TONGASS NATIONAL FOREST

HEARING

BEFORE THE

COMMITTEE ON RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

H.R. 2413

A BILL TO TRANSFER THE TONGASS NATIONAL FOREST TO THE STATE OF ALASKA

FEBRUARY 15, 1996—WRANGELL, AK
FEBRUARY 16, 1996—KETCHIKAN, AK

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TONGASS NATIONAL FOREST

THURSDAY, FEBRUARY 15, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Wrangell, AK.

The Committee met, pursuant to call, at 10:00 a.m. in the Wrangell Elks Lodge, Wrangell, Alaska, Hon. Don Young (Chairman of the Committee) presiding.

STATEMENT OF THE HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND CHAIRMAN, COMMITTEE ON RESOURCES

The CHAIRMAN. Thank you, and you will find out as Chairman I try to start things on time and try to finish them on time, as we go through the process of hearings. I do this in Washington, D.C., and we are operating under the same rules we have been working with in D.C. concerning hearings.

I want to thank all of you for coming, the audience, and the witnesses, especially. Welcome to the first hearing about the Tongass held in Alaska by this Committee in 19 years. The Committee met here last in July 1977.

This hearing is on H.R. 2413, the bill I introduced that gives our state an option to own the Tongass. My bill unlocks the Tongass from its Federal shackles. It gives Alaskans freedom, and it gives us control and responsibility.

I am proposing the ultimate form of what some call empowerment. The bill gives up Federal power. It moves power closer to the people. It lets us, as Alaskans, take responsibility for what goes on in our own backyard.

This is not a new idea. We fought the statehood act itself. One of the main issues in that battle was taking control of our fisheries from the Federal Government and putting it under state control.

I made this Tongass proposal because I trust Alaskans to make decisions about the Tongass without Federal help. Federal decisions have crushed people in communities like Wrangell. Wrangell needs family wage jobs now, but the Federal system prefers to dither over whether the Tongass will have three more or three less birds 150 years from now in a 17 million acre forest with six plus million acres of wilderness. On issues like that, I think Alaskans can do a better job.

My bill comes down to whether Alaskans want choices. Do we, as Alaskans, want the choice to control our future in the Tongass, or are we happy with the choices made for us by the Federal system? Do we want a continuation of the policies handed down from

Washington, D.C., or can we as Alaskans make better policies? These are the basic questions.

When my bill is enacted and we have the chance to own the Tongass, can we be better conservationists? Can we do a better job environmentally? Are we capable? Can we manage the Tongass more efficiently than the Federal Forest Service? Can we bring free market principles to our state-managed Tongass Forest? Will market principles allow Alaskans to develop revenues from tourism, recreation, mining, and timber that can help offset declining oil revenues? Can we create a system that frees the Tongass of the conflict brought about by Federal laws? Can we manage without the high Federal costs? I think that the answers to all these questions is yes, and that is why I made my proposal.

So that Alaskans can address questions like these, my bill gives us a clean slate. It allows Alaskans to reexamine land allocation questions. It allows us to meet Alaskan standards for land management. It proposes a transition to ease the transfer into state ownership. It proposes ways to resolve current Federal issues like landless Native claims. It addresses other Federal issues like what to do with Federal mining claims, Federal contracts, and a whole series of Federal issues. The bill gets the feds out of the game and brings Alaskans to the table to resolve these problems.

I realize contracts, permits, and other sensitive relationships with the Forest Service need to be protected. My intent is to fully protect those relationships so the state would stand in the shoes of the old Federal relationships, if Alaska elects to own the Tongass.

I would like to stress again that my bill is a proposal. It may not be perfect, it may not be complete. That is why we are having these hearings, and that is why we will have more hearings. I hope to learn what you think about the proposal and how I might make the proposal better.

When I introduced the bill on September 28th, I acknowledged that transferring the Tongass is a huge task. I realize that hundreds of questions will be thought about. In my 23 years in Congress, I have always counted on the wisdom of Alaskans to help me with questions like these. From day one, I said I wanted the benefit of that wisdom. I said we should hold hearings in Alaska to get your advice on whether Alaskans was up to the idea of taking control of their own future in the Tongass.

The indication before I introduced the bill was that Alaskans in Southeast were ready to dump the Federal system and favor state ownership. Everyone is mad about what goes on in the Tongass: Environmentalists sue, timber companies cannot get logs, Federal law enforcement harasses people in their cabins, helicopter permits are denied. Alaskans are just plain sick over the Federal decisions in the Tongass.

The September 1995 poll of Southeastern confirmed my thoughts: 55 percent favored transferring the Tongass to the State of Alaska, while only 34 percent opposed the idea. In Wrangell, 76 percent favored transfer to the state.

Today I am here to test my initial thoughts. Tomorrow I go to Ketchikan and get their advice. As I have said, eventually I will hold hearings in Southeast in the major communities of Southeast,

such as Wrangell and Ketchikan, before taking this bill through the Committee process.

I mention this so that Alaskans in other communities in Southeast will not fall for the diversion playing in the media. Where anyone gets the idea I did not intend to hold other hearings in Southeast is beyond me. Those who oppose Alaskan control in Southeast promote that game to distract you from the question at hand, which is do Alaskans want ownership or control of the Tongass. Rest assured, I want plenty of hearings on this bill.

Perhaps some of the special interests responsible for the diversion should have spoken up when this Committee failed to hold hearings in the Tongass on the 1990 Tongass Act, which was supposed to be the final act. Perhaps those interests were more comfortable with Tongass laws being made in Washington, D.C., where their big-money headquarters pull the strings. Maybe those groups feel threatened by my bill because they fear that if Tongass laws are made in Juneau, their cozy Washington, D.C. leverage vanishes. Perhaps they have no argument on the merits of why Alaskans should not have the option to control their own future using Alaskan laws and policies, so they divert attention.

Enough said about the diversion.

One final introductory point. I always get questioned about this bill: "Can Alaska really have the chance to own the Tongass?" For the record, the answer to that question is, in fact, yes, we can.

Since I have been in Congress, we have been forced to think inside a box. The box was built by the narrow-minded, command control approach of the special interest environmental lobby in Washington, D.C. We have, in fact, been thinking inside the box so long we could not imagine that the lid would come off. Fifteen months ago, the lid came off the box. For the first time we are looking over the edge of the box and imagining the possibilities. My bill is outside the box.

It is a long-term bill. It will not be enacted overnight. I am here today to get your thoughts and build the record that increases the chances of this bill becoming law in the long-term.

The topic today is do Alaskans want Federal control, Federal permits, Federal law enforcement, Federal policies, and the amazing Federal results that come from Federal systems or do the Alaskans want to own and control the Tongass?

I would at this time like to acknowledge—I believe she is in the audience—Diane Meyer, are you here? Unfortunately, she is not here. She is representing the Governor today. And I would suggest respectively, and I will talk to Diane, I asked the Governor to be the first witness here today concerning this issue. I hope he understands this is an important issue in the state of Alaska. I have talked with him about my bill. He was informed before I introduced the bill what we were going to do. As we have these hearings in other parts of the state of Alaska, I would urge the Chief Executive of this state to appear before this Committee to decide which direction this Governor and this Administration would like to see in terms of control of the Tongass National Forest.

With that opening statement, at this time, I will call the first panel, which consists of the Honorable Robin Taylor. Are you here,

my good Senator friend? And the Honorable Doug Roberts, Mayor of the city of Wrangell, Wrangell, Alaska.

And Mr. Taylor, Senator, sir, if you would take your seat. Mr. Mayor, sir, if you would take your seat.

I am going to try to follow the rules as close as I can, but I know you have written testimony to submit to the Committee, and you have done so or will do so. And I also will have a time limitation of five minutes, but, in many cases, I can be a little more lenient. But keep in mind that this is a hearing process. We will have all your written statements and other statements in the record.

I would, if I could, Mr. Senator, because he is the Mayor of the town, and with your permission, I would like to call the Mayor of the city of Wrangell first to make his opening statement for the Committee. And, Doug, I do welcome you to the committee hearing and thank you for allowing me to come to your great city.

STATEMENT OF HONORABLE DOUG ROBERTS, MAYOR, CITY OF WRANGELL, WRANGELL, ALASKA

Mr. ROBERTS. Well, it is nice to have you back, Congressman.

The state of Alaska is to anyone that is a true Alaskan a home we are all proud of. I support the transfer of the Tongass to the State of Alaska. I love the idea of ownership. My mother and father were both born and raised in Alaska and my wife's heritage going a hell of a lot further back than that.

Everything that has made this state great is under attack. This city, this state is under attack. I have said that before, I will say it again.

The seal of the state represents mining, agriculture, fisheries, and oil explorations. Show me one example of that group that is not in trouble at this moment. This state is under attack daily by outside interests. I have watched my community get pulled in every direction imaginable over the last year. They all claim to know more than we know. They all claim they know how to manage the Tongass better than we do. And it is just more than timber. The Federal Government has affected every waking moment of our lives.

If you think that transferring the Tongass is attainable and will begin to rebuild this state, then go for it. But on a different note, we are in trouble in this community, and we need your help. Something will have to happen very soon in Wrangell, or we are going to be in hard—we are going to be up for very hard economic times. We cannot afford a single wasted moment. We have worked tirelessly as a community to begin to pick up the pieces and rebuild. And to my amazement, in the process there is resistance from Washington that is ever present.

Most in Wrangell, if true Alaskans, will refuse to leave Wrangell under any circumstances and have literally had their world jerked out from underneath their feet on other occasions. But the time for accountability is here, and we will be all judged by our actions from this moment on. And I suggest that we all get to the point of rolling up our sleeves and getting to work. What affects this community is going to affect this state.

That is all I have. Thank you.

The CHAIRMAN. Thank you, Mr. Mayor. Again, I have great interest and sympathy for what you are saying. They are issues, which, hopefully, I will be successful in being able to help you pick up some of the pieces. Unfortunately, as you know, that even those pieces are being objected to by certain groups and certain agencies, even to help you pick those pieces up.

Mr. ROBERTS. I understand.

The CHAIRMAN. We are very much cognizant of that. And with your help and leadership, I am confident we will address some of those immediate issues so we can have the city of Wrangell like has been here for many, many, many years.

Mr. Senator, good to have you, sir. Nice to have you with us.

STATEMENT OF HONORABLE ROBIN TAYLOR, ALASKA STATE SENATE, JUNEAU, ALASKA

Mr. TAYLOR. Welcome, Congressman Young. It is wonderful to have you back in our community. And I think the most wonderful part of all, aside from the bill, is that for the first time in 19 years the Resource Committee out of the House of the United States has appeared in Alaska to hold hearings.

I remember flying to Washington, D.C., to have the privilege to talk to people from New York about Alaskan issues for the last 19 years, with nobody willing to bring a hearing, at least to this community or this state. And I share your frustration when I pick up the newspaper and I find people with a different political agenda conveniently forgetting the fact that throughout Congressman Miller's reign, of California, this Committee did not show up up here, it did not want to hear from Alaskans. But not one single newspaper protested that, and I see your name taken in vain repeatedly over the last couple of weeks because you deemed to only hold hearings in two communities. They never held a hearing in a single one.

