

Resource
Issues:

Forrestry

2-19-92

**U.S.F.S. APPRAISAL SUMMARY
FOR
KPC TIMBER SALE
ESTABLISHING
STUMPAGE RATES EFFECTIVE 3-1-89**

**MEMO
EFF
8/1/81**

SPECIES	SPRUCE	HEMLOCK	YELLOW CEDAR	RED CEDAR	TOTAL AVE	TOTAL AVE
PERCENT	18	88	6	8	100	100
VOLUME MMBF-5 YRS.	177	653	55	73	958	958

APPRAISAL ON LOG SCALE BASIS:

SELLING VALUE	\$661	\$554	\$869	\$376	\$578	\$596
LOGGING COST	177	176	178	178	177	205
SPEC ROADS	45	45	45	45	45	46
TOTAL LOGGING COST	222	221	223	223	222	251
MFG COST	258	286	59	59	250	322
TOTAL COST	480	507	282	282	472	573
CONVERSION	181	47	588	94	106	23
P&R ALLOW (OF AVAIL.)	76	70	75	30	72	74
INDICATED NET STUMPAGE	105	-23	513	64	38	-46
INDICATED RATES	\$150	\$22	\$557	\$109	\$83	-1
MINIMUM RATES					\$2	\$2

Forest Service Returns to States \$323 Million in Receipts

The Forest Service paid \$323 million in National Forest receipts for FY 1991. Forest Service Chief P. Dale Robertson announced that the money went to 41 states and Puerto Rico.

On Sept. 24, the U.S. Department of Agriculture made interim payments of \$228 million to states based on estimated National Forest revenues for the year. A final payment of \$94 million, based on actual receipts collected during the year, was paid on Dec. 17.

Actual fiscal 1991 receipts collected from the sale and use of National Forest resources totaled \$1.29 billion.

By law, 25 percent of the revenues collected by the Forest Service from the use of National Forest System lands and resources are returned to the states where the lands are located. The states are required to use the funds for schools and roads. Robertson said the funds are collected primarily from timber sales, grazing, recreation and mineral extraction on 191 million acres of Forest Service land.

These payments do not include 25 percent of the 1991 National Grassland revenues. Those payments are based on calendar year 1991 receipts and will be made in March 1992.

The three states receiving the largest payments are Oregon, \$141 million; California, \$56 million; and Washington, \$41 million.

How Much Did Your State Get?

National Forest Payments to States Fiscal Year 1991

State	Total Payment	State	Total Payment
Alabama	\$1,436,320.32	Nevada	351,943.70
Alaska	9,298,893.27	New Hampshire	517,515.64
Arizona	5,002,305.90	New Mexico	1,363,545.50
Arkansas	4,367,211.62	New York	8,843.56
California	56,045,154.14	North Carolina	614,521.17
Colorado	4,105,051.79	North Dakota	68.05
Florida	1,257,369.74	Ohio	150,639.52
Georgia	1,082,671.63	Oklahoma	486,871.13
Idaho	14,106,370.90	Oregon	141,176,614.05
Illinois	56,985.60	Pennsylvania	4,165,852.54
Indiana	25,063.01	South Carolina	1,144,618.96
Kentucky	635,218.59	South Dakota	2,205,259.61
Louisiana	2,812,497.08	Tennessee	399,876.51
Maine	35,338.34	Texas	2,391,730.34
Michigan	1,701,021.71	Utah	1,495,377.04
Minnesota	2,062,037.88	Vermont	155,337.32
Mississippi	6,089,594.69	Virginia	525,435.84
Missouri	1,999,913.90	Washington	40,808,776.04
Montana	9,009,450.17	West Virginia	1,056,967.20
Nebraska	41,358.39	Wisconsin	782,177.23
		Wyoming	1,804,960.39
		Puerto Rico	5404.61
		Grand Total:	\$322,782,164.62

FS Facts That May Shock You

by Gordon Cox

A few honest facts from the Forest Service:
* One-third of the United States is covered with forests (731 million acres out of a total of 2.3 billion acres.)

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■ SHOW READERS YOUR INVOLVEMENT

There may
not be a
house for
miles,
but it's still
someone's
home.



Getting away from it all feels great. But if you don't respect the environment, there won't be any nature left to get away to.

Remarks of Ernesta Ballard
House Resources Committee: Juneau, February 19, 1992

My name is Ernesta Ballard. I live in Ketchikan and am Chief Operating Officer of the village corporation in Saxman, the Cape Fox Corporation. From 1983 to 1986 I was the Regional Administrator for the United States Environmental Protection Agency for Region 10. I am not unfamiliar with the charged environment in which decisions regarding natural resources are made.

I am grateful for this opportunity to provide some of my own observations about the state of affairs of natural resource development in Alaska today.

In Alaska, as in the rest of the free world, natural resource development is usually financed and performed by the private sector. To assure that these activities are conducted without adverse consequences, the Legislature has passed a set of laws governing many things, including the preservation of the physical environment. It is appropriate that such laws restrict development if the resulting cost of the lost opportunity is more than off set by the value of a public benefit returned. It is the legislature's difficult task to determine which benefits are public benefits - in other words, which benefits truly accrue to the people in the broadest sense.

