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Forest Supervisor Cole:

The Tongass Conservation Society (TCS), Greenpeace and the Center for Biological Diversity thank you for the opportunity to comment on the new five-year plan and the extent to which it purports to effect a transition from the Forest Service's past emphasis on old-growth timber sales. We strongly support a transition that prioritizes protection of the region's fish and wildlife resources for current users and future generations. This transition should include a re-allocation of public funds to support recreation management for individual users and tourism businesses and to remediate damage from past logging and road construction.

Consequently, we applaud the Forest Service's stated intention of ending the practice of large-scale, old-growth clearcut logging. But the five-year schedule does not reflect this intention. Instead, it proposes substantial levels of road construction and an increase over recent timber take levels. Also, the restoration component of the Five-Year plan is vague and appears to place a disproportionate emphasis on large-scale vegetation management projects. We think this element of the program inappropriately mixes wildlife restoration with commercial thinning, and submit that primary restoration activities should focus on watershed health, particularly by shrinking the road system and restoring in-stream habitat.

We respectfully submit that both of these components merit further NEPA analysis in the form of an amendment or supplement to the TLMP. The 2008 adjustment failed to correct a number of flawed assumptions regarding the economic viability of the regional timber industry. Consequently, substantial and pointless public expenditures for the timber sales program continue. It is also critical to address new information regarding recent declines in POW wolf populations. Finally, the substantial amount of timber taken pursuant to Wildlife Management constitutes a new program that also merits further NEPA analysis.

Our specific comments on the timber sale and other vegetation management programs follow. We begin by discussing the old-growth timber sales proposed under the Five Year Plan. We will then discuss the restoration and second-growth management programs. In general, we believe that the best way for the Forest Service to proceed with the Transition is through one or several amendments to the TLMP that address our three main concerns: (1) wildlife and fisheries habitat on POW; (2) trends in timber industry economics, particularly in those ranger districts where old-growth timber sales are economically unfeasible and (3) the wildlife restoration program needs to be supported by a cost-benefit and scientific analysis that includes a hard look at financing and the current emphasis on large scale vegetative management programs.

Old Growth Timber Sales on POW

As an initial matter, we agree with Earthjustice's comments on the plan pertaining to the forest-wide highgrading of old-growth forests. This practice is unsustainable. We would add one point: taking the largest, most valuable cedar now for export means that fewer trees will be available to small mills over the coming years for local use for specialty products or homes. This practice forecloses future options and eliminates future small business opportunities.

High levels of past and present harvest have already compromised future small business opportunities on POW. Over the past three years, nearly the entire sale volume from the Tongass National Forest comes from Prince of Wales (POW) Island. Previous entries have already removed more than forty percent of the large tree old growth from this island. Logging on non-federal lands has been extensive. As a result, there are serious concerns with declining wildlife populations and with fisheries habitats compromised by a combination of clearcut logging, road construction and deferred road maintenance.

Our first concern is that scheduled timber sales on POW will have detrimental impacts to other resource users. The Tongass National Forest needs to acknowledge that continued large scale clearcut logging on POW threatens to reduce jobs in other resource sectors. In our programmatic and site-specific administrative appeals we have emphasized that continuing with the large timber sales on POW has significant negative consequences for the region's largest private employer – the commercial and sport fishing industries. The recent Logjam project provides a clear example of watershed problems on POW. The Forest Service proceeded with the project even after it had incurred a thirty-five million dollar backlog in critical and deferred

maintenance costs in the project area. Agency personnel projected that there would be a continued downward trend in water quality unless there was actual progress in road storage and decommissioning. The project proposed to fix only half of the blocked culverts, leaving miles of upstream habitat blocked to spawning fish.

The above problems are prevalent throughout POW and pose serious risks to the stability of the region's fisheries, particularly in a changing climate. The Tongass supports the southernmost commercially viable salmon fishery on the Pacific coast. Fishery scientists have pointed out that our changing climate means more high temperature events and extended rainless intervals. These events have occurred over the past decade and have significant implications for salmon ecology in southeast Alaska and are particularly pertinent to POW watersheds. We have repeatedly asked the Forest Service to analyze and consider appropriate management responses to the high stream temperature problems that plague this area.

