# STATEMENT REGARDING IMPACTS ON TIMBER-DEPENDENT COMMUNITIES REGARDING TRANSITION PROPOSED IN TONGASS FOREST PLAN AMENDMENT

**Tongass National Forest Plan Amendment Objection Resolution Meeting**
**Ketchikan, Alaska**
**October 14, 2016**

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**Putting our communities and the 17-million acre Tongass National Forest into context.**

In our nation, one-quarter of all land is owned by the federal government.[1] In Alaska, the figure is more than double the national average.[2] In Southeast Alaska, the percentage of land owned by the federal government is significantly higher still. Three-quarters of the land in Southeast Alaska is comprised of the Tongass National Forest.[3]

What happens in the Tongass National Forest is obviously of great importance to the nearly 75,000 residents of Southeast Alaska.

However, as imposing as the figures are regarding the federal presence in Alaska as a whole and Southeast Alaska in particular, they pale in comparison to circumstances here. In the Ketchikan Gateway Borough – which is Southeast Alaska's largest organized borough – the federal government owns 96.7% of the land – 3½ times the national average.[4] Nearly all of it is Tongass National Forest lands. Thus, the 14,000 residents of the Ketchikan Gateway Borough have an enormous stake in Tongass National Forest policy.

**Economic impacts from shift in timber policies in the 1990s are still evident today.**

Ketchikan was devastated by a shift of federal timber policies in the 1990s.[5] The Tongass Land Use Management Plan, issued in 1997 and amended in 2008, sharply reduced allowable timber harvest levels in the 17-millon acre Tongass National Forest.

Ketchikan lost an estimated 1,550 timber-related jobs – 23% of the employment in the Ketchikan Gateway Borough vanished.[6]

The devastating effects of the shift in federal policy echo into the present. Twenty years later, you can still see the effects in our schools:

- More than one in every five desks in our schools is empty compared to the mid-1990s.[7]
- More than 40% of the students attending our schools today are from financially distressed families.[8]

Other current economic indicators clearly show the continued suffering. The number of unemployed workers in the Ketchikan Gateway Borough presently is 28% greater than the national average.[9]

The communities on nearby Prince of Wales Island have suffered similar impacts.

**Secretary Vilsack's 2013 directive to preserve jobs and economic opportunities.**

Three years ago – on July 2, 2013 – U.S. Department of Agriculture Secretary Tom Vilsack directed the Forest Service to transition management of the Tongass National Forest to be more economically, socially, and ecologically sustainable.

In doing so, however, Secretary Vilsack recognized that the federal government cannot cause further economic harm to the timber industry in Southeast Alaska. Therefore, he stipulated clearly that the Forest Service "must do this in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska."[10]

Three months after Secretary Vilsack's announcement, the office of the Tongass Forest Supervisor here in Ketchikan – the office now occupied by Mr. Stewart – announced that it would begin a public process to amend the Forest Plan "in a way that supports the continued viability of the forest industry in Southeast Alaska, per the direction of Secretary of Agriculture Tom Vilsack."

**State of Alaska's fiscal crisis adds to the imperative of fulfilling Secretary Vilsack's directive.**

When the Tongass Forest Supervisor's office announced its intention to amend the Forest Plan, North Slope crude oil – which has funded Alaska's state government for nearly 40 years – was selling for more than $100 per barrel. A year later, the price of oil began to collapse which ultimately brought about an 80 percent reduction in State revenues.

Yesterday, Governor Walker was here in Ketchikan to speak about Alaska's fiscal affairs. He indicated that the State of Alaska is experiencing the "greatest fiscal crisis in the State's history."[11] Our state government is reeling in its efforts to cope financially.

The State's current operating budget is $4 billion in the red. Governor Walker indicated that the State has drawn $13 billion from its savings to fund those deficits in recent years.

Governor Walker stated yesterday that "deficits roll downhill."[12] We've seen the significant effects.

- The State has slashed capital spending in Southeast Alaska by 90%.[13]
- The State has cut approximately 500 jobs in Southeast Alaska—mostly in Juneau and Ketchikan.[14]
- The State has placed a moratorium on cost-sharing of major construction and renovation of municipal school facilities at a time when the Ketchikan Gateway Borough School District has identified more than $13 million in student safety projects, roof replacement projects, and energy efficiency projects.
- The Governor vetoed funding for reimbursement of existing school-related debt, which cost the Borough nearly $675,000 this year.

- The Governor cut student transportation funding, which will cost the Borough School District $134,000 in FY 2017.
- The Borough faces a $125,000 reduction in State funding for Basic Need for our schools next year.

Despite these and other significant local impacts stemming from the State's fiscal crisis, the State has only addressed a very small portion of its financial woes.

