

August 1, 2019

Ketchikan Misty Fjords Ranger District
South Revilla IRP
3031 Tongass Avenue
Ketchikan, Alaska 99901

The Alaska Forest Association (AFA) is a non-profit business association that was formed in 1957 to represent the interests of the timber industry in Alaska. The AFA currently manages a pension program, a group health insurance program, a scholarship program for the timber industry and also sponsors the Sustainable Forestry Initiative program for Alaska.

Please consider the following AFA comments for the South Revilla IRP Scoping.

Economics

The west half of this project area (called Phase 1 in the scoping documents) is the same project area as the Saddle Lakes EIS which was aborted when it became apparent that the 2,237 acre, 47 million board foot (mmbf) project would result in a significant financial loss to the average purchaser. Consequently, designing this current project in a manner similar to the 2015 Saddle Lakes project will also result in a financially deficit appraisal.

The Saddle Lakes DEIS indicated that 60% of the acres would be harvested by cable systems, 22% by mechanical harvesting (shovel logging) and 18% helicopter. The scoping map provided for Phase 1 of the South Revilla project indicates that it has a similar mix of logging systems – 50% cable logging, 24% shovel logging and 26% helicopter logging. The Saddle Lakes project also required uneven age management on 21% of the acres.

In order to insure the South Revilla project is financially viable to operate, all of the helicopter units should be dropped and there should be no uneven-age prescriptions in the old-growth stands. There is simply not sufficient helicopter logging projected on the Tongass in the near future to entice a helicopter logging company to mobilize to Alaska. Why waste time analyzing and marking harvest units that have no hope of being financially viable?

In addition, it makes no silvicultural sense to require uneven-age management of old-growth timber. The majority of the timber in an old-growth stand is well past maturity and will not respond to a partial-cut the way that a young-growth stand will respond. Further, the young trees that grow in the shade of the residual old-growth trees will have their growth suppressed and will be exposed to all of the disease present in the old-growth timber. In addition, hemlock regrowth tend to dominate in thinned stands whereas stands that are harvested with an even-age prescription tend to regrow the same mix of species as the original stand. Also, young trees growing in an uneven-age stand will likely not reach maturity for a couple of hundred years, verses about 100-years to grow the same trees to maturity with an even-age harvest prescription.

Markets and Demand

The markets for lumber and other products from Alaska's forests is strong, as long as those products can be provided at a competitive cost. From the mid-1950s until the mid-1990s the timber industry sustained a harvest level on the Tongass of about 12,000 acres per year. About 90% of the harvested timber was manufactured into lumber and pulp and was sold into diverse markets across 30+ countries. When the Forest Service began restricting timber sales in the mid-1990s the mills closed, one after another – first the two pulp mills, then the larger sawmills, one after another. Pacific Log and Lumber (PLL) closed its sawmill and withdrew from the AFA on January 1, 2011 with the following explanation:

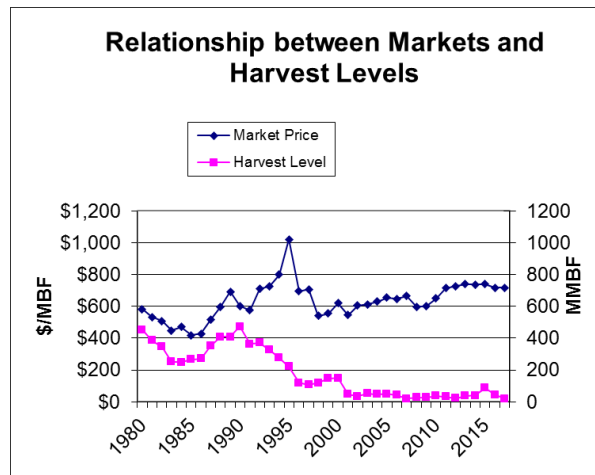
“Last November I hired Channel Construction to scrap my sawmill on Gravina Island. As you are aware, over the last 2 1/2 years there has been an insufficient log supply to operate. More importantly the communication link between the USFS in Region-10 and the Washington Office is broken and unless it is repaired the industry can only expect more rhetoric and fewer trees to harvest.”

