the purchaser must determine whether the timber value is high enough at the time of sale, or will become high enough during the life of the timber sale contract, to cover the logging and road construction costs and still provide a reasonable profit.

A second road funding method calls for the Forest Service to construct the road through a public works contract in advance of the timber sale award. Such construction is termed prerooting. The Forest Plan anticipated a portion of the volume accessed would require Government investments. Prerooting is necessary to offset the increased cost of harvesting economically marginal volume and meeting additional environmental considerations called for in the Forest Plan.

Roads and other transportation facilities constructed under both methods are considered long-term investments and will be used in future timber harvests, as well as in meeting other resource objectives identified in the Forest Plan.

During the development of the Forest Plan, both methods of construction were anticipated. There had been some prerooting prior to the Forest Plan, but due to the prevailing high timber value and availability of lands for harvest, timber road construction was primarily funded by purchaser credit. It was anticipated that an increase in the number of miles of prerooting would be necessary to access the marginal timber areas required to meet the Forest Plan goal. The additional road mileage and consideration of other resource objectives were the basis for the prerooting portion of the ANILCA Tongass Timber Supply Fund.

The Forest Service policies for selecting areas for prerooting were based on:

1. The need to access areas where environmental protection and mitigation required additional investments (primarily Land Use Designation III).
2. The need to access other economically marginal areas where the value of the timber was less than the cost of road construction at the time the Forest Plan was developed (Land Use Designations III and IV).

Figure 1.3 displays the timber rooting investments that were obligated in fiscal years 1980-84.

Comparisons between the actual contribution of prerooting and the original Forest Plan estimates are based on construction costs and the volume contribution of roads associated with sales that have been sold to short-term timber sale purchasers or harvest units formally released for long-term sale contracts. The timber volume accessed by rooting is displayed in two categories: (1) roads associated with timber sales sold or formally released between fiscal years 1980 and 1984, and (2) roads obligated for construction to access timber sales planned in the near future. While the ANILCA-funded roads may be under construction or in place, the volume accessed is not counted towards the Forest Plan sale goal until the timber is sold or formally released.

Table 1.4 shows the total volume, miles, and cost of both preroding and purchaser credit road construction that has contributed to the Forest Plan sale goal or is planned in the near future.

Preroding will be conducted within areas contributing up to 127 mmbf annually to the allowable sale quantity composed of volume made available in Land Use Designation III and from the added investments in economically marginal areas of Land Use Designations III and IV. The 127 mmbf volume is composed of 67 mmbf from normal investments in preroding of Land Use Designations III areas and 60 mmbf from added investments in preroding of both Land Use Designation III and IV areas (table 1.3). In the Forest Plan an annual average of 46 miles of preroding is planned. The annual average cost of the road construction, survey, design, and contract administration was estimated to be \$18.8 million (1985 dollars). When the additional costs of timber sale preparation and administration, including support from other resource specialists, are added to the preroding costs, the total cost of the 127 mmbf annually was estimated to be \$26.6 million in 1985 dollars (see table 1.3).

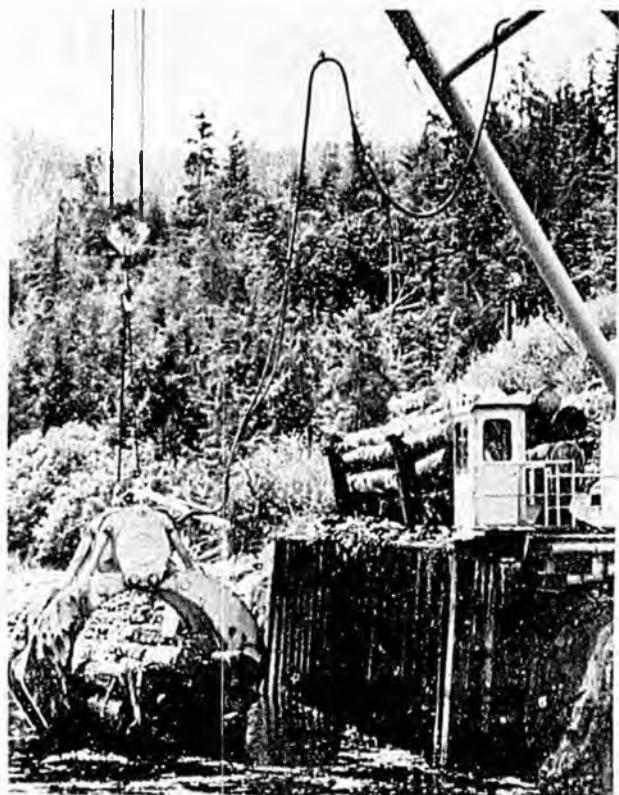
Since Tongass Timber Supply Funds were not available until 1981, the benefits of preroding continue to lag behind actual completion of road construction. Timber sales began being offered in 1982 in areas where preroding provided by the Tongass Timber Supply Fund contributed to the Forest Plan sale goal. From fiscal years 1980 to 1984, the average annual contribution of preroding to the allowable sale quantity was 26 mmbf of timber sold. Access to this 26 mmbf involved 7.5 miles of road construction or reconstruction (including an average of 1 log transfer site per year) at an average cost of \$3.7 million (1985 dollars) per year.

A better representation of the preroding program is the number of miles of road and other transportation facilities that are currently under construction or planned in the near future that have been funded by the Tongass Timber Supply Fund. Timber stands accessed by these facilities will contribute to the timber supply in the near future. Roads and facilities for the 1980-84 period include 4 log transport facilities, 6 miles of road construction completed pending timber sale award, 173 miles of road construction or reconstruction public works contracts that have been awarded, and another 37 miles of road planned in the near future. Completion of these transportation facilities will provide access for an additional 288 mmbf of timber sales currently scheduled in the Forest Plan (table 1.4). Over the next 25 years it is estimated an additional 400 mmbf will become available from these roads and facilities.

With the demand and value for products made

from National Forest timber less than expected, the reduction in the overall timber program has resulted in fewer miles of roads being built or planned than anticipated by the Forest Plan. For instance, the Forest Plan anticipated that an annual average of 152 miles of new roads would be built by the timber purchaser. Figure 1.3 displays miles of road actually constructed by year for the period 1980-84. Purchaser-constructed roads over this period have averaged 83.7 miles per year.

A greater proportion of the Tongass Timber Supply Fund than was anticipated has been used for construction of log transfer facilities associated with roads built by timber purchasers and for the reconstruction of existing roads. As originally conceived in the Forest Plan, 40 percent of the commercial forest land that could be harvested with existing equipment and technology would be accessed during the initial entry of a drainage. This would provide harvest from stands having a mix of timber quality, ranging from economically marginal stands requiring preroding to high-volume stands from which purchaser credit roads could be financed. The change in the demand and value of timber has resulted in changes to the Forest policy in implementation of the timber sale road program.



At log transfer facilities logs are moved from water to land where they are then sorted.

Table 1.4 — Road construction for volume actually sold or released (FY 1980–84) and volume to be sold in the near future

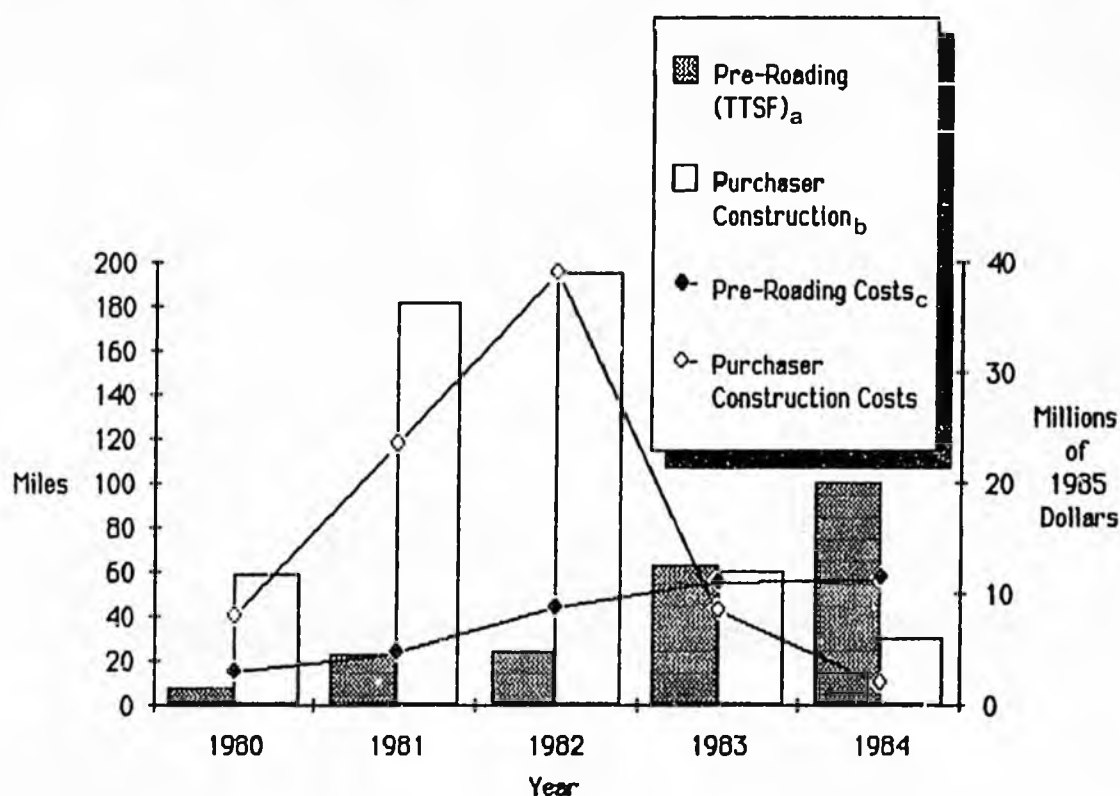
	Volume sold			Volume planned ^a		
	Volume (mmbf)	Miles	Cost (mm\$)	Volume (mmbf)	Miles	Cost (mm\$)
Preroading	131	38.1	5.6	288	215.6	41.4
Purchaser construction	1,438	374.8	59.0	493	267.7	49.9

^aThese are timber sales scheduled for the near future or sales which have been offered and unsold and scheduled for reoffer. Includes 1985 obligated preroading funds. Cost includes road construction only; sale preparation and support not included.

Source: From Timber Management Information System STANDS Data Base by individual timber contract road requirement. Nominal cost converted to 1985 dollars using the GNP Implicit Price Deflator for 1st Quarter, 1985.

Figure 1.3

Timber Road Funds and Miles of Construction Contracts Awarded on the Tongass National Forest, Fiscal Years 1980–84



^aPreroading includes 48.8 miles of reconstructed roads and 9 terminal transportation facilities. A terminal transportation facility (TTF) is located where the road network terminates and logs are bundled and placed into rafts on the water for towing to local mills.

^bPurchaser Construction includes 108.9 miles of reconstructed roads and 1 terminal transportation facility.

^cRoad funding prior to ANILCA. Since the Tongass Timber Supply Fund was not available until mid FY 1981, the first year of the Forest Plan implementation was through appropriated funds. These are considered to be consistent with added investments.

Source: FY 1980 Year End Closeout Report and 1984 ANILCA Supply/Demand Report. Nominal cost converted to 1985 dollars using the GNP Implicit Price Deflator for 1st quarter, 1985.

Precommercial Thinning

Precommercial thinning is an intensive timber management practice involving the thinning of very young stands (usually age 10–15 years) to improve the spacing and species composition, to optimize growth, and to shorten the time between harvests. The Annual Allowable Sale Quantity calculation of 450 mmbf was based on harvested areas becoming fully restocked with commercial trees and being free to grow after establishment. Natural regeneration was the primary source for stocking, but planting could be used to supplement natural regeneration if necessary to achieve full restocking.

Thinning is important because 34 mmbf of the 450-mmbf sale quantity (7.5 percent) is based on the expectation of increased growth and yields produced by thinning an average of 6,300 acres per year. This increased yield is often termed the "Allowable Cut Effect" (ACE) of precommercial thinning.

The precommercial thinning acres and cost since fiscal year 1980 are shown in table 1.5.

Since 1980, public works contracts averaging 6,339 acres per year have been awarded. The amount of ANILCA Tongass Timber Supply Fund (TTSF) expended for precommercial thinning has averaged \$2.4 million per year (1985 dollars). An additional \$1.9 million has been spent on sale preparation and sale administration of the 34 mmbf "allowable cut effect," for a total of \$4.3 million annually. The Forest Plan anticipated a total cost of \$4.6 million (1985 dollars) for the thinning and sale preparation.

Based on the actual acres being thinned and the associated cost, the allowable cut effect on the timber supply is adequate to meet both Forest Plan and ANILCA objectives.

Advanced Logging Technology

As defined in the Tongass Land Management Plan, advanced logging technology is use of equipment or techniques not commonly in use on the Tongass National Forest at the time the Forest Plan was completed. Advanced logging was required for the harvest of certain components of the available land base.

These components of the Forest were classified by the degree of difficulty in conducting timber harvest operations. Factors such as slope, soils, and accessibility were considered in determining the difficulty. The degree of difficulty was termed "operability." For the Forest Plan the operability of all commercial forest lands was classified as being either normal, marginal, or inoperable for timber harvest. Normal harvest operability is defined as timber which can be harvested with existing equipment and standard technology. These logging systems include highlead, A-frame, singlespan skyline with reaches less than 2,600 feet, and tractor.

Marginal harvest operability requires timber harvest equipment and technology that is not in common use, such as helicopter, balloon, multispan skyline, and singlespan skyline with reaches greater than 2,600 feet.

Inoperable timber is that which cannot be harvested by any proven method without unacceptable resource damage or harvest cost. The operability classification was considered in designating lands available for timber harvest on the Tongass.

Some of the commercial forest land classified as having marginal harvest operability is scheduled for harvest in the Forest Plan. To harvest the amount scheduled would require advanced logging systems not in common use. The contribution to the annual allowable sale quantity of 450 mmbf from timber requiring new harvest equipment and technology is 18 mmbf, at an estimated cost of \$4.3 million (1985 dollars). This cost includes increased Forest Service timber sale preparation costs and research projects required to implement advanced logging systems.

There has been 28.4 mmbf of timber made available in the advance logging category for fiscal years 1980–84. Of this, 13.6 mmbf has been sold, for an annual average of 2.7 mmbf. This annual average represents 15 percent of the annual sale goal for advanced logging technology. An annual average of 5.7 mmbf has been made available.

Timber harvests in areas requiring new equipment and technology, under any market condition, will be less than in areas requiring standard techniques. Since the total demand for timber from the Tongass has been below the annual average allowable sale

Table 1.5 — *Precommercial thinning acres and cost contracted, fiscal years 1980–84*
(Costs in 1985 dollars)

	1980	1981	1982	1983	1984	Total	Average
Contracted acres	4,364	6,807	6,545	6,834	7,145	31,695	6,339
Contract cost (mm\$)	1.3	2.1	3.3	2.4	2.7	11.8	2.4

Source: Actual contracted acres from Forest Service Management Attainment Reporting System (FY 1980–82) and Timber Management Information System (FY 1983–84).

quantity of 450 mmbf, local industry has deferred timber purchase where advanced logging technology is required.

The demand for timber offered in areas where standard harvesting methods can be used must increase significantly before harvest from areas requiring new techniques will match those levels anticipated in the Forest Plan.

STATUS OF THE ANILCA TIMBER UTILIZATION LOAN PROGRAM

The Forest Plan recognized that if public demand for Wilderness and timber were to be met, more intensive use of available timber would be needed. This means that the poor-quality, low-profit timber must be harvested along with the higher-quality, more profitable timber. To this end, ANILCA directed the Secretary of Agriculture to establish a loan program to aid Alaska National Forest timber purchasers in acquiring the equipment and new technology that would allow the use of more wood products than is currently being used. To date there has been little demand for timber from areas requiring advanced logging equipment or volume resulting from higher utilization standards. If demand does not increase, it is unlikely this loan program will be needed during this decade.

ADDITIONAL INFORMATION AND CURRENT TIMBER SALE POLICY

Tongass National Forest Timber Program Attainments

The original harvest schedule developed for the Forest Plan (table 1.1) did not display the acres available as a result of the allowable cut effect and the advanced logging technology by volume class. To assist in assessing the effects of these programs the updated schedule is displayed by volume class for all scheduled acres.

When compared to the Forest Plan goals, there is a greater proportion of the higher-volume classes being sold. When supply exceeds demand, this condition is to be expected. The short-term implementation of the Forest Plan is not in jeopardy as long as the actual volume sold or released in a specific volume class does not exceed the original schedule (see figure 1.2). The effects of underachieving the volume class mix in any given decade do not detrimentally affect allowable sale quantities in subsequent decades. However, in old-growth forests, such as the Tongass, underachievement during a decade does postpone achieving the long-term sustained yield capacity of the commercial forest land available

for timber harvest. The impacts of "underachieving" will become evident by the reduced acreage of second-growth stands available for harvest in 80-100 years.

Effects of Land Status Changes on the Tongass National Forest

An adjustment of 15 mmbf of timber per year was applied to the original yield calculation in the Forest Plan in anticipation that Native corporations with selection rights on Admiralty Island would select Forest Service-administered lands in other locations on the Forest. As a result of ANILCA Section 506, selections which moved these corporations off Admiralty Island were considered finalized in 1980. The reduction in annual volume available was 5.7 mmbf of timber per year. The remaining adjustment (9.3 mmbf) is available to absorb the impacts of additional changes in the Forest's land base.

The current status is:

Category	Net volume (mmbf)
Original calculation of land status changes anticipated	15.0
Effects of Native selections	
Kootznoowoo	- 5.2
Goldbelt	- 0.5
Shee Atika	0.0
Remaining	9.3
Changes from Forest Plan assumptions	
Underestimated effects of State selection	- 3.5
Revised Native selections	+ 3.7
Total remaining 1985	9.5

Under the Statehood Act, the State may select up to 92,400 additional acres on the Tongass National Forest. These State selections could affect up to 10 mmbf of volume annually which is currently available for timber harvest. Such selections could potentially offset the 9.5 mmbf shown above as remaining in 1985.

Improving the Cost Effectiveness of the Timber Program

The Forest Service has made available an annual average of 491 mmbf of timber from the Tongass National Forest between 1980 and 1984. Of this, 177 mmbf a year was fully prepared and offered for sale, but has not been sold or released. To improve the cost effectiveness of the timber program, the Forest has begun to take steps to reduce much of the on-site final sale preparation cost. These steps allow for the completion of the time-consuming NEPA and

permitting processes. However, expenditures for items such as sale boundary marking, volume estimation, and timber appraisal are to be delayed until it is determined that the dependent industry needs additional volume made available to fulfill harvest requirements. Once implemented these revised procedures will help eliminate potential duplication of costs for sales which do not sell and must be re-offered. This, in turn, will help to reduce the total cost of making timber available to dependent industry, while ensuring that timber volumes can be offered for sale on short notice should demand for additional timber develop.

Tongass Timber Sale Fund Expenditure for Timber Sale Road Construction

Due to the uncertainty of the current timber market; the lead time necessary to design, contract, and construct a road; and the amount of timber that has been prepared but remains unsold or not released, the "preroading" program has been reassessed. More emphasis will be placed on roading only those sales that are in current demand by the timber industry. Funding by the Government of a portion of the cost of a purchaser-constructed road, called augmentation, will be used as well as the established preroading program. Augmentation has the advantage of funding only roading activities that the timber industry currently needs while providing a better cash flow situation for the timber operator.

Criteria for preroading and timber sale road augmentation include:

- 1) Access areas where multiple resource objectives and quality standards require additional investments (primarily Land Use Designation III).

- 2) Sale conditions are less than those calculated as being economically viable when the Forest Plan was developed. As defined in the Forest Plan, a sale that was not economically viable had the following characteristics:

- a. The short-term sale volume accessed, or the long-term harvest unit volume within a transportation network accessed, is less than 3 mmbf per mile of road constructed.

- b. The Sitka spruce component of the sawlog volume represents less than 30 percent of the total sawlog volume for the sale or harvest units within a transportation network. This is an indication of the value of the product mix. The greater the proportion of Sitka spruce, the more valuable the timber.

- c. The amount of low volume (8-20 mbf per acre) and/or volume classified as marginal operability represents more than 10 percent of the total sale volume or harvest unit volume i. a



Strict environmental quality is maintained even as new construction standards have reduced the cost of road building. Current roads, such as this one on Chichagof Island, are designed to "lay lightly on the land."

transportation network.

These criteria are consistent with the Forest Plan objective of developing a sale program so that a timber operator would have approximately the same chance for success as an operator prior to ANILCA. There is no guarantee of profit or market conditions.

There continues to be confusion over the scope and intent of the Tongass Timber Supply Fund and how it relates to the added investments identified in the Tongass Land Management Plan.

The State of Alaska and the Southeast Alaska timber industry feel that the Federal Government should provide sufficient funding to make an average annual harvest of 450 mmbf economically feasible, regardless of market conditions; that funding provided in the Supply Fund should be adequate to meet road costs when timber values are insufficient to cover these costs; and that funding for these roading costs should be used in all harvest areas, not just those considered marginal at the time the Forest Plan was developed.

By contrast, the Southeast Alaska Conservation Council feels that current funding levels are subsidies to the timber industry and that the Supply Fund level should be commensurate with the receipts returned to the Government from the sale of National Forest timber.

The Forest Service for its part, and Legislative history surrounding the Act, recognized that the standards and guidelines developed in the Forest Plan for Wilderness, other unroaded primitive recreation areas (Land Use Designation II), for the management objectives of other resources, and environmental protection measures would all require the increased use of economically and technologically marginal timber from the Tongass National Forest. To make this marginal timber equivalent to the timber being offered for sale prior to the Forest Plan, added investments

for prerooting, precommercial thinning, and advanced logging technology would be necessary. These added investments were then combined with the normal funding for the timber program in existence prior to implementation of the Forest Plan. The result is the Tongass Timber Supply Fund, as provided for by ANILCA Section 705(a).

The intent of the added investment portion was to make marginal timber equivalent in costs to the timber being offered prior to the Forest Plan and ANILCA. As these costs are equalized, the market for manufactured Southeast Alaska timber products would determine the profitability of harvesting Tongass National Forest timber. The Tongass Timber Supply Fund was never intended to guarantee a market or a profit for these manufactured products.

The amount of public investments in the timber program on the Tongass has been increased during this time of depressed markets in accordance with the Forest Plan in order to maintain the stability of timber industry employment, which in turn helps in stabilizing the Southeast Alaska economy.

SUMMARY

Factors contributing to the timber harvest levels on the Tongass since the implementation of ANILCA are:

- The Forest Service, on the average, has made available over 491 mmbf per year to the dependent timber industry. An average of 314 mmbf per year has been sold or formally released since the implementation of the Forest Plan.
- The Tongass is able to supply the 4.5 billion board feet per decade with the current land base and funding requirements estimated by the Forest Plan. It appears that this capability will hold true as the private land selections are finalized.
- The normal timber sale program was estimated to contribute an annual average of 338 mmbf of the 450 mmbf timber volume made available. Since 1980, an annual average of approximately 411 mmbf from the normal sales program has been made available (of the total 491 mmbf made available); however, only 251 mmbf of normal volume per year has been sold (released on the two long-term sales). The remaining annual average of 160 mmbf has been offered and unsold (not released on the two long-term sales). The available timber supply from the Tongass National Forest will continue to exceed demand until market conditions improve.
- Part of the Tongass Timber Supply Fund was intended for investments to maintain a 4.5-bbf-per-decade timber supply to the dependent timber industry and, therefore, employment for those southeastern Alaskans either directly or indirectly employed by the timber industry. These investments included prerooting (roads built using public works contracts prior to sale), precommercial thinning, and research and administrative studies for the development and implementation of advanced logging systems (equipment or harvest techniques not commonly in use on the Tongass at the time the Forest Plan was developed):
 - Prerooting:* The Forest Plan estimated that an average of 60 mmbf per year of economically marginal timber would be accessed by prerooting with an additional 67 mmbf per year eligible for prerooting from Land Use Designation III areas. The actual annual volume accessed with prerooting investments has averaged 26 mmbf per year from economically marginal timber stands plus 75 mmbf from the Land Use Designation III areas. As construction is completed for prerooting projects currently under contract, an additional 288 mmbf will become available this planning period (1980-89) and an estimated additional 400 mmbf over the next 25 years.
 - Precommercial thinning:* Considering acres currently under contract, the required annual average of 6,300 acres of precommercial thinning will be met. It is anticipated that the additional volume calculated for precommercial thinning will be realized.
 - Advanced logging technology:* Since the advanced logging volume tends to be the least attractive to timber purchasers, only 15 percent of the annual average volume anticipated from advanced logging systems has been attained from 1980 through 1984. Additional sales of this volume are unlikely while timber markets are depressed. Research on advanced logging systems is continuing.
- In figure 1.5 the anticipated timber volumes from normal and added investments in the Forest Plan are compared to the volumes made available, sold, and harvested for the same investment categories (normal and added).
- The Timber Utilization Loan Program created by ANILCA has not been implemented due to the lack of demand for timber volume from areas requiring advanced logging technology. If demand does not increase, it is unlikely that the program will be needed during this decade.

Figure 1.4

**Miles of New Road Construction on the Tongass National Forest,
Fiscal Years 1978-84**

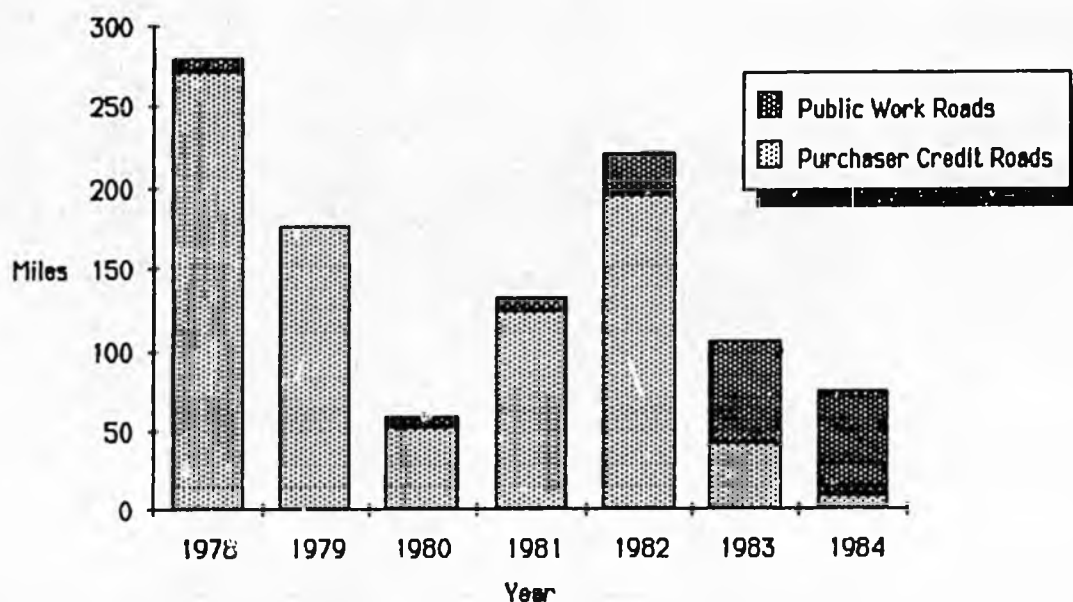
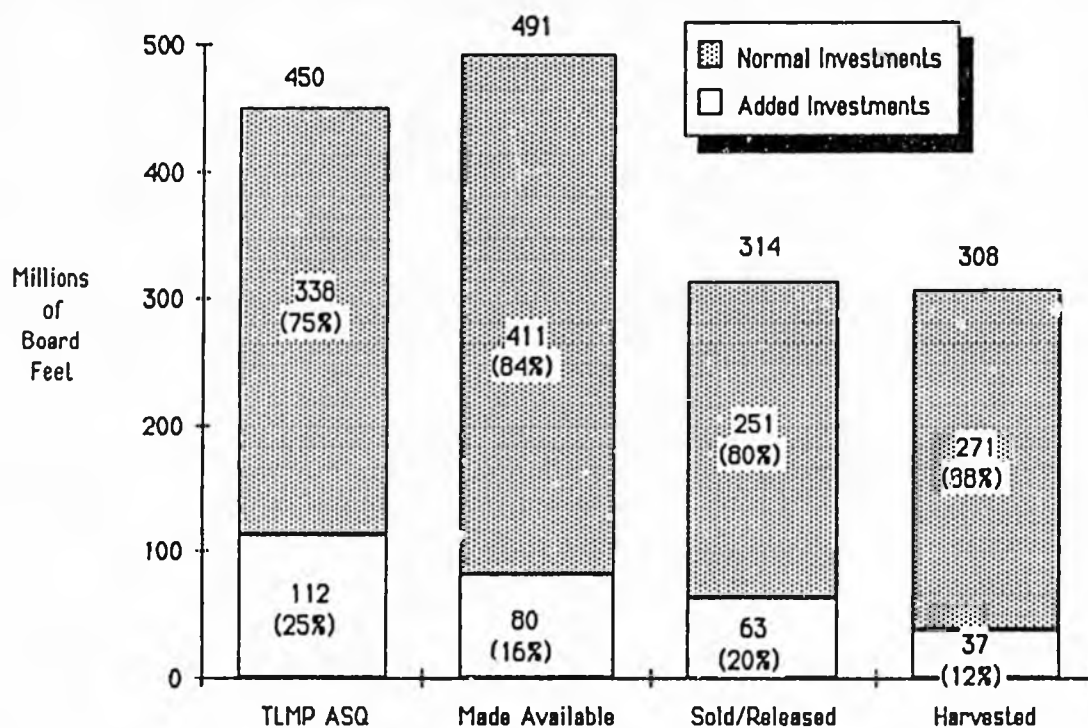
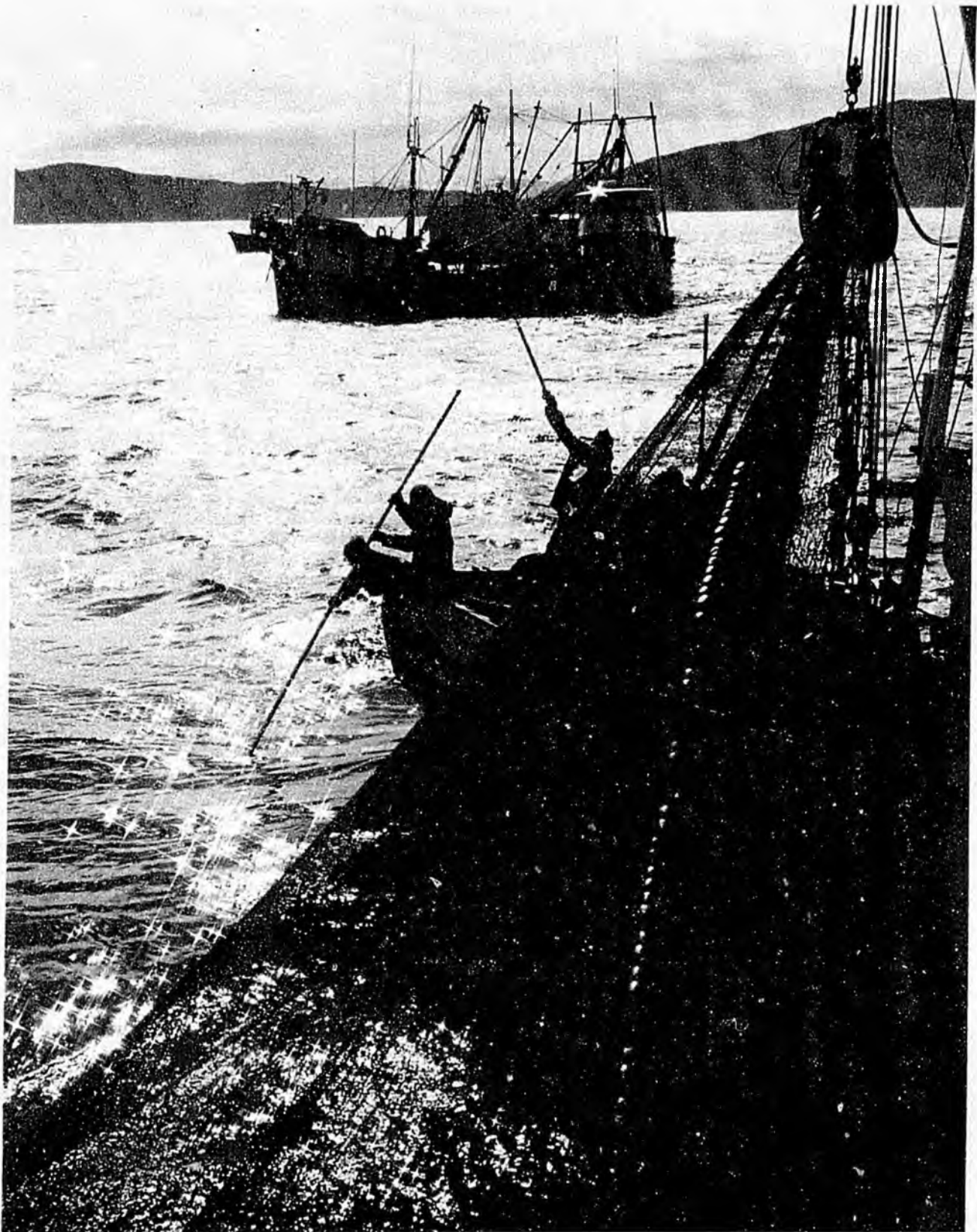


Figure 1.5

**Average Annual Timber Volume Attributed to Normal and Added Investments in the
Forest Plan Versus the Volumes Made Available, Sold, and Harvested, 1980-84**





Alaska Department of Fish and Game.

The majority of anadromous fish caught in Southeast Alaska spawn in streams on the Tongass National Forest.

Chapter 2

Impact of Wilderness Designations on the Timber, Fisheries, and Tourism Industries of Southeast Alaska

In this chapter the effects of Wilderness designation on the timber, fisheries, and tourism industries of Southeast Alaska are explored. Trends in employment and income in these industries are presented for the period 1977 to 1984. While these trends are difficult to link to the formal creation of Wilderness, they do provide a broad overview of what has happened to these industries in the years leading up to and since the passage of ANILCA. For the timber industry, the effects of Wilderness are put in terms of the potential costs associated with lost harvest opportunities, greater reliance on low-volume stands, and stands requiring special harvest technology. The analysis focuses on the period 1980-84, but potential long-term impacts are also considered. In creating formal Wilderness, ANILCA also established special provisions for fisheries habitat protection and enhancement within these areas. These provisions are described. The potential contributions of completed and proposed fisheries enhancement projects to the commercial fishing industry are summarized. To estimate the impact of Wilderness on the tourism industry three broad indicators are used. These include recreation use trends before and after the formal creation of Wilderness in ANILCA, the use of "wilderness" in promotional campaigns by the industry, and a survey of recreational tour operators in Southeast Alaska to determine their perceptions on the impacts of Wilderness.

With the passage of ANILCA, Congress designated over 5.4 million acres as formal Wilderness on the Tongass National Forest. A concern of Congress in passing ANILCA was the impact of Wilderness on the three major industries in Southeast Alaska: timber, fisheries, and tourism. While formal Wilderness designation encompasses 5.4 million acres of the Tongass National Forest, other large areas of the Forest remain roadless and, therefore, maintain some wilderness characteristics. These areas include almost 2.7 million acres of primitive, nonmotorized acreage maintained on the Forest for this planning period (1980-89) plus other portions of the Forest that range from the Juneau Icefield to areas available for developmental activities which could be roaded in the future. Total acreage of the Forest which is not roaded is conservatively estimated to exceed 11 million acres. Examination of the impact of Wilderness on the three industries is clouded by the inability to clearly separate the effects of designated Wilderness from the effects of these other, unroaded areas.

Trends in employment and earnings in these industries since 1977 are shown in figures 2.1 through 2.4.¹ While changes in these measures cannot be linked directly to Wilderness designation, the figures

do provide a general overview of what has happened in each industry during the years leading up to and since the passage of ANILCA. The figures are intended to show general trends rather than precise levels of employment and earnings. Government, both Federal and State/local, also has been included because of its important role in the Southeast Alaska economy.

Figure 2.1 shows trends in direct employment based on the average annual number of workers within each industry. While the job numbers have been averaged for seasonal differences, they do not reflect differences in full-time and part-time employment. For this reason, it is important to supplement the job number information with the direct earnings data

¹ All numbers are based on historic data from the Alaska Department of Labor, *Catch and Production Statistics* from the Alaska Department of Fish and Game, and simulations using a Forest Service input-output model, IPASS. Tourism/recreation sector estimates are based on a 1982 study of the visitor industry by the Alaska Division of Tourism (*Alaska Traveler Survey and Visitor Industry Analysis 1983*, Alaska Department of Commerce and Economic Development, Division of Tourism and Alaska Department of Labor, Juneau, AK, 1984) and extrapolated for other years. Trends for commercial fishing do not include recreational and subsistence use values.

in figure 2.2. Taken together, these figures provide a fairly good picture of what has happened in these industries over time. Government continues to be the major employer in Southeast Alaska. Only in the last year has this sector shown any reduction. Since 1980, both job numbers and employee earnings within the timber industry have declined. Despite the fact that there were fewer workers in 1984 in the timber industry compared to commercial fisheries/seafood processing and recreation/tourism industries, direct earnings in timber were still greater. This reflects the relatively higher wages paid in the timber industry, and the fact that many jobs in the recreation/tourism industry, particularly in retail trade and the eating and drinking sectors, are part-time. In the fishing industry, the average annual number of workers has remained relatively constant since 1977, dropping only slightly after 1980. Earnings have remained virtually unchanged. It should be noted that the relatively constant level may be due to the limited entry program enforced throughout this time period for salmon and herring fisheries. The tourism industry has shown an increase in the number of workers, but little change in earnings. Again, this underscores the importance of considering both job numbers and earnings. Much of the increase in the number of workers in the tourism industry may be a result of part-time employment. Thus while the number of jobs appears to have increased fairly substantially since 1977, it is not clear whether the number of full-time equivalent positions has also increased as total earnings show no real changes over the same time period.

Figures 2.3 and 2.4 reflect trends in the indirect and induced effects² that employment and earnings in one industry have on other industries. These effects reflect the linkages between industries within the region, and employment and earnings trends caused by money circulating through the economy. As the figures indicate, secondary impacts are dominated by government. While indirect and induced employment effects are greater in the timber sector compared to commercial fisheries/seafood processing and recreation/tourism, this trend begins to reverse itself in later years for income, with recreation/tourism having greater indirect and induced income effects in 1984.

In the remainder of this chapter, Wilderness impacts on each of the three industries are examined individually. For the timber industry, Wilderness impacts are analyzed in terms of land base availability, the resulting effects on access, and the quantity and quality of timber available to dependent industry on the Tongass since ANILCA. Implications for long-term harvest opportunities are also considered in evaluating Wilderness impacts. Under ANILCA,

special management provisions were established for fisheries resources in Wilderness areas. In the fisheries subsection, these provisions and what has been done to meet them through cooperative planning and habitat enhancement are described. Also, the impact of Wilderness designations on fisheries is discussed with respect to the management provisions for fisheries in the non-Wilderness portion of the Forest. Three broad indicators are used in examining Wilderness impacts on the tourism industry: pre- and post-ANILCA use trends, the use of "Wilderness" and wilderness images in promotional trends within the industry, and a survey of recreational tour operators to find out what they perceive to be the impact of Wilderness designations in Southeast Alaska.

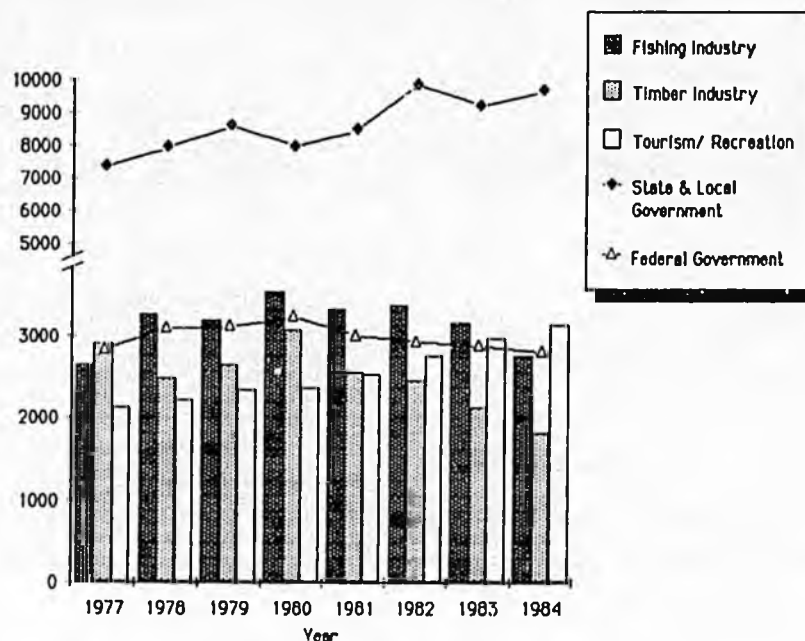
EFFECTS OF WILDERNESS DESIGNATION ON THE TIMBER INDUSTRY

Both the Tongass Land Management Plan and ANILCA introduced changes in the Forest land base which reduced the area and the number of high-volume stands available for timber harvest. These reductions were designed to meet a variety of multiple use management objectives, including fish and wildlife habitat needs, visual quality protection, the size and spacing of harvest units, and allocations for Wilderness and unroaded areas. The original commercial forest land base in the late 1970's was estimated to have a potential yield of 1,182 mmbf per year with an associated annual allowable sale quantity, consistent with the management criteria specified in the Forest Plan, of 535 mmbf. With the reduced base, the Forest Plan estimated that all of the low-volume timber stands available using existing harvest methods and approximately 32 percent of the areas requiring advanced logging equipment would have to be included in the timber harvest schedule to supply an average of 412 mmbf of timber annually. In addition, a precommercial thinning program of 6,300 acres per year would be needed to reach 450 mmbf annually. If the same investments were applied to a land base including all the normal operable commercial forest land (harvestable using

²Indirect and induced effects represent the impact of economic activity in one sector on other sectors. For example, in order to produce pulp, a mill must purchase raw materials (wood, chemicals), services, equipment, and additional manufactured goods from other sectors. These purchases create jobs and income for the people who work in the sectors providing those goods and services (indirect effects). This income, in turn, is spent on a multitude of goods and services, stimulating additional activity in other sectors over time (induced effects). As might be expected, the number of rounds of money circulation that occurs in an area before the dollars and associated indirect and induced impacts "leak" out depends on the structure of the area's economy. In Southeast Alaska, where imports and exports play a major role, leakages from some sectors tend to occur almost immediately.

Figure 2.1

Direct Job Numbers^a by Sector^b in Southeast Alaska, 1977-84



^aSince job numbers do not reflect differences in full-time and part-time employment, it is important to supplement this information with the earnings data in Figure 2.2 before making sector comparisons.

^bTimber industry includes forestry consulting, logging, sawmills, and pulp mills. Fishing industry includes commercial harvesting and seafood processing, but not recreational fishing due to lack of information. Tourism/Recreation includes a composite of visitor-related industries. Government includes State/local and Federal administration and enterprises.

Source: Direct levels are from historical data from the Alaska Department of Labor and simulations using a Forest Service input-output model, IPASS.

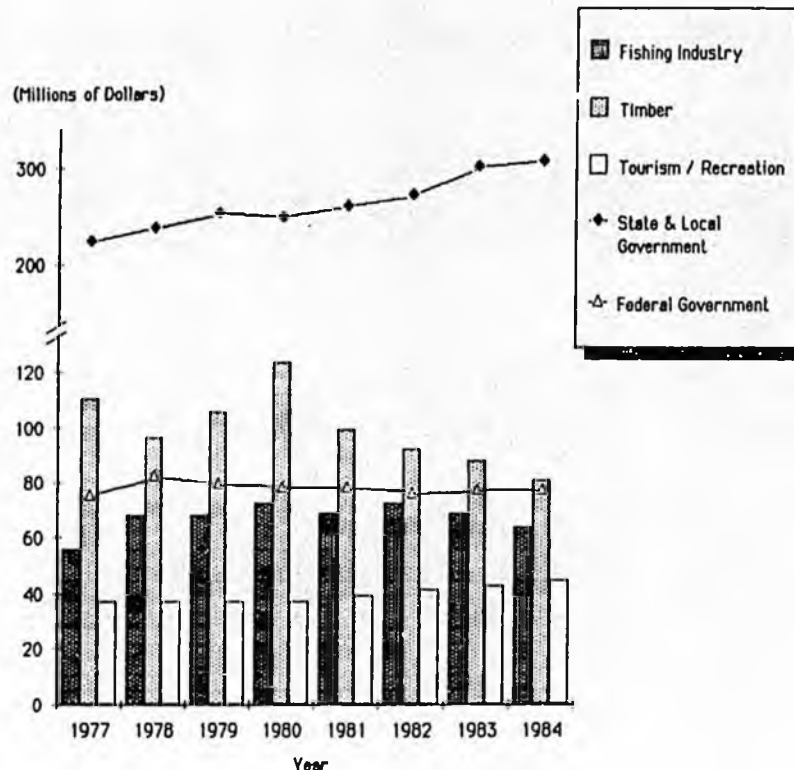
standard harvest technology) on the Tongass National Forest, an allowable sale quantity of 614 mmbf could have been attained.

This section of the chapter examines the effects of one facet of these reductions on the available commercial forest land base: the impacts of Wilderness designation on the timber industry. Both short-term (since ANILCA) and potential long-term effects are considered. Two points are common to both short-term and long-term effects. The first is that the reduced timber base restricts the opportunities for expansion of existing industry or entry of new investments in the Southeast Alaska timber industry. The other point is that the 4.5-bbf-per-decade sale goal freezes the existing mix of long-term and short-term timber sales for as long as the long-term contracts continue. The current mix of sales by volume is

approximately two-thirds long-term and one-third short-term. Short-term impacts evaluated include the quality of timber sales made available to the timber industry and whether any access limitations have occurred since ANILCA. Long-term impacts may include possible increases in harvest costs and changes in the quality of the timber which may be made available due to increased reliance on low-volume and "nonstandard" areas (areas that require special harvest technology). The measure of quality used is the volume of timber per acre, called volume class. Normally the higher the volume per acre, the larger the individual trees are and the lower the costs to harvest the timber. These impacts are discussed in general terms, since other variables such as market cycles and future price levels make precise measures difficult.

Figure 2.2

Direct Earnings^a by Sector^b in Southeast Alaska, 1977-84



^aAll earnings have been converted to 1985 dollars using the GNP Implicit Price Deflator for first quarter, 1985.

^bTimber industry includes forestry consulting, logging, sawmills and pulp mills. Fishing industry includes commercial harvesting and seafood processing. Tourism/Recreation includes a composite of visitor-related industries. Government includes State/local and Federal administration and enterprises. Earnings from fish harvesting are estimated at between 40 and 57 percent of the annual gross receipts to fishermen. See: *The Alaska Fishing Industry: An Overview of State Expenditures and Economic Benefits*, Alaska State Legislature: House Research Agency Report No. 81-4, January, 1982, for a discussion of the problems of estimating harvest earnings.

Source: Direct levels are from historical data from the Alaska Department of Labor and simulations using a Forest Service input-output model, IPASS.

Short-Term Impacts Since ANILCA

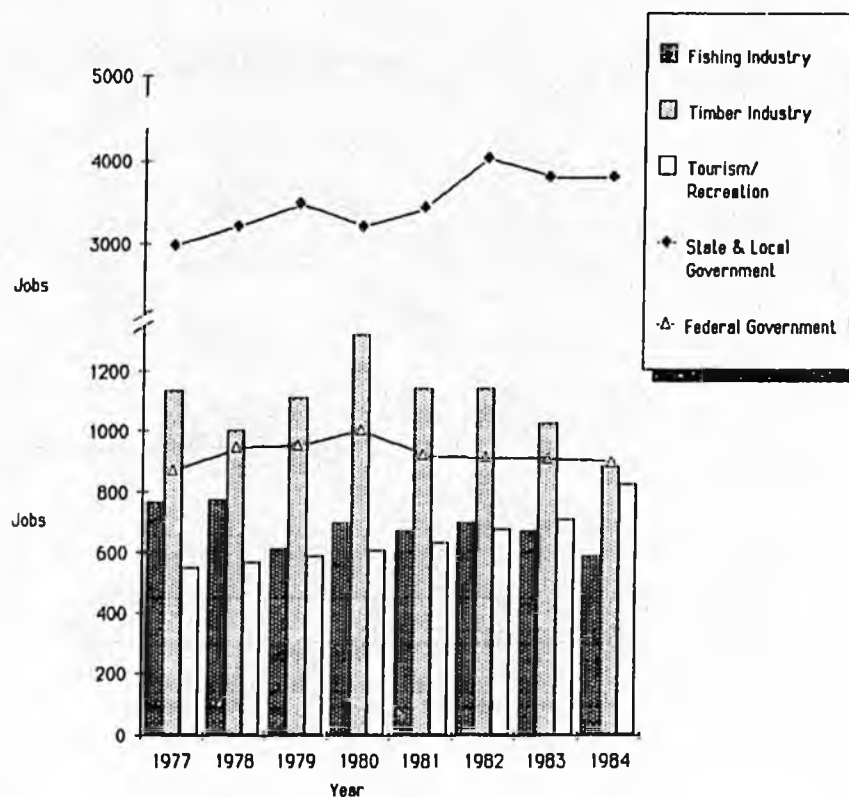
The designation of 14 Wilderness areas reduced the commercial forest land base available for harvest on the Tongass by 1.65 million acres or approximately 28 percent. Approximately half of this commercial forest would be considered harvestable under the criteria established in the Forest Plan. Over the short term, it was anticipated that the effects of this reduction, in acres available for timber harvest, would be reflected in increased harvest of lower-volume classes and increased use of special harvest technology in the remaining available areas. These anticipated effects were based, in part, on the assumption that greater reliance would be placed on low-volume

stands outside Wilderness boundaries, since high-volume stands within Wilderness were no longer available for harvest.

Actual acres prepared and sold or released between 1980 and 1984 are compared with Forest Plan schedules in table 1.1 in chapter 1. While steady declines in the timber market since the passage of ANILCA have affected demand for all volume classes, only 26 percent of the lower-volume classes (8-20 mbf per acre) scheduled in the Forest Plan have been purchased as short-term sales or formally released to long-term sale operators since 1980. In addition, few of the areas requiring special harvest technology have been offered for sale or release. Therefore, short-term expectations about anticipated dependence on low-

Figure 2.3

Associated Indirect and Induced Employment^a in Southeast Alaska, 1977-84



^aJob number information should be supplemented with the earnings data in Figure 2.4 before making sector comparisons.

Source: All associated indirect and induced job numbers are estimated from IPASS.

volume timber and special harvest technology have not been realized due to the reduced level of harvest activity.

Another potential effect of Wilderness designation is the potential restriction on access to timber harvest units near Wilderness. The delineation of recommended Wilderness areas in the Forest Plan was designed to minimize access restrictions to adjacent commercial forest land scheduled for harvest. As ANILCA made only minor alterations to the recommended boundaries for the Wilderness areas, there has been no blockage of access to commercial forest land scheduled for harvest in the Forest Plan. There may, however, be increased costs for access to some areas adjacent to Wilderness areas, such as the southern tip of Tebenkof Bay Wilderness area and east of the West Chichagof-Yakobi Wilderness. In these cases interconnected road systems may require additional miles of road construction to avoid Wilderness areas in the future, or in some cases, may not be possible. Changes which increase road mileage

or do not provide for interconnecting roads also result in higher administrative costs on the Forest. Costs to the timber industry would increase if additional logging camps are required.

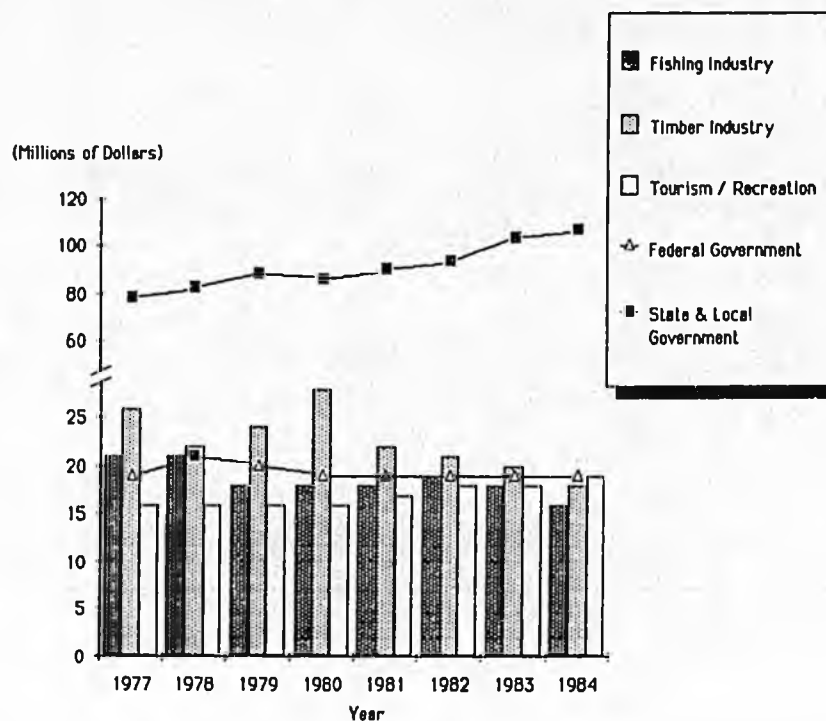
Poor market conditions have resulted in lower than expected harvest rates which in turn have masked effects of Wilderness designations on the timber industry since 1980 (ANILCA). Similarly, restricted access to harvest units due to Wilderness designations is not apparent. Because of reduced market demands since 1980, there has been little need to harvest the marginal areas identified in the Forest Plan which require higher logging and transportation costs.

Possible Long-Term Impacts

The impact of Wilderness on timber can also be expressed as a loss in harvest opportunities on commercial forest lands within units of the National Wilderness Preservation System and areas maintained

Figure 2.4

Associated indirect and Induced Earnings^a in Southeast Alaska, 1977-84



^aAll earnings have been converted to 1985 dollars using the GNP Implicit Price Deflator for first quarter, 1985. Source: Associated indirect and induced earnings are estimated from IPASS.

in a primitive, unroaded Land Use Designation (LUD II). Market cycles can either magnify or diminish the effects of these losses in the short run. However, in the long term, changes in the commercial forest land base can impact the distribution of potential timber harvest among different volume classes. This distribution, in turn, affects the costs and benefits of timber harvest over time. In this section, an analysis is made of possible losses in harvest opportunities. This is done by contrasting potential long-term timber harvest schedules under a commercial forest land base with and without the commercial forest lands within Wilderness areas.

Timber harvest schedules are simulated for two commercial forest land bases. The first includes only those lands currently available for harvest under the existing Forest Plan. The second land base includes commercial forest lands in ANILCA-designated Wilderness, but not in the areas administratively maintained as roadless by the Forest Plan (Land Use Designation II).

Management measures specified in the Forest Plan for retention of forest land for wildlife and fisheries habitat are reflected in both land base harvest schedules. Extended rotations in areas of high visual sensitivity, long-term sustained yield, and an average annual allowable sale quantity of 450 mmbf are also reflected in both schedules. If a 450 mmbf annual harvest ceiling were not imposed in both schedules, the average annual allowable sale quantity for the Forest would increase to approximately 535 mmbf without added investments (614 mmbf with added investments similar to the Forest Plan) under the larger land base if commercial timber in Wilderness areas and other primitive, nonmotorized areas (Land Use Designation II) were available for timber harvest. The Forest Plan's requirements for precommercial thinning and harvest of areas requiring special technology are included only in the schedule including areas currently available for harvest. These measures were added when Wilderness recommendations were made in the Forest Plan and the total commercial

forest land available was reduced and could no longer be considered for timber harvest.

Figure 2.5 displays the average annual harvest by volume class under the two assumed commercial forest land bases. As anticipated in the Forest Plan, with Wilderness unavailable for harvest, greater reliance is placed on the lower-volume classes, practices such as precommercial thinning, and the harvest of areas requiring special harvest technology. This reliance is needed to maintain a timber supply of 4.5 bbf per decade. When Wilderness areas are included in the harvestable land base, there is no longer a need for harvesting in the 8-20-mbf-per-acre volume class, the additional precommercial thinning, or the advanced logging technology to supply 4.5 bbf for this plan period (1980-89).

Summary

When Congress designated 5.45 million acres of Wilderness under ANILCA, the commercial forest land base on the Tongass National Forest was reduced by 1.65 million acres. Approximately half of this acreage would have been considered harvestable using the Forest Plan's criteria. Poor market conditions

have resulted in lower than expected harvest rates. However, harvesting costs are expected to increase over time as a greater portion of the low-volume stands and areas requiring advanced logging technology are needed to achieve a 4.5-bbf-per-decade timber supply.

EFFECTS OF WILDERNESS DESIGNATION ON THE FISHING INDUSTRY

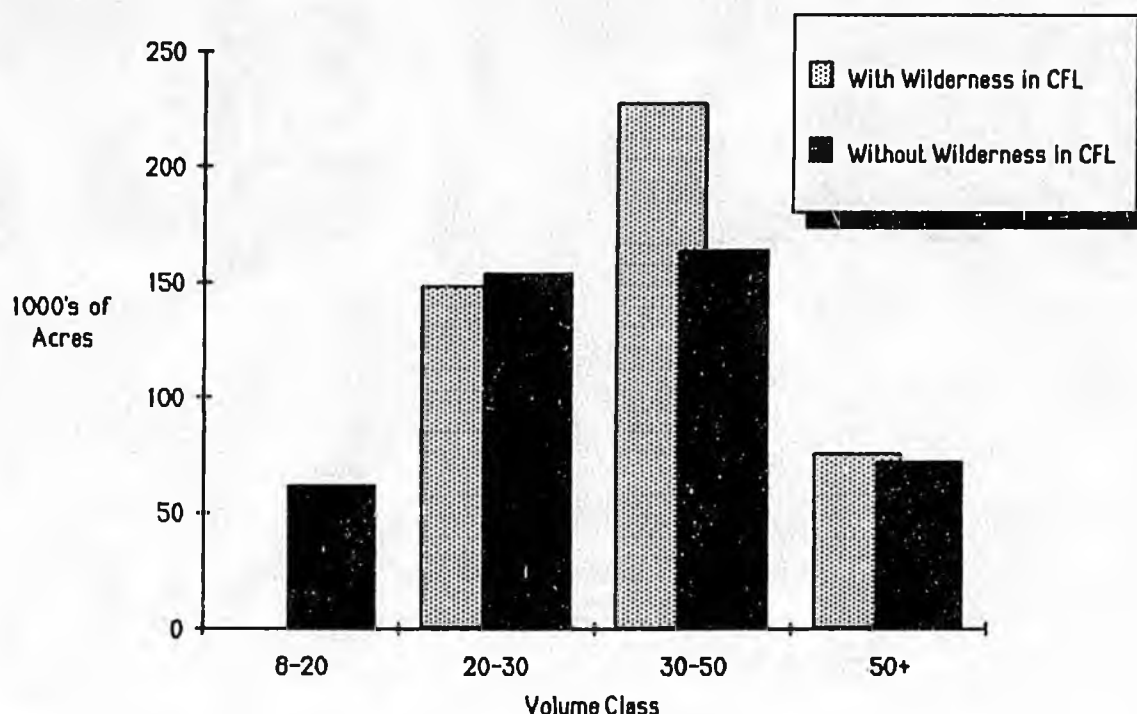
This section of the report examines fisheries management activities within Wilderness areas and the extent these activities impact the commercial salmon industry. For this report, the impact of Wilderness on the commercial fishing industry is evaluated in terms of opportunities for fisheries research, management, and habitat enhancement projects in Wilderness areas versus other National Forest lands. Forest Plan management direction for the non-Wilderness portion of the Forest stresses protection of the full biological productivity of streams and rivers and taking advantage of all fisheries enhancement opportunities. Due to this direction, there has been little difference in the effects of management actions on fisheries resources on the Wilderness and



Admiralty Island National Monument is an area having both outstanding natural beauty and high timber values.

Figure 2.5

Comparison of Annual Average Harvest Schedules by Volume Class for the First Decade With and Without Wilderness in the Land Base Available for Timber Harvest



non-Wilderness portions of the Forest.

ANILCA exempted the Tongass National Forest from some of the limits placed on fisheries research, management, enhancement, and rehabilitation activities in Wilderness areas under the 1964 Wilderness Act. Special management provisions in ANILCA recognized a goal of restoring and maintaining fish production in Alaska at optimum sustained yield levels while adequately assuring the protection and preservation of the Wilderness resource. In those Wilderness areas where fisheries improvement projects have not been programmed, Wilderness provides a natural benchmark from which fisheries habitat capability and production can be compared with managed habitats in other areas of the Forest.

In 1983, the Forest Service published management direction to guide fisheries project development on designated Wilderness areas in the Forest. Under this direction, fisheries enhancement activities are approved on the basis of need as determined through cooperative fisheries planning.

Management Situation

Commercial fisheries in the waters adjacent to the Tongass during the period 1980-84 harvested an

average of 119.7 million pounds of salmon annually, at an average annual ex-vessel value (gross receipts to fishermen) of \$72.8 million (1985 dollars).³ This represents roughly 78 percent of the total ex-vessel value of all fish and shellfish landed in Southeast Alaska. Employment in the commercial fisheries industry of Southeast Alaska during this period averaged 2,124 jobs in the harvesting and 1,221 jobs in the processing sectors annually. Actual harvest levels for Southeast Alaska are shown in figure 3.2 in chapter 3 of this report.

Tongass fish resources are also important to the recreational fisheries of Southeast Alaska. During the period 1980-83, an average of 28,443⁴ resident anglers participated in recreational fisheries and contributed about \$20 million annually to the region's economy.⁵

Neither the commercial fisheries harvest figures or the resident angler figures can be divided into

³Alaska Catch and Production Commercial Fisheries Statistics, Statistical Leaflet Series, 1974-84. Alaska Department of Fish and Game.

⁴Mills, Michael J. *Statewide Harvest Survey*, Federal Aid in Fish Restoration F-9-16, Vol. 25, July 1, 1983-June 30, 1984. Alaska Department of Fish and Game, P.O. Box 3-2000, Juneau, AK 99802.

⁵Estimated value by Alaska Department of Fish and Game.

Wilderness and non-Wilderness categories. The discussion is included here as a means of identifying the overall management situation on the Forest. Since Wilderness makes up approximately one-third of the Forest, the relationship between commercial harvest and resident angler use and Wilderness designation can be put in perspective.

Cooperative Fisheries Planning and Fisheries Enhancement Projects

Special management provisions in ANILCA provided the Forest Service with the opportunity to conduct fisheries enhancement projects in Wilderness areas. Inventory and analysis of enhancement opportunities for Tongass National Forest fisheries are currently underway. When complete, this information will be used to determine the extent of fisheries enhancement needs within Wilderness areas. It will also determine the potential contribution of fisheries enhancement projects in restoring and maintaining fisheries production in the State at optimum sustained yield levels.

In accordance with ANILCA Section 507(a), and the intent of Section 1315(b), identification of opportunities to enhance fisheries resources on the Tongass National Forest is accomplished through cooperative fisheries planning. Cooperators include the Forest Service, the State of Alaska, and some of the non-profit aquaculture corporations. In effect, Section 507(a) helps the integration of the State's regional fisheries planning with the Forest Service's land management planning process. For example, enhancement opportunities recommended in the Southeast Alaska Comprehensive Salmon Plans⁶ are evaluated against other resource considerations and eventually will become the basis for the fisheries enhancement program on the Tongass, including Wilderness areas.

Fisheries enhancement projects completed on the Tongass National Forest since the enactment of ANILCA are presented in table 2.1 and are located on map 2.1. Projects proposed for development or implementation in accordance with the present Tongass 5-year schedule for fisheries improvements are summarized in table 2.2. These represent a full spectrum of structural and nonstructural enhancement activities, and include major fishway rehabilitation activities, lake stocking and fertilization, and the construction of a major hatchery facility by the Tlingit and Haida Central Council. Wilderness designation has not precluded the development of any enhancement projects to date.

In total, 41 fisheries enhancement projects have been completed on the Tongass since the passage of ANILCA, including 12 projects in Wilderness areas. It is estimated that these projects will contribute

more than 6 million pounds (1.75 million pounds from Wilderness projects) of "new" salmon to the Southeast fisheries annually when full production potential is reached.



Bakewell fish ladder in Misty Fiords National Monument. The ladder was recently reconstructed in a cooperative effort between the State of Alaska and the Forest Service.

Summary

Wilderness designation has not had a measurable impact on the fisheries resources on the Tongass National Forest. Special Wilderness management provisions in ANILCA recognize a goal of restoring and maintaining fish production to optimum sustained yield levels. Fisheries management activities are conducted in a manner that adequately assures protection of the Wilderness resource. Forest Service management direction for the non-Wilderness portion of the Forest stresses protection of the full biological productivity of streams and rivers and takes advantage of all fisheries enhancement opportunities. Due to this direction, there has been little difference in the effects of management actions on fisheries resources on the Wilderness and non-Wilderness portions of the Forest.

The Forest Service has published Wilderness management direction in accordance with the cooperative fisheries planning and special Wilderness provisions of ANILCA. Enhancement projects are identified through cooperative fisheries planning and approved through individual NEPA documents and Tongass land management planning activities. Wilderness areas in which fisheries enhancement projects have not been planned provide a benchmark from which fisheries habitats and production levels can be compared with similar habitats and production levels in

⁶State of Alaska 20-year (1980-2000) salmon harvest restoration plans for Southeast Alaska.

Table 2.1 — Wilderness/non-Wilderness distribution of Tongass National Forest fisheries enhancement projects completed during the period 1980-84

Project location	Enhancement activity (No. of projects)	Estimated outputs ^a (m lb/yr)	Ex-vessel value ^b (\$m/yr)
Wilderness			
	Lake fertilization (2)	380.0	406.6
	Lake stocking (2)	830.0	821.7
	Debris removal (2)	NA	NA
	Salmon hatchery (.)	540.1	330.1 ^c
	Fish weir (egg take) (1)	NA	NA
	Fish weir (research) (2)	NA	NA
	King salmon habitat evaluation (2)	NA	NA
	State fishery law enforcement cabin (1)	NA	NA
Non-Wilderness			
	Fishways (11)	1,186.5	1,151.6
	Lake fertilization (2)	2,780.0	2,974.6
	Fish stocking (8)	175.0	173.3
	Spawning channel (1)	117.4	71.6
	Rearing pond (1)	5.4	5.4
	Debris removal (6)	NA	NA

NA = not available.

^aSalmon production based on full utilization of habitat capability. The time it will take to reach full production varies with species and fisheries management strategies regulating the fish stocks returning to the projects.

^bEx-vessel values are gross receipts to fishermen and are derived from *Alaska Catch and Production Commercial Fisheries Statistics*, Statistical Leaflet Series; 1974-82. Alaska Department of Fish and Game, P.O. Box 3-2000, Juneau, Alaska 99802.

^cCommon property fishery harvest component of the estimated future production from this private nonprofit hatchery operated by the Tlingit and Haida Fisheries Development Corporation.

areas altered through other management activities.

Since the passage of ANILCA, 41 fisheries enhancement projects have been completed on the Tongass National Forest that have the potential to annually increase harvestable salmon in the fisheries by an estimated 6 million pounds (1.75 million pounds from Wilderness areas). Wilderness designation has not precluded the development of any Tongass National Forest fisheries enhancement project.

EFFECTS OF WILDERNESS DESIGNATION ON THE TOURISM INDUSTRY

This section of the report examines impacts Wilderness designations have had on the tourism industry of Southeast Alaska.⁷ Three indicators are used to measure Wilderness impacts: use patterns and trends before and after designation, promotional trends within the industry, and tourism operator perceptions of those impacts. While the intent of this section is to focus on formally designated Wilderness, it is important to recognize that there are almost 2.7 million acres of primitive, nonmotorized areas

maintained on the Forest for this planning period (1980-89) plus other areas within the Tongass that are not designated as Wilderness but have similar characteristics. Examples of these other areas range from the Juneau Icefield to areas available for developmental activities and which could be roaded. Total acreage on the Forest which is currently unroaded exceeds 11 million acres. Thus specifically isolating the impacts of formal Wilderness designation is not always possible.

Trends in Tourism

To get a more complete picture of tourism trends in Southeast Alaska, it is first necessary to understand the history of this industry and how it has evolved.

⁷Much of this section is derived from a paper entitled "Patterns of Tourism in Southeast Alaska—An Analysis of the Impact of Wilderness Designations on the Tourism Industry" by Larry Bright, a graduate student in Natural Resource Management at the University of Alaska, Fairbanks.



Map 2.1—Location of Fisheries Enhancement Projects

Table 2.2 — Fisheries enhancement projects presently proposed for Tongass National Forest Wilderness

West Chichagof-Yakobi Wilderness

- Rust Creek—Proposed nonprofit hatchery.
- Goulding Lakes—Proposed site for a private nonprofit hatchery.
- Waterfall Cove—Fish passage improvement for pink and chum salmon is recommended at this site.

South Baranof Wilderness

- Falls Lake—This proposed fish passage improvement is to accommodate additional spawning adults returning to Falls Lake as a result of the ongoing lake fertilization program.
- Benzeman Lake—Lake fertilization to increase salmon production.
- Southeast Baranof Lakes—Salmon stocking.

Tebenkof Bay Wilderness

- Wolf Creek—Fish passage over barrier falls.

Admiralty Island National Monument Wilderness

- Ward Creek—A significant enhancement opportunity requiring fish passage improvement and brood stock development.
- Fishery Creek—A significant enhancement opportunity requiring fish passage improvement and brood stock enhancement.

Stikine-LeConte Wilderness

- Andrew Creek and Ketili Creek—Alaska Department of Fish and Game and Regional Aquacultural Association instream fish weir, trapping and tagging of juveniles, and other studies on chinook salmon.

Misty Fjords National Monument Wilderness

- Boca De Quadra—A major salmon hatchery facility in this area is recommended by the Southern Regional Aquaculture Association and fishermen user groups.
 - Mainland Rivers—The Unuk, Chickamin, Wilson-Blossom, Keta River, and some smaller systems are significant producers of salmon. Direct habitat improvements to increase salmon production have been identified for development.
-

Historical Perspective of Tourism

For a century now, people have been venturing north to experience the scenic beauty of Alaska's Inside Passage. While the actual number of visitors has fluctuated, the industry has grown over time. In 1884, 1,650 tourists visited Southeast Alaska via steamship. By 1890 the Pacific Coast Steamship Company (PSC) was doing a thriving business with 5,007 tourists booking passage.

The late 1960's ushered in a trend toward larger cruiseships in Southeast, primarily with larger companies, such as the Princess Lines, entering the market. By 1975, cruiseship visitation to Southeast Alaska had grown to an estimated 46,000 passengers. Another trend of the late 1960's and early 1970's was the small but rapidly growing demand for "hands-on" wilderness experiences. The rise in environmental

awareness and interest in protecting remaining wilderness coincided with the continued growth in visitation to Southeast Alaska. The single most consistent trend one can follow in the development of the visitor trade in Southeast, has been the persistent demand for the natural scenic beauty of Southeast Alaska.

Tourism Today

Southeast Alaska played host to 205,000 total visitors in 1983, double the number in 1975. The primary reason for the industry's expansion has been the dramatic increase in cruiseship visitation (see fig. 2.6). Two other significant forms of access into Southeast are commercial airlines and the State ferry system. Commercial air traffic increased at a steady 8-10 percent rate through the 1970's, but has leveled off somewhat during the past 5 years (fig. 2.6). Use

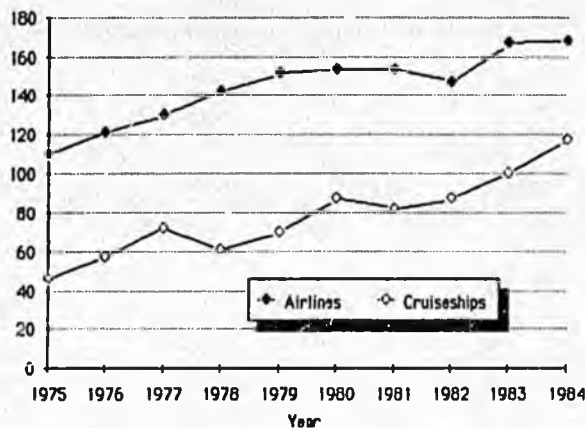


Map 2.2—Changes in Recreational Use Patterns Since ANILCA

Figure 2.6

Cruiseship and Airline Traffic Trends, 1975-84

Passengers
(1000's)



of the Alaska State ferry system has increased approximately 33 percent in the last 10 years.

Cruiseship and Marine Highway passengers are users of the Forest as they enjoy the scenery of the

Inside Passage and engage in "onsite" uses of the Forest. The recent emergence of short-duration adventure activities such as raft trips down the Mendenhall River, glacier walks, and scenic overflights, reflects the increased demand for onsite recreational experiences.

Other examples of trends toward increased use are reflected in the number of outfitter/guide permits issued for use on the National Forest over the last 10 years. In 1976, 6 permits were issued; in 1980 the number increased to 17, and by 1984, 52 permits had been issued.

Local residential recreation use has also gradually increased with the growth in the region's population. An annual survey of Alaska resident sport fishermen in Southeast Alaska indicated that the number of resident sport fishermen increased some 55 percent, from 20,387 to 31,674, between 1977 and 1983. The region's population grew by only 27 percent over this same time period. In 1983 the survey found that the three most important attributes to a quality angling experience were (1) uncrowded environment, (2) wilderness setting, and (3) catching lots of fish. These results confirm earlier findings from the 1979 Alaska Public Survey, a joint State and Federal study of resident recreation in Southeast Alaska. Many of the



The Island Princess, one of the many tour ships that cruise the Inland Passage during the summer months.

region's most popular fishing sites are located on or adjacent to the National Forest.

