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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 22, 2016

Mr. Earl Stewart
USDA Forest Service
Tongass National Forest Transition Plan Amendment
648 Mission Street
Ketchikan, AK 99901

Re: Tongass National Forest Proposed Land & Resource Management Plan and Draft Environmental Impact Statement

Dear Mr. Stewart:

The Resource Development Council for (RDC) appreciates the opportunity to provide comments on the Tongass National Forest Proposed Land and Resource Management Plan and Draft Environmental Impact Statement (DEIS).

RDC is a statewide non-profit business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, fisheries and tourism industries. RDC's membership also includes Alaska Native corporations, local communities, organized labor and industry-support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Introduction

A major goal of RDC is to build a more diverse and vibrant economy in Southeast Alaska through the restoration of a fully integrated forest products industry and a vibrant mining sector. The economic benefits of a fully integrated forest industry and mining to residents, local communities, and the State of Alaska is alone a good reason to amend the 2008 Tongass Land Management Plan (TLMP). Flourishing forest and mining industries should be a priority of any amended, long-range plan, given the pressing economic needs of the region and local residents, and the fact that both industries have demonstrated coexistence with wildlife, fish and the environment.

While the Tongass National Forest (TNF) is well known for its timber resource base, the forest is also rich in other resources essential to society. There are 52 areas totaling 589,000 acres within the national forest containing identified mineral resources. Of the identified mineral tracts, 377,000 acres have high mineral potential. In addition, undiscovered mineral resources may exist beneath 6.6 million acres of the forest. Development of these resources could help diversify the economy and provide opportunities beyond forest products, fishing and tourism, especially when litigation often derails or delays timber sales.

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Since the 1990s, much of Southeast Alaska has experienced a significant economic downturn due to the sharp reduction in access to federal timber. Any new economic activity, such as mining, that promises to bring in high-paying jobs, should be actively encouraged by the Forest Service.

Forestry and mining are key to achieving a more diverse and strong economy in Southeast Alaska. For the forest industry, an adequate long-term supply of economic timber from the TNF is absolutely essential if the industry is to play a major role in rebuilding the region's economy. Thousands of direct and indirect year-round jobs would result and local communities would prosper.

Forest Industry Overview

RDC members have serious concerns regarding the supporting analysis and practical viability of the proposed accelerated transition to predominant young-growth harvest and other elements of the proposed alternative and the DEIS. We also are concerned about the adequacy of the analysis in the DEIS regarding young-growth timber inventory, Native Corporation lands, other timber supply, economics, and communities.

Moreover, we have concerns about use of 2012 Planning Rule in part as the proposed plan and DEIS documents are confusing about what elements of the 2012 Planning Rule and which amended plan components will apply to specific areas and activities on the Forest, and how 1982 Planning Rule vs. the 2012 Planning Rule Forest Plan consistency requirements will apply to projects after the amendment takes effect.

We are also concerned that the amendment process is being rushed to comply with a directive from the Secretary of Agriculture to complete the amendment according to a politically-driven timeline, which is unlikely to produce a viable, sustainable transition plan. The proposed amendment should not be finalized until after completion of updated field inventory of all young-growth stands, updated yield/growth models and analysis, and public and agency comment of these.

If the proposed amendment is going to be finalized in 2016 and prior to more complete and adequate analysis, it should incorporate completing this updated work, analysis, and review in a new amendment as soon as practicable. This adaptive management component will be needed to assure that the transition timber base, schedule, and other components are economically and socially sustainable and do not result in the loss of the remaining forest industry and related community infrastructure over the next several years and beyond.

Young Growth Management Issues

RDC strongly supports offsets and additions to the timber base to prevent further loss of it from restrictions going forward. We also support other flexibility in the management of the timber base to aid the transition, including retaining adequate levels of old-growth harvest going forward until a full transition to mature young growth occurs.

However, we have strong concerns about the supporting analysis, aggressive schedule, and other parameters of the proposed amendment regarding transition to predominant young-growth harvest. The final amendment should ensure there is due consideration of best practices for the management of second growth forests through silviculture (thinning, pruning, planting) and habitat restoration. These activities also provide employment opportunities in the region.

Another important aspect of the transition to young growth is the Forest Service's understanding of the economic and market opportunities for second growth forests. The Forest Service should further review and analyze available market data and the economic outlook for young growth forest products to assure that conclusions and resulting amendment provisions are based on a realistic assessment of needs and criteria for a market for Southeast Alaska young growth in competition with other sources.

Experience dictates that there needs to be a mix of activities in both old-growth and young-growth stands to ensure a viable timber program, as well as to meet cultural and subsistence use needs and ecological management objectives.