In some recent years there have been hundreds of days of stream temperature exceedances in monitored POW streams. Fish kills in the tens of thousands have seemed to be an annual event over the past decade. Most notably, there has been an observed and substantial decline in the even-year pink salmon cycle since the high temperature events of 2004. Further extended periods of drier, warmer weather are likely during the summer spawning season. But there has been little effort to acquire baseline data from area watersheds or to establish an adequate monitoring program.

POW watersheds play a significant role in the region's salmon fishery, and we request that the five-year plan for the area eliminate the large-scale timber projects for that reason alone. Instead, the Forest Service needs to shift its budget priorities for the region from the timber sale program to studying and monitoring area watersheds and to road storage and decommissioning. From an economic standpoint, the best possible use of public lands on POW is for fish production, and the current five-year plan undermines that use.

We also have significant concerns regarding the effects of the five-year plan on POW's terrestrial wildlife. In 2006, wildlife habitat on POW was the focus of the Forest Service's Conservation Strategy Workshop. Participating scientists at the workshop identified POW as the most significant concern for the viability of endemic mammal populations. The Forest Service's own reviewers considered the existing TLMP insufficient to maintain endemic populations. Scientists also pointed out that it was difficult to locate Queen Charlotte goshawks despite significant efforts and pointed to prey depletion as a primary cause of a significant population decline. As with salmon, we submit that the five-year plan should reflect a budgetary emphasis on acquiring baseline data and on monitoring for the goshawk and other endemic species. The Tongass National Forest needs to have better information about declining wildlife populations on POW and it would be reckless to proceed with planning for the Big Thorne EIS or similar projects without that data.

The fate of POW's unique and isolated population of coastal wolves may be the most compelling reason to reconsider the five year plan. The population declines indicated in Greenpeace's comment letter constitute a significant new circumstance relevant to environmental concerns. This alone warrants a supplemental EIS. The Forest Service needs to develop a wolf habitat management program and consider the extent to which road construction and further timber extraction could result in an ESA listing for this distinct population segment prior to proceeding with planning on the Big Thorne EIS. A cessation of old-growth timber extraction and an aggressive road closure program may be necessary to give this important sub-species a chance to recover from the effects of past and present management choices.

Finally, the impacts to all of these species on POW raise serious questions about the implementation of the TLMP conservation strategy. The TLMP strategy relies on forest-wide habitat and did not contemplate intensified loss in areas with the highest levels of previous timber take. The extensive highgrading of these old growth forests heightens the risk of continued localized extirpations and raises serious doubts about the ability of the Forest Service to maintain well-distributed and harvestable populations of wildlife. For all of the above reasons, we request that you cancel planning on the Big Thorne EIS and instead engage Forest Service staff, the scientific community, and workers from POW in a comprehensive effort to assess the status of POW's fish and wildlife populations and develop appropriate protective and restorative responses.

Old Growth Timber Sales in the Petersburg, Wrangell and Ketchikan Districts

We will provide site-specific comments on individual projects in the Petersburg, Wrangell and Ketchikan ranger districts during the NEPA process. We have reviewed similar projects in recent years and have generally concluded that the environmental impacts were unacceptable. But since many of these projects are unlikely to be offered for sale, one key point we need to address is that continued planning on the projects proposed for other ranger districts is not fiscally responsible. This means that there are lost opportunity costs in terms of funding allocations for other projects in these districts that would benefit recreational, subsistence and fisheries users of forest resources. The Forest Service needs to recognize that its ability to facilitate a wood products industry from public lands is limited by factors beyond the control of public land managers, particularly outside of POW. Budget priorities should reflect this reality.