God bless you for coming up, and thank you for doing that.

Mr. Chairman, my testimony to you and the Members of this Committee, I have submitted copies of sufficient number, but for the record, my name is Robin Taylor. I am a member of the Alaska State Senate, and I was elected to represent the 28,500 people who live in Wrangell, Petersburg, Sitka, Ketchikan, Saxman, Hyder, and Meyers Chuck. My constituency is made up of the people of the Tongass.

I am here today in the town I call home to speak in favor of H.R. 2413, the Tongass Transfer and Transition Act.

Last year I sponsored Senate Joint Resolution 6, calling on the Congress to turn over to the states all of the federally controlled land within their respective borders. SJR 6 passed the 19th Alaska State Legislature with only seven dissenting votes. A similar resolution was approved last year by the Western Legislative Timber Task Force, an organization of legislators representing six Western states. The same call has been issued by the Western States Coalition, a bipartisan group which includes elected officials who represent more than 20 million people in the Western United States.

We believe the Founding Fathers recognized that land was power and that a centralized Federal Government with a substantial land base would eventually overwhelm the states. That is why the origi-

nal 13 colonies and the next five states admitted to the Union were granted fee title to all the land within their borders.

Contrary to Article 1, Section 8 of the United States Constitution, all but two of the states admitted since 1802 were denied the same rights to landownership. The result was what Senate Joint Resolution 6 refers to as "land-poor" states, admitted as unequal, federally dominated entities.

Alaska is such a state, as you know, with 66 percent of our land mass dominated and controlled by the Federal Government. We are, in essence, one third state, two thirds territory.

Mr. Chairman, I am convinced the people of the land-poor states want control of the land and resources within their borders. H.R. 2413 addresses that desire on the part of the people of Alaska and especially the people of the Tongass.

We want to be able to control our own destiny and believe we are capable of better managing the resources of the Tongass than the Federal overseers, who have done a very expensive job of mismanagement.

To that end, I have introduced legislation in the Alaska State Senate accepting the transfer of the Tongass. I must say, however, that I have serious concerns about some of the provisions in H.R. 2413 as it stands today, and I would recommend a couple of amendments for you.

I see no problem with the provision requiring the State of Alaska to interview employees of the U.S. Forest Service for possible job placement. I can assure you, however, that Alaska will not need the nearly 1,000 employees it takes the Federal Government to manage the forest. Our neighbors in British Columbia get along perfectly well with less than 500 employees to manage forest lands which are eight times more productive than the Tongass has been under Federal management.

I have major concerns, however, with the provisions of Section 6(g) of the bill as written. To require us to pay to the Federal Government 25 percent of the net receipts for all timber sold is simply not viable. It significantly reduces the revenue stream we will need in the start-up years of Alaskan management. This is money we will need for roads, docks, and commercial thinning. Why should Alaskans pay the Federal Government a 25 percent return on resources the state would own? New York, Pennsylvania, and Virginia were never asked to make a similar payment when they sell timber off their state lands.

While I am certain that the State of Alaska can do a more efficient and less expensive job of managing the forest, diverting 25 percent of the revenue in the start-up years could doom us to failure.

There are those that contend that the Federal Government manages the Tongass at a deficit. We are willing to accept that liability and, in the process, help you to reduce the Federal budget. That should be payment enough. I urge you to reconsider that provision.

My most serious concern is over Section 6(c), the provision addressing subsistence use after the patent date. While I have included the required language in the bill accepting the transfer, our legal services division has already advised me that such a provision would be unconstitutional under the Constitution of Alaska. And I

am afraid, Mr. Chairman, that my colleagues in the majorities of both Houses of the legislature would view this provision as a poison pill. You are aware of our position on this issue. We are unwilling to trade our sovereignty for the Tongass.

In conclusion, I support the intent of H.R. 2413. I trust Alaskans, and I have faith that we can do a better job of managing this resource. I believe we can make good decisions and be accountable to our friends, families, and communities.

I really wonder, Mr. Chairman, where our fish stocks would be today had we Alaskans refused to assume management of that resource at statehood. Many of us are convinced that history is repeating itself in the Federal management of the Tongass and that continued Federal control will result in the same near-devastation we experienced with the Federal mismanagement of our fisheries. Our handling of fisheries management serves as proof of our capabilities as resource managers and as a state.

Thank you, Congressman.

[Mr. Taylor's supplemental information and summary may be found at end of hearing.]

The CHAIRMAN. Thank you, Senator, and thank both of you.

Mr. Mayor, I mentioned in my opening statement that there was a poll taken and it said 76 percent of the people in Wrangell favored this form of legislation. Would you say that is accurate?

Mr. ROBERTS. I would say that is close. I think some of the experiences our community has had in other areas like cabin use and use of Federal lands, I think that it would be even higher than that.

The CHAIRMAN. Which reminds me, I know that we have been accused that this is a timber bill. What other actions by Federal mandate or edict has affected the community?

Mr. ROBERTS. Water filtration, solid waste management, garbage, just about all aspects of our lives, have been disrupted by mandates that are going to cost this city dearly. And I think that some of the areas that I am talking about need addressing, but sometimes they are a little overzealous. And sometimes I am reluctant in public testimony to point out some of these areas because they have not probably found out exactly what we have and what we are planning on doing.

The CHAIRMAN. Mr. Mayor, one thing you can do for me is provide it for the record. You do not have to be in public. It is for my eyes, and I will look at it very closely.

Mr. ROBERTS. Well——

The CHAIRMAN. Because this is something that terribly disturbs me, because here is a community hurt financially by some decisions concerning an industry, but that goes far beyond, and now we are required by other agencies to, in fact—you have to—you do not have other revenue base, do you?

Mr. ROBERTS. Well, we are trying to work on that. But, you know, one of the problems we have as a result of a trip to Juneau and trying to come up with solutions for the possibility of transferring ownership and conveying ownership from the Seary Corp. to the city of Wrangell on some property in town, and, of course, the state has no problem with our plan for downloading the buildings, but then Federal law steps in, EPA steps in and scares the heck

out of them, and then all of a sudden you are finding yourself in over your head trying to figure out a way to get around it.

Well, I would be willing to go to jail for X amount of time, and I would be willing to pay a fine for $100,000. Would it be worth it? Well, hell, yeah, it would be worth it. You know, I would be willing to take that risk. But these are the things we are continually weighing in a community like this, you know. I mean, the state is willing to work with you. We can come up with ways and solutions for doing just about anything and working with these people. But then the other big guy steps in, and we have to count on maybe spending some money and going to jail for a period of time, you know, for actions that we might take.

The CHAIRMAN. Well, you are singing to the choir. One of the things I have always been concerned, the state has not been the aggressor in protecting the communities at all. They have always gone along with the Federal Government, and you do not have the wherewithal or the money to fight that great big battle.

Just one question. What has been your relationship with the Forest Service itself, as the Mayor?

Mr. ROBERTS. Well, I have been Mayor since October, November, somewhere in that time. I would have to say, honestly, with the guys that work in the field, that have lived here in this community for a period of time, we have had good relationships with them, and they have always been reasonable, they have always been—you have been able to approach them on ideas. But the problem is, it seems to me that when it goes from the guys working in the field, doing some good, we get stonewalled. And I feel like there is always—they are always willing to work with us. They are always willing to listen and work on new ideas. And I have got to believe those guys in the field are doing a fair enough job. It is just a problem that it goes from point A, then it goes to point B, and then it ends up in Washington, D.C., or something, and that is when we have a difficult time.

The CHAIRMAN. Well, I guess, one comment. I think you hit it right on the head. You have been here long enough, and the Senator has been here long enough, and many in the audience remember when there was a total working relationship between the community and the agencies. It is not because the agencies in here, or in Juneau even, are unwilling to work. It is because their work is being directed from Washington, D.C. And that is why I have introduced this bill.

If we could even reverse what is happening and say the decision will be made on the ground with the working relationship with the community, we would not have this problem.

It is just not the Forest Service, by the way. The conduct and the attitude of now all wisdom comes from Washington, D.C., is what caused us the greatest problems.

Senator, one of the questions I was going to ask you is, I have heard this question asked about cost of management of the Tongass under state ownership. What would be your thoughts about whether this can be done? How we can afford it? I had a lady call me the other day on a call-in show and say it is going to cost about $400 million to manage the forest, where are we going to get the

money. You are a Senator, and you have been over the numbers. Why would someone say something like that?

Mr. TAYLOR. Well, primarily because the only numbers they have had an opportunity to ever really see are Federal numbers, how much is the Federal Government spending to manage it in the manner it is being managed today. And that is really an inappropriate economic gauge.

Probably a better gauge today, and one that I think is quite exciting, is we resolved and settled the Mental Health Land Claims issue in the state by transferring lands to the Mental Health Trust and then we gave them responsibility for managing those lands. They have only been managing those lands, Congressman Young, for eight months. They already are in the black. They already are receiving a net return and a significant net return over and above their management costs.

I submit to you that the Federal Government has lost millions of dollars in their mismanagement on the Tongass. And I cannot imagine that the people down here who live in the Tongass would tolerate anyone who would manage the Tongass in such a way that they would lose money in the process.

The CHAIRMAN. One of the things that I noticed that I read in the Forest Service testimony, it says: "The Administration would object to relinquishing 17 million acres of valuable Federal property and improvements without some adequate compensation to the Federal Treasury." And that goes back to that 25 percent that you were speaking of.

Mr. TAYLOR. Yeah.

The CHAIRMAN. You know, this is a three-branch government, and we do have to get this past the Executive branch. Hopefully, by the time this bill reaches the floor and gets to the President, we will have a President who will sign such legislation. You know, hope springs eternal, but I hope that is what will happen.

Mr. TAYLOR. Actually, I believe that the Congress and United States Government have been paid many times over. The Tongass alone has paid back to the Federal Government way more than the entire cost of the Federal Government to buy Alaska, as an example. So, in consequence, I do not think there is anything owing or due. And, in fact, had they only transferred those lands at statehood, as they did with every other state, the Congress would have been saving over $200 million a year that has been going into our Federal deficit.

The CHAIRMAN. One of the things, Senator, in your role as the organizer of the Western states on these issues, are you finding support for this concept of transfer of Federal lands to states?

Mr. TAYLOR. Overwhelming.

The CHAIRMAN. Overwhelming?

Mr. TAYLOR. In fact, the cover of Time Magazine, the October issue, had a full picture of the Commissioner, County Commissioner, from Nye County, Nevada, who took one of their county diesel tractors out and opened up a road that the Federal Government had said was going to be closed. It was quite a confrontational thing. He had 400 of his neighbors out there standing with him with shotguns to make sure that road got open.

There is a lot of concern across the West about Federal mismanagement. This is the single biggest growing tide, to try and return that management to the state.

