Building on Tradition.

When looking at the history of the forest, it's clear that the forestavit of the forest has been a significant part of the human experience. From the earliest times, people have relied on the forest for survival and sustenance. This tradition continues today, as the forest provides a vital resource for the people who live in the region.

Logging may be a new industry in Chugach, but it's been a part of the forest for thousands of years. The practice of logging has evolved over time, and modern techniques have made it possible to harvest timber in a more efficient and sustainable way.

The Chugach Forest is a complex ecosystem, with a wide variety of plant and animal species. The timber harvested from the forest is used for a wide range of purposes, from building homes and businesses to making furniture and other products.

In the future, the Chugach Forest will continue to play an important role in the lives of the people who live in the region. As we continue to develop and utilize this resource, it's important that we do so in a way that is sustainable and responsible.

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Resource education for kids

Message from the Executive Director
by Becky L. Garay

Fifty years when textbooks addressed resource development, discussions were framed in terms of wealth and environmental impact. Over time this has given our children an increasingly one-sided view of the environmental-economic equation.

While environmental awareness is healthy and benefits us all, young people must not lose touch with the fact that everything consumed in society comes from somewhere. As the bumper sticker says, "It’s not mined, it’s fished or grown.

While the environmental community has been busy over the years introducing a myriad of environmental education programs into the public schools, little has been done comparatively to educate students on the role minerals, wood and energy resources play in modern life. And it shows.

Students across America and Alaska are graduating from school today with a biased view against resource development. It’s a view that could hold dire consequences for public policy. If something isn’t done to introduce a balanced perspective to our young, a new America may not emerge.

The Juneau Planning Commission has unanimously approved a city permit for reopening the Alaska-Juneau, but more hurdles remain for developer Echo Bay Alaska, Inc., which must still obtain 21 state and federal permits.

The most crucial of these are water discharge permits that must be obtained before Sheep Creek can be dammed to store tailings from the mine.

The city permit is expected to be challenged in court by opponents of the project, but Frank Bergstrom, environmental manager for Echo Bay, said lawsuits are just another part of the permit process. "It’s hard to see how any decision with this amount of scrutiny could be questioned," Bergstrom said. "We’d like to get off the dime here before Sheep Creek can be dammed to store tailings from the mine.

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Greenpeace to pay Alaska Pulp Corporation

The environmental activist group Greenpeace has agreed to pay Alaska Pulp Corporation for extra work it undertook during a 1991 demonstration that disrupted its Sitka pulp mill, according to papers filed May 3 in Alaska Superior Court.

The judgment is for $4,460, about half of what APC demanded in its complaint, said APC spokesman Rollo Pool. APC’s charge centered on its costs to defend the perimeter of its mill from attack by Greenpeace protesters. On August 13, 1991, a flotilla of Greenpeace protesters sped to the mill dock in inflatable rafts. Four demonstrators chained and tied themselves to the mill’s barge dock while other protesters took pictures. Two protesters were arrested. “We have said all along that this chaining was very disruptive to our operation. It cost our company time and money,” said Pool. Earlier court documents stated the damages to APC amounted to approximately $11,000.

This judgment should serve as a warning,” he added. “When you come out onto someone’s property and perform an unlawful act, you must be accountable. We run an industrial plant here, not a public park.”

Since APC filed its complaint in 1991, Greenpeace promotional literature has called for increased activity on forestry issues, including blockades of ships carrying wood pulp and demon- strations at Forest Service offices and at timber firms.

“These things may be good for fundraising and raising publicity, but can be very disturbing to a company that is trying to run a business,” Pool said.

The APC spokesman said the company has not yet received the money for the settlement.

Rival Mining Law bills on collision course in U.S. Senate

Craig bill passes Energy Committee

The U.S. Senate Energy Committee has approved an industry-backed bill to amend the Mining Law of 1872, setting up a showdown with the Clinton administration and environmentalists who favor stricter legislation that would gut the Mining Law.

Sponsored by Senator Larry Craig, R-ID, the new bill would require miners to pay a 2 percent net royalty on gold and other minerals that are extracted from federal lands. The royalty would be calculated on the value of the minerals minus production costs. Rival legislation sponsored by Senator Dale Bumpers and Representative Nick Rahall calls for an 8 percent royalty on gross sales.