As these pulp mills, sawmills and even a veneer plant closed, the manufacturing industry lost its ability to manufacture products from the low-grade logs. For many years now we have been leaving utility logs in the woods to rot and we have been relying on export markets to recover some value from much of the other low-grade timber that comprises a significant percentage of the Tongass forests. In order to restore a competitive, fully-integrated manufacturing industry that can manufacture products from all of the low-grade logs, a significantly larger timber supply will be needed. We estimated that timber volume at about 360 million board feet (mmbf) annually. The Forest Service made a similar estimate – 342 mmbf annually. Until the timber supply is restored, we will have to rely on export markets to utilize the low-grade logs and we will have little or no recourse when those export markets are interrupted. The current China-tariff issue is a good example; if we had a fully-integrated manufacturing industry then the timber purchasers would have an alternative to curtailing operations due to log export tariffs or other log export issues.

As we explained in our objections to the Prince of Wales Landscape Level Analysis (POW-LLA), the markets for our products have been increasing for most of the last 30+ years, so please do not repeat the same kind of market and demand related misstatements that were included in the POW-LLA project. Here is an excerpt from our POW-LLA Objection letter:

“Page 3-107 of the FEIS includes the following statement *“Across the Tongass National Forest there has been a lack of timber volume available for the Forest Service to offer. This is due to the fact that much of the volume available to offer that has gone through environmental analysis, and has a decision (NEPA), may not be offered at this time **because these projects were created during better market conditions and are anticipated to appraise negative**”* (highlight added).

Data from the USFS appraisal shop was used to create the graph below. It is very apparent that the only significant decline in Southeast Alaska timber markets was immediately after the 1994 all-time high pulp market and after the 1997 closure of the last pulp mill. That mill closure resulted in reducing the value of all utility logs in the region (15% to 30% of the total forest) from about \$200/mbf to basically zero. Sawlog markets have been trending upwards since 1997 (coincidentally, dissolving pulp markets have also continued to rise since 1997). The dismal timber sale economics and the constant failure to meet timber targets and implement timber sale projects since 1997 is due almost entirely to the gross expansion of the Tongass wildlife conservation strategy and other standards and guidelines that were adopted in the 1997 Tongass Land Management Plan.



Also, please do not parrot the false assertion of providing enough immature young-growth volume to invest in a young-growth business other than log export.

Page 122 of the POW-LLA FEIS states *“Alternative 2 would still provide enough young-growth volume for potential larger offerings that may prove an incentive for industry to invest in young-growth business other than export”*. This statement is false. There are well established markets for products

manufactured from young growth, but we cannot compete in those markets while we are at a competitive disadvantage to other manufacturers. For example:

1. The current size of our young growth trees is too small to manufacture the high value products we produce from the old-growth trees;
2. Southeast Alaska is 800-miles from the nearest market for young-growth lumber, veneer and other wood fiber products;
3. Our current volume of young-growth is too small to supply even a single, modern small-log sawmill; and
4. The Forest Service timber sale program has, for over 30-years, been too unreliable for investors to take the risk that sufficient timber will be available to amortize the investment needed to construct a small-log sawmill.

Realistically, our young-growth timber will not begin reaching maturity (the culmination of mean annual increment) for at least another 30-years. Harvesting the young-growth at an earlier date will *greatly* reduce the total volume of timber available from those stands and the small size of the immature timber will limit the range of potential products that could be manufactured from the young-growth. As we have repeatedly explained, it would require an annual harvest of more than 200 mmbf of these small, young-growth trees to supply a single, competitive small-log sawmill. A fully integrated manufacturing industry will require even more. Early harvesting of the young-growth in Southeast Alaska can provide timber harvest jobs, but not manufacturing jobs.

We understand the need to harvest a few young-growth stands prior to CMAI in order to preserve jobs but do not create the *misimpression* that harvesting relatively small volumes of young-growth timber will foster a young-growth manufacturing industry.

Roadless Rule concerns

There is about 1,300 acres of timberland in the northwest corner of the project area that is misidentified as Roadless. I and others built roads and harvested timber in this area in the mid-1990s, long before the Roadless Rule was imposed on Southeast Alaska. I request that you correct that Roadless mapping error and any others that you may be aware of.

We are also concerned about a common practice of inadvertently isolating timber by marking cutting boundaries no more than 600-feet from existing harvested areas. We are aware that this is caused by the one-size-fits-all Roadless Rule prescription, but given that the Roadless Rule is likely to be revised within the next year, we recommend that you postpone marking any harvest units that may be relieved from this arbitrary prescription.

Sincerely,



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