I believe that the legislative stage is well set in Alaska for responsible resource development. I believe that the regulations governing such key issues as water and air quality can do the job and still allow for profitable operation. I believe that the permitting, monitoring and reporting requirements will prevent abuse.

I also believe that the system has broken down.

We are no longer seeing an orderly process of planning, application, and analysis leading to permit or denial. Our development process is gridlocked with lawsuits, appeals, campaigns and strategic maneuvering. These battles are ostensibly waged over the degree to which each individual project conforms to the law. However, taken together, this massive amount of controversy suggests something different.

When every single timber sale offered in Alaska is appealed and delayed, I conclude that what is happening is not the reasonable enforcement of law. I believe that the fight over the Tongass or the Chugach or ANWR is a fight over conflicting values that cannot be won or lost through the application of the Forest Practices Act, or any other act, no matter how many times you amend it.

By values I mean the general guidelines an individual uses to judge whether things are right or wrong, whether things are

good or bad.

Conflicting values exist side by side within families, communities, political parties and churches: anywhere people are. This isn't a problem until public policy introduces incentives or restrictions that favor one point of view.

There is no disagreement among most parties to this debate about the requirements for responsible development. The disagreement is far more basic: it is a disagreement about the value of development at all, and a disagreement about who has the power to resolve the value dispute.

Our political system has weathered many storms in its two hundred year history in which value based fights were resolved by legislative policy.

From slavery to fluoridation of public water supplies we have overcome divisive debate and disagreement.

There have been winners and losers.

There always are in value fights.

People usually don't change their minds
The power to settle these value based fights rests with the legislature.

I do not believe that those opposed to natural resource development in Alaska are interested in enforcing the law: I believe that they want to seize the power to impose a new public agenda which more closely adheres to their values.

The debate over natural resources development cannot be resolved by fine tuning sale documents, development plans or drilling rig footprints.

The debate cannot be resolved by the courts in piecemeal adjudication because there is no law against development, and so efforts to develop will go on.

The debate cannot be resolved without creating winners and losers because there can be no compromise when the objectives are so unalterably opposed.

The debate must be resolved by clear statements of policy from the legislature. If there is to be no more development of resources in Alaska, then say so. If, on the other hand, development is to be permitted within the parameters of the law, then allow it to happen in a timely way. Tolerate the outrage of the losers, as you must in other equally charged, emotional debates.

I believe that what is at stake here is not the environment.

I do not think that we are witnessing the rape, pillage and plunder of Alaska.

I believe that what is at stake is the initiative and capability of the free enterprise system. How ironic that the countries of Eastern Europe are emerging from 40 years of shackled freedom at the same time that development projects all over this country are loosing a war of attrition with the regulatory agencies charged by legislative bodies with permitting their plans.

Permission or denial should be timely and scientifically based. It should be objective, not subjective.

I believe that the best hope for a tolerable transition into a state economy not totally dependent on oil lies in the vitality of the private sector.

I believe that taxes, royalty revenue and private capital create a healthy opportunity for both development and government and regulation to flourish.

The true creation of wealth depends on the extraction of natural resources. Value added processing just shuffles the wealth around - whether it is "hard" value added in manufacturing, or "soft" value added in marketing, advertising or sales. The service and government economies

are merely derivative - they take a cut out of every new dollar until nothing is left.

The private sector is prepared to comply with the law, pay our taxes and take the risks associated with development. What we ask in return is timely, understandable and objective regulation and law enforcement.

In closing, I'd like to say a few things about House Bill 29, the so-called "Citizen Lawsuit" bill. In my opinion, there are several elements missing from this bill that are generally present where good law and good government exist. Probably the most important of these missing elements are, standing, and accountability.

Let explain briefly what I mean.

With respect to standing, what I mean is often a citizen suit is brought by a party that has absolutely no standing in the affair: a party that is not a neighbor, a stakeholder, a potentially harmed party or in any other way involved. Theoretical standing is attributed to a concept of state wide citizenship that mocks some of our important concepts of privacy and property rights.

With respect to accountability, I mean two things. First, virtually always, citizen lawsuits are brought by a party for

whom nothing is at risk or at stake in the outcome. For example, if the lawsuit delayed a project but ultimately was lost, the citizen litigant is not held accountable for the cost of delay.

The second accountability problem with citizen lawsuits is one that I consider to be one of the most fundamental problems facing the country today. That is, the abdication by elected officials of their responsibility to the voters. We have three branches of government, not seven, or ten, or fifty or more. We have a predictable balance of power with checks and balances.

I believe citizens have ample opportunity for involvement in our governance at the polls, in the conventional way. If they don't like the laws they can get rid of you guys. If they don't like the administration, they can get rid of the executive. Citizen lawsuits pit the citizens against the regulatory agencies in an arena outside the triangle of responsive government. Citizen lawsuits pit citizen plaintiffs against citizen defendants without the restraints of power established in federal and state constitutions.

