

HJR

55

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 11, 1994

FURTHER REFERRALS:

Date of Committee Action: 2/28/94

The RESOURCES Committee considered:

HJR 55

HOUSE JOINT RESOLUTION NO. 55

TONGASS NATIONAL FORST TIMBER HARVESTS

Relating to the importance to the economy of Southeast Alaska of continued timber harvests on the Tongass National Forest.

RECOMMENDATIONS: the same title
 be replaced with CS HJR 55 (RES) a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

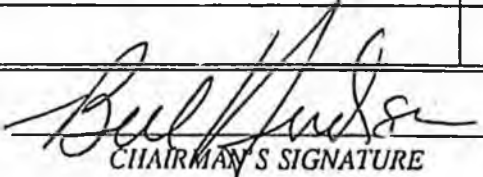
fiscal impact _____

fiscal note(s) _____

zero fiscal note House Resources Committee

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i> Carney	✓	<i>[Signature]</i> Green		✓	
<i>[Signature]</i> James	✓	<i>[Signature]</i> Davies	✓		
<i>[Signature]</i> Mulder	✓				
<i>[Signature]</i> Bunde	✓				
<i>[Signature]</i> Hudson	✓				


 CHAIRMAN'S SIGNATURE

V. Chaei
 For

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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Juneau, Alaska 99801-2105

MEMORANDUM

March 14, 1994

SUBJECT: Manifest Clerical Error in CSHJR 55(RES)
TO: Senator Mike Miller
Chair, Senate Resources Committee
FROM: David R. Dierdorff
Revisor of Statutes

We have discovered a manifest clerical error in CSHJR 55(RES), which is pending in your committee. On page 2, line 3, the words "timber industry" were inadvertently substituted for the word "economy" when the CS was prepared for the House Resources Committee. The only change that should have been made was a similar change on page 2, line 8, together with further changes at that location, all of which was done correctly.

Page 2, line 3, should read:

WHEREAS the economy of Southeast Alaska utilizes resources of the Tongass
for

and the first word on line 4 ("for") should be deleted.

This error could be corrected in one of three ways:

- 1) Your committee could adopt a Senate CS making that change;
- 2) We could print a corrected House CS;
- 3) We could fix the error in enrolling.

Because of the cost of printing, I recommend that the third option be the one taken unless your committee wishes to make further changes in the resolution. The error is easy to point out and the fix would hardly justify the cost at this point.

Let me know your wishes.

DRD:lmb
94-083.lmb

cc: Representative Bill Williams

CS HJR 55 (RES)

EXPLANATION OF CHANGES FROM ORIGINAL RESOLUTION:

Page 1, line 4, through page 2, line 9, added 8 new whereas clauses.

Page 3, line 28, added "under current law"

8-LS1420J
Luckhaupt
2/26/94

**CS FOR HOUSE JOINT RESOLUTION NO. 55(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE HOUSE ECONOMIC TASK FORCE

A RESOLUTION

1 **Relating to the importance to the economy of Southeast Alaska of continued**
2 **timber harvests on the Tongass National Forest.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** the Alaska National Interest Lands Conservation Act (ANILCA) and the
5 Tongass Land Management Plan define multiple use objectives for the Tongass National
6 Forest; and

7 **WHEREAS**, according to the Multiple Use Sustained Yield Act of 1960, national
8 forest land is to be managed for a sustainable yield of various resources including water, fish,
9 wildlife, and timber; and

10 **WHEREAS** these goals are currently being achieved on the Tongass National Forest
11 due to wilderness land use designations, stream buffers, view corridor protection, and timber
12 management; and

13 **WHEREAS** regeneration on harvested land in the Tongass National Forest has
14 demonstrated that second growth yields can reach the 23,000 board feet per acre necessary to
15 sustain a harvest of 450,000,000 board feet per year as designated in the Tongass Land
16 Management Plan; and

1 **WHEREAS**, in recent years, timber sales on the Tongass National Forest have been
2 significantly reduced so that far less than 450,000,000 board feet are available; and

3 **WHEREAS** the economy of Southeast Alaska utilizes resources of the Tongass for
4 commercial fisheries, recreation, tourism, mining, and timber harvest; and

5 **WHEREAS** the economy of Southeast Alaska is stable, has enabled the use of long-
6 term bond financing for public service, and has attracted significant private capital investment;
7 and

8 **WHEREAS** the economy of Southeast Alaska was built around an expected annual
9 harvest level of 450,000,000 board feet; and

10 **WHEREAS** Tongass National Forest timber resources accounted for about 2,500 of
11 the annual average 3,600 private sector jobs directly generated by the forest products industry
12 in Southeast Alaska in 1992, the last year for which accurate figures are available; and

13 **WHEREAS** the forest products industry in Southeast Alaska accounted for 24 percent
14 of basic industry employment (including government), and 34 percent of all private basic
15 industry employment, in 1992; and

16 **WHEREAS** workers in the forest products industry in Southeast Alaska, including
17 loggers, road builders, stevedores, sawmill workers, and pulp mill workers earned
18 approximately \$146,000,000 in wages and salaries during 1992; and

19 **WHEREAS** forest products industry employment in Southeast Alaska has declined
20 sharply since 1990, marked by the loss of \$18,000,000 in payroll and more than 600 jobs, due
21 to reduced timber harvests on the Tongass and the near completion of the first harvest on
22 private land; and

23 **WHEREAS** the United States Congress in 1980 enacted the Alaska National Interest
24 Lands Conservation Act, which includes provisions designating 5,400,000 acres of the Tongass
25 National Forest as part of the Wilderness Preservation System, and thus closed that land to
26 timber harvest; and

27 **WHEREAS** an increase in the availability of timber for harvest on the Tongass
28 National Forest could offset the lack of production of timber from private land and maintain
29 the economic well-being of Southeast Alaska; and

30 **WHEREAS** a decline in the availability of timber to harvest on the Tongass National
31 Forest will continue to cause the loss of jobs in the timber industry in Southeast Alaska and
32 will significantly impair the economic well-being of the area as many communities are totally

1 or otherwise very dependent on the timber industry as the sole or one of the largest employers
2 in the community; and

3 **WHEREAS** the United States Congress in 1990 enacted the Tongass Timber Reform
4 Act, thus closing an additional 1,100,0000 acres of land to timber harvest through wilderness
5 designations and management practices; and

6 **WHEREAS** timber availability is critical to the health of the forest products industry
7 in Alaska, and the availability of timber in the Tongass National Forest will likely determine
8 the future of the forest products industry in Alaska; and

9 **WHEREAS** the United States Congress controls the level of timber harvesting in the
10 Tongass in part through the budget process and by these land designations acts; and

11 **WHEREAS** the United States Department of Agriculture, Forest Service, manages the
12 Tongass National Forest and determines the availability of timber for harvest on the land not
13 closed to timber harvest;

14 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the United
15 States Congress to review the economic impact on the Southeast Alaska economy and the
16 forest products industry of the wilderness designations imposed by the Alaska National Interest
17 Lands Conservation Act of 1980, and the wilderness designations and changes in management
18 practices mandated by the Tongass Timber Reform Act of 1990; and be it

19 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
20 United States Congress to increase the amount of timber available for harvest in the Tongass
21 National Forest; and be it

22 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
23 United States Congress to provide sufficient funding to the United States Department of
24 Agriculture, Forest Service, to facilitate offering for harvest the maximum amount of Tongass
25 timber possible under current law; and be it

26 **FURTHER RESOLVED** that the Alaska State Legislature requests the United States
27 Department of Agriculture, Forest Service, to manage the Tongass National Forest in order
28 to provide maximum opportunity for timber harvest under current law.

29 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
30 United States; the Honorable Al Gore, Jr., Vice-President of the United States and President
31 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of
32 Representatives; the Honorable George Mitchell, Majority Leader of the U.S. Senate; the

- 1 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
- 2 Honorable Don Young, U.S. Representative, members of the Alaska Delegation in Congress;
- 3 and to Mr. Michael Espy, Secretary of the U.S. Department of Agriculture, and Mr. Jack Ward
- 4 Thomas, Chief of the U. S. Forest Service.

Amendment

HJR 55

P 3 Line 6

After "harvest"

Insert "recreation, fisheries, and

other uses"
multiple

House Economic Task Force

Chair:

Rep. Eileen Panigeo MacLean

Vice-Chair:

Rep. Jeannette James

Members:

Rep. Bettye Davis

Rep. Joe Green



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Rep. Al Vezey

Rep. Bill Williams

Rep. Bill Hudson

Rep. Jerry Mackie

SPONSOR STATEMENT HJR 55,

RELATING TO THE IMPORTANCE TO THE ECONOMY OF SOUTHEAST ALASKA OF CONTINUED TIMBER HARVESTS ON THE TONGASS NATIONAL FOREST

prepared for the House Economic Task Force

by Rep. William K. Williams, Chairman, Timber Working Group

House Joint Resolution 55 asks the U.S. Congress to review the economic impact on Southeast Alaska and the forest products industry of the wilderness designations imposed by ANILCA, and the wilderness designations and changes in management practices brought about by the Tongass Timber Reform Act of 1990; it also requests that the Congress increase the amount of Tongass timber available for harvest, and provide sufficient funding to the USDA Forest Service to facilitate harvesting the maximum available under law.

Congressional action has, through wilderness designations, closed to timber harvest roughly two thirds of the commercial forest land in the Tongass National Forest: one third is designated wilderness, another third will not be opened for harvest. The remaining portion, about two million acres, is to be harvested according to the Tongass Land Management Plan, which establishes the allowable sale quantity. Reduced federal appropriations for Tongass timber sales in the last few years has caused a shortage in the timber supply, resulting in the loss, since 1990, of more than 600 forest products industry jobs in Southeast Alaska. Temporary layoffs during 1993 affected employees at pulp mills in Sitka (Alaska Pulp Corp.) and Ketchikan (Ketchikan Pulp Co.). The closure of the pulp mill in Sitka caused the loss of nearly 400 direct jobs. The USDA Forest Service has threatened to cancel one of the two 50-year harvest contracts that supports the region's timber industry.

The lack of an assured supply of Tongass timber available for harvest poses a great threat to the economic well-being of the region and the viability of the industry on which many Southeast communities are dependent. HJR 55 provides an opportunity for the Alaska State Legislature to urge Congressional action in order to avert economic disaster.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HJR 55

Revision Date: 2/21/94 Dept. Affected: none
 Title: Tongass National Forest BRJ: _____
timber harvests Component: _____
 Sponsor: Rls by request of the House Econ Task Force
 Requestor: House Resources COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY2000
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE:	0	0	0	0	0	0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (^{FY} 94) impact \$ 0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: _____
 Division: _____
 Approved by: Rep. Bill Williams, Chairman
 Agency: House Resources Committee

Phone: _____
 Date: _____
 Date: 2/21/94

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Role of the Forest Products Industry in the Southeast Alaska Economy

June 1993 Update

Prepared for:

Alaska Forest Association

Prepared by:



Juneau • Ketchikan

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Introduction

For nearly 40 years the forest products industry has been a mainstay of the Southeast Alaska economy. Construction of pulpmills in Ketchikan and Sitka in the 1950's marked the birth of a large scale industry in the region. These mills were and remain Alaska's largest manufacturing operations. Through the 1960s and 1970s, the region's forest products industry prospered, enjoying a steady supply of timber and a relatively stable world market.

The 1980s were a turbulent and eventful time for Southeast Alaska's forest products industry. The industry began the decade with strong markets, record high levels of employment and a bright future. But then the market for the region's forest products began to decline, primarily as a result of declining Japanese demand. Timber harvests on the Tongass National Forest dropped by 50% over the next five years. Employment in Southeast Alaska's forest products industry declined by 1,000 jobs.

Meanwhile, the emergence of Native corporations in the Southeast Alaska forest products industry prevented even more dramatic cuts in employment. Timber harvests on privately held lands increased almost ten fold between 1980 and 1985. This supported logging employment in the region, but because the timber was exported as roundlogs (with no value-added processing) it did not prevent employment in the forest products industry overall from declining further.

