

SJR

40

**Testimony of John Sisk on Senate Joint Resolution Relating to the Extension of
the United States Forest Service timber sale contract with the Ketchikan Pulp Company
April 1st, 1996**

My name is John Sisk, and I would like to thank this Committee for allowing me to present testimony today on this resolution. I am a fourteen year resident of southeast Alaska with a degree in Environmental Biology and a Masters Degree in Forestry. I have worked in the lumber business, in building construction, as a wildlife biologist and as a professional wilderness guide. I am a hunter, sport fisherman and a kayaker who lives in a wooden house with a wood burning stove. I am a past Executive Director of the Southeast Alaska Conservation Council, a co-owner and past manager of a local tourism business, and a long-time shareholder in Louisiana-Pacific, the parent company that owns Ketchikan Pulp Company (KPC).

I am here today to endorse the positions of the Southeast Alaska Conservation Council and the Alaska Environmental Lobby with regard to the proposed resolution to support a fifteen year extension of the Ketchikan Pulp Company's long term timber contract; both organizations stand in strong opposition to the resolution. Beyond that, I am speaking today on my own behalf and appreciate very much the opportunity to share some of my personal concerns and recommendations with regard to the KPC contract, the economy and the Tongass National Forest. While I don't claim to have all the answers I can testify that Alaskan conservationists care deeply about our people, our communities and our forests. That is the spirit in which I speak today.

I want to state, right up front, that there are practical, long-term alternatives to dependence on dissolving pulp mills in the southeast Alaska timber industry. A market-oriented approach to value-added manufacturing and re-manufacturing of solid wood products, sawing as much as possible of as many logs as possible, considering an integrated timber supply that includes all timberland owners without subsidizing public timber, and new approaches to utilization of wood waste and lowest quality logs and log pieces are some of the components of long-term alternatives that might work for southeast Alaska.

I believe strongly that this resolution to extend the KPC contract is the wrong move for the legislature. This is also the wrong time for the legislature to make this type of endorsement to any interest. We have more time to look at the KPC situation; their 50-year contract doesn't expire for eight more years. We need more information--certain specific information--before committing the Tongass to KPC or anyone else through the year 2019. We need to devote more legislative and public attention to what our economy might look like, and what we will need here in southeast Alaska, in the first several decades of the 21st Century.

Big changes at Louisiana-Pacific

KPC's parent company, Louisiana-Pacific (LP), is in the midst of a major change in management. Last year the Board of Directors fired notorious CEO Harry Merlo after a series of fundamental problems threatened the company. Huge pollution fines and expensive settlements with the EPA affected many of LP's operations. In Ketchikan the company admitted to felony violations of Clean Water Act regulations. The quality of certain LP products was challenged by a number of very large buyers and may lead to very expensive with purchasers of LP's oriented strand board. CEO Merlo already had a stormy history with organized labor and some of his own employees. The Board decided Merlo's entrepreneurship had run its course and a complete management change was necessary.

Today LP is engaged in appropriate management reviews, including a look at the future of their Ketchikan operation. Rather than simply pass this resolution to write the company a blank check to continue business as usual, I think Alaska should follow LP's lead and do our part of the job: evaluate KPC and assess what kind of timber industry is most desirable--in Ketchikan and in Southeastern-- in the first part of the 21st century. 2

Some credits and concerns with KPC's historic operations

Clearly, KPC has brought year round employment and prosperity to many since its inception in the 1950s. While there was a thriving, small scale timber industry before KPC, the pulp operation triggered development of additional infrastructure and business activity in Ketchikan and on Prince of Wales Island. KPC has many supporters who will present these attributes forcefully and with eloquence.

There are also many Alaskan environmentalists, subsistence resource users and small community residents who eloquently present the down side of KPC. Chronic pollution, including discharge of toxic and carcinogenic polychlorinated biphenyls (PCBs) and dioxins. Expanding clearcutting of forests people depend on for hunting, fishing and tourism endeavors. Conflicts with employees and unions. Monopoly control of Tongass timber supply to the extent that other loggers and wood manufacturers cannot start new businesses or stay in business. A federal court ruled that in the 1970s KPC and Alaska Pulp conspired to control timber supply and log prices to such an extent that over 100 Alaskan timber businesses were either taken over or forced under. Many believe that the KPC long-term timber contract gives the pulp company so much leverage over the Tongass timber supply that it is exceedingly difficult for competitive new wood manufacturing businesses to get started, and very little incentive for KPC to respond to changes in international markets for wood products. In other words, the innovation that could keep our timber industry competitive in a dynamic market environment is limited by supply guarantees, de facto price subsidies and commitment to a single product, dissolving pulp, as top priority.

I am concerned that dissolving pulp (DP) is not a strong product for the future. It has an inconsistent financial track record and we should not anchor our timber industry to dissolving pulp. Ideally, we should find ways to get top dollar out of every log first, and then match a fiber-plant to the remainder of the wood supply. There is also serious question that the Tongass National Forest cannot supply KPC with 154 mmbf/year for the long haul while still taking care of other industries and forest users, and while providing a timber supply for independent and small community operators.

Alaskan leaders should take a hard look toward the future.

Before considering whether or not to endorse extension of the KPC contract or any other big commitments, southeast Alaskans need to take a hard look toward the future. Here are some key steps we need to take.

1. Complete the Revision of the Tongass Land Management Plan (TLMP). The TLMP process is nearing completion after more than five years, with community roundtable meetings and public review slated in May of this year. Based on the best available Forest Service information, community priorities and general public comment we will have a better idea how well the Tongass can provide opportunities for all the users of the forest, and what timber supply levels are feasible. For example, it might be helpful to identify a modest but significant timber supply level that most interests can either live with or support. That would become the base timber supply an investor could "bank on." Greater annual timber supply would admittedly lack consensus and would be acknowledged as less predictable and

- more speculative for timber purchasers. This two-tiered approach could be more advantageous for timber investment than demands by timber advocates for 350, 400 or 450 mmbf of timber from the Tongass. "Shooting for the moon" tends to engender opposition to the whole timber program and thereby make every sale uncertain even when there might be some supply levels folks could agree to. 3
2. Clarify the "landless Natives" issue and get a ballpark idea how much Tongass timberland, if any, is likely to be transferred to private, Native corporation ownership. This could become a significant component of the regional timber supply and would affect the sustainable cut from the Tongass National Forest.
 3. Clarify the economic, social and environmental criteria for a future timber industry that are important to southeast Alaskans and, in the case of the Tongass National Forest, concerned Americans outside Alaska. See what companies are interested in meeting these criteria and cooperating with Alaskan communities in a sustainable, diversified economic partnership. For example, this might or might not include KPC (LP), Sealaska Corporation, Viking Lumber in Klawock, Seley in Ketchikan, and others.

Some Important Criteria for a Future Timber Industry Using Tongass Timber

In the course of assessing our longer term options many good ideas and criteria would be suggested for a strong, sustainable timber industry. I offer these recommendations for your consideration at this time.

- Avoid sudden changes that could displace workers and hurt communities. Where significant changes are desirable or unavoidable, develop sound transition plans that support our communities and the prosperity of our neighbors.
- Excellent air and water quality should be fundamental requirements. A clean and healthy environment is imperative, and is an important economic development attraction when recruiting new businesses to locate in Alaskan communities.
- Full compliance with all federal laws should be demanded. No waivers; no exceptions.
- Cedar export should end, with red and yellow cedar logs either manufactured in Alaska or sold directly to an Alaskan manufacturer, thereby adding value and creating new jobs in the Panhandle.
- Provide special, small scale federal timber contracts for high value added operations in local communities.
- Support a chipping facility in Wrangell and a demonstration high value added facility that approaches total wood utilization.
- Manufacture and re-manufacture of sawn wood products that add value and employ Alaskans should be a criteria for access to Tongass timber. The Province of British Columbia recently announced that access to Crown timber will be contingent on job creation and value-added manufacture in B.C. Alaska must pay attention to this trend.
- Base the future industry on an integrated approach to regional timber supply that includes lands under different ownership. The Tongass should not be called on to supply all of the timber industry's needs. Proven sources of log supply, in varying quantities, include: ANCSA Native corporation lands throughout coastal Alaska, the Tongass National Forest, State Forests and general State Land, University of Alaska timberland, Mental Health Trust Land, other private land and log imports from British Columbia and south central Alaska. We need policies that provide incentives to timberland owners to put their logs to work creating jobs and high-value-added products for Alaska, rather than exporting those jobs and opportunities.
- Future timber businesses should be market driven rather than contract driven or subsidy driven.
 - Products manufactured should be matched to viable markets that maximize the value of the raw material, log by log if possible. This would promote the careful sorting of logs and the allocation of particular log grades and types to their highest value product through market transactions.

- No stumpage price breaks would be offered. Tongass stumpage would be sold at prices commensurate with current markets and the price of wood supply from private Alaskan timberlands. This would have several benefits. Private timber would be more likely to be sold to Alaskan manufacturers, thereby easing the pressure on the Tongass supply. In addition the Forest Service would generate more revenue from a given timber sale volume, and local Alaskan governments' 25% share of that revenue would increase
- Support investments in intensive management of federal, state and Native corporation second growth lands to maximize future timber yields as part of an integrated, multi-ownership timberland base for the future.
- Seek federal investments on the Tongass in restoration forestry and other programs that provide jobs in the woods for Alaskans.
- Tongass National Forest timber supply levels must be compatible with, and constrained by:
 - the Tongass Land Management Plan;
 - balanced compatibility with other industries such as tourism and commercial fishing, and other uses such as subsistence, recreation, sport fishing and hunting;
 - a sound, scientific strategy for maintaining viable populations of animal species and protecting important fish and game habitat areas such as Honker Divide on Prince of Wales Island and the Cleveland Peninsula;
 - continued protection of the National Monuments, Wilderness Areas, minimum 100 foot salmon stream buffers and Legislative "LUD II" Areas established by the Alaska National Interest Lands Conservation Act (ANILCA) and the Tongass Timber Reform Act (TTRA);
 - basic forest stewardship including conservation of soils and watersheds;
 - long term sustainability of the timber cut level and the basic ability of the forest to keep on providing clean water, wood, wildlife, fish, and opportunities for recreation and subsistence.

Does this add up to an extended presence in southeast Alaska for Louisiana-Pacific and Ketchikan Pulp Company? It is way too early to tell whether a long term KPC presence would be in the best interest of southeast Alaska, or L-P and KPC, or the many people who have a stake in the Tongass National Forest. But in any event, just as KPC is letting Alaskans know what commitments they want from our public forest--the Tongass--we have a right and a duty to let KPC know what expectations we have for companies considering long term investment in Alaska timber. This will result in a stronger end result than rushing to extend KPC's contract now. We should not commit our long term economic future or the future of our forest to perpetual support of a given set of machinery installed in the 1950s, simply because it is there and we are unable to cope even with beneficial change.

But Won't We Still Need a Pulp Mill?

Not necessarily. We can saw a significantly greater portion of Tongass wood than we are today. Forest Service data tell us we are now pulping 68% of the #3 spruce sawlogs, almost all of which could be sawn with available technology, and are pulping 75% of the #3 hemlock logs, which existing businesses in British Columbia and the Pacific Northwest are sawing into good lumber and re-manufacturing into finger jointed and laminated boards and trim. Doing more of this in Alaska means more jobs per tree cut down and more value added to the wood. In the 1950s the rule of thumb was "saw 40% of the logs into cants or lumber and pulp the other 60%." Today we could potentially saw 70% to 85% of the logs from a given Tongass sale. This is due to new manufacturing technology, changing labor cost differentials between Alaska and other Pacific rim locales, and the fact that Alaska has some of the best old growth softwood in the world.

Altogether this means that potential reliance on a wood fiber plant like a pulp mill could be reduced substantially.

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Another big change is the emergence of wood chips as a viable manufactured product made from low grade logs and some sawmill waste. Although the chip market, like the dissolving pulp market, is volatile, during strong market cycles and on the spot market chips are a market-based alternative to dissolving pulp.

For years we have known that wood waste could be burned to generate power and also dispose of a potential headache to sawmill operators. We need to examine the obstacles to co-generation using wood waste and help get a pilot project started so that value added sawmills are not stymied by waste disposal problems.

If a fiber plant is needed over the long haul we should still re-think our approach. The region might be better off if such a plant were smaller than the current mill, and we should take a hard look at a variety of fiber products, including oriented strand board, wafer-wood, MDF, particle board and the like in addition to pulp. If we are successful in capturing top value from logs we will not need such a large facility or be able to feed it, and some experts are convinced dissolving pulp will be less competitive over time.

A sudden, unplanned pulp mill shut-down would clearly be undesirable and would create big employment and community problems in Ketchikan. But would it result, as some claim, in the closure of all of southeast Alaska's sawmills because there would be no place to sell their pulp logs? Not necessarily. Un-saw-able logs and cull could be chipped in Wrangell or Ketchikan and exported. The Forest Service could consider limited, temporary, emergency relaxation of the primary manufacturing requirement and timber sale utilization standards, thereby allowing truly un-saw-able logs to be exported and cull material to be left in the woods until a better alternative is developed. With these short-term procedures in place, sawmills might pick up the timber sales KPC would have operated and carry on nicely. At the same time, of course, community and business leadership would have to hustle to address the effects on Ketchikan and the options for new investments in timber and other industries to compensate for the closure. Although I do not think this is a desirable situation, I present it to show that we should not let our worst fears frighten us into giving away too much, too soon, before we really know what kind of timber industry will suit southeast Alaska and the Tongass National Forest best in the 21st Century.

Thank you for the opportunity to testify here today, and thank you for considering these views and suggestions. Please do not endorse the Resolution to extend the KPC contract with the Forest Service at this time.

Support extension

In New York state 18 million acres of privately owned forested land support 34 pulp mills and 231 sawmills with an annual harvest of 1.1 billion board feet and a workforce of 62,295, according to 1994 figures — the latest available — from the American Forest and Paper Association. The industry represented \$1.87 billion that year. Reduce New York's harvestable land by 90 percent and it still supports three pulp mills and 23 sawmills.

By contrast, Tongass National Forest consists of 16.8 million acres. Southeast Alaskans and their timber industry seek to harvest just 10 percent of it or 450 million board feet annually to support one pulp mill and 30 sawmills, 1,250 jobs representing a \$500 million payroll.

The timber industry is just one aspect of a multiple-use Tongass. Even extreme environmentalists — at least publicly — support multiple use of the forest. But without timber harvest, without KPC and independently owned mills, multiple use does not exist.

Southeast Alaska mills are reducing shifts; they are shutting down. Wrangell's mill closed in 1994, and now Wrangell's heavy equipment operators seek work in Ketchikan. Other large companies from the Pacific Northwest also turn to Ketchikan for work because of the drastic decline in their timber industry. The competition puts the pinch on Ketchikan businesses, especially in cases that out-of-town companies provide lower bids and take the dollars out of Ketchikan.

Ketchikan and its timber industry is in crisis.

It's going to take timber and a reliable supply of it to head off that crisis.

KPC's 50-year contract with the federal government for Tongass timber ends in 2004.

Rep. Bill Williams of Saxman and Sen. Robin Taylor of Wrangell scheduled hearings on timber contract resolutions they introduced this week. The resolutions ask Alaska's Congressional delegation to pursue a 15-year contract extension in Congress.

KPC seeks the extension for assurance of timber in advance of spending \$155 million in environmental and \$50 in capital improvements at its pulp and saw mills. KPC already has spent millions to improve its effect on the environment.

The state Senate contract hearing is at 1:30 p.m. Monday, while the House hearing is scheduled for 4 p.m. Tuesday. Those hearings are by invitation only. Others who wish to testify will have the opportunity from 4 to 6 p.m. Wednesday at the Legislative Information Office.

Ketchikan worked too hard to bring the pulp mill here; let's not let it slip away now. Let's testify for the extended contract for KPC.

Ketchikan Daily
News
Saturday - Sunday
March 30 - 31,
1996



KPC FACTS FAX
"Timber Harvest Outlook for 1996"

As the Forest Service fails to meet their contractual timber offering to both the Ketchikan Pulp Company and the independent sector of the industry, the amount available for timber harvest continues to fall. As timber offerings fall, timber harvest falls and mills close. This is the reality in Southeast Alaska today.

Known as the "timber pipeline", the amount of timber available for harvest and creation of jobs also falls. The last five years have been a history of declining pipeline timber volume and timber sales which have advance roading.