The CHAIRMAN. One of the things, Senator, that I mentioned earlier on in a news conference, that this is not just a Tongass issue. This is an issue of whether they will have a centralized government holding property, deciding people's lives, a centralized Federal ownership, instead of being within the states. And this is an issue that will go far beyond Alaska itself. It just happens to be this is the most controversial issue, with all the parties involved, that affect a community.

As the Chairman of the Resources Committee, Senator, do you think that Alaska State laws provide adequate level of conservation leading for the Tongass?

Mr. TAYLOR. We have the strongest Forest Practices Act we have enacted of any state in the United States. In fact, our Forest Practices Act is considered a model, and other states try to enact as much of it as they can, because ours provides maximum protection.

The CHAIRMAN. Would it apply to the Tongass, though, if we took it over? Those laws would apply?

Mr. TAYLOR. Absolutely.

The CHAIRMAN. There would be no repealing of state laws, and the laws that are now on the state's books would apply to the forest?

Mr. TAYLOR. Absolutely, Congressman.

The CHAIRMAN. I want to thank both of you for your testimony. Mr. Mayor, I will be communicating with you, and, of course, the Senator and I are always in contact. And, again, I want to thank you for keeping track and listening to what is going on. It helps us out as we go through this process.

Thank you both for your testimony.

Mr. TAYLOR. Do not think, Congressman, that this is a timber bill, either. Do not let them tell you that.

The CHAIRMAN. I have been accused of that. This is a——

Mr. TAYLOR. This will allow the people, if they want to, say, over in Pelican or out at Edna Bay, to——

The CHAIRMAN. Or residing in cabins.

Mr. TAYLOR. It will allow them to go and talk to somebody locally and say: "We do not want harvesting here. We want this entire area saved. Let us concentrate harvesting someplace else."

The CHAIRMAN. I have been accused of this. For some reason, there is a—this is the scare tactics, the diversion tactics from trying to be implemented.

This is really a breakthrough as far as where we are going in the direction of this country in ownership of lands.

Thank you both for your testimony.

Mr. TAYLOR. Thank you.

Mr. ROBERTS. Thank you.

The CHAIRMAN. I want to thank the audience for being so attentive, too. This is very, very important to me.

I will bring up Panel Two: Roy Martin from Wrangell, Alaska; Brent Mill, United Paperworkers International Union, Wrangell, Alaska; Jim Leslie, Leslie Cutting & Alaska Wafers, Incorporated, Wrangell, Alaska.

Thank you, gentlemen. There are always new glasses there, so you do not have to drink water out of the glasses that have been used.

I understand, Mr. Leslie, you will be testifying on behalf of yourself and the Visitors Association. Is that true?

Mr. LESLIE. Yes, Congressman.

The CHAIRMAN. It will be——

Mr. LESLIE. I will be testifying on behalf of my family personally and then, also, the Alaska Visitors Association.

The CHAIRMAN. All right. I probably will not give you ten minutes for that, but we will work it out.

Any preference on who goes first here? Mr. Martin?

STATEMENT OF ROY MARTIN, ALASKANS & WRANGELL WORKERS COALITION, WRANGELL, ALASKA

Mr. MARTIN. Well, I might just as well get it over with.

Honorable Don Young, Mr. Chairman, first of all, I would like to thank you for this opportunity to speak here today, and we truly appreciate your bringing these hearings to Wrangell. I also am speaking for myself and, hopefully, other unemployed sawmill workers and the Workers Coalition of Wrangell.

I have been a resident of Wrangell and the Tongass for the past 50 years. For the past 25 years, I have written letters, signed petitions, attended all kinds of hearings and meetings regarding the Tongass. I have done this in an effort to save jobs and the economy of Southeast. But I must admit, as I sit here today, unemployed again—I have got to admit the system is not working.

Continually, we the people of the Tongass are overlooked for birds, wolves, sea lions, and all kinds of things. And people do not seem to count.

I am a Native of Alaska, and my ancestors have lived here thousands of years before me. They have hunted, and trapped, and fished throughout the Tongass, and we are proud of the efforts we have made to maintain our resources.

Although I have worked in the industry for the past 25 years, I consider myself an environmentalist, but I am not a preservationist. And there is a big difference.

It is my feeling that the management of the Tongass under the Federal Government is just not working. Many of the environmental constraints and regulations developed for the Lower 48 simply make the Tongass impossible to use.

We have witnessed many battles right here in Wrangell over the simple cabin permit, as you pointed out. I have seen my neighbors cited for such things as enlarging their outhouse, leaving their canoe tied to the bank too long, or maybe even using a power tool in the wilderness.

Regarding timber, we have seen thousands of board feet of timber downed in blow-downs, beetle kills, left in the forest for years as the process goes on. Timber sales that have been released for bid languish in the courts for years while we go unemployed.

I have been directly affected by the lack of timber and timber cancellations. Both in 1984 and now again in 1994, hundreds of workers were out of work. And, again, the city of Wrangell has the distinction of leading the Nation in unemployment.

How can this happen when we live here in the largest National Forest in America, 17 million acres? This simply cannot continue.

With decline of oil revenues, closure of the timber industry, and ever increasing reductions in our fishing industry, the State of Alaska is facing economic disaster. Tourism will not escape these Federal regulations, either, as already limits are being put on tour ships and other visitation. We have been continually advised by our Governor to diversify our economy. And when we try, every time we do, we run into regulations that prohibit this diversification.

A couple of examples, Congressman, of some of the misinformation that is being distributed about the Congress and the Tongass. A recent article in the Anchorage Times—you may have seen it—called the New York Hypocrites, where a Republican Congressman from New York opposes logging in the Tongass. The politician says he is concerned about protecting the environment and that Alaska representatives in Congress are not.

I find it ironic that there is one pulp mill operating in the Tongass and 34 pulp mills operating in New York. There are approximately 1,250 jobs in the Alaska timber industry and 62,000 in the New York timber industry. Total timber harvest in the Tongass is around 300 million, depending what year it is. In New York, the annual tree cutting exceeds 1.1 billion feet. We are just not getting a fair shake on this.

Chairman Young, our future is in your hands. I sincerely hope you will not let this just become another battle between special interest groups like the timber industry and the environmentalists. We need solutions. I think we all must rise above our individual wants and work for a common good, what is best for the state and the people. We are all in this together.

I would leave you with this thought. We in Alaska have designated more than six million acres of our land for parks and wildlife areas. This is more than the combined total of all other states. We Alaskans are the true environmentalists.

Thank you.

[The attachments to statement of Mr. Martin may be found at end of hearing.]

The CHAIRMAN. Thank you, Mr. Martin. And thanks for your comments.

Mr. Mill, Brent?

STATEMENT OF BRENT MILL, UNITED PAPERWORKERS INTERNATIONAL UNION, WRANGELL, ALASKA

Mr. MILL. My name is Brent Mill, and I am the President of the United Paperworkers International, Union Local 1341. I appear today in support of the improved Tongass Forest management practices on behalf of my union brothers, sisters, and pulp and paperworkers throughout the United States.

Mr. Chairman, I would like to get right to the point. Wrangell needs your support. As you well know, due to a lack of timber supply resulting from harvest restrictions on the Tongass National Forest, the local mill was forced to close in November of 1994. When it shut down, the mill employed over 300 hardworking men and women like me. They held steady jobs with good benefits and a secure future. As the Union President, I can say that employee

morale was high. Then disaster struck our community, our jobs, and our way of life.

I wish more forest products workers could be here today to attend this hearing, or even to testify. But almost all unemployed timber workers in Wrangell have packed up and moved to other areas or, in some cases, other states. A couple of years ago, I could pick up the phone and call over a hundred members of my local union and urge them to attend today. However, counting myself, there are just two officers and two dues-paying members left. A lot has changed in the last 15 months.

I have lived in Wrangell for almost 26 years. When I lost my job, I had a hard time finding local employment, so I took a job in Ketchikan. This required me to relocate away from my family temporarily. After ten months and only three trips back home, I was laid off again. I moved back home and was unemployed for the next two-and-a-half months. I now have a temporary job working as a steel fabricator for a local towing company, but the job will be over in about two weeks. Once again, I will be searching for employment.

It seems to me that decisions concerning Tongass resources are generally made without considering the men and women who work in the Tongass-dependent industries and the communities in which we live. Once the local mill closed, former workers tried to sell their homes and move to areas in which they could find employment. Some of them could not find anyone to buy their homes. Local businesses also have felt the mill closure due to decline of timber-dependent customers. But as a long-time resident, I can safely say that it is not the town it once was.

The Tongass National Forest is truly a national treasure for all to share. I enjoy the fact that my three children are growing up among America's only rain forest. My wife is a Wrangell native, and we both want to stay in the area. However, if I must continue to search for steady employment, I might have no choice but to relocate again. Some people try to say that there are plenty of opportunities in the local travel and tourist industry. But the peak tourist season is between April and September, and while most of the tourism jobs pay an adequate wage while they last, these jobs offer little or no benefits or paid vacation. After the season is over, the job is gone until next season.

When Congress passed the Tongass Timber Reform Act in 1990, forest product workers throughout Southeast Alaska breathed a sigh of relief. This act stated that the employment level of 2,500 timber-dependent jobs in the Tongass would be maintained. Unfortunately, these promises have been broken. Since 1990, the timber supply levels and timber employment have both declined by almost 40 percent. If this reduction continues, the economic stability of the entire Southeast region could be affected.

The residents of this town need your help. We need you to go back to Washington, D.C., and convince your colleagues that the forest products industry is vital to Southeast Akaska communities and residents. We have had balance in the Tongass timber industry before and, with your help, it's possible to have it again. Let forest products workers manage the Tongass to the best of our abilities while we maintain a stable way of life for ourselves and our chil-

dren. We need Congress to listen to the Southeast Alaska men and women who lost their jobs because social and economic needs of Tongass communities were forgotten in the debate.

I urge you to support Tongass legislation and the people who rely on Tongass resources for their future. Without it, our future is limited. Please work with us to provide a balance. We know it is possible. We know it is right.

Thank you.

Mr. CHAIRMAN. Thank you, Mr. Mill. I can tell you this. The Congress has listened to myself and your Senators. We have passed bills that they can promote to continue the 1990 Act. This President vetoed it, and it is his big issue to veto it again. This Administration is breaking the law.

You are right about the 1990 Act. That was an act that was agreed to by yourselves, agreed to by the pulp mill, agreed to by the two Senators. I did not sign that bill. I urged the President to veto at that time. We had letters from the SEACC group that said this is a great solution, everybody is at peace, there is peace in the valley. This President got elected, and they changed overnight.

Our Congress has listened. I just wish the President would listen.

Mr. Leslie?

STATEMENT OF JIM LESLIE, LESLIE CUTTING & ALASKA WAFERS, INC., WRANGELL, ALASKA

Mr. LESLIE. Congressman Young, I thank you for the opportunity to testify at these hearings. I am speaking on behalf of my family, the late Leslie Cutting, Incorporated, which was one of the larger timber-cutting companies in the Pacific Northwest, and my new company, Alaska Waters, which is a tourism company. So I have kind of been on both sides of the fence, and I am really proud to be able to represent both the A.V.A. and the timber industry.