House Bill 29 proposes a particularly aggressive form of legislation. It is compulsive, and arbitrary, and vests citizen litigants with extraordinary powers, including the powers of search and arrest. Some have referred to it as a

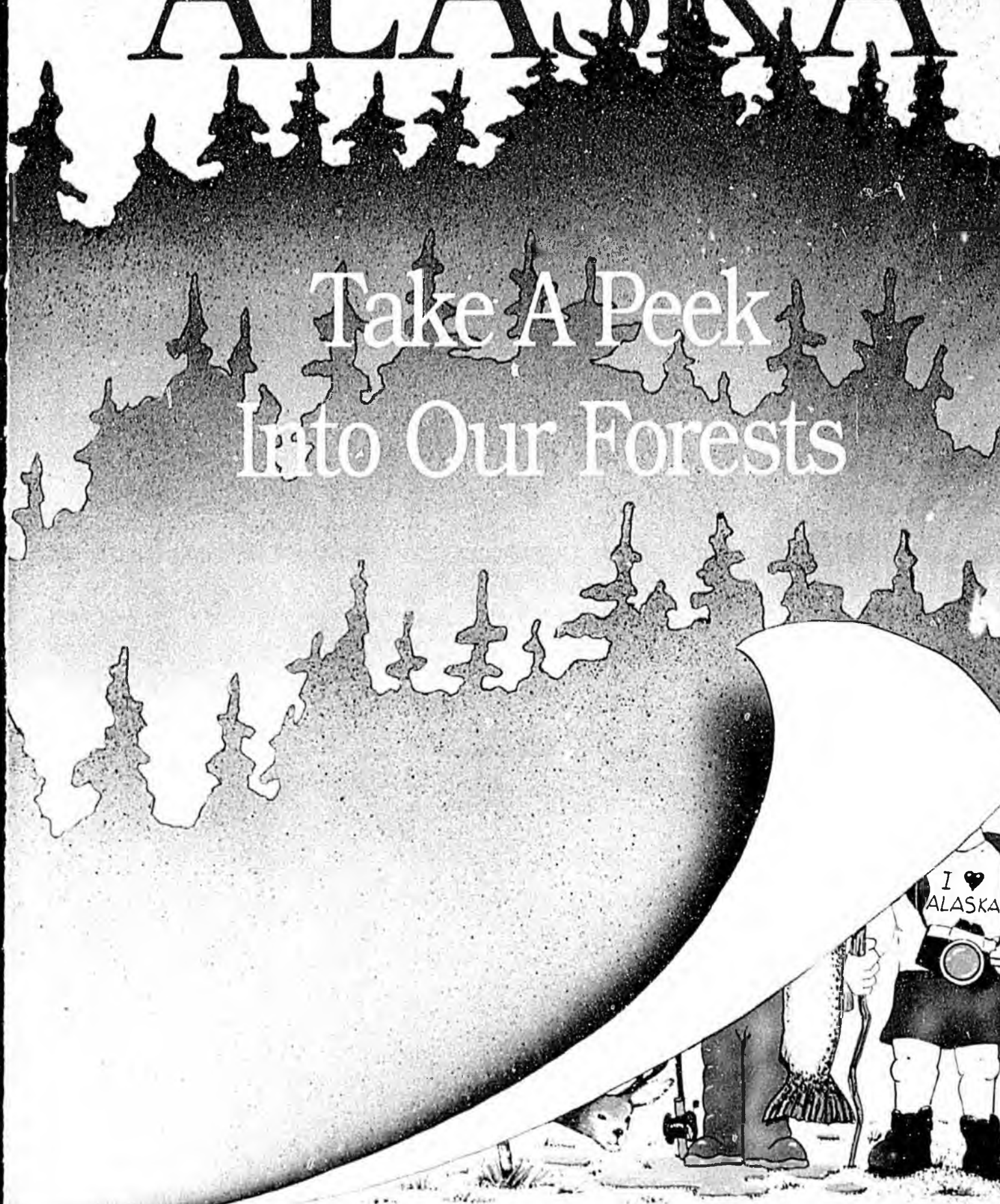
"vigilante bill". I urge you not to pass it.