This growth in visitation has stimulated an expansion of the tourism industry. A study of the tourism industry by the Alaska Division of Tourism and Alaska Department of Labor found that statewide the industry received approximately \$940 million in total sales during 1982. Of this, \$550 million was directly attributed to nonresident visitors. The remaining \$390 million was attributed to in-state travelers and local residents. These sales, in turn, provided employment for slightly more than 16,000 people. Statewide, the study concluded, the visitor industry was the fourth largest private sector. While tourism is an important industry in Southeast Alaska, it is not clear how it ranks relative to other private sectors since a similar analysis of the visitor industry in Southeast Alaska has not been conducted.

Pre- and Post-ANILCA Locational Patterns of Use

A commonly held perception is that formal Congressional designation of a previously unclassified area as "Wilderness" or "National Park" automatically results in significant increases in recreational use. This phenomenon is termed the "designation effect." The stimuli for such increases are theorized to be the promotional benefits of having a nationally recognized designation.

Since ANILCA designated over 5.4 million acres as Wilderness, the impacts of a "designation effect" in Southeast Alaska could be substantial. Analysis of pre- and post-ANILCA recreational use patterns was viewed as one way of testing this hypothesis.

Access to many recreational areas in Southeast Alaska requires some form of commercial transportation (boat, airplane). Commercial recreation transportation activities were therefore considered an important indicator of recreational use in the region by both residents and nonresidents. Map 2.2 highlights cruiseship routes and areas of increased use both inside and outside of formal Wilderness since ANILCA.

Forest-wide, estimated fiscal year 1984 recreational use in the Tongass National Forest Wildernesses was 250,000 recreation visitor-days. Approximately 40 percent of this use was concentrated along the coastal portions of the Wilderness areas. The majority of the remaining upland use is related to scenic overflights and use of the 47 public recreation cabins located within these Wildernesses. Due to the dispersed use patterns and generally low use levels in Southeast Alaska it is difficult to quantify site-specific recreation use, particularly for dispersed activities such as hiking, boating, fishing, and hunting. Addi-

tionally, the collection of quantified use data when compared to other recreation management needs is not a priority in light of limited recreation budgets.

The following discussion summarizes some of the major area-specific patterns which have evolved. Comparisons are made relative to general use statistics as well as the presence of attractions, services, and relative accessibility.

Misty Fiords National Monument and Wilderness is, perhaps, the best example of a "designation effect" in Southeast Alaska. Use of the area has increased dramatically since ANILCA. In 1979 only one small (less than 200-passenger capacity) part-time vessel operated out of Ketchikan on an "as demanded" basis. By 1984 six small and two large (over 200-passenger capacity) vessels operated scheduled trips into the Misty Fiords area. The most dramatic increase, however, has been in scenic overflights. The number of scenic-flight passengers grew from approximately 300 in 1979 to some 7,000 in 1984 (fig. 2.7). In addition to cruiseship use, kayaking and canoeing have also increased in Misty Fiords, although actual numbers are still small. The timing of these changes is an important indicator of a designation effect. The dramatic jump in use at Misty Fiords occurred during and immediately following designation (1980-81), while use in surrounding non-Wilderness areas grew at a much slower pace. The attractions needed to promote Misty Fiords were already available locally before the area's designation. For example, access, marketing skills, and visitor services and facilities were all available in Ketchikan, but these factors by themselves were not enough to cause the rapid increase in use after 1980.

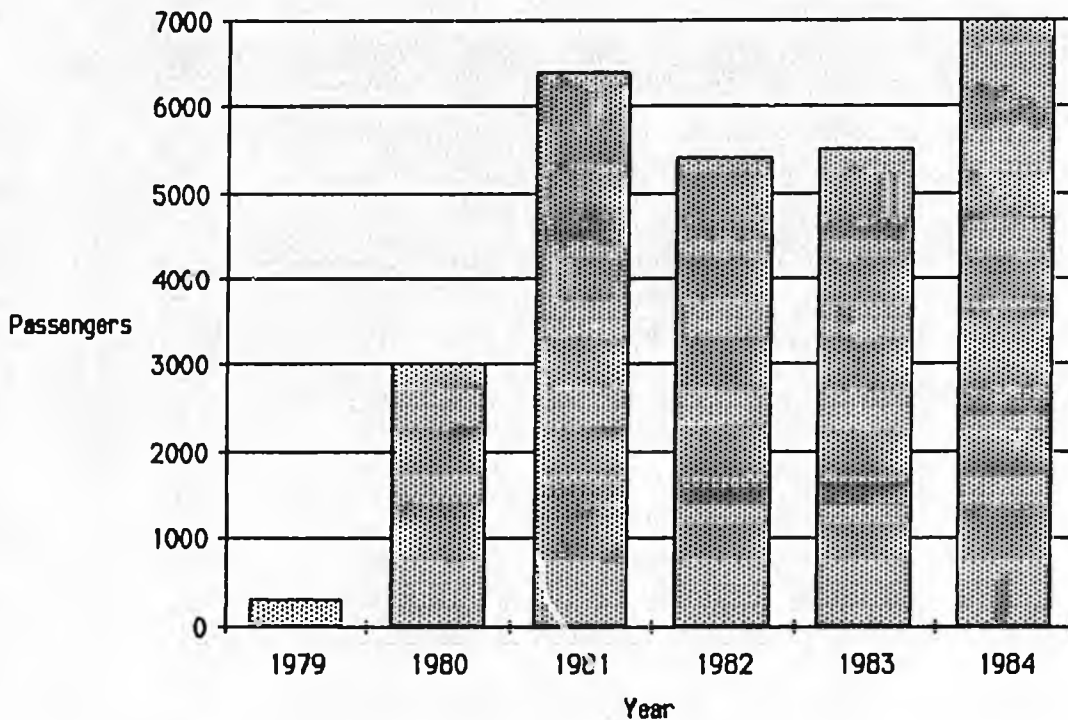
Like Misty Fiords, Tracy Arm-Fords Terror, Admiralty Island, and Stikine-LeConte Wildernesses, have experienced increases in use since ANILCA. Although the increases have not been as significant as Misty Fiords they are considered to be above average when compared to Southeast Alaska as a whole.

Smaller cruise ships have contributed significantly to the increased use of Admiralty and Tracy Arm-Fords Terror since ANILCA. The development of light-weight, high-powered outboard engines has played a major role in the growth of traffic on the Stikine River. Other factors affecting use of Stikine-LeConte include research projects along the corridor planning for the proposed Stikine hydroelectric project in British Columbia, and development on the Canadian side of the border.

West Chichagof-Yakobi, South Baranof, Petersburg Creek-Duncan Salt Chuck, and Russell Fiord Wildernesses appear to have experienced increased recreation use at a rate very similar to overall use in Southeast Alaska. Depending on marketing skills, demand for solitude, and availability of access, either commer-

Figure 2.7

Scenic Flight Passenger Numbers^a in the Misty Fiords and Ketchikan Area



^a Rounded to the nearest hundred.

Source: Interviews with area tour operators, Forest Service RIM data, and information from the Southeast Stevedoring Corporation.

cially or noncommercially, the potential for increased use for these areas is possible. The areas are reasonably close to established communities and relatively accessible, although not to the same degree as, say, Misty Fiords or Admiralty Island. Designation could become a very important marketing tool for these areas in the future.

Tebenkof Bay, Endicott River, Coronation Island, Warren Island, Maurelle Islands, and South Prince of Wales, due to their relative inaccessibility and distance from communities, have not experienced similar increases in recreation use compared to the other Wilderness areas. The development of additional access or improved information could modify this situation, particularly for an area like Tebenkof Bay which provides protected waters and secluded anchorages.

Increases in recreation use on the Tongass National Forest are not limited to Wilderness areas. On Prince of Wales Island recreation has grown with the expansion of the road system. Much of this visitation involves the use of recreational vehicles. There are only limited opportunities for recreational vehicle use throughout the rest of Southeast. Other forms

of tourism have also increased on Prince of Wales, the most significant being sport fishing. A new fishing lodge, Waterfall Resort, was recently completed on the island. Although the lodge is accessible only by air or water, it hosted approximately 1,200 guests during the 1984 season. Other lodges and motels on the island have experienced increases in use over the past 5 years.

In contrast to the economic benefits generally associated with increased use of Wilderness, some operators and visitors feel this use has resulted in the loss of Wilderness values. This is particularly true in Misty Fiords. Over the past 5 years, the Forest Service has received an increasing number of complaints about aircraft noise in the Big Goat Lake cabin area. The cabin is located on a high alpine lake and lies directly along the path of the Misty Fiords flightseeing tour. As a result, many users believe the cabin site no longer offers the Wilderness solitude it once did during the summer months.

^a Morck, Vicki; Pacific Northwest Forest & Range Experiment Station.

The development of recreation "hot spots" over the past several years has also created special management problems for both the Forest Service and other agencies such as the Alaska Department of Fish and Game. One example is Pack Creek on Admiralty Island. Here the problems primarily involve the increasing number of encounters between brown bear and human visitors.

Promotional Efforts Within the Industry

Travel advertisements generally reflect the kinds of activities that visitors to an area are demanding. The degree to which the image of Alaska's Wilderness areas has been marketed was evaluated by analyzing the content of tourism advertisement over the past 10 years to see if any trends had evolved since the formal creation of Wilderness.⁸ Using location key words, it was found that many of the areas designated as Wilderness in 1980 were promoted to a greater extent after their designation (fig. 2.8). The Misty Fiords, Stikine-LeConte, West Chichagof, and Russell Fiord areas were all included in advertisements for the first time after 1980. The Tracy Arm area was consistently found in promotions prior to 1980, but at a higher frequency after 1980. In addition, the State Division of Tourism in its visitor marketing campaign has capitalized on the wilderness image. This image has been enhanced by the approximately 57 million acres of Wilderness designated in ANILCA. During the last 4 years, the Division of Tourism has emphasized a more personal experience touched by the natural scenic beauty of Alaska. In part, this was in response to a marketing survey which indicated that "scenery, forest, mountains, out of doors," and "wilderness, unspoiled, rugged" were the two top categories that visitors found most appealing about Alaska as a vacation area.

The current trend in both State and private industry advertisements continues to capitalize on the scenic splendor of the State, particularly Southeast. Approximately \$30 million was spent marketing the Alaska "image" in 1984. This included \$7 million from the Division of Tourism, and \$1 million from the Alaska Visitors Association Marketing Council as part of a cooperative marketing program designed to promote a generic "Alaska." The remaining \$22 million was provided by the private sector, the majority coming from the cruiseship industry. Several visitor marketing consultants estimated that some \$10 million was spent promoting the Inside Passage of Southeast Alaska in 1984.

It appears likely that the promotion of Wilderness will eventually result in increased use in many of the Wilderness areas in Southeast, despite the evidence that such an increase has not yet occurred on a large

scale. Recent research on the effects of Wilderness designation on use patterns⁹ indicates there may be a lag period between the time of designation and when "word gets out" concerning a particular area. Recent increases in the number of cruiseships using Wilderness areas is a good indicator that this may be the case in Alaska. Additionally, the growing number of Forest Service-administered outfitter/guide permits indicates that demand for permitted visitor service operations in Wilderness areas on the Tongass National Forest is continuing to grow.

Operator Perceptions of Wilderness Designation

Another indicator of the effects of Wilderness designations on the tourism industry is what tour operators perceive to be the impact. Of the 64 tour operators interviewed, the majority (73 percent) saw the formal creation of Wilderness as a means of protecting the resource their businesses need to grow. Natural attractions were seen as the primary basis behind much of the tourism industry in Southeast Alaska. They viewed the long-term growth and security of their firms as dependent upon the way in which the natural character of the landscape, both inside and outside of Wilderness, is managed. The operators also indicated that national designation benefited their businesses in terms of marketing and advertising.

The respondents who cited negative impacts (5 percent) felt that Forest Service policies for managing Wilderness in an unaltered state hampered the development of lodges and other facilities, and thereby limited opportunities for growth in their businesses. This response reflects the importance of managing for primitive recreation opportunities in nonclassified areas as well, where facility development is permitted and more appropriate than in formally classified Wilderness.

Summary

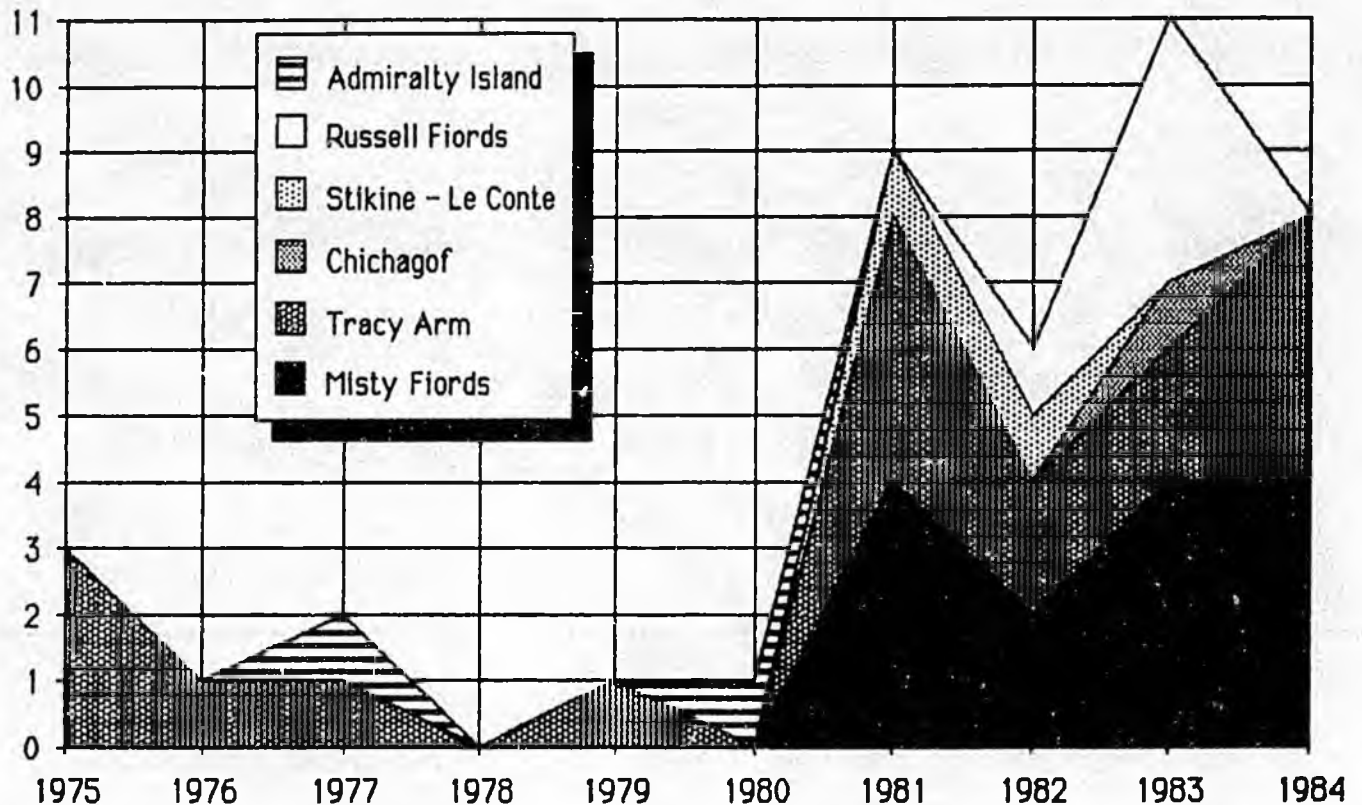
Three indicators have been instrumental in measuring the impact of Wilderness designation on the tourism industry of Southeast Alaska: use patterns before and after designation, promotional trends within the industry, and operator perceptions of impacts.

The analysis of use patterns identified Misty Fiords National Monument Wilderness as the primary example of where national designation appears to have had a strong influence on actual levels and patterns of use.

⁹McCool, Stephen. "Does Wilderness Designation Lead to Increased Recreation Use?" *Journal of Forestry*. Vol. 83, No. 1, January 1985, p. 39-41.

Figure 2.8

Number of Wilderness Area Referrals in Travel Advertisement, Pre- and Post-ANILCA



ANILCA Wilderness designations have also significantly influenced promotional trends. This indicator suggests that Wilderness designations are having a positive influence on the tourism industry. Survey responses, tour brochures, and travel advertisements all indicate that the tourism industry is selling, or "exporting," the scenic beauty and unspoiled wilderness of Alaska.

The majority (73 percent) of the Southeast tour operators interviewed believed that the Wilderness designations had positively impacted their business for two reasons: the national designation aids them in advertising campaigns; and the designations protect the scenic, undeveloped landscape they need for future operations (business growth and stability).

It is difficult to accurately predict future recreation and tourism demand for the 14 Wilderness areas classified by ANILCA. If the conditions are right—unique attractions, accessibility, visitor services and promotional skills—then a continued increase in use can be expected. Those areas with unique attractions, opportunities, or improved access can expect to

realize more significant increases than those without these characteristics.

Wilderness is managed to provide unique forms of primitive recreational opportunities that are essentially independent of man-made facilities except those necessary for human health and safety. As such, Wilderness areas cannot be expected to meet the demands for all forms of recreation. There are lands outside of designated Wilderness that provide environments which offer recreational opportunities similar to those within designated areas. In other areas, such as Prince of Wales Island, where access exists as a result of resource development activities, other forms of recreation are more appropriate. Activities such as roadside camping, downhill skiing, visiting resorts, and driving for pleasure are only possible on lands not included within the Wilderness Preservation System.

Since ANILCA, the tourism industry has steadily grown in Southeast Alaska as a result of marketing techniques that emphasize the unique natural characteristics of the area. During this period, 35 new out-

fitting and guide permits were issued to businesses directly dependent on the National Forests for their operations. In addition, several other businesses or corporations have been established or expanded. Tourism, fisheries, and timber continue to be the most important natural resource-dependent industries in Southeast Alaska, and have been roughly equivalent in their importance to Southeast Alaska economy in terms of employment and earnings, varying in

relation to each other based on prevailing market conditions. Since 1980 the tourism industry has steadily grown, and in 1984 surpassed both fisheries and timber in terms of the total number of jobs (direct and indirect/induced). Total earnings in tourism, while less than the other two sectors, have grown at a fairly consistent rate. Given the current marketing emphasis, tourism is likely to continue to grow in importance to the region's economy.



Alaska Department of Fish and Game.

Sitka black-tailed deer.

Chapter 3

Measures Instituted by the Forest Service to Protect Wildlife and Fisheries in the Tongass National Forest

This chapter provides a description of how policies to protect fish and wildlife resources were developed and are currently being implemented on the Tongass. A summary is presented of ongoing research and management programs concerning habitat relationships and fish and wildlife use. A description of habitat capabilities and wildlife use in Wilderness areas relative to the entire Forest also is presented.

This chapter summarizes measures taken by the Forest Service to provide for protection of fish and wildlife resources, and to accomplish wildlife and fish management objectives on the Tongass National Forest. Included are brief descriptions of the fish and wildlife resources of the Tongass; the fisheries and wildlife planning efforts; the many cooperative efforts undertaken by numerous Federal, State, and local government agencies, interest groups, and individuals; the fisheries habitat enhancement program; the second-growth management program; and the wildlife and fisheries habitat relationship program.

THE FISH AND WILDLIFE RESOURCES OF THE TONGASS NATIONAL FOREST

The Tongass National Forest supports a wide variety of fish and wildlife species. Over 400 species of wildlife, fish, and shellfish use the aquatic and terrestrial habitats of the Tongass. These species provide many opportunities for consumptive and nonconsumptive use by the public, including commercial, sport, subsistence, and photographic and viewing activities. The Forest is rich in its varied and unique species. Some of the species found on the Tongass in abundance are threatened or endangered in other parts of the United States.

The bald eagle is such a species. Although threatened or endangered in other parts of the country, the bald eagle thrives in Southeast Alaska's coastal forests, with an estimated population of 10,000 birds. Indeed, the Tongass supports the largest population of breeding bald eagles in the world. This large population of eagles on the Tongass draws local, regional, and national attention.

The hunting of moose, brown and black bears, mountain goats, and especially deer is popular. Over

the last five years, hunting seasons for most of these game species on the Tongass have remained constant or slightly increased in duration. The most popular game animal is the Sitka black-tailed deer, found throughout the forested areas of the Tongass. The deer provides recreational and subsistence hunting opportunities for numerous Alaskans.

In response to increased public demand for deer, the State of Alaska has established appropriate hunting seasons and bag limits to meet this demand. The number of deer harvested by hunters has steadily increased from 4,800 deer in 1980 to 12,100 deer in 1984. This increase in annual harvest is attributable to several factors, including more hunters, better hunter survey techniques and harvest estimates, and increased deer populations resulting from favorable overwinter survival.

State regulations effective July 1, 1985-June 30, 1986 include the following provisions for hunting deer in Southeast Alaska, which includes the Tongass National Forest:

State game unit	Forest/Area	Season	Bag limit
1(c),4	Chatham	8/1-12/31	4 deer
		1/1-1/31	2 deer
1(b),3	Stikine	8/1-11/30	1-2 deer
1(a),2	Ketchikan	8/1-11/31	3 deer

Because population estimates for deer and most other wildlife species do not presently exist, population management is based upon data collected from hunter success and other trend information, and the professional judgement of biologists.

The Tongass National Forest also supports many nongame species that are used, enjoyed, and desired by the public. Numerous species of furbearers, waterfowl, upland game birds, and small game provide the public with ample opportunity for sport, com-

mercial, and subsistence uses. Demand for all species is increasing as nonconsumptive uses, such as wildlife watching and photography, gain in popularity.

Five species of Pacific salmon, along with other anadromous fish, use the abundant freshwater resources of the Tongass as spawning and rearing areas. The returning salmon provide a wide variety of recreational, subsistence, and commercial opportunities. Indeed, the salmon production from the Tongass represents the bulk of the natural production in the southeast region.

There are no resident threatened or endangered terrestrial wildlife species in Southeast Alaska. However, the American peregrine falcon (*Falco peregrinus anatum*) may occasionally migrate over the Forest. The Prince of Wales flying squirrel (*Glaucomys sabrinus griseifrons*), a resident of the Tongass National Forest, has been identified by the Fish and Wildlife Service as a candidate for Federal listing. Another candidate species, the Glacier Bay water shrew (*Sorex alakanus*), is thought to occur on lands contiguous with the Tongass and may also be a resident of the Forest. The Forest Service considers the habitat needs of these species in planning and management activities.

To meet these diverse demands for wildlife and fish resources, the Tongass National Forest is managed in a manner that maintains a sustained, even flow of quality habitats for the full diversity of species. The protective measures described in this chapter emphasize the special habitat needs of deer, eagles, anadromous fish, and other high-interest species while providing for a diverse mix of habitats, species, and uses of wildlife and fish resources.

WILDLIFE AND FISHERIES MANAGEMENT PLANNING ON THE TONGASS NATIONAL FOREST

The Southeast Alaska Area Guide (1977) provided the first comprehensive policies to protect wildlife and fish resources on the Tongass National Forest. The majority of these policies were subsequently refined and incorporated into the Alaska Regional Guide in 1983. The Guide provides the standards by which management activities are to be carried out. These standards stress the full protection of the biological potential of fish and wildlife habitat. The Tongass Land Management Plan (TLMP), for its part, provides the overall direction for management of all resources on the Forest, including fisheries and wildlife. The Forest Plan, which was finalized in 1979, uses the concept of emphasis species to ensure that the habitat requirements of wildlife and fish are considered in planning and management activities, and to ensure the viability of all species.



Alaska Department of Fish and Game.
Salmon return each year to spawn in the numerous streams of Southeast Alaska.

The passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980 confirmed the long-standing commitment to fisheries enhancement on the Tongass National Forest. Since 1952, more than 200 cooperative habitat enhancement projects have been completed. ANILCA instituted additional cooperative fisheries planning incorporating State of Alaska salmon planning into the Forest's fisheries enhancement planning process. Special Wilderness management provisions in ANILCA permit fish habitat manipulation and construction of structural improvements in Tongass Wilderness areas.

Under ANILCA, 85 of 298 high-value wildlife habitat areas and 26 of 490 high-value fisheries habitat areas identified in the Forest Plan were included in designated Wilderness. In addition, 35 high-value wildlife habitat areas and 220 high-value fish habitat areas are included in areas designated in the Forest Plan for unroaded, primitive recreation management. Therefore, as a result of the Forest Plan and ANILCA designations, approximately 40 percent of the high-value wildlife habitat areas and 50 percent of the high-value fisheries habitat areas are included in unroaded areas.

The Forest Plan also contained provisions for flexibility in meeting new demands upon the resources of the Forest. In 1983, the Alaska Department of Fish and Game requested that an additional 72 high-value wildlife and fish habitat areas be deferred from timber harvest until the Forest Plan was revised. Consideration was given to this request during the amendment of the Forest Plan in 1985. Where program flexibility permitted, scheduling of timber harvesting was deferred in 49 of the high-value areas until the next periodic review of management activities. Additional consideration is being given to the

Department's request in ongoing project activities evaluated through the NEPA process, such as the 5-year operating plans for the long-term timber sale contracts.

PLANNING AT THE FOREST LEVEL IN RESPONSE TO WILDLIFE AND FISHERIES ISSUES

While the Alaska Regional Guide provides the standards by which management activities are carried out, it is the Forest Plan that describes the management direction. The Forest Plan provides management direction for the protection, maintenance, and enhancement of wildlife and fisheries. This direction includes (1) providing for four different land use designations, (2) retaining important forest fish and wildlife habitat, and (3) instituting the concept of wildlife and fish habitat management units. Forest-level wildlife and fisheries management objectives are accomplished through implementation of these planning provisions.

A description of how these planning provisions are related to the fish and wildlife resource on the Tongass may be useful.

Land Use Designation

Land use designations¹ (LUD) were used in the Forest Plan to provide a range of management opportunities for all resources. Protective measures for wildlife and fisheries resources were set in the management direction for each alternative considered in the Forest Plan and ranged from recommended Wilderness or primitive, nonmotorized area management to varying degrees of resource development. Wildlife and fisheries habitat enhancement was permitted in all land use designations except recommended Wilderness, where enhancement activities were limited to reflect the requirements of the 1964 Wilderness Act.

Under the Forest Plan, 17 areas were recommended for Wilderness (Land Use Designation I). Congress, through ANILCA, formally designated 14 areas on the Tongass as Wilderness. These Wilderness areas are well dispersed throughout the Forest and represent the variety of wildlife habitats present in Southeast Alaska. The areas range in size from the 4,937-acre Maurelle Islands Wilderness to the 2,142,243-acre Misty Fiords National Monument Wilderness.

Congress recognized that to meet the wildlife and fisheries objectives in the Forest Plan, habitats in both Wilderness and non-Wilderness must be managed. To this end, special management provisions peculiar to ANILCA modified 1964 Wilderness Act

provisions to provide for fisheries enhancement not permitted under the pre-ANILCA Wilderness recommendations. ANILCA also provided for the continuation of traditional and customary subsistence uses of wildlife in Wilderness. Further clarification of the role the Forest Service should play in managing the wildlife and fisheries resources of the Wilderness areas is provided by the Wilderness Act of 1964 and subsequent Forest Service management direction.

Although Wilderness provides some of the more productive wildlife habitats in Southeast Alaska, these areas do not meet all the public demand for wildlife resources. The remoteness of the areas poses limitations on the use of the Wilderness by wildlife users. There also exists highly productive wildlife habitat on the Forest outside the designated Wilderness areas.

A major benefit that Wilderness areas provide for wildlife management is to serve as a natural benchmark or check area. This allows comparison of conditions in a natural state with those altered through other human activities. Populations of native animals and plants in their natural setting in the 14 Wilderness areas provide excellent benchmarks of habitat to compare with non-Wilderness settings.

While benefitting fisheries and wildlife, Wilderness designation also restricts the management of these resources to some degree. Management of wildlife and fish habitat in these Wilderness areas, for example, is affected to the degree that habitat manipulation is restricted. While normal hunting seasons and bag limits are authorized in Wilderness areas, predator control projects in these areas are normally prohibited. Selective control of predators may be authorized to protect humans from health hazards when animals are known carriers of disease, or when they are considered to be jeopardizing threatened or endangered species.

Land use designations, working within the modifications called for under ANILCA, have provided a basis upon which the wildlife and fisheries resources of the Tongass, both Wilderness and non-Wilderness, are to be managed. The management objectives for wildlife and fisheries that were accomplished through land use designations are summarized below.

¹A process used in the Tongass Land Management Plan to describe the broad purpose of management for each area of the National Forest, and establish specific management constraints. Prescribed management for the four land use designations in the Tongass Land Management Plan ranged from recommended Wilderness to intensive timber and other resource development.



Old-growth forest on the Tongass National Forest.

Wildlife

The application of land use designations placed 40 percent of identified high-value wildlife habitat areas of the Tongass under recommended Wilderness or primitive nonmotorized area management. The remaining 60 percent of the high-value habitat areas is subject to varying degrees of modification from timber harvest or other resource development. Wilderness and primitive nonmotorized management designations provide direct benefit to some wildlife species through maintenance of existing habitat conditions, which assures continued production of wildlife and fish resources within a wilderness setting. Varying degrees of habitat modification are planned on the remainder of the Forest.

An illustration of how land use designation is aiding in the protection of wildlife habitat is shown in figure 3.1. This figure compares identified deer winter habitat² on the Tongass National Forest at the time of Forest Plan implementation (1979), in 1984, and that projected to remain unharvested at the end of the planned rotation (2079).

Although lower-volume and second-growth stands may provide winter habitat for deer in some locations, features important for deer winter habitat are most often found in certain stands supporting timber

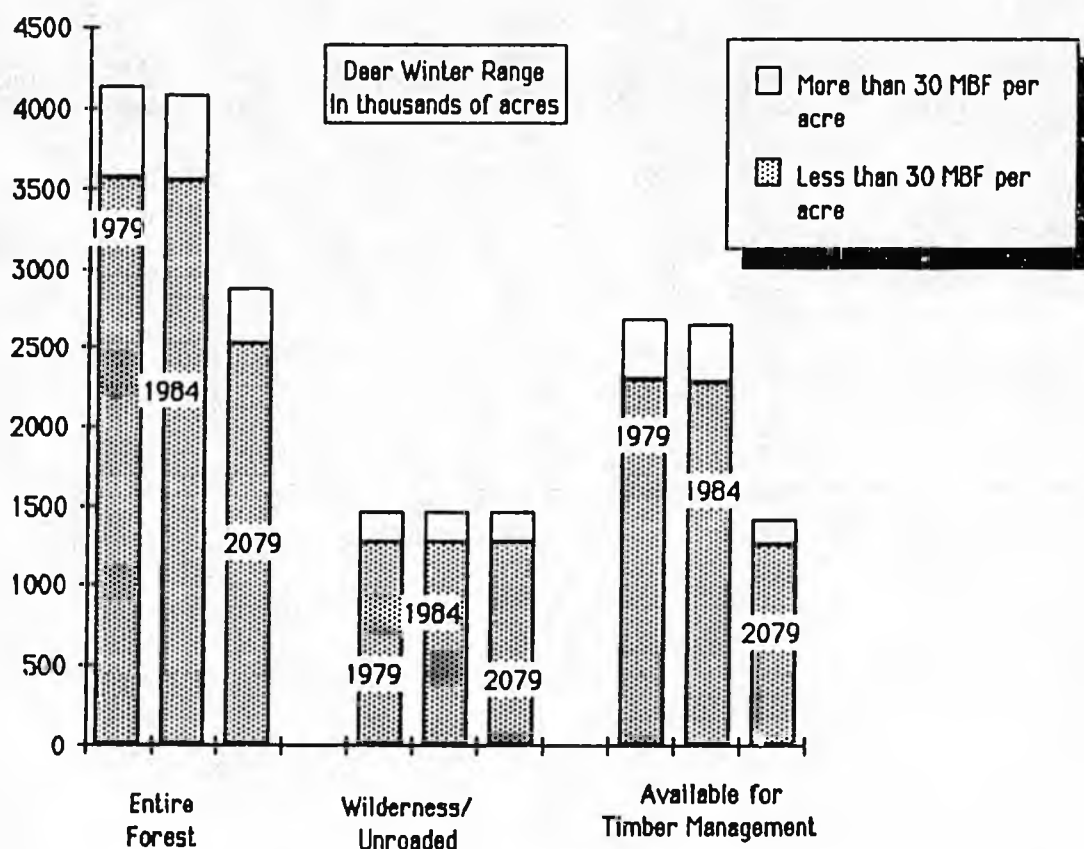
volumes greater than 30,000 board feet per acre. Additional investigations by the Alaska Department of Fish and Game and the Forest Service indicate the Forest Plan definition may be too restrictive and future adjustments in the definition may be appropriate.

As shown in figure 3.1, of the total 4,146,400 acres of deer winter habitat identified on the entire Tongass National Forest (including areas now designated Wilderness) in 1979, about 2,873,300 acres (69 percent) are estimated to remain unharvested at the end of the timber harvest rotation in 2079. Of that portion of the Forest currently available for timber harvest, about 2 percent (46,971 acres) of the identified deer winter habitat has been harvested to date. Harvest has included 5 percent (20,500 acres) of the winter habitat located in timber stands of greater than 30,000 board feet per acre. It is important to note that these projections are based on the current resource management planning direction in the Forest Plan. Future modifications of the Forest Plan direction made in accordance with NFMA and

²As used in the development of the Forest Plan, key deer winter habitat is included in the area from the beach fringe to 500 feet elevation or generally one-fourth mile inland from the shoreline.

Figure 3.1

Distribution of Old-Growth Deer Winter Range on the Tongass National Forest in 1979, 1984, and Projected to Remain Unharvested at the End of the Planned Rotation (2079)



^aTongass Land Management Plan Land Use Designations I and II.

^bTongass Land Management Plan Land Use Designations III and IV.

Note: These projections are based on the current resource management planning direction in the Forest Plan. Any future modifications in Forest Plan direction will necessitate revision of these projections.

NEPA regulations may necessitate revision of these projections.

Deer winter habitat in Wilderness and unroaded, primitive recreation areas (Land Use Designation II) of the Forest will remain unchanged based on current land use designations.

Understanding the deer habitat relationship is complicated by other factors such as the differences in severity of winters, time needed for a deer population to recover from a decline, effects of predation from wolves, microclimate differences, elevation, and slope and aspect of habitat terrain. In some areas, for example, a decrease in key winter habitat may

cause increased concentration of use by deer in the remaining winter habitat and thus decrease carrying capacity. Such concentrations may also lead to an increase in predation success on deer by wolves. These and other factors are under ongoing studies and evaluation, and new information will be integrated into planning and management activities as it becomes available.

Fisheries

Land use designations and management guidelines have aided managers in providing for the protection

of wildlife and fish resources on the Forest. The Forest Plan placed in Wilderness or unroaded areas 63 percent (12 of 19) of the "High Quality Watersheds" representing 265,698 acres³ and 60 percent (36 of 60) of the "Important Watersheds" representing 1,082,677 acres.⁴ These areas were identified by the Alaska Department of Fish and Game at the time of Forest Plan development.

Wilderness and unroaded primitive recreation area designations will maintain a variety of natural habitat conditions for wildlife and fisheries over approximately 48 percent (8.2 million acres) of the Forest. The Forest Plan also provides for site-specific direction, called management prescriptions, to adequately protect fisheries habitat in the remaining areas of the Forest scheduled for timber harvest and other resource development. Fisheries habitats are being maintained and, when possible, enhanced throughout the Forest.

Retention of Important Wildlife and Fish Habitat Features in Commercial Forest Lands Planned for Timber Harvest

During development of the Forest Plan, the Forest Service recognized that special management prescriptions would be needed to maintain existing habitat conditions for certain wildlife and fisheries species on commercial forest land planned for timber harvest. To meet this need, the Forest Plan estimated the acreage (273,000 acres) that would have to be removed from the timber base to maintain existing habitat conditions. The method by which these acres are withdrawn is referred to as the "retention" process. Associated prescriptions in areas scheduled for timber harvest may range from no harvest to the harvest of a percentage of the timber volume within these areas. Site-specific acreage is to be withdrawn from a timber sale area to protect specific habitat identified during the analysis process for a given timber sale. That is, the acreage is removed from harvest consideration for the expressed purpose of maintaining or enhancing fish and/or wildlife.

The process for translating the Forest Plan's retention provisions into specific direction for use in the field has been developed by each of the Tongass National Forest Administrative Areas. Although the wildlife and fisheries retention provisions have not been applied consistently across the Tongass, pro-

cedures to clarify and standardize the process for the remainder of the planning period have recently been developed for the entire Forest and are included in the amended Forest Plan.

Because the acres available to be retained in the Forest Plan were based upon an estimate, the actual amount of habitat that will be retained will not be known until area analysis and project planning are completed. The analysis to determine the number of acres of existing habitat to be retained for a given area will be based upon population objectives pertinent to the analysis or project area. For example, one of the more important criteria used in establishing habitat management goals is based upon expected demand for wildlife. Should it be determined in the analysis that more deer habitat would be needed in a specific management area to meet hunting or subsistence demand, then portions of the area that provide necessary habitat would be removed from harvest consideration. It should be noted that any prescription for wildlife and fish which precludes timber harvesting in an area is considered to be included in the retention acreage provided for in the Forest Plan.

To date, as part of the timber sale planning process, approximately 32 percent (87,846 acres) of the 273,000 acres estimated in the Forest Plan has been identified and documented as important habitat to be excluded from timber harvest. Additional acreages to be retained will be identified as areas of the Forest are scheduled for future timber harvest.

In addition to the 273,000 acres slated for wildlife and fisheries retention, 244,000 acres are to be maintained over extended (120- and 200-year) rotations for maintenance and enhancement of visual resource. These extended rotation acreages, in most cases, also provide benefits for wildlife and fish habitat.

Wildlife and Fish Habitat Management Units

Another key provision of the Forest Plan was direction to utilize Wildlife and Fish Habitat Management Units. These habitat management units are delineated in conjunction with timber harvest activities to identify specific habitat features that are considered important to the management of wildlife and fish populations in the harvest areas. Specific management prescriptions are applied to these areas to maintain or enhance habitat condition. The habitat management unit concept is not yet fully implemented on all areas of the Tongass.

Each of the Tongass National Forest Administrative Areas has developed different processes to identify site-specific wildlife and fish habitat management units. The Forest Plan amendment released in December 1985 provides specific direction to standardize the processes among the administrative areas,

³Stream systems having high-quality sport fishing value were identified by the Sport Fish Division of the Alaska Department of Fish and Game, using biological characteristics.

⁴Stream systems having important commercial, recreational, and subsistence fishery values were identified by the Sport Fish Division of the Alaska Department of Fish and Game, using biological characteristics.

and provides for more consistent application and implementation.

Delineation of wildlife and fish habitat management units and the management prescriptions for the areas they contain are developed through the interaction of a number of natural resource disciplines. All management activities, such as timber harvesting, must be integrated and a consistent strategy developed to ensure the selected management objectives are achieved within the management unit.

For wildlife, the prescriptions may address forest management practices that affect wildlife habitat, including size, shape, dispersal of cutting units, silvicultural systems, and multiple entries into stands during the 100-year rotation. Prescriptions in fish habitat management units may include road and harvest unit location; location of bridges and culverts requiring fish passage; identification of appropriate sites for stream crossings; measures required to minimize sediment entry into the stream channel in areas with steep slopes and/or erodible soils; protection for temperature-sensitive streams; streamside management to maintain continued long-term introduction of instream large woody debris; and habitat enhancement.

Examples where habitat management units have been used include Naukati Bay and Shaheen Creeks on Prince of Wales Island, Straight Creek on Kuiu Island, Falls Creek on Mitkof Island, and Mud Bay and Neka Rivers on Chichagof Island.

Monitoring Activities

Monitoring programs are carried out on several locations on the Tongass to assess the effectiveness of the management prescriptions in meeting wildlife and fisheries habitat management objectives. Monitoring also serves as a means of identifying necessary changes in these prescriptions. An evaluation of 215 miles of road on the Stikine Area in 1985 represents an example of such monitoring activities. The evaluation was conducted to determine effectiveness of maintaining fish passage at stream crossings. The findings indicated that very little habitat loss was associated with the road construction and all 197 stream crossing structures (*i.e.*, bridges and culverts) were working as designed.

Since 1980, the Tongass National Forest has spent approximately \$1 million on U.S. Geological Survey operation of hydrologic gauging stations to measure water quantity and/or quality. Additionally, the Forest Service has been collecting water quality samples at stations throughout the Tongass National Forest. Data from these stations has been used to define baseline water quality and to assess long-term impacts of management activities on water quality.

The Forest Service has also undertaken three studies to analyze short-term impact on water quality from timber harvest-related activities. In the Kadasan drainage, stations on three small streams have been gauged to determine changes in water quality from road construction. Studies in the Indian River (near Tenakee Springs) and Fools Creek (near Wrangell) drainage basins were done to evaluate the effects of roading and logging on the natural sediment patterns.

Besides specific monitoring studies of this type, periodic formal Forest Service program and activity administrative reviews provide a continuing monitoring and evaluation process. These reviews result in action plans to resolve program and project level deficiencies in meeting Forest Plan resource management objectives.

COOPERATIVE ACTIVITIES

While planning is an essential part of all sound management, it is not possible to carry out the goals of any plan without the cooperation of many other Federal, State, and local agencies, interest groups, and individuals. The management of the Tongass has involved many such groups.

The Forest Service, other Federal and State agencies, private land managers, and public interest groups are working cooperatively to provide, through research and management pursuits, wildlife and fish habitat information for the Tongass. The objective of these cooperative ventures is to assist Forest land managers in maintaining the productivity and abundance of wildlife and fish resources on the Forest in a manner that is consistent with the intent of the Forest Plan. Major cooperative activities that have effectively contributed to management of wildlife and fisheries on the Forest are summarized below.

Alaska Working Group on Cooperative Forestry-Fisheries Research

In 1982, the Alaska Working Group on Cooperative Forestry-Fisheries Research was formed as a result of a recommendation made at the annual meeting between the National Marine Fisheries Service and the Forest Service. The working group operates as an advisory body for communicating between member agencies. The working group charter lists 11 functions dealing with interagency research coordination, planning, and cooperation. These functions include identifying research needs and priorities; reviewing and recommending plans for sharing manpower, facilities, equipment, and logistics; and coordinating research with matters related to timber management.

The working group research priorities are:

1. Developing a scientific basis for managing streamside areas relative to stream habitat and salmonid production.
2. Minimizing impact of log transfer facilities on the marine environment by developing improved siting criteria and rehabilitation techniques.
3. Preparing guidelines for land managers, including measures to protect and improve fish habitat in relation to priorities 1 and 2.

The member agencies of the working group include: (1) U.S. Fish and Wildlife Service; (2) National Marine Fisheries Service; (3) USDA Forest Service; (4) Alaska Departments of Fish and Game, Environmental Conservation, and Natural Resources; (5) Alaska Office of Management and Budget; (6) United Fisherman of Alaska; (7) Sealaska Corporation; (8) Tlingit and Haida Central Council; (9) Southeast Alaska Conservation Council; (10) U.S. Environmental Protection Agency; (11) U.S. Army Corps of Engineers; and (12) Alaska Loggers Association.



Second-growth management test areas, such as this one near Thorne Bay, Alaska, are designed to open the canopy of second-growth stands to allow light to reach the forest floor. Studies indicate the increased sunlight will produce better forage for wildlife, while at the same time stimulate tree growth.

Interagency Wildlife/Habitat Technical Committee

The charter for the formation of an Interagency Wildlife/Habitat Technical Committee was approved by the member agencies on July 30, 1984. Agencies represented on the committee are the Alaska Department of Fish and Game, U.S. Fish and Wildlife Service, and USDA Forest Service. Committee objectives are to promote cooperation and effective use of human and other resources for the public agencies dealing with wildlife resources in the coastal areas of Southeast and Southcentral Alaska.

The committee keeps member agencies advised on programs, issues, and other proposals dealing with wildlife and habitat management, promotes technology transfer, and reviews and recommends research priorities for wildlife and habitat research.

Cooperative Program for Management of Bald Eagles and their Habitat on National Forest Lands in Alaska

Alaska supports the largest natural population of bald eagles on the continent. The Tongass National Forest provides suitable nesting, feeding, and perching habitat for more than 4,000 breeding pairs, which is approximately 80 percent of the breeding bald eagles in all of Alaska. The Forest Service and the U.S. Fish and Wildlife Service have entered into a cooperative program to ensure that resource management programs on the Forest are closely coordinated to attain management objectives for the eagles and their habitat. This cooperative program has been in place since 1963 and is included in the Regional Guide and the Tongass Land Management Plan. Periodic surveys conducted by the Fish and Wildlife Service indicate the eagle population in Southeast Alaska has remained at stable high levels over the past 15 years.

A spin-off of this agreement has been a cooperative program with the U.S. Fish and Wildlife Service and the State of New York. In 5 years (1981-85), approximately 140 eagles from the Tongass National Forest have been transplanted in various release sites in New York State. Efforts to reestablish a breeding population for this species in that portion of its historic range have proven very successful.

Society of American Foresters/The Wildlife Society Report: Deer and Timber Management in SE Alaska, Issues and Recommendations

In July of 1982, a technical committee was formed by the Governor of Alaska and the Regional Forester of the Alaska Region of the Forest Service in re-

sponse to a resolution adapted by the Alaska Chapter of the Society of American Foresters (SAF) and the Alaska Chapter of The Wildlife Society (TWS). The committee was to investigate the wildlife/logging issue in Southeast Alaska.

The technical committee members represented the Society of American Foresters, The Wildlife Society, Alaska Department of Natural Resources, Alaska Department of Fish and Game, USDA Forest Service, and the Sealaska Corporation. The Committee examined the issues relating to wildlife and timber management in Southeast Alaska and made recommendations toward resolution of these issues.

The committee submitted their report, entitled "Deer and Timber Management in Southeast Alaska," to the Governor and the Regional Forester on January 11, 1984. The Forest Service has completed an implementation plan addressing the 21 recommendations contained in the technical committee's report. The action items in the Forest Service Action Plan are currently being implemented.

In addition to meeting the needs of protecting the Forest's fish and wildlife resources, the Forest Service is also committed to enhancing these same resources. Two programs demonstrate this commitment. The first is the Fisheries Habitat Enhancement Program and the other is the Second-Growth Management Program. Both are described below.

FISHERIES HABITAT ENHANCEMENT PROGRAM

During the early 1970's, the salmon fisheries in Southeast Alaska were severely depressed (fig. 3.2). At the time of Forest Plan development, the rehabilitation of the salmon resources, through habitat improvement and construction of hatcheries, was a major resource issue. Most habitat enhancement opportunities and major hatchery sites were on the National Forest. Improving the productivity of declining salmon stocks within the management constraints imposed by other resources, including Wilderness, was perceived by the public as a major management objective in the protection and enhancement of these fisheries. Recognition of this concern and the historic importance of the salmon fisheries led to increased investments in the existing fisheries enhancement program.

Starting in 1952, the Forest Service initiated a long-term fisheries habitat management program, conducted with the cooperation of the State of Alaska. Congress recognized the importance of fisheries to Southeast Alaska with Section 507(a) of ANILCA. This section provides additional mechanisms to cooperatively plan fisheries enhancement projects on the Tongass. Cooperative fisheries enhancement

planning, in conjunction with Forest Service Manual objectives, insures that only biologically feasible and economically viable habitat enhancement opportunities are undertaken. As mentioned earlier, ANILCA also permits the management of fisheries resources, including habitat manipulation and construction of structural improvements in Tongass Wilderness areas.

A result of this joint concern for fisheries enhancement was the development of the Tongass National Forest Fisheries Habitat Enhancement Program. The enhancement program is intended to contribute to the commercial, sport, and subsistence fisheries harvests in the waters adjacent to the Forest.⁵ The contribution of this program to the various Southeast Alaska fisheries has been significant.

The Tongass Fisheries Habitat Enhancement Program formally involves the Alaska Department of Fish and Game and both the Northern and Southern Southeast Alaska Regional Aquaculture Associations. Cooperative planning that involves these groups, provides for the integration of other fisheries plans, such as the State of Alaska Comprehensive Salmon Plans. The process serves as the source for fisheries enhancement project identification. Provisions of the planning process have been formally amended to the Memoranda of Understanding with the Alaska Department of Fish and Game and the two Southeast Regional Aquaculture Associations.

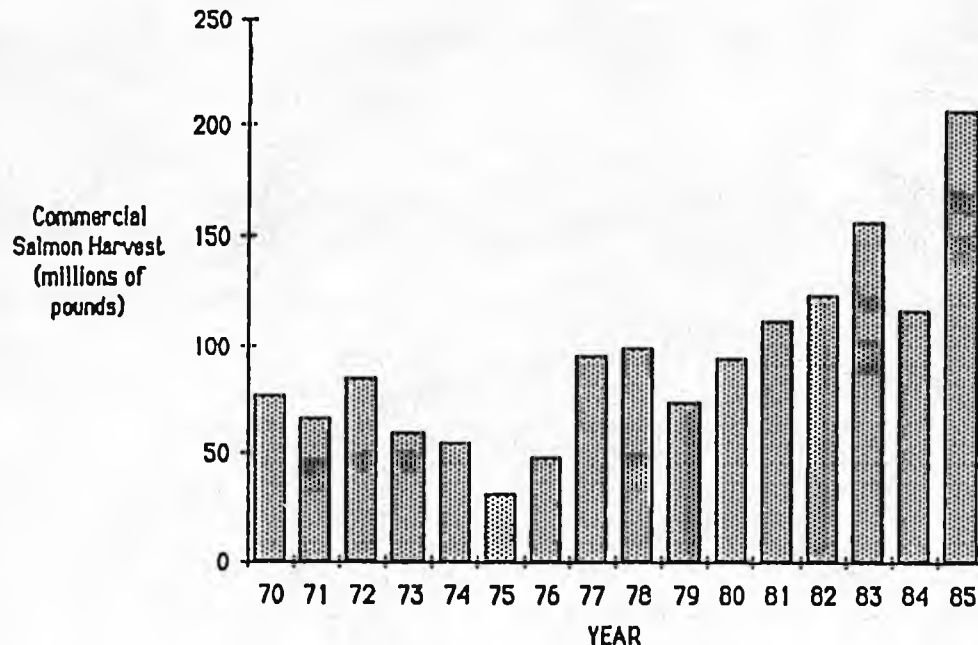
One objective of cooperative fisheries planning is to identify fisheries enhancement opportunities that will contribute significantly toward meeting the long-term (year 2000) salmon harvest goals of the Comprehensive Salmon Plan for Southeast Alaska. Fisheries habitat enhancement opportunities include a broad range of structural and nonstructural projects designed to bring suitable underused and/or barren habitats into full production. Since 1980, 41 projects have been completed that will annually add 5 million pounds of "new" salmon to the subsistence, recreational, and commercial fisheries in the region. A summary of the projects completed since 1980 is presented in table 3.1.

Another means by which fisheries enhancement program objectives on the Forest are accomplished is through the Sikes Act. The Act provides contractual authority to plan and execute, in cooperation with the Alaska Department of Fish and Game, a variety of fisheries enhancement projects requiring coordinated habitat and biological treatments. Since 1980, 14 Sikes Act wildlife and fisheries enhancement projects have been completed on the Tongass.

⁵ For the period 1980-84, harvests in Southeast averaged 134.2 million pounds of salmon annually and pink and silver salmon harvests were near or exceeded record levels.

Figure 3.2

Salmon Harvests from Southeast Alaska, 1970-85



Under the Act's authority, the Forest Service has conveyed \$700,000 in appropriated wildlife and fisheries habitat improvement dollars to the Alaska Department of Fish and Game to carry out this portion of the overall fisheries enhancement program.

Although not a direct measure of results, one indication of the success of the fisheries program on the Tongass is reflected in the salmon harvests in Southeast Alaska. Commercial harvests have been steadily increasing since about 1975, with harvests of pink and silver salmon near record levels for 1985. Although State and private hatcheries contribute to these fisheries, the majority (probably 80 to 85 percent) of the salmon harvested are spawned and reared in watersheds within the Tongass National Forest.⁶ Cooperative fisheries enhancement continues to develop additional production of these species and works toward the rebuilding of chinook, chum, and sockeye salmon stocks throughout the region.

SECOND-GROWTH MANAGEMENT PROGRAM

Another wildlife concern addressed in the Forest Plan was that even-age management (clearcutting) would result in decreased carrying capacity for old-

growth-dependent species. Central to the concern that clearcutting would decrease carrying capacity was the assumption that conversion of old-growth spruce/hemlock forest to even-age management would reduce Sitka black-tailed deer populations in the Forest. It was observed that prior to the closure of the Forest canopy, young second-growth stands would not adequately intercept snow and therefore would not provide available forage for deer during heavy snowfall. Also, when a second-growth stand reaches the point where the canopy completely closes, the sunlight is blocked and understory browse can be completely eliminated for an extended period of time.

Since 1979, there has been considerable improvement in the understanding of the habitat requirements of old-growth-dependent wildlife species. With this improved knowledge, certain silvicultural treatments are being examined to determine if they can maintain second-growth hemlock/spruce forest stands as productive habitat for wildlife, especially

⁶It should be noted that there are other important factors governing the harvest of commercial fisheries in which the Forest Service has little, if any, influence. These factors include freshwater and marine survival, high seas interception, fisheries management regulations, and predation.

deer, throughout the 100-year rotation. If such treatments are successful, they will be used to minimize the effects of harvesting certain old-growth stands on some wildlife species. While not a substitute for old-growth stands, treated second-growth stands are expected to approximate some of the essential attributes needed by species such as deer.

In 1982, an Alaska Regional Second-Growth Program management plan was approved. The goal of the plan is to:

Develop, implement, monitor, and demonstrate a program to manage second-growth stands of hemlock and spruce forest on the Tongass National Forest to increase timber production and improve wildlife habitat.

The program consists of two phases. Phase one is short term, to establish demonstration areas to test and evaluate precommercial and commercial thinning treatments for wildlife habitat improvement. The second phase is long term, and details the overall direction and guidelines for management of second-growth forest stands in Southeast Alaska.

Six commercial thinning demonstration sites have been located and treatments developed for each. Six precommercial thinning demonstration sites will also be selected to represent the small, medium, and large island groups. Close coordination of the second-growth program with Forest Service research is maintained to identify research projects that focus on silviculture/wildlife habitat relationships. This information will be used to develop stand prescriptions for specific conditions and objectives and develop long-term guidelines for second-growth forest management in Southeast Alaska.

So far this chapter has concentrated on programs that have occurred since passage of ANILCA. The next section describes some of the programs that have not yet reached fruition or are just starting. Some have the potential to dramatically aid in the management of the Tongass.

WILDLIFE AND FISHERIES HABITAT RELATIONSHIPS SYSTEM

The Forest Plan, completed in 1979, incorporated management provisions for wildlife and fisheries that were appropriate for the period. Since then, two major factors have required that these provisions be updated. The first factor is the accumulation of information and knowledge concerning wildlife and fisheries. Much of this new knowledge was acquired through the research conducted through cooperative efforts described in a previous section.

The second factor involves changes in the National Forest Management Act Forest Planning Regulations. The regulations, which were revised in 1982,

require the Forest Service to (1) specifically identify habitat objectives for management indicator species, and (2) insure that populations of all wildlife and fisheries species on the Forest are maintained. This detail and emphasis are similar to the goals of the current Forest Plan. Updating the wildlife and fisheries management direction to incorporate the current regulation provisions will be completed in the revision of the Tongass Land Management Plan.

To assist in updating the Forest Plan direction, the Wildlife and Fisheries Habitat Relationships program was begun. The program organizes biological data from various ecosystems to assist Forest managers in developing management alternatives and predicting their effects on wildlife and fisheries. This process will be in place prior to the Forest Plan revision, currently scheduled for completion in 1989.

To insure that a process will be in operation during Forest Plan revision, a 5-year action plan has been developed. The action plan assigns responsibility at the Regional and Forest levels so that wildlife and fisheries considerations may be effectively represented in the land management planning process. Action items of this 5-year plan are summarized below.

Wildlife and Fisheries Habitat Analysis Process

The Alaska Region Wildlife and Fisheries Habitat Analysis process provides a standard procedure to generate and organize information that is necessary to plan and manage habitat. The process has these objectives:

1. Provide a methodology and timetable to address specific objectives for management indicator species and to ensure that populations of all fish and wildlife species on the Forest are maintained.
2. Facilitate Forest-level implementation of existing direction contained in the Forest Plan and the Regional Guide.
3. Achieve consistency and standards of effectiveness in management of wildlife and fish habitats.
4. Organize all terrestrial and aquatic habitats of the Forest into mutually exclusive Wildlife and Fish Habitat Units for inventory and for the evaluation of existing and potential habitat condition.

Wildlife Habitat Relationships Data Base

A wildlife habitat relationships data base has been developed for use on the Tongass National Forest. The data base contains a complete listing and description of the habitats associated with each of the

390 wildlife species in Alaska's National Forests. Since 1980, more than 20 research papers and administrative studies dealing with wildlife habitat relationships on the Tongass National Forest have been completed. Wildlife research and administrative studies are the main sources of information used to improve habitat relationships data in the Wildlife Habitat Relationships Data Base.

Aquatic Habitat Management Handbook

The Forest Service Aquatic Habitat Management Handbook for the Alaska Region is in final draft form and provides fish habitat management standards and guidelines for streams and streamside vegetation. The handbook provides guidance, using the latest research findings, in formulating multiple-resource management prescriptions that maintain or enhance fish resources and water quality in the Forest. The State of Alaska and other Federal agencies have assisted with development and review of the handbook.

Interagency Fisheries and Hydrology Inventory and Classification System

Another tool used for fish habitat and water quality management is a stream classification system (channel typing). The standardized Regional stream classification system is an integral part of the Forest Service Aquatic Habitat Management Handbook. It is used with other data to identify and evaluate the quality of existing fish habitat, to predict the potential effects of management activities on fish habitat and water quality, and to assign appropriate management prescriptions.

Improved Analysis of Management Effects on Wildlife and Fisheries Habitats

While research is being carried out to provide the data necessary upon which sound management plans can be developed, computer models are using this research and monitoring data to display wildlife relationships. The end result will be better Forest



Alaskan brown bears, called grizzlies outside of Alaska, can be found in many areas of Southeast Alaska.

planning, and more effective management of wildlife habitats.

Examples of each type of activity are described below.

Habitat Models

Three types of models, designed to serve different planning needs, are under development. The first is habitat suitability index models, based on measurable habitat features related to the biological requirements of wildlife species. These models are used to evaluate the existing habitat condition, and to project how the potential to support the species will change through time assuming certain management activities. Habitat suitability models for Sitka black-tailed deer and mountain goat have been developed for Southeast Alaska, and are undergoing review. Other models will be developed for other management indicator species when species selections have been made in conjunction with the revision of the Forest Plan.

A second model type evaluates the cumulative, long-term effects of management on habitat. This model simulates management and natural processes, such as vegetation succession, over full rotations (100 years) or other specified periods. The deer model will simulate responses of the population of Sitka black-tailed deer to changes in habitat, hunting pressure, and road access that occur under multiple-resource management. The intended use of this type of model is to examine interactions of deer populations and habitat capability with other resources managed on the Forest.

The third model is a two-part deer-demand model. The first part projects hunter demand for Sitka black-tailed deer based on characteristics of the hunting public and factors that are known to affect deer population dynamics. The second part estimates the amount of winter habitat that must be maintained to meet projected levels of hunter demand for deer. Assessment of demand for wildlife is required for evaluation of management alternatives that have the potential of affecting wildlife populations.

All simulation models developed for use as habitat evaluation tools will be validated to refine applicability to resource management situations in Southeast Alaska. Validation will be accomplished over time by comparing expected to observed outcomes.

Instream Large Organic Debris Research

Recent research has demonstrated the importance of large woody debris in the habitats of juvenile salmon. In one study, the effectiveness of streamside management was evaluated by comparing habitat and fish populations located in old growth, clear-

cut, and habitat management units where partial timber cutting occurred. Preliminary findings indicate that summer sunshine stimulated stream productivity and increased the densities of young-of-the-year salmon in recently clearcut areas in comparison to either old-growth or management units. In contrast, densities of yearling and older salmon in summer were higher in the habitat management units than in the old-growth or clearcut units.

During winter, old-growth and habitat management units contained the most habitat (i.e., pools with cover) and had the highest densities of yearling and older juveniles. These higher densities were directly related to the amount of woody debris in the stream.

Streams adjacent to clearcuts have often contained the least pool habitat because instream woody debris, until recently, had been removed immediately after logging. From recent research, it appears that in the short term, selective logging within some streamside management units can enhance fish production by increasing the basic productivity of the stream while maintaining overwintering habitat.

Estuarine and Intertidal Marine Research

A multi-agency working group has been formed to coordinate fisheries habitat research and management among the various Federal and State agencies and private groups involved in timber management in Southeast Alaska. The group's objective is to identify acceptable impacts of log transfer facilities on estuarine and marine environments. Studies being conducted include (1) assessment of the measurable biological effects of log transfer facilities, (2) methods to reduce in-water bark loss, and (3) criteria for improved log transfer siting to minimize the impact of in-water bark deposition. The Forest Service is funding cooperative studies with the U.S. Fish and Wildlife Service on bark loss and bark removal pertaining to log transfer facilities in Southeast Alaska. In addition, a technical subcommittee of the Governor's Timber Task Force, has completed a report entitled "Log Transfer Facility Siting, Construction, Operation and Monitoring/Reporting Guidelines" dated September 18, 1985. This report represents a consensus set of guidelines for designing and reviewing permit applications for log transfer and associated facilities. The Forest Service was represented on this subcommittee.

Fish Habitat Protection and Enhancement in Timber Harvest Areas

ANILCA did not change the management standards and guidelines calling for maintenance of the

biological potential of the fisheries habitats in the non-Wilderness areas of the Tongass. Protective measures for fisheries are included in the preparation of all timber sales and other resource management activities where fisheries habitat exists. Fisheries biologists and hydrologists work closely with other resource specialists, and often in consultation with the Alaska Department of Fish and Game. They prescribe streamside management practices that are designed to maintain and enhance the productivity of fisheries habitat in timber sale areas. Examples of these protective measures include the location of roads and harvest units, location of bridges and culverts to minimize sedimentation in streams, maintaining fish passage through stream crossings, protecting temperature-sensitive streams through no harvest or selective timber harvest prescriptions, and providing for the long-term introduction of large woody debris to the stream channel where it serves as essential habitat for juvenile fish.

SUMMARY

Management of wildlife and fish habitats in the Tongass National Forest is accomplished through provisions, processes, and procedures developed to implement the management direction embodied in the Tongass Land Management Plan and ANILCA. In all, there are five factors that have contributed to the attainment of management objectives for wildlife and fish habitats on the Forest.

Land Management Planning

Wilderness areas are well dispersed across the Forest and contain a variety of wildlife habitats, including some of the most productive in Southeast Alaska. However, wildlife use extends beyond Wilderness areas. Wilderness habitats do serve as a natural benchmark allowing comparison of habitat conditions in the natural state with those altered through human activities.

A combination of Wilderness and unroaded area designations will maintain natural habitat conditions in 40 percent of the areas of the Forest identified as having high wildlife values and 50 percent of the areas identified as having high commercial and recreational fisheries values.

In addition, the timber base was reduced by 273,000 acres of commercial forest land to provide for special management prescriptions associated with habitat management objectives. To date, through project-level planning, special management prescriptions have been applied to approximately 32 percent of this timber base reduction and timber harvests have been designed to ensure that these areas retain



Southeast Alaska has the largest concentration of bald eagles in North America. On the Tongass National Forest, bald eagles are managed cooperatively by the U.S. Fish and Wildlife Service, the Alaska Department of Fish and Game, and the Forest Service.

or increase their existing habitat productivity. Also, there are 244,000 acres of extended rotation related to retention provisions which will have benefits for the wildlife and fisheries resources, and visual quality objectives.

Management standards require the delineation of habitat management units with specific management prescriptions to meet wildlife and fisheries management objectives and provide for other resource considerations.

Cooperative Activities

Interagency coordination in research and management activities on the Forest is effectively contributing toward resolution of wildlife and fisheries management concerns. Standing interagency groups review, coordinate, and recommend research to develop methods to minimize or eliminate any adverse effects of timber and other resource development activities on wildlife and fisheries. Consultation with representatives of other agencies is often used during planning and management activities to ensure that adequate coordination occurs and that concerns of the consulting agencies are considered.

Fisheries Enhancement

Fisheries enhancement in Wilderness, as well as non-Wilderness, is a management objective for the Tongass National Forest. Since 1980, 41 cooperative fisheries enhancement projects have been completed which will annually produce approximately 6 million pounds of "new" salmon for Southeast Alaska's

Table 3.1 — Tongass National Forest cooperative fisheries enhancement projects completed during the period 1980-84

Enhancement activity (No. of projects) ^a	Estimated production of fish ^b (m lb/yr)	Ex-vessel value ^c (m\$/yr)	Cost	
			Federal ^d (m\$/yr)	Other ^e (m\$/yr)
Fishways (11)	1,186.5	1,151.6	1,546.8	120.0 ^f
Falls modification (1)	NA	NA	6.0	0.0
Spawning channel (1)	117.4	71.6	3.5	10.0
Debris Removal (8)	NA	NA	NA	NA
Lake fertilization (4)	3,160.0	3,381.2	425.2	831.0
Lake stocking (3)	830.0	821.7	175.0	NA
Stream stocking (8)	175.3	173.3	NA	NA
Rearing pond (1)	5.4	5.4	46.6	0.0
King salmon habitat (2) ^g	NA	NA	NA	NA
Fish weir (2) ^h	NA	NA	NA	NA
Salmon hatchery (1) ⁱ	540.1	330.1	NA	NA

NA = not available.

^aThe project totals represent the number of activities completed at different locations. Repetitive annual investments at the same site (i.e., fertilizer applied to each lake annually) are not shown, although the costs of the repetitive treatments have been included in the cost totals.

^bSalmon production based on full utilization of habitat capability. The time it will take to reach full production varies with the species and fisheries management strategies regulating the fish stocks returning to the projects.

^cEx-vessel values are the gross receipts to fishermen and are derived from *Alaska Catch and Production Commercial Fisheries Statistics*, Statistical Leaflet Series; 1974-82. Alaska Department of Fish and Game, P.O. Box 3-2000, Juneau, AK 99802.

^dThe total program investment (appropriated funds) for the 1980-84 period was \$12.78 million. Costs shown in the table are direct project costs (i.e., construction) and do not include indirect costs such as program planning, additional contracts for engineering, and other project development costs.

^eCombined investments of the Alaska Department of Fish and Game and the Regional Aquaculture Associations. As indicated in the table, cooperative investment information for the majority of the projects involving these agencies was not available.

^fConstruction funds only. Alaska Department of Fish and Game salmon broodstock development costs associated with some fishway projects were not available.

^gCooperative enhancement demonstration projects.

^hKing salmon enhancement studies and hatchery egg take.

ⁱTlingit and Haida Fisheries Development Corporation.

fisheries. The Sikes Act authority is providing an essential linkage with the Alaska Department of Fish and Game in the implementation of the Forest fisheries enhancement program.

Second-Growth Management

Enhancing wildlife habitat carrying capacity in second-growth hemlock and spruce forests is a management concern on the Tongass National Forest. In response, a Second-Growth Management Program has been established to develop and demonstrate silvicultural treatments that have the potential of benefiting both timber and wildlife production throughout Southeast Alaska.

Wildlife and Fish Habitat Relationships

The Wildlife and Fish Habitat Relationships System provides for implementation of Forest Plan provisions for wildlife and fisheries in a manner consistent with forest planning regulations. To date, accomplishments include (1) completion of a Wildlife Habitat Relationships Data Base covering more than 400 species, (2) development of an Aquatic Habitat Management Handbook, (3) development of an integrated stream classification system, and (4) improving management of habitat relationships information which will be used to address wildlife and fisheries resource requirements in all planning and management decisions.



Small logger operation on the Tongass National Forest.

Chapter 4

Status of the Tongass Small Business Timber Sales Program

This chapter focuses on the Tongass National Forest's Small Business (SBA) Set-Aside Timber Program. In 1977 the Forest Service increased the amount of timber set aside under the Small Business Timber Program to promote opportunities for small businesses in the Alaska timber industry. Comparisons are made between timber sale characteristics under the SBA program versus conventional short-term sales, including those appraised as deficit. The role of small firms in the Southeast Alaska timber industry and the degree of competition for National Forest timber prior to and since ANILCA are examined. Finally, estimates are made of the impacts of the Federal Timber Contract Payment Modification Act on short-term timber sales in Alaska.

The current Tongass National Forest timber sales program is divided into two components: timber sales purchased under two, 50-year long-term contracts and an annual program of short-term sales.¹ The two pulp companies in Southeast Alaska obtain through the long-term contract or purchase of short-term timber sale contracts about 70 percent of the timber available under both programs. To encourage the participation of small businesses in purchasing timber sales, the Forest Service established a special timber set-aside program for Alaska in 1977 under provisions of the 1958 Small Business Set-Aside Timber Program. This SBA set-aside program gives small businesses the preferential right to bid on sales whose volume totals up to 80 mmbf of timber annually.

This chapter examines the Small Business Administration program on the Tongass National Forest. The first section describes the objectives of the small business program and the structural changes in the Southeast timber industry leading up to the program's creation in 1977. The number of firms successfully participating in the program and the amount of timber offered and sold under the program are presented. A comparison is made between the timber made available through the SBA set-aside program and the mill capacity and actual output of qualified sawmillers in Southeast Alaska. The second section compares characteristics of small business sales with other short-term sales to see if either category has had a particular advantage over the other.

¹Short-term timber sales are sales requiring all harvesting to be completed within a 10-year period, normally within 5 years or less.

The section also includes a presentation on short-term sales appraised at deficit² during the period 1978 to 1984. In the third section, competition for short-term timber sales since 1971 is examined, emphasizing any bidding patterns which may have evolved in SBA set-aside sales. The final section summarizes how the Federal Timber Contract Payment Modification Act is being implemented in Alaska. This Act allows short-term timber sales purchasers in Alaska a one-time emergency stumpage rate re-determination. The objective for Alaska is to provide for more equivalency between short-term and long-term timber sale stumpage rates during depressed markets.

THE SBA SET-ASIDE PROGRAM ON THE TONGASS

The SBA Set-Aside Timber Program was established on the Tongass National Forest after a series of structural changes in the Southeast Alaska timber industry. Prior to World War II, efforts to improve and stabilize the economy of Southeast Alaska focused on the natural resources of the area. It was determined that the timber supply available in Southeast Alaska could support 4-5 pulp mills. Technological changes after World War II favored larger pulp mills to make Alaska's products more price

²Timber appraisals are made to determine the minimum acceptable bid price for timber. In general, estimated product selling value less estimated costs and an allowance for profit and risk determines stumpage or the minimum acceptable bid price for the standing timber. Deficit timber sales are those in which product selling value less costs results in a profit and risk margin lower than normal.

competitive with worldwide dissolving pulp markets. Four long-term contracts were initiated, two of which are operational today.

During the late 1950's and early 1960's, logs were supplied to pulp and local sawmills by company loggers, nonaffiliated or independent loggers, and by loggers under contract to the pulp companies. In the 1960's, the pulp companies began to bid on short-term timber sales. The additional timber from long-term and short-term sales was sufficient to support the expansion of pulp operations to include sawmills. As the pulp companies expanded their operations, small mill owners and nonaffiliated loggers faced greater competition for National Forest timber at a time when local uses for logs and locally manufactured lumber was disappearing. As a result, nonaffiliated loggers became more dependent on the pulp companies as an outlet for their logs, and eventually the number of nonaffiliated loggers and small sawmill operators declined. In 1975 an antitrust suit for restraint of trade was brought against the two pulp companies by a small, independent logging company, Reid Brothers. The case was eventually decided in favor of the Reid Brothers. Based on the outcome of the appeals, similar suits were settled out of court. Currently, the Federal Government is seeking damages from the two pulp firms. Today the two pulpmills and their sawmills make up about 80 percent of the mill capacity and consume approximately 90 percent of the logs processed in Southeast Alaska. Two of the three independent mills in Southeast Alaska filed for bankruptcy in 1984 and a new independent mill was opened in northern Southeast Alaska in conjunction with a Native corporation.

In 1977 the Forest Service began setting aside 80 mmbf of timber annually in short-term timber sales for small business. These sales were intended to promote opportunities for small timber businesses and are free of competition from large firms. Under the SBA Set-Aside Timber Program, timber sales are targeted for small businesses with no more than 500 employees. This program is part of 150 mmbf of timber in short-term timber sales annually available from the Tongass National Forest. In a set-aside sale, 50 percent of the volume must be sold locally to small businesses for processing. A Special Salvage Timber Sale Program (SSTS) with an annual volume average offering of 11 mmbf was, at one time, part of the set-aside program. This program continues to exist as part of the overall short-term sales program. Sales in the Special Salvage Timber Sale Program are designed to provide salvage timber to businesses with no more than 25 employees.

The number of firms successfully purchasing timber sales in the SBA set-aside program has grown from one firm in 1978³ to a high of 12 firms in

1983. Table 4.1 shows the number of successful bidders and the number of "new" successful bidders (purchasing timber for the first time) under the SBA program between 1978 and 1984.

Table 4.1—Number of firms bidding successfully for SBA timber sales, 1978-84

Calendar year	Total number of firms purchasing SBA sales ^a	Number of new firms purchasing SBA sales ^b
1978	1	1
1979	2	1
1980	2	1
1981	8	6
1982	9	6
1983	12	7
1984	6	2

^a All firms purchasing SBA set-aside timber sales.

^b Firms purchasing SBA set-aside timber sales for the first time.