Fiscal Year	Pipeline Volume	Volume Harvested	Beginning Roaded	Forest Service Release (MMBF)
1996 (est.)	143	45	25	2
1995	130	151	62	164
1994	106	111	56	135

1993	216	155	49	45
1992	128	168	116	256
1991	76	171	76	223
1990	70	158	70	164

The low levels of timber in the pipeline will most likely lead to the lowest levels of timber harvest under the KPC long term contract since its beginning in the 1954. KPC expects to harvest only 45 to 50 million board feet in 1996. That level is down from a harvest level of 165 million board feet in 1996. This will lead to a continued reduction in logging jobs in Southeast Alaska. "KPC is forced, by the inability to build a timber pipeling as required by law, to build its own pipeline by deeply curtailing our harvest levels in 1996," says Troy Reinhart, KPC spokesperson. "This is not a step we take lightly, but one that we must take to help secure our long term survival."

Because of purchases of Canadian logs in late 1995, KPC's wood supply should be sufficient to sustain pulp operations through 1996. However, log supplies which are low will probably allow only one shift at each of our sawmills, KPC hopes to avoid any complete shutdown such as we were forced to undergo in 1995. "Only through the grace of God were we able to find enough timber to maintain pulp mill operations in 1995 and 1996," continued Reinhart. "The Forest Service needs to take advantage of this opportunity to build the pipeline by making complete to KPC and by preparing new sales."

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For more information contact Troy Reinhart at 907-225-2151 (office), 907-723-1060 (cellular phone) or treinhar@ptialaska.net (e-mail).

3-28-86

Dear Governor Knowles and Senator Murkowski:

Ketchikan and the timber dependent communities of Southeast Alaska depend on the Forest Service long-term timber contract with Ketchikan Pulp Company. That is why I support a fifteen year extension of the KPC long-term bilateral contract.

I believe that KPC is the cornerstone of the of the forest products industry in Southeast Alaska. Without KPC there is not the critical mass to insure a significant and stable industry.

KPC can only get a timely contract extension through congressional action. An extension must be secured this year to insure the community and KPC have a future.

Please support the KPC contract extension efforts!

Sincerely,

Peter W. Amundson

Peter W. Amundson

918 JACKSON ST.

KTN AK 99901

3-28-96

Dear Governor Knowles and Senator Murkowski:

A fifteen year extension of the long-term contract held by the Ketchikan Pulp Company is the same to Southeast Alaska as ANWR is to the rest of the State of Alaska. The families and jobs of Southeast Alaska depend on the same bipartisan efforts you both showed on the ANWR issue.

KPC needs an immediate fifteen year extension of its bilateral contract. This can only be done through immediate congressional action this year. As Alaska's Governor and Chairman of the Senate Energy Committee, you are the two men for the job.

I strongly encourage your prompt and aggressive action on this issue. It is important to all the people of Southeast Alaska that the KPC contract be extended and sufficient timber be provided.

Sincerely,

Diana Amundson

Diana Amundson

918 Jackson St

Ketchikan AK 99901

Alaska State Legislature

Sen. Robin Taylor, Chairman
Sen. Lyda Green, Vice Chairman
Sen. Mike Miller
Sen. Al Adams
Sen. Johnny Ellis



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Senate Judiciary Committee

Proposed Witness List for the April 1, 1996 Senate Judiciary Hearing SJR 40 - Extension of the KPC Contract

Ketchikan Pulp Company	Ralph Lewis, President
Governor's Office	Diane Mayer (DGC)
Former Regional Forester	John Sandor
National Bank of Alaska	?
1st National Bank	Bill Moran, Jr.
Alaska Forest Association	Jack Phelps
Small Mill Operator	Steve Seley
McDowell Group	Bill Brock
SERRC	John Antonin
Wrangell	Mayor Roberts
Metlakatla	Sol Atkinson
Ketchikan Borough	Mayor Carlton
City of Ketchikan	Mayor Stanton
SEACC	Wayne WeiHING
Alaska Rainforest Campaign	Steve Kallick
Alaska Environmental Lobby	John Sisk
United Southeast Alaska Gillnetters	Geoff Bullock
Alaska Visitors Association	Tina Lungren
Ketchikan Chamber of Commerce	Dick Koose

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF GOVERNMENTAL COORDINATION

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April 1, 1996

The Honorable Robin Taylor
Alaska State Senator
Chair, Senate Judiciary Committee
State Capitol, Room 30
Juneau, AK 99801

SUBJECT: State of Alaska Position on SJR 40

Dear Senator Taylor:

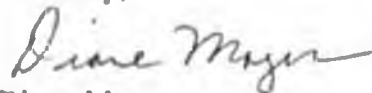
The Knowles Administration recognizes the important role Ketchikan Pulp Company (KPC) has played in the timber industry, including employment in Ketchikan and Southeast Alaska. The responsibility and statutory authority to extend the KPC contract lies with the U.S. Department of Agriculture and Congress.

Our Administration is promoting sustainable, responsible economic development of Alaska's natural resources. In Alaska we can do it right. As KPC develops its business plan to present to the U.S. Department of Agriculture for a contract extension, Alaskans will be interested in KPC's commitment to fully address: 1) long term jobs for Alaskans; 2) the use of Alaska businesses, both in harvesting and value-added processing; 3) provision of a solid tax base for Ketchikan and other Southeast communities; 4) responsible environmental management; 5) participation in and support of the Tongass Land Management Planning process that ensures sustainable uses of our forest; and 6) consideration of other forest users, including those dependent on timber production, tourism, commercial and sport fishing, seafood processing, mining, subsistence and personal use.

We hope the legislature will address these important matters in its deliberations.

We look forward to the Department of Agriculture providing Alaskans the opportunity to review proposals regarding the contract extension. We stand ready to work with Alaskans and Ketchikan Pulp Company to achieve these goals.

Sincerely,



Diane Mayer
Director

CITY OF WRANGELL SNAPSHOT OF THE ECONOMIC PICTURE

Population: 2,758 (Alaska Department of Community and Regional Affairs, 1995)

UNEMPLOYMENT RATES

The following table of unemployment rates for the City of Wrangell compares the months of December (APC mill closure in Wrangell) through May of 1992, 1993, 1994 and 1995. Wrangell always has higher unemployment in the winter months due to the seasonality of many jobs. The City estimates that current unemployment is close to 30% based on historical information and additional business closures.

<u>Year</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>
1991-1992	—	14.8%	14.2%	13.0%	12.3%	9.9%
1992-1993	8.8%	11.4%	13.4%	9.4%	7.2%	6.7%
1993-1994	9.1%	13.4%	15.3%	14.1%	9.6%	7.5%
1994-1995	18.3%	21.6%	20.7%	19.6%	16.2%	****

**** The State has ceased collecting unemployment figures for communities outside borough areas.

CITY COLLECTED SALES TAX

The City Finance Director recently did a comparison of the sales tax collected for the quarters of 1994 and the quarters of 1995. There has been a -13.54% drop in collected sales tax revenues from the merchants. This has serious implications not only for the local businesses, but also for the City's budget. Current sales tax levied on all goods and services is 7%.

Drop in sales tax collected between 1994 and 1995:

1st qtr	2nd qtr	3rd qtr	4th qtr
-12.52%	-8.32%	-6.68%	-10.43%

ANNUAL EMPLOYMENT AND PAYROLL

The following table shows the growth in *annual* employment figures and payroll (sum of number employed each month, and sum of payroll figures each month) for Wrangell since 1990. The Wrangell sawmill closed mid December 1994. The Alaska Department of Labor does not include commercial fishermen in its employment count. The reports regarding employment from Alaska Department of Labor are delayed at least 6 months.

ANNUAL EMPLOYMENT AND PAYROLL: 1990 - 1994

<u>YEAR</u>	<u>TOTAL EMPLOYED</u>	<u>TOTAL PAYROLL</u>
1990	10,690	\$23,409,618
1991	11,004	\$24,814,297
1992	11,603	\$27,766,923
1993	12,528	\$31,621,059
1994	12,972	\$31,176,659
1995 (thru 3rd qtr)	7460 *	\$16,760,120 *

Source: Alaska Dept. of Labor

Note: The APC mill officially closed December 15, 1994. Layoffs started occurring in the two months prior to the closure.

* Through third quarter (January - September 1995) only. Based on these figures so far, Wrangell is back to 1990 earning levels.

Most noticeably in the mix of industries is the dramatic change in the manufacturing and government sectors of the economic base. In 1994, manufacturing jobs comprised 29% of the available jobs, today it has dropped to 11.4%. Likewise, government jobs comprise 47.4% of the economic base compared to 32% two years ago.

UTILITIES

The electrical utility in Wrangell is owned by the City. The mill received a low cost interruptible power contract from the Tyee Hydroelectric project. With the mill in operation, typically they would use approximately 1 million Kwh per month. They are currently down to 100,000 kwh per month. From their utility payments, the City keeps 45% of the payment. At the time of operation of the mill, the City netted approximately \$240,000. The net for 1994-5 is estimated to be only \$135,000 (half the year APC was in operation).

HOUSING MARKET

During the summer of 1994, Wrangell had a 0% vacancy rate in rental units. A recent survey (Jan 96) of primary landlords revealed that out of 316 units, 54 or 23% were vacant. House sales have continued to take place, but they have remained on the market for several months, unlike the summer of 1994 when it was a "who you know" and 24 hour sale.

SCHOOL ENROLLMENT

School district had enrolled in October of 1995 655 students for the formula funding count. Currently there are 532 students and the school is anticipating a drop to 520 students for next year.

PROPERTY TAX ASSESSMENTS

Alaska Pulp Corporation's real and personal property tax collected was approximately 20% of Wrangell's tax revenue. The City just completed a citywide reassessment of real and personal property. The mill's property valuation has dropped by \$2 million.

News from the Senate Majority

Alaska State Legislature

Contact: Senator Robin Taylor
907/465-3873

For Immediate Release: April 4, 1996

Timber Resolution Passes Senate Contract Extension Ensures Economic Stability In Southeast

Juneau -- The Senate Thursday passed Senate Joint Resolution 40 supporting the extension of Ketchikan Pulp Company's (KPC) timber contract for an additional fifteen years.

"We filed Joint Resolutions in the Senate and House to encourage our Congressional Delegation and our Governor to support and extend the Ketchikan Pulp Company long-term contract," said Wrangell Senator Robin Taylor.

In a recent press conference, Senator Taylor and Saxman Representative Bill Williams explained that KPC is the sole remaining pulp mill in Alaska and a major employer in the Southeast region. Without the extension, KPC may go out of business after the year 2004 when its current contract expires and an entire Alaska industry will cease to exist. This will have devastating social and economic impacts to families and communities throughout Southeast Alaska.

"The future availability of a wood supply is not the only hurdle that KPC faces. More than \$155 million in capital expenditures is required for KPC to stay current with ever changing federal environmental standards and operating needs. As a matter of economic common sense, a minimum fifteen year extension is needed to amortize the debt over time," Representative Williams said.

"A large percentage of the trees that are harvested on the Tongass National Forest are of low quality and can only be used for pulp," Taylor said.

"Over thirty percent of the wood standing in the forests of Southeast Alaska is dead and dying. It's essential that this forest resource not be wasted. As a consequence, it's crucial that a large pulping operation such as the Ketchikan Pulp Company be available for the marketing and the value added processing of timber," said Taylor.

Broadcast Note: Please call 800/478-6540 for the April 4th Update.

Box 1: Press one to hear Senator Lyda Green comment on SB 181 to establish better signage on Alaska roadways. It passed the Senate Wednesday.

Box 2: Press two to hear Senator Robin Taylor comment on SJR 40 that passed the Senate Thursday.

Box 3: Press three to hear Senator John Torgerson comment on SB 280, The Mandatory Borough Act, that was amended and reported out of Senate Finance Thursday.



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3/29/96

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March 25, 1996

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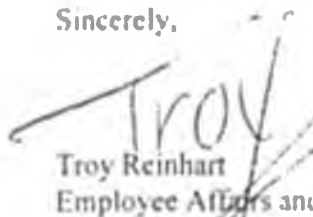
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FAX: 907-586-3028

VIA FAX

Please accept the attached op-ed as a submission to your publication. This is a timely issue and of great interest to your readers.

If you have any questions please let me know.

Sincerely,


Troy Reinhart
Employee Affairs and Public Relations

- cc: Ralph Lewis
- Owen Graham
- Bill King
- Phil Nacke
- Will Woodell
- Senator Robin Taylor
- Representative Bill Williams
- Representative Jerry Mackie

OPERATING DIVISIONS

WARD COVE PULP MILL
THORNE BAY LOG

KETCHIKAN SAWMILL
TURKIN LOG
NAUKATI LOG

ANNETTE HEYLOCK SAWMILL
ELI CARPENTER LOG

THE FOREST SERVICE SHOULD HONOR ITS COMMITMENT

By Owen Graham

Senator Murkowski's recent letter to Secretary Glickman, expressing concern about the low volumes associated with the alternative Allowable Sale Quantities (ASQs) which the Forest Service will seriously consider in the Tongass Land Management Plan (TLMP) revision process, was right on. The Senator pointed out that whereas, in his confirmation hearing, Secretary Glickman had promised to provide an ASQ large enough to sustain Ketchikan Pulp Company (KPC), and to provide 100 million board feet (mmbf) for the independent operators, the volumes associated with the new TLMP alternative which the Forest Service has under serious consideration are simply too low to sustain even KPC's mills alone.

Reneging on its commitments - including its contractual commitments - has become increasingly common with the Forest Service following passage of the Tongass Timber Reform Act (TTRA) in which the Forest Service was to "seek to meet market demand." For several years now, the industry has suffered from a chronically short supply as seen by the closures of the Sitka pulp mill, the Wrangell sawmill and the Seaborne Lumber mill. Now the Forest Service is attempting to reinvent history regarding the volume which it is obligated to provide KPC under its long term contract.

Until December 1994, the Forest Service had agreed that the volume to which KPC would be entitled each year was determined by dividing the then remaining contract volume by the number of years remaining on the contract. The Forest Service recognized that the contract volume to which the company was entitled by this formula is 205 million board feet in its 1993 Central Prince of Wales (CPOW), North Revilla and Polk Inlet Final Environmental Impact Statements (FEISs). As an example of the Forest Service position in each of those documents, the Forest Service said in the CPOW Final EIS (1993):

"The total timber harvest called for under the long term contract is 8.25 billion board feet. Analysis indicates that KPC needs to harvest an average of 205 mmbf per year to complete the contract. Four timber projects, North Revilla, CPOW, Lab Bay and Polk Inlet, were initiated for the KPC long term contract within the primary sale area (PSA) as directed

by the contract to seek to find timber supplies within the PSA before seeking volume within the contingency areas. These four projects are needed to provide sufficient volume to provide KPC with 205 million board feet for the 1993 logging season, as well as to provide a three year timber supply of 615 million board feet. The desired timber supply is therefore \$20 mmbf."

Likewise, in the Regional Forester's decision on the Tongass Conservation Council's appeal of the North Revilla EIS (1994), the Forest Service said:

"The Forest Service is obligated to provide a supply of timber to KPC. KPC has obligations on how much they can harvest. . . . using the total supply requirement of the contract (8.25 billion board feet), the FEIS, Chapter 1, page 22, estimates the amount remaining to be supplied to KPC as 'approximately 205 mmbf based on the amount harvested by KPC so far . . ."

Only after contracting officer Fred Walk's December 1994 decision with respect to KPC's claim for damages due to shortfall in the timber volume supply during the 1989-94 operating period did the Forest Service adopt a new position that it is only obligated to supply Ketchikan Pulp an average of 154 million board feet per year - 51 million board feet less than it had previously acknowledged was owed.

Incredibly, the Forest Service evidently can't even keep track of how much KPC has logged. They claim KPC harvested 926.9 mmbf in the last 5-year period. We actually harvested only 854.5 mmbf. That was nearly 100 mmbf less than the minimum 5-year period volume that KPC is due. That shortfall resulted in mill downtime and employee layoffs.

The current Forest Service administration should consider the words of the first regional forester for Alaska, Charles Flory. In 1920 Flory stated, "It is a shameful thing that American businessmen are so distrustful that they hesitate or actually refuse to enter into contracts with our government." Flory's goal in preparing long term contracts for Tongass National Forest timber was to, ". . . be able to show American industry that the Forest Service at least can safeguard its contracts so that there be no fear that the whims and fancies of changing administrations can jeopardize them." It appears Flory's goal has not been realized.

#####

Owen Graham is a professional forester and Timber Manager at Ketchikan Pulp Co.