International markets began to improve in 1986 and the region's forest products industry began to recover. While the private timber harvest stabilized, the Tongass harvest doubled within three years. Employment in the industry increased by 1,400 jobs within those same three years. Another jump in Native-owned timber harvest in 1989, along with steadily increasing Tongass timber harvests, pushed employment in the industry to a record high of over 4,000 jobs by 1990.

With the 1990s, however, there is once again uncertainty regarding the future of the forest products industry. Restricted access to timber supply, declining pulp markets and the declining Native timber harvest may all paint a bleak future for the industry. On the other hand, dramatic increases in lumber prices and declining timber supplies in the lower 48 states potentially bode well for Alaska's forest products industry.

Purpose

The purpose of this study is to measure the current status of Southeast Alaska's forest products industry – and how it fits into the regional economy. This study updates two previous and similar research efforts conducted in 1990 and 1991. The primary measure of industry activity considered in this study is direct employment. Direct employment includes all labor involved in accessing the timber (road

building), falling the timber and transporting it to tidewater, ship loading, transporting the logs to sawmills or pulpmills, and finally processing the logs into lumber or pulp.

Direct employment does not include labor involved in regular supplying of remote camps, other transportation support of logging communities (air taxi employment, for example), or labor employed in sales of logging equipment or contracted service of such equipment. These and similar types of labor are classified as indirect or support sector employment.

This study presents a complete picture of forest products industry employment in Southeast. Measures of timber industry employment are published regularly by the Alaska Department of Labor (ADOL). ADOL estimates of timber industry employment in Southeast exclude important components of the industry such as logging road construction, log trucking, and marine transport of the logs to sawmills and pulp mills.

Most existing measures of Tongass timber harvest-related employment exclude any discussion of Forest Service employment. The USFS employs nearly 935 people in Southeast Alaska. A significant portion of this employment exists because part of the Tongass is managed for commercial timber harvest. Forest Service employment is an important component of the forest products industry and the regional economy and therefore is included in this analysis.

Methodology

The employment and payroll data presented in the study has been estimated using a combination of ADOL data, USDA Forest Service employment and payroll data, timber harvest figures, and information generated from a survey of businesses in the Southeast Alaska timber industry. ADOL data analyzed in this study reflects fourth quarter 1991 and the first, second and third quarters of 1992, and is therefore consistent with USFS timber harvest figures which are measured on an October through September fiscal year.

Summary of Findings

- The forest products industry directly generated an annual average of 3,600 private sector jobs in 1992. Tongass National Forest timber resources accounted for about 70% of these jobs, timber harvests on private lands accounted for the remainder.
- Workers in the forest products industry earned approximately \$146 million in wages and salaries during 1992. This includes payroll for loggers, road builders, stevedores, sawmill workers, and pulpmill workers.
- The forest products industry accounted for over one-third (34%) of all private basic industry employment in Southeast Alaska in 1992.
- Including timber harvest-related U.S. Forest Service employment, the forest products industry generated over 4,000 jobs and \$167 million in payroll in 1992. The Tongass National Forest accounted for 2,950 jobs and \$124 million in payroll.
- Among all basic industries in Southeast Alaska, including government basic industry, the forest products industry accounted for 24% of all employment in 1992.
- Over the last two years, employment in Southeast Alaska's forest products industry declined sharply. Southeast Alaska's forest products industry has lost more than 600 jobs and \$18 million in payroll since 1990. This decline is due to reduced timber harvests on both private land and on the Tongass.
- The first harvest of Southeast Alaska private timber is nearly complete (subsequent harvest will not be available in the near future), with an overall decline in annual harvest of 89 million board feet between 1990 and 1992. Timber harvests on the Tongass National Forest have also shown a marked decrease of 100 million board feet during this period.
- The long term outlook for the forest products industry is uncertain and will depend on international market conditions and on the availability of timber on the Tongass National Forest.

Chapter I. Employment and Payroll in the Forest Products Industry

Southeast Alaska's forest products industry includes two principal components, the Tongass National Forest component and the private Native corporation component. In terms of employment and economic impact, the Tongass National Forest plays the lead role. Timber harvests from private lands account for over half of the logging activity in Southeast Alaska. Further, because most private timber is exported as unprocessed roundlogs, the private harvest has not had a great impact on the region's sawmills and pulpmills (though private timber has been a significant source of pulpwood over the last few years).

This chapter examines employment in these two components of the forest products industry. Separate analysis is warranted because they impact the region's economy in unique ways and they face different futures.

The Tongass Forest Products Industry

History of the Industry in Southeast Alaska

The forest products industry has a long history in Southeast Alaska, dating back to the late 1800s when timber was harvested for local construction purposes. The 16.9 million acre Tongass National Forest, the nation's largest national forest, was created in 1909. For the next forty-five years, only high grade stands of timber were harvested, almost exclusively for local use, including in support of the region's mining and seafood industry. Annual timber harvests averaged about 30 to 50 million board feet, though more was harvested during World War II to meet defense construction needs.¹

The modern forest products industry has its roots in the 1950s, when the pulp industry was drawn to Southeast Alaska. In the 1950s, territorial officials recognized that Southeast Alaska's timber resources had the potential to stimulate significant growth in the region's struggling economy. But it was also clear that only 50% of the region's overmature timber would meet sawmill standards. It was evident that large-scale utilization of the region's timber resources (and therefore economic development for the region via its forest resources) could only occur through development of a pulp industry.

¹Rogers, George W., Alaska in Transition: The Southeast Region. Johns Hopkins Press, Washington, D.C., 1967.

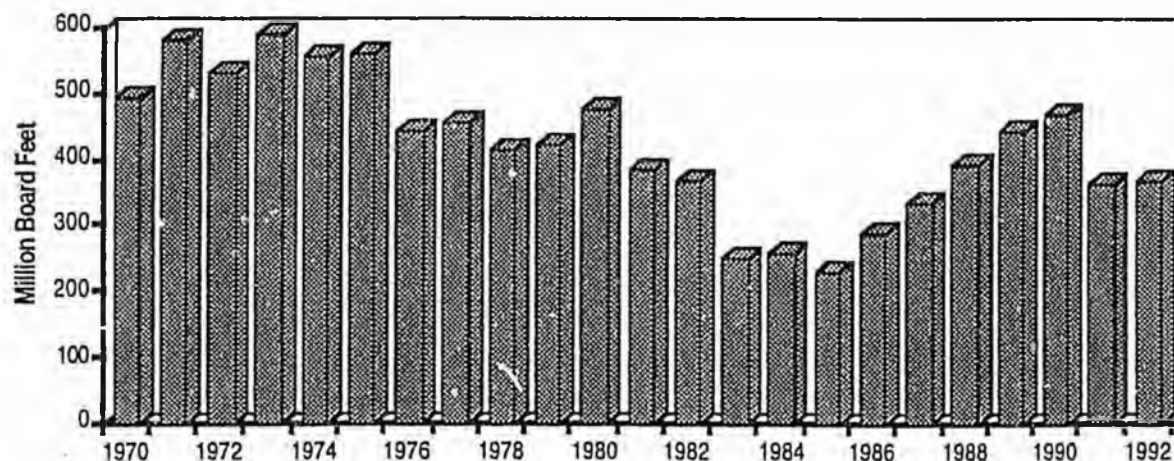
Development of Alaska's two pulpmills was the result of years of effort by Forest Service and territorial officials to attract pulp manufacturers to Southeast Alaska. For many years, distance from markets and shipping costs, high labor and construction costs and other factors had combined to frustrate prospective developers.

In the end, it was the assurance of long term timber harvesting contracts that induced pulp manufacturers to make the huge investment required in Southeast Alaska. In 1954, the Ketchikan Pulp Company completed construction of a \$52 million (the equivalent of about \$1.8 billion in 1991 dollars) facility near Ketchikan.² Five years later, Alaska Lumber and Pulp Company completed construction of pulpmill near Sitka. That investment totaled \$65 million, or approximately \$2 billion in 1991 dollars.

Construction of these mills marked a turning point in the economic development of Ketchikan and Sitka, in particular, and Southeast Alaska in general. Each mill employed about 350 workers, and hundreds of additional jobs were created in the region's logging and sawmilling industries. Almost overnight, the forest products industry became Southeast Alaska's leading industry.

Since the 1960s, the forest products industry has played a leading role in Southeast Alaska's economy. The pulpmills remain the largest employers in Ketchikan and Sitka.

Tongass National Forest Timber Harvest 1970-1992*



*Fiscal year harvest, includes utility volume. Source: U.S. Forest Service.

²Rogers, p. 75.

Tongass timber harvests began declining in the mid 1970s and bottomed out ten years later at under 300 million board feet, less than half the peak years' total. It was fortunate for the pulpmills that at this time Native harvests began supplying a significant volume of pulp logs. The dim prospect of increases in Tongass timber harvests to the levels of the 1970s, coupled with declining Native timber harvests, is a source of great concern about the industry's future.

In the 1980s and 1990s, legislative and resource management issues have been as important as market conditions among the forces shaping the region's forest products industry. For example, Section 705(a) of the Alaska National Interest Lands Conservation Act (ANILCA) authorized the Forest Service to spend at least \$40 million annually to make available for annual harvest a timber supply of 450 million board feet of timber. The fund was to be used for timber sale preparation and administration, reforestation, pre-commercial thinning, road construction, and engineering support.

Other provisions of ANILCA had excluded 5.5 million acres of the Tongass from timber harvest, including a significant volume of high value, old growth timber stands. The intent of Section 705(a) was to offset this loss by adding marginal timber to the available Tongass timber resource base by pre-roading. The trade-off was more profitable timber in environmentally sensitive areas for marginal timber stands, located in less sensitive areas, that would be made more economic through access improvements financed by the \$40 million Tongass Timber Supply Fund.

Then, the 1990 Tongass Timber Reform Act repealed Section 705(a) of ANILCA and placed an additional 1.1 million acres of land off limits to logging and established 100-foot buffers along spawning streams. The Act also eliminated the Tongass Timber Supply Fund.

The net effect of ANILCA and the Tongass Timber Reform Act was to significantly reduce the available Tongass timber resource. Further, by placing off-limits high-value timber stands, these acts have also reduced the overall quality of the Tongass timber resource. Finally, the Timber Reform Act also mandated certain changes in Tongass management practices that (depending on how the Act is interpreted) could also impact timber availability of the remaining commercial forest land base.

1990 and 1992 Employment in the Tongass Forest Products Industry

In 1990, the date of the last update study, harvest and processing of Tongass National Forest timber generated an annual average of approximately 2,800 jobs. Payroll earned by workers in the Tongass forest products industry totaled \$112 million.

In 1992, Tongass-related timber industry employment decreased due to a significant decline in the annual harvest. The 1992 estimates indicate that Tongass National Forest timber harvests generated an annual average of 2,500 jobs with a payroll of \$103 million, a ten percent decline from 1990.

Included in Tongass forest products industry employment are approximately 900 pulpmill jobs accounting for \$40 million in payroll. These figures do not include pulpmill employed loggers or sawmill workers. Pulpmill employment has increased since about 1985 but is still below the peak years of the early 1980s when employment topped 1,000 jobs. Increased mill efficiency has reduced labor requirements since then.

The pulpmills are the largest single employers in Sitka and Ketchikan and Alaska's largest manufacturing employers. Pulpmill employment did not change significantly between 1990 and 1992 (again, due to the very limited ability of the mills to adjust production levels according to timber supply and market conditions).

Sawmills generated the annual equivalent of 537 jobs during 1992, and did not change significantly from 1990 (though there was some decline from the 1991 level as a result of closure of the Chilkoot Lumber mill in Haines). Sawmill workers earned approximately \$21 million in wages and salaries, about the same as in 1990. (More recent data is expected to indicate some decline in sawmill employment due to the closure of the Klawock sawmill operation).

Logging on the Tongass National Forest generated an estimated annual average of 840 jobs during 1992. Tongass loggers earned \$34 million in wages and salaries. The Tongass timber harvest decreased by about 100 million board feet from 1990 to approximately 370 million board feet (including utility volume) in 1992, according to preliminary U.S. Forest Service data.³ This is a 22% decrease over the 1990 harvest of approximately 471 million board feet and a 2% increase over the 1991 harvest of approximately 364 million board feet. Logging employment on the Tongass decreased by approximately 260 jobs from 1990 to 1992, based upon McDowell Group estimates.