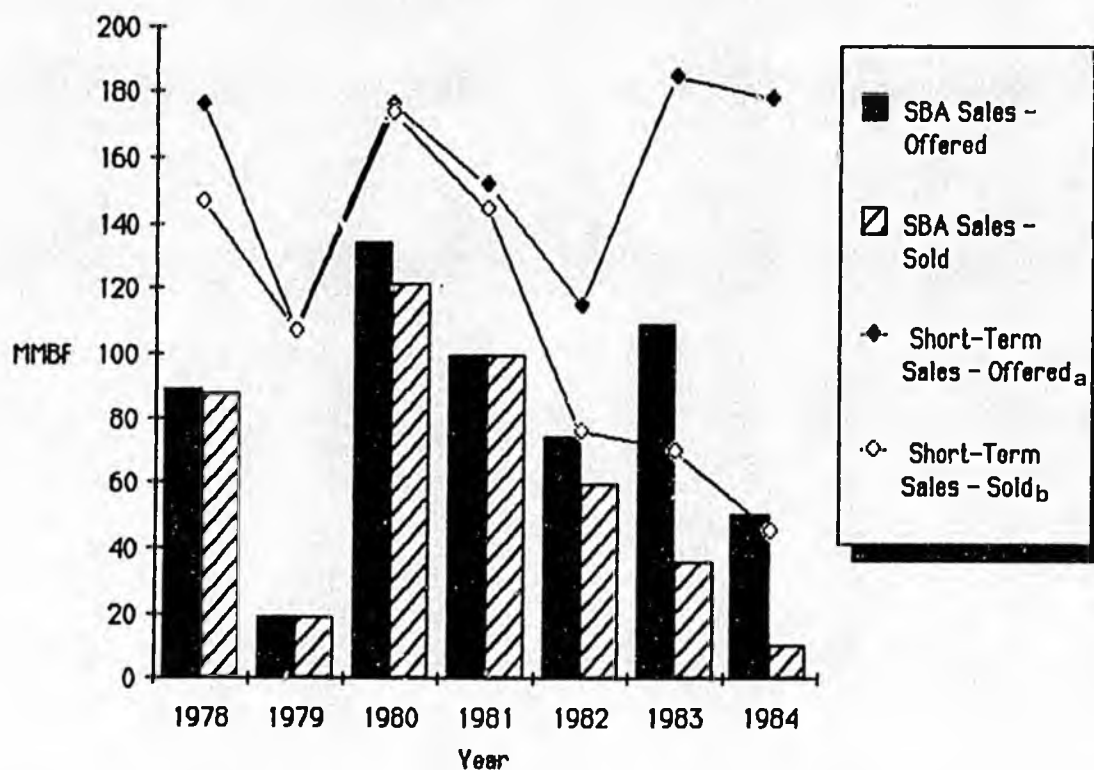
Source: USDA Forest Service, Alaska Region.

To date, 573.1 mmbf has been offered for sale to small businesses through the set-aside program, of which 76 percent or 432.7 mmbf has been purchased. The amount of SBA set-aside sales offered and sold under the short-term timber sales program between 1978 and 1984 is shown in figure 4.1. Since 1980, the volume of timber offered and sold under the program represents 25 percent of the combined log processing capacity of the independent sawmills. However, the volume sold represents about 125 percent of the actual production from these mills. Operating rates for Alaska mills over the last 5 years are very low, about 20 percent of capacity. Therefore, the volume purchased each year by operators in the SBA program exceeds the annual production of the mills. This has led to an increase in volume sold but not harvested. In general, half of the timber made available under the program has been of sufficient quality to be sawn into cants (rough sawn timbers) while remaining material has been suitable for pulp or woodchip production. Figure 4.2 compares the amount of timber offered and sold under the SBA set-aside program between 1978 and 1984 with the combined log processing capacity and actual production from mills not associated with the long-term operators in Southeast Alaska.

³ Although the program was started in the latter part of 1977, no sales were made that year.

Figure 4.1

Short-Term Timber Sales Offered and Sold, 1978-84



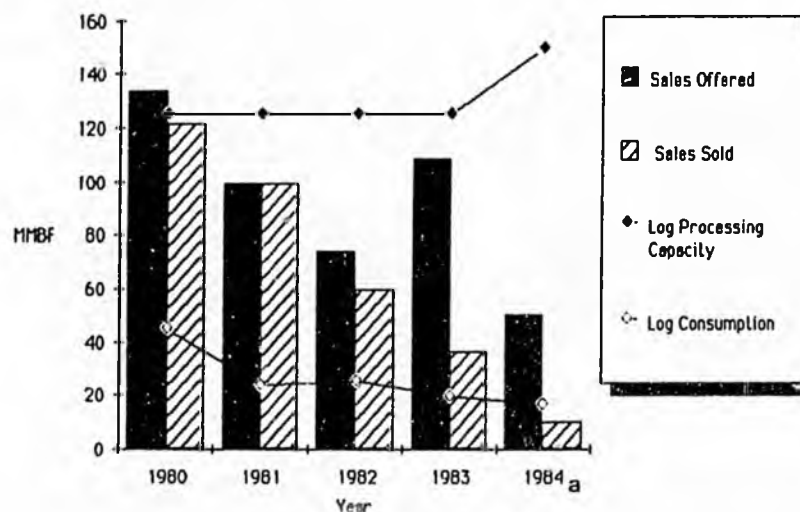
^aDoes not include utility volume which are logs too defective for lumber production but may be utilized for chip production.

^bIncluding SBA sales.

Source: USDA Forest Service, Alaska Region.

Figure 4.2

National Forest Timber Available to Small Sawmills Through the SBA Set-Aside Timber Sale Program, 1980-84



^aIn 1984 two of the three small sawmills operating between 1980 and 1983 were in bankruptcy proceedings. A new mill in Yakutat was also built in 1984 by the village Native corporation there.

TIMBER SALE CHARACTERISTICS OF SBA AND OTHER SHORT-TERM TIMBER SALES

When compared to other short-term timber sales, SBA sales generally have been smaller in size, contained a larger proportion of Sitka spruce (a measure of quality), and have had nearly identical average bid prices. Table 4.2 compares such sale characteristics as sale size, species distribution, and average bid price for SBA and other short-term timber sales between 1978 and 1984.

With the decline in the timber markets for timber from the National Forest and increases in operating costs, concerns have been raised about the amount of timber offered in deficit timber appraisals. Timber appraisals are made to determine the minimum acceptable bid price for timber sales. To determine this price, harvesting and processing costs, plus a margin for profit and risk, are deducted from the estimated selling value of products made from the timber. Costs are based on data collected from actual timber sale operators and represent an operator of average efficiency. The difference between costs (including the margin for profit and risk) and the total selling value is defined as "stumpage" or the minimum acceptable bid the government is willing to accept for the standing timber. Deficits can range from a reduced profit and risk margin to zero profit margin where estimated costs exceed estimated values, exclusive of any profit. In any sale appraised at deficit, the minimum acceptable bid price is administratively set by the Forest Service at base rates (currently between \$1.00 and \$10.00 per mbf, dependent upon tree species).

Since 1978, the proportion of deficit to nondeficit sales has increased. Deficit appraisals, however, are not a consistent standard for judging the viability of timber sales. Despite the deficit appraisals, many of these sales are purchased.

There are a variety of reasons why deficit timber sales are purchased. Some operators may be willing

to accept lower profit margins. Others may believe they can operate more efficiently than the industry as a whole (appraisal costs are based on industry averages). Operators may be speculating that the future value of timber will increase, or they may believe the appraisal estimates are incorrect. Deficit sales may also be used as collateral to secure loans, and they pose a lower risk to timber purchasers in the event that the sales must be turned back to the Government. The amount of timber that has been offered and sold in deficit and nondeficit short-term timber sales is shown in table 4.3 and figure 4.3. Timber volumes in table 4.3 are further broken down into SBA set-aside sales and other short-term sales.

Road construction costs are an important variable in the appraisal calculation. There are two types of roads built by timber purchasers: specified and temporary. Specified roads are those designed and built as structures that can be used for future timber management as well as other purposes such as general forest management, recreation, and community interties. Temporary roads are characterized by dead-end, spur roads used in harvesting timber from specific sale areas and are normally closed to vehicle access after the timber is harvested. Costs incurred by timber purchasers in building specified roads are credited against the value of the timber (stumpage) owed to the Government. Specified roads built by the timber purchaser are called purchaser credit roads. These roads are essentially built and paid for by reducing the standing value of timber. If a timber sale is deficit, the available purchaser credit (calculated in the appraisal process) may not cover the estimated costs of road construction. That portion of road cost not covered is called ineffective purchaser credit. When deficit sales are purchased, the purchaser agrees to build the roads needed to harvest the timber regardless of the advertised value of the timber. In such instances the purchaser must operate at greater efficiency than that indicated by the appraisal, absorb

Table 4.2—Timber sale characteristics of short-term sales sold, calendar years 1978–84

Characteristic	SBA timber sales sold		Other short-term timber sales sold	
	Average	Range	Average	Range
Sales per year	9.9	3–21	8.1	1–23
mmbf/sale	10.5	2.3–21.4	15.3	1.0–56.8
\$/mbf/sale	43.0	7.5–146.6	44.0	8.5–117.4
Species mix (%):				
Spruce	34	18–76	27	19–40
Hemlock	54	22–67	64	56–71
Cedar	11	1–15	8	1–13

Source: USDA Forest Service, Alaska Region.

Table 4.3 — The volume of timber appraised as deficit and nondeficit in short-term sales, calendar years 1978-84^a
(In millions of board feet)^b

	SBA sales		Other short-term sales		Total	
	Offered	Sold	Offered	Sold	Offered	Sold
1978						
Deficit	36.5	36.5	0	0	36.5	36.5
Nondeficit	77.1	77.1	64.5	61.5	141.6	138.6
1979						
Deficit	13.9	13.9	50.2	50.2	64.2	64.2
Nondeficit	28.7	28.7	32.3	32.3	61.0	61.0
1980						
Deficit	0	0	0.3	0.3	0.3	0.3
Nondeficit	93.8	93.8	50.5	50.4	144.3	144.2
1981						
Deficit	140.3	140.3	0.4	0.4	140.7	140.7
Nondeficit	0.5	0.5	15.8	15.8	16.3	16.3
1982						
Deficit	72.3	56.6	33.7	0	106.0	56.6
Nondeficit	10.2	1.7	0	0	10.2	1.7
1983						
Deficit	126.6	31.3	42.9	42.9	169.4	73.9
Nondeficit	0.1	0.1	0	0	0.1	0.1
1984						
Deficit	67.9	28.0	66.9	9.8	134.7	37.9
Nondeficit	0.8	0.8	0	0	0.8	0.8

^aDoes not include timber under contract in the long-term sales. Volumes are estimates based on sales over \$2,000 using standard USDA Forest Service appraisal procedures. The volumes include carry-over sales from prior years, but exclude salvage sales.

^bIncludes utility volume. Utility logs are low quality, high-defect logs which are used almost exclusively for pulp.

the costs by reducing the margin for profit and risk, sell the timber at higher values than assumed in the appraisal, operate at a loss, or employ some combination of these measures. The miles of roads that have been appraised in timber sales as effective and ineffective purchaser road credits are shown in table 4.4. *As timber purchasers elect to have stumpage rates redetermined (reduced) under provisions of the Federal Timber Contract Payment Modification Act, ineffective purchaser credits calculated for past sales will increase.*

In addition to those roads constructed by the timber purchaser, the Forest Service also builds roads in areas prior to timber sales. "Preroading," as it is termed, is designed to reduce the cost of access by providing additional investment in areas scheduled for harvest with timber stands defined in the Forest Plan as being economically marginal, needing

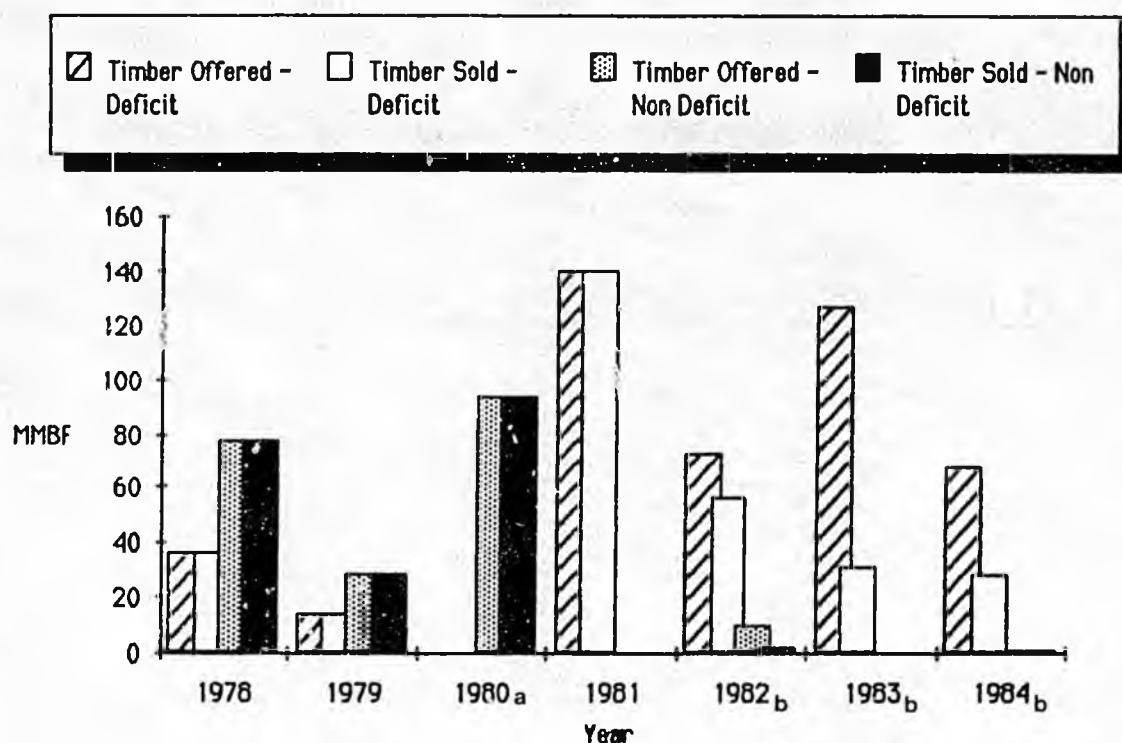
advanced logging equipment or stands where environmental mitigation needs require additional investments. The proportion of new roads built by the Forest Service in relation to those built by the timber purchaser (purchaser credit) has increased from 5 percent in 1981 to an estimated 70 percent in 1985. This includes newly constructed roads, as well as needed reconstruction of existing roads.

COMPETITION FOR SHORT-TERM TIMBER SALES

Measuring competition for short-term timber sales is difficult because of the small number of firms in Southeast Alaska. The amount of short-term timber volume purchased by small and large firms before and after ANILCA is presented along with the number of short-term sales receiving only one bid.

Figure 4.3

SBA Sales Appraised as Deficit and Nondeficit, 1978-84



^aIn 1980 there were no deficit sales offered or sold.

^bAll sales in these years were appraised in deficit.

Table 4.4 — Miles of roads appraised in short-term timber sales and the proportion of roads with ineffective purchaser credits, 1978-84^a

Calendar year	Total volume appraised ^b (mmbf)	Miles of specified roads appraised ^c (miles)	Percent of roads appraised with ineffective purchaser credit	
			% advertised ^d	% sold ^e
1978	153.5	58.8	4	3
1979	106.0	62.2	32	0
1980	106.6	47.7	0	0
1981	120.5	61.4	55	0
1982	46.8	10.1	100	0
1983	68.0	44.3	100	0
1984	24.2	9.2	84	71

^aThe past amount of timber sold with ineffective purchaser credit will increase as timber purchasers elect to have stumpage rates redetermined (reduced) under provisions of the Federal Timber Contract Payments Modification Act.

^bTotal timber volume associated with specified roads identified under "Miles of specified roads appraised."

^cIn addition to roads being built by the timber purchaser, the Forest Service builds roads in areas prior to timber sales. This is to reduce the cost of access into scheduled harvest areas with marginal timber stands or stands where environmental mitigation needs require additional investments. Since 1981, the Forest Service has constructed about 29 percent of the roads built on the Tongass National Forest.

Bidding for National Forest timber sales is by sealed bid. Since 1971, approximately one-quarter of the timber volume purchased by small firms and one-half of the total timber volume purchased by large firms have been purchased in sales with only one bid (without competition).

^dAn estimate based on timber appraisal information prior to bidding and sale.

^eAn estimate based on timber appraisal information and actual bids.

Source: USDA Forest Service, Alaska Region.

Bidding patterns for SBA set-aside sales are also examined.

During the period 1971-80, about 60 percent of the volume sold in short-term sales went to large firms with the remainder going to small firms. This division does not reflect those small firms who may have been affiliated with the two pulp companies at one time. Between 1978 and 1980, nearly 70 percent of the volume sold to small firms was through the SBA set-aside program. Prior to 1980, only two non-SBA short-term timber sales were bid on by small firms without competition from large firms. Thus, aside from the SBA program, small firms provided little competition for larger firms for short-term timber sales. After 1980, however, large firms no longer actively bid on short-term sales and 95 percent of these sales (73 percent were SBA set-aside sales) went to small firms (table 4.5). The proportion of short-term sales purchased by small firms with only one bidder increased from 20 percent between 1971 and 1980 to about 30 percent since 1981.

While no bids were received for the first two SBA sales in 1977, virtually all of the SBA sales offered between 1978 and 1980 were purchased. Approximately 70 percent of this volume was sold to one firm. After 1980, bidding patterns began to show some changes. Beginning in 1981, bid prices began to drop dramatically and the number of single-bid

sales significantly increased. Table 4.6 summarizes SBA sale offerings, sales sold, average number of bidders in sales having two or more bidders, number of sales having one bidder, and average bid prices for all SBA sales between 1978 and 1984.

While the SBA Set-Aside Timber Program has made more National Forest timber available to small firms, it is not clear whether the program has increased competition between firms participating in the short-term timber sale program. Several events of the last 10 years have clouded the picture, making meaningful interpretation of the bidding patterns difficult. These events include:

- 1) The unusually small volume of timber sold under the short-term timber sales program between May 1975 and August 1977 (8.5 mmbf).
- 2) The Reid Brothers antitrust suit, filed in 1975, which was brought against the two pulp companies over restraint of trade. The case was decided in favor of the Reid Brothers.
- 3) The creation of the SBA set-aside sales program on the Tongass National Forest in 1977. Initially there appeared to be strong competition among small firms for the SBA sales.
- 4) The entry of private landowners into the timber industry of Southeast Alaska. The proportion of total timber harvested in Southeast Alaska from private lands has increased from 15 per-

Table 4.5—Volume of short-term timber sales sold to small and large firms, 1971-84
(In millions of board feet)^a

Period	Sales with no competition (one bidder)		Sales with competition between small firms only (two or more bidders)		Sales with competition between small and large firms (two or more bidders)	
	Small firms (awarded volume)	Large firms (awarded volume)	Small firms (awarded volume)		Small firms (awarded volume)	Large firms (awarded volume)
<i>Short-term timber sales (without SBA sales)</i>						
1971-80	5.2	218.5	25.9		78.0	260.5
1981-84	17.0	15.8	29.5		32.0	0.0
Total	22.2	234.3	55.4		110.0	260.5
<i>SBA set-aside timber sales</i>						
1978-80	62.2	NA	166.6		NA	NA
1981-84	87.5	NA	177.3		NA	NA
Total	149.7	NA	343.9		NA	NA

^a Does not include utility volume which are logs too defective for lumber production but may be utilized for chip production.

NA = not applicable.

Source: USDA Forest Service, Alaska Region.

Table 4.6 — Number of SBA bidders and average bid price, 1978-84

Calendar year	Sales offered	Sales sold	Average number of bidders in SBA sales (with competition) ^a	Number of single-bid SBA sales (without competition)	Average bid price (\$/mbf)
1978	6	5	3.0	1	43.00
1979	3	3	3.0	0	60.27
1980	5	5	2.0	3	146.59
1981	10	9	3.0	2	14.52
1982	33	21	2.6	7	11.33
1983	24	15	2.7	7	7.50
1984	15	11	2.3	6	18.09

^aSBA sales that sold and received two or more bids.

^b1980 represents the high point in speculative bidding.

Source: USDA Forest Service, Alaska Region.

cent in 1980 to 44 percent in 1984. Approximately 80-90 percent of the timber harvested from private lands is exported as round logs. Round log exports may have been a factor in the reduced demand for National Forest timber due to a general preference for round logs in Pacific Rim markets.

- 5) The severe recession which hit the timber market in 1981, and reducing demand for timber products and dampening all timber sales activities. Like most timber operators in Southeast Alaska, SBA firms have been hurt by poor market conditions. In 1984, two of the three small firms most active in the SBA Set-Aside Timber Program filed for reorganization under chapter 11 of the Federal bankruptcy laws. These two mills, on average, had processed 48.5 mmbf of timber annually since 1978.

THE FEDERAL TIMBER CONTRACT PAYMENT MODIFICATION ACT

The Federal Timber Contract Payment Modification Act was signed into law on October 16, 1984 in an effort to provide some relief to National Forest timber purchasers who had overbid on sales and faced large financial losses. Of special importance to Alaska is section 4 of the Act, enabling purchasers of short-term timber sales in Alaska to receive rate redeterminations. Prior to the Act, emergency rate redeterminations were not available for timber sale contracts of less than 7 years in length.⁴ Qualifying short-term timber purchasers can now have the original stumpage rates reappraised, thereby lowering the amount owed to the Government. Only those sales sold between January 1, 1974 and July 31, 1985, qualify for the emergency rate redeterminations. Revised

rates will apply to volume harvested and scaled between January 1, 1981, and October 15, 1989.

The Forest Service estimates that about 558 mmbf of timber could be affected, with refunds to purchasers approaching \$2.6 million from current harvests and an additional \$4.0 million from harvesting on eligible sales by 1989. As of October 31, 1985, 168 timber purchasers in Southeast Alaska were notified that their sales qualified. Forty-three timber purchasers have subsequently requested the rate redeterminations, affecting 179 timber sales. About 95 percent of the requested rate redeterminations have been completed.

SUMMARY

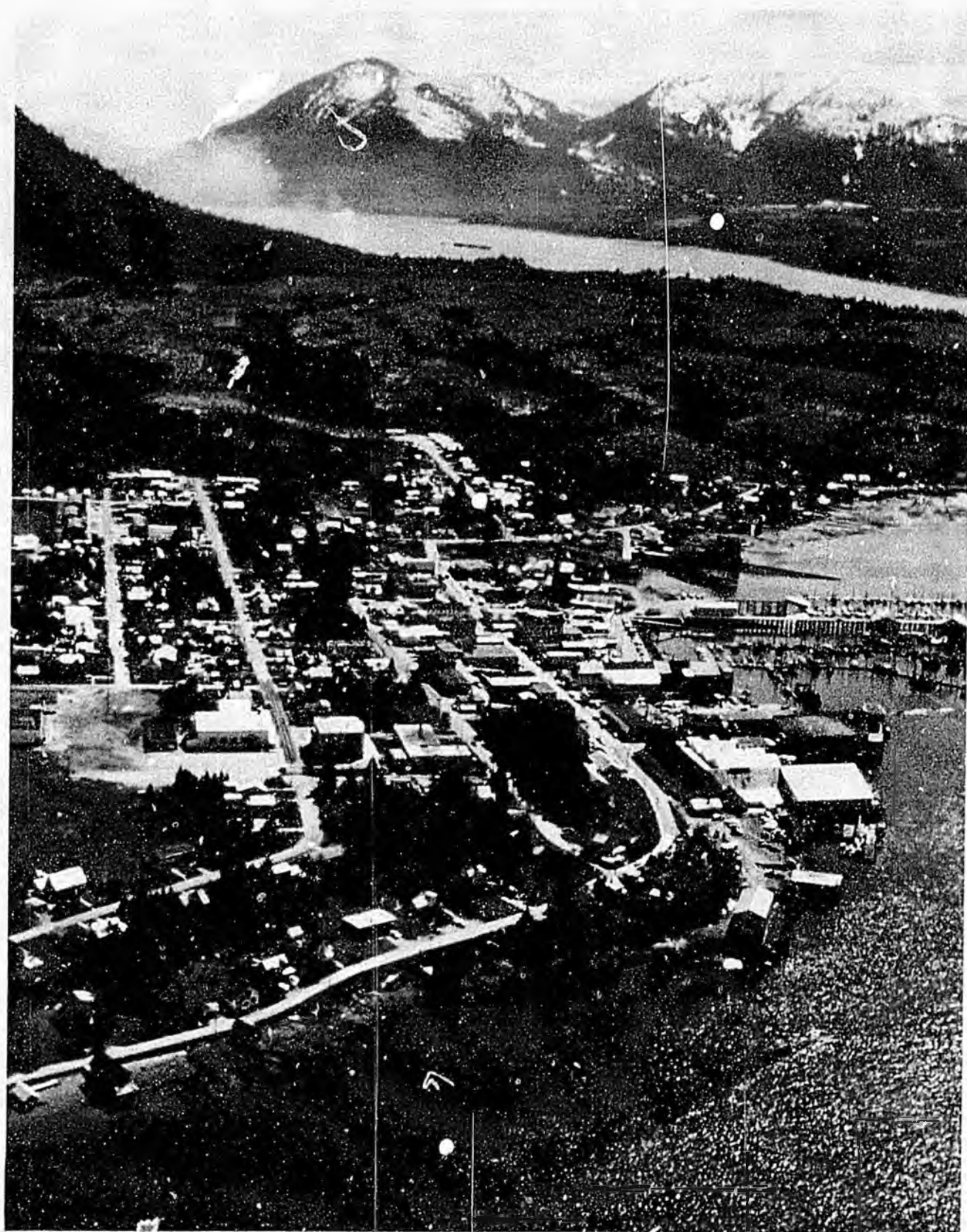
The SBA Set-Aside Timber Program was established in response to a growing orientation of the Southeast Alaska timber industry towards the two pulp companies. At the time the SBA program began, both pulp companies ran integrated operations, each consisting of logging, dissolving pulpmills, and sawmills. Jointly, the two pulp firms purchase about 70 percent of the Tongass National Forest timber sold. The objective of the SBA set-aside program is to foster smaller logging and sawmilling operations in Southeast Alaska. About 80 mmbf of Tongass National Forest timber is offered each year free of competitive bidding from larger firms to small businesses. While the SBA set-aside program has resulted in greater purchases of timber by small firms, it is not clear whether the program has created greater com-

⁴Provisions within the long-term contracts allow for emergency stumpage rate redeterminations in prolonged poor markets. Emergency rate redeterminations were requested by both the long-term sales, covering the total volume appraised for the 5-year operating periods in effect at the time of the request. Both requests resulted in substantial reduction in payment rates.

petition between firms in the program. The number of firms purchasing SBA set-aside sales has increased substantially since the program was started in 1977, but the number of single bid sales (no competition) has also increased dramatically.

Poor markets for wood products made from Tongass National Forest timber since 1980, as well as higher-than-average production costs have resulted in a growing proportion of timber sales (offered and sold) appraised as deficit. The amount of SBA set-aside timber offered and sold between 1980 and 1984 corresponds to roughly 25 percent of the total sawlog processing capacity of small mills but about 125 per-

cent of their actual sawlog consumption during the period. This has resulted in very low production rates in the smaller mills, averaging only 20 percent of the total log processing capacity since 1980. Consequently, much of the timber purchased through the SBA program has not been harvested. Major relief will be available to small firms in the form of emergency stumpage rate redeterminations under the Federal Timber Contracts Payment Modification Act of 1984. However, the sawmill industry is still very depressed with two (both SBA firms) of the six sawmills in Southeast Alaska in bankruptcy and the remaining four firms operating intermittently.



Petersburg is representative of the many towns of Southeast Alaska that are economically dependent upon the natural resources of the area.

Chapter 5

Community Stability and Timber Economics on the Tongass National Forest

This chapter examines the role of Forest Service management objectives for community stability and the evolution of the timber industry within Southeast Alaska's economy. The rationale behind Forest Service primary manufacturing requirements and long-term timber sale contracts is described. An analysis is made of the present net value of the Forest's timber program using different management objectives and market conditions. Recent closures of several sawmills and temporary shutdowns at the two pulpmills in Southeast Alaska have sparked interest in the impact a more diversified product mix might have on the region's timber industry. Currently only cants, woodchips, and dissolving pulp are manufactured in the region. Other products potentially suitable for production from Southeast Alaska timber include plywood, dimension lumber, flakeboard, oriented strand board, and fluffy pulp. An analysis is made of the dollar returns associated with an alternative mix including some of these products. Finally, Forest Service efforts to increase the economic efficiency of long-term harvest and public investments in roading through improved timber sale design are described.

Development and use of the bountiful natural resources of Southeast Alaska has been the economic mainstay of the region from its earliest days. Prior to the mid-1950's, mining and salmon processing provided the bulk of jobs and money for Southeast Alaska, but both were highly seasonal and subject to "boom and bust" swings. While timber, like any natural resource industry, was also subject to market cycles, it was believed that more local timber processing and wood products manufacturing would help stabilize the Southeast Alaska economy by providing more opportunities for year-round employment. It was anticipated that timber-related employment would help to build the kind of local tax bases necessary to support public services (schools, water, fire protection, etc.) generally viewed as beneficial to communities. The resulting demand for service and trade industries would stimulate further economic growth.

The roads associated with forest access were also viewed as a source of stability by providing land transportation links between previously isolated communities on the same islands or peninsulas. While road access was viewed by many as beneficial, not all Alaskans or Southeast Alaska communities viewed these land links as positive or stabilizing attributes. Some preferred the remoteness and "frontier" lifestyle which had attracted them to Alaska.

PRIMARY PROCESSING AND LONG-TERM TIMBER SALE CONTRACTS

As part of the effort to promote a stable timber industry, primary processing policies and long-term timber sale contracts were developed for Tongass National Forest timber. The primary processing regulation was designed to promote greater year-round local employment by requiring that timber harvested from the National Forest be sawn into cants, pulped, or chipped prior to export from Alaska, including to the lower 48 States.

Between 1906 and 1953 an annual average of 40 mmbf of timber was harvested, primarily serving local mining, fishing, and construction markets. This level of timber harvest was inadequate to support a stable industry and meet the needs of potential markets in the lower 48 States and Pacific Rim. Thus another way was sought to establish a larger-scale timber industry in Southeast Alaska.

The creation of long-term timber sales contracts was seen as one way to expand the industry. By providing a guaranteed long-term supply of timber, the economic risks associated with expansion of the timber industry would be reduced; thus helping attract the capital required to make the necessary investments. Four contracts were originally contemplated in each of four distinct regions within

Southeast. The four "working circles," as they were termed, were centered in Ketchikan, Sitka, Wrangell, and Juneau. Although a pulp mill was key to each contract, other sawlog and plywood mills were expected to evolve as timber operations expanded.

Ultimately only two 50-year contracts became operational. In 1954 the Ketchikan Pulp Company (presently owned by Louisiana Pacific-Ketchikan) began operation of its dissolving pulp plant with an initial capacity of 300 tons per day. (Dissolving pulp is used in the production of a variety of products such as rayon, cellophane, certain photographic films, and some dietary products.) The next year, Alaska Lumber and Pulp Company (later becoming Alaska Pulp Company) signed a contract to begin similar pulp operations in Sitka in 1961. The Pacific Northern Timber Company signed a contract for establishing an optional 80-ton-per-day pulpmill and/or sawmill operation. A sawmill was built in Wrangell. The contract was modified in 1965 to remove the pulpmill-related requirements, shorten the contract length, and reduce the contract volume. The Pacific Northern long-term timber sale was eventually completed by the Alaska Lumber and Pulp Company in 1982. Unsuccessful attempts by Georgia-Pacific, St. Regis Paper, and later U.S. Plywood-Champion Paper to establish a newsprint plant in Juneau eventually led to the cancellation of the fourth contract in 1976.

The successful operation of three long-term contracts and the construction of two pulpmills did help to diversify the region's economy. Figure 5.1 compares the average annual value of the three major natural resource product groups (fisheries, timber, minerals) from Southeast Alaska in the years immediately before (1949-53) and after (1954-58) the creation of a pulp industry. The period since 1979 is also included to provide some indication of what has happened since the passage of ANILCA in 1980.

In terms of value, the forest products industry has increased substantially since the creation of the pulpmills, growing from 10 percent of the value of natural resource products produced in Southeast Alaska (1949-83) to 62 percent (1949-83).

Employment in natural resources shows similar trends (figs. 5.2 and 5.3). In 1954, timber industry employment represented 29 percent of the employment in the natural resources industries of Southeast Alaska (fisheries, timber, minerals), or about 8 percent of the region's total employment. By the mid-1970's, employment in the timber sector had more than tripled. The proportion of timber industry employment in the natural resources industries had risen to 54 percent by 1974, or about 14 percent of the total employment in the region.

Since 1980, timber-related employment in South-

east Alaska has averaged about 2,400 jobs annually, supporting an additional 1,100 jobs throughout the economy. In the last few years, however, timber employment has fallen. Today timber employment represents only 39 percent of the employment in the natural resources industries, or about 7 percent of Southeast Alaska's total employment.¹

THE ROLE OF ROADS IN THE DEVELOPMENT OF SOUTHEAST ALASKA

Roads supporting timber harvest on the Tongass National Forest also created opportunities for expanded community and economic development. Unlike some other regions of the United States where major "farm to market" transportation networks were already in place, the highway system in Southeast Alaska has evolved with the construction of forest access roads. Several forest access roads near communities have been upgraded and incorporated into the State highway system.

An example of this progression in road development is the highway system on Prince of Wales Island. When large-scale timber operations began on the island in the 1950's, a land-based transportation system was virtually nonexistent. Since then, roads originally constructed for forest access have been upgraded and extended. Sixty-nine miles of these roads have been incorporated into the State highway system connecting existing and new communities² on the island.

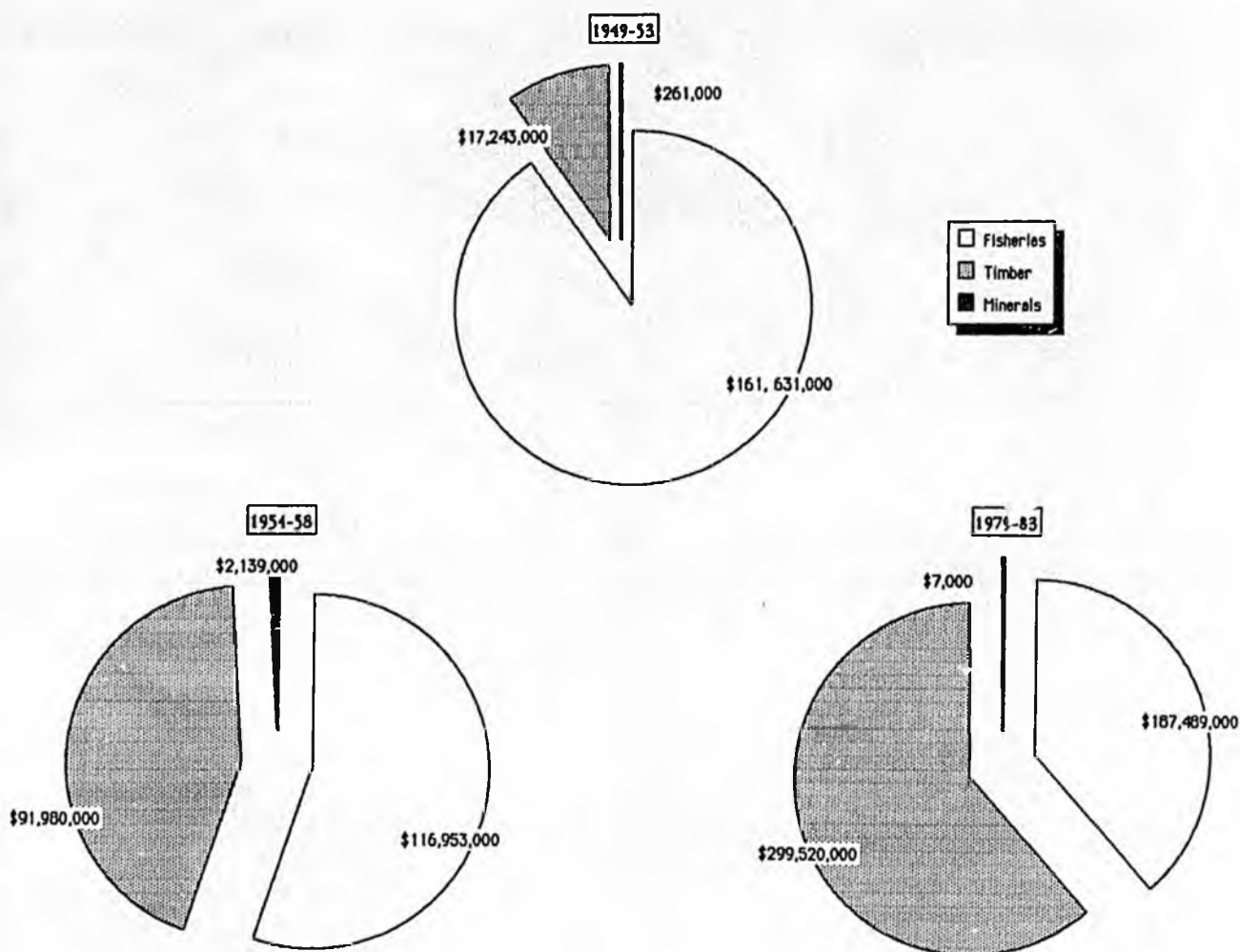
In 1984 the community of Hydaburg was connected to the State highway system for the first time, providing access to the ferry system at Hollis and other communities on the island. Both Thorne Bay, a community which began as a logging camp, and Hydaburg have prepared plans to construct port facilities and serve as transshipment locations for the other communities on the island. Other resource

¹ By contrast, employment in government and the trade and services sectors has experienced a steady increase since the mid-1950's. Government employment (Federal, State, and local) has risen from 33 percent in 1954 to about 39 percent of the region's total employment today. Fueled by government spending of petroleum dollars and increased tourism, employment in trade and service-producing sectors (wholesale and retail trade, personal services, transportation, communications, utilities, insurance, finance and real estate) has grown from 27 percent of the region's total employment in 1954 to 35 percent today. (Source: Rogers, George W. 1985. *The Southeast Alaska Regional Economy and Communities: Evolution and Structure*. University of Alaska, Anchorage, Alaska. 72 p.)

² New communities have developed on the island in association with logging camps and as a result of land entitlements made under the Statehood Act.

Figure 5.1

Average Annual Value of the Major Natural Resources Products Produced in Southeast Alaska, 1949-53, 1954-58, 1979-83^a



^aDoes not include food value of fish or game taken by sports and subsistence fishermen and hunters. Value of sand, gravel, and stone is excluded. Raw fur and agricultural products values are not included as their value is negligible. Converted to 1985 dollars using the GNP Implicit Price Deflator.

Source: Rogers, George W. 1985. *The Southeast Alaska Regional Economy and Communities: Evolution and Structure*. University of Alaska, Anchorage, Alaska. 72 p.

activities such as mineral exploration, mining and mine development, and small-scale sawmilling and shake manufacturing have been facilitated by the road network on Prince of Wales Island. Road-related recreation has also increased on the island. Alaska State ferry traffic statistics report a two- to threefold increase in vehicle and passenger numbers at the Hollis terminal since 1979.

While road access opens areas to greater use, it also changes the kinds of uses that are available. Vehicles, for example, may now visit areas that were once only accessible by foot or boat. This change

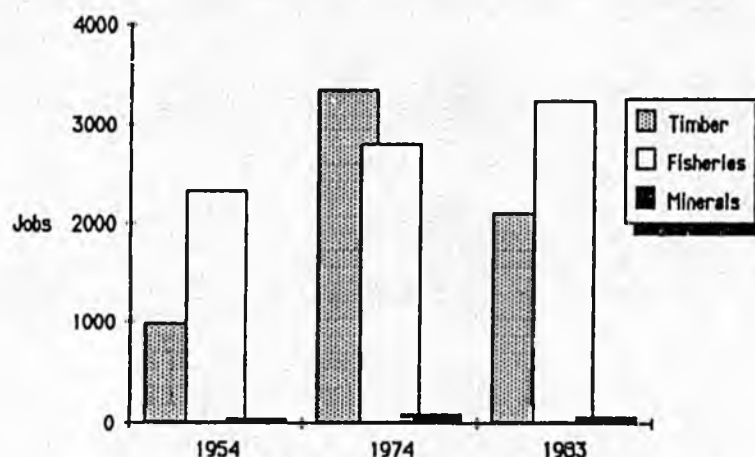
may or may not benefit surrounding communities, depending on the level of demand for each activity and the actual effects of the road.

Because opportunities for different life-styles are important to Alaskans, not all communities have viewed roads as a benefit. For some, the relative isolation and limited access of unroaded areas make these small Alaskan communities an attractive place to live.

While Prince of Wales Island is not representative of all of Southeast Alaska, it does provide an example of the kinds of impacts and opportunities road development can potentially create.

Figure 5.2

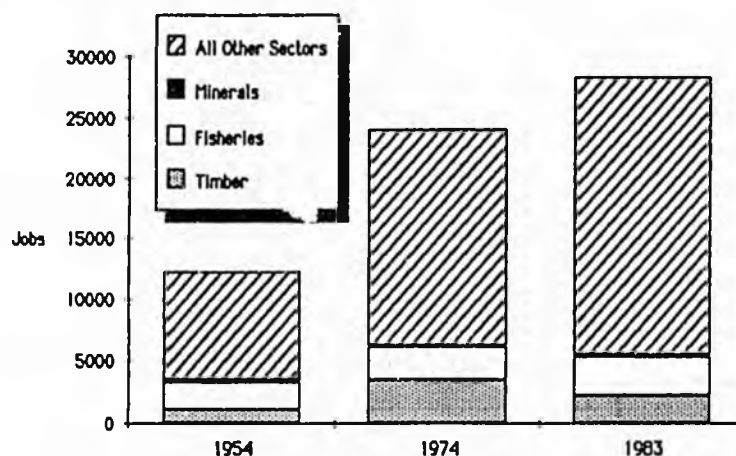
Employment in Natural Resources Industries in Southeast Alaska, 1954, 1974, 1983



Source: Rogers, George W. 1985. *The Southeast Alaska Regional Economy and Communities: Evolution and Structure*. University of Alaska, Anchorage, Alaska. 72 p.

Figure 5.3

Comparisons of Employment in Natural Resource Industries to All Other Industries in Southeast Alaska, 1954, 1974, 1983



Source: Rogers, George W. 1985. *The Southeast Alaska Regional Economy and Communities: Evolution and Structure*. University of Alaska, Anchorage, Alaska. 72 p.

POST-ANILCA PERIOD

At about the same time as Congress was reaffirming a commitment to a stable timber industry in Southeast Alaska through funding provisions in ANILCA, other factors were at work that altered the industry's profile within the Southeast Alaska economy.

An important factor in causing this change has been the strength of the U.S. dollar in the international marketplace. While Alaska has historically had higher production costs than its major competitors,

the strength of the U.S. dollar worldwide has given foreign competitors an even greater advantage.

Another factor influencing the economics of timber harvesting on the Tongass has been the land conveyances made to the State of Alaska and Native corporations under provision of the Statehood Act and the Alaska Native Claims Settlement Act. These land conveyances have, in effect, instituted new competition for limited markets where none formerly existed and affected the species composition and volume class of timber stands left in the National Forest. Timber harvest from private lands in South-

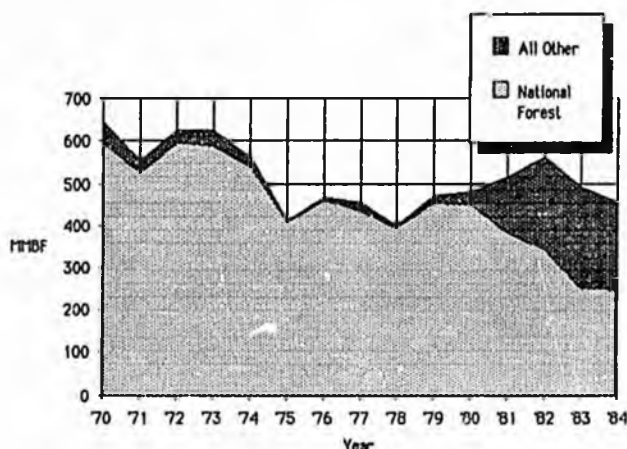
east Alaska has grown from virtually nothing in 1978 to nearly half of the total harvest in 1984.

The strength of the U.S. dollar, the rapid increase in log supplies from private and foreign sources, and the severe downturn in the world economy over the last few years has dampened demand for Alaska's processed wood products. Some of these changes are reflected in timber harvest patterns from Southeast Alaska (fig. 5.4) and in the value and volume of forest products exported from the State since 1970 (fig. 5.5).

While the timber industry remains an important part of the Southeast Alaska's economy, its position has slipped. Forest Service efforts to provide a stable timber supply from the Tongass National Forest have not counteracted other, more pervasive sources of industry instability—those associated with worldwide timber market fluctuations. Today more than 90 percent of the timber harvested in Southeast Alaska is exported, either as round logs, cants, lumber, woodchip, or pulp. Japan is the principal market, normally accounting for up to 95 percent of Southeast Alaska's wood product exports. This dependence on world markets means that stability within the industry, and for the region as a whole, is no longer a function of the resource base alone, but of economic forces reaching well beyond the boundaries of the State and the Nation.

Figure 5.4

Southeast Alaska Timber Harvest^a by Land Ownership, 1970-84

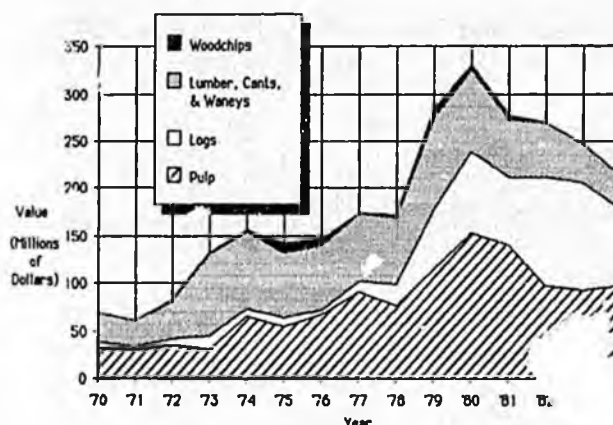


^aIncludes utility volume; i.e., the volume that is not used for dimensional wood products. Utility volume is normally used for pulp and woodchips.

Source: USDA Forest Service, Alaska Region.

Figure 5.5

Relative Value of Forest Products Exported from Alaska to All Foreign Destinations, 1970-84



Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division.

THE ECONOMICS OF LONG-TERM TIMBER HARVEST

One measure of the economics of timber harvest is the calculated present net value (PNV)³ associated with a particular harvest schedule. Harvesting costs and timber values vary by volume class.⁴ The higher volume classes are generally more valuable and less costly to log. Consequently, the proportion of high- and low-volume classes affects the present net value of a particular harvest schedule.

³The management of timber resources yields a flow of net returns (benefits minus costs) over time. Since these future net returns are delayed, *discounting* must be used. Discounting simply recognizes the "time value of money," in that *dollars* (not the resource) are worth more at present than in the future. The sum of discounted net returns is Present Net Value (PNV), and as used in this report, represents the present value of the net returns to the timber resource over a 50-year period. For example, a positive PNV indicates that discounted benefits exceed costs when summed over the entire period. Conversely, a negative PNV indicates that discounted costs exceed benefits over the entire period.

⁴A volume class is the average volume in thousand board feet of timber per acre in a stand; e.g., 21-30 mbf per acre.

For this report, two harvest schedules have been simulated to examine the impact of alternative timber management objectives on the long-term costs and benefits of timber harvesting on the Tongass. Both harvest schedules are consistent with the current Forest Plan. One schedule is based on an objective to maximize timber production, while the other one maximizes dollar returns (net of costs) to the timber resource. The schedules are compared on the basis of cumulative costs and benefits in each decade and the associated present net value after 50 years. In addition, dollar returns under the two schedules are contrasted for "strong" and "weak" market conditions. A "strong" market scenario is used to reflect the favorable timber market conditions of the late 1970's at the time the Forest Plan was developed, while a "weak market" scenario is used to reflect the weak timber markets experienced since 1981.

Key Assumptions Common to All Harvest Schedules

Several important assumptions are incorporated into each of the timber harvest schedules simulated for this analysis. These include the multiple resource goals and objectives of the Forest Plan, land base changes due to State and Native land selections from the Tongass since 1980, and the impact of actual harvests to date.

In addition, the following Forest Plan multiple resource goals and objectives are met in each schedule:⁵

1) *Fish and Wildlife Protection:* Approximately 273,000 acres of commercial forest land (CFL) are excluded from the harvest calculations to provide flexibility in implementing fish and wildlife habitat management measures.

2) *Precommercial Thinning:* Thinning of 6,300 acres per year is provided to accelerate the growth of second-growth stands and allow more of the existing timber to be harvested in the near term. Precommercial thinning has two effects: it increases the yield per acre, and it shortens the rotation length by up to 20 years. The combination of these effects means that fewer total acres are needed to maintain an annual timber supply of 450 mmbf.

3) *Advanced Logging Technology:* The Forest Plan and ANILCA assume that investments in advanced logging technology will contribute to the 4.5-bbf-per-decade supply goal. The harvest from these areas in any one decade is limited to 260 mmbf.

4) *Long-term Sustained Yield:* The timber harvest schedule must achieve long-term sustained yield from the available commercial forest land. This long-term goal is designed to achieve the greatest uniform yield

of timber from managed lands, consistent with multiple-use management objectives.

5) *Visual Quality:* Extended harvest rotations are scheduled for approximately 244,000 acres of the Tongass to lessen impacts on areas of high visual sensitivity. Harvest of existing timber is extended from a three- to four-harvest-entry sequence over 100-120 years to a four- to seven-harvest-entry sequence over 120-200 years.

6) *4.5-bbf-per-Decade Timber Supply:*—The schedule must make available at least 4.5 bbf of timber per decade. This goal conforms with the allowable timber sale quantity calculated in the Forest Plan and the timber supply goal in Section 705(a) of ANILCA.

None of the calculated returns include dollar benefits or costs for nontimber resources such as wildlife, fisheries, and recreation, nor more general societal benefits such as those associated with transportation systems and other infrastructure developments. The analysis focuses solely on the returns associated with timber under the two management objectives and alternative market conditions.

Costs are broken into two components: Government costs and industry costs. Government costs include those for such activities as timber sale planning, sale preparation, precommercial thinning, and reforestation. Industry costs include timber operator costs for logging and hauling, road construction, and manufacture of wood products. Historical data and recent trends in cost reductions are used to estimate actual costs.

Logging costs vary by volume class since more timber typically can be harvested per unit of time as the volume per acre increases. Roding costs vary by type of road, such as mainline (arterial/collector) or spur (local).

Prices are based on end product selling values for wood products currently manufactured from Tongass National Forest timber. These products include spruce and hemlock cants, squares, dissolving pulp, and woodchips. The "high market" price is based on 1979 values when market conditions were very strong for Alaska timber products, while the "weak market" price is based on 1985 values. No future price trends are incorporated into the analysis for end product values. A 4 percent real rate of interest, as required by National Forest Management Act regulations, is used for discounting to present value terms.

⁵The schedules are most meaningful over the first decade. Beyond the first decade the schedules are most appropriately viewed as potential harvest opportunities since there are many differing volume class mixes possible that will meet the management objectives and assumptions described above.

Comparison of Returns Under Alternative Harvest Objectives and Market Conditions

Figure 5.6 compares the cumulative costs and returns of timber harvest under the two schedules for both "weak" and "strong" market conditions. The first schedule was developed using the cost assumption used in developing the Forest Plan. This cost information was updated to reflect current timber sale appraisal information. The second schedule maximizes present net returns; therefore, the more valuable, less costly volume classes (30+ mbf) are harvested early in the rotation, while harvest of the more costly, less valuable volume classes (8-30 mbf) is delayed until late in the rotation. Under a schedule in which timber production is maximized in the first decade, a more even mix of high- and low-volume classes is scheduled over the entire rotation. Differences between the harvest schedules are reflected in the present net value of each harvest schedule after 50 years. This schedule incorporates the cost savings efforts by both the Forest Service and the timber industry that have been instituted during the last several years.

Under the "weak market" assumption corresponding to current market conditions, costs exceed returns in both schedules over all five decades. The associated present net values of the two schedules differ by about 54 percent. This difference is only an estimate and does not account for an anticipated trend away from higher-value, old-growth spruce and toward more lower-value, old-growth hemlock. The anticipated trend is based on the remaining Forest inventory available for harvest this rotation.

Under "strong market" conditions, costs and returns are nearly equal in the first decade. Under the schedule maximizing timber production there are positive returns in all decades, while under the schedule based on the Forest Plan cost assumptions the returns are less than costs in all decades. Net returns are significantly improved under a "strong" market assumption for both schedules. The two scenarios demonstrate the important effect different market conditions can have on the economic returns associated with timber harvest.

While the market plays a major role in the economics of timber harvesting, there are measures that can be taken by industry and government to mitigate the impacts of a weak market, as shown in the schedule which incorporates the recently introduced cost saving measures. The timber industry has reduced the costs of both harvesting and manufacturing in a variety of ways including lower wage rates, lower road construction costs, and more efficient mill operations. For some operators, total cost reductions have exceeded 20 percent compared to 1980 costs.

The Forest Service, for its part, has reduced costs for sales preparation and road construction. The cost per mile of public works contract road construction has decreased from a high of \$293,000 per mile in fiscal year 1981 to \$148,000 per mile in fiscal year 1984. Additional efforts to make the timber program more cost effective are outlined in chapter 1.

FUTURE PROSPECTS

The slump in timber markets over the past few years raises questions about the role of the timber industry in Southeast Alaska's economic future. Developing new product lines, expanding markets, and improving the economic efficiency of timber harvest activities and investments have all been suggested as ways to bolster this role. The following sections describe two ways in which timber industry prospects may be strengthened.

New Product Lines

Despite the many changes that have occurred within the Southeast Alaska timber industry over the last few decades, the product mix itself has remained relatively unchanged. Dissolving pulp, cants, woodchips, and more recently, logs are still the major product lines. Recent closures of two sawmills and temporary shutdowns at the two pulpmills have sparked interest in the impact a more diversified product mix might have on strengthening and stabilizing the region's timber industry.

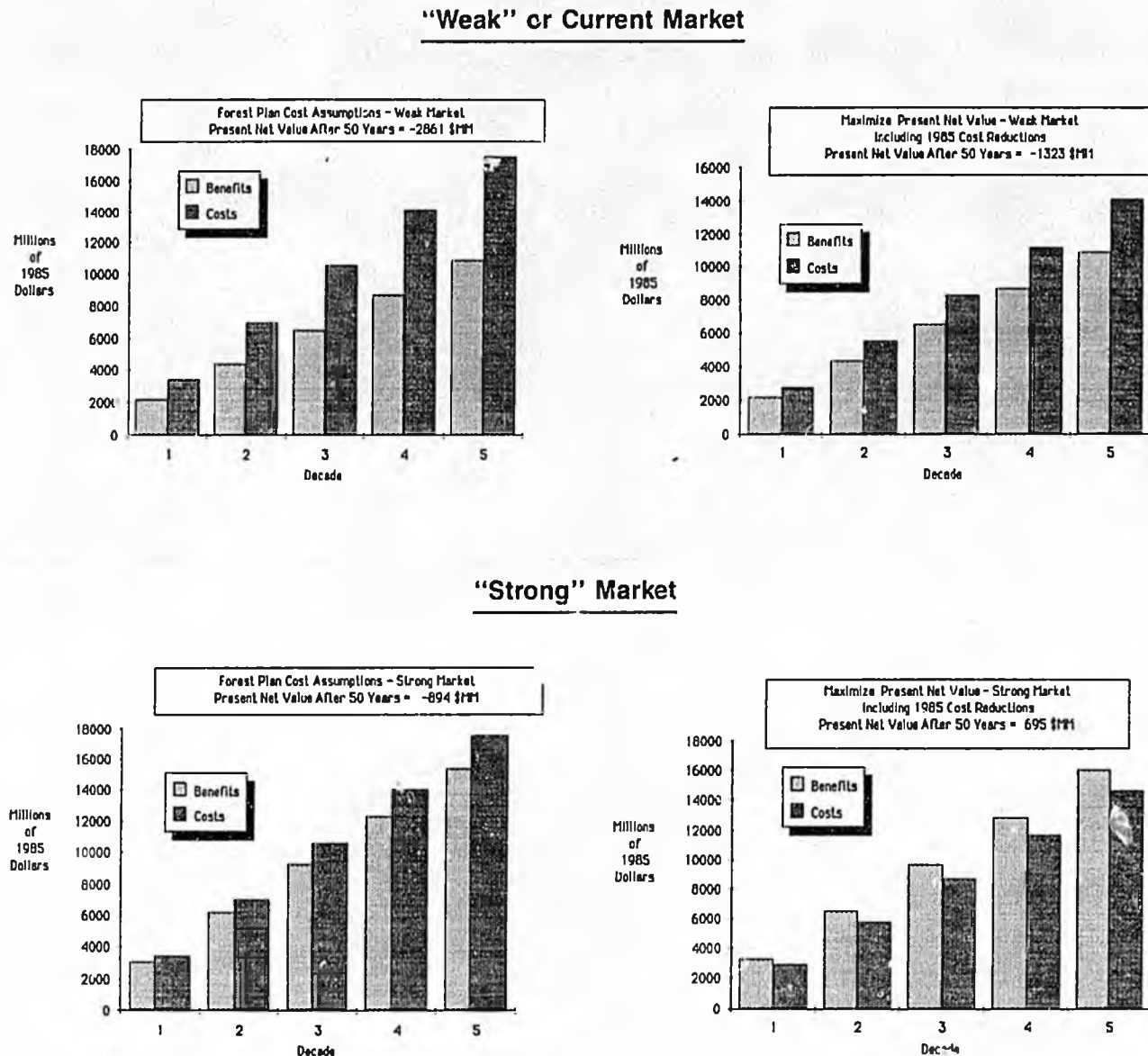
To explore the product mix issue, dollar returns associated with alternative lumber and wood product mixes excluding log exports were analyzed. Various manufactured wood products previously identified as suitable for production from Southeast Alaska timber were considered in the product mixes. These included dimension lumber, plywood, flakeboard and oriented strand board (both plywood substitutes), and fluffy pulp. An alternate product mix was selected which maximized net returns to timber harvested from the Tongass National Forest over a 50-year period.

"Threshold" prices are also presented in table 5.1. Threshold prices indicate the minimum price necessary for a product to be considered "practical" for production. As the table indicates, the differences between current and calculated threshold prices for fluffy pulp, plywood, and flakeboard suggest that none are "practical" under the assumptions of the analysis.

It is important to recognize that the results do not represent a feasibility study of potential products. Important variables such as capital investment costs for building and/or converting mills, and market

Figure 5.6

Comparison of Cumulative Costs and Returns of the Two Harvest Schedules Under Weak and Strong Markets



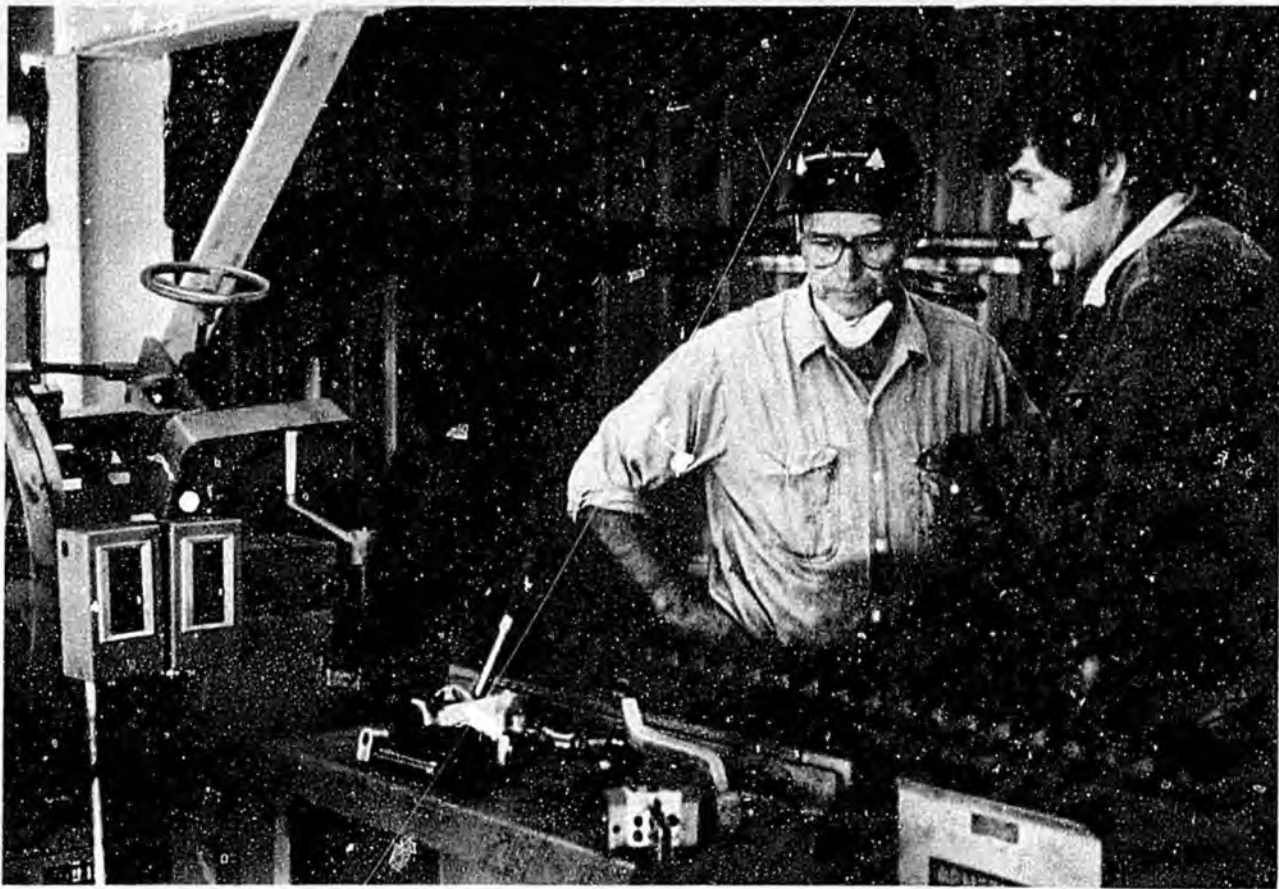
Source: USDA Forest Service, Alaska Region.

competition from outside the region were not considered. Instead the analysis was conducted as if the facilities for manufacturing these products already existed and that demand was sufficient to absorb production associated with an average annual timber harvest of 450 mmbf.

To guard against unreasonable shifts in production mixes over time, only those products which were manufactured for 20 years or more (sufficient to depreciate mill costs) and at a production level

judged adequate to support a mill, were allowed in the final product mix. In addition, relative price differences between products were assumed to remain constant over time. While the actual evolution of an alternative product mix could differ widely from the results presented in table 5.1, the analysis does provide an indication of the impact a different product mix might have on the economic position of the timber industry.

In conclusion, figure 5.7 compares existing and



Alaska Loggers Association.

Local sawmills, such as this one on Prince of Wales Island, increase productivity through the use of modern equipment.

Table 5.1 — Existing and alternative wood product mixes made from National Forest timber over a 50-year period

Potential products	Existing product mix (1979-84) (%)	Alternative product mix (%)	Assumed (current) price (\$/mbf)	Threshold price (\$/mbf)
Dissolving pulp	50	38	548	548
Fluffy pulp	NA	0	555	868
Flakeboard	NA	0	296	420
Plywood	NA	0	329	391
Cants	44	26	412	412
Lumber	NA	23	442	442
Oriented strand board	NA	7	296	296
Chips	6	6	123	123

NA = not applicable.

Source: USDA Forest Service.

Comparison of Existing and Alternative Product Mixes



Total Sale Design Approach

economic criteria are used to determine harvest unit selection and the timing of road construction. For example, a logging system/transportation analysis completed for the northern tip of Dall Island near Ketchikan indicates that road costs can be reduced by 28 percent in the first harvest entry compared to a timber sale layout using more traditional methods. While Dall Island is not representative of the Tongass National Forest as a whole, the analysis completed there does provide an indication of how such tools can help to reduce long-term timber harvesting costs and improve the efficiency of programs such as pre-roading. To date, four such analyses have been completed on the Tongass and two more are underway. As additional analyses on a diverse enough range of harvest areas are completed they will permit a statistically valid, Forest-wide evaluation of cost-saving opportunities.

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SUMMARY

Policies requiring primary processing of National Forest timber and the establishment of long-term timber sale contracts are two means used to provide for economic diversification and stabilization in Southeast Alaska. To a large extent, efforts to establish local timber processing and wood products manufacturing have been successful in diversifying the economic base. Between 1954 and 1974, timber industry employment grew from 29 to 54 percent of the total employment in natural resource industries in Southeast Alaska (fisheries, timber, minerals). Since 1980, however, the downturn in timber markets has altered this trend, and timber now accounts for approximately 40 percent of the region's employment in natural resource industries. The overwhelming importance of export markets as an outlet for Alaska timber means that the industry is dependent upon the Pacific Rim and market trends within those countries.

The economics of long-term harvest indicate the need to continue to control the costs of timber harvest. Assuming a relatively constant demand for National Forest timber, the economic analysis shows

a negative net present value associated with timber harvest after 50 years under both "weak" and "strong" markets. However, when recent cost savings measures instituted by the timber industry and the Forest Service are incorporated in the analysis, the present net value of harvest is positive under strong market conditions. These cost savings measures will have to be instituted to offset the increasing proportion of hemlock and lower-volume stands that will be scheduled for harvest over the analysis period.

Developing new wood product lines, expanding markets, and improving the economic efficiency of timber harvest activities and investments have all been suggested as ways to bolster the role of the timber industry in Southeast Alaska's economic future. An analysis of potential product lines suggests that the current product mix augmented with dimension lumber and oriented strand board (a plywood substitute) could improve the dollar returns of timber harvest. On a supply level, tools incorporating site-specific economic criteria such as Logging System/Transportation Analyses can also improve the efficiency of timber sale designs by focusing on the transportation system and harvesting techniques used over a number of years instead of concentrating solely on present timber harvesting activities.



Subsistence activities are protected under provisions of the Alaska National Interest Lands Conservation Act.

Chapter 6

Subsistence Management and Use

The sixth chapter reports on the status of Forest Service subsistence use policies instituted since ANILCA. ANILCA gives priority to rural Alaska residents who traditionally use renewable wild resources for food, shelter, fuel, clothing, tools, and other hand-crafted articles. Findings from the previously submitted Section 813 report describing the implementation and monitoring of subsistence management and use in Alaska are referenced. Policies used in determining subsistence use priorities under Section 810 of ANILCA are summarized along with cooperative research efforts with the State of Alaska.

The Alaska National Interest Lands Conservation Act, Title VIII: Subsistence Management and Use, provides rural Alaska residents with the opportunity to continue a subsistence way of life. Subsistence management, in accordance with Title VIII, ensures the customary and traditional consumptive uses of fish, wildlife, and other renewable resources on Federal public lands in Alaska. Subsistence use of fish and wildlife will have priority when, under certain conditions, it is necessary to restrict the taking of these resources to assure the continued viability of a fish or wildlife population or the continuation of subsistence uses of such a population.

In compliance with the requirements of Title VIII, the Forest Service has implemented policies and procedures for the management of subsistence use on the National Forests in Alaska. Management of subsistence use on the National Forests recognizes the State's traditional role in the regulation of fish and wildlife resources on public lands in Alaska.

On May 14, 1982, the Secretary of the Interior informed the Governor of Alaska that the State's program for management of subsistence uses complied with the requirements of Title VIII. Subsequently, a State Supreme Court decision (Madison 2/22/85) found the State Board of Fisheries had misinterpreted the State's subsistence law. To deal with the problems identified in the court's decision, the Governor proposed new legislation which is currently under consideration by the State legislature. The Secretary of the Interior issued a formal notification to the Governor of Alaska on September 23, 1985, that the State was no longer in compliance with ANILCA Title VIII. The State was given until June 1, 1986, to revise its subsistence program to bring it into compliance

with the requirements of Sections 803, 804, and 805 of ANILCA.

FOREST SERVICE SUBSISTENCE POLICIES

There are three major Forest Service policies derived from ANILCA Section 802 which direct National Forest System management as it relates to subsistence uses of renewable resources:

1. Consistent with sound management principles, the conservation of healthy populations of fish and wildlife, and the purpose for which the National Forests were established, the utilization of National Forest System lands in Alaska is to cause the least adverse impact possible on rural Alaska residents who depend upon subsistence uses of the resources of such lands. The purpose of this policy is to provide the opportunity for rural Alaska residents engaged in a subsistence way of life to continue to do so.
2. Nonwasteful subsistence uses of fish and wildlife and other renewable resources shall be the priority consumptive uses of all such resources on the National Forests in Alaska when it is necessary to restrict taking to assure the continued viability of a fish or wildlife population, or the continuation of subsistence uses of such population.
3. Except as otherwise provided, the Forest Service, in managing subsistence activities on the public lands and in protecting the continued viability of all wild renewable resources in Alaska's National Forests, shall cooperate with adjacent landowners and land managers, including Native

Corporations, and appropriate State and Federal agencies and other nations.

SUBSISTENCE IMPLEMENTATION— SECTIONS 813/806

ANILCA Section 813 requires the Secretary of the Interior in consultation with the Secretary of Agriculture, to submit reports on the implementation of Title VIII to the President of the Senate and the Speaker of the House of Representatives. The reports are due every three years. The first such report was completed in December 1984, and is currently available to the public. In addition, annual monitoring reports are required by Section 806. The first annual monitoring report was completed in January 1984. In 1985, the Section 806 annual monitoring report was submitted as a part of the Section 813 report.

ANILCA Section 805 requires the Secretary of the Interior to establish regional advisory councils and local advisory committees and provides authority to the councils to review and evaluate proposed regulations, policies, management plans, and other matters relating to subsistence uses of fish and wildlife; provides a forum for expression of opinions and recommendations on subsistence uses of fish and wildlife; and encourages local and regional participation in the decisionmaking process affecting the taking of fish and wildlife for subsistence purposes. In addition, the advisory councils are to prepare an annual report to the Secretary on current and anticipated subsistence uses and needs of fish and wildlife populations and recommend a strategy for fish and wildlife population management.

The State enactment and implementation of laws of general applicability, which are consistent with ANILCA Section 805, allows the State to retain its traditional role in management and rulemaking for the taking of fish and wildlife for subsistence uses on the National Forests. The public comment received through the State Boards of Fisheries and Game and the Advisory Council's meetings and report to the Secretary is used in the Forest Service's land management planning process.

SUBSISTENCE AND LAND USE DECISIONS—SECTION 810

ANILCA Title VIII, Section 810 provides a broad outline of how subsistence considerations are to be incorporated into Federal land use decisionmaking in Alaska. Specifically, Section 810 requires Federal agencies to "evaluate the effect of use, occupancy or disposition on subsistence uses and needs . . ." The Alaska Land Use Council (ALUC) approved standard procedures for implementation on Nov-

ember 19, 1984. These procedures are now being used by all Federal land management agencies. Forest Service Regional policy directives in 1982 and 1983 also required documentation of the process used, analysis conducted, and rationale employed in determining whether to withdraw, reserve, lease, or otherwise permit the use, occupancy, or disposition of public lands where subsistence uses are authorized. There have been no findings of a significant restriction to subsistence uses on the Tongass National Forest.

SUBSISTENCE RESEARCH

A Memorandum of Understanding between the Alaska Department of Fish and Game and the Forest Service was signed on August 1, 1984. It provides for a number of mutually agreed upon objectives for engaging in cooperative subsistence research in Southeast Alaska.

The joint research program between the Department and the Forest Service was active in 1984 and 1985 and final reports from the Department are expected in 1986. The research program for fiscal years 1986-90 is currently being evaluated by the Department of Fish and Game, the Forest Service, and the University of Alaska Institute for Social and Economic Research.

Research studies conducted during 1984-85 include:

- Evaluation of Alternative Methodologies for Mapping Areas used for Fish and Game Harvest. This study is designed to review and evaluate the most appropriate methods and techniques for accurately mapping subsistence use in Southeast Alaska.
- Community Case Study of Yakutat Fish and Wildlife Utilization. This study is designed to identify the nature and extent of fish and wildlife use in and near the community of Yakutat.
- Southeast Alaska Regional Resource Utilization Survey. This study is designed to provide information on the patterns of renewable natural resource use in Southeast Alaska for use in conducting the ANILCA Section 810 evaluation for the revision of the Tongass Land Management Plan.