I think it is important to note that these two, which were once viewed as opposing industries, are not. I have spoken with the Board of Directors of Alaska Visitors Association at length, and it has really warmed my heart to recognize that we are all on the same side.

We are all Alaskans. Everybody recognizes that our neighbors are not just in the tourism industry or the timber industry, but they are also fishermen, and miners, and school teachers. And to that end, we have a united front and we would like to see ownership retained by the State of Alaska for these Federal lands.

My name is Jim Leslie, and I have lived in Alaska since 1973. I have worked as a logger on the Tongass since my arrival in the state. My wife, Wilma, an Alaska Native of Tlinget and Haida descent, and I owned one of the largest timber falling companies in the Pacific Northwest, Leslie Cutting, Incorporated. We employed 75 people, including timber fallers, cooks, housekeeping personnel, and office personnel. We have been contracting on the Tongass for 13 years. I served on the Board of Directors of Alaska Forest Association for five years, and I currently serve on the Board of Governors of Alaska Timber Insurance Exchange.

We provided full-time employment for our employees, excluding a Christmas shutdown and brief closures due to weather. Our em-

ployees had full medical, dental, and optical insurance coverage. We also provided a retirement program through Alaska Forest Association. Our safety program and safety records were standards for the industry. I have worked in the timber industry most of my adult life. My goal for my chosen profession was to make the woods a safer place for timber fallers to work, and to bring their compensation and benefits to the standards of comparable industries in America. We endeavored to establish long-term employer/employee relationships. We attempted to establish security for these men and women and their families with our benefit packages and safety programs. In short, we tried to give loggers in Alaska the same shot at the American dream as the auto industry worker in Detroit or the computer technologists that work for IBM have attained.

I am proud to say that, in fact, we did accomplish these goals; not through the skill and wisdom of me, but through a team effort by a lot of people within the organization who had a dream. A dream to own a home, to send their kids to college, to retire with the security to be able to care for themselves.

Then came the Tongass Timber Reform Act. "The final legislation to put an end once and for all to the strife over management of the Tongass." We lobbied hard to protect what little of the Tongass was left for resource development. My wife and other wives in our organization went to Washington, D.C., to try to get the truth to the people who would have to make the decisions on our future. This was the point where the naivete of our youth met with the reality of American politics. We learned that Truth, Justice and the American Way have no role in Washington, D.C., that hardworking people's lives are played as pawns in the game of politics, that natural resources and resource development are used as bargaining chits in the game of politics played by extremist special interest groups, that there is a new religion out there that has mistakenly placed the object of their worship on the creation rather than the Creator.

We lost a lot of our future with the passage of the Tongass Timber Reform Act. We decided that we could and would live with the outcome, if it would put an end to the constant attack on our industry and livelihood.

Unfortunately, for whatever reasons, the Tongass Timber Reform Act did not put an end to the onslaught of litigation and obstructionist tactics placed upon our industry. In fact, it appears that the Tongass Timber Reform Act was merely a smoke screen to give those within the United States Forest Service and others who were opposed to timber harvest the opportunity to kill the industry with the blessing of the Administration in Washington, D.C.

To that end, they have been successful. The amount of timber available to be harvested on the Tongass has declined to such a level that there is a loss of jobs in this industry in excess of 40 percent since the passage of the Tongass Timber Reform Act.

One casualty of the reduced harvest was Leslie Cutting, Incorporated. All the years we worked to improve the industry came to nothing as we had to lay off our employees. These men and women who chose to remain in the industry are now spread all over the Pacific Northwest. Many have been forced to leave Alaska. Most are now working with no medical or retirement benefits. Some are working without even the security of Workers' Compensation In-

surance. It broke my heart to lay those people off who had made a commitment to the dream. I felt as if I had cheated them.

We are now pursuing a future in the tourism industry. A very poor substitute, I must add, for the kind of jobs we created in the timber industry. There is very little opportunity left to us in Southeast Alaska to support our families. It is almost as if there is a concerted effort on the part of the Federal Government to force us out of our state. The tourism industry is not a panacea of opportunity, as there are increasing regulatory restrictions being imposed on us by the Federal Government. It is a constant struggle to maintain access to guiding opportunities in our area. We are faced with competing for access with guides from other areas, other states, and I want to note we are even competing with guides from Canada for access to our own areas.

Congressman Young, I applaud your effort to return the management of the Tongass to the people of Alaska whose lives are so intrinsically tied to this resource. We are an undeveloped state. If we are to have opportunity to survive and flourish as a people, then it will necessarily be through the wise and resourceful development of and access to the Tongass. There can be no doubt that the only people justifiably qualified to manage their own destiny in this area are the people who live here and have made investment and personal commitment to this state and its communities. It can only lead to hardship and failure to have our destiny managed by people who have never seen this land or who are only here until their next promotion or reassignment.

Please give us the same opportunity to develop our state that every other state in the Union has enjoyed. The people who live in Southeast Alaska do not share the same values for family, community, and resource development that urbanites in the major populated areas of the United States have come to. It is a sad day that these self-same urbanites have forgotten from whence they came.

Alaskans are not bent on raping and pillaging our lands, as is a commonly held belief. We live here because we love the beauty and the untouched environment that abounds in this land. That goes for fisherman, logger, or merchant alike. Our state is very capable of managing these lands with the best science available and the best interests of all Alaskans in mind. To have another layer of bureaucracy over these lands is not only inefficient and cumbersome, but also very expensive to the American taxpayer and unnecessary. Give us the opportunity to create our own destiny, and you will see an example of balanced development with the needs of all user groups addressed.

In a democracy everybody does not get everything that they want all the time. There is room for the development of the Tongass without destroying fisheries, communities, or the serene beauty of the land. There is room for logging, fishing, tourism, and community development and growth. No one knows better how to execute this dream than the people who live the dream. This is not a National Park. People live here, we live here.

Thank you.

The CHAIRMAN. Thank you, Mr. Leslie.

Brent, in your testimony, would you think that your brothers and sisters would have an opportunity under my legislation to make de-

cisions on what would occur as far as the logging industry in Southeast?

Mr. MILL. The ones that are left, yes.

The CHAIRMAN. Would you think that some of them might come back? I mean, this is very important——

Mr. MILL. If they had a job opportunity, I am sure they would.

The CHAIRMAN. Which reminds me, both you and Roy, what happens now? Are you covered—do you have any health insurance at all now, or is it all gone?

Mr. MILL. No insurance at all.

Mr. MARTIN. No, Congressman. And our COBRA is running out, too. I think we have been into a closure situation here for about 15 months. And the COBRA kicked in, and now that will run out here in about three or four months. So all chances of insurance are going away.

The CHAIRMAN. There was much said about, well, we are going to retrain. Was there any programs for retraining or anything that took place, and what did they try to train you for and what were you offered? Anything at all?

Mr. MARTIN. Well, I would like to thank the efforts of the Governor regarding the transition center. We have a transition center here set up under the NAFTA Free Trade Act. Unfortunately, most of the training, Congressman, is designed where you have to leave to be receiving it. You can get training, but there is not a job to come back to, so you have to leave.

Congressman?

The CHAIRMAN. Yes, sir.

Mr. MARTIN. I would like to also add, as a representative of the Wrangell Landless, we would like to see justice served in settling the landless issue, and we applaud you for bringing that to the forefront. Our landless chairman will give testimony for the record in Ketchikan. But thank you for your efforts in that area.

The CHAIRMAN. By the way, those that oppose this legislation also oppose the landless legislation.

Just—I will not go through them all, but there are some tremendous statements made about the 1990 Act, Mr. Leslie. "No existing Tongass dependent-timber jobs will be lost by the signing of this legislation," K.J. Metcalf. "SEACC believes H.R. 987 will have no impact on the existing Tongass-dependent timber jobs," Bart Koehler, SEACC. "Certainly, it is not the intention, my intention, as the original sponsor of the Tongass Timber Reform Act, to drive the timber industry out of Southeast Alaska," Robert Mrazek, New York City, Congressman. And I can go on, and on, and on about the falsehoods that were stated in that act. No honor amongst fellow man.

Mr. LESLIE. We knew it at the time.

The CHAIRMAN. That is right. And that is why I wrote that President asking him to veto it, and he did not do it.

A lot of statements made that were just totally—"It is a compromise, I think, to recognize the diverse constituency around the Tongass, the multiple use necessary in the Tongass, so all Alaskans may benefit from this legislation, from those who enjoy it to those who must make their living," Congressman George Miller.

I know your frustration. I am very frustrated.

Just to go back to the intent of the legislation, if the state was taking it over, you would have an opportunity in your business, new tour business, to try to, in fact, go to the legislative body and set up a tourist program for those lands, would you not?

Mr. LESLIE. Yes, sir, I would.

I would like to point out that right now we are experiencing very serious difficulty at gaining access to the public lands. The regulatory restrictions placed upon Federal lands for the tourism industry is surprisingly, to me, almost as bad as it was in the timber industry. For some reason, nobody is supposed to go on those lands. I do not understand what they are going to be saved for, but we are not supposed to use them.

The CHAIRMAN. And let me stress, we will have the Forest Service up here later on, but one of the things I would stress, regulatory laws, someone sitting back in Washington, D.C., writing regulatory law, legislative law, now they have decided the tourist business is not compatible with the intent of the Tongass Reform Act. It goes back to the—what is happening on the Wrangell River right now, on the Stikine River?

Mr. MARTIN. I think it is an ongoing battle. As I mentioned, there were citations issued for enlarging your outhouse without a permit.

Also, Congressman, there is conflicting hunting regulations between state and Federal up on the Stikine at certain places. And I cannot even speak to them accurately because in certain places the high tide mark or something is regulated by the state, and the upland is Federal, so the regulations can be different and simply by crossing over this line.

The CHAIRMAN. At least, under my legislation, there would only be one person you would have to argue with, is not that correct?

Mr. MARTIN. Right.

The CHAIRMAN. I want to thank you, gentlemen, for your testimony. As I offered the other panel, let us continue this open conversation with myself and with the Committee, and they are always welcome to submit ideas and suggestions to the legislation. In my opening statement, I also mentioned this is the beginning, this is a platform. This is the beginning of a debate, and it will go on a long ways, and I want your participation. I deeply appreciate it.

Thank you very much.

Mr. MARTIN. Thank you.

Mr. MILL. Thank you.

Mr. LESLIE. Thank you.

The CHAIRMAN. I now call Panel Three: Cliff Taro, Wrangell Stevedoring, Ketchikan, Alaska; Bill Privett, Wrangell Oil, Wrangell, Alaska; Carl Rosier, Territorial Sportsman, Juneau, Alaska. Gentlemen, would you please take your seats, start your engines.

Did Carl make it in, does anybody know? If not, he has testimony for the record.

[The statement of Mr. Rosier may be found at end of hearing.]