The proposed amendment and DEIS substantially overestimate the timber supply from non-federal lands, which makes its conclusions about adequacy of supply from the proposed amendment action alternatives erroneously low. Moreover, the proposed amendment and DEIS treat the TNF supply as a residual supply to supplement State, Native Corporation and other non-federal sources, and limited to a timber base area that is a very small portion of TNF commercial forest lands. This is inconsistent with basic national forest multiple-use sustained-yield purposes, the Tongass Timber Reform Act's (TTRA) direction to meet market demand, and Southeast Alaska community economic and social sustainability needs. Sealaska Corporation is the primary private land supplier and it has indicated an ability to supply no more than 45 million board feet (mmbf) per year for next 20 to 25 years. Sealaska has also expressed an interest in acquiring up to 20 mmbf per year from the TNF.

The draft TNF timber demand report is based on a restricted supply, which artificially limits demand for Alaska forest products. The analysis attributes the supply constraints to federal budgets and National Environmental Policy Act (NEPA) issues, but fails to acknowledge that its self-imposed standards and guidelines for its timber sale program have greatly increased the cost of harvesting timber sales. These agency restrictions result in high costs, one of the primary reasons the agency has been unable to prepare economic timber sales.

There will be a continued need for old growth harvest for various commercial needs as well as cultural and subsistence uses. The proposed amendment and other amendment alternatives provide only a minimal amount that may not be enough (five mmbf per year limited to micro and small sales).

Contrary to what the DEIS indicates, old-growth is a renewable resource. It can be managed for timber production as well as wildlife habitat and other benefits, using 150 year or longer rotations, thinning, and other best practices.

The Forest Service is basing its aggressive young-growth transition proposal on incomplete and unreliable forest inventory data and other information in a rush to complete the amendment in response to political directives. The agency's timber growth/yield model appears to significantly overstate young growth timber yield and volumes. In reality, the industry will need to harvest an adequate volume of old-growth trees for about another 30 years to allow second-growth stands to fully mature, which takes at least 90 years for most trees in Southeast Alaska. Allowing old-growth stands to mature another 30 years to age 90 would roughly double the harvestable volume per acre for Alaska mills.

The financial analysis in the DEIS of the feasibility of manufacturing products in Southeast Alaska or exporting logs from young growth is questionable. The factors that need further analysis include:

- Costs of accessing and harvesting young growth stands
- Low values of young-growth lumber
- Lack of economies of scale; small size of the remaining industry and the supply of timber projected
- Related lack of assurances/incentives to support investment to grow and adapt to an infrastructure that can be sustained with predominant premature young growth harvest. (Local mills as outfitted today will not be able to manufacture high-value lumber from 60-year old young-growth trees that would be available under an expedited shift away from old-growth harvesting. The plan makes a faulty assumption that mills can and will make enormous investments in young growth manufacturing when the volume of young growth logs will be only 9 mmbf annually for the first ten years and then possibly ramp up to a higher volume over time.)
- Assumptions and overestimates regarding the amount of non-federal timber that will be available to local mills
- Assumptions about the demand for utility logs for biomass energy and availability of such logs
- Assumptions about the pace at which the Forest Service can make viable timber sales available and the economic volume that can be made available, given plan restrictions as well as NEPA process, appeals, litigation and other delays and costs

The DEIS confirms that young growth harvest sales will appraise negatively and require federal subsidies unless combined with sufficient old-growth volume to generate a positive economic return, for at least the first couple of decades of transition. The amendment decision should be deferred until updated and complete stand-level young growth field inventory information and young growth yield models are completed. If the proposed amendment is adopted before that time, provision for early review and consideration of further amendment – once updated information and analysis is available – should be incorporated in the amendment.

The Forest Service should expedite the field inventory and other work; this is an opportunity to provide contracting and other employment for local businesses and citizens.

There does not appear to be much in the proposed Amended Plan or DEIS documents regarding coordination of resource management and harvesting with adjacent landowners. The final amendment should provide for coordination by the Forest Service of TNF management with adjacent non-federal landowners, but it should be made clear that national forest management or control does not extend to non-federal lands.

Roadless Rule and Road Access Issues

The amended plan should remove or allow for removal of barriers to management and development that exist as a result of the Roadless Rule and that are not required by court decisions.

The final amendment should consider and allow for further road access for not only timber, mineral and energy uses, but also access to resources important to the residents of the region for subsistence, recreation and other community economic, cultural, and social activities.

The proposed amendment and DEIS alternatives treat all current roadless areas as generally unavailable for further road access or development. The final amendment should at a minimum affirmatively provide for further review and amendment of the plan once current litigation is resolved or the current 2001 Roadless Rule application to the Tongass is otherwise changed through Congressional action or further rulemaking.