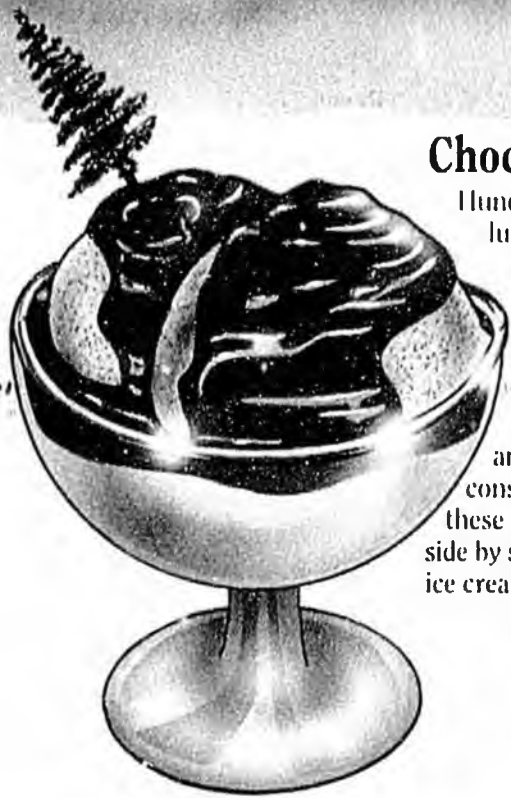
Thank you for this opportunity to be here today.

ALASKA

Take A Peek
Into Our Forests

I ♥
ALASKA





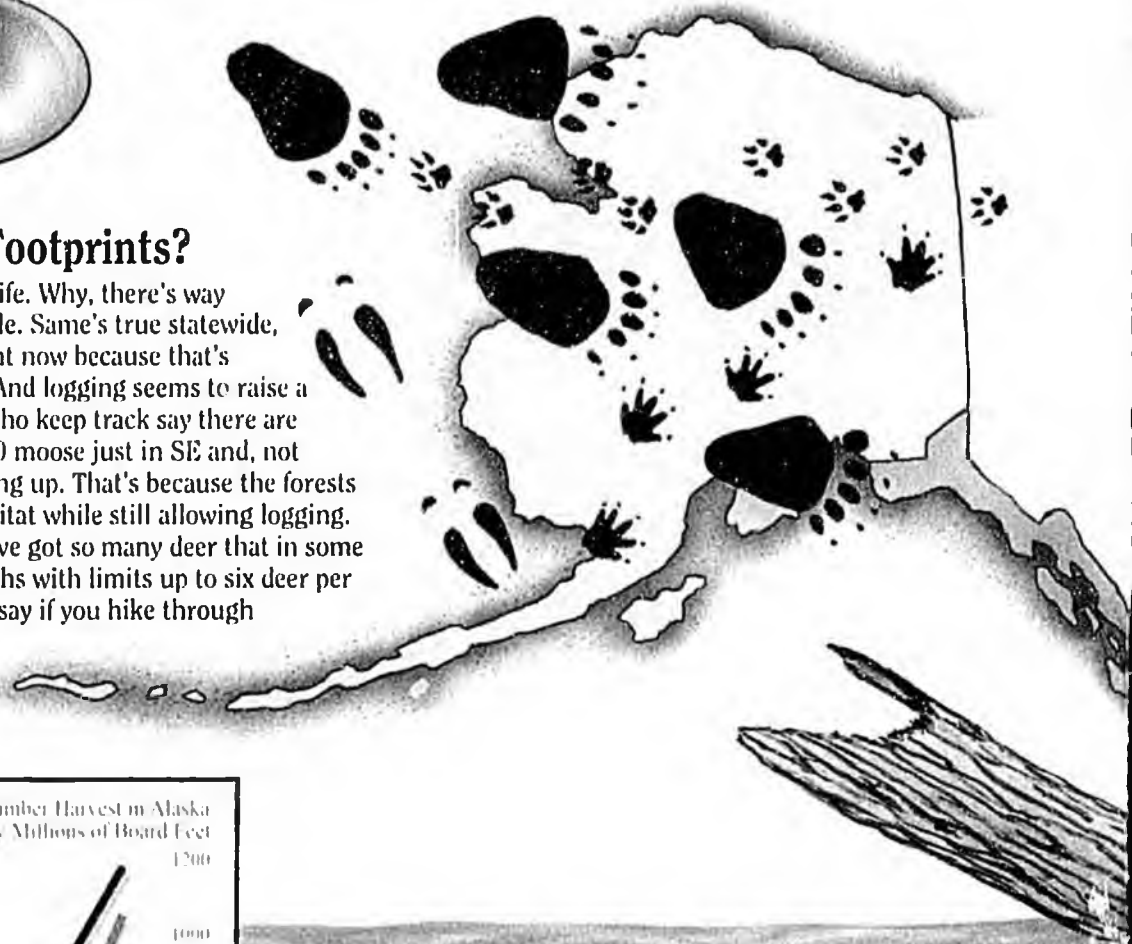
Chocolate Spruce Swirl?

Hundreds of everyday products have their roots in Alaska's forests. Some, like lumber, paper and musical instruments are readily associated with trees. Others, such as cellophane, rayon and fillers for everything from plastics to toothpaste, breakfast cereals and ice cream, might not be. The fact is, if we don't cut trees, we'll have to find something other than wood to make all these things. Now what do you suppose we'll come up with that's renewable, biodegradable and recyclable? Wood fits all three criteria and we're constantly working to improve forestry so we can have these products and all the other benefits of forests side by side. Sort of like having your ice cream and eating it too.

What Are All Those Footprints?