Timber harvest-related road construction accounts for approximately 120 jobs (annual equivalent) to the Tongass forest products industry. These construction jobs accounted for about \$5 million in payroll earned during 1992.

Other basic components of the Tongass forest products industry added an additional 110 jobs and nearly \$4 million in payroll. This includes log scalers, towing and stevedoring workers.

³The USFS reported a total Tongass timber harvest of 369.7 million board feet during FY 1992, which began October 1, 1991 and ended September 30, 1992. During this same period a year earlier, the total harvest was 364 million board feet. Calendar year totals for 1991 and 1992 may vary somewhat from these totals. The source of this data is a draft report of the 1992 Timber Supply and Demand Report, prepared by the USFS.

**The Tongass Forest Products Industry
Employment and Payroll in 1992**

Industry Component	Annual Average Employment	Total Payroll
Pulpmills	906	\$39.7 million
Sawmills	537	\$20.8 million
Logging	840	\$33.9 million
Road construction	120	\$ 5.0 million
Towing, Stevedoring and Other	110	\$ 4.0 million
Tongass Industry Total	2,513	\$103.4 million

Forest Service Employment Related to Tongass Timber Harvests

It is not possible to determine exactly how Forest Service employment would be affected by a reduction in the Tongass commercial timber resource base. Reallocation of federal funding to other types of Tongass management activities could mitigate Forest Service employment reductions. But in the present situation a very significant portion of Forest Service employment in Southeast Alaska is the direct result of management of a portion of the Tongass as a commercial timber resource. This employment would decline with a declining timber resource base.

The Forest Service generated 935 full-time equivalent positions in Southeast Alaska in 1992. Workers in these positions earned an estimated \$43 million in payroll annually. Among these 935 workers, the Forest Service estimates that 448 are directly involved in timber sale preparation, implementation and management. If there were no Tongass timber harvest these jobs would not exist. These Forest Service workers earned an estimated \$20.8 million in annual payroll in 1992.

Though timber harvest and forest products industry employment declined overall in 1992, USFS employment in the region increased by 155 jobs, with timber related USFS employment increasing by 114. According to the Forest Service, this increase from fiscal year 1990 to 1992 was generated by "Congressional direction to accelerate the timber sale preparations to meet the 3 year shelf volume requirement of long term timber sale contracts."⁴

⁴USDA Forest Service, Alaska Regional Office, Office of Program, Planning and Budgeting.

**Total Tongass Forest Products Industry
Estimated Employment and Payroll in 1992**

	Annual Average Employment	Total Payroll
Private Sector Total	2,513	\$103.4 million
U.S. Forest Service	448	\$20.8 million
Grand Total	2,961	\$124.2 million

Timber Harvest on Private Land in Southeast Alaska

Southeast Alaska's forest products industry entered an important phase with the 1971 Alaska Native Claims Settlement Act (ANCSA). ANCSA granted Alaska Natives surface and subsurface title to 40 million acres of land in Alaska, including over 600,000 acres in Southeast Alaska. ANCSA also provided for formation of regional and village corporations to manage these lands. Southeast Alaska's regional corporation and 12 village corporations gained title to some of Southeast Alaska's richest timber stands.

Because of delays in transferring title from the federal government to the Native corporations, it was not until about 1980 that timber harvest on Native-owned lands began in earnest. Within the next five years, timber harvest from these private lands increased to about 300 million board feet annually.

Fortunately for the logging industry, private timber harvests were increasing just as the Tongass timber harvest was declining due to weak market conditions. While private timber owners faced the same weak market, they nonetheless found it in their best interest to harvest. Further, timber harvested from private land in Southeast is not subject to the same primary manufacturing restriction that is placed on Tongass timber. According to federal law, Tongass timber cannot be exported out of Alaska in an unprocessed condition. Many international buyers find unprocessed "sawlogs" a more attractive commodity.

Throughout the 1980s timber harvests from private land in Southeast Alaska increased and, by 1983, the private timber harvest exceeded the Tongass timber harvest. The private harvested had reached 520 million board feet by 1989, including 420 million board feet of export sawlogs.⁵ The economic impact of this

⁵USAF provided preliminary numbers that will be used in the 1992 Timber Supply and Demand Report, prepared by the USFS, pg. 10.

harvest included about 1,300 logging, road building and stevedoring jobs and an estimated \$52 million in payroll.

The 1992 harvest from private land totaled approximately 420 million board feet, including 333.3 million board feet of sawlogs which generated approximately 1,100 forest products industry related jobs and an estimated \$43 million in payroll.

Economic considerations have made it impractical to harvest timber on a sustained yield basis, and some private land owners have already completed their first harvest of timber.

Summary of Employment and Payroll in Southeast Alaska's Forest Products Industry

In 1992, Southeast Alaska's forest products industry accounted for about 34% of the region's private basic economy, measured in terms of employment. The industry employed approximately 3,583 workers in 1992, and accounted for a direct annual payroll of over \$146 million. The U.S. Forest Service generates another 448 timber-harvest related jobs in Southeast. Quite clearly, the future of the forest products industry is of great concern to residents of Southeast Alaska.

Total Southeast Alaska Forest Products Industry Estimated Employment and Payroll in 1992

	Annual Average Employment	Total Payroll
Tongass Total (Private Sector)	2,513	\$103.4 million
U.S. Forest Service	448	\$ 20.8 million
Private Timber Harvest	1,070	\$ 42.9 million
Grand Total	4,031	\$167.1 million

Source: Tongass-related and private timber harvest employment numbers are McDowell Group estimates. USFS numbers provided by the Forest Service.

Outlook for the Forest Products Industry in Southeast

The economic impact of private (Native corporation) timber harvests in Southeast is declining. Approximately nine of the twelve village corporations have cut all their merchantable timber as of 1992. One of the village corporations could harvest timber for another three years at current harvest levels, and the regional

corporation can continue to harvest at current rates for another eight to ten years.⁶ Employment in this sector of the forest products industry peaked during 1989-90, and is now declining and the long term outlook is for further decline.

There is much less certainty regarding the outlook for the Tongass forest products industry. In the near term, the industry is faced with weak World markets for pulp and continuing concern over timber availability. At the same time, the industry is enjoying record high prices for lumber (brought about by increased demand as a result of Hurricane Andrew recovery efforts in Florida, increased housing starts nationwide, and by supply constraints in the Northwest).

In the long term, constraints on timber supplies from the Pacific Northwest states (due to Spotted Owl protection measures and other factors) could possibly strengthen Alaska's position as a domestic and international timber supplier. Again, however, the issue of land and timber availability will play a determinant role in how Southeast Alaska responds to increased demand for forest products.

There is renewed concern regarding the ability of Southeast Alaska's pulpmills to maintain operations in the midst of weak international markets and reduced timber supply. Pulp mills do not have the ability to scale their operations according to timber supply or market conditions. Mills must operate 24 hours a day or not at all.

While the mills have survived market declines in past years without extended shut downs, there is concern that the combination of weakening markets and timber supply constraints will force the permanent shut-down of the pulpmills. The result would be the loss of over 900 jobs in Sitka and Ketchikan, plus hundreds of support jobs. Month-long shutdowns of both the Ketchikan Pulp Corporation mill and the Alaska Pulp Corporation mill this last spring have fueled these concerns regarding the health of the Southeast Alaska forest products industry.

It is difficult to anticipate how additional Congressional action regarding the Tongass National Forest will affect future management and timber harvests. For the present it is clear that Southeast Alaska's forest products industry employment is threatened.

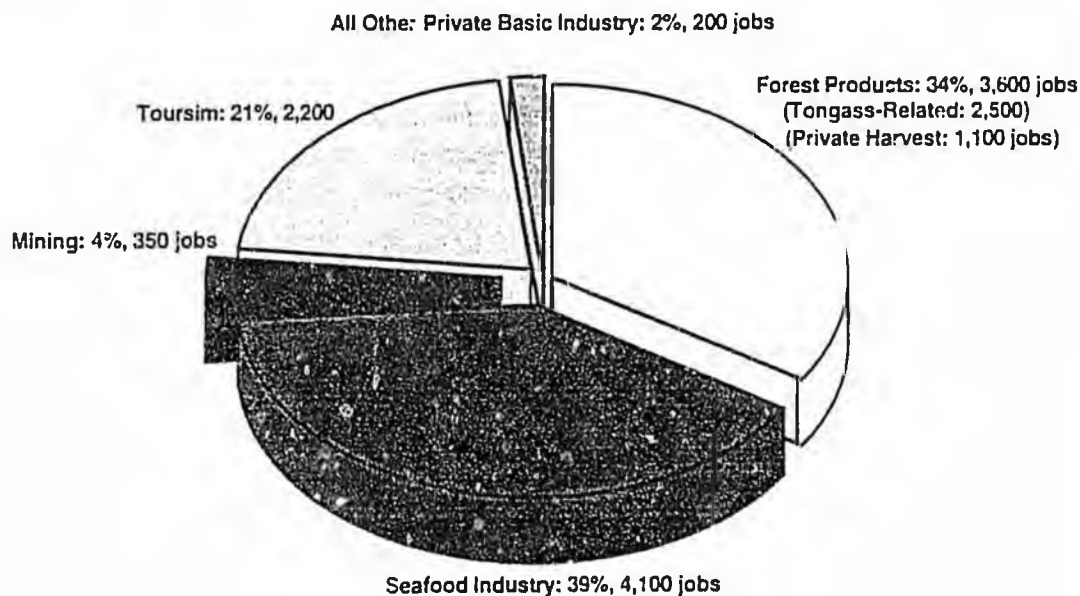
⁶Knapp, Gunnar, Native Timber Harvests in Southeast Alaska, prepared for the U.S. Forest Service, October 1989.

Chapter II. Overview of the Southeast Alaska Economy

In 1992, the forest products industry generated the annual equivalent of approximately 3,600 jobs, and accounted for more than one in three private basic industry jobs in Southeast Alaska. Timber harvest and manufacturing from the Tongass National Forest accounted for about 62% of the forest products industry in Southeast.

In 1992 Southeast Alaska's seafood industry generated the annual equivalent of 4,100 jobs including 2,700 in seafood harvesting and 1,400 in seafood processing. Tourism added an estimated 2,200 jobs to Southeast's basic economy. Mining accounted for approximately 350 jobs in Southeast Alaska in 1992 (the Greens Creek Mine closure will reduce mining employment in Southeast Alaska by 200 jobs in 1993).

**Southeast Alaska's
Private Basic Economy**
(Measured in terms of annual average employment)
1992

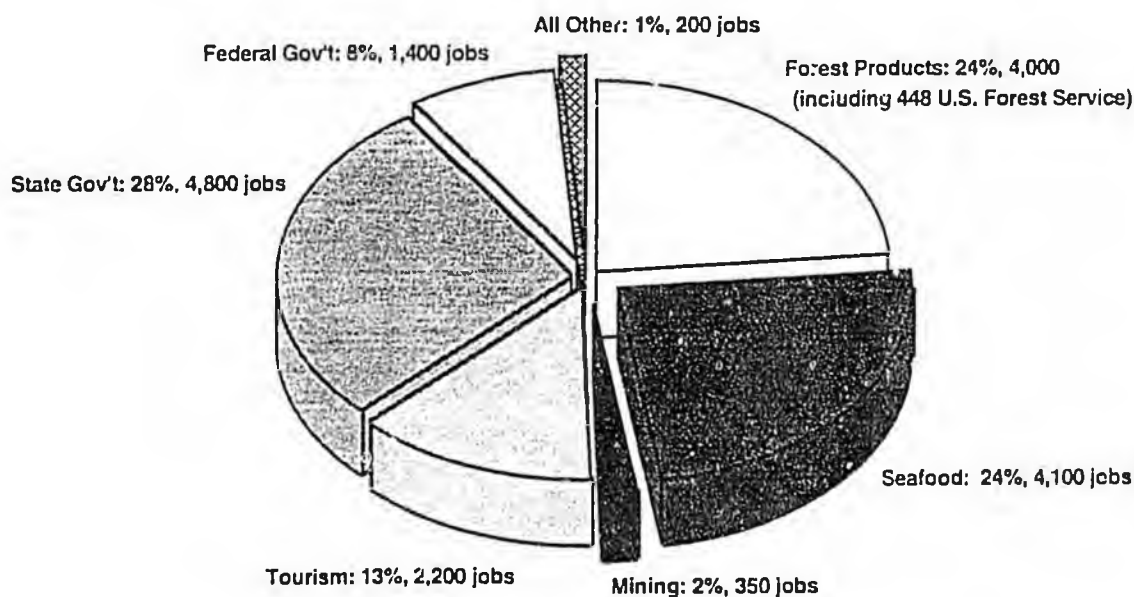


State and federal government continued to be an important components in Southeast Alaska's basic economy in 1992. State government was the largest basic industry in Juneau but played a comparatively smaller role in the economy of the rest of the region. State government employed about 5,600 workers in Southeast in 1992, including about 4,600 in Juneau. For purposes of this study it is assumed that approximately 85% of state government employment in Southeast was basic industry in 1992. The remainder has been considered part of the support sector.