SUMMARY

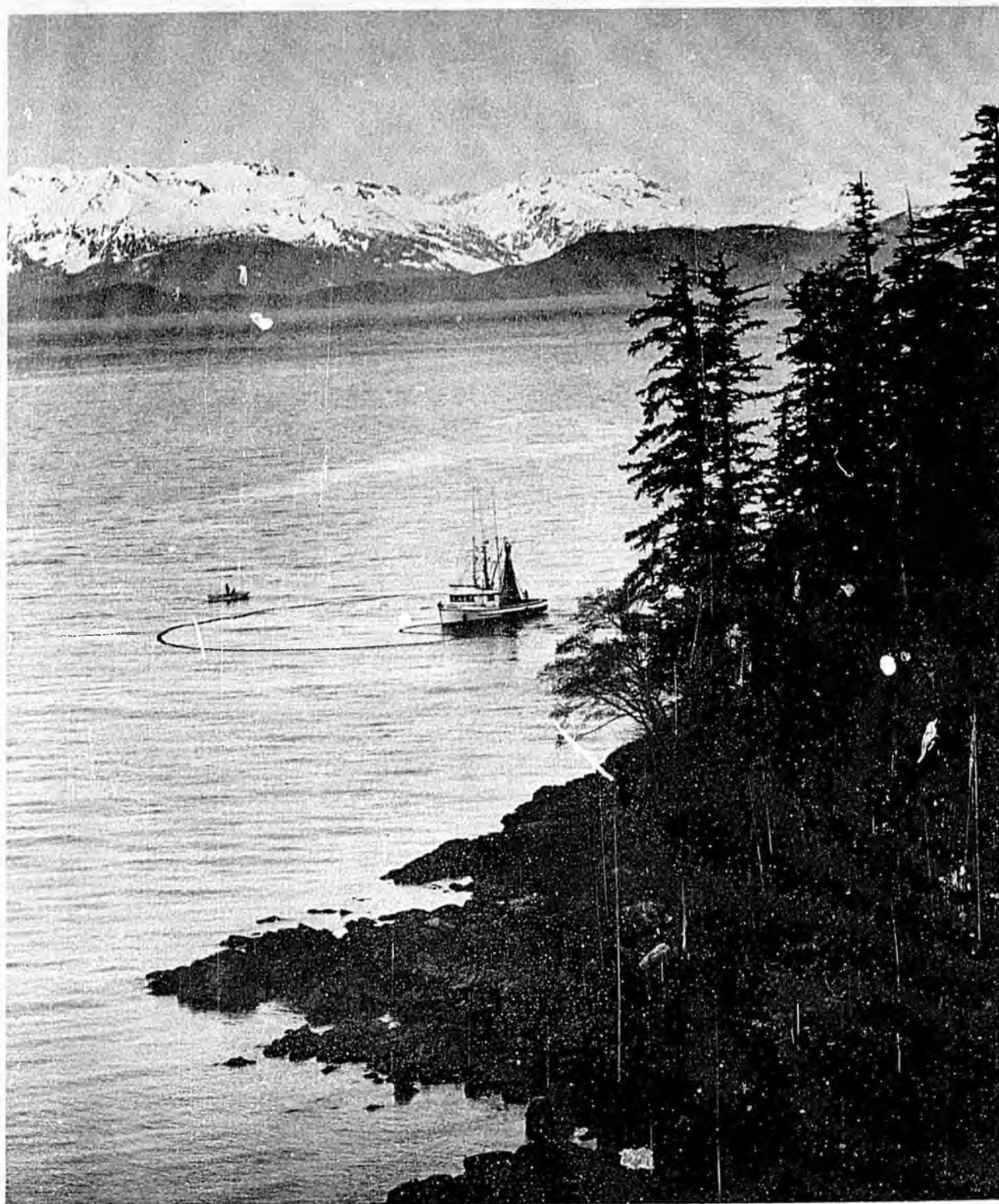
Subsistence, as defined by Title VIII of ANILCA, provides a priority status for customary and traditional consumptive uses of fish, wildlife, and other renewable resources by rural Alaska residents on Federal public lands including the Tongass National Forest. Subsistence management does not preclude the use of other resources but requires the Forest Service to consider subsistence uses in making resource decisions. Allocation of the fish and wildlife resources on public lands in Alaska between subsistence, sport,

and commercial users is currently the responsibility of the State of Alaska.

The Forest Service has derived three major policies from ANILCA Section 802 to direct subsistence management on the National Forests in Alaska. Subsistence direction has evolved through early direction in 1982 and refined direction in 1983 to current direction based on the standard procedures approved by the Alaska Land Use Council in November 1984.

There have been no findings of significant restrictions on subsistence use from the Section 810 evaluations prepared on Forest Service projects. As subsistence management becomes more refined, the need

for additional studies and research to enhance the Forest Service managers' knowledge of subsistence-related topics will continue to be identified. Final reports on joint Department of Fish and Game and Forest Service research conducted in 1984 and 1985 are expected to be completed soon. The research program through the end of the decade is currently being evaluated by the Department, the Institute for Social and Economic Research of the University of Alaska, and the Forest Service. Forest Service managers will use the results of current and planned research studies to continue to improve subsistence management on National Forest System land in Alaska.



Alaska Department of Fish and Game.

Chapter 7

Cooperators' Comments

Section 706(c) of ANILCA requires that the Status of the Tongass National Forest report be prepared in cooperation and consultation with the parties named in the Section. This chapter contains the views of the parties plus comments by a group of fishing organizations.

Section 706(c) of the Alaska National Interest Lands Conservation Act (ANILCA) states:

The study required by this section shall be conducted in cooperation and consultation with the State, affected Native corporations, the Southeast Alaska timber industry, the Southeast Alaska Conservation Council, and the Alaska Land Use Council.

As part of the consultation in preparation of the report, the Forest Service offered the cooperators named in Section 706(c) an opportunity to express

their views on the status of the Tongass National Forest. In response to this offer the State of Alaska, the Sealaska Corporation, the timber industry, and the Southeast Alaska Conservation Council have provided written comments to be included in this chapter. Also included are the comments by a group of Southeast Alaska commercial fishing organizations who have closely followed the development of ANILCA and this report.



Views of the State of Alaska: The Effects of the Alaska National Interest Lands Conservation Act and its Implementation on Southeast Alaska¹

As a participant named in Section 706(c) of the Alaska National Interest Lands Conservation Act of 1980 (Public Law 96-487), the State of Alaska has cooperated and consulted with the U.S. Forest Service in its preparation of a report to Congress on the status of the Tongass National Forest. In addition to reviewing and commenting on the Forest Service draft report dated July 19, 1985, the State has prepared this document which represents its views. After describing the State's interest in Federal management of the Tongass National Forest, and the evolution of a timber industry which arose from early Federal decisions, the purpose of the report required by Section 706(b) of the Act is described. A section which summarizes the State's views and recommends certain actions by Congress and the U.S. Forest Service precedes discussions of the four topics specifically identified for study by Congress: timber harvest levels, small businesses in the dependent industry, impacts of wilderness designation, and fish and wildlife protective measures.

INTRODUCTION

The State of Alaska was an active participant during the legislative process which culminated in the 1980 enactment of the Alaska National Interest Lands Conservation Act (ANILCA). The State of Alaska remains interested in Federal implementation of this landmark legislation in the Tongass National Forest. This interest arises from the fact that the Forest Service, despite Congressionally authorized land grants to Alaska Natives and the State, is still the dominant land manager in Southeast Alaska.

Alaskans residing in many communities of Southeast Alaska are, to a high degree, directly or indirectly dependent on the natural resources which are managed by the Forest Service or may be affected by management of the Tongass Forest. These include people employed in the timber industry as loggers, road builders, and mill workers, commercial fishermen and fish processors in the major regional fisheries, people engaged in the tourism industry, those who use fish, game, and plant resources for subsist-

ence purposes, and many others who are sport hunters and fishermen. Because of this dependency, the State of Alaska will continue to have a high degree of interest in Forest Service implementation of ANILCA, and the management decisions affecting the resources and residents of this coastal region.

In the Tongass National Forest, Congress had to deal with an extremely complex situation. Despite many years of effort by various national and local conservation and environmental interests no Congressional protection had been given to wilderness values in the Nation's largest national forest by the mid-1970's. Although the Forest Service had administratively set aside some land in its natural state for recreation and other nonconsumptive uses, these actions were considered inadequate by many.

Very early in the history of the Tongass Forest, Forest Service officials attempted to create a timber industry in the region which would enhance community stability and provide more year-round employment for Alaska residents. Congress has acted several times to affirm this social objective. More than 30 years ago, as a result of Forest Service efforts, long-term timber sale contracts were awarded with a requirement that trees harvested from the Tongass receive primary processing before leaving Alaska. Pulp mills were located in Ketchikan and Sitka, and sawmills were subsequently constructed in several communities to convert higher quality logs into squared cants (which could be further manufactured in Japan). In many of these communities, the arrival of the forest products industry meant the addition of a major new contributor to the local economy.

Thus, faced with an existing mature timber industry established through the early efforts of the Federal Government, Congress sought to craft a unique compromise solution which would maintain employment in that industry while responding to a national desire for wilderness, and assuring that other resource values, and other public uses, would be protected on non-wilderness land.

In designating over 5 million acres of the Tongass as Wilderness, Congress also implicitly recognized and confirmed the long-standing social objective of the Forest Service's Tongass timber program by providing for the maintenance of employment in the timber industry which was dependent on National

¹ Prepared in accordance with Section 706(b), Alaska National Interest Lands Conservation Act of 1980, P.L. 96-487; State of Alaska, October 1985, Juneau, Alaska.

Forest timber supplies. This employment objective was to be achieved by ensuring a timber supply of 4.5 billion board feet per decade. Recognizing that some of this timber would need to be harvested from economically and technologically marginal lands, Congress exempted the Tongass Forest from the provisions of Section 6 (k), National Forest Management Act (which generally precludes National Forest land not suitable, by reason of physical, economic and other pertinent factors, from timber harvesting and production), and provided an unprecedented funding mechanism (a continuing appropriation of \$40 million or more per year as needed which was not subject to rescission or deferral) to ensure the necessary timber supply.

An expression of Congress' finding at the conclusion of ANILCA deliberations is contained in Section 101(d):

This Act provides sufficient protection for the national interest in the scenic, natural, cultural and environmental values on the public lands in Alaska, and at the same time provides adequate opportunity for satisfaction of the economic and social needs of the State of Alaska and its people; accordingly, the designation and disposition of the public lands in Alaska pursuant to this Act are found to represent a proper balance between the reservation of national conservation system units and those public lands necessary and appropriate for more intensive use and disposition, and thus Congress believes that the need for future legislation designating new conservation system units, new national conservation areas, or new national recreation areas, has been obviated thereby.

PURPOSE OF THE REPORT REQUIRED BY ANILCA SECTION 706(b)

The State described its understanding of the purpose of the report to Congress in a letter to the Forest Service dated August 31, 1984 as follows:

The 1985 report (and subsequent reports) should inform Congress and the public about the status of the Tongass following passage of ANILCA and its implementation. In considering the establishment of Wilderness areas in the Tongass National Forest, Congress gave unprecedented recognition to the other competing demands on the forest. Chief among these was its concern for the maintenance of employment in the timber industry dependent on National Forest timber. This concern was expressed by ensuring adequate Federal funding to provide a specified timber supply to the dependent industry while providing for other public uses of the Tongass and protection of other resource values consistent with Federal law.

We think that the report should describe how well the balance which Congress sought is working. If achievement of that balance requires further legislative action, the mandated reports to Congress should provide a factual basis for such action. If the balance can be accomplished without Congressional intervention, the public and Congress should be informed

of Forest Service measures to attain that balance.

The legislative history of ANILCA is clear in its recognition that some information provided to it by the Forest Service, and several assumptions used in crafting the compromise solution, might be subject to correction or revision as time passed, or as a better understanding was gained of economic, social and biological relationships. As a result of potentially incorrect assumptions, or poorly understood relationships, full implementation might be difficult or produce undesirable consequences. This recognition of uncertainty is part of the basis for the reporting requirement of the Section 706(b).

SUMMARY AND RECOMMENDATIONS

A complete evaluation of Congress' legislative solution to accommodate competing demands for the Tongass National Forest is not possible at this time because the provisions of Section 705 have not been fully implemented by the U.S. Forest Service. Congress fixed the amount of Tongass Forest which would be preserved for future generations in Wilderness, and by providing a unique funding provision to assure a timber supply, intended to maintain employment in the existing timber industry. Congress' employment objective has not been met.

The timber supply was to come from lands not set aside as Wilderness, and included land which was not suitable for timber harvest for economic and technological reasons. To assure that sufficient timber was provided which would maintain timber industry employment, a continuing appropriation of \$40 million (or as much as was necessary to achieve the employment objective) was made available to the Secretary of Agriculture. It is the State's position that the executive branch of the Federal Government has failed to properly implement this funding provision over most of the past five years since ANILCA's enactment, both in terms of amounts of money, and in the manner utilized. The State also believes that the Forest Service, by its failure to properly implement ANILCA Section 705, and by its failure to fully implement the Tongass National Forest Management Plan adopted in 1979, has jeopardized the economics of future timber harvesting and State wildlife and fisheries resources. The State urges Congress to conduct its own investigation of the Forest Service's implementation of ANILCA, and the validity of Tongass Land Management Plan assumptions and information which were utilized by Congress during ANILCA deliberations. To assist Congress in its consideration of the status of the Tongass National Forest following enactment of ANILCA, and the U.S. Forest Service in fulfilling its obligations and commitments, the State of Alaska recommends the following:

Recommendations to Congress

1. Congress should conduct its own inquiry into the implementation of ANILCA Section 705 and the issues raised by the State relative to Section 706.
2. A Congressional inquiry into ANILCA implementation should include consideration of the assumptions and information of TLMP which were utilized during its deliberations. These would include the following:
 - a. the extent to which employment losses in the timber industry, which is dependent on National Forest timber supplies, are caused by Forest Service funding shortfalls, improper utilization of available ANILCA funds, and uneconomic timber supplies;
 - b. the extent to which the export of round logs from Native-owned land in Alaska is displacing the export of cants manufactured from National Forest timber;
 - c. the extent to which Forest Service implementation of ANILCA and TLMP is causing, or is likely to cause, unacceptable adverse impacts to the State's fish and wildlife resources and public uses of the Tongass National Forest.

Recommendations to the Forest Service

1. The Forest Service should provide funds as intended by Congress for the construction of roads for access to economically and technologically marginal stands, advanced logging technology, and precommercial thinning sufficient to maintain employment in the dependent timber industry.
2. The Forest Service should immediately implement the loan program intended by ANILCA Section 705(b).
3. The Forest Service should apply funds for pre-roading purposes to roads which will most efficiently access economic timber, in areas where timber harvest is imminent, and in a manner which will protect other resource values as provided by law and adopted management plans.
4. The Forest Service should, in reporting to Congress on timber supply from the Tongass Forest, describe what portion of the supply considered to be "made available" is actually economic to harvest.
5. One use of Tongass Timber Supply funding should be to protect high-value fish and wildlife areas by improving the economics of sales in areas of low habitat value.
6. The Forest Service should foster increased employee understanding of the Tongass Land Management Plan to ensure full and consistent implementation.
7. The Forest Service should continue working with the timber industry to reduce logging costs where appropriate, while assuring that cost reductions will not impair, or adversely impact, other resource values and public uses in the Tongass National Forest.
8. The Forest Service should ensure that adequate funding is provided to permit an increased level of implementation and monitoring of measures to protect fish and wildlife resources.
9. The Forest Service should conduct, on a routine basis, the standardized project-level monitoring and reporting on measures implemented to protect water quality, with special emphasis on watersheds which are sources of public drinking water.
10. The Forest Service should report to Congress the effectiveness of its measures to protect fish and wildlife in the Tongass Forest.
11. The Forest Service should identify and schedule additional permanent retention acreage for fish and wildlife habitat to compensate for the acreage of unregulated timber that has been harvested and the acreage that has not been placed under extended rotation scheduling to meet visual quality objectives.
12. The Forest Service should conduct life-of-the-sale and life-of-the-rotation planning to identify retention acreage for fish and wildlife and to analyze the cumulative effects of options for multiple entries and/or sale layouts.
13. Management Area Analysis which is the intermediate level of planning between TLMP and project plans should be fully implemented as a second tier of NEPA review.
14. The Forest Service should analyze the effects of timber harvest deferral beyond 1989 of those areas that DFG has identified as being of high value for fish and wildlife.
15. Mitigating measures which are of a short-term effectiveness or the effectiveness of which has not been demonstrated should be described and treated as such during analyses of impacts.

Specifically, precommercial thinning, commercial thinning, prescribed burning, slash treatment, and management of large woody debris in or adjacent to streams should be considered experimental measures until their effectiveness is demonstrated.
16. Logging system and transportation analyses should be conducted prior to pre-roading and options should be considered to reduce impacts on fish and wildlife and to maintain the types of hunting and fishing opportunities desired by the public.

17. Planning for snag management and retention of residual groups of trees should occur.
18. The Forest Service should carefully evaluate its practice regarding harvesting of unregulated, oversteepened slopes to see if these practices are in conformance with TLMP and the NFMA.
19. The Forest Service should give full consideration to all feasible mitigation measures to protect the aesthetic importance of high-value sport fishing areas.
20. The Forest Service should ensure complete protection of the biological productivity of all fish streams in conformance with NFMA.
21. The Forest Service should, in delineating areas for retention, consider maintaining undisturbed buffers around the nest areas of certain other raptor species such as osprey and peregrine falcon, in addition to eagles.
22. The Forest Service should monitor and keep records of:
 - a. Retention acreage—to be mapped and permanently removed from the timber base per the TLMP assumption.
 - b. Wildlife Habitat Management Units and Fisheries Habitat Management Units and their prescriptive management.
 - c. Management of habitat for Management Indicator Species (assuming that selection occurs per NFMA requirements).
 - d. Decisions to harvest leave strips retained for fish and wildlife.
 - e. Decisions to permit harvesting adjacent to clearcuts in which regrowth has only reached five feet in height.
 - f. The status of regrowth habitat on the TNF; the distribution, juxtaposition, and ages of stands.
 - g. Fish and wildlife habitat management results in the context of acres harvested, acres to which effective mitigation treatments have been applied, acres to which experimental mitigation treatments have been applied, and expected duration of mitigation.
23. The Forest Service should include Alaska in its Old-Growth Forest Wildlife Habitat Research and Development Program and initiate cooperative research to further describe vertebrate community ecology, species-specific habitat requirements, and the island ecology of the region's old-growth forests.
24. Standardized, comprehensive project-level monitoring and reporting on measures implemented to protect fish and wildlife resources should be conducted.
25. The monitoring requirements in NEPA documentation for individual plans and projects should be fulfilled.
26. The Forest Service should develop a consistent approach to conducting subsistence evaluations of its planned timber harvesting and associated activities as required by Section 810, ANILCA, and should utilize guidance of the Alaska Land Use Council, and the DFG Subsistence Division.

TIMBER HARVEST LEVELS

This report shall include . . . the timber harvest levels in the forest since the enactment of this Act. (ANILCA Section 706(b).)

The declining harvest of National Forest timber in the five years following enactment of ANILCA has been well documented. This dramatic decline has been attributed by the Forest Service to reduced market demand and displacement of cant sales by round log exports from private lands. The Secretary of Agriculture, in each of the annual reports required by Section 706 (a) on timber supply and demand, has reported to Congress that "the available land base in the Tongass National Forest . . . is adequate to maintain the timber supply . . . to the dependent industry at a rate of 4.5 billion board feet per decade."

The State of Alaska emphatically does not agree with that conclusion, and urges the Congress to conduct its own investigation of Forest Service performance in maintaining employment in the dependent industry. Although the State agrees that the available land base appears to have the silvicultural potential to sustain a timber harvest of 4.5 billion board feet per decade, the State does *not* agree that this land base is adequate to provide an economic timber supply, in the absence of adequate ANILCA funding, without severely impacting fish and wildlife habitat. At the level of funding which the Forest Service has obtained in recent years (pursuant to ANILCA Section 705 (a)) public investments in the Tongass Forest have fallen far short of Tongass Land Management Plan (TLMP) assumptions and the intent of Congress. A significant share of the land base identified in TLMP for timber production is not currently available to the dependent industry in an economic sense.

Several consequences arise from this investment shortfall, including a dependent timber industry forced to pay for public roads (to access deficit sales) which rightfully should be funded by the Forest Service, a disproportionate harvest of high-volume stands (with implications for the future economic viability of timber harvest and impacts on important wildlife habitat), and attempts by the Forest Service to aid a distressed industry by emphasizing logging cost reductions, rather than offsetting with public investments the increased logging costs associated with marginal operations.

By providing an assured timber supply and funds

to offset economic and technological marginality, Congress intended to maintain employment at historic pre-ANILCA levels in the timber industry which is dependent on the Tongass National Forest. Clearly, the Congressional objective has not been achieved. Southeast Alaska's timber industry, which is largely the result of early efforts by the Federal Government, has been in a severely depressed condition for the past several years.

Congress established the Section 705 funding provision based, in part, upon certain assumptions contained in the Forest Service's 1979 Tongass Land Management Plan. The ANILCA funding provided thus far has neither kept pace with inflation, nor TLMP objectives. If the full ANILCA funding were obtained and utilized as intended by Congress, and historic pre-ANILCA employment levels are still not achieved, then the solution which Congress devised in ANILCA would be demonstrably unworkable. As it stands now, we can only surmise the employment effects which full funding would achieve.

SMALL BUSINESSES IN THE DEPENDENT TIMBER INDUSTRY

This report shall include . . . the status of the small business set-aside program in the Tongass Forest. (ANILCA Section 706(b).)

The Forest Service, in cooperation with the Small Business Administration (U.S. Department of Commerce), established a timber sale program well before the passage of ANILCA which was intended to give special recognition to small businesses. Qualifying small businesses were able to bid on National Forest timber sales without competition from larger companies. They only had to bid against each other. The Forest Service's assessment of the status of the small business set-aside program occupies five and one-half pages of its draft report, and in the State's view, does not adequately describe this important program which was designed to help maintain the viability of small firms dependent on National Forest timber.

As the SBA set-aside program is wholly administered by the Federal Government, it has the capability and the data to provide a much more informative status report. The State of Alaska believes that such a report should contain a detailed presentation of qualifying firms which existed prior to the passage of ANILCA, and the entry and departure of qualified firms subsequent to ANILCA (including a description of the factors which account for each change). The status of dependent small businesses, and their role in overall employment in the dependent timber industry, should include a listing of the number of people which each qualifying firm has employed annually each year since 1979, the volumes purchased

and actually harvested, and the mileage and value of contract-specified roads built by each firm with effective purchaser credits, and where purchaser credits were not effective.

IMPACTS OF WILDERNESS DESIGNATION

This report shall include . . . the impact of wilderness designation on the timber, fishing, and tourism industry in Southeast Alaska. (ANILCA Section 706(b).)

A key component of Congress' interest in receiving Tongass status reports was the effect of its wilderness designations on timber, fishing, and tourism industries.

Timber Industry

The principal effect of wilderness designation on the timber industry was an acknowledged necessity to harvest timber on marginal land. The increased cost of providing access to, and operating in, such marginal lands was to be absorbed by the Federal Government. Expenditures were contemplated in road construction, advanced logging technology, and thinning of young timber stands to increase their future yield.

Harvesting of marginal stands has, however, fallen far short of TLMP objectives in terms of proportional amounts. While depressed market conditions and displacement of National Forest products may account for a significant share of this shortfall, the failure of the Forest Service to provide sufficient ANILCA funding is also a significant factor. The Forest Service, in other words, is not willing to pay the price of Wilderness. This unwillingness has contributed to significant employment losses in the dependent timber industry, and an emphasis on logging cost reductions to relieve this economic distress. The State encourages consideration of additional cost cutting measures, but not at the expense of other resource values and public uses in the Tongass Forest.

Fisheries Industry

Wilderness designation, with the ANILCA provision which authorizes aquaculture facilities, has given assurance of long-term protection from management-induced hazards to water quality and anadromous fish streams, as well as permitting enhancement potential.

Timber harvesting and associated activities outside of wilderness areas constitutes the greatest potential for management-induced risks to commercial fisheries. Neither short-term nor long-term cumulative effects of timber harvesting activities on water quality are clearly understood, since water quality monitor-

ing is not carried out on a routine project-specific basis in the TNF. The Forest Service has stated its commitment to fully protect the biological potential of fisheries habitat in non-wilderness areas of the Tongass Forest. Measures instituted by the Forest Service to reduce logging costs have not, thus far, been demonstrated to be detrimental to the fisheries resource. There have, however, been measures proposed recently which concern the State. Enhancement of timber harvesting economics should come primarily from public investments as intended by Congress. The Forest Service noted that most problem areas which were identified in its 1984 evaluation of TLMP could have been resolved had "the full implementation of TLMP been more of an ongoing Regional priority." As indicated below, the State believes that such implementation could have ensured a higher degree of fish habitat protection.

Tourism Industry

The Forest Service has concluded that Wilderness areas in the Tongass Forest have not yet evidenced any large scale increase in use and identifies several ingredients which are essential to facilitating increased recreation use. Many Alaskans and nonresident tourists utilize non-wilderness portions of the Tongass Forest for recreational purposes. This is, to some extent, a consequence of proximity and accessibility from existing communities, and the nature of the recreational activities. If timber harvesting and associated activities outside of designated wilderness areas proceeds according to TLMP assumptions, certain kinds of public recreational activities, including sport hunting, may be altered. To the extent that timber harvesting and road construction will occur in the Tongass Forest on land not considered prior to ANILCA to be part of the commercial forest base, recreational and tourism activities in these areas will be indirectly impacted by the passage of ANILCA.

FISH AND WILDLIFE PROTECTIVE MEASURES

This report shall include . . . measures instituted by the Forest Service to protect fish and wildlife in the forest. (ANILCA Section 706(h).)

The fish and most wildlife species which inhabit the Tongass National Forest, or utilize waters within or flowing from the forest, belong to the citizens of Alaska, and are managed for them by the Alaska Department of Fish and Game (DFG) in accordance with the State Constitution and statutes. Nonresidents also utilize these species as provided by State law. As a consequence, Federal management of the Tongass National Forest as it affects the habitats of these State-managed resources is a matter of direct concern

to the State and its residents. The potential for adverse impacts from timber harvesting and associated activities is usually greatest on those portions of the Tongass Forest which possess commercial timber values outside of designated Wilderness areas. The users of State fish and wildlife resources are negatively impacted to the extent that the habitats of these fish and wildlife are adversely affected.

The State considers the report which the Secretary of Agriculture will submit to Congress this December, and every two years thereafter (in accordance with Section 706(b) of ANILCA), as an important opportunity for the Forest Service to clearly indicate to Congress not only what has occurred on the Tongass Forest with regard to fish and game resources since passage of ANILCA, but to make recommendations for the future. Most importantly, the 1985 report should provide a clear and concise evaluation of the effectiveness of current Forest Service programs, and measures taken, to protect fish and wildlife. We find, however, that the Forest Service document which the State has reviewed does not fulfill these objectives.

The State has identified the following fish and wildlife issues as ones which should be considered by Congress: (1) the impacts of logging related alteration of old-growth habitats on wildlife, (2) the degree to which fish habitat protection measures have been implemented, (3) the degree to which those measures which have been implemented have been effective, and (4) the resulting effects of timber harvesting on commercial, sport, and subsistence users of the fish and wildlife resources of the Tongass National Forest (TNF).

Based on a detailed DFG analysis² of Forest Service management of the Tongass, the State concludes that the planned timber harvest will have adverse impacts on wildlife habitat in areas designated by TLMP for commercial forest management and will reduce yields from these areas to users in the course of the 100-year harvest rotation. Forest Service efforts to reduce costs and improve the economics of the currently depressed timber industry include measures that may accelerate adverse impacts on wildlife, and may not conform to habitat protection requirements provided for in TLMP and other Forest Service authorities. Reduction of standards designed to protect salmon habitat has been suggested as a means to reduce the costs of logging as well. While the State does support cost reductions, it does not support cost reductions that lead to increased adverse impacts on fish, wildlife, or water quality. Any additional enhancement of timber harvest economics should come from

²Status of measures to protect fish and wildlife in the Tongass National Forest: A Report on Section 706(b) of the Alaska National Interest Lands Conservation Act. Preliminary copy prepared by the Alaska Department of Fish and Game, August 30, 1985.

ANILCA funds as intended by Congress.

The potential long-term adverse impacts of clearcut logging on the fish and wildlife species in the region have been particularly well documented for the Sitka black-tailed deer and rearing salmon and trout. Simply stated, old-growth stands of timber consist of trees of all ages and contain openings where large trees have fallen and browse plants have temporarily taken advantage of available sunlight. The close juxtaposition of large trees that can intercept snowfall and browse plants that provide food can sustain deer through harsh winter months. This old-growth forest condition can, in Southeast Alaska's damp maritime climate (where forest fires are neither common nor widespread), perpetuate itself for indefinite periods. Moreover, these two important characteristics of snowfall interception and browse availability have not yet been demonstrated to result from even the most intensively managed second-growth timber stands.

Research also indicates that adverse impacts can be expected for moose, black bear, brown bear, mountain goat, marten, wolf, land otter, cavity-nesting birds, and other bird and small mammal species requiring aspects of old-growth forest.

With some limited exceptions, no timber-harvest-related measures have been developed or implemented, since enactment of ANILCA or adoption of TLMP, that have the demonstrated ability to mitigate long-term wildlife habitat losses. Although measures to protect fish habitat have been more successfully implemented, many are currently proposed for revision to reduce logging costs and may result in reduction of fish habitat protection. Identification of high-value fish and wildlife areas has often occurred during timber sale planning, but protection of the areas through retention³ as undisturbed habitat has not occurred on the majority of the TNF where timber

harvesting is being scheduled. Despite TLMP commitments to long-term retention for fish and wildlife habitat, project planning has usually failed to provide consideration of long-term retention when making available a specific volume of timber for harvest.

Outside of Congressionally designated Wilderness areas, the key decisions that have the most far-reaching implications on the extent and rate of adverse impacts are: (1) the annual harvest target, (2) the emphasis on harvest of high-volume timber stands out of proportion to their occurrence on the TNF (both in TLMP and in a recent decision to exceed the ratios specified in TLMP for the first decade), and (3) accelerated rates of prerooting of permanent roads in areas where timber harvest is not imminent. TLMP assumptions concerning portions of the commercial forest land base available or reserved from harvest and the implementation of extended rotations usually have not been considered in project or Management Area Analysis (MAA) planning which may alter the ability of the TNF to sustain the TLMP timber harvest without significantly greater logging of high-value fish and wildlife areas. The most significant procedural failings are the (1) lack of long-term (life-of-the-rotation) planning, and (2) lack of cumulative impact analysis on both the long-term and management area basis.

The fish and wildlife resources of both wilderness and non-wilderness portions of the Tongass are vital to commercial fishing and guiding industries and contribute to support industries and the suitability of the region for a growing tourist industry. Many residents of the region depend heavily on the resources for food and recreation, with dependence on fish and deer that is particularly high in the many small communities. Long-term reductions in opportunities to harvest or enjoy fish and wildlife will occur in areas subject to timber harvesting as a result of that timber harvest and associated development. Where habitat losses are significant, yields may likely be reduced in some areas of the Tongass to levels below which harvest of certain species can be sustained. The State is very concerned that it will not be able to manage fish and wildlife on a sustained yield basis, and that these resources may not be available for maximum use consistent with the public interest. Moreover the State is concerned that it will not be able to "manage, protect, maintain, improve, and extend the fish, game, and aquatic resources of the state" as required by statute.

The State of Alaska depends upon the expertise of DFG regarding the relationships between timber harvest and habitat management and believes that the conclusions drawn in the DFG report (see footnote number 2) must be adequately considered and dealt with as the report becomes finalized.

³The concept of wildlife habitat retention on the Tongass National Forest was first discussed in the 1977 Southeast Alaska Area Guide which required Wildlife Habitat Management units (WHMU) to be developed by an interdisciplinary team (IDT) for all land use proposals. These WHMU would include the identification of "areas retained in natural conditions" (Forest Service, 1977. Southeast Alaska Area Guide. Alaska Region, Juneau. 280 p.) Permanent retention of old-growth habitat was the major wildlife habitat mitigation measure discussed in TLMP and incorporated into the TLMP harvest schedule (Forest Service, 1979. Tongass Land Management Plan Final Environmental Impact Statement, Part 1. Alaska Region, Series No. R10-57, Juneau.) About 273,000 acres of operable commercial forest land (CFL) in LUD III and IV areas were excluded from timber harvest scheduling in the development of TLMP harvest calculations in order to protect visual quality and fish and wildlife habitat (Forest Service 1979, 1984. Tongass Land Management Plan Evaluation Report. Alaska Region, Admin. Doc. No. 139, Juneau. 166 p.) The amount equals about 30 percent of the operable CFL in LUDs III and 13 percent in LUDs IV (Forest Service 1979). Specific retention percentiles were developed for bear, eagle, moose, goat, upland bird, furbearer, wolf, and water bird habitat (Forest Service 1979, 1984).

Report to the United States Congress: Sealaska Corporation Response to Section 706(b) of ANILCA Regarding the Management Status of the Tongass National Forest¹

Sealaska Corporation is an Alaska Native Regional Corporation organized under the laws of the State of Alaska pursuant to the Alaska Native Claims Settlement Act (ANCSA), 43 U.S.C. S 1601, *et seq.* Through ANCSA, Sealaska will receive fee title to approximately 330,000 acres of surface estate located throughout Southeast Alaska and title to 620,000 acres, more or less, of subsurface estate underlying the ANCSA regional village and urban Native corporation surface estate. All lands received or to be received by Sealaska Corporation under ANCSA were formerly from the Tongass National Forest.

Sealaska is submitting this report to the U.S. Department of Agriculture Forest Service in fulfillment of our responsibilities under Sections 706(b) and (c) of the Alaska National Interest Lands Conservation Act (ANILCA). Section 706(b) requires that:

The Secretary [Agriculture] shall review and report to the Congress on the status of the Tongass National Forest in southeastern Alaska. This report shall include, but not be limited to, (1) the timber harvest levels in the forest since the enactment of this Act; (2) the impact of wilderness designation on the timber, fishing, and tourism industry in Southeast Alaska; (3) measures instituted by the Forest Service to protect fish and wildlife in the forest; and (4) the status of the small business set aside program in the Tongass forest.

Section 706(c) provides that:

The study required by this section shall be conducted in cooperation and consultation with the State, affected Native Corporations, the Southeast Alaska timber industry, the Southeast Alaska Conservation Council, and the Alaska Land Use Council.

Sealaska Corporation has provided comment to the United States Forest Service Region 10 on the Forest Service 706(b) report. Additionally, the Forest Service has offered each cooperator, referenced in Section 706(c) of ANILCA, the opportunity to submit a cooperator's report which will be included as part of the 706(b) report to the United States Congress.

Sealaska Corporation, at the invitation of the U.S. Forest Service, is submitting this document as the Corporation's contribution to the cooperators' section of the 706(b) report. Sealaska appreciates the invitation of the Forest Service to submit this report.

Although the Sealaska Corporation 706(b) cooperator's report is critical of some aspects of the management of the Tongass National Forest and its effects on Native corporations, there are many other areas in which there have been significant efforts by the U.S. Forest Service to cooperate with Native corporations. Through U.S. Forest Service efforts, there has been a direct and measurable benefit to Native corporations. The U.S. Forest Service cooperation has been particularly beneficial in areas such as cooperative road use and facilities agreements, boundary surveys, sharing of technical information such as timber inventories, some aspects of cooperative land-use planning, and in developing national policy on the permitting of log transfer facilities.

SUMMARY

The passage of ANILCA came at a time when the Native corporations in Southeast Alaska were just starting to receive conveyance of lands under the Settlement Act. Implementation of certain provisions of ANILCA has adversely affected the ability of the newly established ANCSA corporations to develop into strong economically sound private corporations. In addition, the management direction of the Tongass National Forest has not been conducive to long-term economic stability in the Southeast Alaska region and has failed to address the need for minimizing conflict to facilitate sound management of the natural resources in the region.

It is Sealaska's position that:

- 1) Implementation of certain provisions of ANILCA have frustrated efforts by the corporations established under the Alaska Native Claims Settlement Act to establish themselves as viable economic entities to meet the real economic and social needs of the Native people of Southeast Alaska,
- 2) Efforts to fulfill the intent of the Alaska Native Claims Settlement Act in an equitable and expeditious manner through specific land exchanges, aimed at resolution of problems created by the implementation of the Settlement Act and other national interest considerations, have become subservient to other National Forest management requirements,

¹September 30, 1985.

- 3) Actions by purchasers of Tongass National Forest timber to secure waivers of the primary manufacturing requirement have undermined efforts by private timber owners to secure domestic markets for their timber,
- 4) Scheduled road construction and timber harvest operations on Tongass National Forest lands near rural communities in Southeast Alaska have not provided for gradual, long-term economic stability in these communities and that,
- 5) The manner in which multiple-use management of the Tongass National Forest is being interpreted by various interest groups is resulting in unending controversy among user-groups and is working to the detriment of sound resource management of Federal lands.

IMPACT OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT ON THE MANAGEMENT OF THE TONGASS NATIONAL FOREST

In the Preface of the Public Review Draft of the ANILCA 706(b) Report, there is a statement that, "two pieces of national legislation have been instrumental in shaping management on the Tongass National Forest: The National Forest Management Act (NFMA) of 1976 and ANILCA (1980)." The report should also recognize another important piece of Congressional legislation, namely, the Alaska Native Claims Settlement Act (ANCSA), which has had a major impact on the management and ownership of natural resources within the boundaries of the Tongass National Forest. Failure by the Forest Service to fully recognize the objectives of ANCSA has resulted in numerous Forest Service actions which have worked to the detriment of the newly established ANCSA corporations, which are striving to become viable economic entities within Southeast Alaska.

By the end of 1984, the 13 ANCSA corporations located in Southeast Alaska received conveyance of approximately 450,000 acres of land from the Tongass National Forest. Most of these conveyances occurred from 1979 through 1981 and continue to the present date. Once the land conveyance process is completed, a total of approximately 620,000 acres of land will be owned by the Native corporations adjacent to the Tongass National Forest. The commencement by Southeast Alaska ANCSA corporations of resource development activities, particularly timber harvest operations, immediately prior to and since the passage of ANILCA has been largely overlooked by the U.S. Forest Service. There is an essential need for the Forest Service to coordinate silviculture and timber harvest operations with ANCSA corporations whenever these activities relate to community stability,

ty, maintenance of a healthy regional forest industry and land exchanges.

COMMUNITY STABILITY

One of the basic tenets of the National Forest System policy throughout the United States is to manage public lands "to promote the welfare of local communities dependent upon National Forest operations for employment" (Reg. S-2, August 12, 1936, 1 F.R. 1092). It is Sealaska's position that there is a greater need for Forest Service planning related to the Tongass National Forest to promote long-term economic stability of rural communities by coordinating timber harvest activities with adjoining private and non-Federal parties.

Prior to conveyance of lands to the 13 Southeast Alaska ANCSA corporations, logging and road construction activity on public lands generated a high level of economic activity in remote areas with subsequent extended periods of no activity. The effect has been a "boom and bust" cycle which has brought instability in employment opportunities, direct and indirect impacts to local economies and has failed to recognize social and environmental impacts on local communities.

In the alternative, it is Sealaska's opinion that moderate levels of harvest and road construction activities by the U.S. Forest Service and ANCSA corporations near communities should occur to provide a stable flow of timber over a 15- to 25-year planning horizon. Such coordinated activity should be encouraged to enhance resource management as well as to ensure protection of water quality and fish and wildlife resources.

PLANNING COORDINATION

The U.S. Forest Service has its own internal system of forest planning. It is Sealaska's opinion that the Forest Service does not fully participate in some State planning programs such as local coastal zone management planning systems. Consequently, integrated forest and resource planning with adjacent State, local and private lands on less than the regional level is not occurring. The lack of coordination causes land management to become disjointed, with different missions and practices resulting. More effort is needed to promote cooperation and coordination with State and private interests at all planning levels.

IMPLEMENTATION OF ANILCA 705(a) TIMBER HARVEST LEVEL

During the intense negotiations and discussion leading up to the passage of ANILCA, there was

strong public support for the establishment of several wilderness areas within the Tongass National Forest. At the same time, purchasers of Federal timber from the Tongass National Forest were concerned that the creation of the numerous wilderness areas would jeopardize the long-term viability and stability of the timber industry in Southeast Alaska. In the final analysis, a compromise was reached between the environmental groups and the timber industry which led to the 4.5 billion board feet timber supply requirement in ANILCA.

The 4.5 billion-board-feet-per-decade figure was based on the historical harvest levels from the Tongass National Forest. At the time the timber supply issue was being debated, prior to the passage of ANILCA, there was some discussion the possibility of including ANCSA corporation timber as part of the total timber supply which would be made available from the Tongass National Forest. In the final analysis, however, timber from the ANCSA corporations lands was not taken into account in establishing the public timber supply level from the Tongass. At that time, Sealaska and other Native entities located in the Tongass National Forest supported the ANILCA compromise including the exclusion of their timber from the allowable cut calculations. Native corporations favored this exclusion to allow their timber to find its own place in the free market system.

Since ANILCA, various groups have questioned the wisdom of the 450 million board feet per year cut level in terms of the effects this has had and will continue to have on the ability of the U.S. Forest Service to protect and manage for other resource values on the Tongass National Forest. Segments of the public have been critical of the Forest Service's practice of offering an average of 450 million board feet (450 mmbf) of timber each year during periods of depressed timber markets. Further, this harvest level is severely hindering fulfillment of the purposes of ANCSA. These actions have compounded the difficulty faced by the Southeast Alaska ANCSA corporations in finding local markets for pulpwood and low-quality sawlogs produced from their timberlands.

Once the total volume of timber being made available from the Tongass National Forest and Native corporation lands in Southeast Alaska increased from the historic average to approximately 600 mmbf (or more) per year, the ability of markets to absorb this increased volume was severely strained. The high volume of timber the U.S. Forest Service has been putting up for sale each year, particularly during times of depressed market conditions, has had an adverse impact on the ANCSA corporations efforts to find local markets and achieve reasonable prices for timber which does not meet export market standards.

Several issues, which relate to the implementation of Section 705(a) harvest level, are of concern to Sealaska Corporation as described below.

Timber Sale Backlog

During the 1981 through 1984 period, in excess of 450 million board feet of timber has been made available from the Tongass National Forest on an annual basis. During this same period actual purchases of Federal timber have amounted to approximately 315 million board feet per year. The backlog of Federal timber, which has been made available, is presently in excess of 600 million board feet. This backlog of timber from Federal lands provides timber reserves which significantly reduces future opportunities for private timber owners to find domestic markets for their low-quality timber.

Primary Processing Requirements

During the past four years, the timber industry within the Tongass Forest located in Southeast Alaska, as well as the Pacific Northwest and other parts of the country, has been severely depressed. As a consequence, timber harvest from the Tongass National Forest public lands has decreased from approximately 450 million board feet in 1980 to about 250 million board feet in 1984.

Deteriorating market conditions in the timber industry has resulted in increased pressure from purchasers of public timber to secure waivers from the U.S. Forest Service with regard to in-state primary processing requirements. Numerous arguments have been advanced to support waiver of the existing ban on the export of round logs. Arguments have ranged from competition resulting from the export of round logs from Native corporation lands to expansion of market opportunities for purchasers of National Forest timber.

Since 1926, the export of unprocessed spruce and hemlock timber, the two principle timber species found in Southeast Alaska, has been restricted. The export of minor timber species such as red cedar, yellow cedar and hardwoods, in unprocessed form, has been restricted to a lesser degree depending on the effect such action would have on domestic manufacturers' needs. The specific policy requires that unprocessed timber from National Forest lands in Alaska may not be exported from the United States or shipped to other states without prior approval of the Regional Forester.

Ongoing efforts by the purchasers of Federal timber to secure waivers of the primary manufacturing requirement, which has been in effect in Southeast Alaska since the 1920's, have been disheartening to

the newly established private corporations' efforts to break into the marketplace.

Waiver Requests

Over the last four years, a number of requests have been made to the Regional Forester to waive primary manufacturing requirements on small logs and other timber. Sealaska has opposed each of these requests through the public review process and appeal procedures to the Chief of the Forest Service. It is Sealaska's observation that these waivers constitute unfair competition with private industry. The U.S. Forest Service purchasers and contractors are heavily subsidized in stumpage values, road credits, administrative assistance, facility investments and contract provisions. Native corporations are not subsidized and must rely upon conventional credit sources and the marketplace for their continued existence. Further, these waivers challenge the underlying public policy reasons for the long-term contracts and other timber sale contracts which are designed to create investment and employment in domestic manufacturing facilities within the region.

Another series of actions relating to the waiver of primary processing requirements has been the waiver of processing requirements related to salvage timber sales. The Forest Service has indicated that the lifting of the primary manufacturing requirement has occurred in the case of salvage sales for two reasons: 1) inability of the Forest Service to sell this timber when it has been advertised previously under the primary manufacturing requirement, and 2) concern over further deterioration of the timber caused by fungal attack, possible buildup of bark beetle populations and the threat of insect attack on standing timber. The reasoning which has been put forth by the Forest Service on this issue has considerable merit, since it is in everyone's interest to salvage blow-down timber as quickly as possible to eliminate waste and to guard against buildup of insect populations. The waiver of primary manufacturing requirements for volumes ranging from 50 to 70 mmbf from salvage sales, however, creates additional concerns.

The Forest Service has consistently taken the position that the agency is continually under pressure to make available to the Southeast Alaska timber industry a total of four and one-half billion board feet of timber each decade. This stated domestic need indicates that there is no excess volume from the Tongass National Forest available to supply logs to markets outside of Alaska.

During this time when the U.S. Forest Service is having difficulty receiving bids on timber salvage sales as well as other sales on the Tongass National Forest, purchasers of Tongass National Forest timber

have imported considerable volume of pulpwood, sawlogs, and chips from Canada. Importing of timber into Southeast Alaska contradicts the contention that Southeast Alaska market conditions warrant waiver of primary manufacturing for the purpose of expanding requirements.

Lastly, a volume of 50-70 mmbf of export-quality logs entering the market in a seemingly uncontrolled, unplanned fashion has an impact to marketing programs developed by other segments of private industry. It is Sealaska's position that the Government should not be taking actions that foster the expansion of one segment at the expense of another.

If the practice of waivers and other actions by the USFS and its contractors are to continue, Congress should reexamine the underlying public policy reasons for the long-term contracts and other management practices being undertaken by the USFS and its contractors within the Tongass National Forest.

Canadian Imports

Over the last four years, the two long-term contractors have each imported in excess of 20 million board feet of pulp and sawlog timber from Canada. These events have caused considerable negative impacts on the local economy, employment and have resulted in an undermining of the credibility of the underlying purposes of the long-term contracts. Additionally, the importation of the logs from Canada and elsewhere into the Tongass National Forest has had a negative impact on the ability of the ANCSA corporations to fully utilize the lower-quality timber from their lands. As a consequence of the decrease in the volume being harvested from Tongass National Forest lands during the past four years, coupled with the ongoing need of the long-term-contract holders to supply the two pulp mills in Southeast Alaska, one would expect increasing opportunity for sale of ANCSA corporation low-quality timber to offset the loss of raw material that would normally be produced from the long-term-sale contracts on the Tongass National Forest. This has not occurred and is due, at least in part, to the importation of logs from Canada.

Change in Cant Specifications

During the past two years, the purchasers of Federal timber have requested permission to manufacture and test market, on an experimental basis, larger cants, going from the present maximum width of 8 inches to a cant with a maximum width of 12 inches, in hopes of improving the marketability of the timber products harvested from the Tongass National Forest. Two facets of this experiment which are to be examined include the effects of this change

on generation of employment opportunities within the timber industry and changes in the market acceptance of the larger-size cants. One element of this test experiment, however, which is not being examined, is the effect this change in cant size may have on the ability of private landowners to market their round logs in the Pacific Rim markets.

The justification to allow the manufacture of larger-size cants has been the stated need to expand sales opportunities during this period of the continuing recession in the timber industry in Southeast Alaska. Purchasers of Federal timber have argued that the principal reason for the decline in the market acceptance of cants in the Pacific Rim markets has been the dramatic increase in the export of round logs from ANCSA corporation lands. Evidence indicates that, while the export of round logs from ANCSA corporation lands in Southeast Alaska may have had some small effect on the demand for cants produced from Southeast Alaska, the major reasons for the market decline have been the strength of the U.S. dollar, significant increases in export of timber products from the Pacific Northwest and Canada, and other factors. In other words, the total market has declined dramatically since its peak of 1979-80.

Commencement of timber harvest operations on ANCSA corporation lands began in 1979 but did not reach a significant volume until 1981. During the startup period of operations on these private lands, the various ANCSA corporations undertook a major effort to develop a market for their timber in the Pacific Rim countries. Although there are many in government and industry who are quick to place the blame for the present demise of the Southeast Alaska sawmill and pulp industry upon Native corporation entry into the marketplace, in fact Native corporations do not bear the burden of this condition in any great part. The fall of this industry is coincident with a worldwide recession, specific market and milling changes in Japan, and explosive annual growth of round log exports from Canada and the Pacific Northwest. The percentage share of the Native corporations' contribution to the total export market of logs, cants, and lumber approximates less than 3 percent, an amount that questions any significant impact from Alaska Native timber in the world marketplace.

Export of Round Logs from the Tongass National Forest

Recently the Chief of the USFS in conversation with the Governor of Alaska suggested that the Forest Service consider lifting the long-standing Federal requirement for primary manufacturing on the Tongass National Forest to assist the purchasers

of Federal timber during this period of depressed timber markets. In consideration of waiving primary manufacturing, it is important to remember that the basic premise of Federal primary manufacturing requirement has been to foster the development of a stable forest products industry in Southeast Alaska. The obvious effect of a primary manufacturing waiver would be to put the Federal Government in direct competition with private timberland owners.

It is the position of Sealaska Corporation that any serious consideration of removal of the primary manufacturing requirement related to the harvest of Federal timber in Southeast Alaska, must include the cancellation of the long-term contracts on the Tongass National Forest. To do otherwise, would result in a situation whereby the Federal Government would effectively put the private forestland owners out of business.

Timber Utilization

Efforts by purchasers of Federal timber to secure waivers of the primary manufacturing requirement do not directly affect the utilization of timber from National Forest lands. The reason for this is that utilization standards on Federal lands are mandated by Forest Service policy, and are supposedly unaffected by market conditions. That is, the demand for timber in the marketplace does not affect utilization standards on Tongass National Forest lands (except to cause the USFS to respond to contractor demands to reduce utilization requirements in order to reduce costs to themselves). To the extent that depressed timber markets make it more difficult to utilize lower-quality material, monies from the Tongass Timber Supply Fund can be utilized to offset these higher costs.

In the case of the private timberland owners, however, market conditions can and have dramatically affected the utilization standards on these private lands. No special monies are available to offset the difference in market price and costs related to removal of the lower-quality material. While private timberland owners have continued to work toward greater utilization of the low-quality timber on their lands, actions taken by the USFS in the management of the Tongass National Forest have continually worked to the detriment of these efforts. Actions taken related to waiver of primary manufacturing requirements, salvage sale management, waivers on contract requirements, imports of timber from Canada, high level of timber being put on the market during depressed conditions, and subsidy of operations through the use of the Tongass Timber Supply Fund have virtually assured that purchasers of Federal timber will have no need to purchase lower-

quality timber from private timberland owners to supply manufacturing facilities in Southeast Alaska. In summary, Forest Service actions have not considered the impact of these actions on all sectors of the forest products industry in Southeast Alaska.

Land Exchanges

The intent of the Congress in passing into law the Alaska Native Claims Settlement Act was to provide a fair and just settlement of aboriginal land claims by Alaska Natives. This settlement was to be accomplished rapidly, with certainty, in conformity with the real economic and social needs of the Natives without litigation and with maximum participation by Natives in decisions affecting their rights and property.

The final resolution of ANCSA for some Native groups in Southeast Alaska has been frustrated by protracted litigation and failure of corporations to receive an equitable resource base to meet "real economic and social needs." Efforts by Haida Corporation to correct inequities of their land selection entitlement, through a land exchange using Section 22(f) of ANCSA and Section 1302(h) of ANILCA, that would provide the corporation with a reasonable timber base comparable to other corporations, have been rejected by the Forest Service. Efforts by Shee Atika, Inc. to protect title, plan for the use of its lands and to develop their resource base to meet their shareholders' real economic and social needs have been stopped by litigation from third party public interest groups. This litigation was initiated in an effort to preserve, in perpetuity, the exceptional noncommodity and public interest values of the Admiralty Island Wilderness National Monument area. A land exchange to preserve these public interest lands, and still provide for Shee Atika's economic and social needs, is expected to be strongly resisted.

The reoccurring basis for rejecting these administrative land exchanges is the 4.5 billion board feet of timber per decade, as prescribed by ANILCA. The Forest Service has indicated that the remaining Tongass National Forest commercial forest land base is barely adequate to meet this requirement, and that any land exchange which results in a net loss of timber volume, no matter how small cannot be approved due to the ANILCA mandate.

The Native corporations have an aboriginal claim which was to be solved through the Alaska Native Claims Settlement Act. Implementation of Section 705(a) has frustrated the final equitable settlement for these corporations, even though ANCSA predates ANILCA. The U.S. Forest Service, Department of Agriculture, and Department of the Interior must recognize the Alaska Native Claims Settlement Act's

priority in law and take those administrative steps necessary to accomplish final resolution of the Alaska Native Claims Settlement Act. Failing that, it is recommended that the Congress intervene to adjudicate and to provide settlement among the competing public interests and ensure the fulfillment of ANCSA.

ANILCA 705(a) TONGASS TIMBER SUPPLY FUND

With the passage of ANILCA, several Wilderness areas were established, which resulted in a decrease in the timber base from which timber could be made available to the private industry. As a consequence of this development, it became apparent to the Forest Service and other parties that it would become increasingly difficult to supply an adequate volume of timber to purchasers of Federal timber. Consequently, the Tongass Timber Supply Fund, Section 705(a) of ANILCA directed the Secretary of the Treasury to make available to the Secretary of Agriculture the sum of at least \$40 million annually to maintain the timber supply from the Tongass National Forest to the dependent industry.

The Tongass Timber Supply Fund establishes the basis for supporting a strong timber industry in Southeast Alaska. From time to time there is a need to utilize these funds to strengthen the industry, encourage investments in new technology, and expand employment opportunities in the region. Utilization of the Tongass Timber Supply Fund, however, must take into consideration the needs of all segments of the timber industry.

MANAGEMENT OF NONCOMMODITY RESOURCES

The Tongass National Forest includes a vast wealth of noncommodity resources which include fish and wildlife resources and which are subject to multiple-use management.

Fish and Wildlife Management

The Tongass National Forest comprises 16.93 million acres of land; of this, 5.66 million acres is commercial forest land (CFL). Through ANILCA, approximately 1.57 million acres of CFL is permanently protected. The remaining 4.09 million acres of CFL is subject to administrative control of the U.S. Forest Service. Presently, 3.51 million acres is part of the CFL base and can be logged, an additional 0.57 million acres is presently excluded from the CFL base but can, through USFS administration action (i.e., TLMP revision), be included in the CFL land base. In summary, 28 percent of the CFL in

the Tongass National Forest is permanently protected, all remaining CFL is at present or in the future subject to logging.

Large portions of the remaining CFL lands contain some of the most important fish and wildlife habitat lands that exist in the Tongass National Forest. Alteration of CFL by logging can affect the land's capability to provide essential habitat for various fish and species. With only 28 percent of the CFL permanently protected it can be anticipated that clearcutting of these lands may, to some degree, decrease the land's capability to produce and maintain fish and wildlife.

Although land has been set aside for permanent protection of fish and wildlife habitat on the Tongass National Forest, these lands are located in remote areas removed from rural communities. These lands will not provide significant fish and wildlife resources for community use. The public land near rural communities is almost without exception LUD III or LUD IV lands which will be subject to intensive logging. If and when these lands are logged corresponding reduction in fish and wildlife population is likely to occur.

Due to the dependence of rural communities on these noncommodity resources, and because almost all public land adjoining the rural communities is scheduled for logging, there is a need to reconsider forest land management plans near rural communities. On public lands this may require permanent protection of select drainages (VCU's) near the Tongass National Forest near rural communities from large-scale clearcut logging and may require longer forest planning/harvesting horizons in order to lessen the impact on these resources. These plans should be coordinated with the plans of adjoining private land managers to ensure that adequate protection of forestland occurs to provide for fish and wildlife resources essential to subsistence of rural citizens residing in these communities.

Application of Multiple-Use Management

By law and regulation, the U.S. Forest Service is required to manage National Forest lands for production of a full range of resources in accordance with the principle of multiple-use management. Individual perceptions of what multiple-use management means have created endless controversy over the manner in which the Tongass National Forest is being managed.

In some situations all parties agree that management for some resource values are mutually exclusive. That is, if the management for one resource value is to be emphasized, this will preclude management for one or more other resource values. Management

of an area to provide opportunities for pristine wilderness experiences, for example, would eliminate the opportunity to manage the same area for timber production, mineral production, or other commodity-oriented values. In numerous other situations, however, the relationship between and compatibility of resource uses are subject to intense debate.

There appears to be a perception by many individuals that multiple-use management means that each acre of land, to the extent that the full range of resource values is present, is to be managed to produce the full range of resources. To the extent that management of specific resource values is perceived to be or is in actuality mutually exclusive or is in direct competition with each other, unending controversy has become the norm. The time has come for the U.S. Forest Service, and other public land management agencies which are required to manage lands on the basis of the principle of multiple-use management, to rethink the way in which the multiple-use management principle is being applied and interpreted by the general public.

There is a great need to clarify the meaning of multiple-use management. It is important to explain what the law requires and to explain in layman terms how multiple-use management will be employed in the field in an attempt to provide the greatest combination of benefits (consistent with the specific resource values present) from the overall land management unit (a specific National Forest). Here in the Tongass National Forest (as well as other National Forests in the country), the U.S. Forest Service needs to state clearly that their multiple use mandate requires that the agency manage the National Forest so as to provide the greatest combination of benefits from the National Forest as a whole, and not on each individual acre.

There is a need for the U.S. Forest Service to overhaul the Tongass Land Management Plan—which is scheduled for 1989. Basically the Forest Service needs to employ a key-value, dominant-use, or comparative-advantage concept when classifying all areas of the forest. Under this concept, it should be clearly stated that management of certain lands for wildlife, habitat or some other resource value can only occur to the extent that this use does not unnecessarily constrain use of these lands for timber production. The same process would be used in terms of designating the primary use of an area (VCU) as wildlife habitat and possibly other compatible resource values.

The Southeast Alaska Native corporations have a stake in the outcome of the 1989 update of the Tongass Land Management Plan. To the extent that the management of the Tongass does not provide adequate protection of subsistence resources available to residents of rural communities, many of

Sealaska's Native shareholders in rural areas may put increasing pressure on Sealaska and village/urban corporations to curtail development on its lands to compensate for loss of prime subsistence areas on public lands. This could compound the already tenuous economic viability of Native corporations within southeastern Alaska. The continuing controversy over how lands in the Tongass are being managed, particularly in situations when the prime use of lands is not clearly defined, can lead to increasingly restrictive laws and regulations governing resource extraction activities on private and public lands. Although laws and regulations may be specific to public as opposed to private lands, there is often considerable spillover effects on private lands.

It is Sealaska's position that the manner in which the multiple-use concept is being applied in the Tongass National Forest is the source of excessive controversy with respect to how specific areas within the Tongass are being managed. In connection with the 1989 update of the Tongass Land Management Plan, there is a need for the Forest Service to adopt a new approach to multiple-use management which minimizes controversies resulting from efforts to manage for two or more resource values whose uses are perceived to be or are actually in conflict with each other. More specifically, Sealaska Corporation suggests that the U.S. Forest Service clearly enunciate its multiple-use mandate in terms of the Tongass National Forest as a whole, while recognizing that individual Value Comparison Units (and larger areas such as LUD I, LUD II, and LUD IV areas) will not be managed for all resource values (multiple-use), but rather will be managed for that resource value or those resource values which are compatible, based on the specific resource attributes of each area. For those areas of the Tongass (primarily LUD III and LUD I release areas) for which a primary use has not been designated, there is a need to reclassify these areas on the basis of primary use or uses which are compatible. Once the primary use(s) of a specific geographic area (VCU) has been designated, the new Tongass Land Management Plan must clearly explain that management for resource values, other than the prime use(s) which has (have) been designated, can only occur to the extent that management for other values will not conflict with management for the primary use.

Application of multiple-use management based on the key-value, dominant-use, or comparative-advantage concept will require the cooperation of all user and management groups, including private entities, State as well as Federal agencies. Efficient application of professional expertise in the management of all natural resources can only occur when individuals can concentrate their efforts. It is time

for a return to common sense in the management of the public's natural resources.

PERMITTING OF LOG TRANSFER FACILITIES

The permitting of log transfer facilities (LTF's) has undergone recent changes. Historically, LTF's were required to secure a section 10 and 404 permit from the Corps of Engineers, a 401 Certification of Reasonable Assurance from the Alaska Department of Environmental Conservation, and an Alaska Coastal Zone Management Consistency Determination of the Alaska Division of Environmental Coordination. Receipt of these permits and certifications included special conditions to ensure that the construction and operation of the facility met all State (and consequently Federal) water quality requirements and coastal zone management requirements for the protection of water quality, fish and wildlife resources, and habitat. More recently, the Environmental Protection Agency is seeking to require that applicants for LTF permits also secure a National Pollutant Discharge Elimination System permit (section 402 of the Clean Water Act).

The effect of this new permit will be to create an administrative burden on permit applicants and to at least triple the amount of time required to secure all the authorizations to construct an LTF. Additionally, the requirements imposed by EPA in the 402 permit duplicates the existing requirements in Corps permits and State certifications.

The U.S. Congress has recognized the burden the additional 402 permit places on the logging industry and has passed an amendment to the Clean Water Act which requires coordination of the Corps of Engineers and the Environmental Protection Agency permits to avoid duplication, needless paperwork, and delay in receipt of permits. Additionally, in Alaska, the logging industry and State and Federal agencies involved in the review or permitting of LTF's have developed a set of guidelines to assist in the review and permitting of LTF's.

Through the amendments to the Clean Water Act and development of guidelines for permitting of LTF's, significant progress has been made toward eliminating duplication, needless paperwork, and delay in permitting LTF's. The final implementation of an effective, efficient permitting system is dependent on the Corps and EPA developing an administrative procedure for implementation of the Clean Water Act amendments and LTF guidelines. Until these procedures are established and proven to be workable, there must be a continuing participation by the Congress, government, and the industry to develop final procedures for the permitting of LTF's.

A Report by the Alaska Loggers Association for Inclusion as Part of the ANILCA 706(b) Report to Congress¹

INTRODUCTION

ANILCA was a continuation of a long line of Federal statutes, which have demonstrated strong Congressional intent to establish and maintain the timber industry in Alaska in order to provide year-round employment in Southeast Alaska. In 1947, Congress passed the Tongass Timber Act (P.L. 385), which cleared the way for timber sales in the Tongass National Forest. The Committee Report made it clear that the goal was not so much to sell timber as to provide employment:

A large-scale development of the timber resources in southeastern Alaska, involving the establishment of important business enterprises and the employment of many persons for extensive operations on a year-round basis, is essential to the maintenance of a prosperous and stable economy in the Territory. Heretofore, Alaska has been handicapped by the seasonal nature of the principal industrial activities conducted within the area. A timber program of that sort mentioned by the Secretary of the Interior would be of great benefit in assisting the people of Alaska to progress from the present dependence upon seasonal business operations. Moreover, such a development within the Territory would be of great value to the Nation as a whole, both from the standpoint of making available to the national economy valuable and sorely needed products from the great forests in Southeast Alaska and from the standpoint of promoting the National defense through increasing the population and industrial capacity of Alaska as our 'Northern Rampart.' (Report of the House Committee on Agriculture, No. 873, July 10, 1947.)

When Congress passed the National Forest Management Act (16 U.S.C. 1601 *et seq.*) in 1976, Section 15(b) reaffirmed the continuing operation of the 50-year timber sale contracts which had been established following the Tongass Timber Act. The clear Congressional intent expressed by ANILCA was to leave the timber-industry-related employment in the same position after the passage of ANILCA as it was before the wilderness was designated. In Section 705 Congress quantified how much money it would take to make certain that the industry-related employment remained in the same position. The figures Congress used were supplied by the Forest Service

and described what it intended to spend on intensive management in 1978 dollars.

The timber industry is not in the same position in which it had been prior to passage of ANILCA. In 1979, there were two pulpmills operating full-time, six sawmills operating full-time and 4,589 people employed.² By 1985 each pulpmill was operating sporadically and only two of six sawmills were operating—the remaining four were closed down or in bankruptcy proceedings.³ As of 1983, the employment compiled by the Forest Service was down to 3,696. Industry believes the employment in 1985 is now down to 2,606.

Our major concern is that the Tongass Timber base compromise, set forth in Section 705 of ANILCA, is not being implemented. The compromise was that vast new Wilderness areas would be created (which swallowed up much of the commercial forest timber base) in return for Forest Service expenditure of intensive management funds (i.e., funds for preroad, precommercial thinning, and advance logging technology) to maintain employment on the Tongass.⁴ The Wilderness was created, but the intensive management program has not been fully implemented. In FY 1984, for example, despite poor markets which created a tremendous need for Forest Service preroad expenditures to make Tongass timber economic,

²See table 15 Tongass Land Management Plan Evaluation Report, November 1984.

³Mill Status:

Pulp—Sitka. Alaska Pulp Corp. at 60 percent capacity, est. 1985 losses = \$26 million.

—Ketchikan. Louisiana Pacific Corp. Reporting heavy losses.

Sawmills:

Haines	Schnabel Lumber	Chapter 7 Shutdown
Petersburg	Mitkoff Lumber	Operating
Wrangell	Wrangell Forest Prod.	Operating—losing money
Ketchikan	Louisiana Pacific	Permanent Shutdown 1983
Klawock	Alaska Timber Corp.	Chapter 11—Shutdown 1984
Metlakatla	Louisiana Pacific	Indefinite Shutdown 1985

⁴At page 54 of the TLMP Evaluation Report, the Forest Service admits that the intensive management money was to maintain employment:

The TLMP goal for timber is to make enough available from National Forest lands to maintain current (1970-76) average levels of timber-related employment within the context of the total timber available from other land ownerships. Under TLMP, the total ASQ of 4.5 bbf is the upper limit of what may be sold to independent operators and formally released to the long-term sale contract holders during the plan's 10-year life.

¹Compiled by Jim Clark.

the Forest Service spent only 53 percent on preroad- ing of what it had represented to Congress it would spend. The timber "supplied to dependent industry" by the Forest Service as a consequence had a deficit value and thus was not purchased.⁵ The loan pro- gram directed by Section 705(b) of ANILCA for purchasers of National Forest timber has never been implemented. The timber-industry-related job base has correspondingly declined.

This refusal to implement ANILCA must be re- dressed. Had the Forest Service elected to manage as Wilderness only 53 percent of that portion of the Tongass designated as Wilderness by Congress, there would have been a lawsuit or a Congressional investi- gation by now. We urge the Forest Service to com- mence full preroad funding and full intensive manage- ment expenditures immediately. We urge the Forest Service to work to supply timber which is economic to harvest. We finally urge the Forest Service to im- mediately implement the Section 705(b) loan program.

THE FOREST SERVICE FAILURE TO MAKE INTENSIVE MANAGEMENT EXPENDITURES

During the d-2 debate, the Forest Service explained to Congress that, based on FY 1978 dollars, it would spend \$13.7 million for LUD III preroad- ing, \$3 mil- lion for precommercial thinning, \$4 million for mar-

ginal preroad- ing, and \$2 million for advanced logging technology. These were the items which the Forest Service apparently believed would provide the greatest timber volume return for money spent. The Planned Timber Management Program was set forth at figure J on page xv of the TLMP.

From TLMP figure J, one can see that to achieve an average annual allowable sale quantity of 450 mmbf, an additional investment of \$11.7 million (in 1978 dollars) was added to the \$23.5 million total program dollars then being spent. Of the \$35.2 mil- lion in 1978 dollars necessary to achieve 450 mmbf, \$23.5 million was allocated to preroad- ing, precom- mercial thinning, and advanced logging technology.

Using Forest Service inflation factors, one can see that the \$23.5 million to be spent on precommercial thinning, preroad- ing, and advanced logging technol- ogy in 1978 dollars should have been \$35.4 million in 1984 (of which \$23.24 million should have been spent on preroad- ing). Applying the inflation factor to the total program of \$35.2 million, one would expect a total program of \$53.0 million in FY 1984.

In fact, the Forest Service spent only \$16.4 million on preroad- ing, precommercial thinning, and advanced logging technology in FY 1984, not the \$35.4 million which should have been spent if the proportion of funding for these items to total program funding had been maintained. However, the Forest Service none-

Figure J from the Tongass Land Management Plan

	Budgeted FY 1980 program		First year of transition		Average TLMP program 1980-81	
	Volume (mmbf)	Cost (mm\$)	Volume (mmbf)	Cost (mm\$)	Volume (mmbf)	Cost (mm\$)
Volume available with no additional investment	520	22.8	464.8	20.4	267.3	11.7
Added program						
Precommercial thinning	—	—	10.2	0.9	34.0	3.0
Preroad- ing	—	0.5	40.0	8.2	131.0	17.7
Advanced logging technology	—	—	5.0	1.2	17.7	2.8
Total added program	—	0.5	55.2	10.3	182.7	23.5
Total program	520	23.3	520.0	30.7	450.0	35.2
Current investment	—	23.5	—	23.5	—	23.5
Additional investment	—	(0.2)	—	7.2	—	11.7

⁵The argument that the problem is poor markets does not stand up because during the period of 1979 to 1985 Canadian sawmills have rapidly expanded their lumber exports to Japan and other Pacific Rim markets which have traditionally been the

mainstay of the Southeast Alaska timber industry. When the saw- mills stop, the pulpmills also are negatively affected by the re- duced availability of woodchips from sawmill residue and the reduced amount of pulp wood from sawmill logging operations.

theless spent \$47.3 million from the Tongass Timber Supply Fund, or just \$6.3 million less than the total 1978 figure adjusted by the annual inflation figure. This is illustrated by the following table:

	TLMP program estimates in 1978 dollars (from figure J of TLMP) (mm\$)	Inflation adjusted to FY 1984 (USFS figure) (mm\$)	Actual USFS expenditures in FY 1984 (mm\$)
Precommercial thinning (ANILCA)	3.0	4.5	2.0
Preroding (ANILCA)	17.7	26.6	14.1
Advanced logging (ANILCA)	2.8	4.3	0.3
Regular program (non-ANILCA)	11.7	17.6	30.9
Totals	35.2	53.0	47.3

Subtracting the \$16.4 million which was actually spent for precommercial thinning, preroding, and advance logging technology in FY 1984 from the \$35.4 million which should have been spent according to the proportion shown in TLMP figure J (as adjusted for inflation), there is nearly \$19 million which should have been spent on preroding, precommercial thinning, and advanced logging technology in FY 1984, but which was spent on something else.

In addition, if one considers what the Forest Service said it was going to spend (as shown by adding the 2nd, 4th, and 6th columns in figure J) with what it actually spent (as shown above), one can see that the Forest Service has not only fallen short of the proportion of preroding, precommercial thinning, and advanced technology expenditures to total program expenditures required by ANILCA, it has also failed to meet its own program.

The comparison of what was planned and what had actually been spent shows that whereas \$9.9 million was to have been spent in the period FY 1981 through FY 1984 on precommercial thinning, in fact only \$6.8 million was spent on precommercial thinning. Secondly, the same comparison shows that whereas \$61.3 million should have been spent on preroding between FY 1981 and FY 1984, in fact only \$36.2 million was spent for preroding. Finally, whereas \$9.6 million was to have been spent on advanced logging technology in the period FY 1981 through FY 1984, only \$1.2 million was spent on

advanced logging technology. This is illustrated as follows:

	Planned by USFS	Spent by USFS	Short- fall
Precommercial thinning	9.9	6.8	3.1
Preroding	61.3	36.2	25.1
Advanced technology	9.6	1.2	8.4
Total	80.8	44.2	36.6

In short, the Forest Service has failed to make the investments in intensive management which it told the public it was going to make in TLMP and which Congress required it to make under Section 705(a) of ANILCA. This problem will become aggravated by Forest Service plans for future years as the amount spent for preroding is reduced both in terms of actual dollars and as a percent of the Tongass Timber Supply Fund. In a letter dated June 27, 1985, the Forest Supervisor for the Ketchikan Area advised the industry that \$14.4 million would be spent in FY 1985, \$14.3 million would be spent in FY 1986, \$13.4 million would be spent in FY 1987, \$13.3 million would be spent in FY 1988, and \$13.0 million would be spent in FY 1989.

There can be no doubt that Congress intended⁴ that the annual Section 705(a) expenditure was to be spent in the proportion set forth in the final column of TLMP figure J. The House took the Senate bill. The title summary submitted by Senator Tsongas for himself and Senators Jackson, Hatfield, and Roth reveals the following on this point:

The amendment assures the availability of at least \$40 million. *These funds are intended to be spent in the same manner and for the same purposes as those provided in the Committee bill.* These include expenditures for stand improvements, the timber road program, and related capital investments but also include the regular costs of sale and road layout and preparation and may include research activities which contribute directly to improved timber utilization and advanced technology. (126 Cong. Rec. S11192, daily ed., Aug. 19, 1980.) (Emphasis added.)

At page 163 of the draft Tongass Land Management Plan (TLMP) Evaluation Report, the Forest Service candidly admitted that it has not met the spending goals set for it by Section 705(a):

The estimated average annual funding needs for Pre-commercial Thinning, Preroding, and Advanced Logging Technology portrayed in figure 3 have thus far not been realized during FY's 1980-83. As a fraction of the total timber management program costs, average annual expenditures for these program elements was to account for nearly two-thirds of the \$35.2 million (1978 dollars) originally needed. The data represented in tables H and I indicate a somewhat lower proportion of the Total TTSF has been expended on these elements to date. Whether additional expenditures for these elements would have resulted in the sale, release or harvest of more timber from the Tongass is debatable in light of industry responsiveness to recent timber offerings.⁶

However, the Forest Service offers several defenses for its consistent underfunding of the intensive management program.

Forest Service Argument A

At page 2 of a July 27, 1984, letter from Regional Forester John Sandor to Senator Frank H. Murkowski, it points out that "TLMP called for both funding and output targets." Although the Forest Service never relates the one to the other and thus never explains what criteria the Forest Service believes govern the annual amount of ANILCA funding required by Section 705(a), the implication is made that if 450 mmbf has been made available, then the Forest Service can make whatever expenditure for preroding, precommercial thinning, and advanced technology it desires no matter how deficit the timber.

This Forest Service argument has serious flaws, which are described in the following paragraphs.