Alaska's forests are full of wildlife. Why, there's way more game in Southeast than people. Same's true statewide, but we're just talking about SE right now because that's where most of the logging occurs. And logging seems to raise a question about wildlife. The folks who keep track say there are 250,000 deer, 16,000 bear and 2,500 moose just in SE and, not surprisingly, the numbers keep going up. That's because the forests are managed to protect wildlife habitat while still allowing logging.

Seems to work pretty well. We've got so many deer that in some areas hunting season lasts six months with limits up to six deer per season. And the Fish & Game folks say if you hike through the woods there's an eight in 10 chance of seeing a bear. They seem to think that's good.



Salmon Harvest in Alaska
by Millions of Fish

160
140
120
100
80
60
40
20
0

Timber Harvest in Alaska
by Millions of Board Feet

1200
1000
800
600
400
200
0



155 Million Salmon Can't Be Wrong

One thing that's important to Alaskans is salmon, so we thought we'd check on their numbers. And holy coho, have we got salmon. Over 155 million of them. That's just the number caught last year in Alaska, what the Fish & Game people call "excess." And 1991 is supposed to be just as good. One of the state fish guys, Herman Savikko, told us the reason for all the fish is we're managing salmon and forests better. He says, "It's getting better and better every year." With salmon harvests going up and up things can't be all that bad.

Getting Better Every Harvest

Ninety-four percent of Alaska's forests will never be logged. But on the 6 percent where we do log, we're working to make the forest produce more and better products. The biggest improvement comes from managing timber. The first time a forest is logged, about half the wood is good only for making pulp. But the next forest on the same site will produce twice the wood, with twice the value from each acre. It'll have more spruce, a better wood than hemlock, and more of the trees will be good enough for lumber and other valuable products.

Money Does Grow On Trees

"Only three industries provide year-round, long-term jobs in Alaska: timber, minerals and government. Of those, timber is the only renewable resource. It will be here forever." That's what Frank Seymour told us and his job is keeping track of jobs for the state.

Frank says the forest products industry provides about 6,000 direct jobs in Alaska. But what's really significant is those workers earn about \$210 million. And each forest industry job creates two more jobs for folks like truck drivers, waitresses, accountants and even lawyers.



We're the Alaska Forest Association

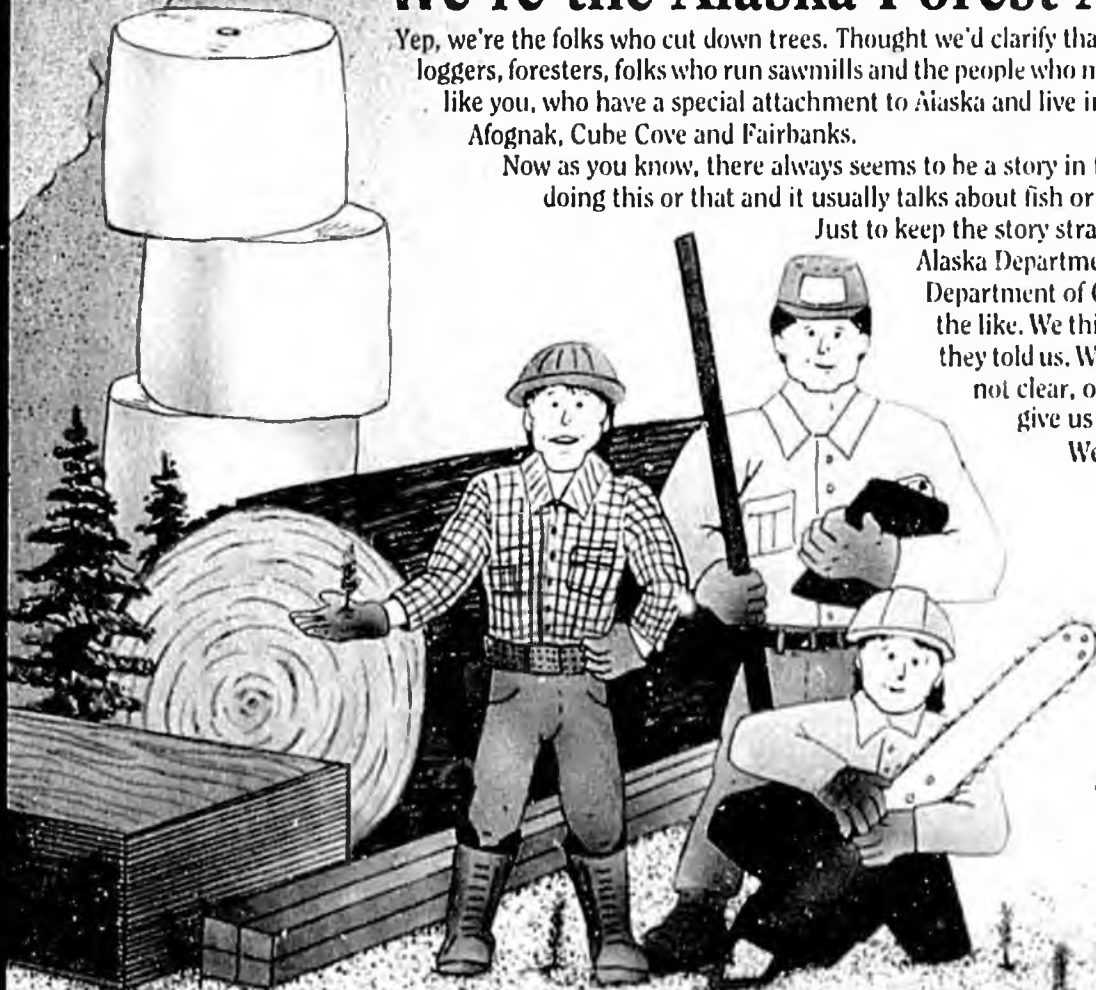
Yep, we're the folks who cut down trees. Thought we'd clarify that right up front. Our members are loggers, foresters, folks who run sawmills and the people who make and sell our equipment. People like you, who have a special attachment to Alaska and live in places like Sitka, Cordova, Tok, Afognak, Cube Cove and Fairbanks.