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7 Of Attorneys for Alaska Forest Association

8 UNITED STATES DISTRICT COURT
9 FOR THE DISTRICT OF ALASKA

10 ALASKA WILDERNESS RECREATION AND)
11 TOURISM ASSOCIATION, et al.,)
12)
13 Plaintiffs,)
14 v.)
15) No. J94-033-CV (JWS)
16 GARY A. MORRISON, Forest Supervisor,)
17 et al.,)
18)
19 Defendants.)
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26)
DECLARATION OF
JAMES M. HASENOHRL
(POLICE CHIEF,
CITY OF WRANGELL)

17 I, James M. Hasenohrl, pursuant to 28 U.S.C. § 1746,
18 hereby declare as follows:

19 1. I am the Chief of Police of the City of Wrangell,
20 Alaska and have served in that position since March 1995. Prior to
21 my appointment as Chief, I had served on the Wrangell police force
22 continuously since January 1991.
23

P. Laf. T. Fyfe CC

1 2. Alaska Pulp Corporation (APC) ceased operations at
2 its Wrangell sawmill in September 1994, and laid off people over
3 the subsequent months until, in mid-December 1994, the sawmill
4 closed its doors completely. The Wrangell Police Department has
5 experienced an increased number of calls for service in almost
6 every category since the sawmill closed. The per capita rate of
7 such increases would be even greater than the simple percentage of
8 increases, inasmuch as we have lost part of the population in
9 Wrangell due to the mill closure.
10
11

12 3. Based on the Police Department's records, our
13 department has experienced the following trends in the below listed
14 categories of calls for service from the Police Department.
15

<u>Categories of Calls for Service</u>	<u>Calendar Year</u>	<u>Number of Calls</u>
Total calls for service	1992	2,318
	1993	2,287
	1994	2,373
	1995 ¹	2,987
Domestic Disturbances	1994	16
	1995	66

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24 ¹ Figures for 1995 are through November 30, 1995, and thus
25 figures for the entire year will be larger.

p2 of 7 Exhibit CC

1	Disturbances Other than Domestic	1994	254
2		1995	257
3	Misdemeanor Thefts	1994	60
4		1995	52
5	Criminal Mischief/Vandalism	1994	64
6		1995	101
7	Family Issues	1994	1
8	Child Welfare/Endangerment	1995	5
9	Criminal Non-Support/Contributing		
10	Harassment	1994	51
11		1995	66
12	Weapons Offenses	1994	4
13		1995	6

14 4. The largest increases from 1994 to 1995 appear to
 15 have been in the areas of family disturbances (which usually
 16 involve adults under stress) and criminal mischief/vandalism (which
 17 usually involves juveniles). Many of the increasing problems with
 18 juveniles have shown up in the schools.

19 5. Attached, for the Court's reference, is a report
 20 prepared by Carol Rushmore, Economic Development Director for the
 21 City of Wrangell, in the Summer of 1994, entitled "City of
 22 Wrangell: Snapshot of the Economic Picture." That report deals
 23 with trends in unemployment rates, declines in sales tax revenues.

pc3 of 7 EXTRA CC

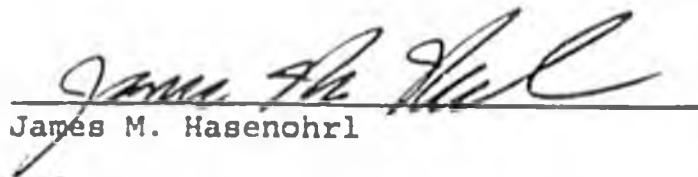
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declines in City revenue from the electrical utility which the City owns, potential effects on school enrollment, and potential effects on property tax mil rates.

I declare under penalty of perjury that the foregoing is true and correct.

DATED THIS 19TH day of December, 1995.


James M. Hasenohrl

4 of 7 serial CC

SUBMITTED BY CAROL RUSHMORE
CITY OF WRANGELL ECONOMIC DEVELOPMENT DIRECTOR.

SR

CITY OF WRANGELL SNAPSHOT OF THE ECONOMIC PICTURE

Population: 2,589 (Alaska Department of Community and Regional Affairs, 1994)

UNEMPLOYMENT RATES

The following table of unemployment rates for the City of Wrangell compares the months of December (APC mill closure in Wrangell) through May of 1992, 1993, 1994 and 1995. Wrangell always has higher unemployment in the winter months due to the seasonality of many jobs, but this winter's figures speak for themselves. Next fall and winter may be bleaker.

<u>Year</u>	<u>Dec.</u>	<u>JAN.</u>	<u>Feb.</u>	<u>March</u>	<u>April</u>	<u>May</u>
1991-1992	-	14.8%	14.2%	13.0%	12.3%	9.8%
1992-1993	8.8%	11.4%	13.4%	9.4%	7.2%	6.7%
1993-1994	9.1%	13.4%	15.3%	14.1%	9.6%	7.5%
1994-1995	18.3%	21.6%	20.7%	19.6%	16.2%	-

ANNUAL EMPLOYMENT AND PAYROLL

The following table shows the growth in annual employment figures and payroll (sum of number employed each month, and sum of payroll figures each month) for Wrangell since 1990. The Wrangell saw mill closed mid December 1994. When you eliminate the employees of the single largest employer (225) plus the number of other direct and indirect employment affected from the closure (i.e., tug boat operators, longshoremen, independent loggers, truckers, construction, transportation, machine shop, merchants, restaurants) it is obvious the economic impact will be severe. The Alaska Department of Labor does not include commercial fishermen in its employment count. The reports regarding employment from Alaska Department of Labor are delayed at least 6 months. It will not be until next fall and winter when the City and its citizens are hurting severely that we will have available the official statistics for the City for the current period. The City is attempting to compile on-going estimates of the number of people being laid off, leaving town or otherwise affected from the closure so as to report on a timely basis our economic situation.

The following table shows the growth in total annual employment and payroll for Wrangell since 1990. Unfortunately the figures for the fourth quarter 1994 will not be compiled and available until early June (Ak Dept. of Labor). However, when you eliminate the employees of the single largest employer (225) plus the number of other direct and indirect employment affected from the closure (i.e., tug boat operators, longshoremen, independent loggers, truckers, construction, transportation, machine shop, merchants, restaurants) it is obvious the economic impact will be severe.

As of 7/7/94 Exhibit CC

ANNUAL EMPLOYMENT AND PAYROLL: 1990 - 1994

<u>YEAR</u>	<u>TOTAL EMPLOYED</u>	<u>TOTAL PAYROLL</u>
1990	10,890	\$23,409,618
1991	11,004	\$24,814,297
1992	11,603	\$27,766,923
1993	12,528	\$31,621,059
1994	12,672	\$31,178,659

Source: Alaska Dept. of Labor

Note: The APC mill officially closed December 15, 1994. Layoffs started occurring in the two months prior to the closure.

CITY COLLECTED SALES TAX

The City Finance Director recently did a comparison of the sales tax collected for the first quarter of 1994 and the first quarter of 1995. There has been a -13.54% drop in collected sales tax revenues from the merchants. This has serious implications not only for the local businesses, but also for the City's budget. Current sales tax levied on all goods and services is 7%.

2nd QTR -8.5% 3rd -6.5%

UTILITIES

The electrical utility in Wrangell is owned by the City. The mill received a low cost interruptible power contract from the Tye Hydroelectric project. With the mill in operation, typically they would use approximately 1 million Kwh per month. They are currently down to 100,000 kwh per month. From their utility payments, the City keeps 45% of the payment. At the time of operation of the mill, the City netted approximately \$240,000. The net for 1994-5 is estimated to be only \$135,000 (half the year APC was in operation). Next year the drop is estimated to be over \$200,000.

HOUSING MARKET

Last summer, we had a 0% vacancy rate in rental units. At this time, based on a survey of the largest landlords (with 3 units or more), Wrangell's rental market has around 35% vacancy (out of 90 units). House sales last summer were very quick turn arounds. It was often a "who you know" and the house was sold before word got around. Currently, there are approximately 25 houses on the market, that are staying on the market. No new property assessments were done this year. The City assessor is monitoring the sales and will do a City wide reassessment January 1996.

Alfred T. Edmon C.C.

SCHOOL ENROLLMENT

Another effect is the potential loss in school enrollment, currently at 544. The school district has done several surveys of mill employees to determine potential loss of students. The school district is currently anticipating a 17% loss in enrollment for next year. This should invoke the State Board of Education hold harmless clause which will mean only approximately a \$120,000 state revenue loss. If less than a 10% drop should occur, which is a possibility, the school district could lose up to \$240,000 in State education funding.

PROPERTY TAX ASSESSMENTS

Alaska Pulp Corporation's real and personal property tax collected is approximately 20% of Wrangell's tax revenue. The mill's closure raises some questions as to APC's future intended use of two critical properties. The current mill site which is located at approximately 6.5 miles from City center on Zimovia Highway with a deep water dock and extensive upland land area and the old mill site which is an approximate 15 acre site next to downtown, also with a deepwater dock. The town site dock is considered underutilized. It is used for storage but also the loading and unloading site for one local barge company.

The current tax rate in Wrangell is 10 mil, however there are four zones, each with a differential rate. The City Council is still in the budget review process and facing a serious shortfall. It is unknown yet if the mil rate will have to be raised to maintain services at even a somewhat lesser level than present.

<u>City Tax Assessment</u>	<u>City Tax Collected</u>	<u>APC Assessment</u>	<u>APC Tax Paid</u>
1992 Personal and Real Property:			
87 million	\$891,000	20.5 million	—
1993 Personal and Real Property:			
87.5 million	\$769,200	—	\$164,000
1994 Personal and Real Property:			
92.7 million	\$829,068	21.6 million	\$169,000
1995 Personal and Real Property:			
92.9 million	—	20.3 million	—

P. J. J. Estlin C.C.

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9 FOR THE DISTRICT OF ALASKA

10 ALASKA WILDERNESS RECREATION AND)
11 TOURISM ASSOCIATION, et al.,)
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15)
16 GARY A. MORRISON, Forest Supervisor,)
17 et al.,) No. J94-033-CV (JWS)
18)
19 Defendants.)
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DECLARATION OF
VAL REVAR

18 I, Val Revard, pursuant to 28 U.S.C. § 1746, hereby
19 declare as follows:

20 1. I am the Executive Director of the Women's Shelter,
21 operated by Sitkans against Family Violence (SAFV), in Sitka,
22 Alaska, and have been for 3.5 years. I have worked at SAFV since
23 1983.
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143 Exhibit AA

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2. I have been asked to report, based on my experience with SAFV here in Sitka, as to what effect there may be (if any) upon the amount of violence within families, when a major employer in a community ceases its operations and its employees are laid off.

3. Alaska Pulp Corporation (APC) announced on June 30, 1993 that its pulp mill in Sitka would be closing, effective September 30, 1993.

4. I can provide comparative figures for the use of SAFV Shelter in Sitka, comparing the period July through December of 1992, with the same period of time in 1993 (following the pulp mill's announcement it would be closing and including three months following its actual closure). In 1992, 71 individuals used our shelter during the six month period July through December; 114 individuals spent at least one night at the SAFV Shelter during those months in 1993.

5. Another way to look at the picture is to compare "bed nights," or the number of overnight stays. From July through December 1992, the figure for number of bed nights was 480. During

P 2 of 3 Exhibit AA

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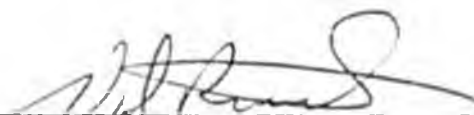
the same period during 1993, the figure had more than doubled to 1,123.

6. I know, based on interviews with individuals who came to the shelter, that the pulp mill closing was a factor in the family dysfunction that caused many of them to flee their homes. Of the increase (643) in bed nights for the last half of 1993 over that period in 1992, 220 (or 34%) were directly related to the closing of the pulp mill.

7. Based on this experience, it is my belief that whenever families are severely impacted economically, family problems including domestic violence increase significantly as a result.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 30 day of November, 1995.



Val Revard

KDN 4/3/96

From other editors

Endorse resolutions

Resolutions introduced in the Alaska House and Senate recently call on the governor and the Alaska congressional delegation "to take all steps necessary" to add 15 years to the long-term timber contract between the federal contract and the Ketchikan Pulp Co.

That contract, designed to assure KPC a source of pulp material from the Tongass National Forest, now is scheduled to expire in the year 2004.

Similar to the ways in which the state is attempting to support commercial fishing, tourism, mining and the oil industries, this initiative could give an important boost to Alaska's timber industry. It amounts to a clear statement of legislative support for Southeast's economic mainstay — an action that is both timely and vital.

The Ketchikan pulp mill is facing a decision regarding an additional investment of \$155 million to meet the latest federal environmental standards. The additional 15 years on KPC's timber contract are needed to give the company sufficient time to amortize the large investment.

The situation is urgent. For there to be a viable timber industry in Southeast, there must be a major pulp operation like KPC to make use of the low-grade trees and byproducts of timber harvesting for lumber production. The pulp mill operation is essential to protect forest health and assure full utilization of a timber harvest.

Hundreds of families in Southeast Alaska, as well as the communities themselves, rely on a viable timber industry. The Legislature can demonstrate the state's support for that industry by unanimously approving the resolutions.

We applaud the sponsors for their initiative and encourage all 60 lawmakers to endorse the call to action.

— Voice of The (Anchorage) Times, March 28

2

**LEGISLATIVE HISTORY RE:
PROMISES REGARDING JOBS
MADE IN THE TTRA**

FROM: Senator Robin Taylor

The 420 million board feet (mmbf) referenced in the Committee Substitute is based upon the promises of environmental groups and their supporters in Congress that no jobs would be lost if the Tongass Timber Reform Act of 1990 (TTRA) were passed. At the time of passage of the TTRA, the Tongass Land Management Plan (TLMP) provided 450 mmbf. Afterwards, Regional Forester, Mike Barton, proposed 420 mmbf as the new TLMP revision amount based upon changes made by the TTRA. (See February 1993 final draft TLMP Revision Record of Decision.) In fact, the timber industry has lost 42% of its jobs since 1990. Here are the jobs promises that were made at the time the TTRA was moving through Congress:

- 136 Cong. Rec. H12, 832-840 (daily ed. Oct. 26, 1990).

"I am very proud of the fact that the gentleman from California [Mr. Miller] and others in the House and Senate worked together to do some things that are going to allow the timber industry to coexist with the fishing industry and tourism . . ." H12, 839 (statement of Rep. Mrazek).

H.R. 987 is a "compromise that I think recognizes the diverse constituency around the Tongass and the multiple uses necessary in the Tongass so that all Alaskans may benefit from this legislation, from those who enjoy it to those who must make their living within the Tongass." H12, 833 (statement of Rep. Miller).

- 136 Cong. Rec. S17, 995-999 (daily ed. June 12, 1990).

The conference agreement on H.R. 987 "protects key fisheries and wildlife habitat. And, importantly, the conference agreement retains a viable, healthy timber industry." S17,996 (statement of Sen. Johnston).

- 136 Cong. Rec. S7729-S7819 (daily ed. June 12, 1990).

"On March 7, Mr. President, the Committee on Energy and Natural Resources came to a compromise solution for this, which I believe is fair to all interests, and serves well both the environment and the jobs left in Alaska." S7730 (statement of Sen. Johnston).

"This proposal sought to provide for a better balance between the commodity and noncommodity resources of the forest while protecting the local economy from economic disruption." S7730 (statement of Sen. Johnston).

"I think we reached a very reasonable compromise on this piece of legislation. . . . One would not want it to appear that somehow this legislation runs counter to the economic needs or desires of southeast Alaska." S7735 (statement of Sen. Wirth).

"I believe this is a balanced bill that will adequately protect this majestic national forest in Alaska while assuring a sustainable supply of timber for current and future needs." S7754 (statement of Sen. Bingaman).

This legislation "recognizes that some areas should be protected while others should be managed for a sustainable supply of timber." S7754 (statement of Sen. Bingaman).

- *Act to Amend the Alaska National Interest Land Conservation Act, to Designate Certain Lands in the Tongass National Forest as Wilderness, and for Other Purposes: Hearings on H.R. 987 Before the Subcomm. on Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources* (pt. 3), 101st Cong., 2d Sess. (1990).

"I think it is important to state that H.R. 987 does not mean loss of Tongass timber jobs." *Id.* at 119 (statement of K.J. Metcalf, SEACC).

"[N]o existing Tongass-dependent timber jobs would be lost by comprehensive legislation." *Id.* at 123 (statement of K.J. Metcalf, SEACC).

"We do not feel that our position is anti-logging, that logging is bad. What we are trying to get is the prudent management." *Id.* at 162 (statement of K. Troll, Southeast Alaska Seiners Association).

"It has never been our intention to close the pulp mills through H.R. 987, and I do not think that they would be closed." *Id.* at 309 (statement of K.J. Metcalf, SEACC).

Based on Forest Service figures, "SEACC believes H.R. 987 would have no impact on existing Tongass-dependent timber jobs." *Id.* at 348 (statement of Bart Koehler, SEACC).

- 135 Cong. Rec. H3689-H3705 (daily ed. July 13, 1989).

"The new wilderness areas will not affect the ability to meet industry demand in the Tongass." H3684 (statement of Rep. Miller).