1. It is Not Enough to Provide 450 mmbf: The Timber Must be Economic to be Considered Supplied.⁷

To meet its obligation that it "supply" the timber to "dependent industry," TLMP and ANILCA require the Forest Service to make the amount of expenditures necessary to assist in making the volume output economic. TLMP states:

While the 450 mmbm can be provided, a considerable portion of this volume will have to come from lands that are presently considered *economically* and *technologically marginal*. Because of the above reductions in available CFL *under current market conditions, this volume can only be attained by applying methods that will alleviate such marginality.* (TLMP, p. 180.) (Emphasis added.)

The deficit volume can be made available by adding \$11.7 million annually to the current funding level of \$23.5 million. This would alleviate the current marginality of enough potential harvest areas to make the 450 mmbm harvest level attainable. These investments would be for preroding, advanced logging technology, and precommercial thinning." (TLMP, p. 181.) (Emphasis added.)

In short, the Forest Service argued in TLMP for intensive management funds to "alleviate" the "economic marginality" of 450 mmbf. It follows that such expenditures have the dual purpose of seeking to provide the necessary volume and at a price that industry can afford. Otherwise, the timber has not been "supplied" and the Forest Service has failed to meet its obligation.

The Forest Service's position set forth in TLMP was that to assist in making the 450 mmbf per annum volume economic, investments must be coordinated with the market.

⁶At page 154 of the final TLMP Evaluation Report, the Forest Service asserted that, "When associated cost elements such as engineering support, timber sale preparation, administration, and support are taken into consideration, however, expenditures for these program elements approach anticipated funding levels."

We do not argue, indeed we point out, that the Forest Service has been spending the *total* amount of the ANILCA figure as adjusted for inflation. Our point is that the money is being spent for facilities, administration and the like instead of intensive management. A careful reading of the foregoing statement concedes this point, just as did the draft TLMP question above.

⁷The failure of the Forest Service to recognize its responsibility in this regard is seen at page 12 of the 706(b) report:

The reduction between the volume anticipated to be sold in the Plan and the volume actually sold is primarily due to the reduced demand for products manufactured in Alaska from Tongass National Forest timber.

In fact, the difference is "due" to the fact that the timber was not economic. It would be most helpful if the Forest Service displayed how much volume was made available and how much had a positive appraisal in order to see how much in fact was supplied.

These estimates of needed annual investments were based on average market conditions. Markets for Tongass timber products were regarded as cyclical. The investment levels required for any specific year were to be determined by future market conditions. *During the period of high selling values, less Government investment was foreseen.* (TLMP Evaluation Report, p. 45.) (Emphasis added.)

Conversely, during periods of low selling values, the Forest Service also recognized its obligation to increase its ANILCA expenditures in the Tongass Land Management Plan (TLMP):

However, in periods of poor markets—when the available residual values are insufficient to cover the full costs of road construction—Government investments can be substituted to facilitate construction of the roads. These investments include separate road construction contracts, supply of road construction materials such as culverts and bridge materials, or funding to the timber purchase through credits which relieve the burden of construction costs. The commitment of Government funds must usually precede the sale advertisement on independent sales or be accomplished in conjunction with rate redeterminations on long-term sales." (TLMP, p. 185.) (Emphasis added.)

The TLMP policy, which the Forest Service presented to Congress during the d-2 debate, thus seems clear. Investments should be increased in time of poor markets so that the timber is made more economic. The benchmark for increasing or decreasing such expenditures is the amount the Forest Service told Congress it would spend on precommercial thinning, preroads, and advanced logging technology updated to the present year. As shown, this amount has not been spent, economic timber has not been supplied, and employment has declined dramatically.

Section 705(a) of ANILCA was based upon TLMP and thus its assumption that the timber would be economic. In a colloquy on the floor, Senator Stevens and Senator Jackson discussed the meaning of the term "timber supply":

When we talk about the necessity to maintain a timber supply for the dependent industry at a rate of 4.5 billion board feet per decade, we contemplate that there would be sufficient timber offered for sale so that dependent industry could harvest at that rate. (126 Cong. Rec. S11195, daily ed., Aug. 19, 1980.)

Citing the foregoing colloquy, the Forest Service's Assistant General Counsel provided the Forest Service an Opinion dated January 1981 which advised that the words "timber supply" used in Section 705(a) require the timber to be economic:

Since there is no other legislative history pertaining to the interpretation the drafters of section 705(a) gave to 'timber supply,' and since the clause itself leaves the interpretation ambiguous, we place considerable weight on the above passage and conclude that section 705(a) requires the Forest Service to offer

for sale a sufficient amount of timber for contracts equal to 4.5 billion board feet of timber to be awarded each decade, free of legal and administrative contingencies which prevent harvest. *This interpretation is most consistent with the general purpose behind Section 705(a), ensuring that the Government does all it reasonably can to facilitate getting the requisite amount of timber into industry's hands.* The timber industry interests which Section 705(a) is intended to placate are logically more interested in being guaranteed a right to harvest a certain volume than in actually achieving a harvest at that rate themselves, regardless of market conditions. *These same interests would logically not consider to be part of their usable 'timber supply' sales which, due to their economic infeasibility or other reasons, are not purchased, or for which the right to harvest is delayed due to legal challenge.* Timber purchased, but which industry declines to harvest in a given year on its own initiative must be considered to be 'supplied' to industry, because the Government has no further control over its harvest and no other administrative or legal restriction in preventing its harvest. (Memorandum to William L. Rice, Director of Program Development and Budget of the Forest Service from Clarence W. Brizee, Assistant General Counsel, Natural Resources Division, p. 5-6.) (Emphasis added.)

The Forest Service's own counsel, then, finds that to be considered "supplied" the timber made available must be economic.

Conversely, it is hard for the Forest Service to argue that Congress intended to maintain dependent industry with timber having a negative value. Such timber cannot be purchased and thus cannot meet ANILCA's employment objective. As Governor Sheffield wrote to Assistant Secretary of Agriculture Myers on September 9, 1985:

As you know from my letter to Secretary Block on August 1, 1984, the State of Alaska is concerned that the Secretary of Agriculture has not obtained sufficient funding, pursuant to Alaska National Interest Lands Conservation Act (ANILCA) Sec. 705(a), to satisfy the intent of Congress. By providing an assured timber supply and a unique funding mechanism to offset economic marginality, Congress intended to maintain employment at historic pre-ANILCA levels in the timber industry which is dependent on the Tongass National Forest. Clearly, the Congressional employment objective has not been achieved. Southeast Alaska's timber industry has been in a severely depressed condition for the past several years.

The question arises, to what extent must the Forest Service make the timber economic? Since it was the intent of ANILCA to leave timber-industry-related employment in the same position it was prior to ANILCA and provided a funding mechanism to achieve this, as a minimum, the Forest Service must make the full Section 705(a) expenditure which it proposed at the time ANILCA passed (as adjusted

for inflation). That is to say, in FY 85 it should spend \$23 million on preroads instead of the \$14.4 million it proposed to spend. Full preroads expenditures could make a major difference in the economics of the timber sales if applied to the ongoing sales program. (Assuming we log 250 mmbf in 1985, this \$8.6 million shortfall would have made the timber \$34/mbf more economic.) If after making the full Section 705(a) intensive management expenditures, the timber is not economic and employment has not been restored, then Congress may have to be approached with other proposals. Until the Forest Service has used the tools Congress gave it to deal with the situation, the only help Congress can give is to help make the Forest Service meet its Section 705(a) intensive management responsibility.

2. Meeting the Road Output Requirements of TLMP is Not Satisfied by Including Purchaser Credit Roads.

As a side note, it is ironic that the Forest Service uses purchaser credit built roads as evidence that it is meeting the road output requirements of TLMP. TLMP required (at p. 10) "that an average of 115 miles of permanent road be added to the forest transportation system annually." In fact, an average of 167 miles of road has been built each year and thus this output has been achieved. However, achieving the output is not the issue. The issue is what portion of these roads should be paid for with ANILCA funds.

The Forest Service acknowledges that it built an average of only 39.5 miles per year during FY's 1981-83 while the industry built an average of 127.5 miles per year during the same period.⁸ Many of the roads built by the industry were built free of charge to the Forest Service because when the timber values are deficit, effective purchaser credits cannot be obtained by the purchaser.⁹ Accordingly, the Forest Service is not meeting its ANILCA obligation by forcing the purchaser to build roads free of charge when markets are bad.

The Forest Service argues in effect at page 15 of the 706(b) Report that even though it has not met its preroads outputs, it should be judged on the roads it has under construction—after all, a lag was to be expected. It would be most helpful if a chart were made available showing what roads are projected in future years based on preroads expenditures previously made. The chart should show the year the money was obligated and the year the road will be built. This should be followed by a discussion on how to reduce the lag time.

Forest Service Argument B

In a May 16, 1985 meeting with the Alaska Congressional Delegation, Chief Peterson stated that what is economically and technically marginal timber for purpose of the Alaska National Interest Lands Conservation Act (ANILCA) was "fixed" as of December 2, 1980, the date of passage of the Act. From this, Chief Peterson asserted that the Forest Service is not authorized to pay for roads through that timber in LUD III or LUD IV areas which has become economically marginal since the passage of ANILCA as a result of deteriorating markets.

We disagree. TLMP was based upon the Regional Forester's Alternative to the TLMP EIS which was made public on August 15, 1978 and was the basis for not only the final TLMP EIS, but Sections 705 and 706 of ANILCA. Pages 185-187 of TLMP make it clear that the technically and economically marginal timber was *not* fixed as of the passage of ANILCA and that investment in any one year depends upon the market rates:

In some years, when the markets are good, the remaining value is high and public investments may be a lower level. However, in periods of poor markets—when the available residual values are insufficient to cover the full cost of road construction—Government investments can be substituted to facilitate construction of the roads. (TLMP, p. 185.)

The Forest Service was saying the same thing as late as November, 1984 in the TLMP Evaluation Report:

Section 705(a) is regarded by the Forest Service as a funding provision for implementation of the TLMP Timber Management Program described on pages 43-45 of Section III. It enables the Forest Service to fund the costs of preparing the timber which has been scheduled for harvest, so that it can be offered to industry for sale or release. It also can be used for investments to offset the economic marginality of some of the scheduled timber lands by: (1) funding preroads projects, (2) the application of advanced logging technology, and (3) precommercial thinning. As stated in TLMP, the level of funding for any specific year is to be determined by the anticipated timber market conditions. During periods of high selling values, less Government investment will be necessary than in periods of low selling values." (TLMP Evaluation Report, p. 55.)

Accordingly, the Chief's statement is inconsistent with even the Forest Service view of Section 705(a)'s

⁸Page 2, July 7, 1984 letter from Regional Forester John Sandor to Senator Frank H. Murkowski.

⁹The Forest Service admits this at page 14 of the 706(b) Report.

capital expenditures strategy. Intensive management money should be spent up to the full amount in times such as these when the market is bad.

In addition, Section 705(a) investments are to access all 4.5 billion board feet per decade. If the purpose of ANILCA funds was to be limited to the 88 mmbf of timber which was economically and technically marginal as of December 2, 1980, then that amount of timber would have been specified in Section 705(a). The fact that Section 705(a) provides "at least \$40,000,000 annually or as much as the Secretary of Agriculture finds is necessary to" make all 4.5 billion board feet of timber available; and the fact that the expenditure of such funds is not limited to that timber which was economically and technically marginal as of December 2, 1980, prove Congress' intent to make economic that portion of the timber which is not presently economic due to market conditions, whatever that amount may be currently due to technical or economic marginality.

The 1981 letter from the Department of Agriculture Office of the General Counsel to the Forest Service, previously quoted, concludes that the words "timber supply" as used in Section 705(a) of ANILCA requires the Forest Service to supply economic (i.e., nondeficit) timber. It follows that the Forest Service would have to make the expenditures necessary to make economic what is economically marginal timber. It makes no sense for the Forest Service to spend millions of dollars to make economic only that timber which was economically marginal at the time of the passage of ANILCA while ignoring timber which has become economically marginal since the passage of ANILCA. Indeed, this was the express intent of TLMP upon which Section 705(a) of ANILCA was based (see p. 185 of TLMP).

Forest Service Argument C

In a meeting with Alaska Governor Sheffield on August 10, 1985, Chief Peterson suggested that lifting the long-standing Federal requirement for primary processing of National Forest timber prior to export would be one way to improve the economics of the dependent timber industry. If the Secretary of Agriculture, in his discretion, removed or modified such a requirement, according to Chief Peterson, it would eliminate the Federal obligation to provide funding pursuant to ANILCA Section 705(a). There is, however, no statutory language or legislative history which links ANILCA funding to the primary processing requirement. Therefore, such a linkage would be a clear violation of legislative purpose requiring appropriate remedial action by the affected parties.

In conclusion, the various reasons given by the Forest Service to avoid its intensive management

commitment under ANILCA are not supported by ANILCA or its legislative history, including TLMP. We urge the Forest Service to move immediately to fully fund intensive management.

OTHER PROBLEMS WITH FOREST SERVICE IMPLEMENTATION OF SECTION 705(a) OF ANILCA

1. Preroading Funds Are Not Being Used Effectively.

The industry is concerned that the roads being built with preroading funds are not providing the greatest possible timber return. The industry wants preroading dollars spent at locations where such an expenditure would make economic timber which is otherwise not economic. The Forest Service position was stated thus in an August 7, 1985 letter to the timber industry:

We realize and share your concern about the need for immediate short-term benefits from road construction. We have reprogrammed \$6.7 million in the past two years and are looking to reprogram another \$3.7 million in fiscal year 1986 for road construction to provide increased support for timber harvest. We must access low-volume and marginal timber stands for future years as well as high-volume stands for immediate needs in order to maintain the timber supply from the Tongass National Forest.

Given the present market condition and the lack of available economic timber, the Forest Service policy of using intensive management preroading funds to access low-volume, marginal timber stands for future years results in a failure to supply economic timber in the present. If the Forest Service were making the full preroading expenditure required by ANILCA, then making a portion of it available for future years would make sense. However, since the Forest Service is only spending half or less than it should be spending on preroading, it should do what it can to make the timber economic and thus available to the industry now.

A recent example of the waste of preroading funding occurred recently in the Cowie/Davies Creek situation. That project calls for a 26-mile road to access 26 mmbf of timber. The industry explained to the Forest Service that given the quality of the timber and its location, it would not be economic to log. The industry asked that the funds be assigned to ongoing deficit sales to help make them economic.

The Forest Service went ahead with the Cowie/Davies Creek road. It has now been enjoined by the U.S. District Court for the District of Alaska from building the road as a result of a suit by environmental organizations. This road accounts for \$3.9 million of \$14.4 million allocated to preroading for FY 1985.

Accordingly, the loss of these funds from road building constitutes a serious blow to the industry. Had the funds instead been spent where industry was harvesting timber, they could have made a critical economic difference.

We recognize that the Forest Service cannot guarantee that it will not be enjoined from building roads. However, precious preroad money should not be risked to access timber that no one can afford to buy.

2. The Preroding Funds Are Not Getting to Dependent Industry.

There is no definition of dependent industry in ANILCA. However, "dependent industry" would logically be limited to those who must purchase all or a portion of their timber supply from the Tongass National Forest in order to obtain an economic supply of timber either for sale purposes to a mill or for manufacture by a mill. This must, therefore, include the long-term contracts.

The long-term contracts obligate the Forest Service to make an annual average of approximately 300 mmbf available to the pulpmills. This is two-thirds of the average annual volume of 450 mmbf which is to be made available to dependent industry by Section 705(a). However, the Ketchikan Pulp Company sale did not become eligible until its 1986-91 five-year rate redetermination. With two-thirds of the "dependent industry" only now beginning to receive preroding funds, the question arises whether the Forest Service has been meeting its responsibility to "dependent industry."

3. The Section 705(a) Loan Program Has Not Been Instituted.

Section 705(b) of ANILCA provides for a \$5 million equipment loan program for "purchasers of National Forest materials." This program has not been implemented and is most needed.

At page 21 of the 706(b) Report, the Forest Service argues that the loan program is not yet needed because:

To date, there has been little, if any, demand for timber volume from areas requiring advance logging equipment or volume resulting from higher utilization standards.

Section 705(b)(1) authorizes two types of loans: 1) "to assist purchasers in the acquisition of equipment," and 2) "for the implementation of new technologies which lead to the utilization of wood products which might otherwise not be utilized." The above-quoted Forest Service rationale for not making the loan program available addresses the latter reason for the program, not the former. The industry needs this program. The Forest Service was directed to implement it and should do so without further delay.

CONCLUSION

Based upon the above, it is clear that the Forest Service is not implementing Section 705(a) of ANILCA and that timber-related employment has declined as a result of that failure.

The Troubled Tongass: How Our Taxes Subsidize the Devastation of America's Largest National Forest— Comments of the Southeast Alaska Conservation Council'

In 1980, the Ninety-Sixth Congress passed the Alaska National Interest Lands Conservation Act (ANILCA). As part of that settlement of the status of Alaska's Federal lands, Congress determined that the Forest Service should implement its newly created Tongass Land Management Plan (TLMP). However, because TLMP was only an interim plan, based on many unproven assumptions, Congress also reserved ultimate review over implementation of this plan. This report, *The Status of Management on the Tongass National Forest*, is a part of the review process established by Section 706(b) of ANILCA.

The Southeast Alaska Conservation Council (SEACC) is a region-wide coalition of local organizations and individuals dedicated to the wise use and conservation of Southeast Alaska's precious natural resources. SEACC was recognized in ANILCA to represent conservation during the ANILCA Section 706(b) review process. To that end, SEACC has completed the following chapter of this report, and has respectfully included three recommendations for bringing Tongass management back into a reasonable balance of multiple use.

At this time, we would like to point out that the "Status of the Tongass" is a sweeping topic. Because of space constraints, SEACC has deliberately omitted discussion of current problems with mining, Stikine access, and Wilderness management on the Tongass National Forest. Instead, we have kept our focus on timber-related issues.

INTRODUCTION

As the raven flies, the Tongass National Forest measures some 500 miles, stretching across the mountainous islands of the Southeast Alaska archipelago. Encompassing nearly 17 million acres, the Tongass is our Nation's largest public forest reserve, three times larger than any other National Forest.

The Tongass is a magnificent coastal rain forest, comprised primarily of huge Sitka spruce and western hemlock which have taken hundreds of years to attain their maturity. Younger trees flourish under the sheltering canopy of the giants, forming a steady-state

mosaic of old-growth forest, unchanged since the retreat of the Ice Age. Ancient and dynamic, the Tongass represents a last refuge of old-growth forest, a living museum of the "forest primeval" that once extended from Northern California to Alaska.

Over 100 years ago, John Muir explored Southeast Alaska in a Tlingit canoe and described the grandeur of the Tongass as an "endless rhythm and beauty." Today, that endless rhythm and beauty is threatened with destruction. The Tongass is not only our largest, but also our most mismanaged and most abused National Forest. This abuse has reached crisis proportions in the last 6 years.

The source of this abuse is a U.S. Forest Service timber management program intended to liquidate virtually all the unprotected old-growth forest on the Tongass within the next century. Like the world's other great rain forests, the Tongass is rapidly being consumed by clearcut logging and by construction of logging road networks through one undisturbed valley after another. The agency plans to cut the heart out of this forest. Once it has been logged, old growth is lost forever. It is not a renewable resource. Furthermore, the economics of the Forest Service's Tongass timber program make no sense. Logging has always been a losing proposition in the Tongass, but with implementation of TLMP and ANILCA Section 705 the situation has attained ludicrous proportions.

The Tongass timber program now costs the Government well over \$60 million per year. The Forest Service is wasting additional millions per year offering unwanted timber sales and building unneeded logging roads. Altogether, the Tongass is the National Forest System's worst timber management investment.

The prime beneficiaries of the massive Tongass logging subsidy are not local loggers, but two multinational logging companies—Alaska Pulp Company (APC), a Japanese consortium, and Louisiana-Pacific Ketchikan (LPK), the largest purchaser of Federal timber. As holders of unprecedented long-term, 50-year logging contracts, these two companies control virtually all logging on the Tongass, to the exclusion of smaller, independent timber operators. In 1981, after passage of ANILCA, these two companies were found guilty of antitrust violations that forced local, small logging companies out of business. Now APC and LPK are asking for even more money, for

¹Prepared by Southeast Alaska Conservation Council, September 30, 1985.

even bigger subsidies.

Current large-scale logging of the Tongass severely threatens the incredible wildlife, fish, and wilderness resources that set the Tongass apart as a special National Forest. Brown (grizzly) bears, bald eagles, Sitka black-tailed deer, mountain goat, moose, and other animals depend on undisturbed old-growth forests for their habitat. The countless rivers, lakes, and estuaries of the Tongass rain forest harbor an abundance of salmon, trout and char which require clear-flowing, sheltered waters in which to spawn. Finally, the cathedral-like stands of old-growth trees found in the Tongass, nestled in river valleys between mountain peaks on remote islands, represent a unique attraction to people from all walks of life from all over the world. Unless the destruction of these areas of the Tongass is halted, all this will be lost.

Forest Service plans are to clearcut an average of 20,000 acres and build 300 miles of road annually, for year after year. With the current 100-year rotation plan this means a clearcut total of 2 million acres of Tongass forest. The Forest Service likes to point out that this is a small percentage of the Tongass, but on a national perspective this equates to an area roughly the size of one Yellowstone National Park, or three Yosemite National Parks, or four Great Smoky Mountain Parks.

Since ANILCA, there have been great changes in Southeast Alaska. The market for Tongass timber has declined from all time highs reached in the late 1970's, and is now much closer to its long-term average level, which the Forest Service characterizes as depressed. Native corporation logging has become a major element of the region's timber industry. Biological research has confirmed that logging harms the wildlife and fish resources of the Tongass. Native Tlingits and Haidas and other rural Alaskans have been confronted with a rapidly changing way of life as new logging and roads encroach on their traditional hunting and fishing grounds. In addition, the fish and tourism segments of Southeast Alaska's employment base have continued to grow and diversify, adding a new dimension of stability to a frontier economy.

While it would seem natural for the Forest Service to respond to the changing situation in Southeast Alaska, this has not happened. Instead, the agency has continued on its destructive, logging-oriented course, blaming Congress and ANILCA for this policy of senseless inflexibility. The Forest Service is burdened with unprecedented 50-year timber sale contracts, by an outdated and incomplete land management plan, and saddled with the Section 705 Tongass Timber Supply Fund subsidy and timber supply goal. The agency is further hampered by its own misinterpretation of ANILCA, and has shown itself to be incapable of reform on the Tongass. As Southeast

Alaskan Sylvia Geraghty put it "the Forest Service also has a contract with the American public, and I think they've failed to honor that contract." Therefore, Congress must provide more specific direction.

TONGASS TIMBER MANAGEMENT PROBLEMS

The bulk of the problems which plague the Tongass National Forest can be traced to three distinct aspects of the forest's timber management program. First is the Tongass Timber Supply Fund (TTSF) and the supply goal of 4.5 billion board feet of timber per decade, a product of ANILCA's Section 705. The second underlying cause of the timber management problems is the existence of two, long-term (50-year duration) timber sale contracts which commit vast areas of the Tongass to clearcut logging. The final cause of these timber-related troubles is the utter deficiency of the Tongass Land Management Plan (TLMP), which is intended to govern management of the resources of the Tongass until 1989. Combined, these problems fuel the rampant abuse and mismanagement of the Tongass, which has reached crisis proportions today. The TTSF, the 50-year contracts, and TLMP are examined in detail in the following section.

ANILCA Section 705: Tongass Timber Supply Fund

Purpose and Intent of ANILCA Section 705

When Congress debated the disposition and management of Federal lands in Alaska, one of the most difficult tasks was determining a proper direction for Alaska's National Forest lands. For Alaska's Chugach National Forest, Congress essentially declined to make any decision, instead deferring to the forest land management planning process. For the Tongass, however, with its already completed land management plan, Congress adopted Title VII of ANILCA which included the Tongass Timber Supply Fund provision. Because of the uncertainty attached to TLMP's assumptions, Congress also directed the Section 706(b) review process, of which this report is a part. The inherent wisdom of taking a second look at the Tongass is readily apparent today.

Section 705(a) of ANILCA directs:

that the Secretary of the Treasury shall make available to the Secretary of Agriculture the sum of at least \$40,000,000 annually or as much as the Secretary of Agriculture finds is necessary to maintain the timber supply from the Tongass National Forest to dependent industry at a rate of 4.5 billion foot board measure per decade.

This is the Tongass Timber Supply Fund which made available \$53 million in 1985. The TTTSF is exempt from normal appropriation scrutiny and annual budget cuts. No other National Forest budget for road building and timbering is so untouchable.

The TTTSF is often touted by the Forest Service and timber industry as part of a "carefully crafted" compromise with conservation advocates. This is not true. In reality, SEACC and Southeast conservationists had little or no input in the TTTSF provision. SEACC didn't agree to the provision then, and we don't agree with it now.

Because of the last-minute nature of the development of Section 705, its true nature and intent has proved in application to be elusive, resulting in serious management conflicts.

The closed door dealing that created the TTTSF left few clues as to what Congress had hoped to accomplish with this provision. However, one clear and cogent explanation of the provision was provided by Congressman Morris Udall on the floor of the House prior to passage of ANILCA in 1980. Congressman Udall explained that the TTTSF was intended merely to fund the intensive forestry provisions described in TLMP—money that would be invested to end high-grading, to access marginal timber and provide extra environmental protection for other more valuable Tongass lands. Congressman Udall specifically pointed out that the Forest Service should use the TTTSF

to encourage retention of old-growth forests for multiple use considerations, rather than reduce old-growth retention in order to lower costs. . . . It is our intent to maximize protection of environmentally sensitive areas.

Congressman Udall also explained the meaning of the 4.5 billion board foot timber harvest figure in the TTTSF provision. According to Udall, this figure represented the harvest goal included in TLMP and that the section was "not a mandate to produce a specific cut level." In this statutory scheme envisioned by Congress, he said, "No more timber should be offered for sale than the Forest Service can reasonably expect to sell," and, "No more National Forest timber should be supplied than can be sold at fair market value."

From these statements it can safely be said that Congress set up the TTTSF to fund a program of *intensive forestry*, concentrating on less valuable timber stands of lower timber volume per acre, in order to protect critical old-growth timber for wildlife habitat. Further, the TTTSF provision was intended merely to fund the TLMP program, but not to bind the Forest Service to a reckless pursuit of an inflexible mandate no matter what market conditions prevailed during subsequent years. Unfortunately the Forest Service

has strayed far from the intent of Section 705 of ANILCA. The agency has found this a convenient shield to hide behind to avoid confronting industry on high-grading.

Misapplication and Misinterpretation of Section 705

The Forest Service's current management of the Tongass does not represent *intensive* forestry. Instead, it is an example of *extensive* forestry which is wasteful and destructive, and based on a biased reading of ANILCA Section 705. The Forest Service's annual plans for Tongass logging since passage of ANILCA have included clearcutting almost 20,000 acres per year (or 200,000 acres over TLMP's life) and building approximately 300 miles of permanent and temporary transportation network roads annually in unprotected forest lands, most of which are prime river bottoms.

Worse yet, the Forest Service has interpreted ANILCA Section 705 as a mandate to cut 4.5 billion board feet per decade, or 450 million board feet every year in perpetuity. Despite Congressman Udall's explicit direction, the Forest Service has continued since ANILCA to inflexibly offer this level of timber, much more timber than it can reasonably expect to sell, and for prices well below fair market value.

Tongass Timber Supply Fund: An Economic Disaster

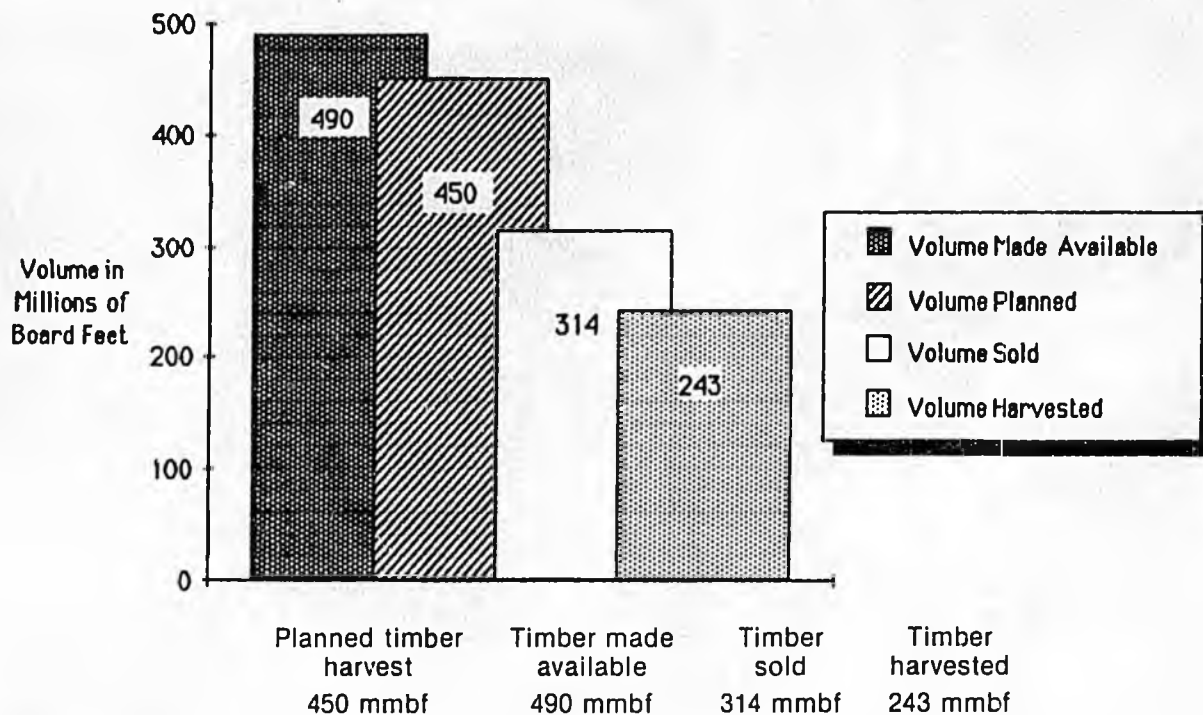
Figure 7.1 shows the incredible magnitude of this oversupply of timber by Tongass planners. Since ANILCA the Forest Service has offered twice as much timber than has been harvested.

This trend, far from being a temporary or passing artifact of statistics, grows more outlandish year after year. Figure 7.2 gives the annual harvest breakdowns displayed in the Tongass Timber Supply and Demand Report for 1984. It shows the widening gap between Forest Service timber sale offering levels and the reality of actual timber harvest levels. Since ANILCA the Forest Service has offered 1.2 billion board feet more timber than has been harvested. The cost of preparing these excess timber sales that cannot be sold has averaged over \$8 million per year, or \$40 million thrown away in the past 5 years on this wasteful management practice alone.

In the last few years, the Forest Service offered *more* than 450 mmbf per year, sold at least 150 mmbf *less* per year was harvested than planned, and at *least* 200 mmbf *less* per year than planned. In contrast, road building has proceeded at a much higher rate than planned. We have been supporting a road construction industry, not a timber cutting industry. The

Figure 7.1

Annual Average Timber Harvest, Tongass National Forest, Since 1980



Forest Service is wasting money building roads to nowhere and offering timber far in excess of the market.

In 1984, the two largest purchasers of Tongass timber paid only an average of \$2.50 per thousand board feet of Sitka spruce, a species worth a hundred times more on the open market. For that same thousand board feet of spruce, the Federal Government spent at least \$172 to "manage" that timber. In fact, the Tongass affords one of the most striking examples of sales-below-cost (where the Forest Service spends more on the timber sale than it receives from it in revenues) in the entire National Forest System. The TTSF only compounds this unprecedented subsidy to dependent timber companies.

The Tongass timber program has always been a big loser. While high-value spruce and cedar trees can be found in scattered stands, most of the Tongass timber is comprised of low-value hemlock. Steep, rugged terrain and other geographical conditions make access to Tongass timber particularly expensive and unrewarding.

According to the Congressional Research Service, between 1980 and 1984 the Forest Service spent \$375 million on Tongass timber sales and only received \$62.6 million in timber sale revenues—a staggering \$312 million loss in just 15 years. The Alaska Department of Revenue has noted that "there is no firm

within the forest products industry that would subsidize the extraction of forest products to the degree that is the current practice of the Federal Government in Alaska today."

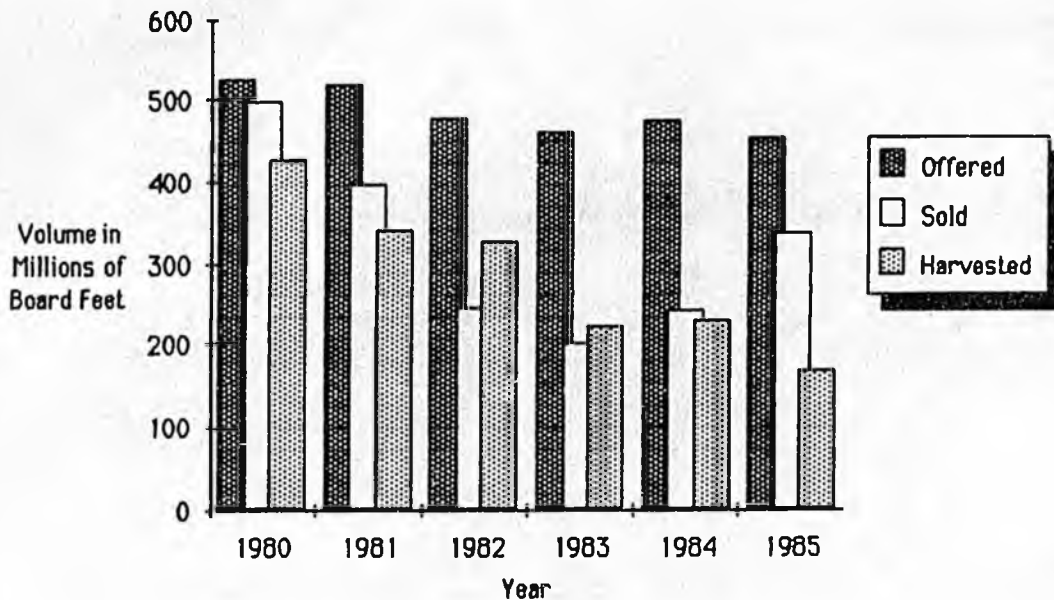
The magnitude of economic loss on Tongass timber programs has been much worse since ANILCA was passed in 1980. For example, between 1982 and 1985 the Forest Service spent \$253 million on the Tongass timber program, yet only recovered \$2.9 million in receipts. The TTSF, now \$53 million in 1985, is a major culprit in this accelerated rate of loss. Figure 7.3 depicts how this Congressional funding was spent and what that funding returned in receipts to the Treasury. (Funds above and beyond the TTSF, such as purchase credit, were also expended during this period.)

These losses are not a temporary aberration. Remote from markets, high-cost, low-value Alaska timber is the last to be sold in a good market, and the first not to sell in a bad one. Thus, the future looks dim for a reversal of Tongass losses. Even the Forest Service estimates that its Tongass timber program will lose over \$5 billion over the next five decades.

Timber program losses in the National Forest have become a widespread concern, as evidenced by recent Congressional hearings on the subject. Other National Forests have recently been ordered by the Secretary of Agriculture to justify timber program

Figure 7.2

Amount of Timber Offered for Sale, Sold, and Harvested, Tongass National Forest, Since 1980



Fiscal year:	1980	1981	1982	1983	1984	1985	Total
Total offered for sale (mmbf)	524	516	478	459	475	453	2,905
Total sold	497	397	245	202	241	334	1,916
Total harvested	428	340	326	220	227	166	1,708

subsidies, but the Forest Service's interpretation of ANILCA prevents similar reform on the Tongass. TTSF funds are beyond Congressional appropriation processes or other basic fiscal controls. This results in no incentive for the Forest Service to save money—funding of unneeded logging and timber sales is assured no matter what the supply or market conditions might be. The Tongass' bureaucracy is not accountable.

***Wasting the Tongass Timber Supply Fund:
Building Roads, Building Empires***

Besides spending over \$8 million a year planning, designing, and offering timber sales that are not purchased, the Forest Service has continued to use the TTSF to support an unprecedentedly large road building effort. While most road building programs in National Forests are built in conjunction with timber sales, this is not the case on the TTSF-glutted Tongass.

"Preroding" is the construction of road systems in advance of timber sales, with the Forest Service

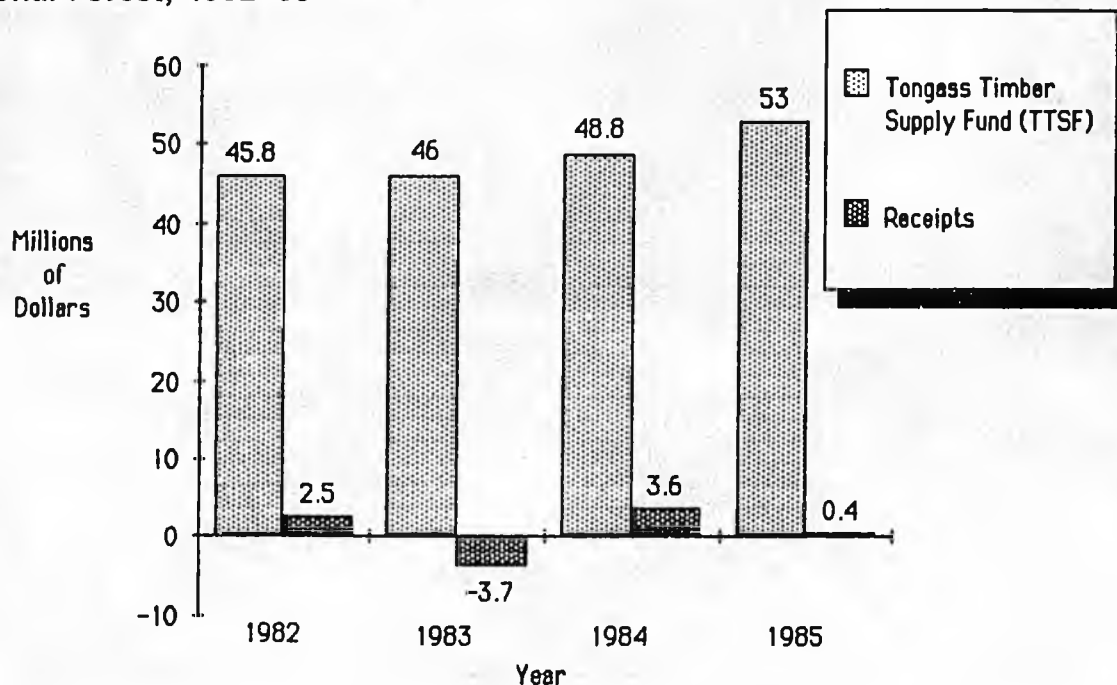
paying entirely for the project out of its timber management budget. Instead of requiring timber purchasers to pay for roads to access timber sales, or awarding timber purchasers credit for building such roads, TLMP authorized (but did not require) preroding of certain drainages to access *marginal* timber or to offset the cost of small timber sales in sensitive areas.

Unfortunately, with the TTSF available the Forest Service has undertaken a far greater roading program than TLMP planned. The Forest Service clearly regards the TTSF as a blank check to build roads and develop an extensive land transportation network on the islands and mainland of Southeast Alaska. Roads are built for timber harvesting, not for "multiple use." The following excerpt from an editorial in the Prince of Wales' Island News illustrates the point:

Often we hear that the money the Forest Service spends on roads isn't to subsidize the timber industry, but to provide roads for multiple use. That sounds like a bunch of bull when you try to drive the roads

Figure 7.3

Comparison of TTSF Monies Spent and Receipts Received from Sales, Tongass National Forest, 1982-85



	1982	1983	1984	1985
TTSF spent (millions of \$)	45.8	46.0	48.8	53.0
Receipts received (millions of \$)	2.5	-3.7 ^a	3.6	0.4 ^b

^a Reflects a credit to the receipts account caused by the emergency rate redetermination of the two long-term contracts. The redetermined rates were retroactive to the beginning of the 5-year operating periods (1979 for one sale and 1980 for the other).

^b Estimate.

and find that nothing has been done to maintain them since the last logger hauled out the last load of logs.

Many Southeast communities and citizens oppose this road building, but as one Forest Service official admitted, "There's an unwritten Forest Service direction to put roads . . . in every available [i.e., non-Wilderness] roadless drainage," by the time TLMP is to be revised in 1989.

The result of such overblown plans is, of course, more waste. Roads to nowhere are increasingly common on the Tongass, since many timber access road networks are built for unmarketable timber sales. In places like Kadashan, Port Houghton, and Couverden, miles of unneeded timber roads sit as examples of this waste. Key habitat areas in the Yakutat Forestlands, Kuiu Island, and Kupreanof Island are threatened with preroad plans.

The TTSF is supporting a road construction program more reminiscent of the New Deal than modern

forest management. One Forest Service official recently told the Juneau Chamber of Commerce that the Forest Service would be employing around twenty road workers for three summers to construct a logging road network in Berners Bay. This official neglected to mention the cost of this subsidy—\$5 million or about \$240,000 per job. Almost incidentally, this official did admit there was no apparent buyer for the Berners Bay timber sale, but he said the road project would provide more firewood and berry picking opportunities for Juneau residents, even if it was never used for timber hauling.

Another Forest Service timber road abusing the intent of the TTSF and TLMP is the Kadashan project. The Kadashan road was begun in 1983, ostensibly to access stands of very high-volume, old-growth timber critical for subsistence, commercial fishing and wildlife. Despite Congressman Udall's direction, in Kadashan the Forest Service used TTSF money to gain access to this obviously nonmarginal and envi-

ronmentally critical timber. The Forest Service has followed this pattern in many other key areas.

SEACC has sued and stopped construction of the Kadashan and Berners Bay road projects, but many other similar projects are still underway or planned. The TTSTF is funding make-work, de facto welfare programs, not intensive forest management.

The Forest Service is obsessed with the language of ANILCA Section 705, language it consistently misinterprets as a mandate to offer 450 mmbf of timber per year, for all time. "Getting out the cut" or "meeting your timber targets" are the goals of most Tongass employees in all three administrative areas of the forest (Chatham Area, Stikine Area, and Ketchikan Area). For example, these quotes from timber planning documents illustrate the inflexibility of current Forest Service interpretations of ANILCA (emphasis supplied):

[The need for action is] the obligation to meet the Forest Service commitment, under Congressional direction . . . regarding the Act's *mandated* 450 mmbf annual timber harvest from the Tongass National Forest.

This timber sale is offered by the U.S. Forest Service and contributes to the volume legislatively *mandated* by the Alaska National Interest Lands Conservation Act (ANILCA).

Congress *mandated* that 450 million board feet (mmbf) of timber be sold annually from the Tongass National Forest.

The Alaska National Interest Lands Conservation

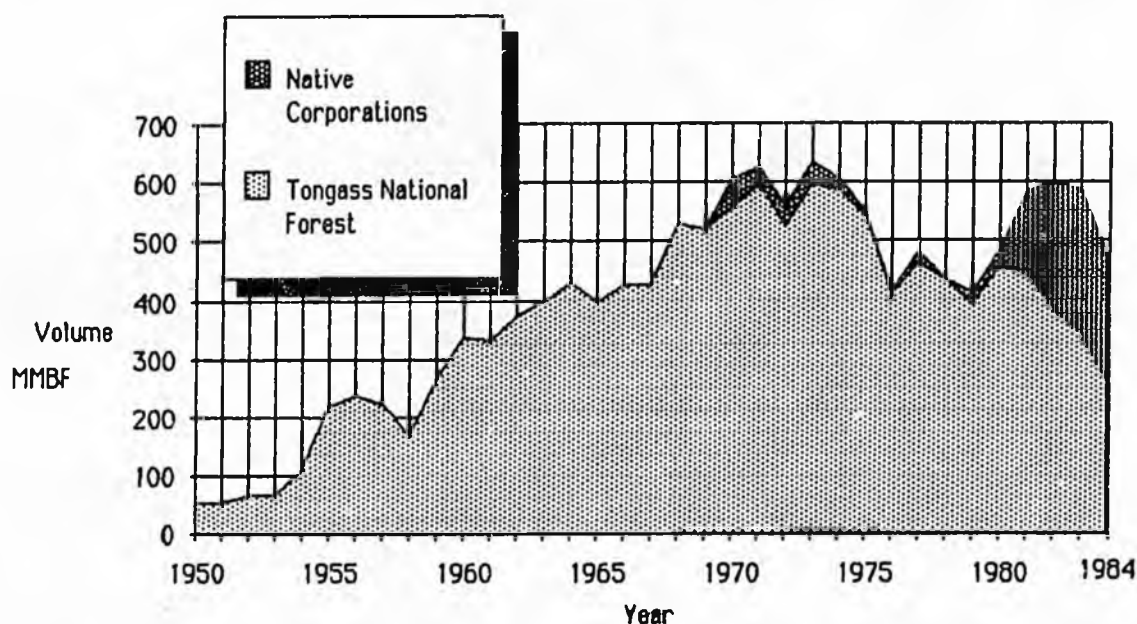
Act (ANILCA) and TLMP *direct* the Forest Service to sell 450 mmbf of timber per year. This proposal responds to that direction.

The Congressional *mandate* included in the Alaska Lands Bill of 1980 to cut some 450 million board feet of timber annually.

The TTSTF, obviously intended to provide money to fund TLMP timber programs, is an outgrowth of one of the goals of ANILCA. In the words of Senator Ted Stevens the TTSTF was to "preserve the existing timber industry." Other senators echoed the same intent: Senator Paul Tsongas said ANILCA Section 705 assured the timber industry "of a timber supply adequate to protect jobs in Southeast Alaska" and Senator Henry Jackson said that "these funds will ensure that adequate timber supplies will be available to dependent industry."

Today, timber supplies from the Tongass National Forest are far more than adequate. The Forest Service has reported this fact every year since ANILCA. Cutting levels overall are comparable to pre-ANILCA levels, as are employment figures. During the 5 years before ANILCA, the regional timber industry employed an average of 2,700 people per year in harvesting and processing and harvested an average of 440 mmbf overall. During the post-ANILCA period of 1980 to 1984 employment averaged 2,400 jobs for the same sector yet the average harvested in region was increased to 514 mmbf. However, the timber supply sources have changed significantly since the adoption of ANILCA in 1980. From 1959 to 1975 the

Timber Harvests in Southeast Alaska, 1950-84



Tongass National Forest was virtually the sole source of timber in Southeast Alaska. During those years the region's "timber industry" was nearly synonymous with APC and LPK who were the purchasers of 90 percent of the timber cut in Southeast and the producers of at least 90 percent of the manufactured products. In contrast today, Native corporations are annually cutting much more timber on private Southeast lands than was predicted in 1980. As a result, APC and LPK now only claim about half of the market for the region's timber. Therefore, less timber is needed from the Tongass to sustain timber sector employment. Regardless of this picture, the Forest Service continues to try to sell 450 mmbf of Tongass timber a year.

Use of TTTSF funds for unmarketable timber sales and unneeded timber roads does not benefit the dependent timber industry. Except for the road contractors, beneficiaries of the Tongass timber program are difficult to pinpoint. Why, then, do Forest Service officials persist in a misinterpretation of ANILCA Section 705?

A Forest Service memo provides a good clue as to why the Forest Service staunchly defends its interpretation of Section 705 and its use of TTTSF funds for unneeded timber sales and roads. The memo states simply:

When Congress passed ANILCA they set up [the TTTSF]. These dollars are not subject to normal appropriation rules. Most of our salaries come out of this \$40 million.

If the Forest Service only received the amount of money it needed to meet actual current timber demand on the Tongass, half of those salaries could conceivably be eliminated. Preservation of Forest Service jobs may be strong enough incentive to find a mandated harvest level in ANILCA Section 705 even where plain language, legislative history, and common sense indicate otherwise. Despite the Forest Service's wishful thinking, however, ANILCA does not mandate a Tongass harvest level.

The Fifty-Year Timber Sale Contracts

Background

Native Tlingit and Haida people were famous for their skills in woodcraft. With the influx of settlers from Europe, Russia, and the United States, very small sawmills provided dimension lumber for cannery construction, townsites, and homes. Even today, all Alaskans are allowed a small annual allotment of personal-use timber for firewood, construction, trolling poles, or similar uses. But this type of small scale, selective cutting has been supplanted by two Forest Service subsidized pulpmills who hold con-

tracts for massive clearcutting operations lasting into the twenty-first century. These inappropriate and destructive 50-year contracts are the second source of Tongass timber problems.

A result of aggressive promotion by General Douglas MacArthur, the U.S. State Department, and some elements of the Alaska Region of the Forest Service, the 50-year contracts were designed to promote settlement of Alaska Territory and provide year-round, stable employment. More importantly, the contracts were to promote export of wood and wood pulp to Japan to help rebuild its ravaged, post-war economy. In fact, one of the 50-year contract holders, Alaska Pulp Company, is owned by a Japanese multinational consortium of businesses. It would seem that the purposes for which the contracts were designed have been achieved, but despite this they continue in effect.

This promotion of Alaska timbering was opposed by the West Coast pulp industry and by prominent politicians such as Washington's Senator Warren G. Magnuson. In 1960, Juneau economist George Rogers viewed the situation this way:

If we take the 'Nation as a whole' as our unit of primary concern and deal only in economic terms, then the [Forest Service's] policy clearly is the most shortsighted kind of silly rot. Forcing construction of new physical plants at a great cost in one part of the Nation when existing plants in other areas accessible to the region's forest resources are operating below capacity, fostering location of the processing of the raw material in a high-cost area remote from the markets, these and a whole list of other consequences could be brought forth to prove the policy guilty of creating a gross misallocation of capital and labor resources with corresponding costs to the economy of the Nation as a whole.

No pulpmills existed in Southeast Alaska in the 1950's. Since such a pioneering operation is inherently risky, the Forest Service wrote the most favorable contracts a timber purchaser could possibly imagine. The terms included such incredible provisions as total purchaser control over selection of timber in the contract area, guaranteed annual and total volumes, carryover of unharvested timber, and modification of terms only after full agreement by the purchaser. As if this deal was not sweet enough, the Forest Service and the purchasers have agreed that inherent in the contract is a guarantee of profitable logging for the purchaser, even if the Government must pay for such profits. Additionally, the contracts were designed for an unprecedented roughly 50-year duration. No other National Forest in the Nation is burdened with contracts of this duration (the limit elsewhere is 10 years).

In the 1950's four long-term logging contracts were planned for the Tongass. In those days the Forest Service policy was to liquidate all the old-growth

timber as quickly as possible. Today, in part because insufficient timber volume existed to support four contracts and in part because of diligent efforts by southeastern Alaska conservationists, only the two 50-year contracts remain: one with the Alaska Pulp Company (APC) and the other with Louisiana-Pacific Ketchikan (LPK). Still, these two contracts commit more than one-third of the Tongass (and two-thirds of the commercial forest land) to producing a total of 13.25 billion board feet of timber as far into the future as the year 2011.

Failed Attempts at Reform

Despite changing National Forest management goals and directions since the 1950's, the anachronistic 50-year contracts have continued to lumber along like dinosaurs. In 1970, the National Environmental Policy Act (NEPA) was passed by Congress in an effort to fully disclose the environmental impacts of Government-sanctioned projects. The Forest Service took years to apply NEPA to these contracts and then only to 5-year increments. To this date, little or no analysis has ever been undertaken of the entire 50 years of clearcut logging sanctioned by these contracts. Moreover, the attempted Forest Service NEPA analysis of the 5-year incremental logging plans has been poor at best. The cumulative impacts of these 5-year incremental plans must not be overlooked. For example, SEACC estimates that in the case of the APC contract the cumulative effects over the next 25 years will result in the clearcutting of 100,000 new acres and the construction of 1,000 miles of new roads.

In 1976, amid mounting criticism of the Forest Service, Congress took a close look at National Forest management and the need for reform. The resulting National Forest Management Act (NFMA) outlawed timber sale contracts of more than a few years duration, but it did grandfather the Tongass contracts. To ensure application of NFMA to these contracts, Congress added a special provision to NFMA, Section 15(b), which ordered the Forest Service to bring these contracts into full compliance with NFMA. However, the Forest Service has never accomplished this goal. Even more incredibly, almost 10 years after NFMA, the Forest Service has proposed to allow APC to continue to violate many of the terms of NFMA in its 1986-90 logging operations.

The Fifty-Year Contracts Continue to Dominate the Tongass

Because of these outdated one-sided contracts, bad planning, and failed attempts at reform, the enormous Tongass National Forest is dominated by only two logging companies, APC and LPK. These companies

hold unprecedented control over the Forest Service and over Tongass resources. The Forest Service even admits that the existence of certain contract provisions "severely restricts the Forest Service from properly managing" the Tongass.

The 50-year contracts result in more than just economic waste and resource mismanagement. They give the two companies monopolistic power over timber operations on public land in Southeast Alaska. With this power, they have colluded to drive smaller, less powerful logging operations out of business and to wreak economic havoc on the few survivors. In 1981, the Reid Brothers Logging Company sued APC and LPK for conspiracy in restraint of trade and commerce and for actual monopolization of trade. The Federal District Court for the Western District of Washington found APC and LPK guilty. The Ninth Circuit Court of Appeals and the U.S. Supreme Court refused to exonerate the two companies of guilt. But the damage had already been done and few small loggers survived to see the big companies' guilt confirmed. The Forest Service's own lawyers have concluded that the evidence did show that material breaches of contract had occurred.

Even more appalling in its arrogance, given the generous terms of the 50-year contracts, is the possibility that LPK and APC have cheated the Forest Service out of \$60-82 million by price-fixing, double-invoicing, and other illegal and deceptive practices. Though the Forest Service itself estimated this magnitude of loss, it has only claimed \$9.4 million in legal proceedings thus far. Furthermore, of the \$60-82 million, one-quarter of these revenues were earmarked for the State of Alaska. This money has never been recovered. As statutes of limitations run out, these badly needed revenues are lost forever.

APC and LPK have been given additional special treatment despite such underhanded activities. In 1981 and 1982 they were granted "emergency rate redeterminations" reducing the stumpage (how much the companies pay for the timber). For LPK, all timber (except hemlock which sells for an average of \$1.50 per thousand board feet) was reduced by 96 percent, bringing the price down to 1951 base rates. APC's stumpages for spruce and cedar were reduced by 99 percent to bring them down to 1956 base rates. For instance, APC's spruce sawlogs were appraised at \$215 per thousand board feet, but they now pay only \$2.26 for that timber! Cedar appraised at over \$1,000 per thousand board feet is bought by APC for \$1.22! The Forest Service is literally giving these trees away.

In addition to the emergency rate redeterminations, in 1984 and 1985 the Forest Service revised utilization restrictions and permitted more merchantable wood than normal to be left behind during logging

operations, so that the timber brought to the mills is only the most profitable, high-quality wood. The low-value trees are left to rot on the ground. SEACC's appeal of this "bail-out" program was denied by the Chief of the Forest Service. Also in 1984 and 1985, the Forest Service waived its primary processing requirement (i.e., permitted round log export) for timber from some salvage sales.

APC's contract allows the company to selectively harvest only the high-grade stands, leaving the stands of less valuable lower-grade timber. This results in the company having a stockpile of unharvested "carryover" timber amounting to nearly 400 million board feet. The end result is the cutting of only the best and most profitable big trees, which are also the best wildlife habitat.

Some critics believe that it would be more cost effective in the long run to buy out the remaining value of the 50-year contracts, and return to short-term sales, than to continue subsidizing the contracts. This would also promote a more balanced management of the Forest.

As long as these 50-year contracts remain, there will be continuing waste, fraud, and abuse. The terms of the contracts themselves are the codification of unfair advantage, of monopoly. For the term of the contracts, until 2011, true multiple use will be impossible and small logging operations will continue to suffer. Though there is ample evidence on the basis of which to cancel the contracts, and though the Government always retains authority to modify or eliminate any agreement, the Forest Service simply refuses to act to protect the resources of the Tongass. The agency is treating the Tongass like a private reserve for the benefit of these two timber companies. This is a second underlying cause of the unfortunate Tongass timber situation that exists today.

The Tongass Land Management Plan

Background

Since the 1950's the Forest Service has had ambitious plans for turning Southeast Alaska's forest lands into a huge tree farm. Even into the late 1970's, Forest Service timber plans included virtually all of the commercially valuable timber lands on the Tongass. Extensive plans were even designed for clear-cutting and roading such critical areas as Admiralty Island, which is now a National Monument Wilderness. None of these plans gave consideration to the need to manage National Forests for a mix of resources and uses, including fishing, hunting, subsistence, recreation, and wilderness, as well as timber production.

As previously mentioned, Congress scrutinized the

timber-biased management of public forest resources in 1976 and forged a comprehensive solution, the National Forest Management Act (NFMA). NFMA specifically required balanced management of National Forests and also set forth a process by which detailed forest plans would be prepared in order to guarantee implementation of that mandate. Existing forest plans were allowed to continue in effect until expiration, but all forest plans were intended to incorporate provisions of the new NFMA within 10 years. NFMA set a specific deadline of 1985 for complete implementation of its provisions.

After passage of NFMA, the Forest Service began preparing regulations to implement the new law. At the same time, Congress continued the long process to resolve uncertain land holding situations in Alaska that culminated with the Alaska National Interest Lands Conservation Act (ANILCA). Disposition of National Forest lands was a central issue in the ANILCA debate, and the Forest Service set out at an accelerated pace to prepare the Tongass Land Management Plan (TLMP) in an effort to guide and inform Congressional debate.

In March of 1979, TLMP was completed and circulated for public review, despite the fact that NFMA regulations were still unfinished and much of the basic information needed in order to fully understand the Tongass had not yet been researched and compiled. Though TLMP was heavily relied upon by Congress, it was based in extraordinary part on extrapolation and assumption. Given the haste with which the plan was prepared, this is not surprising. Most other NFMA forest plans are only now being completed. Unfortunately, the Tongass is still saddled with an incomplete, inaccurate, and outdated forest plan whose failings are increasingly apparent to all observers, even the Forest Service itself.

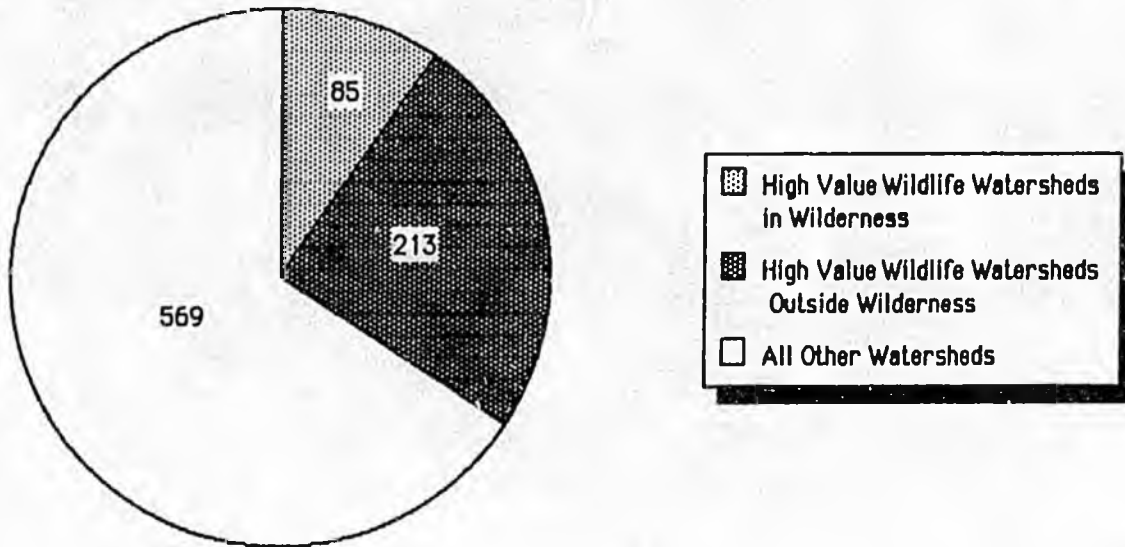
Tongass Plan Favors Logging

When TLMP was formulated, it was seen by some as a fair compromise at land allocation and supported vigorously as such by the Forest Service. Indeed, land allocations by acreage were roughly equivalent between land to be logged and land to remain roadless and undeveloped. Now, 6 years later, the land allocations can be clearly seen as a ruse.

The Forest Service claims that the forest plan management direction includes provisions for the protection, maintenance, and enhancement of wildlife and fisheries. . . . The designated Wilderness included 85 of 298 high-value wildlife habitats and 26 of 490 high-value fisheries habitats identified in the forest plan. In addition, 35 high-value wildlife habitat areas and 220 high-value fish habitat areas are included in areas designated in the forest plan for roadless area management.

High-Value Wildlife Watersheds on the Tongass National Forest

(867 total watersheds)



There are 867 watersheds in the vast Tongass National Forest. A responsible fish and wildlife management program would protect all the high-value fish and wildlife habitat areas. TLMP did not do this. Instead, the resultant designations for the Tongass show an appalling lack of concern for fish and wildlife protection. Of the only 298 high-value wildlife areas on the forest, a mere 29 percent have been designated as Wilderness. Of the 490 high-value fishery habitats, only 5 percent of these watersheds have been designated as Wilderness. The remaining areas are all open to destructive logging and roading over the long term.

In reality, while National Forest acres in the Tongass are roughly even in their division, the majority of valuable wildlife habitat is included in areas under a land use designation allowing logging. The Tongass lands holding the highest volume of valuable, old-growth spruce and hemlock are also the most important lands for fish and wildlife habitat, yet TLMP concentrates logging in high-volume timber stands, rather than harvesting timber stands in proportion to their volume class occurrence across the Forest. This "high-grading" is built into TLMP. Former Chief of the Forest Service, John McGuire stated that cutting more of the marginal component is consistent with the NFMA, but that the alternative, continued high-grading of the forest, is in conflict with that Act:

An overharvest of the standard component now would eventually result in only special and marginal stands left in the forest. This type of management would not be compatible with Forest Service policy or the National Forest Management Act.

High-volume timber stands, exceedingly rare in the

Tongass, are scheduled by TLMP for harvest in a higher proportion than they occur in the forest. But they are being harvested at an even higher rate than scheduled; 50 percent of the highest volume timber has already been cut and at least 75 percent will be cut by the year 2000 at present rates. This unsanctioned high-grading compounds the inherent weakness of TLMP.

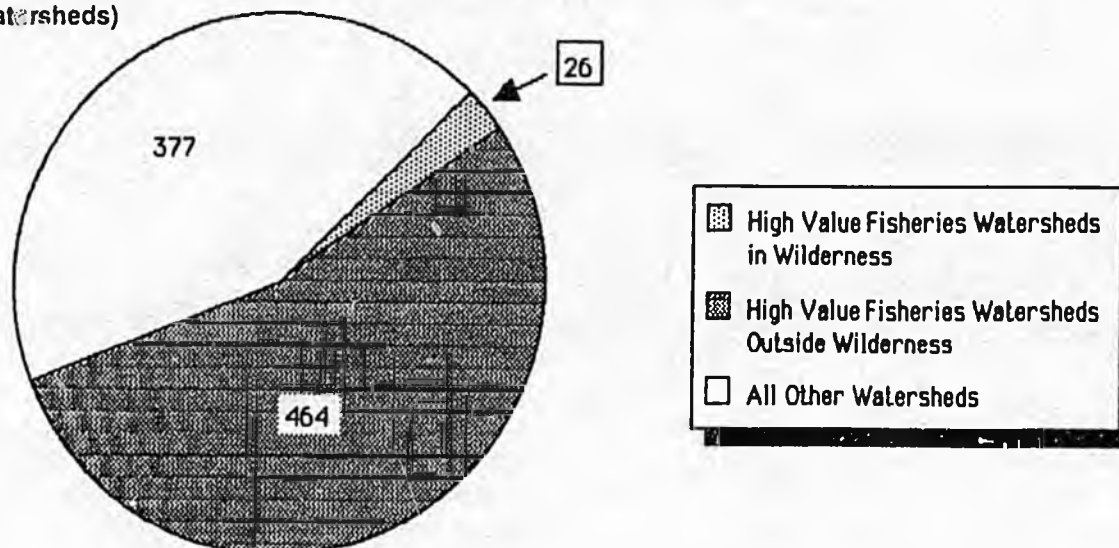
Fish and Wildlife Protection: An Empty Promise

The Forest Service has made a practice of answering fish and wildlife concerns by referring to TLMP's Land Use Designation (LUD) III, a category of Tongass management which allows logging, but theoretically protects other forest resources, including fish and wildlife habitat needs. The TLMP management scheme included other LUD's—LUD I (wilderness), LUD II (roadless recreation), and LUD IV (intensive logging).

TLMP also set out a harvest layout scheme by which critical wildlife areas would be retained during logging in order to mitigate the impacts on fish and wildlife. This is referred to as "retention." As part of the task of defining retention areas, Tongass planning required identification and protection of Fish or Wildlife Habitat Management Units wherever logging or roading was planned.

Six years later these protective provisions have proven to be empty promises. In reality, there is little management difference between LUD III and the less restrictive LUD IV, which allows intensive logging. Retention has never been fully implemented and often

High-Value Fisheries Watersheds on the Tongass National Forest (867 total watersheds)



only occurs by accident, when strips of timber are left standing between clearcuts. Rather than true retention areas, preserved because of habitat needs, these strips can be more accurately referred to as "leftovers." In practice, even the leftovers are often logged in subsequent timber operations. Fish and Wildlife Habitat Management Units, which would have accurately defined retention needs, are almost never developed. When they are, they always follow timber sale layouts, rather than preceding placement of roads and clearcut locations. Such units are reduced, at best, to mere attempts to salve a wound already inflicted. None of TLMP's major fish and wildlife protection provisions have been implemented and damage from roads and clearcuts continues to mount.

Tongass Plan Violates Federal Laws

The authors of TLMP were well aware that draft NFMA regulations were being prepared by the Forest Service, even as they rushed TLMP into print in March of 1979. To allow them to finish TLMP, the Tongass planners promised that new NFMA regulations would be incorporated into TLMP by a major forest plan revision in 1983. Incredibly, now in 1986, 10 years after passage of NFMA, 7 years after TLMP was finished and after NFMA regulations were implemented, no such TLMP revision has been attempted or completed. TLMP does not comply with NFMA regulations and Congressional forest planning reforms remain unaccomplished on the Tongass.

TLMP was rushed into print before an adequate job could be done. Under the National Environmental Policy Act (NEPA) the environmental impacts of a

major Federal proposal must be clearly and comprehensively displayed in an EIS. TLMP lacked both the baseline information on what Tongass resources were threatened by the logging it proposed and the information on how such logging would impact other forest resources. NEPA analysis is incomplete in TLMP.

In a recent order, the Federal District Court for Alaska concluded that TLMP's environmental analysis was inadequate with regard to the impacts of a road and logging project in Berners Bay, north of Juneau. The Court's order stated that an entirely new site-specific EIS was needed for the project. Despite the proven inadequacy of TLMP, no attempt has been made by the Forest Service to improve on TLMP's cursory NEPA analysis. Nor has the Forest Service attempted to incorporate into TLMP the wealth of new information on the environmental impacts of logging and roading which has become available since 1979. This new information makes it crystal clear that Tongass timber management programs present serious threats to fish and wildlife.

Tongass Plan Direction Ignored by Forest Service

Detailed schedules for development in various management areas of the Tongass, were published in TLMP, part II. However, road building and timber sales have failed to follow those schedules. Instead, individual forest supervisors have departed repeatedly from TLMP's program. Realizing that such departures were highly improper, Tongass planners decided last year to amend TLMP's schedules to reflect the actual development schedule, rather than bringing Forest Service activities back into harmony with

TLMP. This backward approach to planning serves to underscore TLMP's failure to guide development.

Because it was a stopgap effort at planning, TLMP deferred many integral forest plan steps to subsequent lower levels of the planning process. For example, individual Tongass management areas were supposed to be analyzed after development of TLMP, and specific resource protection standards and guidelines were to be developed concomitant with specific location of timber sales, roads, log dumps, and other such activities. This interim step in planning was also subject to full NEPA analysis, but no such analysis was ever completed for over two-thirds of the Tongass. Further, project-level NEPA analysis, also envisioned by TLMP, has never resulted in site-specific environmental impact statements, even for massive projects. In the wake of the Berners Bay court order, the legality of these failures are in great doubt. It is certain, however, that the failures of these subsequent planning steps have frustrated and prevented full implementation of TLMP's intent, as well as public participation in major Tongass decisions.

TLMP is totally inadequate as a forest plan, and NFMA's reform measures have yet to improve Tongass management. Because of Section 705 of ANILCA, the TTSP, the 50-year contracts, and an ineffective and incomplete TLMP, Tongass management is heavily biased in favor of large-scale clearcut logging, to the detriment of wildlife, fishermen, small loggers, tourism industries, and subsistence users of the forest's resources. These are the roots of the tangled, growing thicket of Tongass timber problems.

IMPORTANT RENEWABLE TONGASS RESOURCES UNDER SIEGE

Though the Tongass is a huge forest, rich in fish, wildlife, wilderness, timber, and other resources, it is also a unique, complex, and fragile ecosystem. The extensive, large-scale logging programs implemented by the Forest Service on the Tongass are decimating vast areas of this grand old-growth rain forest. Critical fish and wildlife habitat areas that have already been lost include Blind Slough, Kadake Creek, Rodman Creek, Staney Creek, and Sweetwater Lake, to mention only a few.

Wildlife Habitat and Populations Threatened

Sitka Black-tailed Deer

The same high-volume, old-growth timber stands that attract the two major Tongass logging companies, APC and LPK, are also essential to the survival of the Sitka black-tailed deer. This is the only deer found in the Tongass, and while good populations

exist today, they can fluctuate wildly depending on the severity of winter weather. The thick stands of old-growth timber shelter the deer during deep snows, allowing them to continue browsing under the canopy of giant spruce and hemlocks. Without this protective old-growth timber, deep winter snows lead to starvation and drastic deer population losses.

Further, second-growth timber is worthless as deer habitat. The Forest Service itself has stated that once an area has been clearcut, it will not produce significant deer forage, except for the first few years after cutting. In winter, however, when habitat and forage availability are critical these clearcuts fill up with snow and are impassable and browse is buried. In 15-20 years, an extremely dense stand of small trees grows up to block light from reaching the forest floor and results in virtually no browse growing under these tight thickets for the next 100 years. Since present Forest Service management calls for these forests to be harvested at 100-year rotations, the result is permanent loss of deer habitat. Second-growth forests will account for 75-80 percent of the managed forest land in the Tongass at the end of the first 100-year rotation. By then half of the now important available deer winter habitat will be lost forever, and deer populations will be severely reduced, even eliminated from certain places. Subsistence users and sport hunters will lose their most important game animal on the Tongass.

Table 7.1 details some key areas where deer populations and subsistence and sport deer hunting will suffer the greatest losses.

Brown (Grizzly) Bear

Alaska has the last major population of brown (grizzly) bears left in the entire United States with greatest concentrations in Southeast Alaska. While these magnificent animals once ranged all over North America, they have now been beaten back from their original range to isolated pockets in Alaska, Canada, and a few national parks in the lower 48 United States.

Tongass brown bears, larger than the brown bears found in Canada, are well distributed on Admiralty, Chichagof, and Baranof Islands, as well as the coastal mainland of Southeast Alaska. Although Theodore Roosevelt proposed a national bear reserve for Admiralty, Chichagof, and Baranof Islands, the places have been largely left in control of the Forest Service. Today with the exception of Admiralty National Monument, clearcut logging threatens these bears through habitat destruction. Road building is the major problem causing increased human/bear conflicts and illegal hunting. These activities will continue to reduce or destroy bear populations as long as the

Table 7.1 — Relationship between timber harvest (habitat loss) and reduction of deer

Location	Commercial forest land harvested (%)	Deer loss after 100 years (%)
Hawk Inlet	78	88
Eagle Peak (Youngs Lake)	60	77
Tenakee Springs	67	83
Kadashan	64	77
Lislanski River	63	66
Uhsik Bay	60	64
Kelp Bay	75	86
Kadake Creek	68	74
Castle River	65	72
Woewodski	66	70
Point Baker (Alder)	79	92
Myers Chuck (Cannery Creek)	65	88

Forest Service proceeds to penetrate unroaded, wild country with new logging.

Other Wildlife

Many other mammals and birds are also dependent on old-growth timber or unroaded wild country. Clearcut logging will harm wildlife populations by destroying essential habitat areas, by increased conflict with humans, and by increased hunting pressure for some species.

Moose, for example, while dependent on early successional stages of browse (like that found in river courses or clearcuts), also depend on old-growth timber for shelter and winter cover. Road access increases hunting pressure, often beyond sustainable levels. Forest Service activities in Berners Bay, Thomas Bay, and the Yakutat Forelands threaten moose populations.

Mountain goats are extremely sensitive to human disturbance and also depend to an extent on old-growth forests for winter habitat. Populations are expected to suffer as road access or clearcutting approach their limited home ranges.

Finally, many small mammals integral to the forest ecosystem depend solely on old-growth forest for habitat. These include marten, mink, and land otters. Research has conclusively shown how clearcut logging and roading displaces or destroys populations of these small furbearers.

In Southeast Alaska bald eagles are found in denser concentrations and higher numbers than in all the rest of North America. It is well documented that

these raptors need old-growth Sitka spruce trees along beaches for nesting habitat. Existing eagle nest trees are not normally clearcut, but exceptions are sometimes made. The 1986-90 APC operating plan proposes to cut or impact 37 of these important trees. This type of incremental destruction, combined with serious high-grading of high-volume timber stands could pose a problem for eagle populations. In addition, ravens, owls, Canada geese, great blue herons and many songbird species are also threatened, since they nest primarily in old-growth timber.