Now as you know, there always seems to be a story in the papers that says the loggers are doing this or that and it usually talks about fish or wildlife or sediment or something.

Just to keep the story straight we checked with people in the

Alaska Department of Fish and Game, Alaska Department of Commerce, U.S. Forest Service and the like. We think you might be interested in what they told us. When you get all done, if something's not clear, or you've got a question or two, just give us a call in Ketchikan at 225-6114.

We'd be pleased to hear from you.



ALASKA FOREST ASSOCIATION, INC.
111 Stedman Street
Ketchikan, Alaska 99901

Old Growth Forever

Wow! Alaska's old growth forests are really kind of humbling. The giant spruce, hemlock and cedar were growing before this country was a country. Young trees replace the old that fell to wind, disease or just old age. All around are deer and moose and mice, woodpeckers, mink, bears, wolves, eagles, martens and beavers. Nature at its finest. It's comforting to know almost 80 percent of Alaska's coastal old growth is totally protected and will remain just like it is today, forever.

Wow!

Roads To Paradise

Free time in Alaska is definitely not for the indecisive. From hunting and fishing to kayaking to wilderness hikes, the choices our forests offer are so many, and so unique, people travel thousands of miles for the opportunity. To reach their favorite campground, fishing hole or trail head it takes a plane, boat or road. If by road, chances are it was built as a logging road.

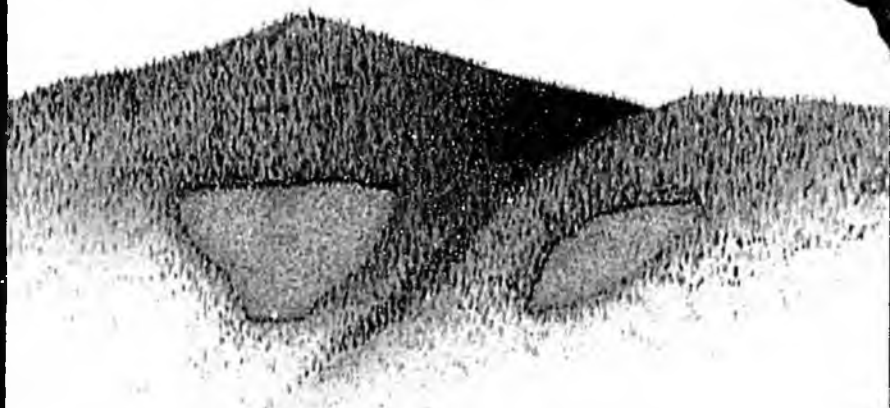
Prince of Wales Island is a good example. In the 1950s, there were only seven miles of road on the entire island. Today, nine of the island's 12 towns are connected by over 700 miles of roads built by loggers.

Alaska, Where Even the Wildlife Can Kick Their Paws Up And Relax

There are no threatened or endangered species in Alaska's forests. Not one. For Alaska's wildlife, it's a pretty carefree life. In fact, some critters that are struggling elsewhere flourish here. Take the grizzly bear.

Today only 1,000 are left in the lower 48, but in Alaska, we count 40,000 among our neighbors. And we've got more bald eagles than we know what to do with. We ship 'em off to places like Michigan and Maine so they can get a fresh start there.





Sprucing Up the Harvest Areas

"Hmm, let's see. If we just push the edge of this harvest unit down that draw, move this boundary around those rocks, and leave a patch of trees here, it'll look more natural." That's the kind of thing you hear landscape architects say as they help lay out timber harvests on national forests. The LAs (that's what they call 'em) are there to make sure those nice views get due consideration. They'll reshape and stagger harvest areas so a nice green forest is always in view of scenic roads, trails and waterways. Just trying to keep things tidy for when company comes.