"... certainly it is not the intention, my intention as the original sponsor of the Tongass Timber Reform Act, to drive the timber industry out of southeast Alaska." H3684 (statement of Rep. Mrazek).

- House Rules Committee Transcript (undated excerpt)

"The timber will still be available." *Id.* at 42 (statement of Rep. Miller).

"I am very much aware it is very easy to roll over the Representative from Alaska, because it is a throwaway vote for everybody else in the lower 48. This isn't about closing the mills. This isn't about locking up the timber so they can't have it. This is simply saying we ought to engage in modern practices." *Id.* at 50 (statement of Rep. Miller).

"The timber will be there. It will be there in almost double the amounts they have ever cut. They will have to compete for it on the open market like everybody else and take into consideration other economic things." *Id.* at 50 (statement of Rep. Miller).

- Senate Comm. on Energy and Natural Resources, Tongass Timber Reform Act, S. Rep. No. 261, 101st Cong., 2d Sess. (1990), *reprinted in* 1990 U.S.C.C.A.N. 6232.

"... the Committee has adopted an amendment in the nature of a substitute to H.R. 987, which seeks to improve management of the Tongass by balancing the commodity and noncommodity resources of the forest in a manner which will not harm nor destabilize the local economy." S. Rep. No. 261, at 9.

"The designation of 23 additional areas would have a minimal impact on the local timber industry." S. Rep. No. 261, at 31 (additional views of Senators Metzbaum and Bradley).

- *Acts to Reform the Tongass Timber Supply Fund, and to Amend the Alaska National Interest Lands Conservation Act and for Other Purposes: Hearings on S 237 and S 346 Before the Subcomm. on Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources* (pt. 2), 101st Cong. 1st Sess. (1989).

"It is not my intent to stop timber harvest on the Tongass National Forest, or to close the mills in Ketchikan and Sitka, nor do I think that will happen." *Id.* at 3 (statement of Sen. Wirth).

"I was struck by a number of panelists saying that if the Wirth bill passes the mills are going to close down. Is there a position in the legislation that says that the mills are going to be closed down? The answer to that is no." *Id.* at 66 (statement of Sen. Wirth).

"I think also it is unfortunate that some people in the timber industry said they were going to have 30 percent unemployment or 40 or 50 percent unemployment if this legislation passes." Id. at 66 (statement of Sen. Wirth).

"I just wanted for the record to point that out so everybody understands it, that there is no provision in the legislation that says that mills are going to be closed down. They will compete like other mills but there is nothing that says that they will be closed down." Id. at 66 (statement of Sen. Wirth).

"The timber industry is also an important source of renewable resource income in southeast Alaska and always will be. Our interest is not to put our friends and neighbors out of work but rather we want the Forest Service to provide adequate protection of fish rearing and spawning habitat which is critical to the survival of the fishing industry." Id. at 112 (statement of Kate Graham, UFA).

"We are not asking that the timber industry be done away with as we feel it is also important and vital to the economy of southeast Alaska but we want multiple-use protection." Id. at 115 (statement of Kay Andrew, United Southeast Alaska Gillnetters Association).

"Senate Bill 346 would not weaken the timber industry, but rather provides the best for all. The legislation provides protection for areas valuable to the wilderness recreation and visitor industry but it still provides latitude for increased timber harvest." Id. at 131 (statement of Dale Pihlman, ADFG).

"I can say that the Tongass Timber Reform Act will not effect Tongass timber dependent employment." Id. at 208 (statement of Joseph R. Mehrkens, Southeast Alaska Natural Resources Center).

"Under the Tongass Timber Reform Act there will be a sufficient timber supply to meet timber demands into the foreseeable future." Id. at 213 (statement of Joseph R. Mehrkens, Southeast Alaska Natural Resources Center).

"Senator Wirth's bill would remove fifty million board feet a year from the Tongass timber base for the protection of other forest values such as tourism, commercial fishing, and subsistence. The bill would also leave the forest products industry with 400 million board feet a year to harvest -- enough to preserve all current logging-related jobs based on past cutting levels." Id. at 410 (statement of Mark Kirchhoff, Port Alexander).

"Let me set the record straight. Yesterday, we had a number of comments saying that people's livelihood was going to be destroyed, jobs were going to be taken away, the whole economic fabric of Southeast Alaska was going to fall apart. If the mills were forced to close down, all this would turn into wilderness, and the timber industry would stop. There is no provision in the bill that says we are going to shut down the timber industry." Id. at 423 (statement of Sen. Wirth).

- *Act to Amend the Alaska National Interest Lands Conservation Act, to Designate Certain Lands in the Tongass National Forest as Wilderness, and for Other Purposes: Hearings on H.R. 987 Before the Subcomm. on Water, Power, and Offshore Energy Resources of the House Comm. on Interior and Insular Affairs, 101st Cong., 1st Sess. (1989).*

"One of the questions that has been raised relates to whether the cancellation of the long-term contracts with Alaska Pulp and Louisiana Pacific would put the pulp mills out of business. I think it is important to understand that that is certainly not my intent as primary sponsor of the legislation. Certainly there would be plenty of available timber, regardless of whether this legislation passes -- if this legislation were to pass -- available timber for use by the pulp mills." *Id.* at 12 (statement of Rep. Mrazek).

"Finally, I want to suggest that the questions that have been raised by the Alaska delegation, as to whether this legislation is intended to drive the timber industry out of business inside Alaska, I would like to state for the record and for the people who live in southeast Alaska that I think there can be a harmonious relationship between commercial fishing, tourism and the timber industry." *Id.* at 12 (statement of Rep. Mrazek).

"First let me say that we're as concerned as anyone in this room with the need to maintain a healthy economy and a stable timber industry in southeast Alaska." *Id.* at 22 (statement of Larry Edwards, SEACC).

"If all 22 areas in H.R. 987 are permanently protected, the legislation would reduce the scheduled timber harvest by only 11 percent. That still provides enough timber for the Tongass-dependent timber industry to continue at current levels and even to expand." *Id.* at 23 (statement of Larry Edwards, SEACC).

"H.R. 987 IS JOB NEUTRAL. Passage of H.R. 987 will have no effect on the number of jobs in the Tongass-dependent timber industry of southeast Alaska." *Id.* at 56 (statement of Larry Edwards, SEACC).

Rep. Young: "What happens if [the Sitka] mill shuts down?"

Larry Edwards: "It's not going to. I mean, we're not going to affect the timber base." *Id.* at 77.

"The timber industry is also an important source of renewable resource income in southeast Alaska. Many of our friends and even commercial fishermen are involved in the forest products industry and we want them to be provided the opportunity to make a living." *Id.* at 607 (statement of Earl E. Krygler, Alaska Trollers Association).

- *Acts to Reform the Tongass Timber Supply Fund, and to Amend the Alaska National Interest Lands Conservation Act and for Other Purposes: Hearings on S. 237 and S. 346 Before the Subcomm. On Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources*(pt.1), 101st Cong., 1st Sess. (1989).

Adoption of S. 346 "would not limit the ability of timber operators to purchase ample volumes of timber, to operate wood processing facilities, or to employ Alaskans." *Id.* at 128 (statement of Larry Edwards, SEACC).

"S. 346 IS JOB NEUTRAL. Passage of S. 346 will have no effect on the number of jobs in the Tongass-dependent timber industry in southeast Alaska." *Id.* at 150 (statement of Larry Edwards, SEACC).

- *Act to Require Annual Appropriations of Funds Necessary to Support Timber Management and Resource Conservation on the Tongass National Forest: Hearings on H.R. 1516 Before the Subcomm. on Energy and the Environment of the House Comm. on Interior and Insular Affairs*, 100th Cong., 1st Sess. (1987).

"I think it is fair to say that all of us are concerned about southeast Alaska and we are concerned about jobs. I certainly don't have any antitimber feelings or attitudes." *Id.* at 10 (statement of Rep. Mrazek).

"Personally, I am not opposed to logging. I can agree with meeting on the marketplace." *Id.* at 75 (statement of Ms. Kaden, Alaska Discovery Tours).

The TTRA (H.R. 1516) "would not limit the ability of timber operators to purchase ample volumes of timber, to operate wood processing facilities, or to employ Alaskans." *Id.* at 235 (statement of K.J. Metcalf, SEACC).

"I want to clearly emphasize that the Territorial Sportsmen are not opposed to logging and that we support sound development which enhances the economy of Alaska." *Id.* at 365 (statement of Jack Lentfer, Territorial Sportsmen).

"UFA believes that it is important to Southeast Alaska to have a vital timber industry there. Not only does it support the general economy of the region, but it also helps provide necessary jobs and support services." *Id.* at 614 (statement of Kate Graham, UFA).

"We believe that a reasonable timber harvest program on the Tongass, coupled with adequate investments in fish, wildlife and scenic resources, will build and support business ventures in Southeast Alaska that can maintain regional employment at current levels." *Id.* at 675 (statement of Lonnie L. Williamson, Wildlife Management Institute).

Sunau Empire
12/17/95

Setting right misunderstandings about Tongass Alternative 'P'

By MIKE BARTON

Recent newspaper stories regarding the Tongass Land Management Plan and Alternative "P" indicate that there is a great deal of misunderstanding about the process used to formulate Alternative "P" as well as precisely what it is.

A number of lines have been devoted to the notion that Alternative "P" has been developed without consideration of public input. That simply is not correct. Such assertion fails to recognize the long hours devoted by many members of the public to studying and understanding the complex issues associated with the Tongass. In the very early stages of the planning process 600 members of the public provided written responses which identified the issues to be addressed in the planning process. Later, 3,700 members of the public provided written responses to the Draft Environmental Impact Statement (DEIS). When a supplement to the DEIS was issued to incorporate the Tongass Timber Reform Act into the plan 7,300 members of the public provided written responses. Further, such reports do not recognize the many hours that numerous members of the public spent at the many dozens of public meetings held in Anchorage, Washington, D.C., and Seattle and throughout Southeast Alaska. To say that Alternative "P" was formulated without public participation is unfair to the many people who took the time to participate in the process. The record is replete with responses from the public and public meeting notes.

Some reports have stated that Alternative "P" ignores recreation and wildlife. A brief examination of Alternative "P" shows some of what it does offer in these areas as well as some other areas. Approximately 70 percent of the Tongass is to be managed in an unaltered condition. Two-thirds of the acreage in over 1,500 recreation places identified by the public was included in natural settings. Another 21 percent was included in areas allocated for moderate development. Over 90 percent of the old growth that existed in 1954 will remain even if Alternative "P"

were implemented for 50 years; usually the life of a forest plan is 10-15 years though there is a public process to amend the plan whenever needed. Seventy-three percent of all subsistence resources would be completely unaffected. 25 Wild or Scenic Rivers are recommended to Congress. Six new Research Natural Areas are added to the existing six. Sixteen Special Interest Areas are established. Timber harvest would be permissible on approximately 10 percent of the total land area of the Tongass during the 100-year timber management rotation periods or approximately one tenth of one percent per year. The Tongass is about the size of West Virginia. Approximately 420 million board feet could be harvested annually on a sustained yield basis. The actual amount harvested would be dependent upon Congressional appropriations and markets. Under Alternative "P" the Tongass could provide an economic contribution to Southeast Alaska of approximately \$400 million annually through some 14,000 private sector jobs. Local communities could also benefit from up to \$10 million annually as a result of the 25 percent fund which returns that percentage of National Forest receipts to local communities. Alternative "P" includes capital investment programs for recreation, fish habitat improvements, wildlife habitat improvements, and transportation.

Some reports have said that Alternative "P" is a timber industry alternative. If that is so, it certainly wasn't apparent during the formulation of Alternative "P." The timber industry argued strenuously for other alternatives. In fact, the timber industry asked that additional alternatives be formulated with higher allowable sale quantities that were contained in the range of alternatives being considered.

There has been much rhetoric in some stories about having the planning process "science based." That's certainly necessary and has always been the case for the Tongass Plan Revision. But this platitude is being bandied about by some as if science will produce the "right" answer. Rather, science should provide credible information that people need to evaluate the policy choices. Once people choose from among the wide range of choices available then applied science provides the tools to implement what is chosen.

It is critical though that science be distinguished from informed speculation. When the well-being of families and economic livelihood

hood of communities is at risk and if the public is to be well served, it's important that the rigor, peer scrutiny, scientific discipline, and reproducibility long associated with scientific endeavor be attributes of a "science based" planning process for the Tongass.

Jim Clark

SIERRA CLUB LEGAL DEFENSE FUND

RECEIVE

Victor M. Sher
President

AUG 15 1994

Robertson Monagle & Easton
Juneau, Alaska

Dear Supporter,

Imagine you had a chance to go back and "do it right." To take what you know now, return to the past, and start over -- avoiding the mistakes you made the first time around.

Well, you and I have precisely that opportunity...in Alaska.

There, a 22-million acre wilderness -- still mostly unspoiled despite incursions by greedy timber companies -- exists in all its primeval splendor.

Anchored by the Tongass and Chugach National Forests -- America's largest and second largest forests respectively -- this 1,000 mile arc of Alaskan coast and archipelago is the last largely intact temperate rainforest ecosystem on earth.

It is here that we -- you and I -- still have a chance to "do it right" -- in a way NEVER done anywhere in America before.

And that's why I'm writing to you today:

Thanks to a unique decision just handed down by the U.S. Forest Service, the decks are now cleared for us to push our Alaska Rainforest Campaign -- a multi-year effort to save this magnificent wilderness -- to final success.

But to give this drive to "final victory" its best shot, WE NEED YOUR HELP NOW!

You see, we're not the only ones who realize that the Tongass and Chugach Forests could soon win permanent and sweeping protection:

The profit-driven timber interests arrayed against us know it, too. They know that if we prevail, their days of plundering the Tongass and other forested lands will be over.

But such easy profits are not something they're willing to give up without a fight. So they've pulled out all the stops -- calling in political favors and unleashing legions of high-priced attorneys -- in a last-ditch campaign to defeat us.

So unless we respond quickly and powerfully, they COULD still snatch victory away from us! Which is why I'm asking you to help us today with immediate and generous financial support -- as much as you can afford.

Here's the situation:

The Tongass and Chugach Forests have so far largely escaped

(over, please)

the fate of border-to-border, "cut and run" timber harvests. In fact, they remain today what the Pacific Northwest used to be, 10 to 20 years ago, before the timber industry had devoured 90% of the irreplaceable old growth forest there.

But Alaska's forests have not escaped all damage. Decades of gross mismanagement have taken their toll:

Although still rich with some of the world's thickest remaining stands of ancient forest, key areas have been cut. And key species, such as the endangered Queen Charlotte goshawk and, possibly, the marbled murrelet -- are in decline or threatened by growing habitat loss.

At the base of all this have been two tremendously ill-conceived, 50-year pulp contracts on the Tongass dating back to the 1950s. These contracts virtually GIVE AWAY over 100 million board feet of old growth timber a year!

These contracts practically require the Forest Service to butcher the forest -- and the effect has been devastating! Under..... the contract terms, proper protection and management of the Tongass has simply been impossible.

So our strategy has been simple: first, convince the government to cancel these outrageous contracts; then, demand a truly scientific forest management plan, with heavy emphasis on conservation and sustainable use.

That's where the unique decision I mentioned above comes in: April 14, the U.S. Forest Service -- citing "breach of contract" -- actually canceled one of the two 50-year contracts.

Although this is a wonderful, long-sought victory...there is no time for us to sit back and savor it -- not when there's still another unacceptable contract out there demanding more of the forest than it can possibly give!

So we must seize this opening NOW -- we must renew our demand that the Forest Service adopt a truly sustainable management plan for the Tongass.

If they won't -- which I fear is likely -- we MUST go to court right away to FORCE THEM to develop an acceptable plan!

Understand, we're not the only ones who've demanded such a plan -- Congress ordered it, too. But there's a whole contingent within the Forest Service fighting tooth and nail against it.

They've tried to foist off half-baked plans full of bogus estimates of forest reserves...they've frittered away precious time...they've done everything on earth EXCEPT obey the law.

(next page, please)

They've even tried to suppress a startling interagency commission report that called for protection of large areas within the Tongass for wildlife habitat, thereby putting those areas off limits to logging.

And that wasn't the end of it. When suppression failed, the old "status quo" bureaucrats tried to discredit the report. Fortunately, they failed there, too, when peer reviewers -- some of the most highly qualified experts in the world -- gave the report glowing praise, and even went so far as to recommend more protective measures.

While we may see changes in how our forests are managed in the future with the new leadership in place at the Forest Service, I'm sure some of the old-time bureaucrats -- so comfortable being industry lapdogs -- were hopping mad when that report came out. And don't think for a minute they've given up.