Fish Habitat and Populations Threatened

Southeast Alaska is blessed with an abundance of anadromous fish resources, including salmon, char, and trout. These anadromous fish, so called because they live in the ocean, but spawn in freshwater rivers, lakes, and streams, depend on clean, cool, highly oxygenated fresh water for reproduction. Logging and roading threaten these vital habitat needs.

Alaska's king, coho, pink, sockeye, and chum salmon, make up the backbone of America's largest commercial fishing industry. These commercial species plus steelhead, cutthroat, and Dolly Varden char also constitute a huge subsistence and sport fishery.

Although research is still underway, many of the impacts of logging on fish habitat are well understood. Clearcut logging right up to the banks of salmon streams reduces the temperature buffering effect of streamside vegetation. This results in excessively high or low water temperatures which can be lethal to fish. Despite this well-documented impact, Tongass planners still refuse to require buffer or leave strips on such streams, thus ignoring a basic requirement of NFMA and of common sense. Also, siltation from landslides or erosion associated with logging or logging roads can clog salmon streams and smother salmon eggs.

Tongass logging operations can result not only in the cost of subsidies, but also in the cost of lost fishery resources. The cost of these losses can be measured in both millions of dollars lost and the loss of a way of life by subsistence and commercial fishery users.

For example, the Chuck River on the mainland north of Petersburg supports a salmon fishing industry worth \$1 million per year to commercial fishermen. But the Forest Service has targeted the Chuck River drainage for logging and roading. The Chuck River area is known for its unstable soils, and timber operations could well trigger a major landslide, destroying this valuable fishery. The Forest Service estimates its cost for preparing the Chuck River sale and road access at \$7-10 million and this does not even include the dollars that would be lost

from the fishery. Total receipts expected by the Forest Service from the Chuck River sale amount to less than \$50,000—a pittance of the present value of the Chuck River.

Cutting to the edge of streams disrupts the natural balance of root wads, snags, and other woody debris essential to maintaining cover and habitat for juvenile salmonids. Clearcut areas on Prince of Wales Island have been sampled since timber operations were completed decades ago. These sampled areas show a lack of fish habitat and a resultant lack of fish due to the absence of small stream debris. Clearcutting to stream edges can also disrupt salmon migration and spawning when logs falling into streams create log jams, damage salmon spawning beds, or cause siltation which smothers eggs.

In June 1985 during Congressional hearings dealing with timber sales below cost, the American Fisheries Society, a professional society of fishery biologists addressed the problems of timber harvest and fishery damage. Two major points were as follows:

1. Virtually every timber sale and subsequent harvest has adverse impact on fisheries resources.
2. The value of the public land fisheries resources impacted by timber sales is very great and indeed can be far greater than the value of the timber.

Unfortunately, plans that will damage important fish habitat areas are widespread and threaten other systems such as the Naha, Karta, Thorne, Castle, and Lisianski Rivers; the Outside Islands; and the many rivers within Yakutat Forelands.

The State of Alaska has recognized the value of streams and has opted for 300-foot buffers on streams on the Haines State Forest. The Forest Service's own cooperative research shows that clearcuts with buffers may be adequate and/or beneficial to salmon production. Yet, the agency refuses to adopt a standard buffer policy or even implement its own Area Guide faithfully. The Forest Service is out of step with its own research and 300-foot buffers should be the rule.

Naturally functioning river systems, undisturbed by roads or logging, remain the most reliable producers of salmon and other fish. Unimpaired streams, lakes, and estuaries must be left this way if the full potential of Southeast Alaska's rebuilding fisheries is ever to be reached and maintained. For such fish as the pink and coho salmon, a myriad of small streams cumulatively produce the bulk of the fishery. Each and every one of these small streams is important, with coho rearing streams being especially vulnerable. Further, every king and sockeye system is also at a premium, since these systems are relatively less common in Southeast Alaska. Logging threatens these systems, large and small.

Log dumps and storage facilities have an adverse

impact on the ocean or estuarine ecosystems they utilize. Crab, shellfish, herring, and other important fish resources are poisoned by toxic acids leached from accumulations of old barks, smothered by logging debris, or barred from spawning habitat by rock fill for log landings. The Environmental Protection Agency is currently studying this resource damage in an effort to formulate permits to help mitigate the impact of log dumps.

Old Growth and Wildlands

Not Enough Old Growth Protected

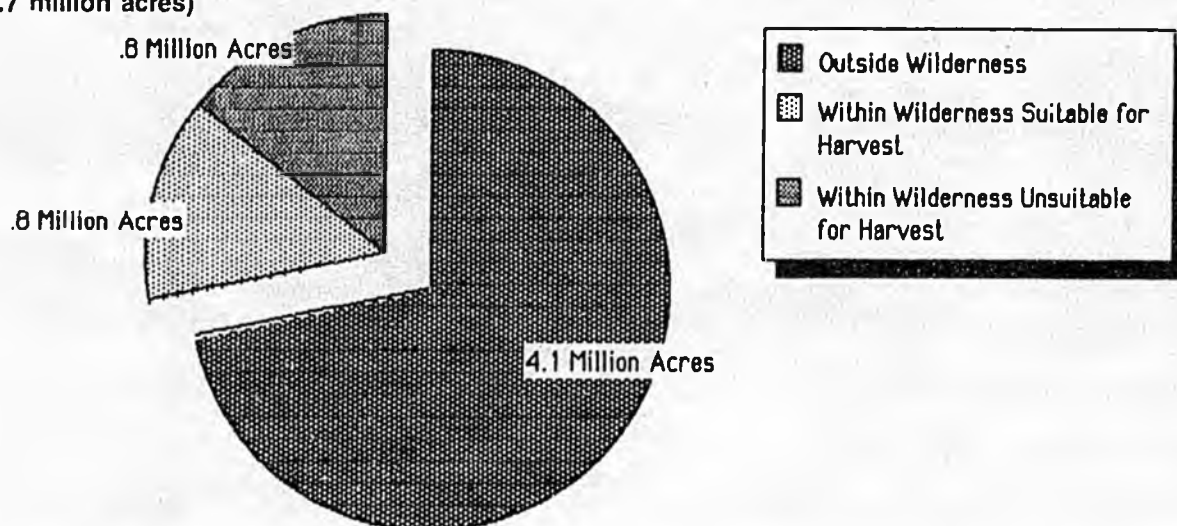
Opponents to conservation in Southeast Alaska, primarily the Forest Service and timber industry, often claim that over one-third of the Tongass National Forest was "locked up" in ANILCA, leaving the impression that vast commercial timber resources were lost forever from development. The facts do not bear this out. The Forest Service has stated that 1) Wilderness and roadless area management designations provide direct benefit to wildlife, and 2) Wilderness and roadless area designations will maintain a variety of natural habitat conditions for wildlife and fisheries over approximately 48 percent (8.2 million acres) of the Tongass. The first statement is accurate, but the second statement is misleading.

There is approximately 5.7 million acres of commercial forest land in the Tongass, and of that, only 1.6 million acres (28 percent) is in designated Wilderness. Of the 28 percent of Wilderness acreage that is considered capable commercial forest land, *one-half is not considered suitable for timber harvest*. Less than 10,000 acres of this Wilderness is prime value, high-volume, old-growth timber which is also important wildlife habitat. Only 160,000 acres is over 30,000 board feet per acre and is considered commercially valuable. This is also critical habitat. Fully three-quarters of the officially designated Tongass Wilderness (5.4 million acres) is non-forest land—mostly rocky peaks, ice fields, muskeg and battered coastline.

Clearly, most all the Wilderness designated in Southeast Alaska (with the exception of Admiralty Island and a few small watersheds) was land that developers did not want. It had little value in forest resources and is largely inaccessible. Even so, Admiralty Island is repeatedly cited as the example of locking up good timber. The best timber areas on Admiralty Island were cut prior to ANILCA and the island was not in either 50-year contract area for the two big mills, so its designation did not affect either mill. In fact, the Wilderness selections left the two mills virtually unscathed. In the few instances when they were affected, the acreage was later replaced via

Commercial Forest Lands (CFL), Tongass National Forest

(Total 5.7 million acres)



contract area acreage replacements and also with subsidies in the form of the TTSF. The USFS, timber industry, and others like to call the TTSF a "Wilderness subsidy." The language of the Tongass Timber Supply Fund was forced upon conservationists of Southeast Alaska. We see the Tongass Timber Supply Fund as a major Federal payment to underwrite timber harvest activities on the Tongass—not as a subsidy to support the Wilderness system. The 1985 TTSF allocation is for \$53 million. There are nine line items for the fund that include timber sales preparation, timber stand improvement, road construction, engineering support, etc. There is no item listed as "payment for Wilderness."

The lack of protection for old-growth forests was a major oversight in ANILCA. The Society of American Foresters stated that

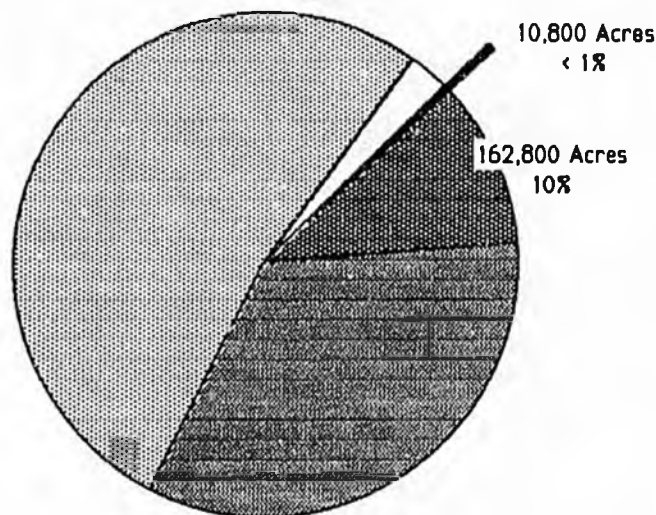
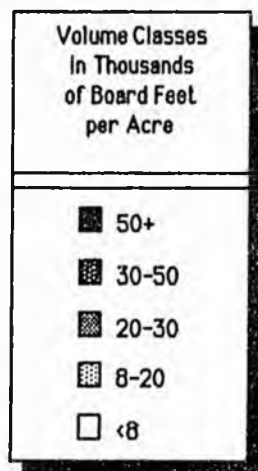
the best way to manage for old growth is to conserve an adequate supply of present stands and leave them alone.

The Alaska Chapter of the Wildlife Society stated that

old-growth forests are a rare and rapidly diminishing resource. . . . The coastal forests of Alaska represent the last major expanse of old growth remaining in the U.S. . . . adequate old-growth habitat must be maintained for the present and future.

Commercial Forest Lands (CFL)^a in Wilderness^b by Volume Class

(1.6 million acres)



^aOnly that portion of CFL that is over 30,000 board feet per acre is considered commercially important.

^bTotal Wilderness acreage is 5.4 million acres.

It is estimated that perhaps 100,000 acres of highest-volume, old-growth stands remain in the Tongass, but these stands are being harvested at the highest rate of any volume class on the forest. They will not last long.

Old-growth timber, in high-volume stands, is best protected as Wilderness. In this way, such stands are shielded from the pressure of high-grade logging and can continue to produce fish, wildlife, and other renewable resources. Rock and ice cannot serve this function. John Matthews, of the Alaska Department of Fish and Game, summed up the problem with Tongass Wilderness areas saying, "If you can't grow timber there, you can't grow wildlife there either."

As described before, Tongass planners continue to road and log every available unprotected roadless drainage at a rate far beyond demand, far beyond economic justification, even far beyond TLMP's original goals. The 20,000 acres of timber offered annually, 300 miles of road built per year, and construction of interlocking segments of an overall transportation network threaten those few remaining roadless Tongass drainages—most of which continue to provide all wilderness-related values despite their lack of formal protection. As one Tongass Forest official freely admitted, "As far as we're concerned, if an area doesn't have a road in it or a [Wilderness boundary] drawn around it, it's up for grabs" until TLMP is revised in 1989. Twenty-five percent of roadless lands in LUD III's and 30 percent of LUD IV's have been developed since 1979. At the rate established during this first 5 years, all the unprotected roadless land will be developed in 20 years—by 1999. It would be far wiser, and certainly more cost effective, to halt this onslaught now and preserve the option of adding more Wilderness to the Tongass if it is needed in the future.

Protecting Old Growth and Wildlands Makes Economic Sense

Beyond its value as vitally important fish and wildlife habitat, Tongass Wilderness is also an invaluable asset in other ways to Southeast Alaska and the Nation. It is ideal habitat for a variety of thriving populations of fish and game species. It makes possible the subsistence uses of these areas, and allows sport hunting and fishing. Wilderness with its undisturbed watersheds provides the critical spawning and rearing areas for fisheries which maintain the commercial fishing industry year after year. Wilderness provides the resources that support a growing tourism and recreation industry. It preserves clean air and clean water. When you leave the land as it is, in a natural state, the benefits are numerous and perpetual. Management of National Forest lands in

Wilderness is also extremely cost effective, particularly in Alaska. It should be noted that Alaska Wilderness areas are managed as directed by the 1964 Wilderness Act, as amended by ANILCA, which specifically authorizes certain activities. This includes provisions for subsistence use; for public recreation cabins; for certain fish habitat enhancement activities; and for use of airplanes, motorboats, and snow machines.

In development of Alaska's Chugach National Forest Land Management Plan in 1984, Chugach planners discovered that by following NFMA procedures and using Forest Service value comparison figures, their computer programs showed the highest value for the Chugach Forest would be produced by managing every presently roadless area as Wilderness. This was no mistake, for Alaska forest lands have negative values for timber production and other intensive developments. In contrast, Wilderness management enhances the highest revenue-producing aspects of Alaska's forest resources—fish, wildlife, recreation, and tourism. Of course, Chugach planners rejected their own figures on the basis of preconceived notions about the proper role of timber management in Alaska's forests. Not surprisingly, Tongass planners have steadfastly refused to perform similar NFMA-required economic analyses.

TONGASS MANAGEMENT THREATENS SOUTHEAST ALASKA ECONOMY

Search for Long-Term Economic Stability

The economy of Southeast Alaska, like any frontier area, has always suffered from spectacular booms and busts, wild fluctuations in economic activity. Each boom has been a result of discovery and short exploitation of valuable resources with a concurrent lack of incentive for slower, long-term development. First came Russian fur traders, who overharvested this resource and sent the profits back to Russia. Next came gold miners, who made and lost fortunes over periods as short as a few months, then went back to where they had traveled from. Fish canneries from Oregon and Washington overexploited and nearly destroyed Alaska's salmon stocks in the 1950's.

Alaska's first territorial governor, Alfred P. Swineford, warned in 1888 that if resource exploitation was allowed,

Alaska would be . . . nothing more than a national fat goose left unprotected and to be annually plucked of its valuable plumage by nonresident corporations.

Nearly 100 years later, Swineford's words still ring hauntingly true. Today it is the large-scale logging companies' turn to cut and run, plucking the wealth from Alaska's Tongass National Forest.

This exploitation is especially sad, since this latest

round of exploitation and short-term planning endangers other healthy, stable, and growing sectors of the Southeast Alaska economy which have become new economic mainstays. When you exploit a resource, you exploit the people as well.

Most Southeast Alaska towns and villages are directly dependent upon the Tongass National Forest for community stability. Maintaining this stability is extremely important. Rather than being dependent upon the commercial timber resource, many of these communities are instead directly dependent upon the renewable fish and wildlife and other subsistence resources for the maintenance of community stability. The long-term stability for these many communities is thus undermined by the exploitation of Tongass timber resources.

Southeast's sustainable industries must survive and grow if Alaska's economy is ever going to break the boom and bust cycle and move into a postfrontier economic realm. These threatened industries include commercial fishing, hunting and guiding, tourism, wilderness outfitting, and subsistence. While not technically an industry, subsistence use of fish and wildlife resources is a primary economic element in the lives of many Southeast Alaskans, and supports people outside of the cash-based economy. In addition, Native timber harvest is being stifled by current Tongass management policies.

Timber Mining the Tongass

Timber Mining: A Short-Term Industry

The Tongass timber resource is being managed as a nonrenewable resource. *This is timber mining*—the permanent removal of old-growth trees. Only 4 percent of the Tongass (635,000 acres) contains high-volume, commercially valuable timber. All of this is old growth. The present Tongass timber program of cutting the highest-value timber stands first (high-grading), threatens these commercial timber lands with virtual exhaustion in just a few decades. The present rate of clearcutting is 200,000 acres per decade. At this harvest rate, and with the continuance of high-grading, all that will remain will be low-volume, scattered timber stands known in loggers' parlance as "junk." The situation is very critical for highest-grade spruce and cedar logs.

When the high-volume, economically valuable timber is gone and only the junk timber is left, no timber harvest will be worthwhile. Even now, with mostly valuable high-volume timber being sold, timber operators continually lose money. Since ANILCA, APC has claimed over \$150 million in losses despite the massive Federal subsidies it has received as a result of the Act. The Forest Service has already slashed

virtually all timber purchaser costs it can legally eliminate, but nothing helps. Even the Chief of the Forest Service pointed out last year that the Forest Service could cut Tongass timber itself, haul the timber out of the woods, barge it to the timber mills for free, and the companies would still lose money. Clearly, something basic is wrong with such a market.

A large part of the problem is that world markets for pulp are slowly shrinking and new mills are able to outcompete Alaska's mills. Long-term economic prospects for Alaskan timber markets are bad. The Forest Service predicts that

unless a major new market can be found for Southeast Alaska's pulp and/or its pulp-grade logs, a long-term decline in Alaska's timber industry is anticipated, even with a short-term improvement in its pulp markets.

Another part of the economic problem is a timber management program inappropriate for Southeast Alaska. Small-scale logging occurred on the Tongass for many years before the introduction of the large pulpmills. These small-scale loggers cut selectively, taking only a few large, old-growth spruce trees at a time, basically leaving the lower-value hemlock trees in place. There were some scattered, small clearcuts around the forest during the 1920's and 1940's.

With the advent of the large pulpmills and large-scale logging, however, extensive clearcutting became the standard Tongass timber harvest technique. Although it is the cheapest way to take large amounts of logs from the woods, clearcutting harvests both the low-value and high-value species of trees. Tongass hemlock, being worth far less than logging costs, lowers the overall value of the clearcut, resulting in increased pressures to harvest the most valuable timber stands now and not later. This is why the Tongass is currently being high-graded.

Second Growth: An Economic Fallacy

In Alaska, with high harvest costs and slow-growing timber, only large, very old trees are worth cutting at all. Within the next 100 years over 2 million acres of the Tongass will be clearcut, and the smaller, shorter, "second-growth" timber growing in these clearcuts will not be commercially valuable. The practice of 100-year timber "rotations" needs a closer look in Alaska since there is no foreseeable market for the next generation of 90- to 110-year-old trees.

While nobody can say for sure, the future of Alaska logging looks grim if present clearcutting and high-grading continues. The Alaska Department of Revenue studied this problem and stated that:

The logging of old growth is a mining operation. Timber in Alaska means coastal old growth. And old growth is not a renewable resource. There is no reasonable possibility of a second-growth industry in Alaska.

Time is quickly running out for creation of any reasonable, stable, sustained-yield timber industry in Southeast Alaska. The Forest Service is doing nothing to solve this problem, or hasten the creation of such an industry.

Commercial Fishing Industry Threatened

Alaska's commercial fishing industry is on a strong rebound from the 1950's. The incredible wealth of the Alaskan salmon fisheries is not that well known. A commonly overlooked fact is that the riches derived from Southeast's gold mines, riches that have become part of Alaska's folklore, were dwarfed by the value of salmon catches during that same period—catches which brought ten times more revenue than gold.

Salmon catches peaked in the 1940's, with catches of up to 67.8 million fish per year. Catches then fell to a low of just 7 million fish in 1967. Like so many assumptions on which TLMP was based, the Forest Service wrongly believed in 1979 that salmon stocks would not recover to previous levels. Within a few short years after ANILCA, diligent fish management and careful control of harvest by the Alaska Department of Fish and Game has proven this assumption to be wrong. In 1983, 40.4 million salmon were caught in Southeast Alaska. In 1985, 44 million pink salmon alone were caught, the fourth best pink salmon year on record and best year since 1949. Experts now agree that a sustainable average annual catch of 46.0 million salmon can serve as a reasonable goal for the rest of this century.

In terms of jobs, this fish harvest directly employed an average of 3,225 people a year between 1979 and 1983. This is more jobs than provided by the timber industry. Recent fishing employment figures are also undoubtedly higher. Since passage of ANILCA, commercial fishing has proven itself to be an industry that is renewable and sustainable not only in theory, but in practice. The commercial fishing industry in Southeast Alaska is now a \$160 million per year industry with very little investment by the Federal Government.

The timber industry likes to claim that logging has had no negative effect on fisheries since record catches have occurred during recent periods of heavy logging activity. This claim is very misleading. The fact is that the recent upswings in salmon production are the result of years of improved and more precise management practices of fish stocks and the regulation of the fishing fleet by the State of Alaska. Warm winters for the last several years and reductions in high seas interceptions also contributed greatly to increasing salmon production. The State's improved management strategies, initiated at a time of low salmon population, have been effective enough to

counteract the effects of logging that cause loss of production as a result of stream habitat degradation. Salmon catches would be even higher if key fisheries on Prince of Wales Island, off Peril Strait, and in other areas had not been damaged by logging.

As explained, logging threatens fish habitat, which in turn threatens the commercial fishing industry. The Forest Service itself states that 80-85 percent of the salmon harvested in Southeast Alaska are spawned and reared in watersheds within the Tongass National Forest. There is no way that the agency's promise of full protection of the biological potential of fisheries habitats in the non-Wilderness areas can be fulfilled where clearcut logging occurs. The two are mutually exclusive. The most recent example is the Lisianski River. The Forest Service plans to allow APC to devastate this fishery with clearcuts and roads right along the river's banks—and this is one of the top five salmon producers in Southeast Alaska.

Current logging plans for important fisheries like the Chuck, Lisianski, and Kadashan Rivers, the river systems of the Yakutat Forelands, plus others. Many fishermen see the demise of their livelihood at the hands of the Forest Service's nonrenewable and destructive timber program. Timber in a particular area is harvested just once. The value of the fish produced by a particular drainage, probably in all cases, vastly exceeds the value of the timber, especially when considered over a 100-year rotation. We cannot risk the loss of the fishery for a questionable short-term timber harvest gain. Given the success story commercial fishing presents in the Southeast Alaska economy, such a loss would be tragic.

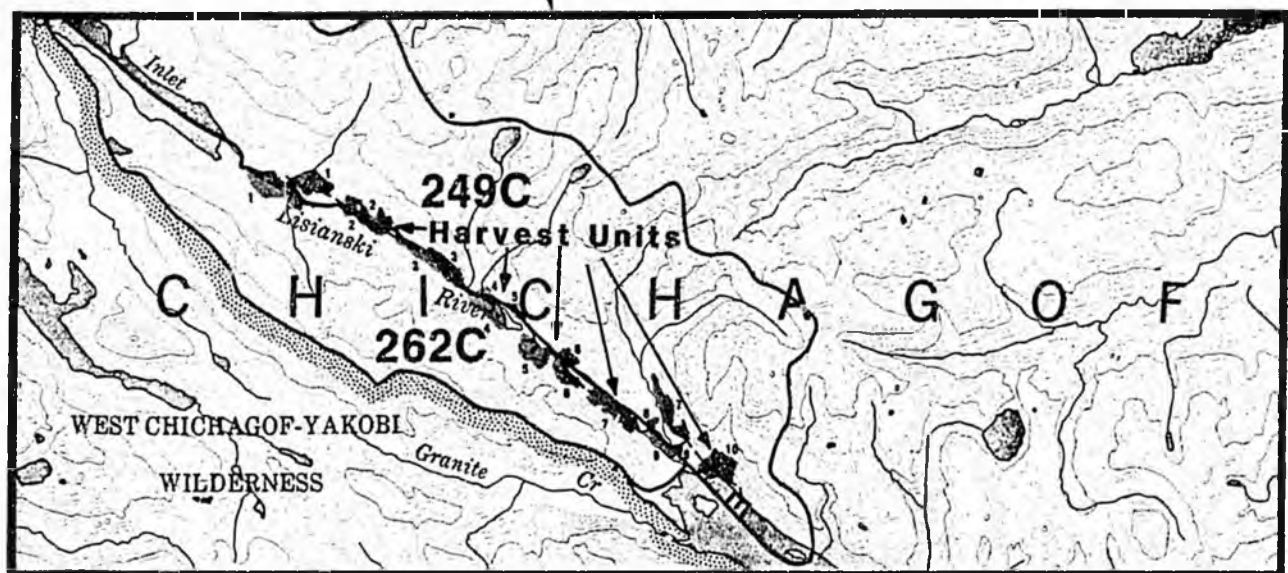
Tourism Industry Threatened

According to economic planners, tourism is the only primary industry in Alaska expected to show major growth in the 1980's. As with commercial fishing, general recognition of the importance of tourism has increased markedly since passage of ANILCA. In 1984 Alaska Governor Bill Sheffield declared that "Alaska's natural beauty is one of our great treasures and tourism is Alaska's most renewable resource." TLMP virtually ignored this aspect of the Southeast Alaska economy.

Since 1959, tourism has averaged an annual growth rate of between 7 and 10 percent. This incredible growth rate has carried tourism right to the forefront of Alaska's industries. Southeast Alaska is the beneficiary of much of this tourism. From 1975 to 1983, there was a 47 percent increase in cruise ships visiting Southeast Alaska and a 61 percent increase in the visitor capacity of those ships. The number of sight-seeing flights over Misty Fjords National Monument was practically insignificant before 1979, but 7,000



Proposed Timber Harvest Units and Roads Adjacent to Lisianski River—Threatens Commercial Fisheries



(Alaska Pulp Company proposal)

of these flights were made in 1984.

Employment created by the 185,000 tourists visiting Southeast Alaska in 1983 exceeded 2,600 full-time jobs. Again, this is more jobs than provided by the timber industry. The figures for tourism employment grow significantly each year.

The Forest Service itself has recognized that recreational use of the Tongass increased by 85 percent between 1980 and 1985, and that "opportunities of the kind Southeast Alaska offers are not available anywhere else in the United States." But the Forest Service is doing little or nothing to protect the unique wilderness landscapes of the Tongass which attract tourists and provide such outstanding recreational opportunities. Tongass logging poses the biggest potential threat to tourism in Southeast Alaska.

Henry Gannett, a director of the U.S. Geological Survey and a member of the Harriman Alaska Expedition in 1899, truly understood the lasting importance of scenery to Alaska's economic future. In 1901, National Geographic magazine printed his essay which said in part:

The Alaska coast is to become the showplace of the earth and pilgrims, not only from the U.S., but from beyond the seas, will throng in endless procession to see it. . . . The economic value of Alaska's grandeur . . . measured by direct returns in money received from tourists, will be enormous. . . . scenery is more valuable than the gold or the fish or the timber, for it will never be exhausted.

Tourism is a sustainable, growing major industry and it is nonconsumptive. Unless violation and destruction of natural landscapes is controlled, tourism cannot be assured of a resource base on which to depend. As the world becomes more developed, altered and urbanized, pristine places like Tongass roadless and wilderness lands become more exceptional and continue to appreciate in value.

Subsistence Economy Threatened

What Congress gave Alaska with one hand in the subsistence provision of Title VIII of ANILCA, it may be taking away with the other in Title VII. Title VIII provided protection of the Native and rural subsistence economy. It was a pioneering provision, recognizing the unique relationship between Alaskans and the land and attempting to ensure that that relationship stays intact. Rural residents were to have a meaningful role in the management of fish and wildlife and of subsistence uses on the public lands. But the Tongass logging program, fueled in great part by Title VII's TTSP provision, now threatens destruction of that Native and rural subsistence economy, and has consistently thwarted meaningful participation by Southeast residents in land use decision.

Since human beings first came to Alaska, they lived in small, dispersed communities and depended on hunting, fishing, and gathering not only for their needs and materials, but also for their social identity and well-being. Today, hunting, fishing, and gathering are still a major focus of the rural way of life in Alaska. This applies to native Alaskans as well as nonnative rural residents. Providing for personal survival and the survival of others enables subsistence users to incorporate cash-based transactions into a traditional social setting, and to thereby slowly integrate modern ways into older cultural values. Sharing of subsistence foods still plays a major role in rural cultural life now, as it has always done. Furthermore, subsistence provides a measure of independence and freedom to some users that is uniquely Alaskan.

Primary subsistence foods in rural Southeast Alaska are deer and salmon, which comprise nearly 60 percent of the local food consumed in the region, according to the U.S. Fish and Wildlife Service. Other important subsistence foods include halibut, shellfish, and other marine life. As explained before, deer and salmon are directly threatened by the adverse impacts of logging. Further, extensive road building in traditional hunting and fishing areas increases pressure on fish and wildlife resources, often resulting in restriction on seasons or limits. Finally, shellfish and other marine life are adversely impacted by log transfer facilities, which often poison the water of the coves and bays in which they are located.

The Forest Service has blinded itself to the impacts of its logging activities on subsistence, especially the cumulative impacts over the entire Southeast Alaska region. Over and over again, without the benefit of detailed study or even rudimentary research efforts, the agency has maintained that logging does not have significant impact on subsistence. SEACC has appealed the LPK 5-year plan because of impacts on subsistence. Regional subsistence impacts are a major concern with the current APC 5-year plan, as well.

The Forest Service also continually attempts to avoid its duties as manager and responsible agency for subsistence use on Forest Service lands, abdicating this role instead to the Alaska Department of Fish and Game, which manages the fish and game resources, but not the vital fish and game habitat. The Southeast Alaska Regional Council has addressed this issue and has found that all of its 19 Fish and Game Advisory Committees from Southeast Alaska communities unanimously agree that "the 4.5 billion board feet per decade taken through clearcut logging practices . . . will have devastating results on the fish and game resources that Alaskans depend upon." Protection of Southeast's subsistence-dependent rural communities must be undertaken before it is too late. If subsistence is lost, Alaska will be changed forever.

Native Timber Industry Stifled

When ANILCA was being finalized in 1980, conveyances of Tongass National Forest lands to Native corporations amounted to less than 4,000 acres of the 572,520 acres to which they were entitled under the terms of the Alaska Native Claims Settlement Act (ANCSA). By 1984, a total of 465,152 acres had been conveyed.

Since 1980 the production of timber from Native Corporation lands has grown from nonexistence to a full 47 percent of the total regional harvest. Native timber enterprises in Southeast Alaska produced an average annual harvest of 214 mmbf during the years 1982 through 1984. The Forest Service currently estimates that future private harvests will range from 225 mmbf to 350 mmbf.

The highest-quality logs are exported to Japan. The primary market for their pulp quality wood is the two local pulpmills. That market has been hindered by a pulp oversupply from Federal, State, and private lands, and from British Columbia.

Native corporations claim they could provide a steady supply of pulp logs to the local mills. Native corporations have exported a small amount of pulp logs and have left in the woods as much as 20 percent of the timber volume in their harvest areas. Native land timber operators cannot recover operating costs on the sale of smaller pulp-quality logs, so they often leave this timber. This unmarketable wood is not only a deteriorating or wasted asset, but the overall cost of production is significantly increased when the highest-quality timber alone has to pay for an entire

logging operation.

While felled Native pulp logs rot on the ground for want of a market, the Forest Service subsidizes high levels of Tongass clearcutting to supply pulp wood for the mills in Sitka and Ketchikan. The Forest Service subsidy is one big reason the Native corporations have trouble selling pulp-quality logs. The biggest loser, though, is fish and wildlife habitat, and all who depend on it.

In today's view, the TTSF definitely favors the mills over Native corporations. To make matters worse, the 50-year contracts add the burden of unfair competition and limit the Native corporations' options.

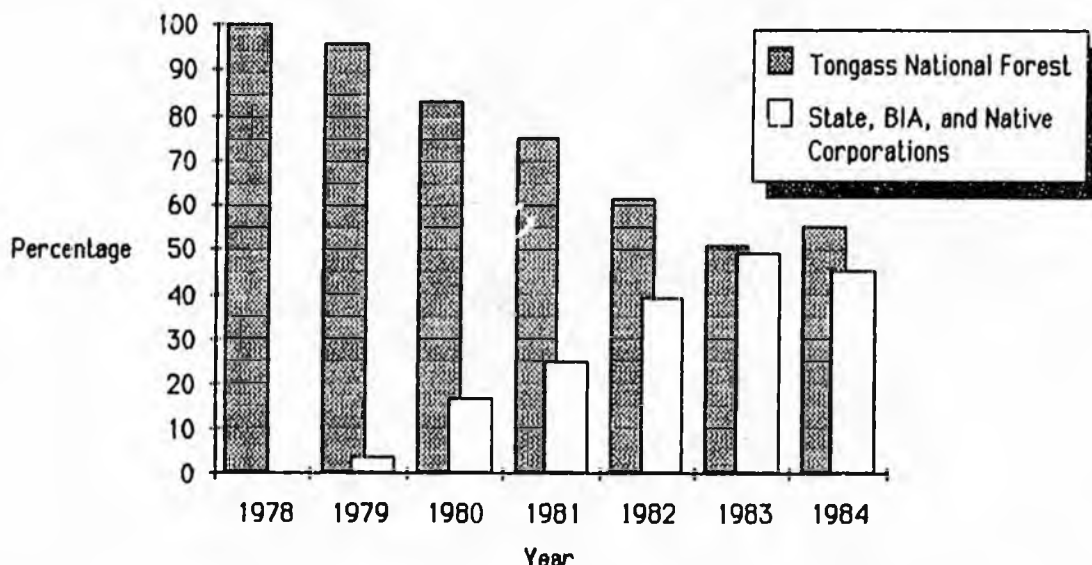
SOUTHEAST ALASKANS OPPOSE TONGASS TIMBER MANAGEMENT

The Forest Service is running into increasing opposition to its logging programs. While the debate over logging truly split Southeast Alaska during Congressional consideration of ANILCA, times have dramatically changed. Now, it is difficult to find a segment of the public, other than the two pulpmills (APC and LPK) and their subsidiaries, willing to defend the Tongass timber program.

For example, in response to Forest Service solicitation of public comments on alternatives for APC's 1986-90 logging operations, the overwhelming majority of public comments supported the alternative of no further logging or the alternative proposed by SEACC which protected many important areas.

Individual communities have also begun to take matters into their own hands: the towns of Yakutat,

Percentage of Southeast Alaska Timber Harvests by Land Ownership



Elfin Cove, Tenakee Springs, Port Alexander, Point Baker, Port Protection, Edna Bay, and Pelican have passed resolutions opposing the current Tongass logging program, especially the 4.5 billion board feet per decade language of Section 705. The town of Hoonah has formulated its own, scaled-down plans for nearby APC logging operations. Hoonah's plans are aimed at protecting subsistence and providing a more even flow of timber than APC's or the Forest Service's cut-and-run alternatives. Public meetings in Juneau and Petersburg have presented the Forest Service with very strong public opposition to timber sales in Berners Bay and the Chuck River.

Finally, SEACC has traveled to towns all over Southeast Alaska and collected a list of critical areas which citizens would like to see deferred from logging. Over 100 areas can be found on this list, which was submitted to the Forest Service for the TLMP amendment process. To date, it is not known if the Forest Service will protect these critical areas.

The State of Alaska has also requested measures to protect critical wildlife habitat in the National Forests. In 1983, the Alaska Department of Fish and Game submitted to the Forest Service a list of critical areas integral to the maintenance of fish and wildlife populations on the Tongass. This Forest Habitat Integrity Program proposed to defer from harvest a mere 8 percent of Tongass lands now open to logging. It is also unknown at this time when, if ever, the Forest Service will address this proposal, but many areas in the State's deferral program have already been slated for logging or roading. Of 68 high-value fish and wildlife habitat areas, at least 20 of these key habitats have been or are planned to be developed by Forest Service plans, including Kadashan, Yakutat Forelands, and Berners Bay.

Even some Forest Service officials are voicing concern from within the agency. These dedicated professionals have taken a risky stance, since criticism of policy is not rewarded in the Forest Service bureaucracy. But they have come forward in the hope that "maybe this will do some good." One such Forest Service official stated,

The only thing I can say about the 450 million board foot cut is that the timber is not there [to sustain that level of harvest.] Everybody knows it, but the Forest Service won't admit it publicly.

Another official explaining the pressure applied to meet this unreasonable harvest schedule said,

We're cutting the best timber and having a harder and harder time meeting the cut. . . . [Our district ranger] gets his marching orders to cut trees, and if he doesn't he'll be walking down the road kicking a can.

A third official expressed

severe reservations that we can sustain 450 mmbf a

year. The trade-offs between timber management and wildlife will be very tough. But even these officials are just voices in the wilderness, as the Forest Service hierarchy is not listening to its own people, either.

The Forest Service has become so entrenched in its logging mandate mentality that public pleas have fallen on deaf ears. The agency has also ignored dynamically changing times and changing situations. Despite the fact that TLMP's assumptions about the health of APC and LPK, about the magnitude of Native logging operations, and about the environmental impacts of logging have all turned out to be very wrong, the agency steadfastly refuses to reassess its logging program. The mandate imagined in ANILCA Section 705 is serving as an excuse for this behavior, the TTSP funds this behavior, the big pulpmills encourage this behavior, and TLMP does nothing to correct this behavior.

Recently, concerned citizens have had no choice but to resort to the courts for help. The City of Tenakee Springs and SEACC sued the Forest Service over construction of the preroad project in the Kadashan River Valley in 1983. A decision on that case is expected from the Ninth Circuit Court of Appeals at any time. In 1985, The Friends of Berners Bay (an ad hoc citizens group from Juneau), the Sierra Club, SEACC, and a local tour guiding company joined together to sue the Forest Service over a plan to road and log Berners Bay, an important recreation and wildlife area. The Federal District Court for Alaska enjoined that plan, but the Forest Service is expected to appeal.

Given the intransigence of the Forest Service regarding its logging program, many more lawsuits can be expected in the future. Litigation, however, is expensive, time consuming, and ultimately a poor substitute for responsible resource management by the Forest Service. It is clearly time for Congress to step in and correct this rapidly degenerating situation.

SOLVING TONGASS TIMBER PROBLEMS: SEACC'S RECOMMENDATIONS

The Tongass today is in grave trouble. The Forest Service's chapters in the report will not tell you that. Nor will the timber industry chapter. But you have read our view of the situation. Look also at the State of Alaska's view, the fishing industry's view, and at the Native corporations' views. We believe it is time that something be done to correct the course Congress set for Southeast Alaska in 1980 through ANILCA. Today, this course is set for long-term disaster.

Much of the ANILCA debate over land allocation in Southeast Alaska revolved around maintaining employment levels at the 1970-76 historic average. During the formulation of TLMP in 1978-79, SEACC offered a balanced alternative management program

that proposed protection of more lands than are currently included in formal Wilderness, yet still maintained timber employment levels at very close to historic levels. This was based upon a 375-mmbf cut by the Forest Service and a 150-mmbf cut on Native lands, for a total annual cut of 525 mmbf. As has been shown, the average Tongass harvest level has been far less, while Native cut has greatly increased and averaged 214 mmbf per year since 1982. The commercial fishing industry has increased steadily and tourism has grown dramatically. The protection of wildlands is proving to be of direct benefit to the region.

Today, the Forest Service's management of the Tongass shows us that more conservative timbering goals are essential to ensuring a positive future for Southeast Alaska. We believe Southeast Alaska needs a scaled-down timber industry and a long-term management program to protect key fish and wildlife habitat and subsistence resources. This will provide for timber employment on a sustainable basis, but not harm more important industries.

SEACC recognizes that long-term employment in the timber industry should continue. However, far-flung road building efforts and extensive cutting in scattered drainages must cease. We cannot support the funding for preroad and below-cost sales. These practices must be replaced by the thinning and harvesting of second-growth forests in areas that have already been logged, and by greatly lowering the harvest level of nonrenewable old-growth forests. The timber industry should be allowed to restructure itself in a free market, unfettered by distorting Government subsidies.

As forest expert Tom Barlow pointed out:

Most of the virgin forest, especially high-volume areas, should remain unlogged for wildlife and fisheries protection. For Southeast, these untouched forest zones on Federal lands will be even more important for habitat as timber harvesting proceeds on private Native holdings. This better future will not come without firm resolve and much hard work. On the course now so firmly set by Congress, the volume of timber cut in the ancient coastal rain forests will mount steadily and the number of acres being clearcut in Southeast will increase year by year. In a few short years most of the best of the world's rarest rain forest will be gone. And the American taxpayers will have paid handsomely to assure its passage to oblivion.

The ANILCA language that allows Forest Service mismanagement of the Tongass National Forest can be rewritten by wise Congressional decisions today. The timber industry that utilizes the public's Tongass trees does not need the present level of timber supply. In fact, the two big mills controlling the Tongass timber industry are the ones who also want to continue control of the supply since they benefit directly

from timber subsidies.

We urge the Forest Service to look back at its long and proud heritage as a conservation agency. The legacy of the Tongass is certainly not a credit to the Forest Service. Even if the agency persists in interpreting ANILCA Section 705 as a mandate, the Chief has the opportunity and ability to petition Congress to grant the Forest Service relief by repealing the Section 705 Tongass Timber Supply Fund language.

It is also time to break the domination of the two large, controlling mills and their outdated 50-year contracts. First Chief Forester Giffort Pinchot's policy for dealing with corporations should be enacted upon. His words ring true in the case of these contracts:

In the administration of the forest reserves it must be clearly borne in mind that all land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies.

The Forest Service has the authority to cancel these contracts, and if the agency will not act, Congress should void the contracts in the public interest.

Finally, we hope that Congress will ensure, to mandate if need be, immediate and full compliance by the Forest Service with NFMA and NEPA in the Tongass Land Management Plan. Only through implementation of planning reforms can the Tongass successfully guide its own path.

To bring balanced multiple use to the Tongass, SEACC respectfully recommends that Congress adopt the following measures:

1) *Repeal ANILCA Section 705, thus eliminating the Tongass Timber Supply Fund and references to a 4.5 billion board foot per decade supply goal.* This will force the Forest Service to be more cost effective and accountable. It will allow free markets and other important resource needs to set the harvest level. This will, in turn, stop needless construction of roads and other facilities in roadless areas and stop the subsidy of timber mining. A more responsible timber management program will result.

2) *Cancel the 50-year contracts and replace them by competitive bidding and short-term sales, and repeal Section 1315(e) of ANILCA.* APC and LPK could still buy timber, but would no longer dominate other timber operators or other resources or the Forest Service. APC and LPK would only buy what they could utilize instead of banking timber. This measure would allow greater flexibility for land allocations, competitive bidding, and the protection of key habitat areas and subsistence resources. It would ensure the survival and future of independent timber operations. Independent timber operators believe that abolishing ANILCA Section 705 without cancelling the contracts will not help. The two big mills will then just take the entire allotment.

3) *Order immediate full revision of TLMP to comply with NEPA and NFMA and reestablish the applicability of Section 6(K) of NFMA to the Tongass.* This would bring Tongass planning into the 1980's. It would give the public its rightful say over public lands, and it would force the Forest Service to be accountable, justify plans, and explain assumptions. The measure would also require the Forest Service to consider economic feasibility when planning timber sales, thereby reducing Tongass timber program losses.

CONCLUSION

The Tongass is our last great rain forest. It is our Nation's largest, most magnificent public forest reserve. It is also the most threatened. Nothing can ever re-create this old-growth forest as we know it today. As biologist O. C. Wallmo so wisely pointed out,

The sooner resource managers face up to that fact and start looking at the long-term impacts on the forest, the better off the public forest resources and the public will be.

Incredibly, the Forest Service contends that Southeast Alaska has not dramatically changed from the days when John Muir first explored this region in 1879. But, the facts and the record do show dramatic impacts. The Tongass National Forest has experienced profound changes since Muir wrote this passage about a special Tongass island:

Wrangell Island . . . like all its neighbors, is densely forested down to the water's edge with trees that never seem to have suffered from thirst or fire or the axe of the lumberman in all their long century lives. Beneath soft, shady clouds, with abundance of rain, they flourish in wonderful strength and beauty to a good old age.

This is hardly the Wrangell Island we see today. Look far across the Tongass. Look from the Alaska

mainland to the distant Forelands of Yakutat and to the islands of Zarembo, Kuiu, Baranof, Chichagof, and Prince of Wales that lie in between. As you look across this forest, you will see that the Tongass is in trouble, threatened by a logging industry that does not fit in with the delicate balance and harmony of life in this region.

The forces of the earth that created this great forest are timeless. But it is not too late to stop the destruction of this land. Congress has the power to turn this troubled National Forest around; to help build a lasting stable economy for all the people of Southeast Alaska; to end waste, fraud, and abuse of public money and resources; to bring balanced multiple-use management to the Tongass; and to ensure maintenance of those uniquely Alaskan qualities that make up life on the last frontier. Now is the time for Congress to act to change the course of the Tongass National Forest for the long-term benefit of the American people.

ACKNOWLEDGEMENTS

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FURTHER INFORMATION

The following publications produced by SEACC are available upon request: *The Tongass Timber Problem* and the *Citizens' Guide to the Tongass National Forest. A Southeast Alaska Regional Economic Overview 1985*, by T. Whitesell, is also available.

Views of the Southeast Fishing Industry as Represented by the Alaska Trollers Association, United Southeast Alaska Gillnetters, Southeast Seine Boat Owners & Operators Association, and Petersburg Vessel Owners Association

These comments represent the views of the Alaska Trollers Association, the United Southeast Alaska Gillnetters, the Southeast Alaska Seine Boat Owners and Operators, and the Petersburg Vessel Owners Association, the principal fishermen's organizations in Southeast Alaska. Members of these groups form a representative cross section of the salmon fishing industry in Southeast Alaska, and many are active in bottomfish and shellfish sectors of the industry as well. We trust that Congress will carefully consider our positions in its review of those portions of the Alaska National Interest Lands Conservation Act (ANILCA) pertaining to management of the Tongass National Forest.

In passing ANILCA, Congress drastically altered the lands and resources management scheme for the Tongass National Forest, and Southeast Alaska generally. Vast Wilderness areas were created to satisfy national conservation groups. Special enclaves were carved out for multinational mining interests. The huge national and international timber companies got guarantees of timber availability from National Forest lands, with vast subsidies in the form of the Tongass Timber Supply Fund. All of these things were sold as benefits to the people of Southeast Alaska, but are they?

Southeast Alaska conservationists never signed off on the deal, and the region's one long-term, sustained yield natural resource industry—fishing—was not responded to with anything near the attention that it warranted, or that other resources users received. Nonetheless, it is clear that Congress intended that water use in the Tongass be managed with protection of the salmon resource first and foremost in mind. However, this priority has not been reflected in Forest Service cutting plans developed since ANILCA. Had it been, the Forest Service's approach to timber management in areas like the Chuck and Kadashan River drainages, and to U.S. Borax's water extraction plans in the Wilson and Blossom Rivers, would have been greatly revised.

For all intents and purposes, large-scale mining is a thing of the past in Southeast Alaska. Once, the

world's largest hard-rock gold mines operated here, but all that remains of them are ruins, tailings piles, and faded memories. Also, the world metal glut, predicted to last into the foreseeable future, mitigates against the ultimate development of the current "hot" mining properties which received so many concessions in ANILCA—Quartz Hill and Green's Creek.

The large-scale timber industry in Southeast is deeply depressed—hanging on only through sale of public timber at scandalously low prices. Even at that, much of the timber being sold is not being cut, but inventoried against hopes of an improved timber market in years ahead. Meanwhile, the Forest Service continues to offer a minimum of 450 million board feet per year for sale, and maintains an ambitious program of preroading and other presale preparation funded through the ANILCA-provided Tongass Timber Supply Fund. Despite this massive expenditure of public monies, which results in losses to taxpayers of as much as \$175 for every 1,000 board feet of timber sold in the Tongass, the industry is virtually moribund. It should be remembered that the Tongass Timber Supply Fund was provided by Congress for the purpose of maintaining employment. In fact, it merely subsidizes the practice of private inventory of public timber. Timber employment has fallen sharply.

Many people in Southeast are very upset that our national government is willing to so lavishly support an industry which is largely Japanese owned. We are, in effect, subsidizing a foreign company to despoil our landscape and waters in the course of competing with other American timber interests. We are sure that most Americans would be amazed to hear that the U.S. Treasury is underwriting a Japanese company's efforts to gain control of huge tracts of virgin, publicly owned timber through so called "deficit" timber sales. Moreover, this same company, Alaska Lumber and Pulp, was, with Louisiana Pacific Ketchikan, found guilty of predatory business practices designed to drive small, privately owned American firms out of business in the Tongass (the Reid Brothers' lawsuit), and of bilking the Federal and State governments out of timber revenues mounting into

the tens of millions of dollars. Yet, their 50-year cutting contracts remain in effect, subsidized by American taxpayers, while many vitally needed Government programs are being cut or eliminated in the name of deficit reduction.

It might be asked what all this has to do with fishermen. Why do we object? After all, there is no doubt that Southeast Alaska needs large injections of money to broaden its economic base and provide additional employment. Our concern is simply that the Federal monies spent in management of the Tongass National Forest be spent on constructive rather than destructive activities. The 450 million board foot annual timber supply to dependent industry mandated by ANILCA is unrealistic given the available commercial timber base. In order to achieve that level of cut many areas which are clearly unsuitable for logging will have to be included.

A good example of this is the Chuck River drainage, an area of only moderate (at best) timber values, with steep slopes and unstable soils prone to massive landslides. It happens that the Chuck River is also a major salmon stream. The Chuck River was blocked by a naturally occurring slide during the early 1970's which virtually wiped out its pink salmon runs for the better part of a decade. Yet, the Forest Service proposed timber cuts immediately adjacent to that slide zone on soils of proven instability, knowing full well that removal of vegetation aggravates the risk of landslides. This particularly egregious example of Forest Service disregard for environmental concerns and potential for extremely negative effects on another industry has been blocked only through the great efforts of fishermen and other concerned citizens which resulted in the State of Alaska refusing to grant a favorable "consistency" ruling under Coastal Zone Management Act (CZMA) provisions. Failing that, the Forest Service would certainly have proceeded with the despoliation of the Chuck River, putting its important salmon runs in jeopardy.

Unfortunately, the Chuck River is the only example of an ill-conceived timber sale ever being halted in the Tongass, and it was only stopped because it was so flagrantly bad. Meanwhile, literally hundreds of other streams are in danger from timber sales which are planned or which have already happened, placing timber into cutting inventories. The Forest Service argues that fish runs have increased during the last few years, even implying that improved run strength is due to forestry practices. Such statements are worse than misleading. For the Forest Service to take credit for the State of Alaska's much improved management practices, for a succession of exceptionally good years for salmon ocean survival, for the reduction of foreign fleet salmon interceptions on the high seas, and for the catch reductions endured by Alaska fish-

ermen in the name of conservation is an affront to the public and to the Congress. The fact is that much of the currently inventoried timber, and much of that which is scheduled for sale is in areas of both marginal timber values and marginal environmental viability. Only the extremely depressed condition of the world timber market has kept many areas of high potential for fish habitat destruction from being logged.

It should be borne in mind that the Forest Service's analysis of the Southeast Alaska economy presented in justification of the Tongass Land Use Management Plan (TLUMP) implied that timber would be the backbone of the natural resource economy in Southeast, and that fishing had little probability of regrowth to previous levels. In fact, quite the opposite has been true. The various salmon species are renewable on 2- to 7-year cycles, depending on species, and have proven very responsive to improved management and conservation practices. In contrast, there is real question as to whether logging in Southeast Alaska can truly be considered a sustained yield, renewable industry. With regeneration cycles of 125 or more years between cuts, and as much as 450 years to achieve "old-growth" volumes and quality, calling logging a renewable resource industry is questionable. Indeed, some industry observers have likened logging in Southeast to strip mining. Also, the tourist industry has grown rapidly in Southeast, as literally hundreds of thousands of people each year travel by air and by ship to see our islands, mountains, wildlife and historic towns. Make no mistake, they come to Alaska to see country undefiled by man, not to see clearcut timber tracts! Tourism is an essentially non-consumptive use of our forests. It brings in foreign revenues rather than subsidizing foreign destruction of our environment. The same is true of fishing.

Southeast Alaska annually produces large amounts of ling, coho, sockeye, chum and pink salmon for domestic and export markets. In 1984 the Southeast Alaska salmon industry produced in excess of \$72.5 million dollars in ex-vessel value for fishermen. Using a multiplier of 2 to gauge the total contribution to our economy, salmon alone is seen to be worth nearly \$150 million per year. Factoring in the value of other commercial fisheries such as crab, shrimp, bottomfish, and the recreational fisheries, a total economic contribution of at least \$200 million per annum can be forecast. Moreover, Southeast Alaskans are personally very dependent upon the fisheries resource for home consumption. The economic values of subsistence and personal use fisheries are more difficult to quantify, but even conservative replacement values would place direct fisheries resource utilization by Southeast residents in the tens of millions of dollars.

All value comparisons, criticisms of Forest Service management, and concern over U.S. Government

subsidization of foreign industry ultimately must bring us a recognition of the need for change in the Tongass National Forest. Fortunately, there are positive steps which can be initiated by Congress to ensure that the resources of the forest are truly used for the benefit of the people. The fishermen's organizations of Southeast Alaska urge Congress to take the following actions:

- Clearly state that the Tongass National Forest shall be managed in accordance with the National Forest Management Act (NFMA) so as to ensure true multiple use, sustained yield management, with full consideration of all forest resources and values, not just timber. In particular, protection and enhancement of fish habitat should be recognized as a primary economic component of Tongass National Forest management.
- Amend ANILCA to eliminate the mandated 450 million board feet per year timber supply target which so cripples current management practices in the Tongass.
- Revise the ANILCA provisions on the Tongass Timber Supply Fund to provide that such funds be available for the enhancement of all industries dependent upon National Forest resources, including fisheries, tourism, and other nonforest products industries.

- Investigate the appropriateness of continuing the 50-year ALP and LPK timber contracts in light of the court findings in the Reid Brothers case.
- Provide direction to the Forest Service to manage the Tongass with a view to developing small-scale and specialty logging enterprises in lieu of exclusive concentration on large-scale developments.

We thank you for considering the views of Southeast Alaska fishermen, and hope that you will act to bring about a reasoned, fiscally sound, and environmentally responsible management regime for the Tongass National Forest.

Sincerely,

Earl E. Krygier
Executive Director
Alaska Trollers Association

Geron Bruce
Executive Director
United Southeast Alaska Gillnetters

Bruce Wallace
Executive Director
Southeast Seine Boat Owners &
Operators Association

Sig Mathisen
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Glossary of Terms

Advanced Logging—As used in the Tongass Land Management Plan, advanced logging is the use of logging systems or timber harvest techniques that were not in common use at the time the Forest Plan was developed. These logging systems include helicopter, balloon, multispan skyline, and singlespan skyline with reaches greater than 2,600 feet.

Alaska Regional Fish Management Handbook—A document that provides guidance to facilitate fish habitat management by establishing standards, guidelines and prescriptions.

Alaska Region Wildlife and Fisheries Habitat Action Plan—A 5-year action plan to implement the Wildlife and Fisheries Habitat Relationships program.

Alaska Working Group on Forestry/Fisheries Research—A group to promote interagency coordination among researchers, and timber and fishery managers in planning, initiating, and carrying out a program of cooperative research on issues involving timber and fish.

Allowable Cut Effect—The increase in allowable sale quantity made possible by increasing future growth of the forest. The allowable cut effect (ACE) on the Tongass National Forest is a result of precommercial thinning.

Allowable Sale Quantity—The quantity of timber that may be sold from the area of suitable land covered by the Forest Plan for a time period specified by the plan. Allowable sale quantity (ASQ) is usually expressed on an annual basis as the "average annual allowable sale quantity."

ANILCA 806 and 813 Reports—ANILCA Sections 806 and 813 require the Secretary of the Interior, in consultation with the Secretary of Agriculture, to prepare annual and periodic reports to Congress on the implementation of subsistence management and use.

Appraisal—For National Forest timber, the value of timber on individual timber sales is determined through an appraisal. For the Tongass National Forest, a residual appraisal system is most commonly used. This process starts with the selling value of the end product, and by deducting the cost of logging, road construction, transportation, manufacturing, and profit/risk, calculates the resulting residual value of the standing timber. For long-term sales, the appraisal is completed at the start of each consecutive, 5-year operating period.

Bald Eagle Cooperative Program of 1968—A cooperative program between the United States Department of the Interior Fish and Wildlife Service, Alaska Region, and the United States Department of Agriculture Forest Service, Alaska Region, to manage and protect bald eagle nesting habitat on the National Forests in Alaska.

Bid Price—For National Forest timber sales, the bid price is the offer made by a purchaser for the timber. The minimum bid price is determined by the timber appraisal.

Canopy—The more or less continuous cover of branches and foliage formed collectively by the crowns of adjacent trees and other woody growth.

Canopy Closure—The progressive reduction of space between tree crowns as they spread laterally. Closure occurs when individual crowns are in contact with one another.

Cants—A product to be subsequently remanufactured, produced from a log sawn throughout its entire length on at least two sides. Under primary manufacturing regulations in Alaska, a cant is not to exceed an average of 8 inches in thickness. Due to variation in sawing, individual cants may measure as much as 8¼ inches.

Class I Habitat Area—Watersheds (VCU) identified by the Alaska Department of Fish and Game that have high value for wildlife and/or fish resources.

Commercial Forest Land—Under the Tongass Land Management Plan, commercial forest land (CFL) is defined as land capable of producing 20 cubic feet of wood fiber per acre annually.

Commercial Thinning—Thinning is an intermediate step in even-aged management. Thinning is a cutting made in an immature stand primarily to accelerate growth but also, by suitable selection, to improve the average form of the trees that remain without permanently breaking the canopy. Thinning also can be used to increase herb and shrub production for some species of wildlife. Commercial thinning produces merchantable material.

Cooperative Fisheries Enhancement Planning—A process for identifying fisheries enhancement opportunities on the Tongass National Forest as required by Section 507(a) of ANILCA.

Deferral Areas—Areas of high-value wildlife or fisheries habitat (Class One) that the Alaska Department of Fish and Game has identified, or areas of special interest to the Southeast Alaska Conservation Council or other interested parties where a request has been received by the Forest Service to defer timber harvest/road construction for the remainder of the current Forest Plan planning period (1980–89).

Deficit Timber Sale—Timber sales in which the value of the timber is less than the estimated cost of logging, road construction, and transportation (including an allowance for profit and risk) for a purchaser of average efficiency.

Dependent Wildlife Species—A wildlife species that occurs in a narrowly defined habitat or requires a particular habitat element or combination of elements for continued survival.

Emphasis Species—A specific species of wildlife or fish selected in the Tongass Land Management Plan for special habitat management practices, generally in a particular place for a particular purpose. This management concept preceded the use of management indicator species in early forest planning. See also *Management Indicator Species*.

Enhancement—Planned manipulation of habitat to increase habitat productivity and production of wildlife and fish.

Even-Age Management—Timber management activities that result in the creation of stands in which trees of essentially the same age grow together. Managed even-aged forests are characterized by a distribution of stands of varying ages throughout the forested area. Regeneration in a particular stand is obtained during a short period at or near the time that stand has reached the desired age or size and is harvested. On the Tongass National Forest, clearcutting is the harvest method most commonly used to produce even-aged stands.

Extended Rotation—Under the Forest Plan, harvest of old-growth timber from areas classified with high visual sensitivity, is extended over at least 200 years in Land Use Designation III and at least 120 years in Land Use Designation IV. After the initial harvest, the rotation for the next removal would maintain harvest intervals of 200 or 120 years. See *Normal Rotation*.

Fish Habitat Management Unit—An area of water and associated land having potential to provide high-quality habitat for one or more fish emphasis species or management indicator species. These areas are identified during the planning process to receive habitat management prescriptions under the range of alternatives considered.

Forest Plan—Source of management direction for an individual Forest specifying activity and output levels for a period of 10–15 years. Management direction in the plan is based on the major issues, concerns and resource opportunities identified at the time of the plan's development.

GNP Implicit Price Deflator—A price deflator based on the Gross National Product of the economy used to net out the effects of inflation and convert dollars to the same base year. This permits a valid comparison between dollar amounts in different years.

Governor's Timber Task Force—An Alaskan Timber Task Force formed in October 1984 by Governor Sheffield to determine how to improve the economic outlook for the timber industry in: (1) marketing; (2) rules and regulations; (3) infrastructure; and (4) finance. The Task Force's goals are to improve the economic health of the industry in Southeast Alaska on a long-term basis and to work toward the establishment of a viable timber industry in Interior and South-central Alaska.

Harvest Entry—See *Multiple Harvest Entry*.

Harvest Unit—A harvest unit is a contiguous unit designated for cutting within a National Forest timber sale. National Forest Management Act regulations provide for a maximum size opening of 100 acres for the hemlock-Sitka spruce forest type of coastal Alaska. Exceptions to the maximum size of openings guidelines are provided by the Alaska Regional Guide and involve public review and Regional Forester approval.

High Seas Interception Fisheries—Fish harvesting that occurs beyond the National jurisdictional limit of 200 miles.

High-Value Wildlife Habitat—Areas that provide the best combination of habitat elements to meet the food, reproductive, shelter and space requirements of wildlife and fish during all or part of their life cycle.

Indirect & Induced Effects—The impact of economic activity in one sector recirculating through other sectors of the economy, stimulating additional income and employment effects.

Intensive Forest Management Practices—Timber management practices designed to accelerate establishment or growth of timber. On the Tongass National Forest, these include site preparation for both natural and artificial reforestation, planting, removing undesirable competing vegetation, and thinning very young timber to improve the timber stands spacing and species composition.

Interagency Wildlife/Habitat Technical Committee—An interagency committee, formed in June 1984, with responsibilities for coordinating research and providing recommendations to member agencies on other technical wildlife/habitat matters pertinent to southeast and southcentral coastal Alaska. Representative agencies are the Alaska Department of Fish and Game, the U.S. Fish and Wildlife Service, and the Forest Service (National Forest System and Research).

Interdisciplinary Team—A team of resource specialists and other facilitators, i.e., silviculturalists, soil scientist, biologists, public involvement officers, etc., which recommend alternative plans or project designs that integrate resource information with social and economic effects for decision makers.

Intermediate Deer Winter Range—Habitats used by deer during mild and moderate winters, but do not provide optimal conditions for survival during severe winter conditions. Generally, these are old-growth forest stands located between 500 and 1,000 feet elevation.

Key Deer Winter Habitat—Habitats that provide optimal conditions for deer survival during severe winter conditions. Generally, these are old-growth forest stands located below 500 feet elevation.

Land Use Designation (LUD)—The Forest Plan provides direction for managing the Tongass National Forest under four Land Use Designations:

Land Use Designation I—Forest Service recommended wilderness areas, most of which became ANILCA-designated Wilderness. In general, these undeveloped areas are managed

for solitude and primitive types of recreation, and contain unaltered habitats for plants and animal species. These areas are managed as directed in the 1964 Wilderness Act, as amended.

Land Use Designation II—Lands under this designation are managed in a roadless state to retain their wildland character. Primitive recreational facilities can be built and habitat improvements for fish and wildlife are permitted. Timber harvest on these lands is limited to salvage operations to protect other resources.

Land Use Designation III—These lands are managed for a variety of uses. The emphasis is on managing for both amenity and commodity oriented uses in a compatible manner to provide the greatest combination of benefits. These areas usually have high amenity values in conjunction with high commodity values. Allowances in calculated potential timber yield have been made to meet multiple-use coordination objectives.

Land Use Designation IV—These lands are managed to provide opportunities for intensive development of resources. Emphasis is primarily on commodity, or market resources and their use. Amenity values are also provided for. When conflicts over competing resource uses arise, conflicts would most often be resolved in favor of commodity values. Allowances in calculated potential timber yield have been made to provide for protection of physical and biological productivity.

Log Transfer Facility—See *Terminal Transfer Facility*.

Logging Systems/Transportation Analysis (LSTA)—An inventory analysis designed to identify the most cost efficient logging and transportation network for an area being considered for timber harvest.

Long-term Sale—Three 50-year timber sale contracts made on the Tongass National Forest in the 1950's. Of the three original sales, the Ketchikan Pulp Co. (expiration date 2004) and the Alaska Pulp Co. (expiration date 2011) remain in effect.

Long-term Sustained Yield—The highest uniform wood yield from lands being managed for timber production that may be sustained, under a specified management intensity, consistent with multiple-use objectives.

mmbf—Million Board Feet. A method of timber measurement in which the unit is equivalent to one million square feet of lumber that is one inch thick.

Management Indicator Species—Certain vertebrate and/or invertebrate species are identified and selected in Forest Plans to establish habitat capability goals and to monitor effects of management on wildlife and fish populations. The following categories are used to select species as appropriate: endangered and threatened plant and animal species identified on State and Federal lists; species with special habitat needs that may be influenced significantly by planned management programs; species commonly hunted, fished, or trapped; and additional plant or animal species selected because their population changes are believed to indicate effects of management activities on other species of a major biological community or on water quality.

Management Prescription—A set of standards and guidelines directing management of a particular area on the Forest. A prescription specifies the types and mixes of activities which can take place. Prescriptions deal with all resources.

Multiple Entry Harvesting—Entering an area more than once during a given rotation period for the purpose of harvesting timber.

Normal Rotation—The number of years required to establish (including the regeneration period) and grow timber crops to a specified condition or maturity for regeneration harvest. The normal rotation on the Tongass National Forest is between 100 and 120 years.

Offer—For short-term timber sales, timber which has been fully prepared and advertised for sale is considered "offered." For the long-term sales, this is synonymous with sales that have been prepared, but not released. See *Release*.

Old Growth—Stands of forest trees that have reached a state of stability are self-perpetuating, are usually well past the age of maturity, (200–300 years on the Tongass National Forest) and often exhibit characteristics of decadence. These characteristics may include, but are not limited to: low growth rates, dead and dying trees, snags, and down woody material. The stands are usually characterized by large diameter trees relative to species and site potential, multilayered canopies, a range in tree diameter sizes, and the presence of understory vegetation. The specific attributes of an old-growth stand are primarily dependent on plant associations and forest cover type.

Operability—Forest inventory classification used to designate the degree of difficulty in conducting timber harvest operations. For the Tongass National Forest, the forest land was classified as being either normal operable, marginally operable (requiring advanced logging), or inoperable.

Optimum Sustained Yield—The amount of fish that will provide the greatest overall benefit, particularly for food production and recreation, determined on the basis of the maximum sustainable yield as modified by relevant economic, social, or ecological factors.

Precommercial Thinning—An intensive timber management practice involving the thinning of very young stands (usually age 10–15 years) to improve the spacing and species composition, to optimize growth, and to shorten the time between harvests.

Preroad—Construction of roads through a public works contracts in advance of timber sale award. Several conditions for preroad on the Tongass National Forest were established at the time the Forest Plan was developed. These include: 1) the need to access areas where environmental protection and mitigation require additional investments; and 2) where the value of the timber is less than the cost of road construction. See chapter 1, "Expenditures for Timber Sale Road Construction," for information on current policy actions.

Present Net Value—The management of timber resources yields a flow of net returns (benefits minus costs) over time. Since these future net returns are delayed, discounting must be used. Discounting simply recognizes the "time value of money," in that dollars (not the resource) are worth more at present than in the future. The sum of discounted net returns is Present Net Value (PNV), and as used in this report represents the present value of the net returns to the timber resource over a 50-year period.

Profit and Risk Margin—For National Forest timber sales, an estimate for normal profit and risk is included in the timber appraisal when calculating a fair and equitable sale price. Interest and income tax payments are included in the profit and risk margin.

Purchaser Credit—Credit earned by the timber sale purchaser for road construction work. This credit is applied or "credited" toward the value of the timber purchased in lieu of a cash payment.

Rate Redetermination—For National Forest timber sales, major changes in logging or milling plans may take place during the life of the timber contract. These changes, in turn, may affect the premise of the original appraisal. A new appraisal, based on current conditions, may be scheduled or requested (depending on the timber sale contract), resulting in a new timber stumpage rate.

Release—Under the long-term timber sale contracts, timber is not available for harvest until it is ready to be signed over to the timber operator. Long-term timber sale volume that has been "made available" has been fully prepared for harvest. The volume is considered "sold" when it has been formally signed for by the purchaser. See *Sale Preparation*.

Reoffer—Short-term timber sales which have been offered and not sold can be reoffered at a later date. This usually results in no additional investment in timber sale preparation.

Sale Goal—The timber sale goal established in the Forest Plan based on the Allowable Sale Quantity calculation. On the Tongass National Forest, the average annual timber sale goal was up to 450 mmbf.

Sale Preparation—Timber management activities including the preparation of NEPA documents, road design, timber layout, other resource support, and contract preparation (for short-term sales). These activities are done prior to the timber sale contract award for short-term sales and before the sale is released under the long-term contracts.

Second Growth—For timber management, second growth is the regenerated timber stand which occupies the site after the initial timber harvest.

Short-term Sale—Normal timber sale contract made between the Forest Service and a purchaser. Short-term sales can be up to ten years in length, but usually do not exceed five years' duration.

Society of American Foresters/The Wildlife Society Technical Committee—A technical committee appointed by the Governor of Alaska and the Regional Forester to investigate wildlife-logging issues in southeast Alaska. Members of the technical committee represented The Wildlife Society, Society of American Foresters, State of Alaska, USDA Forest Service, and the Sealaska Corporation.

Specified Roads—For National Forest timber sales, specified roads are all roads, including related transportation facilities, which become part of the permanent Forest transportation network after the sale is completed.

State of Alaska Comprehensive Salmon Plan—A 20-year (1980–2000) plan for Southeast Alaska to promote, through sound biological practices, activities to increase salmon production for the maximum social and economic benefit of the users consistent with public interest.

Stumpage—For National Forest timber sales, stumpage is the fee paid by the purchaser for timber as determined in the appraisal process. Stumpage is the value of timber as it stands on the stump and is determined by subtracting the cost of producing a manufactured wood product from the anticipated selling value of the product. See *Appraisal*.

Subsistence Uses—The customary and traditional uses by rural Alaska residents of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for the making and selling of handicraft articles out of nonedible by-products of fish and wildlife resources taken for personal or family consumption; for barter, or sharing for personal or family consumption; and for customary trade.

Sustained Yield—The level at which a resource use can be managed and sustained over a long period of time.

Temporary Roads—For National Forest timber sales, temporary roads are constructed to harvest timber on a one time basis. These logging roads are not considered part of the permanent Forest transportation network, and have stream crossing structures removed, erosion measure put into place, and the road closed to vehicular traffic after harvest is completed.

Terminal Transportation Facilities—A facility located where the road network terminates. May be used for a number of transportation purposes. For timber harvesting, the terminal transportation facility is where logs are bundled and placed into rafts on the water for towing to local mills. The transfer facility is also called log transfer facility when the facility is used only for logging.

Timber Harvest Schedule—The quantity of timber planned for sale and harvest, by time period, from the area of land covered by the Forest Plan. Under the first period, usually a decade, timber harvest is equal to the allowable sale quantity. Harvest in future periods is shown in the Forest Plan to establish that sustained yield will be achieved and maintained.

Utility Volume—Volume from logs that do not meet minimum requirements for lumber, but have at least 50 percent of the gross volume suitable for woodchip production. Utility volume is not considered part of the allowable sale quantity.

Utilization Standard—Minimum size and maximum defect standard determining which logs must be removed from the sale area and paid for by the purchaser under the conditions of the timber sale contract.

Volume Class—Average timber stand volume usually given as net board feet per acre, Scribner Rule. For the Tongass National Forest, the volume class is used as an indication of productivity.

Wildlife and Fish Habitat Relationships System—The national Wildlife and Fish Habitat Relationships (WFHR) system is the Forest Service's set of habitat planning and analysis tools. The Alaska Region system manages habitat relationships information for all wildlife and fish species occurring on National Forest System lands in Alaska. The Habitat Relationship System develops data bases, habitat models, and other technology needed to plan and manage habitats in the Alaska Region.

Wildlife Habitat Management Unit—An area of land and/or water that can potentially provide high-quality habitat for one or more wildlife emphasis species or management indicator species. These areas are identified during the planning process to receive habitat management prescriptions under the range of alternatives considered.

Yield—For timber management, yield is usually expressed as an annual or periodic average timber volume per acre for a given species or site. It is calculated for either fully stocked (normal yield) or average (empirical yield) stand conditions.

Amendment #1 for CS SJR 51
Senate Resources Committee
Southeast Alaska Conservation Council

Page 2, Lines 1-4

Delete "and 706 have" from line 1 and replace with "has", Replace "Sections" with "Section"
Delete lines 2 through 4 and replace with:

"and serious doubts remain about the workability of the Forest Service's attempt
in the Tongass Land Management Plan to balance competing uses of the Tongass; and"

Rationale: This amendment encompasses the concerns not only of the timber industry,
but all other participants in the 706(b) review process.

Amendment #2 for CS SJR 51

Page 2, Line 6

Delete line 6 and replace with:

"the results of implementation of ANILCA on the Tongass National Forest;"

Rationale: This amendment is an accurate description of the review process taking place.
Section 706 simply calls for this review process and has nothing to do with the implemen-
tation of Section 705.

Amendment #3 for CS SJR 51

Page 2, Lines 8 & 9

Delete lines 8 through 9. beginning from "so that..." and add the phrase "without
hearings in the state;" after the word "amended"

Rationale: It is in no one's interest to amend ANILCA without a proper hearing process.
(Note: Section 706(b) cannot be amended, it only calls for a review process.)

Amendment #4 for CS SJR 51

Page 2, Lines 11 & 12

Delete these lines

Rationale: 14 communities in Southeast Alaska have passed resolutions opposing the 4.5
billion board feet per decade harvest level because it threatens the fish and wildlife
resources on which their livelihoods depend. Not all of Southeast's communities are
dependent on timber harvest for their economy. Only one community, Petersburg, has gone
on record in support of the "450" and this community has an economy based on both timber
and fishing. This would be a blanket statement that clearly does not represent the expressed
interests of many of Southeast's communities. This statement only represents the interests
of the timber industry which supplied 1800 jobs in Southeast in 1984. Commercial fishing
supplied 2800 jobs, tourism 3200 jobs, federal government 2900 jobs, and state and local
government 9800. This statement rides roughshod over the other industries in Southeast.