The CHAIRMAN. Mr. Taro, it is a pleasure to see you. Welcome to Wrangell, hope to see you tomorrow.

Mr. TARO. It is nice to be back in Wrangell. I used to spend two weeks at a time here in early days.

The CHAIRMAN. Is that because the planes were not flying or because the boats were slow? Which one?

Mr. TARO. Because we were loading ships.

The CHAIRMAN. Oh, loading ships? All right.

Mr. Privett, good to see you here, too. Fine-looking family and a great-looking son, who is working hard. Keep it up.

Mr. PRIVETT. Thank you.

The CHAIRMAN. Mr. Taro, if you would like to, you may go forth with your testimony.

STATEMENT OF CLIFF TARO, WRANGELL STEVEDORING COMPANY, KETCHIKAN, ALASKA

Mr. TARO. Thank you, Congressman.

I am Cliff Taro, President of Wrangell Stevedoring Company. My company, Wrangell Stevedoring Company, was formed in 1955, 40 years ago, for the purpose of contracting to load timber products aboard ships for export from Wrangell.

In so doing, we hired and trained local longshoremen to expertly load the vessels; that is, operate the ship's equipment, our gear and equipment, and stow the timber products as efficiently as possible.

Over the years, the Wrangell longshoremen excelled in their ability, efficiency, mobility, and cooperation to the point that they were classified as the best longshoremen on the Pacific Coast, in our estimation.

Shipping companies and trading companies often made extra efforts to have their vessels call to the Port of Wrangell due to their understanding that their cargo would be loaded with dispatch.

Fortunately, due to the primary manufacturing of our renewable resource, timber, from the Tongass National Forest, some of these longshoremen have worked enough years and hours to qualify for retirement, for pensions, but their sons and daughters and their families became involved and were taught the same efficiencies. But what has happened? The timber has been taken away, locked up in many categories, but not for harvest.

I was a director in the nineteen eighties of the Citizens for the Management of Alaska Lands (CMAL). We attempted to make an honest effort to sensibly allocate the future of Alaska lands. But what happened in what we thought was a fair solution, we compromised with the preservationists, which we realize now was a mistake, because they were not sincere and honest, as we were. As a result, we have been compromising ever since; not with their portion, but ours. We have seen the timber allotments being reduced and reduced, until now we are out of work.

I have participated in and testified in many Congressional hearings, both in Alaska and Washington, D.C., before people like Senator Udall, Senator Wirth, Congressman Siberling, Congressman Mrazek, as well as Jack Ward Thomas, Chief of the Forest Service, and others, only to realize that the hearings were only eyewash. They represented the outside preservationists and a few of the vocal locals whose agenda is, and was, to stop all development in the Tongass.

I, and the people I represent, as well as our Wrangell employees, and I can say our former Sitka employees, who are also out of work, certainly realize the only possible future for us and the tim-

ber-dependent communities is for the State of Alaska to have ownership and control of the Tongass National Forest.

We can work with our state agencies to protect our environment and wisely harvest a portion of this outstanding renewable resource, timber.

Alaska is still a resource state, despite the "outside" interference to prevent it from continuing to be so.

Alaskans make the best judgment about Alaska. We do not need distant, either officials or others, who know nothing or very little about our assets, to make our decisions.

The Tongass National Forest is interwoven with national politics and should not be when it becomes a tool to deal with employment and future of Alaska communities, its schools, and its people.

Unfortunately, the good Forest Service people who are stationed here have their hands tied. They do not have the authority to do what they think is right.

We support Congressman Don Young's H.R. 2413 and sincerely look forward to its passage through the Congress and signed into law by a President and to become effective as soon as possible.

Thank you.

The CHAIRMAN. Thank you, Mr. Taro.

Mr. Privett?

STATEMENT OF BILL PRIVETT, WRANGELL OIL, WRANGELL, ALASKA

Mr. PRIVETT. Honorable Don Young, thank you for this opportunity to share my thoughts on the Tongass Transfer and Transition Act, H.R. 2413. As a lifelong Alaskan, I support your attempt to allow Alaskans the right to decide how best to manage the Tongass in a true multiple-use fashion.

It concerns me that our government supports the breakup of the U.S.S.R. and the fall of communism in Eastern Europe but somehow is concerned that in our country the folks who live here are not capable of administrating and managing our own land free of outside influences.

This will be, at least for Southeast Alaska, one step closer to true statehood without the infringement of the Federal Government basing decisions for us through the powerful environmental lobbyists such as the Sierra Club or their subsidiaries.

I have all the faith in the world that our present and future Governor and legislature can manage the Tongass in a fair and environmentally sound manner.

I have watched and tried unsuccessfully to do all I could to stop the decline of a major industry in Southeast Alaska, specifically the timber industry. Many people have said this is not intentional, but history does not lie. For the life of me, I do not understand why a once healthy and important part of our economic well-being is being allowed and helped to be destroyed by lack of action of our elected leaders.

Contrary to some, even the U.S. Forest Service employees are concerned about the escalation of preservation since the Clinton/Gore Administration declared war on the timber industry. Fortunately, the fishing industry has been spared for awhile. I wonder

with the fate of the Chinook Salmon Treaty still in question, how well Alaskans will fare through that battle.

It is inconceivable to me that a resident of Southeast Alaska could be opposed to legislation such as this. It allows for more say and more control of the land we all love.

Unfortunately, you have chosen to highlight the timber contracts in the outline of this bill and, by doing so, have received a lot of criticism. But it would seem to me to be reasonable that Alaskans would honor all present contracts with the Federal Government that presently exist and negotiate in good faith for their extension, if Alaskans so desire.

I am submitting a copy of a map that was published by the U.S. Forest Service concerning the Shamrock timber sale on Kupreanof Island. This map more closely illustrates the concept of multiple use of the Tongass Forest. Timber harvesting is clearly not a major player in this multiple-use concept.

I will not go into detail of how the mill closure has affected our community, as others can better describe unemployment figures and social problems. However, I will say losing 225 industrial jobs in a town of 2,700 people is certainly far more severe than laying off 20 or even 30,000 jobs in communities the size of Seattle or Detroit, who are far more diverse and able to absorb the changes.

Alaska, it seems, is being treated like an unwanted stepchild. Every facet of our natural resources are under attack by the Lower 48 from fishing to oil development. Hopefully, this bill and its concept will send a message to Congress to allow Alaskans the right to decide how best to manage Alaska.

Again, thank you for the opportunity to share my thoughts concerning the future of the Tongass.

The map that I have, Congressman, is right here. And if I may, I would like to show it to you, because I believe the old saying a picture is worth a thousand words may well adequately describe my point.

The CHAIRMAN. Yes.

Mr. PRIVETT. This is the Shamrock timber sale on Kupreanof Island. These little green areas are slated to be cut. These little brown areas were already cut. These areas have been pulled out of the cutting picture completely for the life of the project. And I highlighted these areas, which are proposed eligible wild and scenic river corridors.

So when you start looking at all of these areas versus these little green areas and the little brown ones already done, I start questioning multiple use. It looks like the little green areas are kind of taking it in the shorts.

Actually, in all honesty, I am probably not opposed to these type of corridors, but I would really believe that the folks that live here should have an opportunity to decide, not the Federal Government, what is scenic, what is beautiful, et cetera. And so that is why this legislation is extremely important.

[The map was placed in the hearing record files of the Committee.]

The CHAIRMAN. Thank you, Mr. Privett, for the map, too. We will take that and put it in the record.

Cliff, you have been in this business a long time, and you brought it up in your testimony, the relationship between the Forest Service today and the relationship, say, 15, 20 years ago.

Can you give me your feelings about what has happened? Because we go back to the content of this bill. It is not about the timber industry, it is not about the fishing industry, it is not about the tourist industry, it is not about the recreational industry, it is not about the mining industry. It is about who shall manage the land best.

The question, Cliff, is, if this was 20 years ago, would we be having these hearings?

Mr. TARO. I certainly do not think so, Congressman.

I think at that time the Forest Service people—as I mentioned in my testimony, now they have their hands tied. In those days, the people made their own decisions, and most of them lived here and stayed here for a long time and knew what timber was all about.

The CHAIRMAN. So what is happening is, that this is really being controlled from Washington, D.C., whether they know what is right or wrong. Like, we had one gentleman was asked to leave his job a few years ago because it went against the Carter Administration. It came and began right there about who was controlling the management for this area from Washington, D.C.

That is really the problem. And what this bill is intending to do is to take that ownership and management concept back from there and bring it back and put it into the State of Alaska, which I have been criticized by people saying the state cannot do it. Why cannot they do it, either one of you? In your own minds, why cannot they do it?

Mr. PRIVETT. I do not have an answer to that, because I think the state can do it.

The CHAIRMAN. You think the state can do it?

Cliff?

Mr. TARO. I certainly think the state can. We will have to make some changes within the state government, Fish and Game and some of those people. But we are close to those people, and we can control the elections, and I think we can straighten it out.

Mr. CHAIRMAN. In talking about Wrangell, you had a diversified economy here, even with the timber industry, did not you? Because the timber industry now is shut down, what has happened to that diversification?

Mr. PRIVETT. Well, it is pretty well eliminated. Now we are mainly relying solely on our fishing industry.

I serve on the Wrangell Port Commission. We are doing our best to try to stimulate and create a new harbor. We want to add stalls to the present existing harbors that we have. We are trying everything in our power to move as rapidly as possible so that we can increase the ability to try to attract a larger fishing fleet into the community, maybe even make more opportunities for processing facilities, as a way to keep the economy alive and moving.

The CHAIRMAN. I go back to, again, the management. Are you running into obstacles of management from the same agencies that are not offering a tree for sale?

Mr. PRIVETT. Not from the port level, no.

The CHAIRMAN. Outside that area?

I should have asked the Mayor, probably, that.

Mr. PRIVETT. Probably should have.

The CHAIRMAN. Is there any other diversification, do you see, Bill, in the area? Skiing? Is there any such thing as skiing in this area?

Mr. PRIVETT. Well, no, but there are folks that are looking at doing something like that.

The CHAIRMAN. Would that be on Federal land?

Mr. PRIVETT. That would be on Federal land.

The CHAIRMAN. Are they having a problem getting their permitting?

Mr. PRIVETT. I do not believe that they have. I do not believe—I do not know for sure how far the permitting has gone and, you know, if these folks who were interested in trying to develop a ski resort, how far they are in that process.

Just recently, a bunch of interested people in the community have put together a golf course proposal. They got some property from the state, and they are, in fact, building a golf course. And I think that when it is completed, it will help economic development in this community, because there is a lot of folks out there. It may sound foolish compared to what we are used to, but it is not. It is a viable economic opportunity for this town to take advantage of.

The CHAIRMAN. But you would do better off if the state was able to issue those permits, would you not?

Mr. PRIVETT. Yes.

The CHAIRMAN. Mr. Taro, what happened to those longshoremen who were here? I mean, they were great. I watched them load the ship.

Mr. TARO. Some of them are still here. Some have retired. Some have transferred to other ports.