Clearly the Way To Log In Alaska

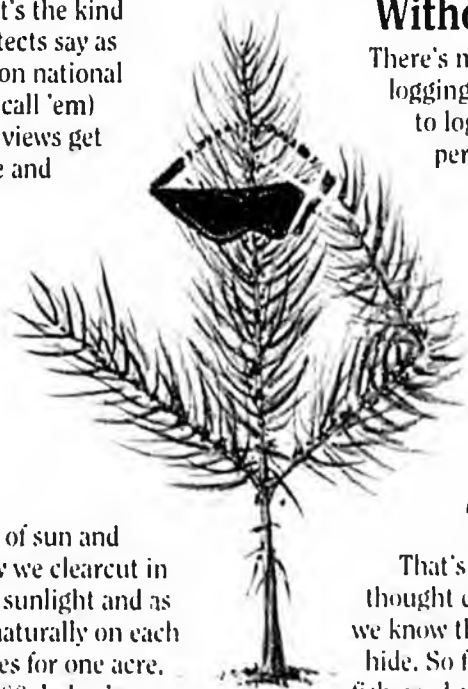
Give hemlock and spruce lots of sun and they'll grow like weeds. That's why we clearcut in Alaska. It opens the forest floor to sunlight and as many as 15,000 seedlings sprout naturally on each acre. Now that's way too many trees for one acre, so we thin 'em back to about 300; helps 'em grow better.



- Tongass National Forest Area
- Portion Available for Logging
- Area Actually Logged in a Year

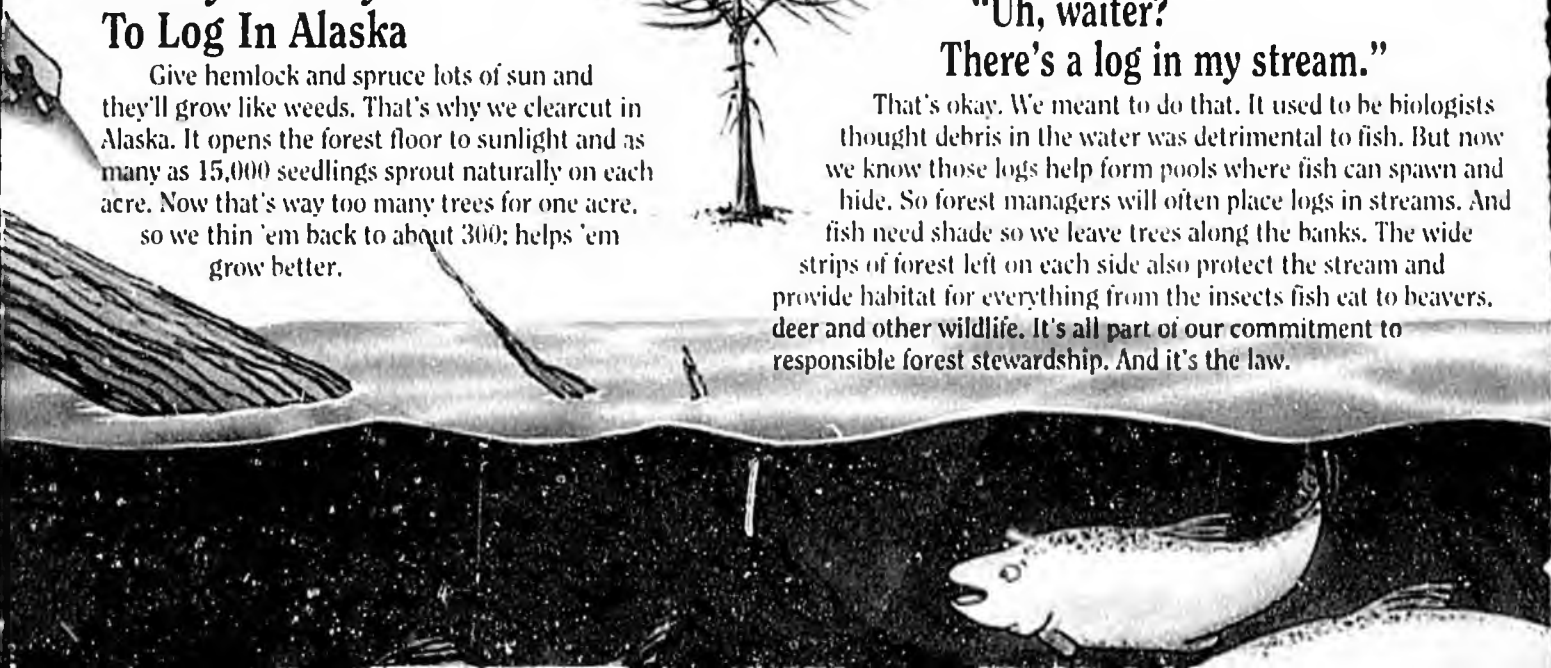
An Eagle Can Fly For Miles Without Seeing A Logger

There's more talk about logging in Alaska than there is logging. You see, 94 percent of Alaska's forest land is closed to logging and only a small amount of the other 6 percent is actually logged in any given year. The largest square on the graph here represents the total amount of land in the Tongass National Forest, the medium-sized square represents land where logging may one day occur and that tiny little square represents the area that actually gets logged in a given year. Kind of like an ant trying to eat New Jersey.