Amendment #5 for CS SJR 51

Page 2, Lines 18 & 19

Delete these lines after the word "funded" and up to the ";"

Rationale: This language is unnecessary.

705a
708

TESTIMONY OF JAMES F. CLARK
BEFORE THE SENATE NATURAL RESOURCES COMMITTEE
RE SENATE JOINT RESOLUTION NO. 51
FOR THE ALASKA LOGGERS ASSOCIATION

We support this resolution because it supports retention of the timber job protection portions of the compromise worked out in the Alaska National Interest Lands Conservation Act (ANILCA). Several environmental groups have called for the repeal or substantial modification of Section 705(a) of ANILCA. ✓ These same groups have said nothing about repealing the wilderness designations in the Tongass which was the other half of the compromise.

The legislative history of Section 705(a) shows that it was one-half of a Tongass National Forest compromise between the environmental and industrial proponents. On the one hand, Congress sought to maximize the amount of the Tongass put into wilderness while on the other hand Congress sought to maintain the level of then existing timber related jobs. Senator Tsongas, who worked closely with environmental groups - especially the Alaska Coalition, during the debate on Alaska lands described the compromise as follows:

"The compromise substitute designates approximately 5.3 million acres of wilderness and deletes the special management areas entirely. Section 705(a) of the committee substitute has been modified to assure the availability of at least \$40 million annually for timber management programs in the

Tongass forest. These funds will be available for the regular costs of sale and road layout and restoration and will also provide moneys for stand improvement, the timber road program, and related capital investments. These funds and the increased timber "base" on the forest will insure that adequate timber supplies will be available to the dependent timber industry in southeast Alaska."

(Emphasis added)

126 Cong. Rec. S11119 (daily ed. August 18, 1980).

Unfortunately, we have lost between 1,500 and 2,000 industry related jobs, because the Forest Service has not fully funded the timber road program referred to by Senator Tsongas. However, to the extent it has been implemented, Section 705(a) has been a big help. Accordingly, to repeal Section 705(a), which was designed to protect jobs, is no more reasonable than repealing the wilderness designations which Congress made. The focus should be, in short, in making the compromise work, not depriving one side or the other of the benefit of the bargain. If, however, one side of the bargain is to be repealed, then the areas of the Tongass which were designated wilderness should be returned to multiple use.

SJR 51 will make it clear to Congress that the State of Alaska supports retention of the compromise. We urge its passage.



Ed Hill

Southeast Alaska Conservation Council

Box 1692 • Juneau, Alaska • 99802 • (907-586-6942)

Statement of Bart Koehler, Executive Director
Southeast Alaska Conservation Council
Before the Senate Resources Committee
Concerning SJR 51
April 28, 1986

My name is Bart Koehler. I am the Executive Director for the Southeast Alaska Conservation Council (SEACC) and I am representing the Council's position today on SJR 51. SEACC is a coalition of 9 conservation groups located throughout Southeast Alaska, in addition we have 600 individual members. The groups and individuals belonging to SEACC include sport and commercial fishermen, sport hunters, subsistence resource users, small timber workers, teachers, guides & outfitters, businessmen, and others throughout Southeast.

SJR 51 is a resolution "relating to the amendment by Congress of the Alaska National Interest Lands Conservation Act as it relates to the timber industry." Before I comment on the contents of the resolution I would like to present some background information which directly relates to consideration of this resolution.

First, Section 706(b) of the Alaska Lands Act (ANILCA) requires that the U.S. Forest Service "review and report to Congress on the status of the Tongass National Forest" within 5 years from the date of enactment of ANILCA. It directs that "this report shall include, but not be limited to, (1) the timber harvest levels in the forest since the enactment of this Act; (2) the impact of wilderness designation on the timber, fishing, and tourism industry in southeast Alaska; (3) measures instituted by the Forest Service to protect fish and wildlife in the forest; and (4) the status of the small business set aside program in the Tongass Forest."

Thus, ANILCA Section 706(b) specifically recognized the importance of the fishing and tourism industries in addition to the timber industry. Nowhere does it say that one industry is more vital than another. Further, by requiring the Forest Service to report on the protection of fish and wildlife in the forest, Congress also recognized the importance of these resources to the livelihoods and lifestyles of Southeast Alaskans.

Second, ANILCA Section 706(c) further directs that "the study required by this section shall be conducted in cooperation and consultation with the State, affected Native Corporations, the southeast Alaska timber industry, the Southeast Alaska Conservation Council, and the Alaska Land Use Council." These named cooperators participated in the study process by submitting separate chapters for inclusion in the Forest Service's report to Congress. In

addition, the Forest Service invited 4 Southeast commercial fishing groups to also participate in the study report. These groups were the Alaska Trollers Association, the United Southeast Alaska Gillnetters, the Southeast Seine Boat Owners and Operators Association, and the Petersburg Vessel Owners Association.

The Section 706(b) report was due to Congress by December 2, 1985, however its release was delayed until just recently. Congressional Oversight Hearings on the report are now scheduled for May 8 & 9 before the House of Representatives Interior Subcommittee on Public Lands. As directed by Section 706(b), these hearings are only to review the management status of the Tongass as seen by the Forest Service and coöperators. Congress will not be considering any amendments to ANILCA at these hearings.

SJR 51 does not represent all of Southeast Alaska because many of the region's communities are not dependent upon the two pulp mills and the large-scale timber industry. In fact, timber harvest can negatively impact the livelihoods of many Southeast residents.

For example, SJR 51 resolves that the ANILCA timber supply goal of 4.5 billion board feet per decade be maintained. However, 14 Southeast communities have gone on record opposing the "450" (as it is called locally). I have supplied you with copies of these 14 resolutions. As you can see, the 14 communities are Angoon, Craig, Edna Bay, Elfin Cove, Gustavus, Hoonah, Hydaburg, Kupreanof, Pelican, Point Baker, Port Alexander, Port Protection, Tenakee Springs, and Yakutat. The lives of the people in these communities are based on the surrounding fish and wildlife resources. These resources can be detrimentally affected by excessive timber harvest. Without exception the communities state in their resolutions that the "450" does not allow adequate flexibility in the management of the forest for all multiple uses. SJR 51 simply rides rough-shod over these communities in our region.

Additionally, 4 commercial fishing groups have gone on record opposing the "450" as a threat to the livelihoods of their members. You have a copy of their statement in your packet. These groups are the Alaska Trollers Association, the United Southeast Alaska Gillnetters, the Southeast Seine Boat Owners & Operators Association, and the Petersburg Vessel Owners Association.

Only one community, Wrangell, has passed a resolution similar to SJR 51 supporting the "450" harvest goal. Petersburg considered the same resolution, but it was voted down.

SJR 51 claims that eliminating the Tongass Timber Supply Fund and decreasing the "450" harvest goal would cause substantial damage to the economy of Southeast Alaska. In your packets you will find 2 pages of graphs depicting employment and earnings by sector in Southeast. These graphs come from pages 21-24 of the Forest Service's 706(b) study report to Congress. What these graphs clearly show is that timber is not the only vital industry to Southeast Alaska.

As you can see from Figure 2.1, since 1981 fishing and tourism have each supplied more direct jobs than did the timber industry. Figure 2.3 shows that since 1981 the timber industry has supplied more indirect jobs than either fishing or tourism. Federal government is also an important source of jobs.

Not to be overlooked is that, on the average, state and local government supplies thousands more direct and indirect jobs than timber, fishing, and tourism combined. Figures 2.2 and 2.4 show that direct and indirect earnings from the timber industry are higher than for either fishing or tourism. Federal government workers earned about the same as fishery and tourism workers, but less than timber workers. Again, state and local government earnings were higher than timber, fishing, and tourism combined.

I have purposely left out the actual numbers of jobs and amounts of dollars earned because that is not what is important here. Rather, what is important, as I stated before, is that these graphs clearly show fishing and tourism to be just as vital to Southeast Alaska's economy as timber. They also show the overwhelming importance to the region of employment by state, local, and federal government. Keep in mind that these graphs do not consider subsistence and its importance to the livelihood of many Southeast residents.

These graphs show that since 1980, jobs and earnings have increased in the tourism sector, and all predictions are that this growth will continue. Now and in the future, tourism will continue to be important to Southeast Alaska's economy. According to the Forest Service report, "Southeast Alaska played host to 205,000 total visitors in 1983, double the number in 1975." To quote further, "The rise in environmental awareness and interest in protecting remaining wilderness coincided with the continued growth in visitation to Southeast Alaska. The single most consistent trend one can follow in the development of the visitor trade in Southeast, has been the persistent demand for the natural scenic beauty of Southeast Alaska."

Abundant wildlife and a quality environment are important to Southeast Alaskans, too. For example, according to a Forest Service survey, the number of resident sport fishermen increased 55% between 1977 and 1983, even though the region's population grew by only 27% over this same time period. A 1983 survey found that the 3 most important attributes to a quality angling experience were "(1) uncrowded environment, (2) wilderness setting, and (3) catching lots of fish." No doubt, these attributes are also important to nonfishing recreationists and hunters.

If you will look at the employment and earnings graphs once more you will note that jobs and earnings in the timber and fishing industries decreased slightly since 1980. This decrease in the timber sector occurred despite the Tongass Timber Supply Fund providing an average of roughly \$46 million annually since 1980 to the timber industry. Also, during this time the Forest Service supplied an average of 490 MMBF of timber per year, 40 MMBF per year more than the Tongass timber supply goal of 450 MMBF. Despite the offering of this much timber, only an average of 243 MMBF per year was harvested.

Something is clearly wrong when an industry claims it cannot operate profitably and loses jobs even though it is so incredibly well subsidized and its product supply is twice what it can use. The fact is that the market has bottomed out since 1980 when the timber industry was at an all-time high. All the timber supply in the world won't help if the demand for timber is not there. Building roads and spending millions in federal subsidy dollars, taxpayer's money, to supply timber that is never sold or harvested simply cannot be justified. Environmentalists and Wilderness designations are not the cause of timber industry woes.

SJR 51 would jeopardize all industries vital to Southeast in an effort to save one which is ailing due to poor market conditions, not lack of federal subsidy or product supply. Advocating excessive timber harvest at the expense of the region's other industries is ridiculous. It is even more ridiculous when you consider that continuing to oversupply the market will make the timber industry even more uneconomical.

The welfare of the fishing and tourism industries, of the subsistence way of life, of sport hunting and fishing, and other forms of recreation are directly dependent upon the preservation Southeast's abundant natural beauty and fish and wildlife populations. Let us remember that timber is not the only industry. A balance in harvest levels must be struck, but this is not the forum for that issue.

SJR 51 advocates maintaining and adequately funding the Tongass Timber Supply Fund. Everyone concerned with the Fund, including the State of Alaska and the timber industry, has complained about its misapplication. While each interest group has complained for various and oftentimes conflicting reasons, no one has been happy with how the Fund has been implemented, except the Forest Service. It will be important for Congress to hear from all viewpoints about the Timber Supply Fund on May 8 & 9.

In closing, SJR 51 is a misrepresentation of the needs and desires of many Southeast Alaskans. For Alaska's Legislature to pass a resolution which represents only one economic sector, but purports to represent an entire region of the state, is grossly unfair. SJR 51 does not reflect the concerns of the 14 small communities in Southeast Alaska who have passed resolutions in opposition to the "450" and who are not tied to the 2 pulp mills.

SJR 51 is not in keeping with the directives of the review process established in ANILCA Section 706(p). The 706(b) review process allows the timber industry the same opportunity as all other interest groups to speak before Congress on the management status of the Tongass. Additionally, the specific language of SJR 51 is inaccurate and misleading. I am prepared to discuss the resolution line by line if you have any questions.

SEACC urges the Committee to kill SJR 51 now before it goes any further. Thank you for the opportunity to speak before you.

By BART KOEHLER

The Southeast Alaska Conservation Council's (SEACC) report, "Last Stand for the Tongass National Forest," has attracted a great deal of attention these days. SEACC welcomes this attention, and with congressional oversight hearings just around the corner this is a good time to set the record straight with the most current information available concerning Tongass management:

The real cost of the current Tongass Timber Program is \$50 million per year to U.S. taxpayers. Since full implementation of the Tongass Timber Supply Fund in fiscal year 1982, expenditures for the Tongass Timber Program have amounted to \$234 million, with stumpage fees returned to the federal government of only \$3 million. Including stumpage fees and all other money the forest service could consider as receipts to the Treasury, the return is still only \$30 million. This is a gap of \$200 million between expenditures and receipts - an average cost to taxpayers of \$50 million a year since the passage of the Alaska Lands Act (ANILCA) to primarily benefit only two pulp mills in Southeast Alaska.

Elimination or phase-out of Section 705(a) (the Tongass Timber Supply Fund and the "450" timber supply goal) will not eliminate the Tongass Timber Program. SEACC recommends repeal of these clauses in ANILCA in order to make the timber program accountable and cost-effective. Monies will still flow for timbering operations, but they will be subject to congressional budget review, which is not presently the case. The Timber Supply Fund is a pork barrel subsidy mainly benefiting only two companies, one of which is a wholly owned Japanese corporation. Elimination of Section 705(a) will result in a more responsible timber program over the long

run.

Perpetuation of the '450' timber supply goal will only serve to waste billions of taxpayer dollars in future decades. Since ANILCA, the forest service has offered almost 1 billion board feet more timber than was actually sold. The market has simply bottomed out and all the supply in the world won't help if the demand for timber is not there. Building roads for this uneconomic industry, at such a high cost to the taxpayer and fish and wildlife habitat, simply cannot be justified.

Even with the Timber Supply Fund in place, forest service figures show that direct timber related employment is 1,800; indirect and derived employment is not more than 900. Thus, the total level of employment credited to timber in Southeast is 2,700 jobs. The forest service's employment statistics do not support Sen. Ted Stevens' erroneous claim that 6,000 jobs, direct and indirect, might be lost without the supply fund.

SEACC's recommendations do not entail a loss of timber related jobs. Repeal of the Tongass Timber Supply Fund would return funding of the Tongass Timber Program to the annual appropriations process, as is the case for every other national forest. Repeal of the "450" timber supply goal would allow the forest service to set annual allowable sale levels in response to demand rather than an inflexible directive. These recommended actions would not limit any Tongass timber operator's ability to purchase ample volumes of federal timber, to operate wood processing facilities, or to employ Alaskans.

The vast majority of the best timber on the Tongass is outside designated wilderness areas. Congressman Don Young has called the Tongass Timber Supply Fund a "wilderness subsidy," claiming that the

"Alaska Lands Act excluded lumbermen from working in much of the best Tongass forests." The facts do not support this claim.

The Tongass encompasses 17 million acres, of which 5.4 million acres are designated wilderness. Only 3 percent of this designated wilderness land contains commercially valuable timber (30+ thousand board feet/acre). Some 84 percent of the wilderness acres is not even considered suitable for timber harvesting, and is mostly rock, ice, muskeg, battered coast, and scrub trees. Admiralty Island is repeatedly cited as an example of "locking up" good timber. The best timber on the island was cut prior to ANILCA, and Admiralty was not in either of the two 50-year contract areas, leaving the pulp mills unscathed.

Only 29 percent of the highest value wildlife habitat is permanently protected under wilderness designation. Only 5 percent of the highest value fish habitat is so protected. This can hardly be termed a balanced approach to multiple use, especially in a region so heavily dependent upon the harvest of fish and wildlife resources. SEACC is seeking more protection for key areas in order to gain a better balance. The Society of American Foresters of Sitka charges that wilderness is "single use management" and has challenged SEACC's proposals for a more balanced multiple use management of the Tongass. Clearly, wilderness offers better protection for multiple uses such as tourism, recreation, watershed, subsistence, hunting, commercial fishing, and fish and wildlife habitat than does the dominant "single use" management for timber with clearcuts and roads.

SEACC believes that the 50-year timber contracts should be terminated because of past anti-trust violations and because they currently conflict with proper for-

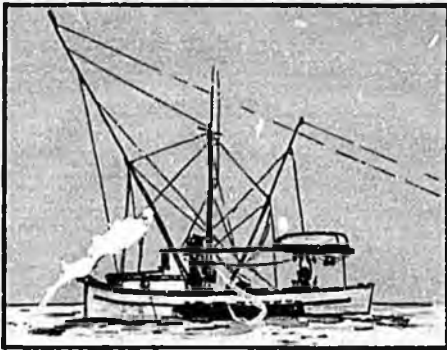
est management. The contract holders "own" the rights to cut our forest lands, and they still monopolize timber operations. They show little or no responsibility for their impacts on other forest resources and other forest users such as the many small non-timber dependent communities throughout Southeast.

SEACC is not alone in urging major reforms of the management of the Tongass National Forest. Currently, our region's major commercial fishing organizations and the Southeast Regional Council of Fish and Game Advisory Committees are also opposed to the "450" timber supply goal. Additionally, to date 13 Southeast communities have gone on record against the "450" and other destructive timber policies on the Tongass. The people dependent upon the fish and wildlife resources of the Tongass, and the special way of life they provide, see their futures threatened by current Tongass timber policies.

This issue will continue to heat up as big timber interests fight to hold on to their monopoly and exploitation of Tongass forest resources. They will continue arguing that the choice is timber jobs or economic ruin. SEACC and its members contend that reform of present Tongass management is essential to prevent the long-term economic ruin of the Southeast Alaska region. The timber industry must be modified and room made for true multiple use of the Tongass in the future. This future includes timber, tourism, subsistence, commercial fishing, sport hunting and fishing, and the protection of important fish and wildlife habitat.

Bart Koehler is the executive director of the Southeast Alaska Conservation Council, the regional coalition of conservation groups in Southeast Alaska.

On new Empire 4/24/86



Alaska Trollers Association

REPRESENTING ALASKA POWER TROLLERS

130 Seward St., No. 213
Juneau, Alaska 99801
(907) 586-9400

MAY 6 1986

5/5/86

Representatives Adelheid Herrmann and Richard Schultz,
Co-Chairmen
House Resources

Senator Arliss Sturgulewski, Chairman
Senate Resources

Dear Mr. Chairman:

This letter is to explain the fishery's stand on the CS Senate Joint Resolution #51, and the House CS Joint Resolution #75, the resolution relating to the Alaska National Interest Lands Conservation Act, Section 705, having to do with timber and fisheries.

You will remember from my early testimony that the original version of this Resolution was unacceptable to the fishing organizations for two reasons; (1) we could not agree with the 450 billion board feet per decade timber supply target, and (2) the fishing organizations felt that the Tongass Timber Supply Fund should have its funds made available to the other users of the resource.

It is important to understand that when the various members of the gear types in Southeast Alaska got together to produce the Fishermen's Review to Congress in the 706B Report, that it was only achieved through a long and arduous process of discussion, review, and final endorsement. Unfortunately, the present Resolutions surfaced too late in the session and moved too rapidly to inform, discuss and achieve agreement within our industry to yield a formal endorsement. This lack of consensus within the fishing organizations has been exacerbated by the fact that the leaders of the majority of the organizations were out on a fishing opening. Because of this, I have been personally working to achieve some headway with these Resolutions; trying to achieve a balance that would be palatable to the fishing industry. Though the changes which we have manufactured in these Resolutions are certainly a vast improvement from the original language, they do not meet the qualifications needed to reach consensus within our industry.



**Alaska
Trollers
Association**

130 Seward St., No. 213
Juneau, Alaska 99801
(907) 586-9400

Although I felt we may have been close to a final acceptable version of this Resolution last Friday, the other members of the fishing committee returned from the halibut fishery and I was able to discuss the headway made on the Resolution, but found that their full acceptance was not forthcoming. The consensus that I could achieve was that the Representative Sund's version of CS #75 is acceptable except for one clause. The clause is in the "Further Resolved" section of Page 2, it states "4.5 billion board feet per decade timber harvest supply goal". If this clause could be deleted, we could endorse this Resolution and would encourage its passage. Such a Resolution would be beneficial to the timber industry and would allow safeguards to the fishing industry. We have members of our industry who are presently in Washington, D.C., waiting to present the fishing section's report to Congress, and are awaiting the Resolution which emerges from the Alaska House and Senate.

Thank you for the effort expended on this Resolution - it has been greatly appreciated by all parties concerned.

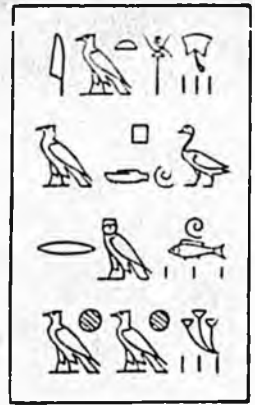
Sincerely,

Earl E. Krygier
Earl E. Krygier
Executive Director

EEK/md

THE WILDLIFE SOCIETY

ALASKA CHAPTER



April 29, 1986

Senator Arliss Sturgulewski
Chairman, Senate Resources Committee

Representative Adelheid Herrman
Representative Richard Schulz
Co-chairpersons, House Resources Committee

Re: HJR 75, SJR 51,

Dear Committee Chairpersons;

The Alaska Chapter of The Wildlife Society (some 300 Alaskan professional wildlife biologists and managers affiliated with a national professional association) has recently adopted the enclosed position statement on the management of old-growth forests in coastal Alaska. The statement is pertinent to the current deliberations on HJR 75 and SJR 51 by the House and Senate Resources Committee. We urge you to carefully consider the management of all resources provided by the Tongass National Forest as you take action on this resolution.

Old-growth forest stands on the Tongass provide important habitat for fish and wildlife throughout Southeast Alaska. Research over the last 15 years present strong evidence that cutting old-growth adversely affects black-tailed deer populations and may have negative impacts on other wildlife species such as marten, river otter, brown bear, mountain goat, moose, bald eagle, blue grouse, several species of cavity-nesting birds, and some small mammals.

Clear-cutting replaces diverse, uneven-aged stands having high habitat value, with clearcuts and even-aged second-growth stands of low diversity and low value for many wildlife species. Based on present knowledge, it is not possible to significantly enhance second-growth for wildlife; 200-300 years are needed for second-growth stands to acquire old-growth characteristics naturally. Under the present Forest Service plans for the 100-year rotations between harvests, old-growth forests are essentially a non-renewable resource.

We feel that the proposed resolution should contain language to provide for the protection of the valuable fish and wildlife resources.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don A. Williamson".

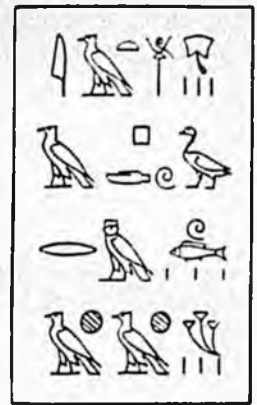
Don A. Williamson
Southeast Representative
Alaska Chapter, The Wildlife Society

THE WILDLIFE SOCIETY

ALASKA CHAPTER

POSITION STATEMENT
OF
THE ALASKA CHAPTER OF THE WILDLIFE SOCIETY
OLD-GROWTH FOREST MANAGEMENT IN COASTAL ALASKA

June 1985



Old-growth forests are a rare, and rapidly diminishing resource throughout North America. Characterized by climax stands with old (more than 300 years), large-diameter trees and snags, productive understories, and structurally diverse overstories, old-growth provides important habitat for many species of wildlife and fish. The coastal forests of southeast and southcentral Alaska represent the last major expanse of old-growth remaining in the United States. In coastal Alaska, over 90 percent of the old-growth occurs on public lands administered by the USDA Forest Service. Most of the remaining old-growth lands are managed by the State of Alaska Department of Natural Resources and private Native corporations.

The 16 million acre Tongass National Forest in southeast Alaska is the largest National Forest in the United States. Approximately 4 percent of the Tongass (635,000 acres) consists of high-volume, old-growth stands with over 30,000 board feet of timber per acre (30 mbf/acre). These stands, commonly found at low elevations and along broad valley bottoms, are high quality habitat for certain wildlife species; they are also commercially important timberland. The balance of the forestland consists of either noncommercial (less than 8 mbf/acre) or lower volume timber stands (8-30 mbf/acre). These lands are less subject to conflict between logging and wildlife because of their relative abundance and low commercial value.

To date, about 360,000 acres of the Tongass, and 40,000 acres of State and private land have been harvested by clearcutting. About 2 million acres of the Tongass, and an undetermined amount of State and private lands are planned for harvest over the next 100 years. Cutting as scheduled will concentrate on high-volume old-growth, with over half of the forest's highest volume class (greater than 50 mbf/acre) scheduled for harvest over the next 40 years.

Old-growth forest provides important habitat for many species of fish and wildlife throughout southeast and southcentral Alaska. Research over the last 15 years in the Pacific Northwest, British Columbia, and Alaska presents strong evidence that cutting old growth adversely affects black-tailed deer populations, and may impact other species such as marten, river otter, brown bear, mountain goat, moose, bald eagle, blue grouse, several species of cavity-dwelling birds, and some small mammals. The importance of old-growth forest as fish and wildlife habitat has been documented in symposia held in Juneau in 1978 and 1982 and has been reported in numerous publications.

Clearcutting replaces diverse, uneven-aged stands having high habitat value, with clearcuts and even-aged second-growth stands of low diversity and low value for many wildlife species. Based on present knowledge, it is not possible to significantly enhance second-growth for wildlife; 200 to 300 years are needed for second-growth to acquire old-growth characteristics naturally. Old-growth is essentially a nonrenewable resource.

The old-growth rain forests of coastal Alaska represent a unique ecosystem of national significance, deserving of careful and far-sighted planning. Adequate and representative old-growth habitat must be maintained to meet present and future demands for wildlife, fisheries, and recreation. Towards that goal, the Alaska Chapter of The Wildlife Society makes the following recommendations on old-growth forest management in coastal Alaska:

1. Management of the Tongass National Forest should comply with the National Forest Management Act (NFMA).

Although the NFMA was passed by Congress in 1976 and the Final Environmental Impact Statement for the Tongass Land Management Plan (TLMP) states, "A revision (of TLMP) will be completed before 1983 to fully implement the requirements of the National Forest Management Act", the provisions of NFMA have not yet been implemented. The NFMA and its Regulations contain important provisions for wildlife and fish resources to achieve full and effective representation in forest planning. These provisions, if applied on the Tongass National Forest now, provide excellent opportunity to serve wildlife and fish planning needs in the revision of TLMP, and in implementation of the revised plan. The Chapter recommends that the Forest Service make full use of provisions contained in the Regulations, so that full compliance with NFMA is achieved as soon as possible.

2. The Forest Service, the Alaska Department of Fish and Game, and other cooperating agencies should identify the levels of fish and wildlife desired by the public.

The Departments of Fish and Game and Natural Resources, the U.S Fish and Wildlife Service, and the Forest Service should develop and implement a process which enables the public to identify desired levels of fish and wildlife populations on specific management areas. Public desires must be reflected in resource allocations.

3. The Forest Service and the Department of Fish and Game should develop an education program to inform the public about the long term consequences for wildlife and fish resulting from harvesting old-growth forests in coastal Alaska.

4. The disproportionate harvest of high-volume, old-growth classes should cease.

To maintain the natural diversity of the coastal forest, the proportional harvest of high volume old-growth stands (greater

than 30 mbf/acre) should not exceed the proportional occurrence of those stands on the forest.

5. A cooperative process should be developed by the appropriate resource agencies to identify specific old-growth stands with exceptional fish and wildlife values and specify management direction, including the option of no harvest, to protect those values.
6. The Forest Service and the Department of Natural Resources should improve the accuracy and availability of timber harvest and resource inventory records for public lands.

The Chapter encourages the Forest Service and Department of Natural Resources to develop applications of existing inventory data, and supplement existing data where needed, to adequately serve planning and management needs of wildlife and fish resources.

7. The planning and decision documents of the Forest Service and Department of Natural Resources should display the cumulative effects of forest management on fish and wildlife resources.

Because the impacts of clearcut logging are cumulative over time, land management plans should explicitly address the resource goals and objectives for a given area over the entire rotation period (100 years). Long-term and cumulative impacts of timber management on fish and wildlife resources should be displayed in 5 year operating plans as well as overall forest planning.

8. The Forest Service should incorporate the special management needs of island wildlife populations in management plans throughout coastal Alaska.

Some species occurring on islands have special biological characteristics, such as restricted gene flow, lower genetic diversity, reduced dispersal and immigration rates, and therefore increased vulnerability to the habitat fragmentation brought on by logging. These problems should receive special consideration in forest planning.

9. The Forest Service and the Department of Natural Resources should assess all effects associated with the development and use of road systems on wildlife and fish.

Building roads in undeveloped areas may reduce the value of those areas for certain wildlife species through habitat degradation and human disturbance. These effects need to be explicitly addressed in the planning process. Management of public access should be an integral part of transportation plans. The input of the general public and resource management agencies should be solicited during the development of region-wide and area-specific transportation plans.

10. The U.S. Forest Service and the Alaska Department of Natural Resources should evaluate the economics of all resource uses.

The economic benefits derived from commercial and sport fishing, guiding, hunting, trapping, viewing, and tourism are not presently included in the economic analyses of timber harvest. A process should be developed to evaluate long-term economic costs and benefits for these resource uses as well as for timber harvest.

The Alaska Chapter of The Wildlife Society wishes to be formally involved in review of management plans for both State and Federal forest lands throughout coastal Alaska to ensure the plans consider wildlife and fish resources equally with other resources and are consistent with the recommendations stated herein.

5/1/86

DATE

15

TELECOPIER MESSAGE

TO: Juneau for Legislators Addressed
FR: Sitka - Chamber of Commerce

SENT BY SITKA, ALASKA LEGISLATIVE INFORMATION OFFICE.

NUMBER OF PAGES INCLUDING THIS ONE: Cover + 3

PLEASE NOTE THAT WE HAVE A XEROX 455 MANUAL TELECOPIER; THIS MACHINE CANNOT RECEIVE/SEND PAGES LARGER THAN 8½" x 11".

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M.W. Miller
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Pence
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S. Res.

Sens. ~~[REDACTED]~~
Fahrenkamp
Eliason
Zimozz
Halyford
Coghill
V. Fischer



GREATER SITKA

Chamber of Commerce, Inc.

May 1, 1986

**TO: ALL MEMBERS OF THE SENATE RESOURCES COMMITTEE
ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE**

SUBJECT: SOUTHEAST ALASKA TIMBER INDUSTRY

**FROM: GREATER SITKA CHAMBER OF COMMERCE
PAUL M. HARRIS, PRESIDENT**

As you deliberate in regards to the Southeast Alaska Timber Industry, we encourage you to read the attached two information sheets which we have prepared. The Greater Sitka Chamber of Commerce urges your quick passage of the Alaska resolutions, which would tell Congress that any attempt to open ANILCA, create additional wilderness area, decrease the timber harvest or cut the timber supply would substantially damage the area's economy. We believe and support the timber industry to be a very important resource industry to the State of Alaska.

w/attachments (2)

cc: Senator Dick Eliason
Representative Ben Grussendorf

①

PLEASE TAKE A MOMENT TO READ THE FOLLOWING

THEN WRITE YOUR LETTER TO THE US FOREST SERVICE.
ENCOURAGE YOUR EMPLOYEES TO DO THE SAME. DON'T
DELAY -- DEADLINE IS MAY 9...

In 1979, when the Tongass Land Management Plan and ANILCA were being shaped, many Alaskans warned:

IF YOU CARVE FIVE MILLION ACRES OF WILDERNESS
FROM THE TONGASS, YOU FORCE A CHOICE:

...EITHER logging must move closer to the communities, the
boating routes, & local use areas,

...OR the timber industry in Southeast Alaska is dead.

Many, many Alaskans pointed out this problem. The warning was ignored.
The decision to create massive remote wilderness areas was made.

AND HERE WE ARE, FACING THE CHOICE.

It's surprising that so many people seem to have forgotten the terms of
the ANILCA agreement. Some of them, of course, weren't here six years
ago. But others were here and were among the most enthusiastic in sup-
porting -- demanding, in fact -- that these enormous remote wilderness
areas be established.

WHEN THEY WERE FINISHED, OVER 50 PERCENT
OF THE TONGASS NATIONAL FOREST WAS IN WILDERNESS
OR OTHER PROTECTED STATUS.

We trust that these folks will take comfort in knowing that there are
OVER FIVE MILLION ACRES OF OLD GROWTH, EAGLE NEST TREES, DEER WINTER RANGE,
FISH STREAMS, AND SOLITUDE SURROUNDING SITKA. Not a single logger will
step a foot on these five million acres -- ever.

And while they take comfort in that, the rest of us MUST concern ourselves
with what they left for us. There are some important facts:

1. Timber activity & roading are governed by many environmental laws.
Their effectiveness is shown by the abundant game, by the increasing
fish harvest, and by the swelling numbers of visitors to our scenic
countryside. Multiple use management is working well in those portions
of the Tongass where ANILCA permits it to function.
2. Market conditions have improved for the timber industry. With reason-
able logging/roading costs, our local industry can survive -- support-
ing local jobs, the local housing market, local school enrollment, and
the local tax base.
3. Timber operations near the community have some positive advantages.
Suppliers, transportation providers, & other businesses benefit --
and with that come more jobs & related economic benefits. The road
systems will remain -- approximately 160 miles under this plan -- for
the use & enjoyment of many sportsmen & recreational users. (And
those who don't equate roads with recreation have all of Admiralty,
West Chichagof, South Baranof, Endicott, Tracy Arm, Petersburg Creek,
Stikine-LeConte, Tebenkof, and a host more pristine wildernesses in
which to wander!)

ANILCA was created by environmental groups and congressmen from Utah and
Ohio. We wish they'd done it differently. LET'S MAKE THIS DECISION
OURSELVES!

IT IS VERY IMPORTANT THAT EACH OF US SPEAKS
NOW. LET THE FOREST SERVICE KNOW THAT YOUR
SUPPORT IS BEHIND OUR LOCAL MILL AND YOUR
FRIENDS & NEIGHBORS DEPENDING UPON THESE JOBS.

REMINDE THE FOREST SERVICE OF THE FACTS ABOVE.
REGISTER YOUR SUPPORT FOR ALTERNATIVE H IN THE
NEXT 5-YEAR OPERATING PLAN FOR ALASKA PULP.

YOUR HELP IS URGENTLY NEEDED BY MAY 9.

WRITE TO:

Mike Johnson
US Forest Service
204 Sigina Way
Sitka, Ak. 99835

The 1986-90 APC environmental statement is very technical & difficult to understand. The Forest Service says they are forced to present the information this way because each & every timber plan is now being challenged in Court!

Following are some straight-forward facts to help you write your letter.

ALTERNATIVE 'H' SHOULD BE ADOPTED, WITH AMENDMENTS
TO IMPROVE IT ECONOMICALLY, BECAUSE:

1. In 1984, APC directly contributed \$20,415,000 to Sitka's economy. This total included a payroll of \$15,896,000 & purchase of over \$1.5 million in power from the City & Borough.
---SITKA URGENTLY NEEDS APC'S CONTRIBUTION TO OUR ECONOMY.
2. In 1984, APC contributed an additional \$13,576,000 to Southeast's economy. This total includes dollars for camp construction, road construction, towing, & purchase of chips.
---APC CONTRIBUTES TO A DIVERSE, STRONG SOUTHEASTERN ECONOMY.
3. Profitability of timber operations began dropping with passage of the Alaska Lands Act in 1980. During 1976-80, APC operated at a Net Profit of \$100.94/MBF and a Net Stumpage of +\$30.33. After wilderness land selections & other prime timber removals, the economics began to drop. The Forest Service proposal for 1986-90 is at a Net LOSS of \$55.06/MBF and a Net Stumpage of -\$114.00.
---ANILCA FUNDS, APPROPRIATED BY CONGRESS, MUST BE USED DURING THIS OPERATING PERIOD FOR ROAD BUILDING, IN ORDER TO MAKE TIMBER OPERATIONS FEASIBLE. THIS WAS THE INTENT OF CONGRESS WITH ANILCA.
4. While asking both Southeast mills to operate at a deficit, the Forest Service proposes to put the Sitka mill at a significant disadvantage. Under LPK's current plan (through February 1989), there is a Net Loss of \$6.46. Contrast this with the -\$55.06 proposed by the agency for Alaska Pulp. The comparable stumpage rates are -\$58.38 for LPK and -\$114.00 for APC.
---THE DRASTIC DEFICIT PROPOSED BY THE FOREST SERVICE MUST BE CORRECTED. 'ALTERNATIVE H', SUPPLEMENTED BY ROAD FUNDING, IS THE FAIREST ALTERNATIVE.
5. Employment at the Sitka mill is now at 373 persons. A total of 215 jobs have been lost since the Alaska Lands bill in 1980.
---THESE JOBS ARE CRITICAL TO SITKA'S CURRENT ECONOMY AND TO SUSTAIN OUR CURRENT POPULATION, UPON WHICH EDUCATIONAL PROGRAMS, HEALTH SERVICES, & OTHER 'QUALITY OF LIFE' FACTORS DEPEND.
6. Both Alaska Pulp and LPK are purchasing pulp wood logs from the Native Corporations as they begin to operate on their private land holdings.
---THE SITKA MILL IS ONE VITAL LINK IN THE DEVELOPING PRIVATE INDUSTRIAL ECONOMY OF SOUTHEAST.
7. Over 75 percent of APC's sales are to Pacific Rim and other foreign nations.
---APC IS HELPING TO REVERSE THE TRADE/DOLLAR FLOW AWAY FROM THE AMERICAN ECONOMY & CONTRIBUTING TO ALASKA'S EFFORT TO DEVELOP PACIFIC RIM TRADE PARTNERSHIPS.
8. Barely 10 percent of the Tongass National Forest is available for timber harvest. Operations in that 10% are governed by a host of

As of 4/25/86

The following¹⁴ Southeast Alaska communities have passed resolutions opposing the 4.5 billion board feet per decade timber supply goal of ANILCA Section 705(a):

Angoon
Craig
Edna Bay
Elfin Cove
Gustavus Community Association
Hoonah
Hydaburg
Kupreanof
Pelican
Point Baker
Port Alexander
Port Protection
Tenakee Springs
Yakutat

CITY OF HYDABURG

P.O. BOX 49
HYDABURG, ALASKA 99922
(907) 285-3761

RESOLUTION NO. 86-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HYDABURG, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be detrimentally effected by this amount of timber cutting; and

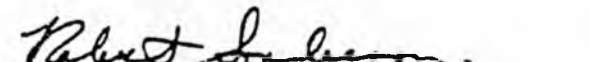
WHEREAS, this level of timber harvest does not allow adequate flexibility in the management of the forest for all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing timber harvesting on State and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

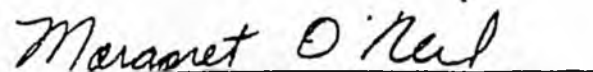
THEREFORE BE IT RESOLVED, that the Council of the City of Hydaburg, in Hydaburg Alaska hereby stands opposed to the 4.5 billion board feet per decade ("450") required timber cut on the Tongass National Forest.

PASSED AND APPROVED THIS fourth day of March, 1986.

CITY OF HYDABURG, ALASKA


Robert Sanderson, Mayor

ATTEST:


Margaret O'Neil, City Clerk

CITY OF PORT ALEXANDER

Box 725 • PORT ALEXANDER, ALASKA 99836

Resolution 84-6

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

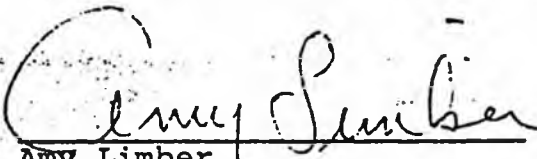
Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

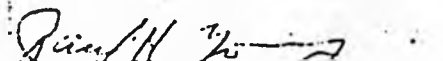
Whereas, the "450 cut" is a political mandate not based on economic principles, as evidences by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the community of Port Alexander stands opposed to the "450" * timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 5th day of October, 1984.


Amy Limber
City Clerk


Linda Hoven Mayor
PAUL YOUNG

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA,
IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING
THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT,
50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND
ON THE TONGASS NATIONAL FOREST.

- WHEREAS, Hoonah is a rural community, our lives are based on the surrounding fish and wildlife resources; and
- WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and
- WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and
- WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and
- WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and
- WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the ne t, causing severe boom and bust cycles for the communities within the Tongass National Forest; and
- WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hoonah, Alaska, that it opposes the 4.5 billion board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Votes _____ Yea 6 Nay 0

January 14, 1986

ATTEST:

Joyce Mills
Joyce Mills, City Clerk

Miles N. Murphy, Jr.
Miles N. Murphy, Jr., Mayor



City of Pelican

BOX 757

PELICAN, ALASKA 99832

PHONE 735-2202

RESOLUTION 1985-4

A RESOLUTION OPPOSING THE "450 CUT" IN THE TONGASS NATIONAL FOREST

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and,

WHEREAS, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources; and,

WHEREAS, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest; and,

WHEREAS, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

THEREFORE BE IT RESOLVED THAT the Pelican City Council is opposed to the "450 cut"* timber policy on the Tongass National Forest.

PASSED, APPROVED AND ADOPTED THIS 11th DAY OF FEBRUARY 1985.

signed: Harry A. Davidson
Harry A. Davidson, Mayor

attest:

Edith M. Carlson
Edith M. Carlson, City Clerk

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

Recd.
7/9/85

CITY OF YAKUTAT, ALASKA

RESOLUTION NO. 85-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YAKUTAT, ALASKA
IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING
THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER
CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on
the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be
detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow
adequate flexibility in the management of the forest for
all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing
timber harvesting on State and private lands and should be
reduced to reflect a balance of timber cutting activities
amongst the Forest Service, the State of Alaska, and private
landowners.

THEREFORE BE IT RESOLVED, that the Common Council of the
City of Yakutat hereby stands opposed to the 4.5 billion
board feet per decade ("450") required timber cut on the
Tongass National Forest.

PASSED AND APPROVED THIS 7TH DAY OF June, 1985.

CITY OF YAKUTAT, ALASKA

ATTEST:

Richard Harris
CITY CLERK

Mayor

Community of Elfin Cove Non-Profit Corporation

POST OFFICE BOX ONE
ELFIN COVE, ALASKA 99825
(907) 697-8131

RECEIVED
MAR 03 1985

CONSERVATION COUNCIL

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the Community of Elfin Cove Non-Profit Corporation stands opposed to the "450" timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 15th day of February, 1985. The Board of Directors are as follows:

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

Greg Howe
Greg Howe, Chairperson

Louise Maurant
Louise Maurant, Vice-Chair

Nora Ann Johnson
Nora Ann Johnson, Treasurer

Sandy Darnell
Sandy Darnell, Secretary

Paul Johnson
Paul Johnson, Member

Joe Craig
Joe Craig, Member

Mary Jo Lord-Wild
Mary Jo Lord-Wild, Member

COMMUNITY OF PORT PROTECTION

A RESOLUTION OF THE COMMUNITY OF PORT PROTECTION, ALASKA
IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING
THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER
CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and
subsistence well being is dependant on surrounding fish and
wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will
be severly impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly
consider or allocate for true multiple use placing timber
concerns over community needs; and

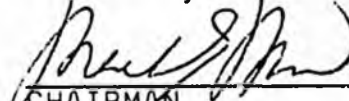
WHEREAS, the 4.5 billion board feet mandate does not
include ongoing harvesting on State, Native Corporation, and
private holdings and should be reduced to reflect a true balance
of harvest clearcutting occuring between Forest Service, The
State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading"
over fish and wildlife resources and habitat,

Therefore, let it be resolved that the Community Council
of the Village of Port Protection hereby stands opposed to
the 4.5 billion board feet per decade required timber cut
on the Tongass National Forest, and that furthur cutting be
brought in line with similar activities in the Lower 48
and a uniform harvestand cleanup reforestation policy apply.

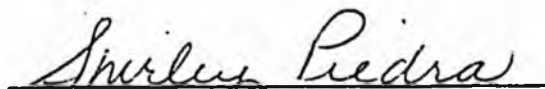
PASSED AND APPROVED THIS 1ST DAY OF NOVEMBER, 1985.

Community of Port Protection, Alaska



CHAIRMAN

ATTEST



Community Secretary

Community of Point BAKER, PRINCE of WALES IS.

A RESOLUTION OF THE COMMUNITY OF Point BAKER ALASKA
IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING
THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER
CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and
subsistence well being is dependant on surrounding fish and
wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will
be severely impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly
consider or allocate for true multiple use placing timber
concerns over community needs; and

WHEREAS, the 4.5 billion board feet mandate does not
include ongoing harvesting on State, Native Corporation, and
private holdings and should be reduced to reflect a true balance
of harvest clearcutting occurring between Forest Service, The
State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading"
over fish and wildlife resources and habitat, and

Therefore, let it be resolved that the Community Council
of the Village of ~~Point Baker~~ Point Baker hereby stands opposed to
the 4.5 billion board feet per decade required timber cut
on the Tongass National Forest, and that further cutting be
brought in line with similar activities in the Lower 48
and a uniform harvestand cleanup reforestation policy apply.

Community of Point BAKER, ALASKA

Mike Montell

DEC 3 1985

Chairman Mike Montell
Box 53 Point Baker
99927

Attest

Joseph Sebastian
Community SECRETARY

Acting

Joseph Sebastian

129 Pt BAKER AK 99927

JAN 15 1986

Gustavus Community Association
Box 62
Gustavus, Alaska 99826

TO: Senator Stevens
Senator Murkowski
Representative Young
Representative Sieberling

FROM: President, Gustavus Community Association

SUBJECT: the "450 Timber Cut" on the Tongass National Forest

DATE: January 13, 1986

At the December 12, 1985 general meeting of the Gustavus Community Association, it was resolved to urge your support in removing the "450 timber cut" provision from the Alaska National Interest Land Classification Act, during the upcoming congressional review of this legislation.

Our reasoning is as follows:

Whereas, the livelihoods of Gustavus residents depend heavily on tourism, fishing and subsistence, and

whereas, biologists and others have determined that excessive timbering can be detrimental to these resources, and

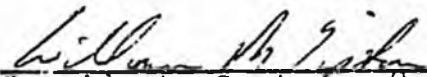
whereas, the "450 timber cut" does not allow enough flexibility in the management of the National Forest for all appropriate uses, and

whereas, this level of harvest is not economically sensible, as shown by the millions of dollars spent to subsidize the forest products industry on the Tongass,

we therefore oppose the "450 timber cut" on the Tongass National forest.

(Information: ANILCA calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of up to \$40 million.)

SIGNED:


President, Gustavus Community Association



P.O. Box 23, Craig, Alaska 99921

(907) 826-3275

RESOLUTION NO. 86-04

A RESOLUTION SUPPORTING OTHER SOUTHEASTERN COMMUNITIES
OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450)
REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS,
AND ABUSE OF THE TONGASS TIMBER ON THE TONGASS
NATIONAL FOREST

WHEREAS, Craig is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable, and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

APPROVED _____

Votes: Yea 5 Nay 2

Mayor

Attest _____
City Clerk

Resolution 86-2

A RESOLUTION BY THE CITY OF KUPREANOF, ALASKA IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND ON THE TONGASS NATIONAL FOREST.

WHEREAS, Kupreanof is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOVED BY the City Council of the City of Kupreanof, Alaska, that it opposes the 4.5 Billian board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Date April 14, 1986

Mayor Robert T. Baad

City Clerk Emily V. Merriam

Edna Bay Community
Edna Bay, Alaska

Resolution 85-12:3-3

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

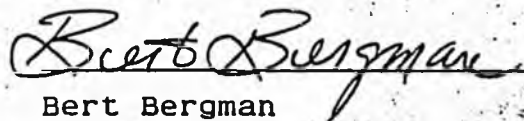
Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the '450 cut' is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

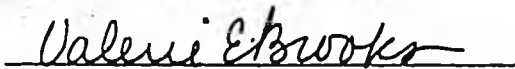
BE IT RESOLVED that the community of Edna Bay stands opposed to the '450' * timber cut on the Tongass National Forest.

This resolution is hereby adopted by majority vote, this 3rd day of March, 1985.



Bert Bergman

Board President



Valerie Brooks

Secretary

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much is necessary to accomplish this legislation.

City of Angoon

P. O. Box 129

Angoon, Alaska 99820

Telephone
(907) 786-3663

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANGOON IN OPPOSITION TO THE 4.5 BILLION BOARD FEET PER DECADE ("450") TIMBER CUT ON THE TONGASS NATIONAL FOREST.

RESOLUTION NO. 86-02

WHEREAS, Angoon is a traditionally subsistence-oriented community dependent upon use of area fish and wildlife resources; and

WHEREAS, 450 MMBF per year harvest level has a detrimental effect on existing fish and wildlife levels within the Tongass National Forest; and

WHEREAS, depletion of existing fish and wildlife resources throughout the Tongass National Forest places additional use pressures from other communities on resources available to Angoon; and

WHEREAS, "450" does not reflect ongoing timber harvest on State and private lands; and

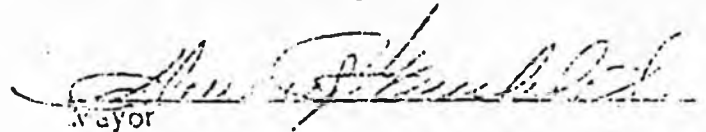
WHEREAS, "450" level of harvest over-supplies the market thus producing current low prices for timber while simultaneously depleting limited Native Corporation resources; and

WHEREAS, a need for "450" level of harvest has never been demonstrated by the timber industry.

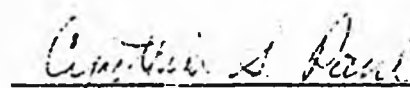
THEREFORE BE IT RESOLVED; that the City Council of the City of Angoon, Alaska hereby stands opposed to the 4.5 billion board feet per decade ("450") timber cut on the Tongass National Forest.

Passed: City Council Meeting held on January 21, 1986 by a vote of 6 yeas, 0 nays, 0 absent, 0 abstain.

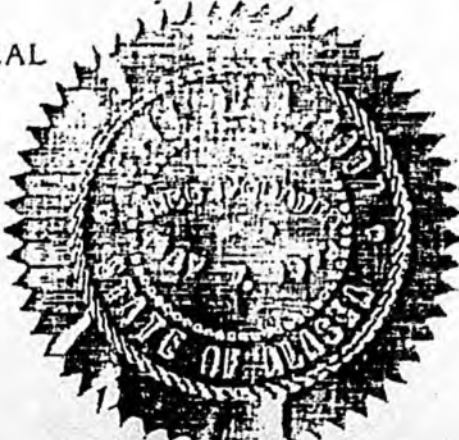
For the City of Angoon


Mayor

ATTEST:


City Clerk

SEAL



CITY OF TENAKEE SPRINGS

Resolution 85-17

In the Council
July 9, 1985

Introduced by the
Council President

A RESOLUTION OPPOSING THE "450" CUT ON THE TONGASS NATIONAL
FOREST,

WHEREAS, living in a balanced environment possessing a wealth of natural resources insures each individual the choice of how to live. Having that choice is important to the residents of Tenakee Springs; and

WHEREAS, the Tongass National Forest lands form an integral part of our lifestyle in Tenakee Springs. The forest lands and the countless resources they produce affect not only how we live, but also where and why we live in this community; and

WHEREAS, we use a number of forest resources for many purposes in our lives: timber for lumber and heat, wildlife and fish for food, sport, and recreation, furbearers for income, and plants for food; and

WHEREAS, the residents of Tenakee Springs are understandably concerned about the present and future management of Tongass National Forest lands.

1. We want a financially healthy and realistic timber industry. An industry prepared to make a meaningful contribution to the local and regional economy year after year. An industry that accepts the responsibility of sharing the natural resources of the Tongass with other industries and interests.

2. We recognized that old growth forests are a non-renewable resource and provide critical fish and wildlife habitat. We appreciate the necessity of fish and wildlife to the maintenance and enrichment of subsistence and rural lifestyles.

3. We believe it is important to protect salmon streams and crab habitat to sustain the fishing industry in Southeast Alaska.

4. We consider maintaining forest land in its natural state critical to the potential future development of a growing tourism and recreation industry.

5. We understand the significance of wilderness as a generator of clean air and water in our environment; and

WHEREAS, timber management on the Tongass National Forest is governed by a congressional and contractual mandate specifying that 450 mmbf/year be designated for harvest. This 450 cut level was arbitrarily established some years ago as a political carrot and economic enticement to encourage development of a timber industry in Southeast Alaska. At the time it was felt that the timber industry was necessary to help settle and stabilize the area. The 450 cut level is not based on an objective scientific assessment of the sustainable timber harvest level on the Tongass. The 450 cut level does not take into consideration natural fluctuation in the timber market or changes in forest management priorities; and

WHEREAS, the obligatory 450 cut level, which also guarantees a minimum of

\$40 million per year in federal subsidies, insures that commercial timber harvest dominates the present list of forest management priorities. The 450 cut level was established prior to the multiple-use concept of forest management; and

WHEREAS, since the 1971 Alaska Native Claims Settlement over 500,000 acres of National Forest Lands have been removed from the base and turned over to Native Corporations. The Forest Service estimates that the Native Corporations now control 20-25% of the commercial timber volume left in the Tongass. The Tongass timber base has been substantially reduced and yet the 450 cut level has remained unchanged; and

WHEREAS, Native Corporations are now cutting more timber annually than originally predicted by the Forest Service. While Native Corporation contracts are accounting for additional jobs in the timber industry, there has been no subsequent adjustment to the 450 cut level on the part of the Forest Service. This situation equates to additional federal subsidy and interference with the timber industry; and

WHEREAS, the high levels of Forest Service subsidies for pulpwood to supply the mills in Sitka and Ketchikan inflate the pulp market to such an extent that Native timber operations cannot always recover costs on the sale of pulpwood. Many trees are left on the ground to rot; and

WHEREAS, the Alaska National Interest Lands Conservation Act (ANILCA) specifies that beginning in December 1985 and every two years thereafter the United States Congress will review the status of the Tongass National Forest. This provides an important opportunity for communities such as Tenakee Springs to provide direct and meaningful input to determine the future management of Tongass National Forest Lands; and

WHEREAS, annual timber harvest levels from the Tongass have consistently run below the 450 cut level in spite of large federal subsidies to the timber industry. This fact clearly demonstrates the economic infeasibility of the 450 cut;

THEREFORE BE IT RESOLVED by the City Council of Tenakee Springs that this community stands opposed to the 450 mmbf per year mandated cut on the Tongass National Forest.

ADOPTED

6 years 1 May

THIS 9th

DAY OF JULY, 1985

Diane Ziel

Diane Ziel
City Council President
ex officio MAYOR

ATTEST:

Janice J. Eagle
Janice J. Eagle
City Clerk

STATEMENT OF JACK W. LENTFER ON HOUSE JOINT RESOLUTION NO. 75
AND SENATE JOINT RESOLUTION NO. 57

My name is Jack Lentfer. I live in Juneau. I am representing myself and the Territorial Sportsmen, an organization of Juneau area residents with interests in fishing, hunting, and wise use of natural resources.

I have been a wildlife biologist in Alaska for 29 years and from 1977 through 1981 was Alaska Department of Fish and Game Southeast Alaska Game Division supervisor. The most important single issue I dealt with in that job was effects of Tongass Forest logging on wildlife. I have worked throughout much of Alaska, and I consider habitat alteration from clearcut logging one of the most serious problems now facing wildlife managers in Alaska.

The Territorial Sportsmen are a long-time Juneau area fishing and hunting organization. They support sound development which enhances the economy of southeast Alaska. Recently they produced a comprehensive report on the effects of logging on wildlife, fisheries, and economics in southeast Alaska. A copy is included in packets which went to committee members.

With regard to House Joint Resolution 75, I fully support the Alaska legislature examining the southeast Alaska logging issue and then informing the public and recommending to Congress. The legislature should consider views of all who have an interest in the Tongass Forest as well as relevant findings of the Alaska Department of Fish and Game.

I would like to highlight a few points from the Territorial Sportsmen's report.

The Tongass Forest makes up 93 percent of southeast Alaska. Four percent has commercially valuable timber (more than 30,000 board feet per acre). This 4 percent is the most valuable for logging and also has the highest fish and wildlife values. Logging is concentrated in the high volume classes; one-half of the highest volume class (50,000 board feet per acre) had been cut by 1981, and under present cutting plans, half of the remainder will be gone within the next 40 years. Because high-volume, old-growth forest is so limited, comparisons of total forest acres logged and left unlogged have little relevance.

After cutting, an area does not again attain old-growth characteristics for several hundred years. Present harvest schedules call for rotational cutting at about 100-year intervals. Thus, once an area is entered into a cutting schedule, old-growth habitat is permanently eliminated.

Sitka black-tailed deer are the most abundant and widely distributed recreational and subsistence hunting species in southeast Alaska. The main factor limiting populations is availability of food in winter. Logging, with its removal of canopy cover of old-growth trees, allows much more snow to

accumulate on the ground and make food unavailable. About 30 years after logging, densely growing second growth shades out understory with its deer forage plants. The Alaska Department of Fish and Game estimates that deer numbers in many popular hunting areas will be reduced 60-80 percent by the end of the first 100-year rotation period. Forest-wide, deer numbers will be reduced by more than 40 percent under present logging plans.

Other wildlife species affected by logging, road-building, and associated activities include brown bear, black bear, mountain goat, moose, marten, mink, river otter, bald eagle, Vancouver Canada goose, and other birds.

Fish, a highly valued commercial and recreational resource, can be adversely affected by logging. With proper safeguards, short-term effects can be minimized. Biologists generally agree, however, that long-term effects of logging on stream habitat and fish populations are unknown.

Shellfish (crabs and clams) can be affected by log dumping and rafting in the biologically rich waters of protected bays. Bark accumulates on the bottom and smothers organisms and depletes oxygen.

Logging can affect a number of guided recreational activities, including hunting, fishing, photography, marine cruising, kayaking, and river rafting. Clearcuts are generally not esthetically compatible with these activities, many of which are contributing significantly to the economy of southeast Alaska. The guided hunting industry brings between \$75,000 and \$1,000,000 into southeast Alaska annually. The largest component is brown bear guiding. Logging has already disturbed enough brown bear areas that guides themselves now believe it necessary to reduce by more than one-half the number eligible to guide on Admiralty, Baranof, and Chicagof islands.

The timber market is presently depressed, and logging on the Tongass Forest is at a reduced level. It should be realized, however, that increased timber harvest on Native lands is compensating economically to some degree. Other activities that will benefit economically and could reduce Tongass timber demands include increased harvest and local processing of timber by small, independent operators, increased tourism, increased mining, maintenance of a viable fishing industry, and maintenance and expansion of various types of guiding.

In conclusion, I would urge the legislature to thoroughly review Tongass Forest management practices and then inform the public of the trade-offs associated with present logging practices and also make appropriate recommendations to Congress.

Thank you.

MEMORANDUM

State of Alaska

TO: Roland Shanks
Special Assistant
Commissioners Office
Fish and Game

DATE: April 28, 1986

FILE NO:

TELEPHONE NO: 465-4265

FROM: Sterling Eide ^{SE}
Regional Supervisor
Region I/Game Division
Juneau

SUBJECT: Impact of 4.5 bill.
Tongass quota on
Deer

The 16.9 million acre Tongass National Forest comprises most (> 90%) of the land base of southeast Alaska. Much of the Tongass is composed of nonforested muskeg, alpine, rock, and ice. Only one third of the Tongass land base is classified as commercial forest land (most of it old-growth forest which is important wildlife and fish habitat, nonrenewable under current management), and of that only 14% is considered by the timber industry as economically valuable timber (those stands with a timber volume of >30,000 board feet per acre).

This same land base (high volume old growth) is the most critical deer habitat during deep snow winters. This land also provides high value wildlife habitat for a variety of other species as well as contributing to overall forest diversity. The result of concentrating the timber harvest on high-volume old growth will be to significantly reduce forest diversity and populations of some important wildlife species, particularly Sitka black-tailed deer.

Most of the timber harvest is currently directed at only 4% of the total land base of the Tongass National Forest. It is significant that there is twice as much high volume timber on lands scheduled for timber harvest as on wilderness lands. Furthermore, the highest volume timber class (>50,000 bf/acre) is 6 times more abundant on lands scheduled for harvest than on wilderness and roadless lands. In fact, in the next 40 years about half of the highest volume timber lands, forest wide, are scheduled for harvest.

Based on Alaska Department of Fish and Game research, deer populations in some important watersheds will be reduced by over 75% as a result of harvesting old growth over the 100 year rotational cycle. In 100 years, it is predicted that deer populations, forest wide, will be reduced by over 40%. The impacts of clearcutting old-growth forest in southeast Alaska are cumulative and long term. Management decisions made today will affect many generations of resource users throughout southeast Alaska.

The Alaska Department of Fish and Game predicts that if the present Tongass Land Use Management Plan is followed, then Sitka black-tailed deer habitat in all habitat types will be reduced forever by at least 42%. Present harvests are about 10-15,000 annually. Nearly all of this harvest is by southeast Alaska residents.

Because most of the communities are located in nonwilderness areas and timber harvests will be done on nonwilderness lands, deer harvests may be reduced even more dramatically than the reduction in deer habitat.

KTU
MAY 7, 86

Editorial

Look in the mirror

The environmental community is testifying this week that Southeastern Alaska is threatened by overharvesting of timber, despite the fact that environmentalists succeeded in 1980 in having 5 million of the Panhandle's 16 million acres put in wilderness.

What they want is to have it all and so will testify at a Congressional hearing this week.

An argument used to drive the timber industry out of this part of Alaska is that the industry is heavily subsidized. Critics of the timber industry point to the guaranteed timber harvest of 4.5 billion board feet over 10 years and to the \$40 million a year the Forest Service is authorized to spend to make timber available that otherwise would be uneconomic to cut. That means roads and the environmentalists want no more roads. They want the long-term sales canceled although those sales make possible private, not government, financing of the timber industry.

Environmentalists also argue that timber harvesting is destroying fish and wildlife. They ignore the fact that the fishing industry has enjoyed record salmon harvests for the past six years, and that the best salmon runs have been in the southern part of the Panhandle where the heaviest timber harvest has been since 1952.

In arguing that the timber industry is heavily subsidized, the environmentalists add up all of the cost of administering the national forest, including recreation programs, administering forest environmental programs and the wilderness areas. Against that they credit the small amount of timber stumpage revenue received. Ignored is the total lack of revenue from wilderness and its users. Their reasoning is that the Forest Service should be a money-making agency with the timber industry as the revenue source.

Completely ignored is that the fishing industry is the most heavily subsidized industry in Alaska. The total budget for the Alaska Department of Fish and Game for fiscal 1984 was \$69.2 million. Tax receipts from the industry — all fish taxes and licenses and marine fuel tax — totaled only \$33.2 million for fiscal 1984, the last year for which figures are available. That income also includes the sport fish and game license receipts. A little \$36 million shortfall.

In addition, the state authorized \$80.3 million in commercial fishing loans and \$34 million in fish enhancement loans in fiscal 1984. Those loans are subsidized because they are too risky for banks (which financed the timber industry) and are at below-market interest rates.

By comparison, the state spends less than \$1 million a year on its timber program. (The Division of Forestry receives \$12 million but most of it goes to forest fire fighting in the northern part of the state.)

For the Wilderness Society, the Sierra Club or Southeastern Alaska Conservation Council to criticize any industry because it's subsidized is outrageous. They live entirely on handouts. They don't get many handouts from Southeastern Alaska. They solicit funds with scare literature ("the bulldozers are poised. . .") to people far away from the affected area, which is unethical.

Before critics of the Forest Service and Alaska timber industry talk of ethics and subsidies, they should look in the mirror.

**A RESOLUTION OF THE
ENDORISING SUPPORT FOR THE TIMBER INDUSTRY AS IT RELATES
TO THE ALASKA NATIONAL INTEREST CONSERVATION ACT**

Whereas, The timber industry in Alaska is a vital industry and a major contributor to the economy of Alaska; and

Whereas, the passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980 recognized the importance of the timber industry to the State of Alaska; and

Whereas, the Alaska National Interest Lands Conservation Act (ANILCA) set forth within the legislation a timber supply fund and also authorized a timber supply harvest level in order to insure economic stability within the timber industry; and

Whereas, the Alaska National Interest Lands Conservation Act (ANILCA) was a compromise reached in 1980 between those advocating wilderness additions and those supporting a viable timber industry and a renewable resource; and

Whereas, the Alaska National Interest Lands Conservation Act (ANILCA) has already mandated and set aside over fifty percent (50%) of Southeast Alaskan lands as wilderness and roadless areas; and

Whereas, the total acreage of the Tongass National Forest is 16,706,895 acres excluding land in other ownership and, of that total, only 1,749,700 acres are scheduled for harvest over the rotation of 100 years which constitutes only 1/10th of one percent per year or 10 percent over the life of the rotation; and

Whereas, any attempt to open up ANILCA and create additional wilderness areas, decrease the mandated timber harvest level or eliminate the authorized Timber Supply Fund would cause severe detrimental damage to the economy of Southeast Alaska; and

Whereas, Congress is about to begin hearings to consider the Alaska National Interest Conservation Act (ANILCA) and special interest groups are requesting significant changes in ANILCA which may cause severe economic damage to the existing timber industry and, consequently, many communities in Southeast Alaska

NOW THEREFORE THE _____
RESOLVES:

1. The Alaska National Interest Lands Conservation Act (ANILCA) should not be reopened or amended as this action would have the effect of "voiding" the delicate compromise and subsequent legislation passed in 1980.
2. The timber harvest level of 4.5 Billion Board Feet per Decade as mandated by the Alaska National Interest Lands Conservation Act (ANILCA) must be maintained.
3. The Timber Supply Fund as enacted as part of the Alaska National Interest Conservation Act (ANILCA) must be maintained and adequately funded.
4. The land base as made available under the Alaska National Interest Conservation Act (ANILCA) for renewable timber harvest must not be reduced and no further additions to wilderness areas be enacted.
5. Before Congress begins any further consideration of the Alaska National Interest Conservation Act (ANILCA), it is requested that hearings be held within the State of Alaska.

PASSED AND APPROVED by the _____
_____ this _____ day _____, 1986

STATE OF ALASKA 1986 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SJR 51
 Title : Amendment by Congress of Alaska
National Interest Land Conservation
Act as it relates to public industry
 Sponsor : Resources Committee
 Requestor : Frank Homan/Senate Resources
 Date of Request : April 25, 1986

FISCAL DETAIL

Agency Affected : DC&ED
 BRU : Economic Development
 Advocates : _____
 Components : Office of Forest Products

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Thyes Shaub, Director
 Division : Office of Forest Products

Phone : 465-2094

Date : _____

Approved by Commissioner : *Don H. Lounsbury*
 Agency : _____

Date : 4/28/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Amendment #1 for CS SJR 51
Senate Resources Committee
Southeast Alaska Conservation Council

Page 2, Lines 1-4

Delete "and 706 have" from line 1 and replace with "has", Replace "Sections" with "Section"
Delete lines 2 through 4 and replace with:

"and serious doubts remain about the workability of the Forest Service's attempt
in the Tongass Land Management Plan to balance competing uses of the Tongass; and"

Rationale: This amendment encompasses the concerns not only of the timber industry,
but all other participants in the 706(b) review process.

Amendment #2 for CS SJR 51

Page 2, Line 6

Delete line 6 and replace with:

"the results of implementation of ANILCA on the Tongass National Forest;"

Rationale: This amendment is an accurate description of the review process taking place.
Section 706 simply calls for this review process and has nothing to do with the implemen-
tation of Section 705.

Amendment #3 for CS SJR 51

Page 2, Lines 8 & 9

Delete lines 8 through 9 beginning from "so that..." and add the phrase "without
hearings in the state;" after the word "amended"

Rationale: It is in no one's interest to amend ANILCA without a proper hearing process.
(Note: Section 706(b) cannot be amended, it only calls for a review process.)

Amendment #4 for CS SJR 51

Page 2, Lines 11 & 12

Delete these lines

Rationale: 14 communities in Southeast Alaska have passed resolutions opposing the 4.5
billion board feet per decade harvest level because it threatens the fish and wildlife
resources on which their livelihoods depend. Not all of Southeast's communities are
dependent on timber harvest for their economy. Only one community, Petersburg, has gone
on record in support of the "450" and this community has an economy based on both timber
and fishing. This would be a blanket statement that clearly does not represent the expressed
interests of many of Southeast's communities. This statement only represents the interests
of the timber industry which supplied 1800 jobs in Southeast in 1984. Commercial fishing
supplied 2800 jobs, tourism 3200 jobs, federal government 2900 jobs, and state and local
government 9800. This statement rides roughshod over the other industries in Southeast.

Amendment #5 for CS SJR 51

Page 2, Lines 18 & 19

Delete these lines after the word "funded" and up to the ";

Rationale: This language is unnecessary.

Draft

4/29

Relating to the Alaska National Interest
Lands Conservation Act Section 705 and
706.

BE. IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the timber industry is an important industry
and a major contributor to the economy of the state; and

WHEREAS tourism, ~~commerical fishing industries~~, and ~~Recreation Industries~~
~~subsistence way of life~~ are also vital to Southeast Alaska
and major contributors to the state's and region's economy;
and

WHEREAS the passage of the Alaska National Interest
Lands Conservation Act (ANILCA) recognized the importance of
these industries to the state; and

WHEREAS Section 705 and 706 of ANILCA was a compromise
between those advocating wilderness additions and those
supporting a viable timber industry; and

WHEREAS Section 705 provided for a timber supply fund to make timber harvest in marginally economic stands economically feasible; and

WHEREAS Section 706 authorized a timber supply harvest goal of 4.5 billion board feet per decade; and

WHEREAS Congress's objective in Section 705 and 706 was to maintain employment in the dependent timber industry of Southeast Alaska at pre-ANILCA levels, while ensuring that other resource values and public uses would be protected on nonwilderness land in accordance with Federal law and the Tongass Land Management Plan; and

WHEREAS Section 705 and 706 have not been properly implemented; and

WHEREAS the Congress is about to begin oversight hearings to consider Section 705 and 706 of ANILCA;

(BE IT RESOLVED by the Alaska State Legislature that Congress maintain a continued balance between jobs and development, and fish, wildlife, recreation, and wilderness values in Southeast.)

BE IT RESOLVED by the Alaska State Legislature that ANILCA not be amended in a manner that would void the

the provisions of ANILCA

~~delicate compromise and subsequent legislation passed in~~
~~1980; and~~

FURTHER BE IT RESOLVED that the timber harvest level of 4.5 billion board feet per decade be managed to maintain a continued balance between jobs and development, and fish, wildlife, recreation, and wilderness in Southeast Alaska; .

FURTHER BE IT RESOLVED that the timber supply ^{be} ~~fund~~ as enacted as part of ANILCA ~~be maintained and~~ adequately *funded* ~~and properly implemented~~ *and properly implemented* funded; and be it

FURTHER RESOLVED that before Congress begins any further consideration of ANILCA that hearings be held within the State of Alaska.

COPIES...

Suggested Amendments to SJR 51:

Samoa SOAK
6-6942
Relating to Section 706(b) of the Alaska National Interest Lands Conservation Act and urging Congress to hold hearings within the State of Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the timber, tourism, commercial fishing industries, and subsistence way of life are vital to Southeast Alaska and major contributors to the region's and state's economy; and

WHEREAS the passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980 recognized the importance of these industries and way of life to the region and the state; and

WHEREAS ANILCA Section 705 provided for a timber supply fund to make timber harvest in marginally economic stands economically feasible to prevent damage to important fish and wildlife habitat and resources upon which non-timber industries and the subsistence way of life depend; and

WHEREAS ANILCA Section 705 authorized a timber supply harvest goal to ensure that an adequate supply of timber was made available to the dependent timber industry; and

WHEREAS ANILCA land designations were crafted to balance the recognized and inherent conflicts between use of fish, wildlife, timber, mineral, and scenic resources upon which the Southeast Alaska's economy depends; and

WHEREAS the Congress is about to begin hearings as mandated by ANILCA to review the status of the Tongass National Forest and the industries dependent upon the forest's resources; and

WHEREAS the status of the Tongass National Forest and decisions affecting its management are of vital importance to the residents and economy of Southeast Alaska and to the State of Alaska;

BE IT RESOLVED by the Alaska State Legislature that ANILCA not be reopened or amended until hearings on the status of the Tongass National Forest have been conducted within the State of Alaska to enable the full participation of affected Southeast Alaska communities, industries, and the State of Alaska.

Draft

4/29

Relating to the Alaska National Interest
Lands Conservation Act Section 705 and
706.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the timber industry is an important industry
and a major contributor to the economy of the state; and

WHEREAS tourism, ~~commerical fishing industries~~, and ~~the~~
Recreation Industries
~~subsistence way of life~~ are also vital to Southeast Alaska
and major contributors to the state's and region's economy;
and

WHEREAS the passage of the Alaska National Interest
Lands Conservation Act (ANILCA) recognized the importance of
these industries to the state; and

WHEREAS Section 705 and 706 of ANILCA was a compromise
between those advocating wilderness additions, and those
supporting a viable timber industry, and those concerned
about other values within the Tongass National Forest; and

WHEREAS Section 705 provided for a timber supply fund to make timber harvest in marginally economic stands economically feasible; and

WHEREAS Section 706 authorized a timber supply harvest goal of 4.5 billion board feet per decade; and

WHEREAS Congress's objective in Section 705 and 706 was to maintain employment in the dependent timber industry of Southeast Alaska at pre-ANILCA levels, while ensuring that other resource values and public uses would be protected on nonwilderness land in accordance with Federal law and the Tongass Land Management Plan; and

WHEREAS Section 705 and 706 have not been properly implemented, *Particularly as a result of the Forest Service's failure to allocate funds in accordance with representations it made to Congress at the time of ANILCA's passage and*
WHEREAS the Congress is about to begin oversight hearings to consider Section 705 and 706 of ANILCA;

(BE IT RESOLVED by the Alaska State Legislature that Congress maintain a continued balance between jobs and development, and fish, wildlife, recreation, and wilderness values in Southeast.)