Fortunately, we do get some transferred that come down to Ketchikan when we have ships. But the Ketchikan economy is down, the timber economy, and we do not have as many ships. So it is—they are like the rest of the people, they are unemployed.

The CHAIRMAN. Anything else you would like to add before I——

Mr. TARO. Yes, I would like to comment.

We have a company called Cruise Line Agencies of Alaska. We are agents for a lot of cruise ships. I have always maintained that the timber industry subsidized the cruise ships. It is a short season, probably four or five months, for the cruise ships. And we are here on account of the timber industry. We have agents in every port, port managers. We have got tugboats. We have all these people here year-round on account of the timber industry. So if the cruise ships had to put all its people and equipment in place for a short season, somebody is going to have to pay a much higher bill to bring those tourists to Alaska.

The CHAIRMAN. And that is—the gentleman, Mr. Leslie, was talking about that working relationship with the tourist industry and the timber industry.

Mr. TARO. Yes. And I am a member of the Alaska Visitors Association, also.

The CHAIRMAN. Well, again, I think we want to stay on the target. I think you brought it out. But, you know, most of these decisions would be better made by people that live in Alaska and by Alaska. And I was interested in your multiple-use map. If that is just an example of a multiple-use concept from those that are supposed to be professional foresters, that really bothers me a great deal. It means that maybe they are not looking at the Forest Practice Act itself.

I thank both of you for testifying. I deeply appreciate it. I hope to see you in the near future. Glad to have you aboard.

Mr. TARO. Thank you.

Mr. PRIVETT. I appreciate the opportunity to be here.

The CHAIRMAN. We are going to take about a three-minute recess and then we will call up Panel Four. It will be Cliff Skillings and Jack Phelps—Cliff Skillings from the Alaska Lumbermen's Association and Jack Phelps from Alaska Forest Association.

[Recess.]

The CHAIRMAN. If we will take our seats, please, and we will go on with our Panel Four.

I think both of you gentlemen have been watching the previous witnesses. They have done an excellent job.

Cliff and Jack—Cliff, would you like to be first?

Mr. SKILLINGS. Sure.

The CHAIRMAN. OK. I appreciate your coming before us and testifying.

STATEMENT OF CLIFF SKILLINGS, ALASKA LUMBERMEN'S ASSOCIATION, KETCHIKAN, ALASKA

Mr. SKILLINGS. Thank you, Congressman Young, for allowing us the opportunity to testify today. And welcome back to Southeast Alaska, although the weather could be a little better.

The CHAIRMAN. Listen, after being back in Washington, with 34 inches of snow, for awhile this is great. You have heard about being up to you know what, I suspect.

Mr. SKILLINGS. Yeah, I know.

Anyway, sir, I would like to thank you for taking the time to gather testimony here on your House Resolution today. My name is Cliff Skillings, and I am here today representing the Alaska Lumbermen's Association. ALA represents the independent Small Business Administration sawmills on the region, supporting businesses and other individuals who have a vested interest in a productive timber sale program and industry.

As you are aware, Congressman, from consistent correspondence from this industry to your office, the timber industry is being crucified by Forest Service appraisal overstatements, environmental appeals, and Washington, D.C./East Coast intervention in how our forest should be managed. Each of these issues add up and equal one drastic sum: Elimination of an industry through either delay action or no action. All of these entities state the underlying need for ecosystem management and sustainable forest management, but none seem to include timber harvest in the equation either for proper forest management or regional socioeconomic gain. As a matter of fact, the timber industry witnessed its worst year yet in

1995, when only 220 million board feet was offered. Of that, 40 million was independent SBA.

As it currently stands, with the volumes sold in Federal Fiscal Year 1995 and the proposed low volumes slated for Federal Fiscal Year 1996, three of the five larger SBA production mills are facing permanent closures in the next six months with one more on borrowed time. This equates to 75 people being placed out of work permanently in six months, unless something is done.

The bottom line is that the Forest Service will not be able to make a sufficient volume of timber available in 1996 to sustain the industry. This will make two years in which timber supply has been curtailed by both Forest Service inadequacies in timber sale scheduling, Administration policies, and special intervention through litigation and administrative appeals. The timber supply crisis equates to one industry fact: Hardship for one facet of the industry dictating imminent destruction to the other.

For this reason, I would like to say that we support your efforts to seek out proper forest management on the Tongass National Forest by Alaskans, for Alaskans. We have already seen a similar action work for the fishing industry when Federal management for fisheries was returned to the State of Alaska.

We further support the committed efforts of the Delegation, as a whole, for recognizing the multiple-use management involving a managed timber harvest program which is not being attained on the Tongass.

My only concerns, Congressman, with this legislation lie with the potential manager of the Tongass, the State of Alaska. As currently stands, our Administration is constantly being swayed in their timber opinions by other state agencies and regional environmental factions. Furthermore, it seems as though it would be difficult to administer a productive timber sale program when the state agency dealing with habitat and wildlife is already dead set against timber harvest and implements habitat strategies using scare tactics, which are both unwarranted and unjustified.

For this reason, Congressman, I would ask that you add a section in your bill which states all state agencies must concur with a multiple-use management ideal involving timber harvest at a level equal to local processor demand. This way, all state agencies would see the positive effects of multiple-use forest management involving a productive timber industry and implement strategies accordingly.

This bill has many positive merits in Alaska in Alaskans managing their own Tongass rather than intense East Coast intervention in the planning process. It also offers Alaskans closer proximity to policymakers who will make the final decision. But as witnessed by their historic land management actions, I am not sure the State of Alaska is ready for such a large parcel to manage. I would just ask that we please be sure the State of Alaska can handle such an obligation so that Southeast economies do not take further steps backwards in the process.

I thank you again for the opportunity to testify here today, Congressman Young. I would also, once again, like to state that we applaud your legislative efforts to maintain forest utilization and proper forest management; a balanced concept which recognizes

both the needs of regional citizens for their recreational use, but also recognizing the socioeconomic effect to harvesting a renewable resource.

The CHAIRMAN. Thank you, Cliff. You timed that just well, you done well.

Mr. SKILLINGS. I am looking at that yellow light.

The CHAIRMAN. Thank you very much, and I will take your suggestion to heart to rewrite this legislation. We will always be in contact. I know your concerns.

I happen to strongly believe, though, that this state's wisdom of Administration, while working for the passage of this act, will be under a great deal more, let us say, citizen participation than occurs now, because we can always say, well, it is not our fault, it was the Forest Service's fault. If you only have one manager here, it is much easier to put your finger on his forehead and say that is not right. When you have two managers, it is always the other guy's fault. And I just wanted to remind you.

Jack, you are up.

STATEMENT OF JACK PHELPS, ALASKA FOREST ASSOCIATION, KETCHIKAN, ALASKA

Mr. PHELPS. Thank you, Congressman. It is good to see you back in Alaska. I am sorry I missed you last time. I was in Washington. But I did, as usual——

The CHAIRMAN. I was probably up here. Go ahead.

Mr. PHELPS. I did, as usual, though, benefit from talking to your fine staff. So I appreciate it.

Mr. Chairman, for the record, my name is Jack Phelps. I am the Executive Director of the Alaska Forest Association. The association was established in 1957 and now has more than 250 regular and associate member companies statewide.

The Alaska Forest Association would like to express a strong appreciation to you, and to Senators Stevens and Murkowski, for your efforts in maintaining the jobs of timber industry workers in Southeast Alaska. Since the Tongass Timber Reform Act was passed in 1990, more than 40 percent of the jobs in the timber industry have disappeared. We have lost a major sawmill and a pulp mill due to reduced economics and the unavailability of timber. And as Cliff mentioned, three out of five small production mills are foreseeing potential closure within the next six months.

The TTRA, as you well recall, was one of the many attempts to forge a compromise with the environmental community by reducing the ASQ, the allowable sale quantity, so that more areas could be put into wilderness and other legislative land withdrawals. Today we have way over six million acres of land withdrawn into permanent reserves and only one tenth of the entire Tongass available for harvest. Now the Clinton Administration is pressuring the Forest Service to reduce the commercial forest land base even farther by establishing habitat conservation areas on more than 600,000 acres of the remaining 1.7. This will further reduce the ASQ so that an industry will not be sustainable on the Tongass National Forest.

Now, Congressman Young, you have introduced this bill, which would permit the State of Alaska to decide whether or not the

Tongass should be transferred to the state. While that is seen as a dramatic measure by some, we believe it is time to begin consideration of some drastic measures. We simply cannot afford to sit idly by and watch the current regime destroy the livelihoods of so many fine people in Southeast Alaska. We call upon the Governor to work with the Congressional Delegation on this bill and on all the Delegation's efforts to solve the timber-supply problem on the Tongass.

As you will recall, one key reason that Alaskans wanted statehood was to get control of the territory's fish and game resources. Alaskans knew as a state we could manage those resources better than a Federal Government clear on the other side of the continent. The same holds true, we believe, with respect to management of the Tongass.

Can you imagine the Governor and the Alaska Legislature allowing employment in the timber industry to drop 40 percent in five years without doing something about it, as has happened under Federal management? I cannot. Can you imagine the Governor and the State of Alaska agreeing to a TLMP revision process which would reduce by 60 percent the ASQ which sustains jobs for our remaining timber workers without first doing a socioeconomic study to look at the consequences of that action on the timber-dependent communities, as the Forest Service is now doing? I cannot. Can you imagine the Governor and the State of Alaska requiring two environmental impact statements on the same timber before that timber can be transferred from one company's mill to another, as the Ninth Circuit is now requiring under Federal NEPA? I cannot. Can you imagine the Governor and the Alaska Legislature becoming so bureaucratically ensnarled that they cannot make timber available from a huge resource while mills are closed and workers are put out of work in timber-dependent communities? I cannot.

Those are just a few of the things that we think would be different if the State of Alaska were charged with the management of the Tongass instead of the Federal Government.

Now, having said that, we remain concerned about Alaska's lack of a comprehensive and coherent timber policy. We do not have one. Unlike our excellent track record in oil development and minerals development, the state does not have a historic pattern of full utilization of our vast timber resources. That is a great concern to us. And we would urge you to address that issue, particularly in the findings sections of your bill, which presently do not accurately reflect past and present state agency actions.

In short, Congressman Young, we congratulate you on the concept of this bill. We look forward to working with you as it moves through the legislative process.

I would be happy to answer questions.

Mr. CHAIRMAN. Thank you, Jack.

You mentioned, and you have all the figures there, you mentioned about the administration of the present Forest Service activities concerning the remaining lands after 1990. To your knowledge, have they looked at the other acreages of land for habitat, for wildlife, et cetera, or are they only concentrating those lands available for multiple use?

Mr. PHELPS. The one area along those lines, Congressman, that concerned me particularly was when the goshawk circle approach was taken. It was our understanding that due to limited funds, or whatever, the goshawk study was done on lands available for timber rather than across the entire landscape. And that, in my opinion, is an example of the way that things are looked at piecemeal instead of over the entire scale.