Craig predicted his bill would pass on the Senate floor, but Senator J. Bennett Johnston, Chairman of the Energy Committee, cautioned that Congress probably will approve a tougher measure hammered out in a conference committee later this month. In the conference committee, proponents of tougher mining reform hope to stiffen the Craig legislation in working out the differences with the stronger Rahall measure emerging from the House.

The Rahall legislation would deprive the miner of the opportunity to mine only the highest-grade ores. And the Congressional Budget Office has reported that federal revenue estimates from the new royalty are inflated because the Clinton administration and Congress failed to take into account declines in the industry.

Economists claim the 8 percent gross royalty in the Rahall bill would cost the government more than it would raise. And the Congressional Budget Office has reported that federal revenue estimates from the new royalty are inflated because the Clinton administration and Congress failed to take into account declines in the industry the tax would bring. Some reports found that the royalty would cost between 10,000 and 30,000 jobs and over $500 million a year in lost revenue to the Treasury.

The Rahall legislation would destroy the key principles of the Mining Law, driving exploration abroad and forcing existing operations to mine only the highest-grade areas. And the Congressional Budget Office has reported that federal revenue estimates from the new royalty are inflated because the Clinton administration and Congress failed to take into account declines in the industry the tax would bring. Some reports found that the royalty would cost between 10,000 and 30,000 jobs and over $500 million a year in lost revenue to the Treasury.

The year that was

This will be my last “Thoughts from the President” column and Carl Portman suggested that I use it to reflect upon what I perceive to be the highlights of my term as President of the Resource Development Council. My choice of highlights will come as no surprise to readers of the Resource Review for they are basically represented by the feature articles of the past twelve editions of this fine publication.

I would love to report that we solved all the problems associated with or resulting from the Tongass Land Management Plan, ANWR, federal timber management, revisions to the federal mining law, wetlands, water quality, and the Mental Health Land Trust. Unfortunately, I cannot do that, but I can tell you that the Council was directly involved in all these actions and, in my opinion, contributed directly to what little progress has been made within these complex political and regulatory arenas. We have not reached a satisfactory resolution to the problems inherent to the above listed actions and activities and our next president will not want for critical issues demanding the Council’s involvement.

This past year RDC’s directors participated in two outreach trips to the cities of Sitka and Juneau. These trips were very productive and provided a forum for the exchange of individual and regional perspectives on resource issues.

Looking back

In 1992, RDC assumed the administrative functions of AMEREF, a natural resource education program for Alaska schools. The program is funded largely from the private sector and the current challenge is to ensure that funding remains adequate to meet demand.

Alaska is a large state and provincialism is always a risk; such trips are the answer to that threat and must be continued. I greatly appreciate our directors giving their time to these trips.

Last November the United States elected a new President, Alaska elected a new legislature and RDC captured Becky Gay, our executive director, back from the Governor’s Office where her charge was to promote ANWR. One might question the success of that campaign, but when is the last time you read an article or heard President Clinton calling for an ANWR Wilderness designation? Much of the credit for the current stalemate must also go to Arctic Power, now ably managed by RDC’s former deputy director, Debbie Reinward.

Perhaps the big success story of 1992-93 is RDC’s assumption of the administrative functions of the Alaska Minerals and Energy Resource Education Fund (AMEREF). RDC has long promoted natural resource education as a key element to responsible resource development. The AMEREF program provides a curriculum to Alaska’s public schools that exposes the student to the role that natural resources play in our everyday lives and therefore the benefits of responsible resource development. The program is funded largely from the private sector and the current challenge is to ensure that this funding remains adequate to meet the demands of our excellent Thursday breakfast programs we all enjoyed this past year.

I am confident the excellence that is characteristic of the Resource Development Council will continue. I am privileged to have served.

Theresa Portman
President
Chugach National Forest

Logging ban would kill potential multi-million dollar forest industry

(Continued from cover)

Chugach would deny Alaskans the benefits that could be derived from a strong multi-million dollar wood products industry in the region, said John Sturgeon, President of Koncor Forest Products. Sturgeon noted that a full biologically sustainable cut was adopted by the Forest Service to provide several hundred full-time, high-paying jobs in an area that desperately needs sustainable employment. He said dollars from sustained-yield timber harvesting would multiply into hundreds of jobs, purchases, services, tax payments and more.

"An end to logging on the Chugach would be the final nail in the coffin as far as potential timber development in the Sound is concerned," said Sturgeon. "It's very unfortunate that it has come down to this," Sturgeon added. "Other places have shown that timber harvesting and recreation are compatible."