Federal government accounted for about 2,800 jobs in Southeast Alaska. About 2,000 of these federal jobs served the national interest and were therefore basic industry. All other federal jobs served only the local population – such as postal workers – and were part of the support sector. The Forest Service and the U.S. Coast Guard were the largest federal basic industry employers in Southeast.

In spite of recent declines, the role of the forest products industry among all basic industry, including government, was substantial in 1992. The forest products industry including related Forest Service employment accounted for nearly one-quarter (24%) of all basic industry employment in Southeast Alaska.

**Southeast Alaska's
Total Private and Government Basic Economy
(Measured in terms of annual average employment)
1992**



It is beyond the scope of this study to measure the indirect and induced impacts of the forest products industry on the Southeast economy. However, it is important to note that the industry does have important secondary impacts and that indirect and induced impacts vary from one segment of the industry to another. The pulpmills have by far the greatest impact. They provide hundreds of high-paying, almost entirely resident jobs which account for a high level of local spending.

Further, pulpmills represent an important property tax base in Sitka and Ketchikan. The pulpmills add millions of dollars to local government coffers either through property tax payments or through purchases of public utilities. These property tax payments and high volume purchases of public utilities help keep local government and public utility costs lower for residents of the communities.

All told, without the pulp mills, the economies of Sitka and Ketchikan would shrink by about one-quarter and some costs of living for remaining residents would increase significantly. Property values in Sitka and Ketchikan would decline sharply.

Sawmills have comparatively high indirect and induced impacts. They too have generally well paid, resident Workforce and represent an important industrial property tax bases. Among the various components of the forest products industry, remote logging camps have the lowest level of indirect and induced impacts. Still, remote logging operations do provide a significant market for many Southeast Alaska service and supply businesses.

Alaska Forest Association, Inc.



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October 3, 1991

Dear Senator:

Enclosed you will find a copy of the recently completed report on the "Role of the Forest Products Industry in the Southeast Alaska Economy". The Alaska Forest Association commissioned the McDowell Group of Juneau to conduct this study to measure the current status of Southeast Alaska's forest products industry -- and how it fits into the regional economy.

The study reveals that the forest products industry accounted for 37% of the private basic economy in Southeast Alaska in 1990. Workers in the forest products industry earned approximately \$165 million in wages and salaries during 1990.

In addition to the picture of the industry in 1990, the study provides a brief historical background, a review of the current situation as well as an outlook for the future.

I hope you will find this report useful and informative.

Sincerely,

Thyes J. Shaub
by LSH

Thyes J. Shaub
Government Affairs Director

enclosure

Role of the Forest Products Industry in the Southeast Alaska Economy

September 1991

Prepared for:

Alaska Forest Association

Prepared by:



Juneau • Ketchikan

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Introduction

The 1980s were an eventful time for Southeast Alaska's forest products industry. The industry began the decade with strong markets, record high levels of employment and a bright future. But then the market for the region's forest products began to decline, primarily as a result of declining Japanese demand. Timber harvests on the Tongass National Forest dropped by 50% over the next five years. Employment in Southeast Alaska's forest products industry declined by 1,000 jobs.

Meanwhile, the emergence of Native corporations in the Southeast Alaska forest products industry prevented even more dramatic cuts in employment. Timber harvests on privately held lands increased almost ten fold between 1980 and 1985. This supported logging employment in the region, but because the timber was exported as roundlogs (with no value-added processing) it did not prevent employment in the forest products industry overall from declining further.

International markets began to improve in 1986 and the region's forest products industry began to recover. While the private timber harvest stabilized, the Tongass harvest doubled within three years. Employment in the industry increased by 1,400 jobs within those same three years. Another jump in Native-owned timber harvest in 1989, along with steadily increasing Tongass timber harvests, pushed employment in the industry to a record high of over 4,000 jobs by 1990.

Today, Southeast Alaska's forest products industry is at a critical point. The first harvest of private timber is near completion (subsequent harvest will not be available in the near future), and logging effort on private land is declining. Timber harvests on the Tongass National Forest have increased steadily since 1985, but there is the concern that timber availability on the Tongass is constraining the industry and may in fact be causing some employment decline. These issues have important implications for the region's economy, where the forest products industry is a leading economic force.

The purpose of this study is to measure the current status of Southeast Alaska's forest products industry – and how it fits into the regional economy. The primary measure of industry activity considered in this study is direct employment. Direct employment includes all labor involved in accessing the timber (road building), falling the timber and transporting it to tidewater, ship loading, transporting the logs to sawmills or pulpmills, and finally processing the logs into lumber or pulp.

Direct employment does not include labor involved in regular supplying of remote camps, other transportation support of logging communities (air taxi employment, for example), or labor employed in sales of logging equipment or contracted service

of such equipment. These and similar types of labor are classified as indirect or support sector employment.

This study presents a complete picture of forest products industry employment in Southeast. Measures of timber industry employment are published regularly by the Alaska Department of Labor (ADOL). ADOL estimates of timber industry employment in Southeast exclude important components of the industry such as logging road construction, log trucking, and marine transport of the logs to sawmills and pulp mills.

Most existing measures of Tongass timber harvest-related employment exclude any discussion of Forest Service employment. The USFS employs nearly 800 people in Southeast Alaska. A significant portion of this employment exists because part of the Tongass is managed for commercial timber harvest. Forest Service employment is an important component of the forest products industry and the regional economy and therefore is included in this analysis.

Methodology

The employment and payroll data presented in the study is the result of a survey of about 40 businesses participating in the Southeast Alaska timber industry (a similar survey was performed in 1990). Businesses responding to the survey account for an estimated 90% of all Tongass timber-related employment. These businesses were asked to provide copies of the Employer's Quarterly Report forms which all Alaska employers are required to file with the Employment Security Division of the Alaska Department of Labor. On these forms, employers record the number of employed workers each month and the total wages and salaries paid for the three-month period. These are the same forms that ADOL uses to compile the employment and payroll data published in their *Statistical Quarterly* series.

Included in this survey were Southeast's two pulp mills, five sawmills, 18 logging companies, about 10 logging-related construction companies, and six towing companies, and a variety of other timber-industry related businesses.

Summary of Findings

- The forest products industry directly generated an annual average of 4,100 private sector jobs in 1990. The Tongass National Forest accounts for about 70% of these jobs, timber harvests on private lands account for the remainder.
- Workers in the forest products industry earned approximately \$165 million in wages and salaries during 1990. This includes payroll for loggers, road builders, stevedores, sawmill workers, and pulpmill workers.
- The forest products industry accounted for over one-third (37%) of all private basic industry employment in Southeast Alaska in 1990.
- Including timber harvest-related U.S. Forest Service employment, the forest products industry generated just under 4,500 jobs and \$190 million in payroll in 1990.
- Among all basic industry in Southeast Alaska, including government basic industry, the forest products industry accounts for 25% of all employment.
- In 1991, employment in Southeast Alaska's forest products industry declined sharply. This decline is due to reduced timber harvests on private land, and to curtailed Tongass timber harvests.
- With the first harvest from private lands nearly complete, employment from private timber harvests is declining and will continue to decline. Employment on the Tongass has declined in 1991, not because of market conditions, but because of reduced availability of timber for harvest.
- Preliminary Alaska Department of Labor data indicates that Southeast Alaska's forest products industry may have lost nearly 1,000 jobs since 1990. Because of declining forest products employment, the Southeast region economy is declining in 1991.
- Long term stability in the forest products industry will depend on international market conditions and on the availability of timber on the Tongass National Forest.

Chapter I. Employment and Payroll in the Forest Products Industry

Southeast Alaska's forest products industry includes two principal components, the Tongass National Forest component and the private Native corporation component. In terms of employment and economic impact, the Tongass National Forest plays the lead role. Timber harvests from private lands now account for over half of the logging activity in Southeast Alaska. But because most private timber is exported as unprocessed roundlogs, the private harvest has not had a great impact on the region's sawmills and pulpmills (though private timber has been a significant source of pulpwood over the last few years).

This chapter examines employment in these two components of the forest products industry. Separate analysis is warranted because they impact the region's economy in unique ways and they face very different futures.

The Tongass Forest Products Industry

History of the Industry in Southeast Alaska

The forest products industry has a long history in Southeast Alaska, dating back to the late 1800s when timber was harvested for local construction purposes. The 16 million acre Tongass National Forest, the nation's largest national forest, was created in 1909. For the next forty-five years, only high grade stands of timber were harvested, almost exclusively for local use, including in support of the region's mining and seafood industry. Annual timber harvests averaged about 30 to 50 million board feet, though more was harvested during World War II to meet defense construction needs.¹

The modern forest products industry has its roots in the 1950s, when the pulp industry was drawn to Southeast Alaska. In the 1950s, territorial officials recognized that Southeast Alaska's timber resources had the potential to stimulate significant growth in the region's struggling economy. But it was also clear that only 50% of the region's overmature timber would meet sawmill standards. It was evident that large-scale utilization of the region's timber resources (and therefore economic development for the region via its forest resources) could only occur through development of a pulp industry.

¹Rogers, George W., Alaska in Transition: The Southeast Region. Johns Hopkins Press, Washington, D.C., 1967.

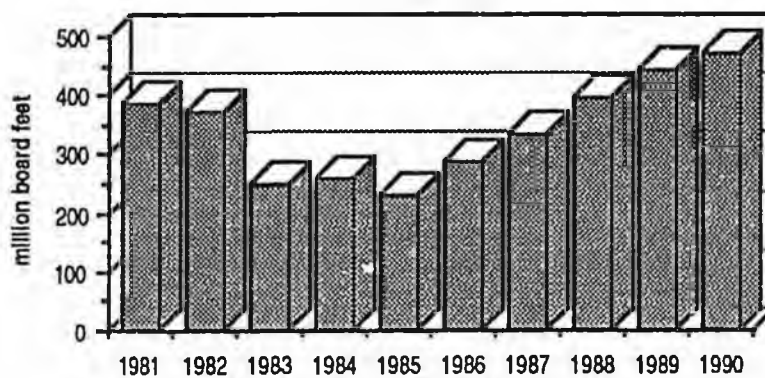
Development of Alaska's two pulpmills was the result of years of effort by Forest Service and territorial officials to attract pulp manufacturers to Southeast Alaska. For many years, distance from markets and shipping costs, high labor and construction costs and other factors had combined to frustrate prospective developers.

In the end, it was the assurance of long term timber harvesting contracts that induced pulp manufacturers to make the huge investment required in Southeast Alaska. In 1954, the Ketchikan Pulp Company completed construction of a \$52 million (the equivalent of about \$1.8 billion in 1991 dollars) facility near Ketchikan.² Five years later, Alaska Lumber and Pulp Company completed construction of pulpmill near Sitka. That investment totaled \$65 million, or approximately \$2 billion in 1991 dollars.

Construction of these mills marked a turning point in the economic development of Ketchikan and Sitka, in particular, and Southeast Alaska in general. Each mill employed about 350 workers, and hundreds of additional jobs were created in the region's logging and sawmilling industries. Almost overnight, the forest products industry became Southeast Alaska's leading industry.

