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Beth Pendleton, Regional Forester

USDA Forest Service, Alaska Region

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Objection letter for the Wrangell Island Timber Sale project

Dear Beth,

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.

We appreciate the effort that the Forest Service has put into this project and we note that the project was originally intended to honor the 2008 commitment the Forest Service made to prepare a series of four 10-year timber sales, each with a total volume of 150 to 200 million board feet (mmbf). We also note that the State of Alaska raised a concern in its 2011 Scoping comments that the project had declined in size from 185 mmbf to 91 mmbf. Now the project is even smaller; at 56 mmbf it is just about a quarter of the original proposed volume. This project no longer meets the intent of honoring the 2008 Forest Service commitment. Further, our initial review indicates that likely only about 10 mmbf of the timber sale volume (less than 20% of the stated volume and only about 5% of the originally intended volume) will appraise positive. In fact the draft ROD itself asserts that harvesting the preferred alternative would cause a potential export purchaser to lose some \$3.3 million and a manufacturer would lose some \$12 million.

Moreover, the Draft ROD admits at page 10 that the sale is deficit:

"The results of the financial efficiency modeling indicate a deficit value based on past market performance for all alternatives. While the Selected Alternative is not the most economical alternative, because it requires the highest amount of helicopter yarding, it produces the most timber volume. Under the current limited export policy, the indicated advertised rate is negative \$59.23/net MBF for the Selected Alternative and negative \$220.64/net MBF under the 100 percent domestic processing scenario".

This situation is frustrating because it has occurred on almost every timber sale project in the last 10-years and yet the Forest Service has made no effort in this project or in the recently completed TLMP Amendment to modify the land management constraints that repeatedly cause this outcome.

In July 2016, the AFA recommended a number of modifications to the draft EIS that would have improved the timber sale economics including:

[bull] Constructing the specified roads to a temporary road standard and,

[bull] Dropping or reducing the viewshed constraints and,

[bull] Restoring the Alaska Roadless Exemption,

[bull] A more realistic demand analysis.

Earlier in the eight-year effort to complete the NEPA process for this project we recommended a number of other modifications to the land management plan that would have greatly increased the amount of economic timber available on Wrangell Island.

None of these recommendations were adopted.

In 2008, in addition to committing to prepare and offer four 10-year timber sales, the Forest Service committed to prepare three separate economic analyses to improve timber sale economics.

None of those economic analyses were completed.

We request an opportunity to meet with you to discuss how to make economic improvements to this project and how to modify the land management plan to avoid these unnecessary failed NEPA projects in the future.

Sincerely,

Owen Graham

Executive Director

Alaska Forest Association