Thus, the need for the Forest Service to preserve jobs and economic opportunities in Southeast Alaska is far more critical today than was the case at the time of Secretary Vilsack's directive three years ago.

**Proposed "Selected Alternative" will not work.**

There is no question that the plan to transition to young growth timber is 30 to 50 years premature. It is doomed to fail. The Forest Service itself recognized this in its own *Economic Analysis of Southeast Alaska,* which was published on May 24, 2010.[15] Specifically, page 23 of that analysis states:

> . . . young growth management is not currently economically viable without substantial public investments to pay for thinning. This is because the vast majority of young growth currently available on the developed land base is too young and small to generate profits in excess of the logging and transportation costs used in this analysis.

The Forest Service's June 2016 *Draft Record of Decision* fails to acknowledge the May 2010 *Economic Analysis of Southeast Alaska.* It also fails to identify the source of the "substantial public investment" which the Forest Service said is needed to make the Transition Plan work.

In April of this year the Ketchikan Gateway Borough Mayor, an Assembly Member, and I raised these concerns regarding the Tongass Plan Amendments in Washington D.C. We met with the Office of the Deputy Under Secretary for Natural Resources and the Environment at USDA, and the Office of the Deputy Director of the Forest Service. We were told that the Tongass Forest Supervisor – Mr. Stewart – would make the decision concerning the Forest Plan Amendment, including how Secretary Vilsack's commitment would be fulfilled.

Again, the Tongass Forest Supervisor's office characterized Secretary Vilsack's July 2, 2013 statement as "direction" that the Forest Service "must [transition management of the Tongass National Forest] in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska."

The June 2016 proposed Record of Decision clearly fails to fulfill that directive. A decision to go forward with the current proposal is irreconcilable with Secretary Vilsack's mandate.

It is imperative that the Tongass Forest Supervisor carefully and objectively weigh the heavy, heavy consequences that the proposed alternative will have on the lives of residents of the Ketchikan Gateway Borough, Prince of Wales Island, and adjoining regions. Of particular concern is the fate of Viking Lumber on Prince of Wales Island—the last remaining midsized sawmill in the region.

A better, more suitable alternative must be found – one that fulfills Secretary Vilsack's mandate.

Respectfully submitted,

Dan Bockhorst
Borough Manager

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[1] More specifically, the figure is 27.4% according to *Federal Land Ownership: Overview and Data*, Congressional Research Service, page 5 (December 29, 2014).

[2] According to *Land Ownership In Alaska*, Department of Natural Resources, Division of Mining, Land & Water (March 2000), the federal government owns 60% of the land in Alaska.

[3] *Southeast Alaska by the Numbers, 2016,* Southeast Conference, page 12 (September 2016)

[4] The Borough encompasses approximately 3,168,702.67 acres of land, of which 3,063,313.47 acres are Federal lands (data compiled from Borough assessment records, and geographic information system).

[5] Political and economic pressures, increased federal land withdrawals, a more stringent regulatory climate and environmental lawsuits forced the closure of the Ketchikan and Sitka pulp mills. *The Tongass Land Use Management Plan*, issued in 1997 and amended in 2008, sharply reduced allowable harvest levels.

[6] Source: Alaska Forest Association, Owen Graham, Executive Director (May 2015).

[7] "Average Daily Membership" (ADM) in the Ketchikan Gateway Borough School District was 2,856.25 students in Fiscal Year 1997. In FY 2016, the figure was 2,239.22, which represents a loss of 617.03 ADM students (21.6%). Source: Alaska Department of Education and Early Development.

[8] 942 students in the Ketchikan Gateway Borough School District received federally subsidized free or reduced price lunches (834 were eligible for free lunches and 108 were eligible for reduced price lunches). District enrollment is presently 2,299. Thus 41% of the students receive free or reduced price lunches. Source: Superintendent Robert Boyle (October 10, 2016).

[9] 2015 annual average unemployment for KGB was 6.8%; the national average was 5.3%. Thus, an average of 68 of 1,000 workers in Ketchikan were unemployed compared to 53 of 1,000 nationally. The former is 28% greater than the latter.

[10] *Secretary's Memorandum 1044-009 Addressing Sustainable Forestry in Southeast Alaska*, page 1.

[11] Town hall meeting with Governor Walker, October 13, 2016.

[12] Town hall meeting with Governor Walker, October 13, 2016.

[13] In FY 2013, State capital funding for Southeast Alaska was $385 million; in FY 2017, the figure was $47 million. That represents a drop of $338 million or 87.8%. Source: *Southeast Alaska by the Numbers, 2016,* Southeast Conference, page 1 (September 2016).

[14] *Id.*

[15] *Economic Analysis of Southeast Alaska: Envisioning a Sustainable Economy with Thriving Communities*, US Forest Service, Alaska Region.