That's why we MUST react on all fronts, using every environmental law on the books, if we want to be sure that these two magnificent forests finally get the kind of conservation-oriented management they deserve.

Toward that end, we are already working on legal challenges that will:

- *** Stop "high-grading" -- the practice of using admittedly bogus information to cover up the illegal cutting of the largest, oldest trees. The practice was banned by Congress because of the importance of these timber stands for wildlife habitat... but old-line foresters continue to allow it! We've already won one recent suit challenging this illegal and destructive practice and we intend to use that foothold in other suits, as well.
- *** Enforce the Endangered Species Act and other laws that protect wildlife -- not only to protect the Queen Charlotte goshawk, but also to preserve a whole range of species of fish, plants, birds and animals that depend on the Tongass and Chugach Forests. Too often, their needs have come second -- AFTER those of the timber industry -- in spite of the fact that both the law and the experts say otherwise.
- *** Demand reconsideration of ill-conceived timber sales to the Ketchikan Pulp Co. as part of the remaining 50-year timber contract on the Tongass. On one of these sales there is a whistleblower complaint from the leader of the team planning the sale that the logging is not sustainable and that the Forest Service is ignoring or glossing over a myriad of problems. Despite this, they're still moving forward with this disastrous sale -- the largest ever in any national forest. So we're investigating legal action which, if successful, could be a giant step in demanding that the Forest Service finally plan -- honestly and effectively -- for truly sustainable logging in the Tongass National Forest.

(over, please)

Above all, using the National Forest Management Act and other powerful laws already on the books, we are ready to go to court to FORCE the Forest Service to craft and implement a truly first-rate, long-term management plan for the Tongass -- a plan that will make preserving the forest for all time a higher priority than keeping the timber companies fat and happy!

So our plans are clear...but achieving them is going to take every ounce of strength and every resource we can muster:

On all of these fronts, we'll need to marshal enormous amounts of supporting evidence. We'll have to assemble (indeed, we're already assembling) teams of scientific experts and analysts to testify in our lawsuits to save animal populations and preserve species diversity and forest ecosystems.

Our costs for doing all of this intense preparation and research are mounting daily. But they are costs we must meet in order to win!

We can never afford to lose sight of what we're up against. The opponents we're facing are formidable. Backed by fat company treasuries, the corporate polluters and exploiters we're going up against can easily out-spend our meager budgets.

Nonetheless, I am confident that we can prevail. Because we have two assets that they can only dream of: the law, and the stalwart backing of tens of thousands of citizens who care profoundly about the future of the Tongass, the Chugach, and all our imperiled national forests.

While these assets mean we don't need to match our opponents dollar for dollar, we can't cover the last miles to victory on thin air, either.

We must have immediate and generous financial support... and so I turn to you now to ask, "Can you help us today?"

Alaska is America's only chance to go back and do it right:

We've lost 90% of the original ancient forests of the Pacific Northwest...over 95% of the ancient forests that once covered the continent!

But in Alaska, we can still preserve our wilderness heritage for all time.

Please respond as quickly and as generously as you can. Believe me, your gift will be put to immediate and effective use in this battle.

Sincerely,

Vic Sher
Victor M. Sher
President



RECEIVED
APR 17 1996
Ans'd.....

KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT

April 12, 1996

The Honorable Robin Taylor
Alaska State Legislature
State Capitol (MS3100)
Juneau, AK 99801-1182
FAX: 907-225-0713

Dear Senator Taylor:

The Ketchikan Gateway Borough School District Board of Education passed the attached resolution at its board meeting, on April 10, 1996. The motion was adopted unanimously.

As a result, I am sharing the resolution with you per the directions of the Board of Directors. If there are any questions regarding the resolution, please feel free to contact my office.

Respectfully,

A handwritten signature in cursive script that reads "Keith W. Tolzin".

KEITH W. TOLZIN
Superintendent

April 12, 1996

A RESOLUTION

*Relating to the extension
of the United States Forest Service timber sale contract
with Ketchikan Pulp Company*

**BE IT RESOLVED BY THE
KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION:**

- WHEREAS,** for the last 40 years, the forest products industry in general and Ketchikan Pulp Company specifically have been the economic and social cornerstone in Southeast Alaska; and
- WHEREAS,** the harvesting of timber from the Tongass National Forest provides significant revenues for the educational system in Southeast Alaska; and
- WHEREAS,** the forest products industry plays a significant role in our educational system through taxes, direct contributions, volunteers, scholarships, and summer employment of students; and
- WHEREAS,** the jobs created by the forest products industry provide our children the opportunity to stay in our community or return after further education; and
- WHEREAS,** a fourth generation of Ketchikan High School graduates is now employed by Ketchikan Pulp Company; and
- WHEREAS,** Ketchikan Pulp Company is committed to being a continuing long-term contributor and employer in Southeast Alaska through the planned investment of over \$155 million in environmental and operational upgrades of its facilities over the next few years; and
- WHEREAS,** a minimum fifteen-year extension of Ketchikan Pulp Company's contract is necessary to amortize these expenditures;

BE IT RESOLVED that the Ketchikan Gateway Borough School District Board of Education supports a fifteen-year extension of Ketchikan Pulp Company's long-term contract.

COPIES of this resolution shall be sent to:

The Honorable Ted Stevens
United States Senate

The Honorable Tony Knowles
Governor of Alaska

The Honorable Frank Murkowski
United States Senate

The Honorable Robin Taylor
State Senate

The Honorable Don Young
House of Representatives

The Honorable Bill Williams
State House of Representatives

Forest Supervisor Brad Powell

KDN 4/17/96

House supports extending pulp mill contract

JUNEAU (AP) — Ketchikan Pulp Co.'s request to Congress for a 15-year extension of its Tongass National Forest timber contract won House support Tuesday.

Rep. Bill Williams, D-Saxman, said the company needs the extension to help win financing for about \$155 million of improvements to its pulp and saw mills.

"The investors need to be convinced that there will be sufficient timber available," Williams said.

The resolution asks the governor and Alaska's congressional delegation to help the company win the extension to its long-term contract for timber from the Tongass National Forest.

The House made some changes to the Senate version of the resolution. A provision that said the Forest Service had to supply a specific amount of timber required by the Tongass Timber Reform Act was taken out by the House.

And lawmakers added more language that said the Tongass should be managed for all users of the forest, including tourists, fishermen and outdoor enthu-

siasts. Those changes will have to go back for Senate approval.

Rep. Jerry Mackie, D-Craig and House minority leader, proposed the amendments with Williams and Rep. Ben Gruesendorf, D-Sitka. Mackie said the issue means jobs in his district.

"We're talking about at least 1,000 jobs," Mackie said.

Jim Clark, a timber industry lobbyist, said the company had agreed to those amendments.

Opponents say the company's past record of environmental problems shows that it does not deserve the extension. Rep. David Finkelstein, D-Anchorage, said the resolution "is asking for special treatment for the company."

"This resolution denies the scandalous record of this company," Finkelstein said. "Why can't we give companies with better environmental records a chance to bid?"

The resolution passed on a vote of 94-4. Democratic Reps. Finkelstein, John Davies of Fairbanks, Kim Elton of Juneau and Mike Navarre of Kenai voted against the measure.



Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, AK 99801
(907) 586-0942 phone (907) 463-3312 fax

4/2/96

Mr. Chairman:

It's absolutely amazing how easily some Alaskan legislators can be bamboozled into believing something that is clearly not true. It's sad to witness that when big timber and our Senators and Congressman in Washington, D.C. chant the same untruth the same way long enough, the untruth takes on its own reality and amazingly starts to get swallowed -- hook, line and sinker.

In a display of shameful decision-making on April Fool's Day, the Alaska Senate Judiciary Committee approved a proposed substitute to SJR 40 which was faxed over at the last minute by Alaska Forest Association's attorney, Jim Clark. It was full of untruths, and it wasn't a joke.

At the heart of the new resolution was the baldfaced falsehood that claimed that the Forest Service had failed to provide "420 million board feet of timber a year needed to meet the jobs protection promises made by those who sought passage of the Tongass Timber Reform Act". Almost daily we hear the wrongheaded claim that this 420 figure was promised by Congress, and by people who sought passage of the TTRA -- like me. Big timber & their allies are not telling Alaskans the truth.

After Congress protected key watersheds and salmon stream buffer zones with the Tongass Timber Reform Act, the Forest Service had a scheduled timber base that had the potential of providing up to 395 million board feet a year (not 420). 395 was more than 100 million board feet above the annual average cut in the 1980s. This figure was not "promised, no matter what". The authority to offer Tongass timber for sale was only allowed "to the extent consistent with providing for the multiple use and sustained yield of all renewable forest resources," ...and all other laws which govern the management of our National Forests. That's the truth.

USFS Alt. P

Congress recognized that the Forest Service would be revising the Tongass Land Management Plan, and would establish a sustainable timber cutting level in this new plan. Furthermore, the Congressman who spearheaded passage of the law noted that, "it is important to note that the areas which have not been protected by Congress remain subject to the Tongass Plan revision and may be placed off-limits to commercial timber cutting." That's the truth.

Pursuant Alt. P -> TTRA

Big timber and its allies in Juneau and in Washington, D.C. never want to see a real revision of the Tongass Management Plan see the light of day. They want to lock in an *unsustainable level of logging (420)* just like Ted Stevens has tried to do with his Alternative P Riders in D.C. They want to give KPC a contract extension worth a billion dollars in spite of the facts that KPC is a chronic lawbreaker, and its parent company (Louisiana Pacific) had the highest return on assets of any forest products company in the world, in 1994. They want to re-instate Alaska Pulp's operations in Wrangell and Sitka even though APC breached its contract by shutting down its mills and throwing people out of work, even while they had plenty of timber. They want to give the Tongass to the State of Alaska and then sell it off to corporate interests. It is clear that these timber barons and their allies want dominion over the Tongass. And even worse, they want the Alaskan people to believe the outrageous untruth that somehow -- all this was promised to them.

Barb Koehler / Executive Director

It is always amusing when I get letters from environmental groups testifying that everybody but them is lying and that the legislature is being "bamboozled". These are always the same groups who testified under oath, before congress that the Tongass Timber Reform Act would have no affect on timber jobs or the operation of the mills. Since that testimony we have seen the closure of one pulp mill, several saw mills, a 42% loss of jobs in my district.

Today we hear testimony that these same folks feel the current conditions will not cause the loss of our remaining pulp mill and the balance of our timber industry.

The CS to SJR 40 came about from concerns voiced by some communities and small operators. This concern is that the Forest Service has not been able to deliver enough wood to accommodate both a contract and SBA sales. This lack of certainty in timber supply is real and the reason Ketchikan Pulp needs a contract. The timber volume (Alternative P) that was arrived at in the last Tongass Land Management Plan to be developed was 420 million board feet. The 420 number was the result of years of testimony and research by the Forest Service and represents a sustainable level of timber harvest that reflects the multiple use of the Tongass National Forest. It was politics and not science that kept this plan from being implemented.

Environmental groups have taken credit for the closure of the Alaska Pulp Companies mills and are now targeting the Ketchikan mills. It is obvious that nothing short of the elimination of the entire industry will satisfy these people.

Don 7862750

April 3, 1996

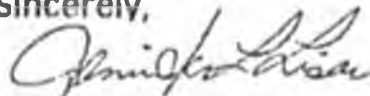
Written Testimony
Alaska State House Resources Committee
Resolution To Support a 15 Year Extension
To The KPC Long Term Timber Sale

I was born and raised in Northwest Montana, where the timber industry has played as much a part in life as it does in Southeast Alaska. In the year in which I've lived in Southeast, I have come to see that there are many of the same concerns with the timber industry as there were in Montana. I have been supported by the timber industry for the majority of my life and I support it whole-heartedly.

I would like to take this time to thank you for hearing my opinion on this issue. I support this contract extension and the timber industry which it supports. Without this extension, many of the jobs in Ketchikan will be jeopardized in the very near future, including my own and my husband's. Without this extension, the KPC Mill cannot continue with the improvements it is making to be a viable competitor in the global market. Without the KPC Mill, there will be no need for the KPC Timber division to bring in the logs needed for the pulp. This not only affects Ketchikan, but also Thorne Bay, Klawak, Coffman Cove, and the whole of the Prince of Wales Island. Ultimately, the jobs of thousands of families in Southeast Alaska depend on the extension of the KPC Long Term Timber Sale Contract.

I urge you, as our representatives, to support the families and businesses of Southeast Alaska by supporting the 15 Year Extension to the KPC Long Term Timber Sale.

Sincerely,



Jennifer Lisac
710 Carlanna #2
Ketchikan, AK 99901

(2)

TO GOVERNOR TONY KNOWLES,

April 4, 1996

I strongly urge you to support Ketchikan Pulp Co. 15 year extension to the timber contract. To not support the timber industry in South East Alaska is to not support the families and businesses of South East Alaska. We put the people in government back to work, now lets make sure that the people of South East Alaska are able to maintain their jobs in the Timber Industry.

Again I urge you to support the 15 year extension to the timber contract, and to work with the U.S.F.S. in living up to the terms of the original long term contract.

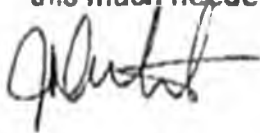
KEITH MCGINNESS
WARD COVE AK.



Page 2
David Martin
Written and Oral Testimony

It is time that the people whose livelihoods depend on the Tongass be heard. We are the first people who will be adversely impacted without an extension. We are the people who are left out of every equation.

We need the support of the Alaska State legislature and the Governor to secure this much needed extension and right the wrong that has been committed.



CC: Governor Tony Knowles
Bill Williams
Robin Taylor



J. David Martin

1563 Pond Reef Road
Post Office Box 1026
Ward Cove, Alaska 99928

Telephone (907) 247-1566

**Oral and Written Testimony
Alaska State House Resources Committee
Resolution To Support a 15 Year Extension To The KPC Long Term Timber Sale**

Thank you for this opportunity to testify. There has never been an issue affecting the employees of Ketchikan Pulp Company and the economic stability of the Ketchikan area as the need for an extension to the KPC long term timber sale.

We have all seen an entire industry throughout the Pacific Northwest decimated by reaction to zealous preservationist groups being able to use the same tired rhetoric to set the course of environmental direction by this nations government. We cannot allow this to happen here any longer.

These preservationist groups, through their frivolous lawsuits, have been successful in waging a campaign of panic throughout the country that the Tongass National Forest is being "ravaged" and "destroyed" by logging. I look around me when I'm in the woods and have yet to see the destruction they cry about. What is being destroyed however are jobs and a peoples way of life.

I have lived in Alaska for seventeen years and am a permanent resident of Southeast Alaska. My family has invested our future in the economic stability of Ketchikan. With KPC as the largest employer in the area, the success of the mill is vital to me and my family. In the ten years that I have been employed at KPC, I have watched the preservationist groups work to systematically reduce and in many cases eliminate timber sales that would have gone to KPC under the terms of the original timber contract.

KPC has begun a program costing upwards of 200 million dollars to upgrade the Ward Cove facility to remain competitive in a global market and to meet the continuously changing environmental requirements of the future. It will be difficult at best to justify this type of expenditures without restoration of the original contract and an extension of at least fifteen years. In order to restore the contract that was stolen by the Tongass Timber Reform Act of 1980, an act by the Federal Government that cost over 40% of the timber jobs in Southeast to be lost, the following components of the contract must be restored:

- 1) The Forest Service must provide on time delivery of timber to meet the annual contract commitments.
- 2) Elimination of the termination clause that was not in the original contract.

My name is Bruce Romine. I am a Pipefitter and have worked at Ketchikan Pulp Company for 9 1/2 years. I am an officer of Local 783 A.W.P.P.W., the largest union at K.P.C. We represent 300 families directly in this community.

I was born and raised here in Ketchikan and have lived here most of my life. I like living in this community and I am raising my family here. I like the way the community has grown over the years.

This town has grown to what it is today because there are individuals in this state who had the foresight to bring industries in that use our renewable resources of which we have an abundance. This town is built around the economy that the pulp mill has brought us folks and without it this town will change like many in Oregon, Washington and Montana. People without work, families without the money to pay for homes or necessities.

I am sick and tired of hearing and reading about how the environmentalists are getting everthing they want. What do they want? They want Ketchikan Pulp Company out of here that is sure. The excuse they use is the pollution of water and air and using up all our natural resources. Basically what they are saying is that they don't believe that we the working people at the pulp mill will police the mill and keep pollution to a minimum.

Remember this, we all live here too and I for one don't want to live in a polluted dirty community. We as a union are working with the pulp mill management and governmental agencies to bring our pulp mill into compliance with all the standards that have been set forth.

The pulp mill is spending millions of dollars in construction of a new chlorine free facility and intends to spend up to 200 million dollars more to make this pulp mill as pollution free as possible. We of Local 783 will be there to help make this a reality.