Since the 1960s, the forest products industry has played a leading role in Southeast Alaska's economy. The pulpmills remain the largest employers in Ketchikan and Sitka. The industry suffered through a serious market downturn in the early 1980s, but has since rebounded to all-time high levels of employment.

**Tongass National Forest Timber Harvest
1981 to 1990***



*Fiscal year harvest, includes utility volume. Source: U.S. Forest Service.

²Rogers, pg 75.

1989 and 1990 Employment in the Tongass Forest Products Industry

In 1989, harvest and processing of Tongass National Forest timber generated an annual average of approximately 2,800 jobs. Payroll earned by workers in the Tongass forest products industry totaled \$110 million. In 1989, Tongass-related employment accounted for about 75% of all forest products industry employment in Southeast Alaska.

In 1990, Tongass-related timber industry employment apparently increased slightly, due largely to increased pulpmill-related activity. Among businesses that responded to both the 1990 and 1991 McDowell Group surveys (the surveys measured 1989 and 1990 employment), employment increased by about 100 jobs. The pulpmills, including their subsidiary operations employed 107 more workers in 1990 than in 1989.

Included in Tongass forest products industry employment are approximately 900 pulpmill jobs accounting for \$40 million in payroll. These figures do not include pulpmill employed loggers or sawmill workers. Pulpmill employment has increased steadily since about 1985 but is still below the peak years of the early 1980s when employment topped 1,000 jobs. Increased mill efficiency has reduced labor requirements since then. The pulpmills are the largest single employers in Sitka and Ketchikan and Alaska's largest manufacturing employers. Pulpmill employment did not change significantly between 1989 and 1990.

Sawmills generated the annual equivalent of 525 jobs during 1990, down about 15 jobs from 1989. Sawmill workers earned \$18 million in wages and salaries, about the same as in 1989. Sawmill employment apparently peaked in 1989 after five years of growth.

Logging on the Tongass National Forest generated an estimated 1,100 jobs during 1990. Tongass loggers earned \$45 million in wages and salaries. The Tongass timber harvest increased by about 25 million board feet in 1990 to approximately 470 million board feet (including utility volume), according to preliminary U.S. Forest Service data.³ This is a 5% increase over the 1989 harvest of approximately 450 million board feet. Logging employment on the Tongass did not change significantly between 1989 and 1990.

Timber harvest-related road construction added 160 jobs (annual equivalent) to the Tongass forest products industry. These construction jobs accounted for about \$7 million in payroll earned during 1990.

³The USFS reported a total Tongass timber harvest of 471 million board feet during FY 1990, which began October 1, 1989 and ended September 30, 1990. During this same period a year earlier, the total harvest was 445 million board feet. Calendar year totals for 1989 and 1990 may vary somewhat from these totals. The source of this data is a draft report of the 1990 Timber Supply and Demand Report, prepared by the USFS.

Other basic components of the Tongass forest products industry added another 140 jobs and nearly \$5 million in payroll. One hundred thirty-five towing and stevedoring workers earned \$4 million. Log scalers accounted for the remainder.

**The Tongass Forest Products Industry
Employment and Payroll in 1990**

Industry Component	Annual Average Employment	Total Payroll
Pulpmills	900	\$37.5 million
Sawmills	525	\$18.4 million
Logging	1,100	\$44.6 million
Road construction	160	\$6.6 million
Towing, Stevedoring and Other	150	\$5.2 million
Tongass Industry Total	2,835	\$112.3 million

Forest Service Employment Related to Tongass Timber Harvests

It is not possible to determine exactly how Forest Service employment would be affected by a reduction in the Tongass commercial timber resource base.

Reallocation of federal funding to other types of Tongass management activities could mitigate Forest Service employment reductions. But in the present situation a very significant portion of Forest Service employment in Southeast Alaska is the direct result of management of a portion of the Tongass as a commercial timber resource. This employment would decline with a declining timber resource base.

The Forest Service generates 780 full-time equivalent positions in Southeast Alaska.

Workers in these positions earn an estimated \$37 million in payroll annually.

Among the 780 workers, the Forest Service estimates that 344 are directly involved in timber sale preparation, implementation and management. If there were no Tongass timber harvest these jobs would not exist. These Forest Service workers earn an estimated \$15 million in annual payroll.

**Total Tongass Forest Products Industry
Estimated Employment and Payroll in 1990**

	Annual Average Employment	Total Payroll
Private Sector Total	2,835	\$112.3 million
U.S. Forest Service	344	\$15.0 million
Grand Total	3,179	\$127.3 million

Timber Harvest on Private Land in Southeast Alaska

Southeast Alaska's forest products industry entered a new phase with the 1971 Alaska Native Claims Settlement Act (ANCSA). ANCSA granted Alaska Natives surface and subsurface title to 40 million acres of land in Alaska, including over 600,000 acres in Southeast Alaska. ANCSA also provided for formation of regional and village corporations to manage these lands. Southeast Alaska's regional corporation and 12 village corporations gained title to some of Southeast Alaska's richest timber stands.

Because of delays in transferring title from the federal government to the Native corporations, it was not until about 1980 that timber harvest on Native-owned lands began in earnest. Within the next five years, timber harvest from these private lands increased to about 300 million board feet annually.

Fortunately for the logging industry, private timber harvests were increasing just as the Tongass timber harvest was declining due to weak market conditions. While private timber owners faced the same weak market, they nonetheless found it in their best interest to harvest. Further, timber harvested from private land in Southeast is not subject to the same primary manufacturing restriction that is placed on Tongass timber. According to federal law, Tongass timber cannot be exported out of Alaska in an unprocessed condition. Many international buyers find unprocessed "sawlogs" a more attractive commodity.

Throughout the 1980s timber harvests from private land in Southeast Alaska increased and by 1983, the private timber harvest exceeded the Tongass timber harvest. The private harvest had reached 520 million board feet by 1989, including 420 million board feet of export sawlogs.⁴ The economic impact of this harvest included about 1,300 logging, road building and stevedoring jobs and an estimated \$52 million in payroll.

⁴1990 Timber Supply and Demand Report, prepared by the USFS, pg. 10.

The years 1989 and 1990 will mark the peak of the private timber harvest in Southeast Alaska. The 1990 harvest totaled approximately 510 million board feet, including 440 million board feet of sawlogs. Economic considerations have made it impractical to harvest timber on a sustained yield basis, and some private land owners have already completed their first harvest of timber.

Outlook for Southeast Alaska's Timber Industry

In 1990, Southeast Alaska's forest products industry accounted for about 40% of the regions private basic economy, measured in terms of employment. The industry employed approximately 4,100 workers in 1989, and accounted for a direct annual payroll of over \$160 million. The U.S. Forest Service generates another 340 timber-harvest related jobs in Southeast. Quite clearly, the future of the forest products industry is of great concern to residents of Southeast Alaska.

Total Southeast Alaska Forest Products Industry Estimated Employment and Payroll in 1990

	Annual Average Employment	Total Payroll
Tongass Total (Private Sector)	2,835	\$112 million
U.S. Forest Service	344	\$15 million
Private Timber Harvest	1,300	\$52 million
Grand Total	4,479	\$179 million

Source: Tongass-related and private timber harvest employment numbers are McDowell Group estimates. USFS numbers provided by the Forest Service.

The economic impact of private (Native corporation) timber harvests in Southeast is declining. It has been estimated that nine of the twelve village corporations will have cut all their merchantable timber by the end of 1991. One of the village corporations could harvest timber for another five years at current harvest levels, and the regional corporation can continue to harvest at current rates for another eight to ten years.⁵ Employment in this sector of the forest products industry peaked during 1989-90, and is now declining and the long term outlook is for further decline.

There is much less certainty regarding the outlook for the Tongass forest products industry. The Tongass harvest in 1990, at about 470 million board feet, was the highest since 1979. Pulp and lumber markets have weakened in 1990 and 1991 but

⁵Knapp, Gunnar, Native Timber Harvests in Southeast Alaska, prepared for the U.S. Forest Service, October 1989.

are still good by historical standards and the long term market outlook is relatively good. Further, reduced supply from the Pacific Northwest states (due to Spotted Owl protection measures and other factors) could strengthen Alaska's position as an international timber supplier.

Of more immediate concern are Tongass National Forest management policies that are affecting timber availability. The 1990 Tongass Timber Reform Act placed additional timber acreage off-limits to logging and established 100-foot buffers along spawning streams.

The Act also eliminated the Tongass Timber Supply Fund. Section 705(a) of the Alaska National Interest Lands Conservation Act (ANILCA) authorized the Forest Service to spend at least \$40 million annually to make available for annual harvest a timber supply of 450 million board feet of timber. The fund was used for timber sale preparation and administration, reforestation, pre-commercial thinning, road construction, and engineering support.

Other provisions of ANILCA had excluded 5.5 million acres of the Tongass from timber harvest, including a significant volume of high value, old growth timber stands. The intent of Section 705(a) was to offset this loss by adding marginal timber to the available Tongass timber resource base by pre-roading. The trade-off was more profitable timber in environmentally sensitive areas for marginal timber stands, located in less sensitive areas, that would be made more economic through access improvements financed by the \$40 million Tongass Timber Supply Fund. The 1990 Tongass Timber Reform Act repealed Section 705(a) of ANILCA and placed an additional 1.1 million acres of land off limits to logging.

The net effect of ANILCA and the Tongass Timber Reform Act was to significantly reduce the available Tongass timber resource. Further, by placing off-limits high-value timber stands, these acts have also reduced the overall quality of the Tongass timber resource. Finally, the Timber Reform Act also mandated certain changes in Tongass management practices that (depending on how the Act is interpreted) could also impact timber availability of the remaining commercial forest land base.

Clearly, even with passage of the Timber Reform Act, the Tongass timber industry remains on unstable ground. In 1991, for example, harvest of approximately 250 million board feet of Tongass timber has been curtailed by a court injunction resulting from lawsuits against the Forest Service by special interest groups. In addition, there have been a number of administrative appeals of timber sales and other administrative delays. Several logging operations have been idled as a result and two major sawmills have closed.

Summary

In summary, the future of the Tongass forest products industry is uncertain. The best case is probably one of stability. Any Tongass-related decline would only exacerbate the overall industry decline caused by declining harvest from private timberland.

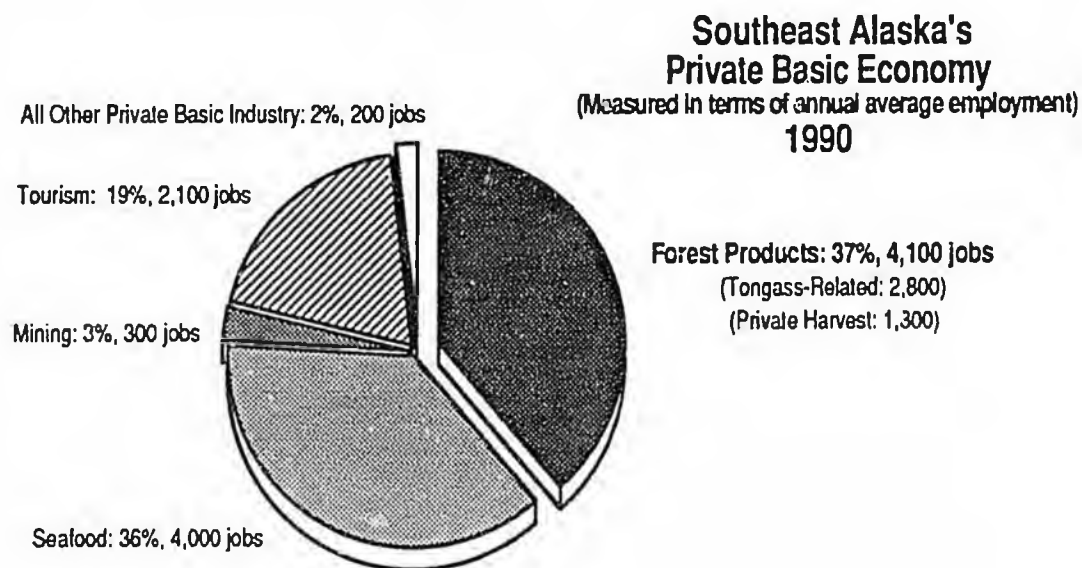
Because of reduced private timber harvests and curtailed Tongass harvests, a very significant cut in forest products industry employment will be recorded in Southeast Alaska. According to preliminary Alaska Department of Labor (ADOL) data, employment in the lumber and wood products sectors (which excludes pulpmill employment) in Southeast declined by approximately 950 jobs between June of 1990 and June of 1991. That is a one-year decrease of approximately 30%. In Southeast Alaska's transportation sector, employment has declined by approximately 250 jobs (a cut of nearly 10%), apparently due to a reduction in forest products industry activity.

