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First name: TIMOTHY B. NELSON

Last name: Anon

Organization:

Title:

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Michael Jimenez, Project Leader (michael.jimenez@usda.gov)

Ellen Bogardus-Szymaniak

District Ranger, Lutsen DEIS Project

Tofte Ranger District

7355 West Highway 61, P.O. Box 2159

Tofte, Mn. 55615

Constance Cummins, Forest Supervisor

Superior National Forest

8901 Grand Avenue Place

Duluth, MN 55808

RE: Lutsen Mountains Ski Area Expansion Project

Dear Mr. Jimenez and Ms. Cummins,

I am a 30-year resident of Lutsen and an expert and avid alpine and Nordic skier. I taught my kids to ski at Lutsen Mountains and purchased season passes for our family for many years. I will provide my arguments opposing the proposed Lutsen Mountains expansion onto forest service lands in three categories: economic, environmental, and moral.

Economic

I had a 50-year career in business and have an MBA in Finance and Accounting from the University of Michigan. With this background as well as my expertise as a skier for 67 years, I do not believe the expansion of LMC makes any financial sense and will most likely end up in severe financial distress for LMC as well as leave a partially developed expansion project that will turn out to be a liability for the sale of the organization as well as a mess for the forest service to clean up

and reforest. Lutsen states that they need a greater variety of beginner and expert terrain to get competitive with western resorts. In data presented at the SNF EIS draft review, the alpine ski industry is in a mature to declining business phase. Except for the Covid disturbances of the last two years the trend in national skier days and Skier days nationally have been declining. Skier days on an annual and five-year average peaked in the 2010/11 season. The five-year average of Midwest skier days also peaked in 2010/11. Both have been declining at roughly 1 to 2% annually since then. There is no evidence that the Midwest is losing consistently share over the last 10 years with hovering around 12% with a peak of 13.6% in 2013/14, a bottom of 9.9% in 2016/17 and currently back at its average of 12%. The Midwest ski industry has always been founded on family beginning and intermediate skiing. Families teach kids how to ski here without the big expense of a western trip and once they get bored with the smaller skiing experience, they migrate to the west. The Midwest ski industry's role has always been to be a training ground for the west. Vail corporation has purchased dozens of smaller and unprofitable midwestern resorts just to keep this ski feeder operation funneling skiers to the west. LMC's expansion plan to become more competitive with the west is folly. They cannot possibly compete with the West's snow conditions, season length, terrain variety, or resort quality. They do not have competitive expert terrain even if they develop the back side of Moose. The two current runs on the back side of Moose are too steep to hold snow, very short, rarely open, and usually a sheet of ice. More of these runs, even if lift served will not add any usable terrain that will help with LMC's terrain diversity. The front of Moose runs are just more of the same terrain that already exists. LMC already has substantial underutilized beginner runs on Mystery Mountain. It is served by a 40-year-old very slow lift that inhibits use because of its speed. Lift modernization is a much cheaper way to add more useable beginner terrain than forest destruction.

LMC states its expansion will take 20 years. The draft EIS says LMC contributes \$14.5 million annually to the local economy. If that is its sales, it is easy to see why LMC does not have the cash flow to expand faster to achieve this expansion in a timelier manner to achieve the competitiveness

it believes it needs. Given the resources it will take for expansion, LMC will be forced to raise ticket prices faster than inflation and likely faster than the industry, making it even less competitive. The biggest reason for declining skier days is that the cost of skiing has risen beyond what most millennials can afford, and baby boomers are aging out of the sport. Rising prices as is admitted in the DEIS will compound the problem, making it harder for regional skiers to afford Lutsen versus other regional resorts. Shorter ski seasons due to climate change and more expenses for snowmaking will add to the financial pressure the LMC faces. These climate change impacts will put further pressure on the declining skier day trend. For this plan to succeed, LMC will have to gain significant market share in a market that is declining 1-2% per year and perhaps accelerating due to shorter seasons, while raising prices faster than the local competition, all while investing significant resources in the expansion over a long period of time. The likelihood of success of such a plan is extremely low. The DEIS admits that if Alternative 1 is chosen, it will not affect LMC's current business and skier traffic, although shorter seasons will regardless of which alternative is chosen. Therefore, this plan as proposed by LMC is solely designed to increase, not maintain its business. Therefore, LMC current business is not at risk and allowing LMC to pursue this expansion simply introduces a higher level of financial risk that may well cause the current business to be hurt.

It is unbelievable to me that the SNF would consider turning over 495 acres of unique and sensitive forest to LMC to operate a business, permanently alter the land without having seen LMC's financial statements, seen their projections or have a business or industry expert review their business plan and their financial capability to execute it. This is completely irresponsible.