705 and 706
BE IT RESOLVED by the Alaska State Legislature that *Sections* ANILCA not be amended *so that the delicate compromise* in a manner that would void the *conservation* crafted by Congress *= The Tongass National Forest* be maintained. *balancing values within the*

~~The provisions of ANILCA~~

~~delicate compromise and subsequent legislation passed in
1980; and~~

FURTHER BE IT RESOLVED that the timber harvest level of
4.5 billion board feet ~~per decade be managed to maintain a~~
~~per decade be maintained.~~

FURTHER BE IT RESOLVED that the Forest Service ~~continue to manage the~~
~~continued~~ balance between jobs and development, and fish,
wildlife, recreation, and wilderness in Southeast Alaska;

FURTHER BE IT RESOLVED that the ~~Timber~~ ^{Tongass} Supply ~~fund~~ ^{fund be} as
enacted as part of ANILCA be maintained and adequately funded
~~and properly implemented~~
~~funded; and be it~~
and spent in accordance with the manner ^{and for the same} which the Forest
Service advised Congress it would spend the funds

FURTHER RESOLVED that before Congress begins any
further consideration of ANILCA that hearings be held within
the State of Alaska.

COPIES...

Tongass National Forest in a manner
which will maintain the

Introduced: 4/24/86
Referred: Resources

Alaska Rules

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 SENATE JOINT RESOLUTION NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the Alaska National Interest
6 Lands Conservation Act and endorsing
7 support for the timber industry.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the timber industry is a vital industry in the state and a
10 major contributor to the economy; and

11 WHEREAS the passage of the Alaska National Interest Lands Conservation
12 Act (ANILCA) in 1980 recognized the importance of the timber industry to
13 the state; and

14 WHEREAS ANILCA provided for a timber supply fund and also authorized a
15 timber supply harvest level in order to ensure economic stability within
16 the timber industry; and

17 WHEREAS ANILCA was a compromise reached in 1980 between those advocat-
18 ing wilderness additions and those supporting a viable timber industry and
19 a renewable resource; and

20 WHEREAS ANILCA has already mandated and set aside over 50 percent of
21 Southeastern Alaska land as wilderness and roadless areas; and

22 WHEREAS the total acreage of the Tongass National Forest is 16,706,895
23 acres excluding land in other ownership and, of that total, only 1,749,700
24 acres are scheduled for harvest over the rotation of 100 years which con-
25 stitutes only one-tenth of one percent a year or 10 percent over the life
26 of the rotation; and

27 WHEREAS any attempt to change ANILCA to create additional wilderness
28 areas, ~~and decrease the mandated timber harvest level or eliminate the~~
29 ~~authorized timber supply fund would~~ ^{could} cause ~~severe detrimental~~ damage to the

1 economy of Southeastern Alaska; and

2 ~~WHEREAS the Congress is about to begin hearings to consider ANILCA and~~
3 ~~special interest groups are requesting significant changes in ANILCA that~~
4 ~~may cause severe economic damage to the existing timber industry and,~~
5 ~~consequently, many communities in Southeastern Alaska;~~

6 BE IT RESOLVED by the Alaska State Legislature that ~~ANILCA not be~~
7 ~~reopened or amended as this action would have the effect of voiding the~~
8 ~~delicate compromise and subsequent legislation passed in 1980; and be it~~

9 ~~FURTHER RESOLVED that the timber harvest level of 4.5 billion board~~
10 ~~feet per decade as mandated by ANILCA be maintained; and be it~~

11 ~~FURTHER RESOLVED that~~ the timber supply fund as enacted as part of
12 ANILCA be maintained and adequately funded; and be *it made available for all*
13 *resource management in the Tongass National Forest*

14 FURTHER RESOLVED that the land base made available under ANILCA for
15 renewable timber harvest not be reduced and no further additions to wilder-
16 ness areas be enacted; and be it

17 FURTHER RESOLVED that before the Congress begins any further consider-
18 ation of ANILCA that hearings be held within the State of Alaska.

19 COPIES of this resolution shall be sent to the Honorable Ronald
20 Reagan, President of the United States; to the Honorable George Bush,
21 Vice-President of the United States and President of the U.S. Senate; to
22 the Honorable Thomas P. "Tip" O'Neill, Jr., Speaker of the U.S. House of
23 Representatives; and to the Honorable Ted Stevens and the Honorable Frank
24 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
members of the Alaska delegation in Congress.

provisions of the Wild and Scenic Rivers Act. The substitute bill adds one river, the Kvichak, to the designated list and two rivers, the Squirrel and the Koyuk, to the list of rivers to be studied.

BOUNDARIES

In recognition of the expansive vistas, unique fish and wildlife resources and ecological systems associated with an life protection to certain rivers in Alaska, all the Alaska lands bills have contained provisions for a wider corridor than the standard of an average of 320 acres per mile used for rivers designated in the "lower 48". The Committee gave the Secretary the authority to establish a river protection zone extending up to two miles from the ordinary high water mark on both sides of wild and scenic rivers outside other conservation systems. However, outside a quarter mile corridor, the provisions applying to National Recreation Areas would have applied.

The substitute bill eliminates the river protection zones, but for the Alaska rivers outside the size of the corridor permitted in the "lower 48" to an average of 640 acres on both sides of the river. Also, the boundaries may not include any lands owned by the State, or a political subdivision of the State, or may the boundary extend around any private lands adjoining the river in such a manner as to surround or effectively surround such private lands. This latter provision guarantees access to these private lands.

ADMINISTRATIVE PROVISIONS

The substitute adopted one other provision found in the Senate Committee bill. Subject to all valid existing rights, all public lands within two miles of rivers being studied in possible addition to the system are withdrawn from entry, sale, State selection or other disposition under the public land laws and from all forms of appropriation under the mining laws and from operation of the mineral leasing laws. This withdrawal remains in effect for the periods of time provided in the Wild and Scenic Rivers Act.

TITLE VII—WILDERNESS

I. NATIONAL PARKS

(a) *Gates of the Arctic*: The substitute adds approximately 2.1 million acres of wilderness in the Gates of the Arctic National Park in addition to the 4.8 million acres of wilderness included in the Committee bill.

(b) *Noatak*: The Noatak Wilderness was added in the substitute by approximately 1,000 acres. This area was designated as an in the Committee bill and redesignated preserve in the substitute.

II. WILDLIFE REFUGES

(a) *Andreasky Wilderness*: The Senate Committee bill did not include a wilderness designation in the Yukon Delta National Wildlife Refuge. The substitute designates a million acre wilderness in this region. The wilderness excludes lands that will be conveyed to Native Corporations in area (i.e. deficiency or other withdrawal under ANCSA).

(b) *Arctic Wilderness*: The Senate Committee bill did not include a wilderness designation in the Arctic National Wildlife Refuge. The substitute designates an 8.0 million wilderness which encompasses all of the newly existing portion of the Arctic National Wildlife Refuge except for the coastal area. The area designated wilderness is that portion of the coastal plain in the Aichilik River east to the Canadian border. This segment of the area contains sensitive wildlife habitats and affords representation of the coastal plain in this wilderness unit.

(c) *Arctic*: This is superlative in its wilderness. The combination of use by porcupine America's greatest arctic wildlife against the striking scenic beau-

ty of several arctic life zones and the opportunity for one of this nation's finest wilderness recreation experiences has resulted in this area being described as epitomizing the purposes of the Wilderness Act.

(c) *Becharof Wilderness*: The Senate Committee bill did not include a wilderness designation in the Becharof National Wildlife Refuge. The substitute establishes a 0.4 million acre wilderness centered on significant brown bear denning and intensive use areas.

This unit encompasses some of the most dense and unusual populations of brown bears in Alaska. Intensive use areas (centered on key salmon spawning streams) and concentrations of dens (in mountainous areas and, uniquely, on islands in Becharof Lake) are key bear use features. Prey populations of moose and caribou also support this dense bear population.

(d) *Innoko Wilderness*: The Senate Committee bill did not designate wilderness in the Innoko National Wildlife Refuge. The substitute establishes a 1.24 million acre wilderness.

The Innoko Wilderness is located in the southeastern portion of the Innoko National Wildlife Refuge. The Innoko River forms the western boundary and the Iditarod and Yema Rivers meander through the entire wilderness area.

Because this basin is at or approaching its wildlife carrying capacity, the wilderness designation becomes an appropriate management tool for maintaining the high productivity of the area.

(e) *Koyukuk Wilderness*: The Senate Committee bill did not designate wilderness in the Koyukuk National Wildlife Refuge.

The substitute designates a 0.4 million acre wilderness in the west central portion of the Koyukuk National Refuge. This area possesses one of the largest active sand dune areas in Alaska, the Nogahabara Dunes, with its associated transitional plant and animal communities.

(f) *Nunivak Wilderness* (0.8 million acres): The Senate Committee bill did not designate wilderness in this unit of the Yukon Delta National Wildlife Refuge.

The substitute designates a 0.5 million acre wilderness in the southern portion of Nunivak Island. This unit encompasses sensitive winter habitats used by Alaska's largest muskox population and cliff areas supporting one of the largest seabird nesting colonies in Alaska. Geological features of this unit include the coastal sand dune formations of the island and the Mount Roberts volcanics.

(g) *Togiak Wilderness*: The Senate Committee bill did not propose wilderness in the Togiak National Wildlife Refuge.

The substitute designates a 2.3 million acre wilderness in its Togiak Refuge proposal. Occupying a transition zone between interior boreal forests and tundra biomes, this unit is dominated by the Ahklun Mountains, in turn separated by broad valleys, major river drainages and large deep lakes.

In sum, the substitute adds approximately 2.5 million acres of National Park System wilderness to the Committee's total of 29.7 million acres.

The substitute increased the wilderness proposal for Alaska National Wildlife Refuges from the Senate Committee's total of 4.35 million acres to approximately 18.8 million acres.

III. NATIONAL FOREST WILDERNESS

(a) *Misty Fjords*: The substitute increased the size of the Misty Fjords Monument from 1,433,000 acres in the Committee bill to 2,285,000. All of the Monument is designated as wilderness except for a 149,000 acre exclusion around the Borax mining claims at Quartz Hill.

(b) *Admiralty Island*: The substitute

designates a 921,000 acre Admiralty Island National Monument. 900,000 acres are designated as wilderness. The Committee bill designated the eastern half of Admiralty Island as wilderness and the western portion as a Special Management Area.

The Special Management Area designations in the Committee bill have been eliminated in the substitute. These lands will be managed under principles of multiple use/sustained yield in accordance with existing laws and regulations.

Fourteen of the finest wilderness areas are established representing a broad spectrum of ecological types in Southeast Alaska. These areas encompass 8.3 million acres—an increase of 1.1 million acres over the Senate Committee bill. Only three areas have been modified from those areas designated as wilderness in the Committee bill. The change in Misty Fjords and Admiralty Island have been mentioned above. The Tracy Arms-Fords Terror Wilderness has been reduced from 678,000 acres to 656,000 acres to conform with the boundary recommended by the Administration and as contained in the Teongas-Roth-McGovern amendments.

Admiralty Island Exchange: In full satisfaction of their land entitlement rights under ANCSA, a settlement for Kootznawoo, Incorporated has been fashioned in the substitute which allows them a timber base for income while protecting their historic and cultural values on Admiralty Island. At the same time, the public's right of access and enjoyment of Mitchell Bay has been assured. This provision was not included in the Committee bill.

The greatest fear regarding the timber industry in southeast was that so much area was placed in wilderness that the cost of maintaining the timber harvest might be beyond budgetary expectations. In view of these fears, Section 703(a) has been modified to ensure the availability of funds. Rather than specify the extra funds needed, a mechanism has been provided whereby the Secretary each year will obtain all of the funds needed. The amendment assures the availability of at least \$40 million. These funds are intended to be spent in the same manner and for the same purposes as those provided in the Committee bill. These include expenditures for stand improvements, the timber road program, and related capital investments but also include the regular costs of sale and road layout and preparation and may include research activities which contribute directly to improved timber utilization and advanced technology. In addition, the amendment provides a decade sale average of 4.8 billion foot board measure so that the States Forest Service can adjust the yearly sale offerings upward or downward in any one year to adjust for annual sale fluctuations to assure the maintenance of a 450 million average annual harvest.

TITLE VIII—SUSTAINANCE MANAGEMENT AND USE

Title VIII retains the intent and, with minor exceptions, the language of the Committee bill concerning subsistence use and management on the public lands. The minor additions to and deletions from the language of Title VIII of the Committee bill are merely technical.

TITLE IX—IMPLEMENTATION OF ANCSA AND THE STATEHOOD ACT

At the request of the Interior Department, and the Alaska Federation of Natives, the substitute deletes Sections 901 and 902 relating to expedited conveyances of native lands. A new section 901 entitled "Submerged Lands Statute of Limitations" is added by the substitute.

This section establishes a statute of limitations for judicial determinations of the navigability of areas covering submerged land.

EXHIBIT

on a case-by-case basis. For very small acreage changes, an EIS is unlikely to be required. But for changes involving thousands of acres, it is likely that an EIS would be wary.

tion 702. While the Senate bill reduces wilderness designations in wildlife refuges, all lands not designated as wilderness now must be reviewed for later consideration by the Congress.

In addition, the acreage listed for the Andreasky Wilderness contains a typographical error. The acreage should be one million six hundred thousand acres (not one million three hundred thousand acres) as explained on page S1112 of the Congressional Record of August 19, 1980. Such acreage also conforms the area to the map. Also, while the Senate adopted the House wilderness designated within Nunivak National Wildlife Refuge, the description of the Nunivak Wilderness is in error. While some 500,000 acres of the wilderness area is located on the southern portion of the island, as described by the Senate (also on page S1112 of the Congressional Record of August 19, 1980) the remainder includes submerged lands (about 3750' wide) around the entire island—except for those submerged lands in the immediate vicinity of the village of Mekoryuk land selections—and rocks, islets, and reefs in adjacent waters.

Section 704 designates a wilderness study area, composed of federal lands in western Prince William Sound from Columbia Bay to Puget Bay, including all of the mainland (except the Passaro Canal area) and Glacier, Naked, Perry, Erther, Culross, Knight, Bainbridge, Elrington and other smaller islands.

By establishment of this wilderness study area, Congress intends that the Forest Service give special consideration to the outstanding wilderness values of western Prince William Sound. Review of this area during development of the current Forest Plan under the National Forest Management Act

It is not adequate to fulfill the intent of this section Congress intends that a separate study be made of the wilderness potential of this area. Neither the National Forest Timber Utilization Program nor the RARE II Release shall apply to the Chugach forest.

Furthermore, most of the Chugach National Forest outside the wilderness study area shall remain in the "further planning" category. Designation of western Prince William Sound as a wilderness study area is not intended to reflect on the wilderness potential of these other "further planning" areas. All of these areas deserve to be considered for wilderness designation during development of the forest plan. By specifically singling western Prince William Sound for three year wilderness study, the Congress has acknowledged the outstanding wilderness qualities of this particular area without intending to slight any other areas in the forest.

Tongass National Forest

Section 705 of the Senate bill contains important provisions regarding the annual transfer from the Secretary of the Treasury to the Secretary of Agriculture of substantial sums to be drawn from the federal receipts from oil, gas, coal, timber, and other natural resources. Our acceptance of this provision of the Senate bill is premised on several particular understandings:

It is our understanding that the amounts to be transferred under this section will be charged against the total natural-resource receipts which are deposited in the Treasury and credited to miscellaneous receipts. In other words, this section of the bill is not intended to require the Secretary of the Treasury to charge the amounts to be transferred to the various funds (such as the land and water conservation fund) which also re-

ceive portions of the federal natural-resources receipts.

Second, it is clear that any and all sums transferred to the Secretary of Agriculture under section 705 are to be employed by the recipient Secretary for the purpose of implementing the provisions of the Tongass Land Management Plan in the Tongass National Forest. Neither section 705 nor any other section of the Senate bill requires or authorizes any revisions in the Tongass Land Management Plan, which will continue in effect unless and until it is revised at the end of the initial planning period, in accordance with the National Forest Management Act and other applicable law.

Third, it should be noted that section 1321 of the bill specifically limits the ability of the Secretary of Agriculture (and that of any other officer of the government) to "enter into contracts or to make payments or to expend previously appropriated funds under this Act" by confining such authority to "the extent or in such amounts as are provided in advance in appropriation Acts." This limitation of course applies to any of the specified activities which would be carried out in order to implement section 705.

The guaranteed funding provided by Section 703 is to implement the timber management program of the Tongass Land Management Plan, as it was adopted in April 1979, in order to provide the 450 MMCBF annual average mentioned in subsection (a). This section is an affirmation of the current Tongass Land Management Plan, and provides direction to the Secretary of the Treasury. In keeping with existing National Forest Management Act provisions, this is not a mandate to produce a specific cut level regardless of the findings of future land use plans, demand for National Forest timber, or the cost to the taxpayer.

The U.S. Forest Service economists predict that at the accelerated harvest levels planned by the Southeast Alaska Native corporations, demand for national forest timber may fall to 400 mmbf annually by the end of the next decade, entirely as a result of the dynamics of the marketplace and regardless of land use designations. No more national forest timber should be supplied than can be sold at fair market value and the goal of the Forest Service should be to maintain employment, not to maintain an arbitrary cut level through changes in export restrictions or other methods. No more timber should be offered for sale than the Forest Service can reasonably expect to sell.

As we have learned through our study of this legislation, the situation in the Tongass and other national forests is too complex for broad, simplistic edicts from the Congress. As the drafters of the National Forest Management Act concluded in 1976, it is essential to leave flexibility in the system and to provide for future contingencies through rational planning. We have reviewed the current Tongass Land Management Plan (TLMP) and find it satisfactory. Nothing in the bill amends the National Forest Management Act or TLMP. It is also our intent that TLMP stay unchanged through the first planning period as mandated by existing law, to allow time for the market and demand situation to become clear before forcing the Forest Service to readress this enormous management planning task.

— It is obvious that there is no danger to timber industry employment with the provisions of this section and the advent of large scale logging on private lands, lands that were once part of the Tongass. Note that with a cut of 400-450 MMMBF from the reduced Tongass land base and 250 MMMBF from the newly acquired Native lands, the total cut from Southeast Alaska forest lands will be 650-700 MMMBF annually, far more than has ever been cut before.

An unfortunate side effect of the Alaska Native Claims Settlement Act is that while it is spurring industrial growth through conveyance of Federal lands to private corporations, the cost of providing timber from the remaining federal lands is increasing with the conveyance of fully one third of the best remaining timber stands to Native corporations. The advent of a more enlightened view of multiple-use as stipulated in the NFMA has increased the real costs of producing a thousand board feet of timber from the Tongass as the cost has increased markedly since 1975. The Tongass has always been an expensive place to produce federal timber due to its extreme remoteness from markets, the lack of existing roads, and more recently, lack of competition to the high prices paid for federal timber.

The wise and desperately needed prescriptions for true multiple-use outlined in TLUMP and the reduction in the timber base from Native selections have forced partial dependence on timber that is presently classified as "economically marginal," meaning that the costs of production, including allowances for profit for the timber operator, exceed the value of the product. In order for this timber to be utilized, roads to access must be built, timber stand improvement techniques must be maximized, and financial assistance provided to spur purchase of advanced logging equipment. All of these programs are recommended in TLUMP. We are not condoning unwarranted or excessive subsidization of the two major local timber companies, but we cannot escape the fact that additional investments are needed to implement TLUMP recommendations. It is our intent to maximize protection to environmentally sensitive areas, particularly those with high fish and wildlife values.

The Congress fully intends that the Secretary carry out his mandate under Section 705 of the National Forest Management Act: "to identify lands that are not currently suitable as timber producing areas for economic reasons. Subsection (d) of Section 705 is designed to prevent impounding funds which would be used to implement TLUMP. The intent is to encourage retention of old-growth forests for multiple use considerations rather than reduce old-growth retention in order to lower costs. The funding provided by Section 705 is to enable the Forest Service to adhere to the land use allocations of the plan and in the process, to protect non-economic values embodied in the plan."

Section 708, the "RAE II Release" tion, rules on the legal sufficiency of Tongass Land Management Plan's consid- tion of wilderness allocations for the T- gas. The Forest Service has indeed done fine job on the plan as adopted in A- 1978, and the bill's designations fall c- pletely within the plans recommendations. Therefore, the plan needs not and should be revised during the initial planning p- ending in 1995. A minor amendment to allocate Boundary Spire from Land Designation I and LUD II would be ap- propriate, however, as would other m- amendments.

It is clear that the 450 mmmbf sale level recommended in TLMP can be reached with changing any of the land allocations without so laboriously after years of struggle through the IDT process.

Section 906 of the Senate bill contains a number of provisions regarding the selection interests of the State of Alaska. Subsection (e), for example, allows the State (subject to valid existing rights and National selection rights) to file "future selection applications and amendments thereto" for certain areas which would not otherwise be eligible for such filings. In accepting this provision of the Senate bill, it is our understanding that it is not intended to grant the State any new rights (under the State)

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Act and any other existing law, including this Act with regard to selection and transfer of any federal lands located within conservation system units, national forests, the National Petroleum Reserve-Alaska, or any other lands withdrawn or classified for Federal purposes, including military reservations.

Further, it is clear that Section 906 does not have the effect of enlarging or diminishing the State's entitlement to receive federal lands under the Alaska Statehood Act or any other applicable law. And, it should be stressed, the "future selection applications" which are referred to in subsection (e) of Section 906 will not by themselves give the State any vested rights to public lands which, at the time of the filing of such applications, are not available to the State for valid selections under the Alaska Statehood Act or other applicable law.

In short, these "future selection applications" will have the effect of merely expressing the interest of the State in selecting and receiving the applied for lands, if and when Congress at some future date should decide to make such lands available for selection by the State and provided that the State has not at such later time already received its total entitlement to federal lands.

Title VIII—Subsistence Management and Use, and other subsistence provisions.

Of all the groups in Alaska with a stake in passage of the Alaska National Interest Lands Conservation Act, no group will be more profoundly affected than the Alaska Native residents of the more than two hundred Native villages scattered throughout rural Alaska. The cultural identity of those residents, and the economy of their villages, remain intertwined today, as they have for generations, with the harvest of fish, wildlife and plants, for subsistence uses.

With only a few exceptions, the Alaska Native villages to which I am referring are located along the Alaska coastline or upon the shore of one of Alaska's lakes or rivers. The location of these villages is no accident. Prior to the intrusion of western culture into Native Alaska in the late 1800's, most Alaska Natives traveled from hunting camp to fish camp, and fish camp to hunting camp, following the natural cycle of the seasons and the migratory patterns of the fish and wildlife in their area. With the arrival of the missionary and the schoolteacher, more permanent villages were established. Those villages were located in the most advantageous locations from which to subsistence hunt, fish, and gather. Today, the same social, cultural, and economic purpose of these same villages remains. Indeed, the only purpose in an economic sense of almost every Native village is to serve as a staging area from which the residents of the community continue to participate in the subsistence way of life which is central to their cultural identity.

If for any reason, Mr. Speaker, the fish stocks and wildlife populations which are the subject of Alaska Native subsistence uses are significantly reduced, either as the result of the degradation of habitat, the overharvesting of subsistence resources by urban or non-resident sport hunters and fishermen, or a prohibition of subsistence uses of fish and wildlife on portions of the public lands such as national parks and monuments, then the Alaska Native Culture as we know it will simply cease to exist. And the rural Native villages which are the strongholds of that way of life will be abandoned as their residents are unwillingly drawn to Anchorage, Fairbanks, and other urban centers. Indeed, if rural Alaska is to continue to exist, the Alaska Native subsistence way of life and the fish stocks and wildlife populations upon which the continuation of that way of life depends must be adequately protected by the Congress.

Mr. Speaker, in 1971 the Congress passed

the Alaska Native Claims Settlement Act, an historic benchmark in the relationship between the Alaska Native people and the Congress. That legislation authorized the conveyance of forty-four million acres of land, located primarily around the Native villages to which I have referred earlier, to villages and regional corporations established by the Act. At that time the Congress realized, however, that the lands conveyed to Native corporations would be insufficient to adequately protect subsistence resources and provide for subsistence uses. It recognized that the continuation of the Alaska Native subsistence way of life also depended upon the use of Federal and State lands for subsistence uses, and the protection of such uses on those lands as well as on Native lands.

In furtherance of this objective, the Settlement Act bill enacted by the Senate included a provision on subsistence hunting by Alaska Natives. Unfortunately, that provision was not adopted by the Conference Committee, which in its stead substituted the following language in the Report of the Managers: "The Conference Committee expects both the Secretary and the State to take any action necessary to protect the subsistence needs of the Natives."

The Conference Committee's recognition of the joint responsibility of the Federal and State governments to protect Alaska Native subsistence activities is consistent with the historic trust responsibility of the Federal government to the Alaska Native people, a responsibility which transcends the termination of aboriginal hunting and fishing rights by the Settlement Act. It also is consistent with the policy adopted by the United States government when it signed the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights in 1977. Article I of both covenants states that "in no case may a people be deprived of its own means of subsistence." And Article XXVII of the International Covenant on Economic, Social and Cultural Rights guarantees that ethnic minorities in the United States, of which the Alaska Native people are a pre-eminent example, shall not be denied the right to enjoy their own culture.

Regrettably, during the time period between the enactment of the Alaska Native Claims Settlement Act and the introduction of H.R. 39 in the 95th Congress, neither the Secretary nor the State of Alaska made sufficient effort to abide by the direction of the Conference Committee. Overwhelming evidence of their failure, or at best their indifference, was thoroughly documented in hearings held by both the House Interior Committee and the Senate Energy and Natural Resources Committee during the 95th Congress, and by the House Interior Committee again last year. I would direct any member of this body interested in a more detailed exposition of the subsistence issue to the hearing records and reports of both of those committees as well as the hearing record and committee reports published by the House Merchant Marine and Fisheries Committee which also was actively involved in the subsistence issue.

Although I have my disagreements with several of the provisions of the version of H.R. 39 passed by the Senate, I am particularly proud of the subsistence language in the bill because it fully reflects the commitment that Congressman Seiberling, Gudger, and I with other members of the Interior Committee, made to the Alaska Native people at the beginning of the 95th Congress. At that time we promised that any legislation enacted into law would recognize the importance of the subsistence way of life to the survival of the Alaska Native people, and would contain management provisions which recognize the responsibility of the Federal

government to protect the opportunity for generation to generation for the continuation of subsistence uses by the Alaska Native people so that Alaska Natives now engaged in subsistence uses, their descendants, and their descendants' descendants, will have the opportunity to determine for themselves their own cultural orientation and the rate and degree of evolution, if any, of their Alaska Native culture.

We made good on that promise by including a detailed subsistence title in the version of H.R. 39 which was passed by the House of Representatives during the 95th Congress. The Senate Energy and Natural Resources Committee rejected the "State subsistence program" requirement of our subsistence title, and adopted a "judicial enforcement" approach in lieu of our "Secretarial action" section to ensure that the State will meet its responsibilities. But with those two relatively minor exceptions, the Committee adopted our subsistence title conceptually intact.

During the 96th Congress, I studied the subsistence provisions of the bill reported the previous Congress by the Senate Energy Committee, and after being certain that with the exception of the "judicial enforcement" provision, the rest of the subsistence title was essentially the title which I and the other members of the Interior Committee had drafted, I included a subsistence title in the Udall-Anderson bill similar to that of the Senate Energy Committee. The bill passed by the Senate and now under consideration by this body, continues the broad consensus on the subsistence issue by again adopting the work of the Senate Energy Committee, which, as I have explained above, in turn was based upon the work of the House Interior Committee.

Consequently, as chairman of the committee which developed the concepts which are the foundation of the subsistence title and other subsistence provisions of the Senate bill, I would like to highlight for the other members of the House, and for the persons in the Department of the Interior and Department of Agriculture who will be charged with responsibility for implementing the subsistence management system established by this legislation, the history of several of the most important ideas developed by the House Interior Committee and retained by the Senate.

Although the Federal and State subsistence management system established in the bill is racially neutral, it is important to recognize that the primary beneficiaries of the subsistence title and the other provisions in the bill relating to subsistence management are the Alaska Native people. Although there are many non-Natives living a subsistence way of life in rural Alaska which may be an important national value, the subsistence title would not be included in the bill if non-Native subsistence activities were the primary focus of concern. Rather, the subsistence title and the other subsistence provisions are included in recognition of the ongoing responsibility of the Congress to protect the opportunity for continued subsistence uses in Alaska by the Alaska Native people, a responsibility consistent with our well recognized constitutional authority to manage Indian affairs.

Early drafts of the subsistence title by the House Interior Committee allocated access to subsistence resources on an ethnic basis, an approach similar in concept to that suggested by the Settlement Act Conference Committee. However, that approach was abandoned in the House after Governor Hammond correctly pointed out that under the Alaska Constitution the State cannot participate in a subsistence management system which would require it to allocate access to subsistence resources on the basis of "Nativeness." The written testimony submitted to the Energy Committee in 1978 by

of Transportation, HUD, DOD, et cetera—as the lead agency for any required EIS preparation.

The committee bill also includes a provision which could result in allowing the State—through its planning authority—to route transportation systems across conservation system units, even when other feasible alternatives are available. And the rationale for that, I would hope, is not obvious. The amendment replaces the requirement in the bill that any transportation system be on the State's transportation plan before it could be approved.

In cases where there is existing law governing the consideration of transportation system applications, the appeal of a disapproval goes to the President. Under the Senate committee bill, the President has no criteria—other than a vague and overly broad public interest one—on which to base his decision. The amendment adds a requirement for a finding by the President that a right-of-way would be "compatible" with the purposes of the conservation unit, and that there is no "economically feasible and prudent alternative" to such a right-of-way.

These, I think, are criteria that can be understood by all parties. It would provide a certain amount of definitive criteria for those parties that would be applying.

The problem of trespassers on Federal lands is the amendment's last major concern. It erases the distinction found in the committee bill between trespass cabins located within National Parks and those found in other conservation units. This change represents a compromise between the virtual ban on trespass cabins found in the House bill and the liberalized treatment accorded trespassers on non-national park Federal lands by the Senate committee.

It is simply one more example of an attempt to try to find a middle ground between the two positions of the House bill and the Senate version.

The amendment also has minor provisions concerning small hydroelectric dams, potential agricultural uses in conservation units and an exchange of lands within the State of Alaska.

NATIONAL FOREST AMENDMENT

For many, the National forest amendment is the single most important amendment to the Energy Committee bill. Nowhere are the deficiencies of the committee bill more vivid and the need for amendment more pressing than in the section dealing with the Tongass National Forest in southeast Alaska. I suspect that this is also the most sensitive issue as viewed by at least one of the Senators from Alaska.

Though the difference in wilderness acreage is relatively small—4.3 million in the committee bill, and 8.9 million acres in the amendment—the 1.6 million acres involved contain the heavily forested lowland ecosystems where the real wildlife, fishing and recreational values lie, as well as significant timber resources.

The committee bill falls far short of a balanced representative sample of the

Tongass. More importantly, this amendment asks whether America's largest national forest is going to be governed by a professional land management plan, 3 years in the making, or by a concoction of entirely new land classifications, dangerous timber harvest practices based on questionable concerns, and additional decisions by a future Congress.

Our amendment states that the Tongass is too important to serve as a guinea pig for experimental forest management, and would adopt, with only minor modifications, the Tongass land management plan (TLMP) developed by the Forest Service.

Let me say, Mr. President, to anyone listening to this, the spelling of Tongass is T-o-n-g-a-s-s, and I am not mispronouncing my own name.

The committee proposes establishing an entirely new management system, the "special management areas," to deal with the perceived "uncertainties" in the economic findings of the Forest Service. These "uncertainties" include:

Whether the Native timber corporations would cut their timber, how fast, and where it would be sold;

The effect of export of round logs from Native lands on the demand for processed sawtimber from the National Forest in the Japanese market;

Whether Congress would appropriate the money needed to offset the USFS's increased costs for providing timber sales following reduction in the land base and the reforms in harvest practices required in the National Forest Management Act of 1976.

Although supporters of the committee bill hold out these special management areas as a "have your cake and eat it too" proposition, it is apparent that this untried and uncertain approach just will not work. The committee recognizes that the special management areas have outstanding wilderness values. The committee protects them all right—but only for 10 years. During these 10 years, the Secretary must—he has no discretion—include their timber in calculating the proper sustained yield harvest for the entire forest—the annual allowable cut. Thus, the bill says: These lands are protected now, but when cutting elsewhere in the forest, assume that the lands will be available later—a "now you see it, now you don't" system.

This is anathema to professional foresters, because it subjects the Forest Service to future pressures from an industry operating under the assumption that these lands would be available. Realistically, you would not blame the industry.

The Forest Service's only option is to reduce sales later because the sustainable yield has been exceeded.

This is not the way we manage our forests in Oregon, or Arizona, or New England and it is an unwise policy for our forests in Alaska.

At the end of 10 years, the Secretary must submit to Congress a request for a waiver of the prohibition on timber sales. If at any time—not some 10-year or 8-year average, but any time—the timber supply to industry falls below the

supposedly magical figure of 820 million board feet (mmbf), I do not know where that 820 mmbf has to come from, whether it has to come from the Tongass alone, whether it can come from the Native corporations as well, or from Canada—undoubtedly the courts will have to decide.

But no matter where—if at any time industry is 500 or 815—even though industry cuts only 440 now—the Secretary must send this whole thing back to Congress. I do not think anybody looks forward to a situation where the uncertainties in the law require these issues to be resolved in the court system. Whether you are a preservationist or a developer, that is the least attractive option.

THE TONGASS LAND MANAGEMENT PLAN

Our amendment is rooted in the Tongass land management plan—a 2-year effort by the Forest Service. That plan looked not only at wilderness but at the region's economy, the fishing industry—which we do not bear a great deal about—and its dependence on salmon spawning streams, and the area's magnificent and varied wildlife and scenic resources.

At some point, there will be discussion, although I shall not do it here, as to how important the timber areas are, not only to the timber industry but, because of its integrated economic ecosystem, to the fishing industry which, over the long term, is just as important a renewable resource as timber.

In the last Congress, when I worked on this issue in the House, opponents of a strong wilderness package in southeast Alaska said, "Don't legislate wilderness now. It might create job loss. Wait for the Tongass land plan. Wait to see what the Forest Service recommends."

Well, that is what we have done. For various reasons, we waited. The issue is now before us. Fortunately, the Tongass plan is done. And it shows that will work. It shows that the goals of timber production, fisheries and wildlife protection, and wilderness preservation can be put together in a package like the Tongass-Roth package and there will be no job loss.

Some of the same people who said, "Wait for the plan, wait for the plan," now say, "Ignore the plan; put the decision off until later."

Well, we have already put the decision off until now. We have the information, and I suggest that we do it right and we do it right now, instead of creating a whole new system the professionals do not want that will be left to the courts to decipher, and that will be right back here in 10 years for further deliberation.

If we do not intend to follow the plan why did we have it done in the first place? There were simply no other criteria as detailed and as creative as the Tongass land management plan. Those who suggest that we have not had an equal responsibility to show what will be better in terms of their own detailed plan.

What the committee fails to address is that the national forest that produced 820 mmbf no longer exists. It has been

reduced by State and Native selection of their own-quarter of the Tongass best producing land. Those selections have not been by the Federal Government. They have been by the State and Native peoples.

The Forest Service tells us in the Tongass land management plan, that the best forest existing today is capable of producing a sustained yield of 450 mmbf and that is what the amendment allows for. The Forest Service tells us that a cut of 520 mmbf would overcut the forest and sacrifice the forest's other values that are the essence of multiple use.

We are going to bear a great deal in the next 2 or 3 days of the difference between 520 million board feet and 450 million board feet. Let me spend a moment on that.

Some people opposing this amendment say that the 450 mmbf production allowed under the TLMP is too low, that industry needs the arbitrary figure of 520 mmbf mandated in the committee bill.

As an illustration, when Senator Stevens from Alaska was referring to the southeast provisions, he indicated that if any amendment passed, we would have a significant cut in jobs in the timber industry. In fact, I believe the figure of 2,000 was used in that discussion. I do not understand why the industry needs 520 million board feet when, in recent years, it has existed quite well on—how many? 440 million board feet. So here we have a situation where a proposal is 450 million board feet, which is higher than the yield in the last 5 years, and we are told that if that amendment passes, there will be an immediate cut in jobs. In other words, if we give them a cut higher than what they have been cutting for 5 years, that will result in a job loss. I for one, find that very interesting as an argument.

How can a proposal that allows a cut of 450 million board feet in the Tongass National Forest remove jobs from an industry that cuts 440 there today? The answer, I think, is rather obvious.

Bear in mind that the local industry can—and we fully expect that it will—process additional timber the State and Natives fully expect to cut from their newly acquired chunks of the old Tongass. In essence, what has happened is that we take the original Tongass; we then have the State and Native selections that have taken place. So we are going to have, in essence, the existing cut plus what has been done by these other groups.

The Forest Service estimates the potential yield to equal at least 458 mmbf annually, while Native corporation spokesmen put the figure at 250 mmbf. That production means jobs—contract logging jobs, longshoremen's jobs, and local pulpwood contracts—jobs that are being filled right now, this year.

Our amendment, in effect, replaces the guessing game of the committee bill with the professional analysis of TLMP—which says that the national forest can provide 450 mmbf, that this will be supplemented with what the State and Natives say they plan to harvest,

providing the potential for harvest growth—and designates now, those wilderness proposals so obviously deserving that protection.

So, you are going to have an increase in timber production in southeast from the 440 million board feet that has been the number the last 5 years to something between 600 million and 700 million board feet—and we are told we will cut jobs.

The amendment wilderness proposals include the full Admiralty Island National Monument and wilderness—the last remaining large island that has not been extensively clearcut. It is home to more bald eagles than in all of the other States combined, home to the famous Admiralty Island brown bear and home of the one Tlingit village that wishes to retain their traditional cultural values and live a subsistence lifestyle as their ancestors did before them.

As I look at the eagle above the Presiding Officer, I suggest that if we do not start passing some of these amendments, that may be the only place we will be able to see eagles left in the United States.

Our amendment restores a full Misty Fjords National Monument, the largest, most spectacular and diverse of the proposals for protection in southeast Alaska and an area of unparalleled fisheries production. If anyone wants to see what the area looks like, in my office there is a picture of that area. It is just very striking.

And we provide wilderness protection for all but an area of 30,000 acres surrounding the molybdenum claims of U.S. Borax Corp. We provide for guaranteed access and development of the Quartz Hill claims, as does the committee bill, in accordance with an agreement Senator Stevens and I made during Committee deliberations last year, an agreement, I might add, that was favorably received by representatives of U.S. Borax.

At the time of the agreement, Senator Stevens and I agreed that the one element of the agreement which I reserved the right to attempt to amend was the wilderness exclusion around the claims of U.S. Borax.

That was a very heated issue. We spent a lot of time on it in committee. I think what we have come up with is recognition of the rights of U.S. Borax, which wants that mine to be developed. We provide the necessary access to bring that about.

No one, either here, or in the House, or in the administration, seriously questions the right of U.S. Borax to go in and develop its claim. In fact, we would argue it is in the national interest they do exactly that.

Since its creation in 1978, the Misty Fjords National Monument has quickly become a popular attraction for visitors to southeast Alaska and is now visited by special cruise ships and the Alaska State Ferry. As I said, our amendment maintains the full spectrum of Misty Fjords waters and mountains, while explicitly providing for potential development of the molybdenum claims.

The amendment includes the full West Chichagof-Yakobi wilderness proposal,

a smaller but self-contained peninsula of rugged or serene inner waterways, local hunters and fish, local boaters and bikers.

In addition, the amendment wilderness protection for units, Karta River and which are identified by Federal fish and wildlife as habitat with high recreational values as well.

But there is another impetus for full wilderness protection: these proposals now. Unlike interior Alaska, a land of vast scattered throughout the intensively managed work forest with existing towns scattered throughout the area.

The Forest Service is to manage this land for multiple use, including timber development which will probably be the next decade on commercial lands outside those designated Congress as wilderness. This should be.

But up to now, there has been designated wilderness in the National Forest. The Forest Service recommended a good, balanced to the Congress, if adopted, it protect the gems of the Southeast interfering with other goals. If this recommendation, or even a special system which assumes areas will be available for development, we not only desert our duty responsibly on these recommendations but we likely will foreclose our options—right now.

(Mr. BUMPERS assumed the chair.)
Mr. TSONGAS. Mr. President: other two amendments we are all to offer under the time agreement with, first, wilderness designation a listing units of the National Wildlife Refuge System and the National Park System, cosponsored by Senators McCain and Levin, and, second, the Wildlife Refuge System amendment which is cosponsored by Senators HART, CRAVENS, CHURCH, and RANDOLPH.

Senators sponsoring those amendments will address those amendments and I will not attempt to do so at this time since they will follow in sequence.

Let me talk to the issue of full Alaska which has been raised by Senators from Alaska and which I think we all have a responsibility to be alive to.

FAITHFUL TO ALASKANS

Underlying all the particular is our commitment to treat Alaska fairly. I am convinced that we kept that commitment—and that ancient legislation will continue this treatment. I totally reject the claim that Congress is in any danger of violating Alaska's rights as a State breaking the contract made with people of Alaska when they entered the Union in 1959.

The facts in this case should speak for themselves. When Alaska entered the Union in 1959, the then 200,000 people

SEC. 1500 INALIK NATIVE CORPORATION **LANDS—**

(a) Upon the filing of a valid relinquishment by the State of Alaska of its selection of the following described lands, said lands are hereby withdrawn, subject to valid existing rights for a period of one year for selection by the Inalik Native Corporation:

Katuk River, Meridian

Township 1 south, range 61 west;

Township 1 south, range 62 west;

Township 1 south, range 63 west.

(b) The Inalik Native Corporation is authorized to select the lands described in subsection (a) in partial satisfaction of its entitlement under section 14 of the Alaska Native Claims Settlement Act. The Secretary shall receive and adjudicate such selections as though they were timely filed pursuant to section 12 of the Alaska Native Claims Settlement Act, and shall convey said lands to the Inalik Native Corporation and the Bering Straits Native Corporation pursuant to section 14 of the Alaska Native Claims Settlement Act.

(c) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of the Inalik Native Corporation and Bering Straits Native Corporation under any section of the Alaska Native Claims Settlement Act.

TITLE XV—NATIONAL NEED MINERAL ACTIVITY RECOMMENDATION PROCESS

AREAS SUBJECT TO THE NATIONAL NEED RECOMMENDATION PROCESS

SEC. 1501. The process contained in this title shall apply to all public lands within Alaska except for lands within units of the National Park System and the Arctic National Wildlife Range.

RECOMMENDATIONS OF THE PRESIDENT TO CONGRESS

SEC. 1502. (a) Recommendation.—At any time after the date of enactment of this Act the President may transmit a recommendation to the Congress that mineral exploration, development, or extraction not permitted under this Act or other applicable law shall be permitted in a specified area of the lands referred to in section 1501. Notice of such transmittal shall be published in the Federal Register. No recommendation of the President under this section may be transmitted to the Congress before ninety days after publication in the Federal Register of notice of his intention to submit such recommendation.

(b) **Fixtures.**—A recommendation may be transmitted to the Congress under subsection (a) if the President finds that, based on the information available to him—

(1) there is an urgent national need for the mineral activity; and

(2) such national need outweighs the other public values of the public lands involved and the potential adverse environmental impacts which are likely to result from the activity.

(c) **Report.**—Together with his recommendation, the President shall submit to the Congress—

(1) a report setting forth in detail the relevant factual background and the reasons for his findings and recommendation;

(2) a statement of the conditions and stipulations which would govern the activity if approved by the Congress; and

(3) in any case in which an environmental impact statement is required under the National Environmental Policy Act of 1969, a statement which complies with the requirements of section 102(2)(C) of such Act. In the case of any recommendation for which an environmental impact statement is not required under section 102(2)(C) of the National Environmental Policy Act of 1969, the President may, if he deems it desirable, include such a statement in his transmittal to the Congress.

(d) **Approval.**—Any recommendation under this section shall take effect only upon enactment of a joint resolution approving such recommendation within the first period of one hundred and twenty calendar days of continuous session of Congress beginning on the date after the date of receipt by the Senate and House of Representatives of such recommendation. Any recommendation of the President submitted to Congress under subsection (a) shall be considered received by both Houses for purposes of this section on the first day on which both are in session occurring after such recommendation is submitted.

(e) **ONE-HUNDRED-AND-TWENTY-DAY COMPUTATION.**—For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the one-hundred-and-twenty-day calendar period.

EXPEDITED CONGRESSIONAL REVIEW

SEC. 1503. (a) RULEMAKING.—This subsection is enacted by Congress—

(1) as an exercise of the rulemaking power of each House of Congress, respectively; and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by subsection (b) of this section and it supersedes other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as those relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) **Resolution.**—For purposes of this section, the term "resolution" means a joint resolution, the resolving clause of which is as follows: "That the House of Representatives and Senate approve the recommendation of the President for _____ in subsection (a) of this Act on _____, the first blank space therein to be filled in with appropriate activity, the second blank space therein to be filled in with the name or description of the area of land affected by the activity, and the third blank space therein to be filled with the date on which the President submits his recommendation to the House of Representatives and the Senate. Such resolution may also include material relating to the application and effect of the National Environmental Policy Act of 1969 to the recommendation."

(c) **Referral.**—A resolution once introduced with respect to such Presidential recommendation shall be referred to one or more committees (and all resolutions with respect to the same Presidential recommendation shall be referred to the same committee or committees) by the President; or the Senate or the Speaker of the House of Representatives, as the case may be.

(d) **Other Procedures.**—Except as otherwise provided in this section the provisions of section 6(d) of the Alaska National Gas Transportation Act shall apply to the consideration of the resolution.

Mr. TONGAS. Mr. President, I will simply present a few remarks.

Mr. President, the amendment in the nature of a substitute to the committee substitute to H.R. 39 represents a compromise worked out during many hours of debate and discussions on these issues not only between the principals but also, and in some ways more importantly, between the staffs of the principals.

The situation that we were in on July 22 was not unlike a high stakes, "winner take all" poker game. It was my concern and that of others that that situation

would have led to the defeat of which I do not think would have equitable resolution either for or for those non-Alaskans who earned with conservation.

On that day we embarked on a of action aimed at trying to provide a balanced way the legitimate numerous interest groups, and I we have done the best we could to to all concerned.

While no one interest has achieved that it wanted in the substitute, it is that each side is receiving most important objectives it wished to. That could only occur because in cases the top priorities of each group not directly conflict with each other. Here are a few examples in the State of Alaska:

Much of what it wanted in their interest lands is conveyed to it.

In terms of sport hunting, 81.4 per cent of Alaska is open to sport hunting.

The mining community is assured the mining companies in the Ambler at Quartz Hill, and Greens Creek proceed.

The oil industry is allowed to conduct seismic surveys on the Arctic refuge coastal plain.

Ninety-five percent of the land has high or favorable potential is for oil and gas exploration. The other percent will have seismic surveys taken on it.

The timber industry is assured a timber supply adequate to protect to southeastern Alaska.

The Native communities' subsistence rights are protected, and certain rights are conveyed pursuant to the Alaska Native Claims Settlement Act.

The environmental community is assured that, for the most part, the "jewels" of Alaskan natural beauty be protected.

I would like to insert, if I might, appreciation for the hard work and credible dedication of the Alaskan Citizens. There are a lot of people who dedicated themselves for a number years, at not only below the minimum wage, but at below subsistence wage, protect the natural beauty of Alaska. I hope that when this bill is finally solved, they will take some comfort satisfaction in a job well done.

Depending on one's perspective, can praise or damn the positions reached on the various titles of this compromise. From my vantage point as one of the sponsors of five strengthening amendments to H.R. 39, as reported from Energy Committee, the compromise weakening of our amendments as a weakening of the original Thompson-Roth substitute, but a substantial improvement over the reported bill. In if you look at H.R. 39 and S. 9 issue, the substitute pretty much in the middle between those two bills. I did not intend it to work out that but, in fact, that is what happened.

Not only did we attempt to strike a balance between the reported bill and amendments but also, in many respects, between the reported bill and that was given to us by the House.

I would like to point out that out of improving the reported bill was enhanced by the success of the chair

leaves approximately 2.7 million acres under BLM management with designation and incorporates the remainder of the national conservation system into refuges or preserves.

FORESTS

The committee bill would create a new forest in the interior of Alaska. Other versions do not include such designation. The compromise substitute retains the Porcupine Forest.

WILD AND SCENIC RIVERS

The House bill and the Tongass-Roth substitute provide for a 2-mile corridor wild and scenic rivers in Alaska and a corridor withdrawal for these designated for wild and scenic. The compromise provides for the withdrawal during the study but the corridor for those rivers designated as wild and scenic to one-half mile. There has been added to insure that lands are not included within the corridor and that the corridor does not block access to private lands on the river. The compromise substitute also designates the Novitna River wild and scenic river and adds the Koyuk as study rivers. In addition to the rivers included in the House bill.

SOUTHEASTERN

versions deal with essentially the areas in southeast Alaska. The House bill designated some 4.25 million of wilderness and an additional 75 million acres of special management areas. The House bill and the Roth substitute would designate approximately 6 million acres as wilderness.

The compromise substitute designates approximately 8.3 million acres of wilderness and deletes the special management areas entirely. Section 705(a) of the committee substitute has been modified to assure the availability of at least one acre annually for timber management in the Tongass forest lands will be available for the regulation of sale and road layout and will also provide money for improvement, the timber road and related capital investment funds and the increased "use" on the forest will insure adequate timber supplies will be to the dependent timber industry in southeast Alaska.

This amendment, 14 outstanding areas are established representing a broad spectrum of ecological southeast Alaska. In addition to 11 million acres of wilderness designated in the committee reported bill, an additional 1.1 million acres has been added. These additions provide protection for all of Admiralty Misty Fjords. Both of these also designated as national refuges to be administered by the Department of Agriculture.

WILDERNESS

The compromise substitute retains the wilderness contained in the reported bill. While some have been incorporated

into the Senate Energy Committee language is virtually intact.

IMPLEMENTATION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT AND ALASKA STATISTICAL ACT

The so-called State conveyance title in the substitute is almost identical to the committee bill. A provision dealing with the submerged lands issue as it relates to native land selections is included as is a provision clarifying the fact that the State cannot make selections of Native "fall-out" lands within conservation system units. Both these changes bring the substitute more in line with the House-passed bill.

WORTH SLOPE STUDY AND OIL AND GAS EXPLORATION PROGRAM

The substitute retains the Senate Energy Committee's language relative to an oil and gas exploration program on the Arctic Coastal Plain in the existing Arctic Wildlife Range. Several changes in the committee's provisions were incorporated regarding the wildlife portion of the Arctic Slope study. The timing of the seismic exploration program and the Secretary's report to the Congress regarding further oil and gas exploration on the plain were also modified slightly. Finally, the substitute proposes to designate some 400,000 acres on the extreme eastern portion of the coastal plain as wilderness.

Taken together, this approach provides adequate protection for the affected wildlife in the area—including the Porcupine caribou herd—while insuring that an assessment of the area's oil and gas potential is undertaken.

TRANSPORTATION

The compromise substitute retains the committee's approach to the development of transportation systems across conservation system units. The role of the Secretary of Transportation is modified to make it clear that he shares decisionmaking responsibility with the affected land manager.

FEDERAL-STATE COOPERATION

In terms of the establishment of an Alaska Land Use Council and the Bristol Bay Cooperative study, the compromise substitute includes the committee reported bill language almost without change.

MANAGEMENT PROVISIONS

Each of the various Alaska lands proposals include a number of special management provisions. In my view, the substitute incorporates the most desirable features of each of the proposals and strikes a reasonable balance among the several versions. For example, the substitute includes language taken from the House-passed bill regarding the preparation of conservation and management plans for refuges and parks. The substitute adopts language taken from Senator Tongass' parks amendment making it clear that core drilling for mineral data is not permitted in national park preserves.

On the other hand, the committee's access provisions with regard to a possible transportation corridor across the so-called boot portion of the Gates of the Arctic are retained as is the committee language regarding the permissibility

In total, I believe the special management provision package included in the substitute represents an equitable solution.

AMENDMENTS TO THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

The Native conveyance title of the substitute, title 14, is little changed from the committee reported version.

NATIONAL NEED MEDICAL ACTIVITY RECOMMENDATION PROCESS

The provisions in the committee reported bill regarding the procedures whereby the President can notify the Congress of a national need with regard to mineral extraction, production, and development and trigger an expedited congressional procedure to open certain classes of conservation system units to mineral activities are retained.

Mr. President, for almost 10 years now, Congress has been involved with the Alaska lands issue, trying to find a reasonable balance between preservation and development. Too often the rhetoric on both sides has urged this body to adopt an "all or nothing" strategy. It is time for both sides to step back and reflect on how far we have come together in resolving this issue. It is time for all parties to look at the positive aspects of the work we do today rather than dwell on the negative aspects. It is time for all of us to realize how close we are to resolving this incredibly complex and emotional issue.

Mr. President, I submit that it is time to put the Alaska lands debate behind us. I urge my colleagues to adopt this compromise in the positive spirit in which it is offered.

Mr. President, I ask unanimous consent to have printed in the Record at this point an acreage summary of amendment 1961 as modified.

There being no objection, the acreage summary was ordered to be printed in the Record, as follows:

ACREAGE SUMMARY—AMENDMENT 1961 (AS MODIFIED)

	Committee	House	Substitute
Refuge	42.6	80	34
Park	22.2	27	24.6
Preserve	18	17	19
N.A.	2.8	0	0
BLM national conservation	2.1	0	2.7
Great NEA's	0.43	2.74	3.0
National forest additions	1.2	1.5	1.3
Wild and scenic rivers			
Total	107.1	128.2	101.1
Wilderness	28.3	67.5	56
National forest wilderness (NF)	4.2	6.0	6.3
National forest special management	1.75	0	0

* Includes wilderness in Southeast.

Mr. HATFIELD, Mr. President, the chairman of the Energy Committee and my colleague from Massachusetts have discussed the major provisions of this complex substitute which is before us today. I am privileged and proud to be associated myself with their remarks. I, too, am convinced that this proposal is a good bill and it is in the public interest. It represents a landmark effort in preservation. It represents additional environmental protection and safeguards

Leaders will be meeting to develop plans to the Senate position. Should Alaska lands issue come to the Senate yet another time this year, I ask and vote for cloture against any other brought by any Senator.

I hope that an acceptable, truly protective bill can be enacted in the 96th session. I will continue to work to reach this goal. So often Congress has protected an area after development has already started to take place—a crisis has arisen. With Alaska, we have a chance to do it right the first time. I am proud of the role I am taking in this good, strong conservationist bill that balances America's current needs with its future needs, land and material.

Those who have joined together here will be proud in the future to look up to the intense pressures the Tsongas-Roth approach and steadfastly supporting the pending bill. Future generations will know that this generation met its responsibility to the Gates of the Arctic and other areas of Alaska and their beauty.

EVENS and Mr. TSONGAS address the Chair.

PRESIDING OFFICER. The Senator from Massachusetts.

TSONGAS. Mr. President, I wish that although I and Senator Stevens received perhaps the publicity, in fact, as anyone who has been in those sessions knows, the environmentalist position of the Senator from California is the one who has been maligned as I have been. In fact, he is the one who held my feet and that should be recognized.

STEVENS. I thank my colleague. It has been a very great privilege with him on this issue.

MR. PRESIDENT. Will the Senator yield?

TSONGAS. Mr. President, I yield from Delaware.

MR. PRESIDENT. I am pleased to hear the principal Republican cosponsor of the Alaska Lands bill, as a co-sponsor of the original substitute, No. 626, I am glad we have reached this compromise, developed through the good faith of all Members.

Now, I pay my special respect to the Senator from Massachusetts for the leadership he has provided in this difficult task.

Wilderness is a delicate balance between legitimate development and preservation of the great State of Alaska. The national wilderness areas belong to all Americans, and the fjords are and this bill will protect them for future generations.

This bill has been carefully developed after long and hard negotiating by all the staff involved. In trying to satisfy the major concerns as they have been made significant. The greatly discussed Wildlife Refuge has been

carved back so that the boundary is not in conflict with seismic oil and gas exploration. This was done to insure that the United States can continue in every way to free itself from the bondage of foreign oil imports. This is of utmost concern to every American and is necessary, but it was also done at a high cost—the cost of relinquishing our last untouched Arctic coast from its proposed wilderness designation.

wording has been changed so that anticipated transportation and corridor access possibilities will not be hampered or restricted and Alaskans will have the mobility they desire for the growth and development of their State resources.

Land classifications in the Gates of the Arctic have been changed so that there is one uniform designation creating a solid park, but providing for needed access and desired hunting.

In the Southeast especially, hard fought for areas were conceded. An average timber cutting level of 480 million board feet for the Tongass National Forest was agreed on, following the professional guidelines determined by Tongass land management plan. We have assured that timber jobs will not be lost in southeast Alaska. Boundaries have been changed to allow that significant mining interests at Greens Creek, and the Borax claim at Quartz Hill are not detrimentally restricted. Of extreme significance is the wilderness and National monument designations that are maintained in the Misty Fjords and enlarged to contain East Behm.

On Admiralty Island we have kept 900,000 acres of wilderness and maintained national monument status, although exclusions for minerals and native needs were developed. Wilderness has been proposed for the Coronation, Maurtelle and Warren Islands, South Baranof, Tebenokof Bay and other areas for a total of over 4 million acres of wilderness. Mr. President, I think this compromise is reasonably well balanced. I think it is responsive to areas of concern and I think this bill is fair. I urge my colleagues to join me in support of this Alaska Lands bill.

THE PRESIDING OFFICER. The Senator from Alaska.

MR. STEVENS. Mr. President, does any other Senator seek time on this bill at this time?

MR. TSONGAS. Mr. President, if the Senator will yield, I indicated that I will yield to Senator GAVIN.

MR. PRESIDENT. As far as I am concerned, after the senior Senator from Alaska speaks, I will yield time to the junior Senator. I understand Senator MATIAS wishes time.

MR. STEVENS. Mr. President, I yield to the Senator from Maryland such time as he may require.

THE PRESIDING OFFICER. (Mr. JOHNSTON). The Senator from Maryland is recognized.

MR. MATIAS. Mr. President, I thank the distinguished Senator from Alaska for yielding me time to comment briefly on the development of the substitute which has been the result of an enormous amount of effort and work on the part of Members of the Senate, on the

part of the staff, and not less on the part of the interested public.

Mr. President, the substitute bill before the Senate on Alaska national interest lands is a compromise which I believe all parties can support. It has involved serious give and take by the Senate Energy and Natural Resources Committee members as well as proponents of the Tsongas-Roth substitute.

Neither side is delighted with the outcome, which leads me to believe that, indeed, a compromise has been struck. The important issue now before us is to come to a decision on Alaska lands. We have been debating this issue since 1978 and failed to meet our own legislatively imposed deadline for making this decision at the end of 1978.

In terms of the parks and preserves designations contained in the substitute before us, I am satisfied that the most serious land-use conflicts have been removed, namely, the committee's willingness to drop "national recreation areas" from the lexicon of Alaska lands. Those areas proposed by the committee as "national recreation areas" have been redesignated under the substitute as "national preserves," or "national parks." The effect of this change to "preserve" designation is to continue to permit sport hunting while foreclosing future new mineral entry in our national parks and preserves in Alaska.

The heart of the Gates of the Arctic has been designated as a national park, one of my principal goals as the sponsor of the parks and preserves amendment to the committee bill. And, although a mandated transportation corridor remains across the so-called "boot" of the Gates, I continue to believe this was an illogical designation in light of the transportation title included in the bill. It is my belief that the transportation corridor will ultimately fall to come into being, once further economic feasibility and regional transportation planning have been conducted.

In the Wrangells-St. Elias National Park, a reasonable compromise has been struck between park and preserve designations, enabling park visitors traveling by auto to view the area's famed Dall sheep, bear, moose, and mountain goat from the road. At the same time, sport hunters' interests are protected by the dropping of a "national recreation area" designation from part of the Wrangells, which would have introduced new mining activities incompatible with the area's native wildlife, particularly the Dall sheep.

The Federal lands of the lower Norton River basin have been designated "preserve" in order to protect this internationally recognized ecosystem.

The other major improvement in the substitute concerns the protection of Katmai's brown bear population in a critical denning and feeding area adjacent to the State's McNeil River bear sanctuary.

So, based on these changes, I am willing to support the substitute now before the Senate and I urge my colleagues to join me in making a decision about Federal intentions in Alaska. It has been said that compromise is the essence of the

gentleman from Arizona need to work in the next Congress to improve this bill. I am on both sides of the aisle and know there are things that people differing points of view will need to be improved and clarified.

Speaker, I suppose that I have more time on this particular piece than any other person perhaps the exception of the gentleman from Alaska (Mr. Young) who represents the area in question. I know the matter quite well and have gone into great detail.

Only say this does represent a great achievement even though it is everything we wanted. It will take the national park system of the United States, it will add tremendous acreage in wilderness, tremendous additions to the National Wildlife Refuge System, provide protection for the most critical areas in southern Alaska and in general accomplish the aims of the Natives and the residents of Alaska in terms of the transfer of land to the Natives and in protecting the subsistence uses to their wilderness.

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to commend the gentleman from New Jersey who has stood strong and far for strong environmental legislation in Alaska as well as elsewhere. I want to commend the gentleman from New Jersey (Mr. Young) for being willing to work on the disagreements and issues in this bill, to try to work with the intent that we could work out a common consensus.

that this bill, to the extent that it is in this form, does represent a compromise, even though it does not go toward the objectives that we have different points of view. I appreciate very much having the opportunity to work on the bill and to speak on it at this time.

YOUNG of Alaska. Mr. Speaker, I yield time as he may consume to the gentleman from California (Mr. Hansen).

HANSEN asked and was given permission to revise and extend his remarks.

HANSEN. Mr. Speaker, I rise to myself with the remarks of our distinguished chairman, the gentleman from Alaska (Mr. Udall), in suggesting that we move on this legislation. I am down to the President so I will have a signature this year. I have been dealing with this now for years.

It is important that we have a program in this Congress and that this bill represents such

clearly represent the 14 years of arduous work. Our committee has been through the markup and twice we have been on the House floor in the midst of controversy. These struggles have all of us and defined the key issues. It is instructive at this

measure has been criticized by both sides in this controversy. This demonstrates the compromise nature of the bill, which despite any deficiencies it may contain, merits support and passage by this body.

I also recognize that there are deficiencies in this bill but there is no significant disagreement regarding 80 percent of its provisions. Acceptance of this bill will enable us to put into law the agreements and permit us to focus on the areas of disagreement in future Congresses. A no bill course of action will force us to reconsider the entire bill. Such reconsideration is clearly counterproductive and time consuming—it will force us to re-cross old ground and rehash previously resolved disputes. We will be much better advised to invest our time and efforts in dealing with those areas where significant disagreements still exist.

Last, enactment of this measure will end the uncertainty regarding land status which has plagued Alaska for the last 8 years. While land status remains up in the air and unilateral executive withdrawals remain in place, the State will be unable to obtain its Statehood Act lands, the future of the timber industry and its employees remains in question and mineral companies will be unable to make crucial investment decisions regarding development of major mineral discoveries. Despite the shortcomings in this bill noted by both sides, the simple end of uncertainty will eliminate many problems and permit the State and key industries to make firm and realistic plans for the future. The end of uncertainty and inaction is sure to result in important economic benefits for the people of Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Speaker, I rise in support of this compromise. It is statesmanlike, I imagine. It is disappointing. It is prudent. It has many virtues. And it lacks many others. But I think it is wise at this moment to support it, and we have to accept that which is possible even if it is not perfect. I congratulate the chairman. I was a cosponsor of the Udall-Evans bill. I regret that that is now before us, but we must accept what we have.

Thank you.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. Symms).

(Mr. SYMMS asked and was given permission to revise and extend his remarks.)

Mr. SYMMS. Mr. Speaker, I am going to vote against this bill. I know that there has been a great deal of hard work done on this bill in this Congress but I think we all should recognize that there was an election taken in Alaska in the early part of September in which over 50 percent of the people in Alaska, our 48th State voted to reconsider statehood. That in itself tells me that the people of Alaska are not happy with the land-use policies that are coming out of Washington, D.C., and that we are not being sensitive to the needs of Alaska.

I think, furthermore, we need to recognize that our national minerals

policy is totally inadequate and reaching a critical point. We are locking up millions of acres of land in Alaska which hold minerals vital to this country. Over 70 percent of the most favorable oil and gas lands in Alaska are now off limits for exploration.

I think that the wisest course of action would be to vote this legislation down, look forward to a new administration which will be taking office in January of next year and a new Congress. We will try to readdress this problem at that time and pass legislation which will be more reasonable and which would give not only the people of Alaska a better say so in the future of their State, but also would give this country a responsible, multiple-use concept for those lands.

For that reason, I would urge all Members of this Congress to vote against it. This bill is going to need some severe and serious amendments in coming Congresses. I think "no" votes registered today will also help those in the future who are trying to connect the tragic waste of resources that will take place with the passage of this bill under the leadership of Secretary Andrus and President Carter.

I would ask for a "no" vote on the bill.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. Forsythe).

Mr. FORSYTHE. Mr. Speaker, I raise no objections to the adoption of the amendment to H.R. 39. We have given a great deal of attention to this very important legislation during the last 4 years and I think the time has come to move on to the consideration of other important matters of national interest.

I do not pretend that we have taken care of all the problems which have been addressed over the years by adopting this version of the Alaska National Interest Lands Conservation Act. However, I hope that the specific question issue which are left outstanding can be resolved through the normal amendment process.

The Committee on Merchant Marine and Fisheries has jurisdiction over fisheries, wildlife, and the National Wildlife Refuge System throughout the United States and over those sections of this bill that relate to these areas. As a member of the Merchant Marine and Fisheries Committee, I want to assure my colleagues that I will certainly do my utmost to see that the fish and wildlife resources in Alaska are preserved in the national interest and that any problems which arise as a result of this extensive legislation are addressed by our committee.

Mr. Speaker, I support the passage of H.R. 39 as amended by the other body and encourage my colleagues to do the same.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 5 minutes to the gentleman from Delaware (Mr. Evans).

(Mr. EVANS of Delaware asked and was given permission to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman from Alaska who has always been eminently fair to those

It is likely that an EIS would be required.

While the Senate bill reduces designations in wildlife refuges, lands not designated as wilderness now are reviewed for later consideration by Congress.

In addition, the acreage listed for the Nuniyak Wilderness contains a typographical error. The acreage should be one million hundred thousand acres (not one million hundred thousand acres) as explained in S. 1112 of the Congressional Record, August 19, 1980. Such acreage also covers the area to the map. Also, while the bill adopted the House wilderness designation within Nuniyak National Wildlife Refuge, the description of the Nuniyak Wilderness is in error. While some 500,000 acres of wilderness area is located on the northern portion of the island, as described in Senate (also on page S. 1112 of the Congressional Record of August 19, 1980) the land includes submerged lands (about 100,000 acres) around the entire island—except those submerged lands in the immediate vicinity of the village of Mekoryuk and some islands, rocks, islets, and reefs in adjacent waters.

Section 704 designates a wilderness study area of federal lands in western Alaska, including all of the mainland of the Pelly, Colville, and Glacier, and other smaller islands. The establishment of this wilderness study area is intended that the Forest Service special consideration to the outstanding wilderness values of western Alaska. Review of this area during implementation of the current Forest Plan under the National Forest Management Act is adequate to fulfill the intent of the section. Congress intends that a separate study be made of the wilderness potential of this area. Neither the National Forest Management Act nor the National Forest Management Act shall apply to the Chugach National Forest.

Moreover, most of the Chugach National Forest outside the wilderness study area remain in the "further planning" category. Designation of western Prince William Sound as a wilderness study area is not intended to reflect on the wilderness potential of these other "further planning" areas. All of these areas deserve to be considered for wilderness designation during development of the forest plan. By specifically designating western Prince William Sound for a wilderness study, the Congress acknowledged the outstanding wilderness values of this particular area withstanding to slight any other areas in the area.

Tongass National Forest

Section 705 of the Senate bill contains provisions regarding the annual revenue from the Secretary of the Treasury of Agriculture of substantial amounts to be drawn from the federal revenue from oil, gas, coal, timber, and other resources. Our acceptance of this of the Senate bill is premised on several understandings:

It is our understanding that the revenue transferred under this section will be used against the total natural-resources which are deposited in the Treasury from miscellaneous receipts. In order, this section of the bill is not intended to require the Secretary of the Treasury to charge the amounts to be transferred from the various funds (such as the land and conservation fund) which are

Conservation Fund

Second, it is clear that any and all sums transferred to the Secretary of Agriculture under section 705 are to be employed by the recipient Secretary for the purpose of implementing the provisions of the Tongass Land Management Plan in the Tongass National Forest. Neither section 705 nor any other section of the Senate bill requires or authorizes any revisions in the Tongass Land Management Plan, which will continue in effect unless and until it is revised at the end of the initial planning period, in accordance with the National Forest Management Act and other applicable law.

Third, it should be noted that section 1321 of the bill specifically limits the ability of the Secretary of Agriculture (and that of any other officer of the government) to "enter into contracts or to make payments or to expend previously appropriated funds under this Act" by confining such authority to "the extent or in such amounts as are provided in advance in appropriation Acts." This limitation of course applies to any of the specified activities which would be carried out in order to implement section 705.

The guaranteed funding provided by Section 705 is to implement the timber management program of the Tongass Land Management Plan, as it was adopted in April 1979, in order to provide the 450 MMBF annual average mentioned in subsection (a). This section is an affirmation of the current Tongass Land Management Plan, and provides direction to the Secretary of the Treasury. In keeping with existing National Forest Management Act provisions, this is not a mandate to produce a specific cut level regardless of the findings of future land use plans, demand for National Forest timber, or the cost to the taxpayer.

The U.S. Forest Service economists predict that at the accelerated harvest levels planned by the Southeast Alaska Native corporations, demand for national forest timber may fall to 400 MMBF annually by the end of the next decade, entirely as a result of the dynamics of the marketplace and regardless of land use designations. No more national forest timber should be supplied than can be sold at fair market value and the goal of the Forest Service should be to maintain employment, not to maintain an arbitrary cut level through changes in export restrictions or other methods. No more timber should be offered for sale than the Forest Service can reasonably expect to sell.

As we have learned through our study of this legislation, the situation in the Tongass and other national forests is too complex for broad, simplistic edicts from the Congress. As the drafters of the National Forest Management Act concluded in 1978, it is essential to leave flexibility in the system and to provide for future contingencies through rational planning. We have reviewed the current Tongass Land Management Plan (TLMP) and find it satisfactory. Nothing in the bill amends the National Forest Management Act or TLMP. It is also our intent that TLMP stay unchanged through the first planning period as mandated by existing law, to allow time for the market and demand situation to become clear before forcing the Forest Service to readress this enormous management planning task.

It is obvious that there is no danger to timber industry employment with the provisions of this section and the advent of large scale logging on private lands, lands that were once part of the Tongass. Note that: with a cut of 400-450 MMBF from the reduced Tongass land base and 250 MMBF from the newly acquired Native lands, the total cut from Southeast Alaska forest lands will be 650-700 MMBF annually, far more than has ever been cut before.

Native Claims Revestment Act. The bill spurring industrial growth through conveyance of Federal lands to private corporations, the cost of providing timber from the remaining federal lands is increasing. With conveyance of fully one third of the best remaining timber stands to Native corporations, and advent of a more enlightened view of multiple-use as stipulated in the NFMA, the real costs of producing a thousand board feet of timber from the Tongass has increased markedly since 1978. The Tongass has always been an expensive place to produce federal timber due to its extreme remoteness from markets, the lack of existing roads, and more recently, lack of competition to spur prices paid for federal timber.

The wise and desperately needed prescriptions for true multiple-use outlined in TLUMP and the reduction in the timber base from Native selections have forced partial dependence on timber that is presently classified as "economically marginal," meaning that the costs of production, including allowance for profit for the timber operators, exceed the value of the product. In order for this timber to be utilized, roads to access it must be built, timber stand improvement techniques must be maximized, and financial assistance provided to spur purchase of advanced logging equipment. All of these programs are recommended in TLUMP. We are not condoning unwarranted or excessive subsidization of the two major local timber companies, but we cannot escape the fact that additional investments are needed to implement TLUMP recommendations. It is our intent to maximize protection to environmentally sensitive areas, particularly those with high fish and wildlife values.

The Congress fully intends that the Secretary carry out his mandate under Section 66 of the National Forest Management Act to identify lands that are not currently suitable as timber producing areas for economic reasons. Subsection (d) of Section 705 is designed to prevent impounding funds which would be used to implement TLUMP. Our intent is to encourage retention of old-growth forests for multiple use considerations rather than reduce old-growth retention in order to lower costs. The funding provided by Section 705 is to enable the Forest Service to adhere to the land use allocations of the plan and in the process, to protect the non-economic values embodied in the plan.

Section 706, the "RARE II Release" section, rules on the legal sufficiency of the Tongass Land Management Plan's consideration of wilderness allocations for the Tongass. The Forest Service has indeed done a fine job on the plan as adopted in April, 1979, and the bill's designations fall completely within the plans recommendations. Therefore, the plan need not and should not be revised during the initial planning period ending in 1995. A minor amendment to re-allocate Boundary Spires from Land Use Designation I and LUD II would be appropriate, however, as would other minor amendments.

It is clear that the 450 MMBF sale level recommended in TLUMP can be reached without changing any of the land allocations worked out so meticulously after years of study through the IDT process.

Section 906 of the Senate bill contains a number of provisions regarding the land-selection interests of the State of Alaska. Subsection (e), for example, allows the State (subject to valid existing rights and Native selection rights) to file "future selection applications and amendments thereto" for certain areas which would not otherwise be eligible for such filings. In accepting this provision of the Senate bill, it is our understanding that it is not intended to grant the State any new rights (under the Statehood