In order for a company like KPC to make a large capital expenditure like the 200 million dollars they need to know that they in the future are going to be able to recoup that money and make some profit along with it. If not it would only be prudent to the stock holders for them to close the plant down. Putting thousands of people in this community out of work.

The solution is simple, KPC is asking for a 15 year extension on their contract. Personally, I don't think that is a long enough extension, but that is what they have asked for so I say give it to them and then see how KPC who is now under the direction of a new CEO, Mark Suwyn treats our environment and our community.

We will be there to monitor whatever happens. I say that it is time to fight for your community, your homes, your jobs and your dignity while you still have them to fight for - Sitka's pulp mill is now history and if the environmentalists have their way here, our timber industry will be history, also.

I have watched many people come to KPC for work hoping for a stable job. Some from Sitka, Wrangell and many from the lower 48. I for one do not want to wake up one day and find that because the environmentalists have had their way, I have to leave my home because there is no more work here because they have closed down the timber industry and this town becomes only a memory with only summer jobs in the fishing and tourism industries.

The environmentalists not only want all industry out of here but all of you as well. Their goal is to return Alaska to a pristine wilderness with no one living here. A place only to visit and leave in awe.

The time to fight is now or are we all going to be sent packing by the environmentalists or are we going to keep our stable economy with its timber industry which has done us well over the years.

The pulp mill has been here 43 years and has provided a stable economy for this community and I for one would like to see it continue. Extend the contract for another 15 years with enough timber to operate profitably. Call your congress men and women, your senators and your governor today. Let them know how you feel, don't just think about it. Just Do It.

Thank you.

SILVER KING MARINE
Mike Bethers
P.O. BOX 210003
AUKE BAY, ALASKA 99821
(907) 789-0165

Dear Legislator,

Comments: KPC Contract Extension
4-2-96

I was very disappointed to hear that the legislative majority supported extending the KPC contract. This is one of the two original contracts which did more damage to local public resources, public land and future use of the land for public use than any other deal ever cut by Congress. Furthermore, U.S. tax payers would have to spend 10's of millions annually to subsidize further destruction of our public lands in the Tongass.

Earlier logging done under contract has left many areas of southern southeast Alaska unsuitable for any other use. Subsistence capability of the land is diminished. The USFS reports that deer numbers are dropping due to logging impacts. Also, it has been said by the USFS that Prince of Wales Island will be closed to sport hunting about the year 2000 because of low deer numbers due to logging. This is a direct loss of public use of a public resource on public lands!

Many fish streams in heavily logged areas no longer contain enough water in mid-summer to provide access for spawning salmon - or provide much wet area for juvenile fish rearing.

AS FOR TOURISM - YOU'VE OBVIOUSLY NEVER TRIED TO SELL VISITORS A TRIP TO AN AREA THAT'S BEEN LOGGED. THE MOST COMMON QUESTION ASKED BY POTENTIAL VISITORS IS - "IS THE AREA NATURAL OR HAS IT BEEN LOGGED?" VISITORS DON'T COME TO S.E. AK TO SEE LOGGING - THEY COME TO SEE WILD NATURAL COUNTRY. THEY CAN SEE MILES OF LOGGED OFF COUNTRY IN THE LOWER U.S. - THAT'S WHY THEY LIKE TO COME TO S.E. BECAUSE IN SOME AREAS IT STILL HAS TALL TREES STANDING.

MY EMPLOYMENT DEPENDS ON WILD-NATURAL LANDSCAPES AND STRONG DEPENDABLE FISH RUNS. I AM TOTALLY OPPOSED TO THE EXTENSION OF THE KOC TIMBER CONTRACT AND URGE YOU TO DO THE SAME. ITS TIME FOR THE LOGGING INDUSTRY TO SCALE BACK TO A FRACTION OF HISTORICAL LEVELS. THAT WAY, A WELL BALANCED MULTIPLE RESOURCE MGT. APPROACH TO THE PUBLIC RESOURCES ON THE TONGAS WILL PROVIDE FOR ALL USER GROUPS.

ONCE AGAIN, I URGE YOU TO OPPOSE EXTENSION OF ANY FEDERAL CONTRACT ON ANY PUBLIC RESOURCES.

THANK YOU!

Mike Bethers

SILVER KING MARINE
Mike Bethers
P.O. BOX 210003
AUKE BAY, ALASKA 99821
(907) 789-0165

4/2/96

FAX COVER SHEET

METLAKATLA REALTY OFFICE

OFFICE- (907) 886-1121

FAX - (907) 886-1121

TO: SEN. TAYLOR

FROM: ROUNCELMAN SOL ATKINSON

ATTN: SEN. TAYLOR

PHONE: (907) 465-3717

FAX : (907) 465-3922

NOTES:

SEN. TAYLOR Thank you for the opportunity
to testify in support of SR 40 yesterday
My testimony for the record.

DATE & TIME SENT: 8:10 4/2/96

NUMBER OF PAGES: 4 NOT COUNTING COVER SHEET.

TESTIMONY OF THE METLAKATLA INDIAN COMMUNITY
IN FAVOR OF THE

SJR 40

Presented on behalf of Mayor Jack L. Booth
by

SOLOMON ATKINSON

Mr. Chairman:

On behalf of the Metlakatla Indian Community, I am here to express support for SJR 40, a resolution relating to the extension of the United States Forest Service timber sale contract with the Ketchikan Pulp Company. First, let me thank SENATOR TAYLOR for his kind invitation to participate in this Hearing on behalf of Metlakatla.

I also want to state at the outset that it's time for the State Legislature to recognize that something must be done for the timber dependent communities in Southeast Alaska that are being ignored in the rush to "save" the environment. Metlakatla is for sound environmental policy but we are for jobs, people, and families as well. We applaud this effort to move the Congress to do something to bring some stability to our economy.

The Metlakatla Indian Community is a federally recognized Indian Tribe. About 2,000 people live on Annette Island Reserve. Metlakatla is a timber-dependent community; a timber-dependent community with an unemployment rate over 50%. A stable timber supply from the Tongass National Forest is essential to our welfare. In the last few years, in an effort to improve our economic situation, we successfully established a Small Business Administration timber sale purchase program and started a small sawmill to provide jobs and revenues. We have operated our mill profitably for about three years now. It provides between 20 and 40 jobs. We also depend on the lease of our big mill to KPC for 100+ jobs and revenues. So, we have become timber

dependent. But, our now economic program is now threatened by lack of timber. That is why we support SJR 40.

Frankly, under ordinary circumstances, Metlakatla would not support a system that singles out one business for the benefit of the timber from our public's forests. It would rather encourage the free market system so that all timber related businesses could compete for our timber and seek the markets for logs and timber products that would be most economically beneficial. Under the present circumstances, however, we just do not foresee any alternative but to encourage the extension of the long term contract for KPC. It has made the investment of capital that justifies assurances that it will have a timber supply. It provides the rest of us timber operators with markets for logs and it provides jobs that would not otherwise be available.

In a perfect world, all timber operators would compete for a steady and reasonable supply of timber from the vast resources of the Tongass National Forest. Natural market forces would separate the good operators from the bad and a stable, reliable timber dependent economy would evolve. Operators could plan for appropriate capital investments for plant improvements and marketing expenses. Reasonable environmental protections would be a cost of doing business. Under the present conditions however, with environmental preservationists protesting the harvest of every tree and with a Forest Service unwilling or unable to overcome legal and bureaucratic inertia, few alternatives are left to us.

A few weeks ago, the head of the Forest Service said, basically, that a stable timber supply from the forests of Southeast Alaska is impossible. While Metlakatla does not agree with Mr. Thomas' words in a literal sense, his forecast might be correct

In a real sense.

One thing is certain for now. Small, independent operators cannot count on any supply and without that fundamental variable in the marketing equation, they must support extraordinary measures that are essential to their survival. The extension of the long-term contract for KPC is one of those measures. The rest of us, who would like to be able to compete for timber if it were available, simply cannot risk losing the last strong economic force in our industry. In our view, if the long-term contract for KPC is not extended, we are looking at the last years of the timber industry in Southeast Alaska. We cannot be happy about that.

Metlakatla's economic history is rooted in the seafood industry. We cannot change the markets, however, and our seafood enterprise does not provide the revenue that we formerly enjoyed. In fact, it has been a money loser in the last few years. And, it is getting worse. Most of our fishermen don't even plan to fish for pinks this year because of the anticipated price. Our cannery stopped production of pinks before last season because it cannot make any profits on canned pinks.

Tourism is not the final answer either. We do not deny its potential. However, while others profit from tourists, we have not yet determined how we can benefit from this part of the economy. We know tourism's seasonal jobs are important, but we need something to depend on year round.

In Metlakatla, we believe Southeast Alaska can sustain the timber supply without permanent harm to the environment. We believe the timber industry holds the

most potential for long-term economic stability. By this Testimony Metlakatla is declaring its commitment to stand with all right thinking people in Southeast Alaska to find a solution to our economic problems. Part of that solution must be proper utilization of our forest for the good of all, which includes a stable timber supply. We encourage any effort to move toward that goal. SJR 40 is a step in the right direction.

Thank you.



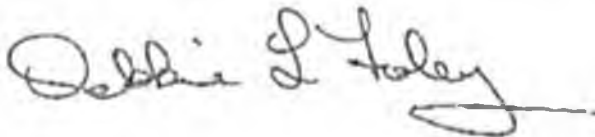
Testimony Before The House Resources Committee
On
House Joint Resolution No.64
An Extension of the U.S.F.S. Timber Sale Contract With Ketchikan Pulp Company
By
Debbie L. Foley
P.O. Box 8564
Ketchikan, Alaska 99901

Honorable Bill Williams and members of the House Resources Committee,
 Thank you for the opportunity to testify on House Joint Resolution No. 64. My name is
 Debbie Foley. I have worked in the timber industry for 20 years, I have been employed
 by Ketchikan Pulp Company for 5 years.

I would like to state my support for a contract extension between the USFS and
 KPC. KPC plans on investing at least \$200 million over the next 5 - 8 years, but before
 making the investment, they need to be guaranteed wood supply for more than the 7
 years left on the current long term contract. 7 years is not sufficient time for KPC to
 ensure a return on such a large investment. H.J.R. 64 would give KPC the
 understanding of both short term and long term timber supply. Without this resolution
 KPC might decide not to make the necessary investments and shutdown it's
 operations for good. This community would be devastated by the lack of year round
 employment maintained by KPC.

The Governor needs to support this resolution and the release of 420 +MMBF
 of timber per year so that the levels of employment in Southeast Alaska are restored to
 1990's level. I urge the Governor to listen to the timber industry workers and not let
 the timber industry die in Southeast Alaska.

Thank you again for the opportunity to testify



Forest Service denies bid

SEATTLE (AP) — The Okanogan National Forest has rejected the Northwest Ecosystem Alliance's bid to purchase a salvage sale of fire-damaged trees because the environmental group didn't plan to cut the timber.

"They were not intending to fulfill the obligations of the contract," Forest Supervisor Sam Gehr said Thursday.

"We have some resource objectives out here that we're going to meet, in this case by manipulating some vegetation."

At an auction Dec. 20, the 17,000-member alliance outbid two logging companies with an offer of \$28,875 — \$29,122, including fees — for about 3.5 million board feet in the Thunder Mountain salvage timber sale.

Rather than the clear-cutting specified in the contract, the alliance would have left the land in its natural state.

The Forest Service now plans to negotiate with the No. 2 bidder, AA Logging of Oroville, which offered \$28,796.50, Gehr said.

"In my view, we haven't accepted a lower bid," he said. "We've accepted the highest bid from a qualified bidder."

Making a round of visits to newsrooms in the city, about 140 miles from his office in the sparsely populated north-central part of the state, Gehr noted that the alliance neither could nor would cut the trees.

A statement issued by the alliance acknowledged that the group never intended to remove the trees as required in the sample contract on which the bid was based.

A \$300,000 environmental study of the area concluded that logging would have little impact on the area.

The chief benefit of logging is jobs for as many as 70 people, Gehr said.

April 2, 1996

Forest Supervisor's Office
Forest Supervisor, Sam Gehr
Okanogan National Forest
1240 South 2nd Avenue
Okanogan, WA 98840

Dear Sir:

The Okanogan National Forest has something we here in the Tongass National Forest need more of - good common sense rangers, that think logging jobs are more important than monies being put into a destroyed or dying crop by environmental groups.

You, Forest Supervisor Gehr, put US tax dollars to good use in that your \$300,000 environmental study will protect Thunder Mountain for future generations to enjoy.

Harvesting aging and defective timber to make way for a newer, healthier crop is good policy.

We in the timber industry are happy with your decision. We as loggers accept with open arms that we are and should be the qualified bidder on your sale.

We wish AA Logging of Oroville much success with just and fair stumpage prices. This does not compare to what we are paying in the Tongass National Forest.

Sincerely,



A Person of the Tongass National Forest
Pete Amundson
PO Box 5155
Ketchikan AK 99901

United States
Department of
Agriculture

Forest Service

Alaska Region



Alaska Region



DRAWING TO SCALE

USDA Forest Service, Regional Office, P.O. Box 21628, Juneau, AK 99802

Cover Page

To: Senator Robin Taylor Fax No.: 465-4906 ←

Unit: _____ Verification No.: 465-3922 ←

From: Steve Ambrose Fax No.: 586-7846

Unit: Regional Foresters Office Verification No.: 586-875
Forest Service - Juneau

Remarks:

Total number of pages (excluding cover): 1

Date Sent: 4/1/96 Time: 12:37 p.m.



United States
Department of
Agriculture

Forest
Service

Alaska Region

P.O. Box 21628
Juneau, AK 99802-1628

File Code: 1300/2400
Date:

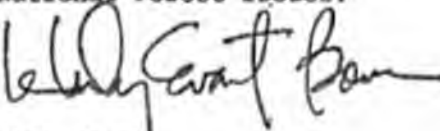
Representative William K. Williams
Co-Chair, House Resources Committee
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Williams:

Thank you for your letter of March 28 inviting the Forest Service to comment on HJR 64. This resolution relates to the extension of the United States Forest Service timber sale contract with the Katchikan Pulp Corporation (KPC).

The content of the proposed resolution includes matters which relate to the subject of current litigation between KPC and the United States. We have otherwise not developed a position with respect to any extension of the KPC contract term, and it would be premature to do so until at least after the completion of the Tongass Land Management Revision. Accordingly, it would not be appropriate for us to comment on the proposed resolution or to appear at the April 2 hearing.

We thank you for the invitation. We will continue to work with you on Tongass National Forest issues.


for PHIL JANIK
Regional Forester

cc:
Senator Robin Taylor
Washington Office, Legislative Affairs
Office of the General Counsel
Tongass Forest Supervisors



Caring for the Land and Serving People





TY-MATT INC.

5216 BORCH STREET NORTH
PO BOX 3158 • KETCHIKAN, ALASKA 99901
BUS (907) 225-7170 FAX (907) 225-6116

APRIL 8, 1996

The Honorable Tony Knowles
Governor of Alaska
PO Box 110001
Juneau, Alaska 99811-0001

RECEIVED
APR 11 1996
Ans'd.....

RE: Support for timber industry survival.

Dear Governor Knowles:

We sincerely support your commitment to jobs and families for Alaskans. As residents of Ketchikan and Alaska we are concerned about our families and jobs now more than ever.

As Governor of this great state you have tremendous influence over our future as well as our children's opportunities. As you know our livelihoods are dependent on a healthy sustainable timber industry. Without this stable year around industry our opportunities to live, work, and raise our families in healthy and safe communities are severely reduced.

Statistics showing substantial increased social problems in the communities of Sitka, and Wrangell where the mills have closed are very alarming.

Alaskan families are desperate for your support now! Our social-economic system is deteriorating rapidly and you can make the difference. We applaud your marketing Alaska plan and believe many opportunities exist for the future. However, without the infrastructure that is provided by a sustained timber industry, these plans and dreams may never be achieved.

Governor, please show your support for us and our families by supporting the extension of the KPC contract at sustainable harvest levels for an additional 15 years. This will allow for necessary commitments to be made by KPC, its employees and support businesses, that depend on the pulp mill and timber industry for their survival in Alaska. It is also imperative that you give support to Senator Ted Steven's AWARTA amendment by disavowing the proposed AWARTA settlement

Sincerely, THE EMPLOYEES OF TY-MATT INC. AND THEIR FAMILIES

cc: Senator Ted Stevens
Congressman Don Young
Senator Frank Murkowski

Representative Bill Williams
Senator Robin Taylor

Enc Ty-Matt employee signature list
Statistic sheet

TY-MATT, INC.
P.O. BOX 8158
KETCHIKAN, ALASKA 99901

GOVERNOR, WE THE EMPLOYEES OF TY-MATT, INC. AND THEIR FAMILIES ASK YOUR SUPPORT FOR THE 15 YEAR EXTENSION OF THE KETCHIKAN PULP COMPANY CONTRACT. WE ALSO ASK FOR YOUR SUPPORT OF SENATOR TED STEVEN'S PROPOSED A.W.A.R.T.A . AMENDMENT.