The CHAIRMAN. The other thing you mentioned about setting up a track record for forest management practice for the state, I will look at that very closely. I am not sure I want to dictate to the state what they should and should not do. They will be the owners of the land. And I know your interest, too, Cliff, in this question.

I agree with you both that I do not think any of this disaster would have happened if the state had been managing these lands, because I do not think you would have a governor sitting in the chair today, for instance, or even the legislators.

This is why we are bringing the government back to the people and the ownership back to the people, not being run from way back in Washington, D.C., as it has been.

I just have——

Mr. PHELPS. Congressman?

The CHAIRMAN. Go ahead.

Mr. PHELPS. If I can make a comment to that.

I appreciate what you are saying. My particular concern is in the findings section, if I may quote from it briefly. Paragraph three says: "The State of Alaska is committed to policies in connection with the Tongass that include informed decisionmaking, prudent management of the Tongass resource with sound science, multiple balanced and sustainable use of Tongass resources, and inclusive planning process for the diverse interests associated with the Tongass in planning a consensus."

I am not convinced that that is true across the board of state agencies today. I am concerned with that kind of statement being, you know, enacted into Federal law, when it may or may not, in my opinion, at this point, does not reflect accurately particularly the Fish and Game Department.

The CHAIRMAN. Cliff, I have had criticism by certain media groups and other interest groups saying this is just a timber bill, and it is not. Then they say it is just a bill for the big timber companies.

Under state management, would it not, in fact, give you a greater opportunity for small businesses and smaller operators to actively be involved?

Mr. SKILLINGS. Yeah. Should the state put up the small sales, there is a few bills that Jack Hill passed through last year that could benefit us. We cannot really—we do not really have a say on those here south of Anchorage, but, yeah, they plan it here. I think there is definitely, like I said, quite a bit of legislation that would benefit us currently if it is enacted and is proposed.

The CHAIRMAN. One of the things that we were advised of—we were told by certain interest groups back in Washington, D.C., and led by those even from Alaska, that the 1990 Act was going to be a great thing for the small logging companies.

Now, have we increased the small logging companies since 1990 or have we decreased the small logging companies?

Mr. SKILLINGS. No. Those are the same people that are putting us out of business.

The CHAIRMAN. That is why he talked about the—Mr. Leslie was talking about the word of those that purport to be helping the small companies, the small businessmen, against the big business, really were putting you out of business, too?

Mr. SKILLINGS. Right, absolutely. We are going out right and left.

The CHAIRMAN. You know, I happened to be here a long time ago, when we had lots, and lots, and lots of small businesses, too, by the way, and it is healthy. It also has to have—like I say, I do not think this would have ever happened, Jack, like you mentioned, if, in fact, we had a state management. I feel confident it would not have happened.

I want both of you to understand that this bill is just beginning. I want you to understand that as we go through, there will be additions and subtractions and pluses and minuses. I will be sending you copies. Where you have suggestions, we will gladly try to see whether we can apply them for management of the area by the state, and with suggestions, because you are both interested in the timber industry, with your understanding that you have an interest. And I will also have an interest on reading it, too. This is just a beginning, and I hope to have your help.

Thank you very much for your testimony.

Mr. SKILLINGS. Thank you, Congressman.

Mr. PHELPS. You are more than welcome.

The CHAIRMAN. It has been brought up to me by staff that the findings in Section 3 were really submitted to this bill by the Governor's testimony. That is where it came from. Mr. Hensley presented that to Senator Murkowski.

Mr. PHELPS. Thank you.

The CHAIRMAN. Now we will have, I believe, Panel Five: Bruce Baker, Southeast Alaska Conservation Council, Juneau, Alaska; Syd Wright, Petersburg, Alaska; Joel Hanson, Wrangell Resource Council, Wrangell, Alaska.

And Syd is not here. He is having a hard time getting in from Petersburg.

That is only 12 minutes away, is it not? He should have taken that boat that Wrangell went over and attacked Petersburg with during the Norwegian Days, got the Mayor and kidnapped him. That was great fun, by the way. It was also one of the greater five days of my life I spent. One of the few times I was glad to see an airplane come, though, after five days.

So we have Bruce Baker and Joel Hanson. And with your permission, Joel, I will go ahead—and, by the way, Syd Wright's testimony, and I want it perfectly clear, will be part of the hearing record. He was invited, he did say he would attend. And we will be having his testimony submitted for the record, if he is unable to make it.

[The statement of Mr. Wright may be found at end of hearing.]

The CHAIRMAN. Joel, do you want to go first?

STATEMENT OF JOEL HANSON, WRANGELL RESOURCE COUNCIL, WRANGELL, ALASKA

Mr. HANSON. Thank you, Congressman.

I would like to start out by offering my sincere thanks to you as Chairman and to your Committee for coming to Wrangell. It is, obviously, way overdue. It has been 19 years. It is long overdue, and I appreciate your presence here.

My name is Joel Hanson. I am a 15-year resident here in the Wrangell area. I am a commercial salmon fisherman, and I am President of the Wrangell Resource Council, whose members I represent in this testimony. On their behalf, I offer my strongest objection and opposition to Congressman Don Young's H.R. 2413.

We feel that the idea of granting the good citizens of the state of Alaska ownership of all the Federal lands which surround us and from which many of us earn our livings is a beguiling, but totally unrealistic, concept that may perhaps have a certain appeal to some independent-minded folks, but it just is not going to happen.

H.R. 2413 uses the populist concept of ownership and local control as a slick pitch to sell an awesome lemon of legislation to the public. Mr. Young's bill wears a double knit polyester suit and pencil-thin mustache. It sells power and romance, and my organization members warn me that if we end up buying something from this man, it is going to leak oil all over the driveway. The whole thing is empty foolishness.

For instance, the bill assumes, as a fundamental thesis, that the public good could not possibly be met through Federal management of public land or natural resources, that, in fact, the entire concept of lands being managed in the national interest, rather than for strictly private, local, or regional benefit, is absurd, unconstitutional, and it is basically a 20th Century sacred cow that ought to be butchered quick.

It argues, in effect, that the Federal Government really should not be in the business of seeking to serve the common good. This kind of thinking is regressive and wrong.

In reality, the concept of National Interest Lands is the product of an evolutionary development that has taken years to form, and it should not be abandoned lightly. It sprung up during the first decade of the century, when the American public started showing a growing environmental awareness and concern, and when leaders such as a proponent named Teddy Roosevelt, who, along with the U.S. Congress in 1907, saw fit to serve the public by passing legislation by creating our National Parks system.

During subsequent years, the people of this country, through their elected representatives, have created painstakingly, one after another, further laws which govern the use and disposition of public lands and that protect the environment, all with an emphasis on serving the national interest.

There is no doubt that bureaucracies can and do sometimes screw up their priorities and fail to meet the needs of the people they serve and that existing Federal laws will need to be changed and tightened up from time to time. But this bill literally obliterates, or badly smudges, a big portion of nearly a hundred years of environmental legislation. It is a land manager's nightmare, a law-

yer's dream, and it would not provide any measure whatsoever of stability or security for the people or communities in Southeast Alaska. It would simply create chaos, temporarily reestablish the dominance of a few favorite resource barons of your or somebody else's choice, and postpone the badly needed progress toward economic and environmental sustainability that is increasingly every American's hope.

There is a fundamental fallacy in the premise that the state ownership of the Tongass would be better than Federal. Witness that just a few years ago, Governor Hickel would have directed state foresters, had it been in his power, to harvest Tongass trees at a rate of 680 million board feet a year. A few years before that, Governor Cooper was happy with a harvest rate of 360. Our current Governor promotes the approach of combining good science plus community needs, which is what the Forest Service's Tongass Land Management Plan Revision promises, and which might well result in a recommended harvest level of close to, or even less than, 300 million board feet per year.

What kind of stability does state control really promise in Southeast if the State Administration can change its mind and its harvest goals every four years? Not much.

House Resolution 2413's fundamental purpose is, or should be, to meet the needs of communities like Wrangell and to serve the people who live here who have been hurt by the wildly fluctuating and uncertain prospects of the timber industry in this region. This is a noble purpose, and I applaud it in concept.

Wrangell Resource Council members join the other Wrangell community members in support of a broadly based community economy that will include a stable forest products industry. But this bill is not a route to such stability.

I believe we can achieve a stable forest products industry in this region. We can do so by recognizing that this country's so-called National Interest Lands are likely to continue to include the Tongass and that much of the forest will continue to be managed for the greatest common good in spite of the efforts of off-with-their-heads kind of legislation such as this.

What we need is to reach consensus, at least for the time being, on what the American public thinks is a suitable rate of harvest for forests on public lands using as a guide the nearly 100 years of environmental legislation we have built. We need to follow through with the upcoming ten-year forest plan that the Forest Service is undertaking. And if the national interest seems to be at odds with our own private interest, we Alaskans need to present our case, get the best deal possible, and then move ahead with the work at hand.

We have to listen to our managers, our land managers, our foresters, our economists, our community leaders, our environmental groups, industry specialists, biologists, and each other, not just in the state, but across the nation. Where, in God's name, is the sense of patriotism and common purpose in this bill, I ask you?

In summary, Wrangell Resource Council members denounce this legislation. Furthermore, we feel that Mr. Young's constant demagoguery and finger pointing and his preference for burning rather than building bridges of understanding are a liability to this com-

munity's goal of a healthy economy at work and a healthy environment.

The CHAIRMAN. Thank you, Joel. Thank God for democracy.

Bruce Baker?

STATEMENT OF BRUCE BAKER, SOUTHEAST ALASKA CONSERVATION COUNCIL, JUNEAU, ALASKA

Mr. BAKER. Thank you, Representative Young.

My name is Bruce Baker, and I am testifying as a Southeast Alaska Conservation Council Board Member today. SEACC opposes H.R. 2413, and our staff will present our full testimony tomorrow. Today what I would like to do is mention fish, wildlife, and tourism problems with the bill.

I am a graduate forester. I have worked in Southeast Alaska for 25 years. I began my career here with the Forest Service. I later worked with the State of Alaska, first in the Office of the Governor and then the Department of Fish and Game.

I have listened with interest to a lot of the concerns that have been registered here this morning. The reality is, of course, that the Tongass National Forest belongs to the people of the United States and not just to those of us Alaskans who are fortunate enough to live here. Although the state has matured considerably in its ability to manage public trust resources, the state's constitution, laws, regulations, and budget allocations are simply inadequate to ensure the balance of national, state, and regional interests that the Forest Service is able to manage.

For example, the state has no law that requires as public and comprehensive evaluation of land management decision options as the National Environmental Policy Act.

Southeast Alaska's commercial salmon fishery provides over 5,000 local jobs. Sportfishing provides over 1,200 jobs. Subsistence salmon harvest is more than 1.2 million pounds a year. Long-term protection of salmon habitat is critical for ensuring the sustainability of this important segment of the region's economy.