Mining

The proposed amendment does not recognize or discuss the adverse impacts to mining resulting from major federal government policy revisions overlain on the 2008 amended Tongass Land Management Plan (TLMP) since it was promulgated in January 2008. These revisions severely curtailed access for mineral exploration and development.

The 2008 TLMP should be amended to include enforceable mechanisms designed to promote mineral and strategic mineral exploration and development and realistic access to mining claims and mining development. In addition, the final amendment should include alternatives that would make mining part of the multiple use strategy for the TNF. Clearly, mining is not adequately considered in the draft plan.

RDC joins the Alaska Miners Association (AMA) in proposing the following amendments be made to the Forest Plan:

1. The USFS should develop a Mineral and Strategic Mineral Land Use Designation (LUD) to promote and support mineral and strategic mineral development and related access roads, and include this LUD within the Final EIS or Supplemental EIS for the proposed TLMP Amendment. The Mineral and Strategic Mineral LUD would take precedence over any underlying LUD (subject to applicable laws) regardless of whether the underlying LUD is an "Avoidance LUD" or not. As such, it would represent a "window" through the underlying LUD through which minerals and strategic minerals could be accessed and developed.
2. The FEIS or SEIS should describe the impacts on mining in the Tongass National Forest arising out of President Obama's November 3, 2015 Memorandum that orders the Secretary of Agriculture to propose regulations establishing a "net benefit goal" for natural resource use.
3. The TLMP Amendment should include alternatives in the FEIS or SEIS that define the term "reasonable access" to mean road access, and which assures road connectivity between mines and nearby communities; for example, on Prince of Wales Island.
4. The Transition Plan Amendment should include an alternative in the FEIS or SEIS that requires timely (30 day turnaround) issuance of Forest Service Special Use Permits for those that hold a mining claim.
5. Consistent with National Energy Policies, the FEIS or SEIS for the Transition Plan Amendment should include alternatives with a clear, consistent, enforceable Renewable Energy Development LUD which promotes and supports renewable energy development and related transmission lines within the Tongass. The Renewable Energy Development LUD would take precedence over any underlying LUD regardless of whether the underlying LUD is an "Avoidance LUD" or not. As such, it would represent a "window" through the underlying LUD through which renewable resources could be accessed and developed. Current forest-wide standards and guides are too vague to be enforceable. The USFS should provide for equal treatment of developers, and abandon language that prioritizes or deprioritizes projects based on their intended market or user.
6. The Transition Plan Amendment should include an alternative in the FEIS or SEIS that develops a new LUD called the "Tongass Community Economic Development Zone LUD" to promote and support economic development and activities on the TNF for any community that has lower than

average State per capita income or pays higher than the national average for electricity to assure that the Plan's administration and practices promote economic well-being and social justice in all Tongass communities.

7. The Forest Service should engage in rulemaking to amend the 2001 Roadless Rule as applied to the Tongass as needed to authorize the changes proposed above.
8. The Chief of the Forest Service should re-delegate to the Forest Supervisor and District Rangers on the Tongass the authority to make permitting decisions within IRAs.

Renewable Energy Development

RDC supports increased flexibility for energy facilities and infrastructure in the proposed amendment. Such flexibility in the final amendment should include hydroelectric energy development, geothermal, biomass and other alternative or renewable energy opportunities.

Road access to such resources, as addressed above, is one aspect of flexibility. There should, however, be additional provisions to ensure consistency with federal energy policy that supports all forms of renewable energy development and associated transmission lines. RDC is concerned that the proposed amendment and DEIS analysis presume a large increase in biomass energy production in Southeast Alaska and related utility log supply and demand forecasts may not be feasible or realistic.

RDC is also concerned with "zoning" analogy statements in the proposed plan, and we note that the plan appears to be departing from traditional multiple use management with emphasis on separating rather than mixing uses by area. We object to the extent the plan prioritizes protection of resources and ecosystems over striking a balance with economic and social sustainability of communities in the region.

Conclusion:

RDC fully endorses the comments of the Alaska Forest Association and the Alaska Miners Association on the proposed forest plan and DEIS. We appreciate the opportunity to comment and look forward to continuing our participation in the process.

With its immense natural resources, the TNF has the potential to be the cornerstone of the Southeast Alaska economy, providing jobs and economic opportunities to local communities. Both the mining and forest products industry have proven they can coexist with the fishing and tourism industries. Adherence to modern environmental and forestry laws and standards will continue to prevent major impacts on fish and wildlife, both of which are healthy and thriving.

Sincerely,



Carl Portman
Deputy Director