Because of declining employment in the forest products industry, the Southeast region overall will likely experience a net decline in employment in 1991. The long term outlook for the forest products industry, and to a large degree the outlook for the region's economy, will depend on the market for Southeast's forest products and on the volume of timber available for harvest on the Tongass National Forest.

Chapter II. Overview of the Southeast Alaska Economy

Generating the annual equivalent of approximately 4,100 jobs, the forest products industry accounts for more than one in three private basic industry jobs in Southeast Alaska. Timber harvest and manufacturing from the Tongass National Forest accounts for about 70% of the forest products industry in Southeast.

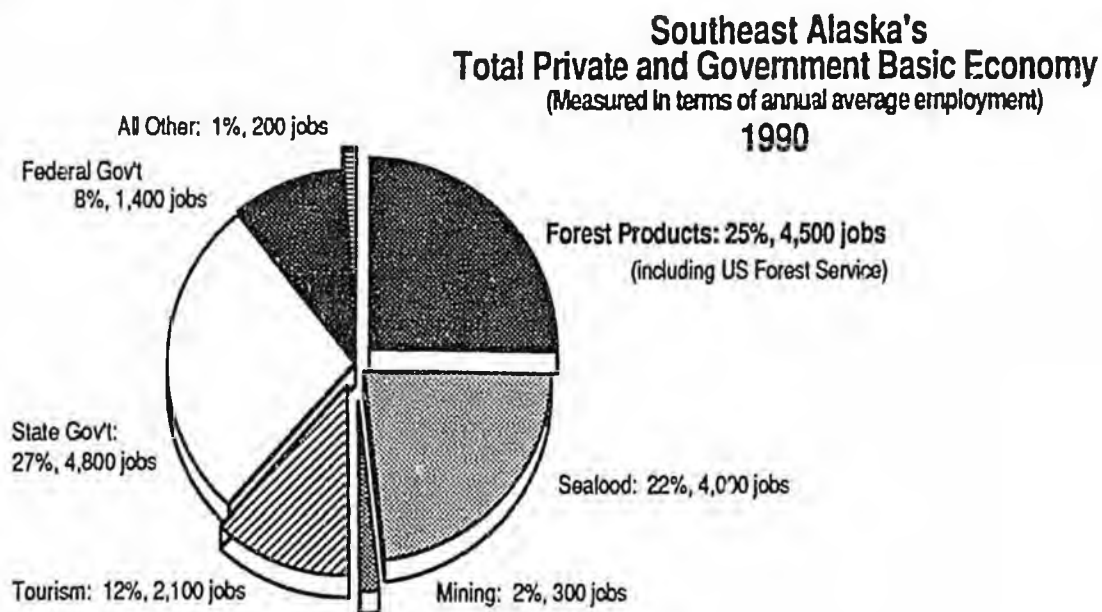
In Southeast Alaska, the seafood industry generates the annual equivalent of 4,000 jobs including 2,700 in seafood harvesting and 1,300 in seafood processing. Tourism adds an estimated 2,100 jobs to Southeast's basic economy. Mining accounts for approximately 300 jobs in Southeast Alaska.



State and federal government are also important components in Southeast Alaska's basic economy. State government is the largest basic industry in Juneau but plays a comparatively small role in the economy of the rest of the region. State government employs about 5,600 workers in Southeast, including about 4,600 in Juneau. For purposes of this study it is assumed that approximately 85% of state government employment in Southeast is basic industry. The remainder is considered part of the support sector.

Federal government accounts for about 2,800 jobs in Southeast Alaska. About 2,000 of these federal jobs serve the national interest and are therefore basic industry. All other federal jobs serve only the local population – such as postal workers – and are part of the support sector. The Forest Service and the U.S. Coast Guard are the largest federal basic industry employers in Southeast.

The role of the forest products industry among all basic industry, including government, is substantial. The forest products industry including related Forest Service employment accounts for nearly one-quarter (25%) of all basic industry employment in Southeast Alaska.



It is beyond the scope of this study to measure the indirect and induced impacts of the forest products industry on the Southeast economy. However, it is important to note that the industry does have important secondary impacts and that indirect and induced impacts vary from one segment of the industry to another. The pulpmills have by far the greatest impact. They provide hundreds of high-paying, almost entirely resident jobs which account for a high level of local spending.

Further, pulpmills represent an important property tax base in Sitka and Ketchikan. The pulpmills add millions of dollars to local government coffers either through property tax payments or through purchases of public utilities. These property tax payments and high volume purchases of public utilities help keep local government and public utility costs lower for residents of the communities.

All told, without the pulp mills, the economies of Sitka and Ketchikan would shrink by about one-quarter and some costs of living for remaining residents would increase significantly. Property values in Sitka and Ketchikan would decline sharply.

Sawmills have comparatively high indirect and induced impacts. They too have generally well paid, resident workforces and they too represent important industrial property tax bases. Among the various components of the forest products industry, remote logging camps have the lowest level of indirect and induced impacts. Still, remote logging operations do provide a significant market for many Southeast Alaska service and supply businesses.

Testimony for
HJR 55-56

House Resources Committee
Feb. 23, 1994

Alaska Pulp Corporation
Rollo Pool, director of public relations
4600 Sawmill Creek Rd.
Sitka, AK 99835

Chairman Williams & Resource Committee Members:

I serve as the spokesperson for Alaska Pulp Corporation in Sitka, a company that is now in transition from one type of manufactured wood to another. We operate the state's largest sawmill (Wrangell) and have several logging operations in the region. We account for about 1100 direct and indirect jobs in the Southeast Alaska.

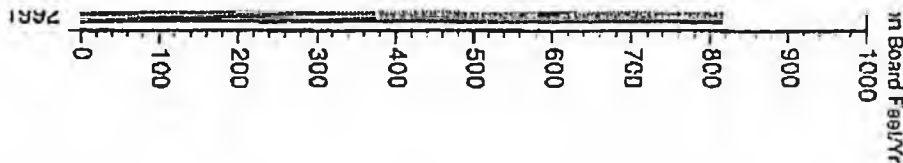
We support these two resolutions, and we urge you to pass them without delay. We consider these resolutions pro-business and pro-jobs.

In September, our company laid off nearly 400 workers because of broken contractual promises by the federal government and US Forest Service.

In our transition in Sitka, we have been told "not to worry" and that tourism, especially eco-tourism, will make up any difference. Tourism may help some, and tourism is growing here as it is elsewhere, but it won't fill the hole in Sitka left by the closure of our pulp mill and the loss of 400 high-paying manufacturing jobs. This is not rhetoric or exaggeration. According to Sitka City and Borough statistics, the average pulp mill job in Sitka paid a wage that was 70% higher than the average Sitka wage, while the average wages for tourism and service sectors were well below the Sitka average wage. To give you some real numbers to think about: pulp mill jobs paid \$3900 per month, while fishing jobs paid \$2100, tourism \$1400 and service jobs at \$1100. In terms of payroll and buying power and also in cruder terms, it would take two fishing jobs, three tourism jobs or four service jobs to equal one pulp mill job. In other words, we would have to have 1200 new tourism jobs in Sitka to make up the difference in payroll lost from the closure of APC.

We need to maintain and keep the industry and the manufacturing base that we have - in our city, our region, and in our state.

As for PACFISH, it is simply a well-intentioned but misapplied restriction that will cripple our timber industry. In some of the few areas where we will be allowed to harvest timber in the Tongass National Forest, it would delete about 2/3 of the timber volume.



NG

Page 2, AK Pulp

There is a common misconception that the world is coming to an end. There is also a myth that says if we log, we lose our fisheries. I will respond with some facts. In the early 1960's, when the Alaska timber industry was in its infancy, the salmon catches in the region averaged about 15 million fish. In recent years, with twice the volume of timber being harvested, the average catches have been over 55 million fish. This is absolutely the reverse of the problem in the Pacific Northwest where fishing declines have occurred steadily and where PACFISH should be applied. Our fishermen have more problems to deal with than logging in Alaska.

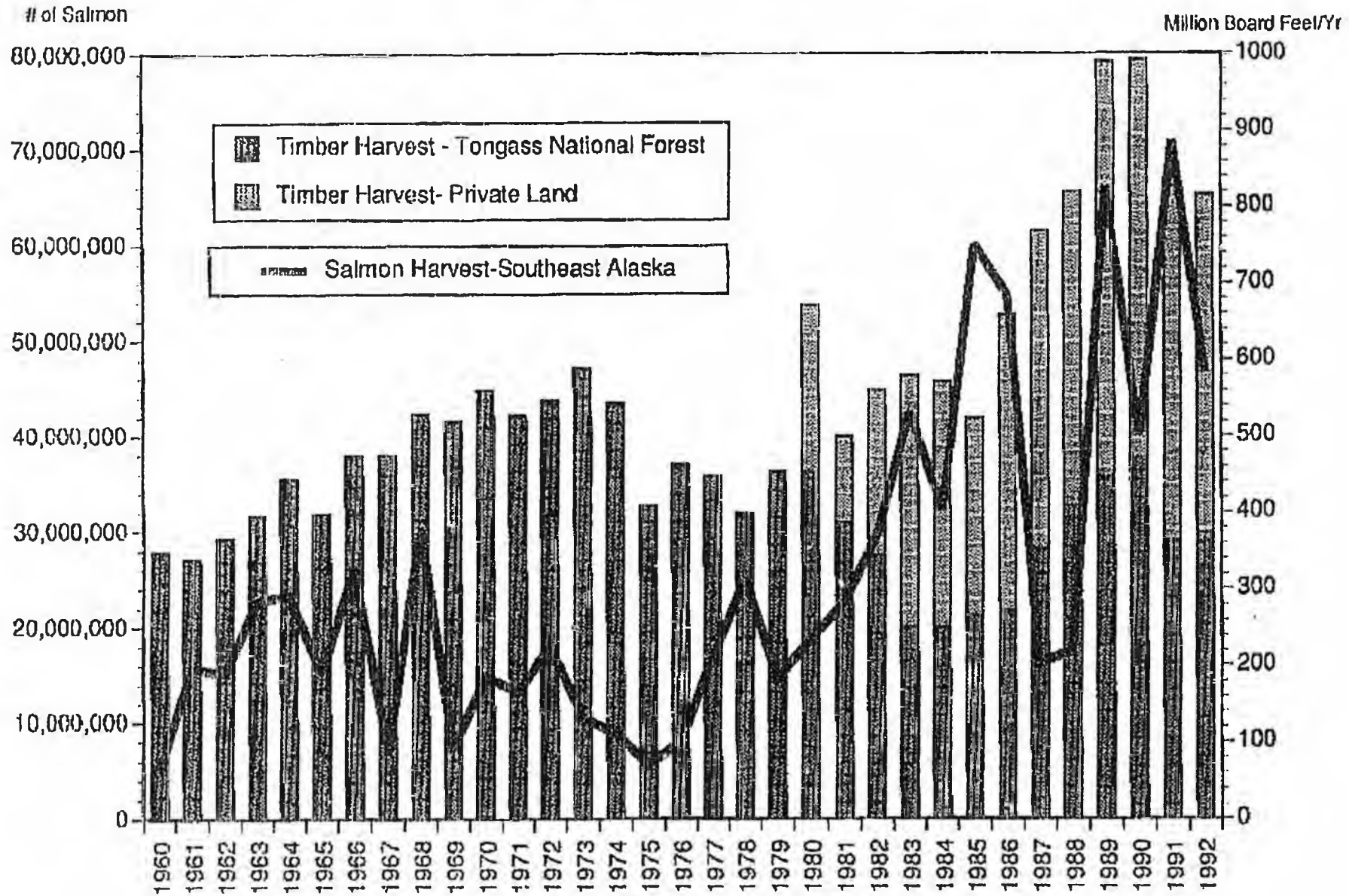
As a further consideration, I hope this committee will look at our resource issues in a larger perspective, so that we, as a state and as citizens, might play a larger part in deciding our own future. The vehicle for this would be a task force or commission that consists of state, federal and local officials. They would include both elected and staff positions. You have to bring the parties who are part of the solution to the table, otherwise, the bickering and misinformation will continue and the issues will stay polarized. The task force also would have some seats at the table or as advisors for the various special interests: timber, fishing, mining, O&G, environmental public interest, chambers of commerce, construction, etc.