When LMC likely runs into financial difficulties and must abandon its expansion even if its phases are controlled by the USFS, the USFS will be left with a mess. Uncompleted or completed but failed expansion will leave scars that the USFS will have to deal with including removing infrastructure, maintaining erosion control, and reforestation. As a public entity operating on

taxpayer funds, USFS must consider its probable liabilities if it approves an expansion plan based on a poorly conceived business plan. At a minimum, the USFS should require a substantial performance bond to fund reclamation in case LMC gets into financial trouble, just like the mining companies seeking permission to mine short lived copper sulfide deposits are being required to do.

Environmental:

I believe LMC's proposed expansion including both Alternative 2 and 3 will result in significant environmental harm. As stated in the DEIS, the forest in the proposed project area remains as intact functioning native plant communities that contain old growth (>140 years old) characteristics, unlike most of the forest on the North Shore, including undisturbed remnant stands of northern white cedar and sugar maple. The expansion would impact 314 acres, 96% of which are concentrated in mature and older stands dominated by upland northern cedar hardwoods, aspen and birch, upland spruce fir, and white cedar, all of which have high forest service management indicator habitat ratings. The project would impact 436 acres of valuable and forever irreplaceable forest that has Outstanding Biodiversity Significance as including much of the Onion River Hardwoods Site as rated by the Minnesota Biological Survey.

The USFS DEIS concludes the proposed Ski Resort Expansion would result in the loss and fragmentation of forests over the entire 495-acre area with NFS lands. This will result in the introduction of invasive species, forest pests and diseases, and combined with ongoing and accelerating climate change (which this project will make worse) will cause largely permanent changes and degradation to the plant communities. Why would the USFS want to cause this damage and remove so much carbon consuming forests, all to enable a private business to implement a risky and likely to fail expansion? It makes no sense.

The DEIS admits the region has been and will continue to be subject to an increasing frequency and severity of extreme weather events. The project will increase soil compaction and increase the difficulty of controlling erosion in the face of the increased probability of extreme weather. At the current time, the Arrowhead region is subject to significant draught and forest fire risk. Removing

significant acreage of fire-resistant mature cedar and sugar maple forest so near residential and commercial areas of Tofte and Lutsen increases risks to local property and community safety.

I believe the DEIS demonstrated conclusively that the LMC proposed expansion would have a significant negative impact on wildlife that is endangered or under severe pressure from loss of habitat and increased human activity. The Northern long eared bat would be particularly vulnerable due to tree clearing activity in during their summer roosting period, leading to much lower reproduction and pup survival. Lynx would abandon the area entirely. Moose, grey wolves, and many other species would be negatively impacted. Forest habitat fragmentation would generally reduce the abundance of birds, mammals, insects, and plants in the project area. These losses would be unconscionable.

I believe the DEIS lays out significant risks to water quality and water resources due to construction of the project which will cause loss of hydrologic connectivity, impairment of streams and wetlands, will dramatically increase impervious surface, and create erosion problems due to tree removal and significantly higher run-Off from additional snowmaking. Wetlands would be harmed by tree removal, dewatering, and altered stream flows. For the expansion, 2448 feet of streams would be piped or bridged which would impact hydrologic connectivity by channel constriction, changing channel depths, creating barriers for aquatic life, and disconnecting streams from the Riparian Management Zone.

The project would include significant increase in snowmaking using water from Lake Superior. The DEIS does not specify how many more millions of gallons of water will be needed for the project to cover the expanded area. This is a key unknown, but the DEIS estimates water yields would increase by 19% on Eagle Mountain and 29% on the front of Moose Mountain. Alternative 2 would increase flow in Rollins Creek by 8 to 10%. This increased watershed yield combined with altered stream flows, more imperious surfaces and deforestation would create significant erosion issues, add significant sediment to area streams and reduce water quality. The erosion risk created by the

project is severe: 64% of acreage with tree removal will cause soils to have a severe or very severe erosion rating and 86% of the 124 acres that would be gladed would result in soils with a severe or very severe erosion rating. The Forest Service Watershed Condition Classified Guide ratings for the frontal Moose Mtn would degrade to POOR because of this project. Finally, the impact of the additives that LMC puts in the snow are completely unstudied and unknown. The impact of more snowmaking with an unknown quantity of water, but likely much higher than modeled due to milder winters in the climate change era, combined with deforestation and soil compaction is a huge risk for erosion and degraded water quality.

The USFS knows that the LMC SUP is completely inconsistent with the Forest Plan which guides its goals, objectives, and operations. It acknowledges that the expansion project would degrade HIGH Scenic Integrity Objective areas to LOW SIO status, which is inconsistent with its forest wide SIO goal. In addition to its SIO maintenance goals, the SNF should follow its plan and avoid conflicts with its own plan. Other areas where the LMC proposed project is inconsistent with the Superior National Forest Plan include:

- [bull] Increasing white cedar, increasing old forest, old growth forest, and multi aged upland forest and maintenance of large patches of mature or older native upland forests.

- [bull] Objectives, standards, and guidelines pertaining to conservation and recovery of the Canada Lynx and its habitat

- [bull] Objectives to protect all threatened, endangered, and sensitive wildlife species and their habitat.