<u>EMPLOYEE</u>	<u>SIGNATURE</u>	<u>FAMILY STATUS</u>	<u>NUMBER OF CHILDREN</u>
1. <u>CHRIS LARSON</u>	<u>Chris Larson</u>	<u>MARRIED</u>	<u>4</u>
2. <u>RODNEY D. RENO</u>	<u>Rodney D. Reno</u>	<u>MARRIED</u>	<u>3</u>
3. <u>GREG L. LYNCH</u>	<u>Greg Lynch</u>	<u>Married</u>	<u>3</u>
4. <u>DICK KRAFT</u>	<u>Dick Kraft</u>	<u>MARRIED</u>	<u>0</u>
5. <u>Don Cigges</u>	<u>Don Cigges</u>	<u>Single</u>	<u>0</u>
6. <u>ROBERT E. SMITH</u>	<u>Robert E. Smith</u>	<u>MARRIED</u>	<u>0</u>
7. <u>Terry Ming</u>	<u>Terry Ming</u>	<u>Single</u>	<u>0</u>
8. <u>Leo Besaw</u>	<u>Leo Besaw</u>	<u>Married</u>	<u>0</u>
9. <u>Moah & Ruben</u>	<u>M & Ruben</u>	<u>Wife</u>	<u>0</u>
10. <u>Andrew Pringle</u>	<u>Andrew Pringle</u>	<u>married</u>	<u>2</u>
11. <u>Chris Goodman</u>	<u>Chris Goodman</u>	<u>single</u>	<u>1</u>
12. <u>Scott W. Kline</u>	<u>Scott W. Kline</u>	<u>Married</u>	<u>2</u>
13. <u>ALAN R. RIDINGER JR.</u>	<u>Alan R. Ridinger</u>	<u>M</u>	<u>0</u>
14. <u>Charles Blair</u>	<u>Charles Blair</u>	<u>Married</u>	<u>0</u>
15. <u>EDWARD HENDRICKS</u>	<u>Edward Hendricks</u>	<u>MARRIED</u>	<u>1</u>
16. <u>MIKE MARTIN</u>	<u>Mike Martin</u>	<u>"</u>	<u>5</u>
17. <u>LEAH DASHLEY</u>	<u>Leah Dashley</u>	<u>5</u>	<u>0</u>
18. <u>BILL O'BRIEN</u>	<u>Bill O'Brien</u>	<u>married</u>	<u>1</u>
19. <u>DOUG MILLER</u>	<u>Doug Miller</u>	<u>Married</u>	<u>4</u>

20.	<u>C. Todd Adams</u>	<u>[Signature]</u>	<u>MARRIED</u>	<u>1</u>
21.	<u>R. C. Green</u>	<u>R. C. Green</u>	<u>Single</u>	<u>1</u>
22.	<u>Dennis Stulken</u>	<u>Dennis Stulken</u>	<u>Married</u>	<u>3</u>
23.	<u>Michael Carney</u>	<u>Michael Carney</u>	<u>married</u>	<u>2</u>
24.	<u>James Hughes</u>	<u>James J Hughes</u>	<u>MARRIED</u>	<u>3</u>
25.	<u>DAVIDE HARVOY</u>	<u>Paul E. Harvy</u>	<u>MARRIED</u>	<u>6</u>
26.	<u>Chris Wieberg</u>	<u>Chris Wieberg</u>	<u>Single</u>	<u>2</u>
27.	<u>Richard M. Larran</u>	<u>Richard M Larran</u>	<u>single</u>	<u>0</u>
28.	<u>Gary Peterson</u>	<u>Gary Peterson</u>	<u>MARRIED</u>	<u>3</u>
29.	<u>JACK JARMOCKE</u>	<u>Jack Jarmocke</u>	<u>SINGLE</u>	<u>0</u>
30.	<u>Kevin M Grosshuesch</u>	<u>Kevin M Grosshuesch</u>	<u>single</u>	<u>3</u>
31.	<u>Clay Sanaker</u>	<u>Clay Sanaker</u>	<u>married flight instructor</u>	<u>1</u>
32.	<u>ROBERT GILMOR</u>	<u>Robert Gilmor</u>	<u>MARRIED</u>	<u>1</u>
33.	<u>Wes Miller</u>	<u>Wes Miller</u>	<u>SINGLE</u>	<u>2</u>
34.	<u>DAVID B JOHNSON</u>	<u>David B Johnson</u>	<u>MARRIED</u>	<u>2</u>
35.	<u>Marie K Pickard</u>	<u>Marie K Pickard</u>	<u>Single</u>	<u>2</u>
36.	<u>Lloyd Gossman</u>	<u>Lloyd Gossman</u>	<u>MARRIED</u>	<u>0</u>
37.	<u>Dick Chizek</u>	<u>Dick Chizek</u>	<u>MARRIED</u>	<u>0</u>
38.	<u>Doug Wilson</u>	<u>Doug Wilson</u>	<u>Single</u>	<u>0</u>
39.	<u>LORI PETERS</u>	<u>Lori Peters</u>	<u>Married</u>	<u>2</u>
40.	<u>John A. Thompson</u>	<u>John A Thompson</u>	<u>Married</u>	<u>2</u>
41.	<u>CRAIG L. TRETTNER</u>	<u>Craig L Tretter</u>	<u>Married</u>	<u>3</u>
42.	<u>Carl Smith</u>	<u>Carl Smith</u>	<u>Married</u>	<u>3</u>
43.	<u>JAMIE BRISKY</u>	<u>Jamie Brisky</u>	<u>Married</u>	<u>3</u>

44.	<u>ALBERT I. TURNER</u>	<u>Albert I. Turner</u>	<u>MARRIED</u>	<u>2</u>
45.	<u>DENNIS G. McELROY</u>	<u>Dennis G. McElroy</u>	<u>MARRIED</u>	<u>0</u>
46.	<u>WADE E. SHULL</u>	<u>Wade E. Shull</u>	<u>SINGLE</u>	<u>0</u>
47.	<u>DENNIS D. JONES</u>	<u>Dennis D. Jones</u>	<u>MARRIED</u>	<u>3</u>
48.	<u>JAMES D BRISTLE</u>	<u>James D. Bristle</u>	<u>Married</u>	<u>3</u>
49.	<u>JEFF A. TERRY</u>	<u>Jeff A. Terry</u>	<u>MARRIED</u>	<u>3</u>
50.	<u>MIKE WILLIAMS</u>	<u>Mike Williams</u>	<u>MARRIED</u>	<u>2</u>
51.	<u>WACT GOODWIN</u>	<u>Wact Goodwin</u>	<u>SINGLE</u>	<u>1</u>
52.	<u>JOE LIEBE</u>	<u>Joe Liebe</u>	<u>MARRIED</u>	<u>1</u>
53.	<u>TERRY E. POLEGAY</u>	<u>Terry E. Poleyay</u>	<u>SINGLE</u>	<u>0</u>
54.	<u>GARY L. HOFFMAN</u>	<u>Gary Hoffman</u>	<u>SINGLE</u>	<u>4</u>
55.	<u>BRETT STILLWAGH</u>	<u>Brett Stillwagh</u>	<u>SINGLE</u>	<u>2</u>
56.	<u>BRAD McEHE</u>	<u>Brad McEhe</u>	<u>MARRIED</u>	<u>3</u>
57.	<u>BRAD GOLOER</u>	<u>Brad R. Golder</u>	<u>MARRIED</u>	<u>2</u>
58.	<u>WILLIE STEPPFS</u>	<u>Willie Steppes</u>	<u>SINGLE</u>	<u>2</u>
59.	<u>Glenn Steppes</u>	<u>Glenn Steppes</u>	<u>SINGLE</u>	<u>1</u>
60.	<u>RICHARD RAINING</u>	<u>Richard Raining</u>	<u>SINGLE</u>	<u>0</u>
61.	<u>MARVIN CARSON</u>	<u>Marvin Carson</u>	<u>MARRIED</u>	<u>0</u>
62.	<u>RICHARD E. BALESTRINI</u>	<u>Richard E. Balestrini</u>	<u>MARRIED</u>	<u>4</u>
63.	<u>David Aus</u>	<u>David Aus</u>	<u>SINGLE</u>	<u>1</u>
64.	<u>Jennifer Hayter</u>	<u>Jennifer Hayter</u>	<u>SINGLE</u>	<u>1</u>
65.	<u>ROBERT F WHITE</u>	<u>Robert F. White</u>	<u>SINGLE</u>	<u>2</u>
66.	<u>MICKAY CONNOR</u>	<u>Mickay Connor</u>	<u>MARRIED</u>	<u>4</u>
67.	<u>TAM GREGG</u>	<u>Thomas R. Gregg</u>	<u>SINGLE</u>	<u>0</u>

68.	Thomas Kros	Thomas Kroscauogo	Single	1
69.	Robert ⁴ Kenley	ROBERT T. RAILEY	SINGLE	0
70.	Brett Summers	Brett Summers	Single	0
71.	ROGER ELTON	Roger	single	1
72.	James Ward	James W. Ward	Married	3
73.	Timothy M Stankar	Timothy M Stankar	MARRIED	3
74.	Tommy Martin	Tommy Martin	Single	3
75.	Randy Johnson	Randy	single	1
76.	Brian Kenyon	Brian Kenyon	single	1
77.	CHRIS FLORA	Ch. Flora	SINGLE	0
78.	_____	_____	_____	_____
79.	_____	_____	_____	_____
80.	_____	_____	_____	_____
81.	_____	_____	_____	_____
82.	_____	_____	_____	_____

DOMESTIC VIOLENCE IN SOUTHEAST ALASKA

SITKA (SITKA AGAINST FAMILY VIOLENCE)

	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>%+/-</u>
RESIDENTS	182	208	269	+48%
NIGHTS OF SAFETY	1689	2312	2941	+74%
WALK-INS	252	337	559	+122%

WRANGELL (POLICE RECORDS)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>%+/-</u>
TOTAL CALLS	2287	2373	2987	+31%
DOMESTIC VIOLENCE	---	16	*66	+313%

KETCHIKAN (WOMEN IN SAFE HOMES)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>%+/-</u>
CLIENTS SERVED	653	693	639	-2.0

*Figures are through November 1995. If the drop in population is taken into account, the real rate is much higher.

Testimony Before The House Resources Committee
On
House Joint Resolution No. 64
An Extension of the U.S.F.S. Timber Sale Contract With Ketchikan Pulp Company

By
Shirley F. White
5153 Shoreline Drive
Ketchikan, Alaska 99901

Honorable Bill Williams and members of the House Resources Committee, thank you for the opportunity to testify on House Joint Resolution No. 64. My name is Shirley White. I came to Ketchikan, Alaska in 1959 and have resided here since. I was fortunate enough to raise six children in this wonderful community.

Since 1959, my husband and I have owned or own the following businesses in Ketchikan, White Enterprises, Inc., Ingersoll Hotel, White Commercial Rentals, Merchants Supply, Vitamilk Dairy, Crystal Dairy, S.E.A. Construction Co., Togs & Toys, Fashion Faire, Heritage Restaurant, Alaska Fisheries Co., F/V Sara Dawn, F/V Jessica Rose, F/V Colleen, Seawatch Construction Rentals, and Salmon Falls Resort. All of these businesses and the jobs created by them were possible due to the year round employment of employees of Ketchikan Pulp Company.

I would like to state my support for a contract 15 extension between the U.S.F.S. and Ketchikan Pulp Company of at least 15 years. Also, 192.5 mmbf per year would be necessary for the operation of Ketchikan Pulp Company and should be allowed to them. Without year round employment of Ketchikan Pulp Company Employees, Ketchikan's economy would be devastated.

I urge the Governor to please listen to the timber industry workers as well as the rest of us who's livelihood is also affected indirectly by what happens to the timber industry and give his support to Resolution No. 64.

Shirley F. White

TO: Senator Robin Taylor
FAX: 907-465-3922

FROM: Shirley White
FAX: 907-225-2710 **PHONE:** 907-225-2752

pages including cover page: 2

If you do not receive all the pages listed above please call 907-225-2752 and we will resend.

Thank you for your time

House Resource Committee

Testimony for Contract Extension

April 3, 1996

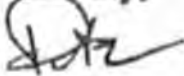
To Whom It May Concern:

I have worked for Ketchikan Pulp Co. (KPC) since 1969. During this time I have seen and have been personally involved with the installation of new equipment and the operational changes designed to minimize any adverse effects on the environment.

Now KPC is committing to spend millions of dollars to comply with further environmental regulations.

It only seems appropriate that if KPC is going to make this type of long-term commitment to protect the environment, the Federal Government should be willing to make a commitment to extend KPC's long-term timber contract.

Sincerely,



J. A. "Pete" Raitanen

/lat

cc: Governor Tony Knowles
Representative William Williams
Senator Robin Taylor

Fax Cover Sheet

DATE: April 3, 1996

TIME: 3:33 PM

TO: Senator Robin Taylor

FAX: (907) 465-3922

FROM: Pete Raitanen

FAX: (907) 225-8260

RE: Testimony for KPC Timber Contract Extension

Number of pages including cover sheet: 2

**Testimony Before The House Resources Committee
On
House Joint Resolution No.64
An Extension of the U.S.F.S. Timber Sale Contract With Ketchikan Pulp Company
By
Debbie L. Foley
P.O. Box 8564
Ketchikan, Alaska 99901**

Honorable Bill Williams and members of the House Resources Committee,
Thank you for the opportunity to testify on House Joint Resolution No. 64. My name is
Debbie Foley. I have worked in the timber industry for 20 years, I have been employed
by Ketchikan Pulp Company for 5 years.

I would like to state my support for a contract extension between the USFS and
KPC. KPC plans on investing at least \$200 million over the next 5 - 8 years, but before
making the investment, they need to be guaranteed wood supply for more than the 7
years left on the current long term contract. 7 years is not sufficient time for KPC to
ensure a return on such a large investment. H.J.R. 64 would give KPC the
understanding of both short term and long term timber supply. Without this resolution
KPC might decide not to make the necessary investments and shutdown it's
operations for good. This community would be devastated by the lack of year round
employment maintained by KPC.

The Governor needs to support this resolution and the release of 420 +MMBF
of timber per year so that the levels of employment in Southeast Alaska are restored to
1990's level. I urge the Governor to listen to the timber industry workers and not let
the timber industry die in Southeast Alaska.

Thank you again for the opportunity to testify



FAX NUMBER OF SENDER:

- ___ (907) 225-8260 General Offices
- ___ (907) 225-7949 Maintenance/Stores
- ___ (907) 228-2150 Purchasing Department
- ___ (907) 247-1834 Timber Division

FAX NUMBER OF RECIPIENT:

(907) 465 3922

FACSIMILE COVER LETTER

Please deliver the following pages to:

NAME : Senator Robin Taylor
 LOCATION : Juneau, AK

Facsimile sent by:

NAME : Debbie Foley Ex. 173
Ketchikan Pulp Company
 P. O. Box 6600
 Ketchikan, Alaska 99901
 Telephone: (907) 225-2151

Total number of pages sent including Facsimile Cover Letter: <u>2</u>		
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Thank you.
 Ketchikan Pulp Company

Representative Bill Williams
Testimony on KPC Contract Extension

April 4, 1996

I have lived in Ketchikan, Alaska all of my 55 years and have seen many changes in our area. None of the major changes have been detrimental to our area. Our forests have and can survive easily with the amount of logging in them. We have put a vast amount of virgin land into wilderness to preserve it. I am content with the amount that it is adequate for our future needs.

We have a minority of vocal activists in the environmental section of the community that wish to lock all the area up and they are not bashful about how they go about doing it. They will lie, distort the truth and take things out of context to get their point to others.

Years ago their movement started out to stop logging by saying that we were stripping the earth of trees. Scientific facts proved that we have more trees growing now than in the last 25 - 50 years. They switched then to all the old growth forests are being stripped. As soon as they realized that they weren't getting the mileage from this approach that they needed, they started a new approach called Endangered Species, which they have been pushing.

Living in this area, I have spent many hours in the forests in this area; in virgin areas; in logged off areas; and in new growth areas. I have hiked and hunted in all these areas and have found that animals are extremely adaptive to their environment. I don't believe that a Goshawk will fly around in circles and die if his home nest is destroyed and the same thing with other living things. They will adapt and find a new place to reside.