I appreciate the opportunity to address the committee.

Enclosures:

- 1) Chart- Timber and Salmon
- 2) Chart- Timber and Tourism
- 3) Chart- Ave. Wages Sitka

SOUTHEAST ALASKA LOGGING AND FISHING

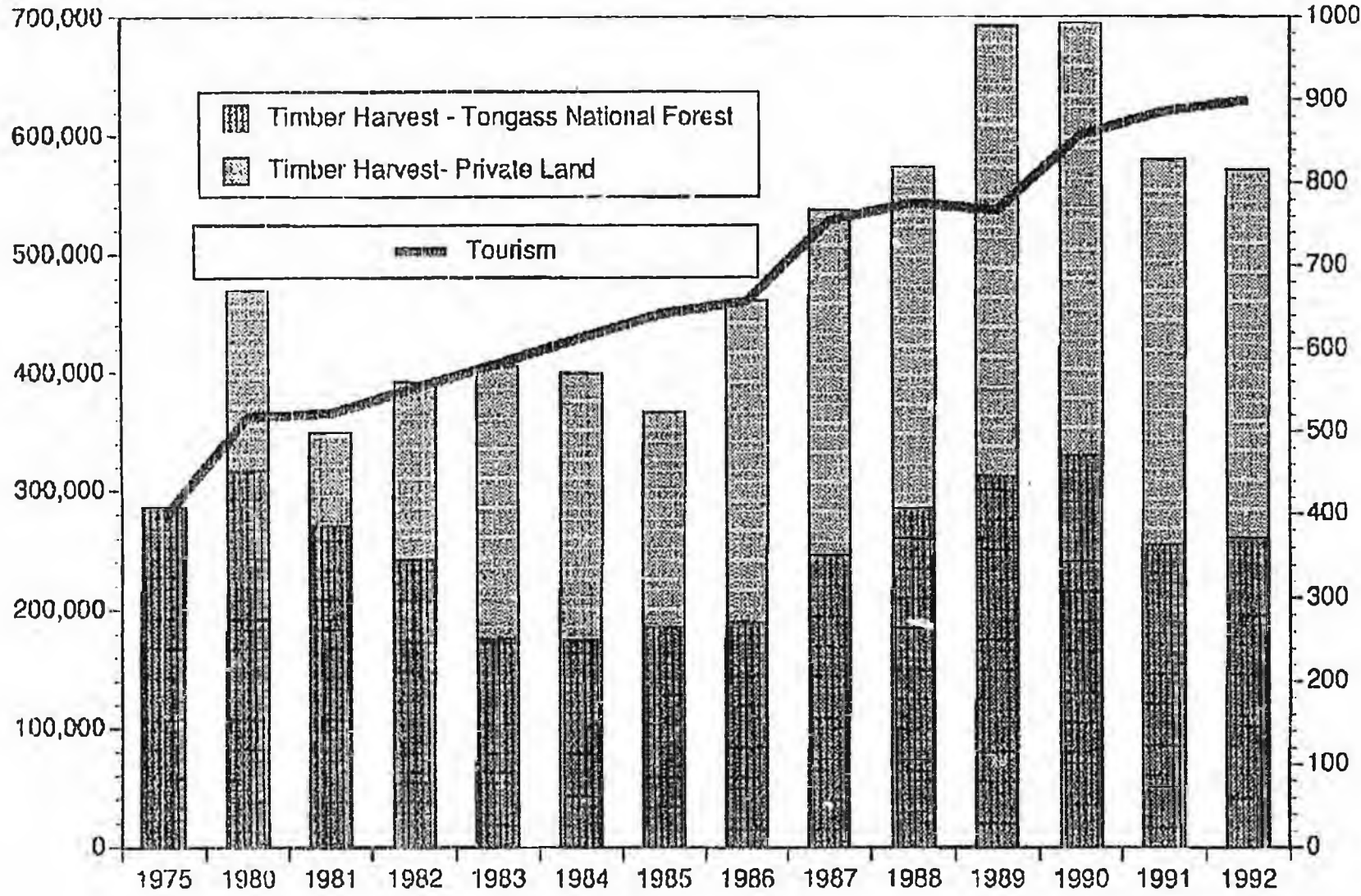


Sources: Tongass Land Management Plan Revision, USFS Timber Supply and Demand Reports 1987-91, Alaska Dept. of Fish and Game.

SOUTHEAST ALASKA LOGGING AND TOURISM

Ferry/Cruiseship Passengers

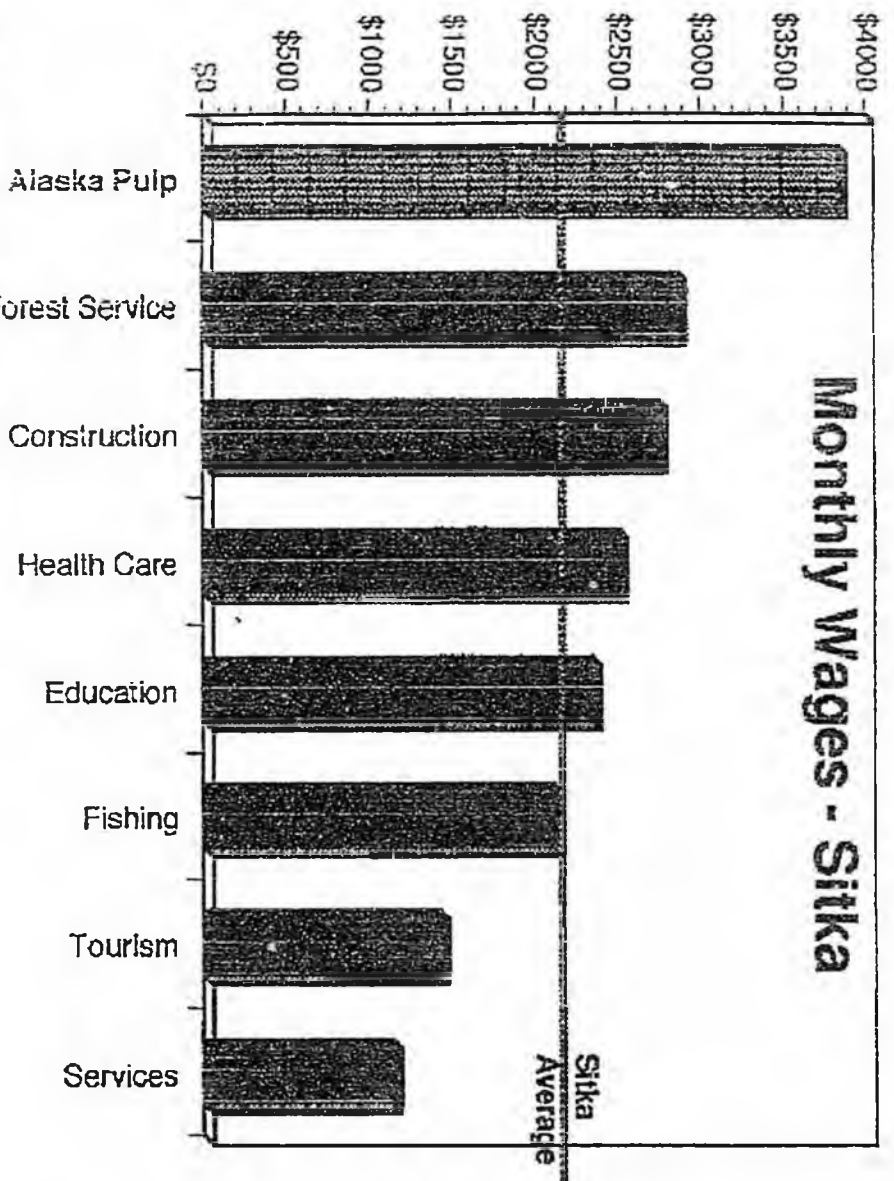
Million Board Feet/Yr



Sources: Tongass Land Management Plan Revision, USFS Timber Supply and Demand Reports 1987-91, Alaska Marine Highway, McDowell Group.

FEB 23 '94 05:05PM ALASKA PULP CORP

Source: Sitka Economic Base Study - 1992



LTN1100-R01
02/23/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
11:00:52

TCN: 40363 DATE & TIME: 02/23/94 08:15 TO 10:00 STATUS:6 ADJOURNED

**** ORDER SUMMARY ****

SPONSOR: HRES HOUSE RESOURCES CHAIRS: WILLIAMS
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE
CONTACT: MARY MCDOWELL TEL#: (907)465-3715
CHAIRING SITE: JUNEAU CAPITOL CAP124

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 99 MINUTE LIMIT
OTHER SITES MAY ADD IF THERE IS INTEREST
TCN REQUESTED ON 02/23/94 AND HAS 4 UPDATES

**** AGENDA ****

- 1 HB 199 OIL & GAS EXPLORATION LICENSES/LEASES
- 2 HB 398 LAND CONVEYED TO & FROM MUNICIPALITIES
- 3 HJR 55 TONGASS NATIONAL FORST TIMBER HARVESTS
- 4 HJR 56 EXEMPT ALASKA FROM "PACFISH" REGS

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	716 W 4TH. #200	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
HOM HOMER LTC	126 W PIONEER #4	LOCATION STAFF
* JRU JUNEAU	CAPITOL CAP124	LOCATION STAFF
KOD KODIAK	112 MILL BAY RD.	LOCATION STAFF
KTN KETCHIKAN	352 FRONT STREET	LOCATION STAFF
SIT SITKA	210 LAKE STREET	LOCATION STAFF

**** VOLUNTEER & OFFNET SITES ****

ZZZ OF1 OFFNET 1 ANCHORAGE RON SWANSON (999)999-9999

PARTICIPANTS IN: ANCHORAGE ANC

1	GARY WILLIAMS	WHITTIER	TSFY. HB 398
	PO BOX 608	WHITTIER	AK 99693 (907)472-2337
2	BOB JUETTNER	ALEUTIANS EAST	TSFY. HB 398
	1600 A ST. NO 103	ANCHORAGE	AK 99501 (907)274-7559
3	KEN ROYD	DMR O&G	UNABL. HB 199
	3601 C ST	ANCHORAGE	AK 99501 (907)762-2548
4	LEE SHARP	ALEUTIAN E	TSFY. HB 199
	420 L STREET	ANCHORAGE	AK 99501 (907)274-1969
5	STEVE BORELI	AK MINERS	TSFY. HJR 56

	501 W NORTHERN LTS		ANCHORAGE	AK	99516 (907)276-0347
6.	ARDIE GRAY				UNABL HB 199
	121 W FIREWEED STE 207		ANCHORAGE	AK	99503 (907)272-1481
7	JOHN STURGEON		KONCOR FOREST		TSFY. HJR 56
	3501 DENALI STE 202		ANCHORAGE	AK	99516 (907)562-3335
8	JIM BARNETT		ATTY WHITTIER		OBSV. HB 398
	10050 PROSPECT DR		ANCHORAGE	AK	99516 (907)346-2755

PARTICIPANTS IN: FAIRBANKS FBX

1 MR.	GREGORY GARRELS				UNABL HB 199
	1176 BROADVIEW DR.		FAIRBANKS	AK	99712 (907)457-3543
2 MR.	CLIFF BURGLIN				UNABL HB 199
	17 ADAK AVE.		FAIRBANKS	AK	99701 (907)452-5140