- [bull] Objectives to conduct forest management activities to protect Tribal rights and help sustain the American Indians way of life.

The LMC SUP is definitively not in the public interest and does not comply with the requirements of federal regulations and the objectives of the Superior National Forest Plan. Alternative 1 is the only logical choice in the DEIS.

Moral Objections

Climate change is the existential crisis of our time. The recent Glasgow Pact at COP26 produced a goal of limiting global warming to 1.5 degrees Celsius. This is an ambitious global goal and every country, and every region must do all it can to help achieve it. To achieve it, greenhouse gases must be reduced by 45% by 2030 to avoid the most catastrophic impacts of climate change. There is no climate solution without the US and the Midwest is the most climate polluting region in the US. Minnesota must lead the Midwest in achieving its carbon reduction goals. The DEIS casts climate change as a global issue, but progress on global issues begins here at home with this project. It is a moral imperative to place this project's impact on global warming at the top of all other considerations. The DEIS states that both Alternative 2 and 3 would result in irretrievable contributions to climate change and air quality, because emissions that would be generated from the construction and operation of the proposed projects and increased visitation cannot be retrieved. It minimizes these impacts and states they could be reversed due to offsetting and mitigation that possibly could occur in the future. The loss of carbon sequestration capacity resulting from vegetation removal could be reduced in the long term if vegetation were allowed to regrow and measures could be put into place to reduce vehicular and operational emissions. This minimization and dismissal of the issue in the DEIS is immoral and unconscionable. No guarantees, no plans, just some hope that sometime in the future LMC will do something to undo the damage. This is how we got in this mess in the first place, by ignoring the consequences of our current actions and hoping that something can be done about it in the future. It is upsetting that the DEIS minimizes this problem and pushes mitigation out to the "maybe" future. If we don't act aggressively to mitigate climate change now, there will be nothing to do in the future. I expect more from the NFS, the protector of our public forest. I am disappointed in your stewardship attitudes expressed in the DEIS.

If the NFS allows Lutsen to deforest almost 495 acres of carbon sequestration capacity, it should be required to replace that capacity by planting trees over twice as many acres somewhere else.

Marc Benioff, CEO of Salesforce, has recruited over 300 companies to plant one trillion trees over the next few years. LMC could join that effort to help with mitigation. This can't be a maybe future effort, but a required one to proceed with any tree removal. We will not have a future if we don't take climate change seriously now.

As the leading corporation and largest employer in Cook County, LMC is morally obligated to adopt a net zero carbon consumption goal and lead the rest of the county to take carbon reduction seriously. It should be required to use solar and wind generated power for its ski lifts and seriously consider downsizing this expansion project to something much less destructive to the mature forest and its carbon sequestration capacity. Its financial resources should be targeted to reducing the climate harm it is currently creating before it is committed to risky plan that will increase that harm significantly.

Finally, the approval of the SUP for this project would absolutely trample the rights of the Ojibwe people and continue a long series of decisions and actions over two hundred years by the US government to disrespect, ignore, and violate its agreements and treaties with Native American peoples. It is a history that is shameful and highly immoral. Approval of either Alternative 2 or 3 of the DEIS and SUP would be another such decision that would demonstrate an unchanged attitude of the NFS that the Native American treaty rights truly have a lower priority than the economic interest of one private company. I don't need to go into all the back-and-forth arguments about whether taking this land away from the Ojibwe really harms them and whether they really use their rights on the land in question. Loss of access to this acreage is not "offset" by ample similar resources in the rest of SNF as claimed by the DEIS. It is a net loss, not offset in anyway. It is just plain wrong and immoral. It is another way in which the NFS would not be following the guidance of its own Forest Plan as well as another shameful incident in a long series of incidences of the US government violating treaty rights of Native Americans.

Conclusion

The DEIS says the 2004 Superior National Forest Land and Resource Management Plan basically

defines the public interest. It was developed after years of planning and substantial public input.

Alternatives 2 and 3 of LMC's SUP request are inconsistent with this management plan on virtually every goal and metric in that plan. Therefore, it is definitively against the public interest. The environmental risks are considerable and the mitigation using best management practices are risky and uncertain. The public interest will not be served by allowing LMC to pursue a growth strategy that won't be fully impactful for 20 years and in the meantime introduces substantial public interest harm by pursuit of a flawed and highly risky business expansion plan, completely unreviewed by any industry experts employed by the SNF. Most importantly, the climate crisis facing the world now requires that the near term impact of implementing this project will have on a warming climate receive top priority in making the decision on which Alternative in the DEIS gets approved. Finally, it is high time that the USFS shows the Native American community that it will respect and maintain the treaty rights it agreed to in 1854. I urge you to reject Alternatives 2 and 3 and recommend Alternative 1 (no action). In good conscious, it is really the only choice that makes economic, environmental, and moral sense.

Sincerely,

Timothy B. Nelson