Please don't join the hysteria program put on by the preservationists. The majority of the long term residents see the positive changes in our area and the necessity of a long term contract with an employer that is willing to stay in the area year round. I ask you to give full support to Ketchikan Pulp Company in gaining a long term extension on their Forest Service timber contract.

Thanks for your help


Kenneth J. Kiffer



April 4, 1996

House Resources Committee
State of Alaska
Rep. Bill Williams and Sen. Robin Taylor
State Capital Building
Juneau, Alaska 99801

Attn: Representative Bill Williams
Senator Robin Taylor

I attended a public hearing yesterday at the Legislative Information Office here in Ketchikan to show my support for the Resolutions you submitted to support the KPC Contract Extension. Because of the time frame numerous people in support of your Resolutions were unable to participate. I was astounded by the number speaking against the Contract Extension in Juneau and Sitka, as well as the vocal dissenters here in Ketchikan. Once again I was part of the SILENT MAJORITY. I wanted to correct that right away, therefore this letter.

It is impossible for me to address all the many reasons why it is so important to keep the Ketchikan Pulp Company a viable operation; but I will try and address the one item that seemed to come up several times in the dissenters comments; that of KPC being a poor Corporate Neighbor.

In 17 years in business I've made my share of poor judgement calls, as I'm sure KPC has, in their 40 years of operations; but to call KPC a poor Corporate Neighbor is a doing them a serious disservice. I have lived in Ketchikan since before the Pulp Mill was constructed and have seen many wonderful and unselfish acts KPC has performed for this Community.

They are, and have for years, been the major supporter and corporate sponsor of Alaskans For Drug Free Youth; they have sponsored several high school scholarships over the years, and their annual Pulp Mill King Salmon Derby is enjoyed by hundreds every summer.

This past year when our local dump was closed down the town was inundated with bears looking for their daily meals. They were causing a problem that was bordering on dangerous. KPC volunteered their helicopters and crew time to move over 40 bears to the Misty Fjord area. I don't know what the cost on that would be, but it must have been a major expense, one that KPC was willing to assume for the Community with little to no fanfare.

3434 Tongass • Ketchikan, Alaska 99901 • 225-5166
Owners: Kay Sims and Terry Wanser

Page two.....Rep. Williams and Sen. Taylor

KPC historicaly is a strong supporter of the Ketchikan Chamber of Commerce, and have never turned down any request for help and financial assistance that I know of.

If it weren't for KPC many of our local youth sports would not exist. KPC over the years has sponsored teams and donated money to the Youth Soft Ball League, the Soccer League, Little League and many others. KPC is also a supporter of Ketchikan Theatre Ballet and has made numerous donations to assist our local Cheerleaders. KPC annually awards savings bonds to the Schoenbar Science Fair and have provided assistance to the Kanayama Exchange. KPC has always been the major contributor and supporter of anything pertaining to our young people.

KPC also dontates their Helicopter and crew to the Volunteer Rescue Squad and these people have provided much assistanc in Search and Rescue. This list could go on and on from the Queens Float in the Fourth Of July Parade sponsored annually by KPC, to the sizeable donation KPC just made to the Rotary House. Each and every person in Ketchikan could, I'm sure, add to this list including us.

About 6 years ago we had an employee in serious need of a kidney transplant, and were not sure that his insurance would cover the cost of an air-ambulance. KPC stood ready and willing to assist had the insurance not been available. Is that a poor Corporate Neighbor? I think not.

No, I am not an employee of KPC, and no one in my family works for KPC. As the owner of three hotels in two Southeast Alaska communities, I'm in what is called the "tourism" business. But this is a business that would not be able to exist on a year-round basis were it not for KPC and the other intertied businesses in Southeast Alaska.

Sincerely,



Kay Sims, Owner

HOSPITALITY UNLIMITED

dba The Gilmore Hotel and Annabelle's
The Best Western Landing
The Prospector

cc Senator Ted Stevens
Senator Frank Murkowski
Rep. Don Young

Alaska State Legislature

Sen. Robin Taylor, Chairman
Sen. Lyda Green, Vice Chairman
Sen. Mike Miller
Sen. Al Adams
Sen. Johnny Ellis



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3717
Fax: (907) 465-3922

Senate Judiciary Committee

MEMORANDUM

TO: Senator Frank, Co-Chairman Senate Finance
Senator Halford, Co-Chairman Senate Finance

FROM: Senator Robin L. Taylor, Chairman *R.L.T.*

DATE: March 19, 1996

RE: Funding for socio-economic study of TLMP alternatives

The U. S. Forest Service has announced its intention of taking public comment on Tongass Land Management Plan (TLMP) revision alternatives this summer. Unfortunately, the federal agency has failed to perform an adequate analysis of the social and economic consequences of its proposed actions.

As Southeast Conference director, Berne Miller pointed out in a December 4, 1995, letter to Bob Vaught of the USFS, the social and economic consequences of the various TLMP alternatives can be assessed by the public only if they are clearly set forth in the draft *before* it is put out for public comment. To expect people to provide informed comments on any alternatives without having the information with which to weigh the effect those alternatives will have on their lives is unreasonable and unacceptable.

The outline produced by the McDowell Group (*Socioeconomic Impacts of Tongass Land Management Plan Revision Alternatives, Study Outline*) at the request of Southeast Conference, which was forwarded to the Regional Forester, is an appropriate vehicle for assessing the impacts of the various alternatives. It is unlikely the Forest Service will provide anything resembling that comprehensive socio-economic analysis in connection with the TLMP revision. It is

especially unlikely that they will do so prior to holding public hearings on the proposed alternatives.

That being the case, it is critical to the welfare of the affected Southeast communities that someone perform the needed research. Given the McDowell Group's familiarity with the issue and the excellent work it did in preparing the preliminary outline, it makes good sense to commission McDowell to do the larger study. Alternatively, another research company could be hired to do the study described in the McDowell outline.

It will take approximately \$250,000 and 8 months to complete the project and make it available to the government and the people of Southeast Alaska. This is clearly the kind of service that the State of Alaska should provide, given the likely effect on Alaska communities if a revised TLMP does not give adequate consideration to their welfare. Therefore, I request that grant money be included in the FY 1997 budget to cover the cost of doing the socio-economic study outlined by the McDowell Group in its *Socioeconomic Impacts of Tongass Land Management Plan Revision Alternatives, Study Outline*.

SECRETARY CHAMBER 907 463 5670 P.01
SOUTHEAST CONFERENCE

Tel. (907) 463-3445

FAX (907) 463-5670

124 West 5th Street

Juneau, Alaska 99801

February 7, 1996

Mr. Phil Janik
Regional Forester
USDA, Forest Service
POB 21628
Juneau, Ak 99802

Dear Phil,

In Beth Pendleton's reply to our letters of December 4 and 12, she told us, among other things, that the draft TLMP revision will include information about the estimated effects of the alternatives on the people and communities of southeast Alaska. We are pleased this important piece of the "puzzle" will be included.

We have not, however, seen an outline of what the analysis will include beyond what is shown in the July 12, 1995, Socioeconomic Effects Analysis Concept Proposal and Draft "Affected Environment" Writeups for 30 Communities. It was this document which raised our initial concerns because it suggested that much of the needed research will be deferred until after the draft plan is released, and in many cases, until after the final plan is adopted. We find this approach unacceptable.

We feel strongly that analysis of the effects of the alternatives on the people and communities of southeast Alaska should, at a minimum, be as rigorous and specific as analysis of the effects of the alternatives on fish and wildlife species. In the deer habitat analysis, for example, the materials provided to the Assessment Panels show the projected effects of each alternative on deer habitat capability in each of some 160 Wildlife Analysis Areas. Similar detailed and specific effects analysis is included for many other forest resources. The people and communities of southeast Alaska deserve no less.

In this regard, the Conference contracted with the McDowell Group to prepare an outline of what a complete social and economic assessment of the effects of the alternatives ought to contain. A copy of that outline, entitled "Socioeconomic Impacts of Tongass Land Management Plan Revision Alternatives", is enclosed.

We sincerely hope you will find the outline useful and that it, or a similar approach, will form the basis for informing the people and communities of southeast Alaska about the effects of the alternatives being considered.

Sincerely


Berno C. Miller
Executive Director

"Working For All Alaska"

***Socioeconomic
Impacts of Tongass
Land Management
Plan Revision
Alternatives***

Study Outline

Prepared For:

***Southeast Conference
124 West 5th Street
Juneau, Alaska 99801***

February, 1996

Socioeconomic Impacts of TLMP Revision Alternatives

Study Outline

This socioeconomic impact analysis outline focuses on all Tongass National Forest industry user groups, including the forest products, tourism, seafood and mining industries. It also includes recreation and subsistence users. The objective of the research is to, first, clearly define baseline conditions in Southeast Alaska. The second objective is to identify and measure competing, conflicting or complementary uses of the forest. Finally, from this information, predict the likely socioeconomic consequences of the TLMP alternatives.

This level of analysis would require a major primary research effort. Much of the data needed is not available. Data that is available is outdated. Research would include detailed surveys of industry participants (forest products, tourism, mining, and others) local governments, and households throughout the region.

The end-product of this analysis would be an industry-by-industry and community-by-community profile of the likely socioeconomic effects of each TLMP alternative. The analysis would also provide a profile of regional and national effects of each alternative. The research will identify who will be affected by each alternative, what the effects will be, the significance of the effects, and when they are likely to occur.

I. Timber Industry Profile and Impacts

A. Overview of industry activity in Southeast

- Location, scale and duration of current logging programs
- Location and scale of active manufacturing operations

B. Direct employment/payroll by sector and location (community)

- Timber sale planning
- Road and Related Construction
- Logging operations
- Trucking/Helicopter
- Stevedoring (log loading)
- Log Transport
- Milling/Manufacturing

C. Operations spending and indirect employment, by sector and location

- Air taxi/air charter
- Equipment sales and service
- Marine transporters
- Fuel supply
- Food & miscellaneous supply
- Utilities supply
- Professional services
- Other

D. Local government impacts

- Local sales and property taxes paid by the timber industry
- Local government services required to support the timber industry
- Stumpage receipts

Note: this analysis would be based on a detailed review of spending by logging companies, mills and other firms directly involved in the forest products industry. Its purpose is to accurately identify who is benefiting from industry activity and spending in the region. As the business sector most directly affected by the TLMP alternatives, this level of industry analysis is appropriate.

E. Labor force characteristics

- Average wages/salaries
- Residency (seasonal and permanent)
- Dependent population characteristics

This would help measure the induced impacts of the forest products industry. This is important because the industry does have unique labor force characteristics.

F. Linkages between the Tongass and private timber industries

- Impact of declining harvests on competition within the industry and effect on economics of private and state timber harvests

This analysis would help understand the impact, if any, of declining Tongass timber harvest on owners of private timber stands in Southeast.

G. Regional forest products industry impact assessment, by alternative, by location

- Direct employment and income impacts
- Indirect and induced employment and income impacts
- Labor force dislocation/social impacts
 - Northwest U.S. case studies of industrial down-sizing
 - Southeast Alaska case studies of forest products down-sizing

II. Tourism Industry Profile and Impacts

A. Overview of industry activity in Southeast

- Historical visitation/growth trends, by market component
- Cruise routes/itineraries
- Cruise passengers spending/activity patterns
- Independent visitor spending/activity patterns
- Remote/wilderness tourism activity patterns

The emphasis would be on the type of Tongass usage by various components of the tourism industry.

B. Assessment of tourism impacts from changes in past timber harvest levels

- Correlation of timber harvest and tourism volumes, by market (cruise, independent, other)
- Past dislocation of tourism activity as a result of timber harvests
- Visitor satisfaction analysis, by market
- Industry perception of the impact of logging on the visitor experience and Inside passage cruise marketability
- Transportation infrastructure development (complimentary and conflicting development)

It is important to establish the past, present and future relationship between Tongass logging activity and activity levels in the various components of the tourism industry.

C. Direct employment/payroll by affected sector and location

D. Operations spending and indirect employment

E. Labor force characteristics

- Average Earnings
- Residency (seasonal and permanent)
- Dependent population characteristics

If it is determined that the TLMP alternatives could result in some change in tourism activity (either growth or decline), it would be necessary to establish a socioeconomic baseline (Sections, c, d, and e) at the same level of detail as for the forest products industry.

F. Growth projections for the Southeast visitor industry

- Internal and external factors affecting market demand for Southeast travel
 - Cruise trends
 - Independent travel
 - Other "niche" markets

G. Identification of potential geographic areas of future conflict between forest products and tourism

H. Regional industry impact assessment, by market, by alternative

- Cruise industry effects
- Independent visitor market effects
- "Eco-tourism" effects
- Sportfishing market effects
- Rural tourism development effects

Based on the results of Chapter II, Sections A- E and on the location, scale and timing of timber harvests in each alternative, the tourism industry effects would be predicted.

III. Seafood Industry Profile and Impacts

A. Overview of commercial fishing activity in Southeast

- 15 year trend of commercial salmon harvest by species and gear type, by area

B. Location and historical productivity of salmon-bearing streams on the Tongass (to the extent available ADF&G data allows)

- C. Location of historical logging activity, by specific location (identify where logging may have affected stream productivity)
- D. Assessment of salmon harvest impacts of past logging activity

The purpose of the analysis would be to determine if logging and related activity has had an impact on the commercial fishing industry in Southeast. If there is some relationship between the volume of timber harvested and the number of salmon harvested, then appropriate economic analyses could be applied to the TLMP alternatives. Appropriate baseline data would need to be developed, including:

- E. Direct employment/earnings by affected fisheries and location
- F. Operations spending and indirect employment in affected fisheries
- G. Labor force characteristics
 - Residency (seasonal and permanent)
 - Dependent population characteristics

With this baseline data, and the results of the analysis in Section D., TLMP alternative impact assessment could be performed

- H. Regional industry impact assessment, by alternative
 - Mitigating/Protective measures, if any, built into each alternative

IV. Mining Industry Profile and Impacts

- A. Overview of industry activity in Southeast
 - Location and type of activity
 - Reconnaissance exploration
 - Prospect evaluation
 - Pre-development
 - Mine development
- B. Direct employment/payroll by location and activity
- C. Operations spending and indirect employment, by activity

D. Labor force characteristics

- Average Earnings
- Residency (seasonal and permanent)
- Dependent population characteristics

E. Summary of mineral valuation assessments in Southeast

From previous research, report on the probability of discovery of an economic mineral deposit in various terrain in Southeast.

F. Regional industry impact assessment, by alternative

- Determination of enhanced or foregone mineral development opportunities from the TLMP alternatives (based on part E)

In this section, two levels of analysis would be required. The first would be an assessment of impacts of TLMP alternatives on existing exploration and development projects. The second will be an assessment of the opportunity cost associated with restricting areas from mineral development, i.e. what are the job and income opportunities foregone as a result of restricted status.

V. Community Level Impacts of Management Alternatives

Should include all communities in Southeast.

A. Baseline socioeconomic conditions, by community

- Primary sources of personal income and employment
- Per capita income, average earnings
- Economic base analysis
- Community stability
- Local government revenues/expenditures
- Recreation and subsistence patterns
- Community attitudes regarding Tongass management priorities

B. Local socioeconomic impacts, by alternative

- Net changes in personal income and employment
- Net changes of personal income
- Net changes in per capita income, average earnings
- Economic base impacts
- Effects on community stability
- Effects on local government revenues/expenditures
- Effects on recreation and subsistence patterns

This analysis would bring together the results of the industry-level analysis (how and where each industry will be affected) and present how each Southeast community will be individually affected.

VI. Summary Regional Impact Assessment, by Alternative

This analysis adds a more regional perspective to the impact assessment. It would measure overall regional economic impacts, including net changes in employment, income, etc. for the region and sub-regions.

A. Regional and sub-regional economic baseline (Juneau, Other Urban, Non-Native Rural, Native Rural)

- Employment and payroll, by industry, historical trends
- Sources of personal income, historical trends
- Per capita income, average wages/salaries, trends
- Seasonality of economic activity

B. Regional and sub-regional economic impact, by industry, by alternative

C. Summary regional economic impact, by alternative

- Net changes in employment and payroll
- Net changes in personal income
- Net changes in per capita income, average wages/salaries
- Structural economic impacts
 - Economic base impacts
 - Support sector impacts
 - Seasonality of economic activity

VII. National Socioeconomic Considerations

Because the Tongass is a national resource, it is important to consider the national socioeconomic impacts.

A. Federal government expenditure and revenue impacts, by alternative

- Current Forest Service programs and expenditures in management of the Tongass
- TSPIRS and other data reflecting timber-related expenditures and revenues
- Expected Forest Service programs and expenditures in management of the Tongass, by alternative

B. National public attitudes and values regarding Tongass management objectives and priorities