PARTICIPANTS IN: HOMER LTC HOM

1 MS	GAIL PARSONS				UNABL HB 199
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LTN1100-R01 LEGISLATIVE TELECONFERENCE NETWORK PAGE 02
02/23/94 DATE & TIME: 02/23/94 08:15 TO 10:00 STATUS: 6 ADJOURNED
TCN: 40363

PARTICIPANTS IN: HOMER LTC HOM

	PO BOX 2397		HOMER	AK	99603 (907)235-3978
2 MR.	LARRY SMITH				TSFY. HJR 55
	PO BOX 15337		FRITZ CREEK	AK	99603 (907)235-3855
3 MR.	STEVE GIBSON				OBSV. HJR 55
	1622 HIGHLAND DR.		HOMER	AK	99603 (907)235-6487

PARTICIPANTS IN: JUNEAU JNU

1 REP.	BILL WILLIAMS				TSFY. HB 199
				AK	(907)000-0000
2 REP.	CON BUNDE				TSFY. HB 199
				AK	(907)000-0000
3 REP.	ELDON MULDER				TSFY. HB 199
				AK	(907)000-0000
4 REP.	JOHN DAVIES				TSFY. HB 199
				AK	(907)000-0000
5 REP.	DAVID FINKELSTIEN				TSFY. HB 199
				AK	(907)000-0000
6 REP.	JEANETTE JAMES				TSFY. HB 199
				AK	(907)000-0000
7 REP.	PAT CARNEY				TSFY. HB 199
				AK	(907)000-0000
8 REP.	JOE GREENE				TSFY. HB 199
				AK	(907)000-0000
9 REP.	BILL HUDSON				TSFY. HB 199
				AK	(907)000-0000
10 REP.	HARLEY OLBERG				TSFY. HB 199
				AK	(907)000-0000
11	TO TESTIFY				TSFY. ALL ITEMS
12	TO TESTIFY				TSFY. ALL ITEMS
13	TO TESTIFY				TSFY. ALL ITEMS
14	TO TESTIFY				TSFY. ALL ITEMS

PARTICIPANTS IN: KODIAK KOD

1 MR.	RUD CASSIDY				KOD. IS BOROUGH OBSV. HB 398
	710 MILL BAY RD.		KODIAK	AK	99615 (907)486-9302

PARTICIPANTS IN: KETCHIKAN KTN

1	REP.	BILL	WILLIAMS	AK	(907)000-0000
2	REP.	CON	BUNDE	AK	TSFY. HB 199 (907)000-0000
3	REP.	ELDON	MULDER	AK	TSFY. HB 199 (907)000-0000
4	REP.	JOHN	DAVIES	AK	TSFY. HB 199 (907)000-0000
5	REP.	DAVID	FINKELSTIEN	AK	TSFY. HB 199 (907)000-0000
6	REP.	JEANETTE	JAMES	AK	TSFY. HB 199 (907)000-0000
7	REP.	PAT	CARNEY	AK	TSFY. HB 199 (907)000-0000
8	REP.	JOE	GREENE	AK	TSFY. HB 199 (907)000-0000
9	REP.	BILL	HUDSON	AK	TSFY. HB 199 (907)000-0000
10	REP.	HARLEY	OLBERG	AK	TSFY. HB 199 (907)000-0000
11		TO	TESTIFY		TSFY. ALL ITEMS
12		TO	TESTIFY		TSFY. ALL ITEMS
13		TO	TESTIFY		TSFY. ALL ITEMS
14		TO	TESTIFY		TSFY. ALL ITEMS

PARTICIPANTS IN:KODIAK KOD
 1 MR. BUD CASSIDY KOD. IS BOROUGH OBSV. HB 398
 710 MILL BAY RD. KODIAK AK 99615 (907)486-9302

PARTICIPANTS IN:KETCHIKAN KTN
 1 MR. TROY REINHART KETCHIKAN FOREST ASSOC TSFY. HJR 55
 111 STEDMAN # 200 KETCHIKAN AK 99901 (907)225-6114

PARTICIPANTS IN:SITKA SIT
 1 MR. JOEL KAWAHARA TSFY. HJR 55
 507 KATLIAN ST. SITKA AK 99835 (907)747-5811
 2 MR. ERIC JORDAN TSFY. HJR 56
 103 GIBSON PL. SITKA AK 99835 (907)747-6743

PARTICIPANTS IN:OFFNET 1 ZZZ OF 1
 1 RON SWANSON DNR TSFY. HB 199
 AK (907)000-0000

1 (91100-R01
05/09/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
13:35:29

TEN: 40363

DATE & TIME: 02/23/94 08:15 TO 10:00

STATUS: Y

STATS: 3N

*** ORDER SUMMARY ***

SPONSOR: HPL & HPLX RESOURCES

CHAIRS: WILLIAMS

PURPOSE: PUB PUBLIC HEARING

LEGISLATIVE

CONTACT: MARY McDOWELL

TEL#: (907)465-3715

CHAIRING SITE: BUREAU

CAPITOL

CAP124

SPONSOR REMARKS(PUB): TESTIMONY ALLOWED

90 MINUTE LIMIT

OTHER SITES MAY ADD IF THERE IS INTEREST

TOP REQUESTED ON 02/23/94 AND HAS 4 UPDATES

*** AGENDA ***

- 1 HB 199 OIL & GAS EXPLORATION LICENSES/LEASES
- 2 HB 398 LAND CONVEYED TO & FROM MUNICIPALITIES
- 3 HJR 55 TONGASS NATIONAL FOREST TIMBER HARVESTS
- 4 HJR 53 EXCEPT ALASKA FROM "PACIFIC" REGS

*** PARTICIPATING SITES ***

ANC ANCHORAGE	716 W 4TH, #200	LOCATION STAFF
FRX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
HOM HOMER LTC	126 W FTUNLER #4	LOCATION STAFF
* JUN BUREAU	CAPITOL	CAP124 LOCATION STAFF
KLD KODIAK	112 MILL BAY RD.	LOCATION STAFF
KTM KETCHIKAN	652 FRONT STREET	LOCATION STAFF
STY SITKA	216 LAKE STREET	LOCATION STAFF

*** VOLUNTEER & OFFNET SITES ***

222 OFF OFFNET 1

ANCHORAGE

RON SWANSON

(999)999-9999

PARTICIPANTS IN: ANCHORAGE

ANC

1	CARY	WILLIAMS	WHITTIER	TSFY, HB 398
	PO BOX 608		WHITTIER	AK 99693 (907)472-2337
2	BOB	JUETTNER	ALEUTIAN EAST	TSFY, HB 398
	1600 A ST, NO 103		ANCHORAGE	AK 99501 (907)274-7559
3	REN	BOYD	DNK O&G	UNABL HB 199
	3601 C ST		ANCHORAGE	AK 99501 (907)762-2548
4	LEE	SHARP	ALEUTIAN E	TSFY, HB 199
	420 L STREET		ANCHORAGE	AK 99501 (907)276-1969
5	STEVE	BORSELL	AK MINERS	TSFY, HJR 56
	501 W NORTHERN LTS		ANCHORAGE	AK 99516 (907)276-9347
6	ARDIE	GRAY		UNABL HB 199
	121 W FIREWEEED STE 207		ANCHORAGE	AK 99503 (907)272-1481
7	JOHN	STURGEON	KONCOR FOREST	TSFY, HJR 56
	3501 DENALI STE 202		ANCHORAGE	AK 99516 (907)562-3335
8	JIN	BARNETT	ATTY WHITTIER	OBSV, HB 398
	10050 PROSPECT DR		ANCHORAGE	AK 99516 (907)346-2755

PARTICIPANTS IN: FAIRBANKS

FRX

1 MR.	GREGORY	GARRELS		UNABL HB 199
	1176 BROADVIEW DR.		FAIRBANKS	AK 99712 (907)457-3543
2 MR.	CLIFF	BURLIN		UNABL HB 199
	17 ADAK AVE.		FAIRBANKS	AK 99701 (907)452-5140

PARTICIPANTS IN: HOMER LTC

HOM

1 MS	GALL	PARSONS		UNABL HB 199
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LIN1100-R91
05/09/94
TCN: 40363

LEGISLATIVE TELECONFERENCE NETWORK

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13:35:29

DATE & TIME: 02/23/94 08:15 TO 10:00 STATUS:7 STATS. IN

PARTICIPANTS IN: HOMER LTC

HOM

2 MR.	PO BOX 2397		HOMER	AK 99603 (907)235-3978
	LARRY SMITH			TSFY. HJR 55
3 MR.	PO BOX 15337		FRITZ CREEK	AK 99603 (907)235-3855
	STEVE GIBSON			OSV. HJR 55
	1622 HIGHLAND DR.		HOMER	AK 99603 (907)235-6487

PARTICIPANTS IN: JUNEAU

JPU

4 REP.	BILL	WILLIAMS		TSFY. HB 199
			AK	(907)000-0000
2 REP.	CON	BUNDE		TSFY. HB 199
			AK	(907)000-0000
3 REP.	ELDON	BULDER		TSFY. HB 199
			AK	(907)000-0000
4 REP.	JOHN	DAVIES		TSFY. HB 199
			AK	(907)000-0000
5 REP.	DAVID	FINKELSTIEN		TSFY. HB 199
			AK	(907)000-0000
6 REP.	JEANETTE	JAMES		TSFY. HB 199
			AK	(907)000-0000
7 REP.	PAT	CARNEY		TSFY. HB 199
			AK	(907)000-0000
8 REP.	JOE	GREENE		TSFY. HB 199
			AK	(907)000-0000
9 REP.	BILL	HUDSON		TSFY. HB 199
			AK	(907)000-0000
10 REP.	HARLEY	OLBERG		TSFY. HB 199
			AK	(907)000-0000
11	TO	TESTIFY		TSFY. ALL ITEMS
12	TO	TESTIFY		TSFY. ALL ITEMS
13	TO	TESTIFY		TSFY. ALL ITEMS
14	TO	TESTIFY		TSFY. ALL ITEMS

PARTICIPANTS IN: KODIAK

KOD

1 MR.	BUD	CASSIDY	KOD. IS BOROUGH	OSV. HB 398
	719 MILL BAY RD.		KODIAK	AK 99615 (907)486-9392

PARTICIPANTS IN: KETCHIKAN

KTH

1 MR.	TROY	BETHART	AK FOREST ASSOC	TSFY. HJR 55
	111 STEDMAN # 200		KETCHIKAN	AK 99901 (907)225-6114

PARTICIPANTS IN: SITKA

SIT

1 MR.	JOEL	KAMAHARA		TSFY. HJR 55
	507 KATHIAN ST.		SITKA	AK 99835 (907)747-5811
2 MR.	ERIC	JORDAN		TSFY. HJR 56
	103 GIBSON PL.		SITKA	AK 99835 (907)747-6743

PARTICIPANTS IN: UNFHEM 1

722 UNF1

1	RON	SWANSON	UNR	TSFY. HB 199
			AK	(907)000-0000



HOUSE RESOURCES COMMITTEE

DATE: 2/23/94

PLACE: Capitol, Room 124

SUBJECT OF MEETING:

HB 398 - Rights to certain tide + submerged land
 HJR 55 - Economic Importance of S.E. Timber Harvests
 HJR 56 - Exempt Alaska From "PACFISH" Regs.
 HB 199 - Oil + Gas Exploration Leases

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Chip Thomas ✓	self	Juneau 2 Marine Way 99801				(Y) N	HJR 55 + 56
Rollo Pool ✓	AK Pulp Corp	SITKA 4600 Saw Mill Chuk Rd 99835			747-2283	(Y) N	+ (JR 55 + 56
John Sisk ✓	self	Juneau		586-2544		(Y) N	HJR 55 + 56
Crystal Smith	AML	217 2nd St, Suite 200			67325	(Y) (N)	Forest HB 308
Charles Ahlberg ✓	Juneau Chamber of Commerce	124 W Fifth St Juneau			66420	(Y) N	HJR 55 - 56
Dave Katz ✓	SEACC	49 Sixth St. #328 Juneau 99801			586-6942	(Y) N	HJR 55 - 56
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	