The infrastructure and planning costs for these projects are staggering when compared with timber sale revenues. We understand that there is no legal requirement to generate a profit from timber sales. But there needs to be accountability for the public investment. As we pointed out in our administrative appeal of the 2008 TLMP amendment, the Forest Service has spent as much as \$35 million in a year on roads and administrative costs in order to generate just over a million dollars in sales revenue. These figures stem from budget analyses done early this decade and the current expenditure to revenue ratio may be even worse. Timber employment comprises less than 5% of regional resource dependent

employment and less than 2% of total regional employment at public costs of up to \$300,000 or more per job. Meanwhile, the thousands of Americans directly employed in the fishing and recreation industries suffer lost income opportunities as the maintenance backlog increases and recreational programs operate with insufficient funding and staff.

This inappropriate balancing of Forest Service resources and public funds continues with the Five-Year Plan. In an e-mail to Owen Graham from 2007, you explained your “immediate priority [was] and will continue to be” to invest public money in POW projects and described those projects as your “number 1 priority.” But the five-year plan proposes to proceed with projects that take over 300 million board feet (MMBF) from the Ketchikan, Petersburg and Wrangell ranger districts. Sales figures from 2008 – 2010 indicate that these districts have struggled mightily to produce viable timber sales. Those few sales – 8 MMBF in three years - add up to a small fraction of the proposed volume for the next five years.

We have pointed out repeatedly in our programmatic and site-specific administrative appeals that the Forest Service needs to undertake a realistic assessment of the timber economy. The TLMP rationale for large timber sale volumes was to supply several mid-sized mills that have not operated for some time. Over the past decade, offerings have vastly exceeded purchases and there have been numerous contract cancellations. The Forest Service has had to authorize ever-increasing proportions of raw log exports in order to make a limited number of projects feasible for operators.

Even the relaxation of the primary processing requirements has not generated positive appraisals in ranger districts outside of POW. Consequently, continued planning on these projects means that the Forest Service is expending public funds for shelf volume that will likely remain unsold well beyond this five-year planning period. We must still take these projects seriously with any resulting appeals and litigation further depleting the budget. This is waste of public funds in all respects and cuts against the stated intention of having a rapid transition away from old growth logging to restoration. Roads due for storage and decommissioning remain open for sales that will likely never occur. Recreational management suffers. These are substantial lost opportunity costs.

In the TCS, Greenpeace and the Center for Biological Diversity’s administrative appeal of the TLMP and in our project-specific appeals, we have consistently maintained that the Forest Service’s emphasis on spending public funds for marginal timber projects stems from the inaccurate economic studies and scenarios used to support the 2008 TLMP amendment. We request that the Forest Service correct those errors now, cease planning on large timber sales in the interim and modify appropriations requests accordingly.

Wildlife Restoration and Second Growth Management

We request that you consider alternatives to the proposed restoration program with an amendment or supplement to TLMP so that the public and agency can benefit from a more thorough review of this component of the Five-Year Plan. The proposed method of financing and the disproportionate emphasis on large-scale vegetative management both merit more careful scrutiny. In particular, TCS is concerned about the high timber volume proposed for removal pursuant to the restoration program and the lack of detail about those removals. Restoration should not be confused with logging.

Consequently, we urge you to consider alternatives to financing restoration that do not require timber sales or an exchange of goods for services. The Tongass National Forest website indicates that an integrated management program will create efficiencies for the Forest Service and contractors and result in more projects and more jobs and that restoration projects will rely extensively on stewardship contracting. TCS questions whether there is adequate data to support these assumptions. A recent and thorough review of stewardship contracts nationwide by the Government Accountability Office (GAO) revealed some significant issues with the practice that ranged from an absence of data and monitoring to significant cost overruns on long-term, multiyear contracts. In an e-mail to Tongass Futures Roundtable groups, the Alaska Region Director of Acquisition Management identified many of the same concerns as the GAO in reference to Tongass National Forest projects. In light of these concerns, TCS questions whether stewardship contracting is a good primary implementation strategy for the Tongass.

First, we think the Forest Service needs to correct the absence of data on stewardship contracting. The GAO report indicates that there is no data that compares the value of products sold versus the value of services procured. Also, at least as of two years ago, the Forest Service had no mechanism for tracking stewardship receipts. Consequently, there is no way to compare the costs and accomplishments of stewardship contracts with other financing options. In the absence of this data, it is premature to proceed with a restoration program that relies so much on an unproven mechanism.