"Uh, waiter? There's a log in my stream."

That's okay. We meant to do that. It used to be biologists thought debris in the water was detrimental to fish. But now we know those logs help form pools where fish can spawn and hide. So forest managers will often place logs in streams. And fish need shade so we leave trees along the banks. The wide strips of forest left on each side also protect the stream and provide habitat for everything from the insects fish eat to beavers, deer and other wildlife. It's all part of our commitment to responsible forest stewardship. And it's the law.

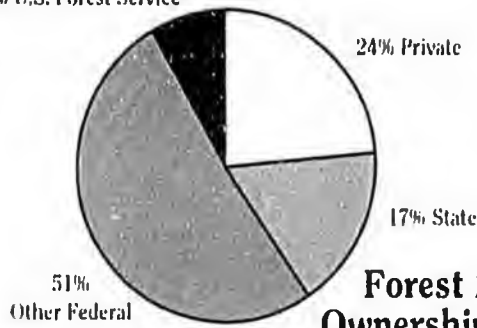


Forest Facts

This Land is Your Land

You might already be aware of this, but for those people just flying through, 90% of Alaska is owned by all of us. It's owned by government agencies. There's over a square mile of land for every person in Alaska. Compare that to New Jersey where there are 1,000 people for every square mile.

8% U.S. Forest Service



Forest Land Ownership

Total Area 129,000,000 Acres



Need A Drink?

Alaska has:
 3 million lakes
 Over 10,000 salmon streams
 79 natural hot springs
 33,904 miles of shoreline
 30,000 square miles of glaciers



Chances...

Of being struck by lightning: 1 in 600,000
 Of catching a fish in Alaska: 1.86 sport fish for each trip
 Of seeing a bear in the woods: 8 in 10
 Of an acre of Alaska forest never being logged: 94 in 100

Dollars From the Land

Fishing: \$1.3 billion
 Tourism: \$800 million
 Timber: \$684 million
 Mining: \$500 million
 Total: \$3.284 billion

Seward's Folly

When old Bill Seward, Secretary of State in 1867, agreed to buy Alaska from the Russians for \$7.2 million (that's 2¢ an acre), people thought he didn't have both his oars in the water. Well, today Alaska's forests alone produce over \$680 million worth of products each year. And it takes just two days for Alaska's oil wells to pump out enough to pay for that folly.

Now That's Big

Alaska is the northernmost, westernmost and easternmost of the United States. (The Aleutian Chain crosses the International Dateline, placing part of the state in the Eastern Hemisphere.)

Alaska's Forests

378 million acres of land in Alaska (more than twice the size of Texas)
 129 million acres are covered with forest (more than twice the size of Oregon)
 58 million acres are totally preserved in wilderness areas (an area larger than Utah)
 21 million acres are commercially productive forests (an area the size of Maine)

Tongass National Forest

16.9 million acres makes it the nation's largest national forest.
 (35%) 5.9 million acres are wilderness, closed to all development.
 (28%) 4.7 million acres non-forested lands.
 (14%) 2.4 million acres are not suitable for commercial forest.
 (23%) 3.9 million acres are capable of growing commercial forests.

Of the 3.9 million acres that are commercial forests

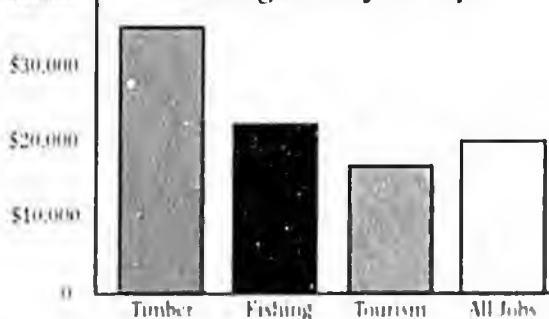
(62%) 2.4 million commercial, but managed for other resources.
 (38%) 1.5 million acres scheduled for harvest in the next 100 years.



No Logging Allowed

Absolutely no logging is allowed in Wilderness Areas, National Parks and Preserves, National Monuments, National Wildlife Refuges and State Parks. These lands comprise 140 million acres or almost 40% of the total land area in Alaska.

Average Yearly Salary



Alaska: 378 Million Acres of Recreation

Less than 1/20 of 1 percent of Alaska has been altered by man
 2 National Forests cover 22.5 million acres
 2 Forest Service National Monuments cover 3.2 million acres
 15 National Parks, Monuments and Preserves on 54 million acres
 132 State Park units cover more than 3.2 million acres
 57.5 million acres federally designated wilderness
 16 National Wildlife Refuges cover 77 million acres
 26 National Wild and Scenic Rivers
 370 public cabins, campgrounds and picnic areas
 329 million acres of public land open to recreation
 391,308 sports anglers (1990)
 96,837 hunting licenses sold (1990)