Chugach supervisor Bruce Van Zee said logging in the Chugach ranked near the bottom of the national list in terms of dollars earned from timber sales. Van Zee noted, however, that much of the logging in the Chugach is done to improve wildlife habitat, reduce infestations and remove trees that could cause fires.

According to industry officials, the government accounting system does not look at the entire balance sheet when determining income from a forest.

"The issue of so-called 'subsidized' timber sales on the national forest system has become severely distorted in the minds of the public," said Mark Stahl, Manager of Land and Resources for Chugach Alaska Corporation in Anchorage. "Timber harvest revenues to the federal government fund such non-income producing programs as habitat studies, bird population and nesting surveys, and hiking trail construction, to name just a few," Stahl said. "Programs such as these are the ones that are truly subsidized."

Stahl explained that by ensuring a high, sustainable level of harvest, more dollars flow to the federal government which in turn finances various recreation and wildlife programs. He said the economies of scale rise to a point where the "fixed" cost of maintaining a forest can be covered. Moreover, the aggregate level of taxable incomes rise in local communities and monies flow to the local school districts for teacher salaries, books and classrooms.

Commercial logging in the Tongass National Forest was not included on the logging phase-out list, although the Southeast Alaska forest was among those the government listed as a "below-cost" forest where logging expenses exceeded revenue to the Treasury. Except for a few years in the 1980s when the timber market slumped worldwide, the Forest Service made money selling Tongass timber. The government reported a loss for 1992, attributed to one-time costs assessed against the year by terms of the Tongass Timber Reform Act of 1990. Nearly all the loss was accredited to a write-off of road costs and to sell what the Act took out of the timber base.

"If you look at the Tongass or even a state timber sale, on a cash-in and cash-out basis, they don't always look very good," said Rollo Pool, Public Relations Director for Alaska Pulp Corporation. "This is a simple and foolish way to look at the issue."

In a speech before the May 6 breakfast forum of the Resource Development Council in Anchorage, Pool pointed out that the Forest Service gets back cash from timber sales and roads as assets. Yet roads, which are a long-term investment and a contribution to other forest users, are reviewed as expenses solely against a timber sale. Pool said road costs should be allocated to recreation, wildlife management and in some cases, fire control.

The narrowly focused interpretation of the accounting system also considers the partial reimbursement of stumpage fees to local communities as an expense against the timber sales. Twenty-five percent of the stumpage dollars the Forest Service collects from the timber harvest on national forests return to states and is distributed to local governments for schools and roads. That exceeded $20 million for the past four years in Alaska.

"By looking behind the timber program in the national forests, Pool emphasized, is the economic cumulative effects of harvesting. From 1988 to 1990, the Forest Service estimated that its Tongass timber program alone generated between $484 million and $560 million cumulative value to Southeast Alaska communities.

"We believe the role of government is to create conditions in which our economy can flourish," Pool said. "We also believe the timber program in the Tongass is a good example of a public-private partnership."

But the Chugach, where the Forest Service has not offered any substantial timber sales in over a decade, is another matter, says Joe Henri, President of Southcentral Timber Development Corporation. Henri believes the Forest Service's long-range plan for the Chugach serves only to lock up valuable resources and discourage the growth of commerce in Alaska.

"From the time of Dalton Drive's tenure as Chugach Forester, the nation's second largest national forest has been dedicated to non-use and recreation," Henri said. Moreover, Congress and the Forest Service have mandated a myriad of functions and procedures having nothing to do with the act of selling timber for profit. Henri charged. "Below-cost timber sales are a figment of the government's imagination, a contrivance to stop the selling of stumpage," Henri said. "We ... shamelessly run up expenses, and know nothing of free enterprise profits."

Nationally, the Forest Service has sold between 10 billion and 12 billion board feet annually, but harvests have fallen steadily from 11.9 billion in fiscal year 1989 to 7.3 billion in fiscal 1992 as more land is withdrawn from logging. When land is taken out of production, either from an end to timber harvesting on the national forest or from government buyout of private timber holdings, a considerable amount of timber that would otherwise be available for market consumption is lost. As a result, a reduction in logging on national forests nationwide is reducing timber supply and driving up prices.

In Alaska, Ketchikan Pulp Corporation has extended a spring shutdown until June, citing a log shortage. The mill closed in late March after announcing a critically low stock of log inventories. With a usual work force of around 360 people, the mill is among Southeast Alaska's largest employers.

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