Second, the GAO has identified significant concerns about using multi-year stewardship contract. The problem is particularly pertinent to the Tongass because the critique pertains to the volatility of timber markets and to overly optimistic assumptions about the values of small-diameter trees and woody biomass. When these markets fail to develop, or decline, the public must pick up the bill. In some cases, this has resulted in significant funding shifts from one ranger district to another in order to fulfill the contract, meaning that other programs are not funded. TCS is also concerned that stewardship contracting can create an incentive to sell the largest and most economically valuable trees as part of a stewardship contract. This type of program merits further NEPA analysis, and the Forest Service must consider financing alternatives by means other than selling or trading timber. See *Sierra Forest Legacy v. Rey*, 526 F.3d 1228 (9th Cir. 2008). We think the Forest Service should be explicit about the amount of old-growth it plans to sell or trade to

pay for thinning projects. It makes no sense to restore already impaired lands if those repairs come at the cost of damage to previously intact habitats.

Consequently, consideration of financing alternatives is particularly appropriate here. Stewardship contracting is least effective when the value of the product is low and the cost of the service is high. There are other options that may be more beneficial for local contractors. Congress has made provisions that allow for local contractor preference for restoration contracts. Timber values are also small in comparison to funds appropriated for service contracts. Finally, timber sale processes place an additional burden on restoration projects and detract from the purpose of restoration.

We also think that spending on second-growth management requires careful evaluation, particularly in terms of scale and timing. TCS believes that a thorough evaluation of the costs and benefits of various restoration projects would show that an emphasis on road storage and decommissioning and red pipe remediation may yield more concrete benefits than extensive commercial thinning. The Forest Service also needs to analyze the level of market demand for second growth products prior to implementing a large-scale second growth program. It may be more cost-effective to allow second-growth trees to grow and increase in value for use by small local operations at some future time. Finally, there is significant concern that large scale projects characterized as wildlife restoration are in actuality commercial thinning projects. The Forest Service and the public would benefit from a thorough analysis of this program prior to making a significant investment of public funds.

Finally, we separately address the biomass utilization program because extensive federal efforts to build a biomass industry rely on the false premise that it is carbon neutral. There have been numerous studies that show that burning biomass is not carbon neutral within any time frame that is meaningful to climate change. Biomass utilization results in an immediate loss of sequestration capacity followed by an extended period of net emissions from growing trees at a time when it is imperative to reduce emissions. Massachusetts has revised its regulatory scheme for renewable energies because of these concerns.

Further, the status of federal regulation of greenhouse gas emissions is uncertain and the issue of state and federal renewable energy credits for biomass sourcing facilities is controversial. Neither federal programmatic NEPA work nor the TLMP have adequately addressed the environmental impacts of a biomass industry or the lost opportunity costs resulting from USDA funding programs for the development of a biomass industry. It is likely that a final determination regarding federal funding for and regulation of biomass sourcing ends up in court. For all of the above reasons, it is inappropriate to expend public funds in order to encourage communities to invest in biomass facilities.

The Forest Service needs to fully analyze the environmental and economic impacts of developing a biomass industry on the Tongass National Forest. This should include a scientifically credible assessment of greenhouse gas emissions and an

analysis of lost opportunity costs in terms of alternative and real renewable energy projects. It should also fully evaluate the costs of the biomass program. The only estimate we have seen comes from the Tongass Futures Roundtable and is a request for \$500 million in funding.

Conclusion

We would like to see the Forest Service implement a more rapid transition away from its past timber-first emphasis. A shift in budget priorities must accompany the transition. With regard to POW, there is an immediate need to acquire and analyze new information on declining wildlife populations and to analyze and remediate the damage done to salmon streams. There is no reason to continue planning old-growth timber sales in other ranger districts.

We supports in concept the ongoing efforts to consider ways to fix problems caused by past logging and road construction. However, the Forest Service and public would benefit from a thorough analysis of the costs and benefits of various projects forest-wide.

Thank you,

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*verifiable signatures available upon request