To protect salmon habitat, the National Marine Fisheries Service biologists recommend at least 100-foot-wide no-harvest zones along each side of the salmon streams. In the Tongass Timber Reform Act, Congress adopted this recommendation and established minimum 100 foot buffers along salmon streams and many tributary streams that directly affect the water quality in salmon streams. This bill would repeal this provision. On state land, the state Forest Practices Act precludes timber harvest within 100 feet of a salmon stream. Between 100 and 300 feet timber harvest can occur, but it has to be consistent with the maintenance of important fish habitat. This bill would allow the transfer of over 200,000 acres of Tongass Forest to private corporations, and on private land, state law requires that partial uncut buffers be left within only 66 feet of only certain salmon streams.

Although fish habitat protection requirements are somewhat similar for the Tongass and for state lands, the Tongass has 19 fisheries biologists to work on timber sales, yet the state has only three biologists to work on timber sales throughout the state, regardless of landownership.

Last month, Fish and Game reported to the state Board of Forestry that its funding to implement the state's Forest Practices Act has been slashed by the legislature to 65 percent of what it was before the Forest Practices Act was passed in 1990. Fish and Game concludes that, I quote, "We can anticipate a continued degradation in the abundance, quality, and availability to humans of nontimber resources."

The Forest Service's January 1995 Anadromous Fish Habitat Assessment Report to Congress indicates the current practices on the Tongass still do not achieve the long-term goal of avoiding the need to list salmon stocks under the Federal Endangered Species Act. The report concludes that, "Current practices"—that is, the 100-foot no-cut buffers and the best management practices—"Current practices for timber harvest planning and application are not fully effective in protecting anadromous fish habitats on the Tongass."

The Forest Service identified more than a dozen recommendations that it can implement to meet these goals. Neither the state nor the private sector has conducted such a comprehensive analysis of the effectiveness of fish habitat protection measures.

The greatest degree of fish habitat protection on the Tongass is that afforded by the Congressionally designated wilderness areas and by the 12 Congressionally protected Land Use Designation or LUD II areas. This bill would repeal all these areas.

Tongass wildlife depend on sound forest management decisions, and the Forest Service has a far more comprehensive body of laws and regulations than the state has for protecting wildlife habitat. Like fish habitat, wildlife habitat receives the greatest protection in the Congressionally designated wilderness and the LUD II areas. Their repeal under this bill would be harmful to people who depend on wildlife for their monetary and nonmonetary economic well-being.

On the land transferred from the Tongass to private corporations under this bill, there would be absolutely no protection of wildlife that would be—habitat that would be required under the state Forest Practices Act.

And, finally, tourism is Southeast Alaska's fastest-growing industry, and in a 1995 study approximately 70 percent of those interviewed indicated that wildlife viewing in remote wilderness were very important or important considerations in their decision to visit the region.

Wildlife and wilderness have become major contributors to Southeast Alaska's economy. And, here again, the repeal of wilderness and LUD II areas threatens serious long-term economic damage to those in Alaskan communities dependent upon these industries.

Despite its problems, the Forest Service is clearly in the best position to balance the many national, state, and regional concerns and interests here. And we recommend that you stop emphasizing this bill and provide support to the ongoing public process for revising the Tongass Land Management Plan.

I appreciate the time that you have given us here. Thank you.

[The statement of Mr. Baker may be found at end of hearing.]

The CHAIRMAN. You are quite welcome.

Were both of you involved in the 1990 Act, Tongass Reform Act?

Mr. BAKER. In a way, yes.

The CHAIRMAN. Did you support it?

Mr. HANSON. Yeah, I supported it.

Mr. BAKER. Yes, yes.

The CHAIRMAN. You supported it?

The reason I am saying that, all these—I go back to all these statements here from SEACC. "First let me say that we are concerned in the need for maintaining a healthy economic and stable timber industry in Southeast Alaska," Larry Edwards, SEACC. I go on with all these statements myself. "What happens if the Sitka mill closed down, Larry?" "It is not going to. I mean, we are not going to affect the timber base."

I mean, reality, Bruce, is what bothers me the most.

You say, Joel, I should abandon my efforts. You know, you talk about fish. And you are a fisherman, and you know you have got your little economic base.

It is like one of you Forest Service people the other day stopped me in the airport and said there have been so many streams ruined by the logging industry. It is strange to me that, you know, the record in 1990, 66 million, 69 in 1991, 46 in 1992, 72—I mean, these are salmon—1995, 55 million, record levels, thousand—55,000, record levels of fish——

Mr. BAKER. Representative Young, one of the things——

The CHAIRMAN. Excuse me, Bruce. Let me finish this.

I want to know where you are getting your figures, because the figures do not add up. What has happened to the fishing industry in Southeast?

Mr. BAKER. One of the things that needs to be pointed out, and is right out of the forest report to the Congress, is that there are about 15- to 20-year cycles of favorable currents coming up the coast our way versus currents that head farther south. Right now, we are at the end of, apparently, of a 15- to 20-year—or 15-year period in which we have enjoyed warmer currents and greater fisheries productivity. And the message is that as we move into what is expected to be a 15-year trend of lower productivity, it is all the more important that the historic levels of fisheries production—habitat protection——

The CHAIRMAN. What happened to our land that we set aside in 1980 and 1990? Was those not the best streams? They are not being touched, are they?

Mr. BAKER. There is a combination of things that helps fish habitat, of course, and one is the areas for which total protection is provided——

The CHAIRMAN. Including clearing those streams up? You——

Mr. BAKER. The other——

The CHAIRMAN. Excuse me.

Mr. BAKER. I will finish the question.

The CHAIRMAN. Can you rehabilitate a stream in a wilderness area?

Mr. BAKER. And the other, in answer to your question, Representative Young, is the protection of habitats through best management practices and 100 foot buffers. The Forest Service has reported to your body, the Congress, that those are—as good as they

are and as great the advances habe been in habitat protection—they are still inadequate to protect historic production.

The CHAIRMAN. You do not have much confidence in the state at all, do you?

Mr. BAKER. I have a lot of confidence in the state. I have worked for both the Forest Service and the state, and I feel like I have a real good feeling for both of them.

The CHAIRMAN. You do not think the state can manage these lands?

Mr. BAKER. I think that the Forest Service is in a far better position to balance national, regional, and state interests than the State of Alaska.

The CHAIRMAN. You are saying national and regional and not local?

Mr. BAKER. I think that——

The CHAIRMAN. That means the local people are not really considered?

Mr. BAKER. It is essential that—no, I did not say that. I said that national, regional, and local—national, state, and regional interests—need to be balanced, and the Tongass Land Management Planning process has provided, and does continue to provide, one of the best forums that this Democratic nation can come up with for doing that.

The CHAIRMAN. Does the Constitution of the United States allow the Congress to dispose of lands?

Mr. BAKER. It is my understanding that it can.

The CHAIRMAN. It can, can it not?

Mr. BAKER. That is my understanding.

The CHAIRMAN. So what is wrong with my bill?

Mr. BAKER. Well, I tried to outline five minutes' worth of reasons.

The CHAIRMAN. That reminds me, Joel, you are a fisherman.

You know, it goes backs to statehood. Do you know who was the biggest promoter of statehood because they wanted to manage their fish for the state of Alaska and the people of Alaska? What is different in that land? Where would you be today if the Federal Government was still managing the fisheries?

Mr. HANSON. Well, there is no doubt that the state has benefited from the state management of its fisheries resources. They have done a far better job than the Federal Government did during statehood.

The difference is, at this point in time, there is a—there is a consensus of opinion among Americans and a direction that they are taking and that is looking toward a greater benefit than that that is provided to the Nation as a whole through resource development, extraction, and improvements.

There is a different concept behind Federal management of the lands here than there would be if those lands were turned over to private enterprise.

The CHAIRMAN. Well, again, we are turning it over to the state.

The one thing that bothers me, Joel, you and I have a definite difference of opinion of where this nation should be going. You would like to see the direction going as total centralization controlled by the Federal Government, where I would like to see the

states control and the communities. And that is a legitimate debate. You cannot deny that. I mean, you believe in the national good and the Federalization of lands. I believe in the private ownership of lands, and they can best take care of the lands, versus the national interest.

And it has always bothered me when I hear people suggest that the government can do a better job. If you believe that, then go to Russia. You have seen what has happened over there. Look at their dead sea. I mean, dead sea. Look at the oil spill, which you referred to in your opening testimony about me, which I thought was uncalled for. I mean——

Mr. HANSON. It was referenced——

The CHAIRMAN. In reference to the oil.

Again, it is a matter of philosophy, and this is not just Alaska, I want you both to understand. This battle is not just about the Tongass. This is about who shall control lands. Is it the centralized government, a socialized form of government? It is not a new idea. It came under Eisenhower. Walker thought it was the best idea, no one should own private land. Private land should be, in fact, only used temporarily and then transferred back to the government to be redisbursed to somebody else at a later date. No one came up with a new idea.

Mr. BAKER. Representative?

The CHAIRMAN. Yes.

Mr. BAKER. May I make a comment, please?

The CHAIRMAN. Sure.

Mr. BAKER. We hear frequent reference to returning the Tongass to the people. Ever since the United States of America has been the United States of America, ever since Europeans imposed themselves on this continent, this Tongass Forest has not been state land. This has been in the Federal domain.

The CHAIRMAN. And at one time, it was properly run from the local federally controlled agency, not from Washington, D.C.

This bill would never have been introduced, in fact, if we had followed through with the 1980 Act or if we followed through with the 1990 Act, which was an agreement by your group. Your grass roots group agreed to that, and Bart Koehler agreed to it. In fact, he left this state to go off and do other things in other areas and then came back after Mr. Clinton was elected to undo the 1990 Act and, in fact, drive out all timber industry and all management of this area and leave it in the hands of one agency.

You know that, Bruce.

Mr. BAKER. No, I do not. The Tongass Timber Reform Act was obviously a political compromise that nobody embraced a hundred percent, but which people accepted as a compromise.

The CHAIRMAN. Well, Mr.—Bart himself says: "There is peace in the valley. There will be no more activity in the Tongass. We have reached a consensus. There is now room for all to, in fact, enjoy the great Tongass Forest."

Mr. BAKER. And there is. And there is when the Tongass Land Management Plan process provides a forum for reconciling differing views and values.

The CHAIRMAN. Since 1990, we have lost 43 percent of the timber-related jobs in this area, mostly because of lawsuits and be-

cause of the inactivity of the agencies directed from Washington, D.C.

Mr. BAKER. There is disagreement on that set of reasons.

The CHAIRMAN. Well, there may be disagreement. Talk to the people themselves, the people working in Wrangell, who no longer work. Talk to the people in Sitka that no longer work.

Mr. BAKER. There are economic reasons.

The CHAIRMAN. Let us go back to the fisheries.

Joel, if you think you are isolated, think again. You are about to come into some very serious challenges in the fishing industry, unfortunately, by the Federal Government, where your profession may not exist. You know, that is unfortunate, too.

I just happen to believe, and I know I am editorializing, and I should avoid this—I believe in states' rights, states' people's involvement, not someone from abroad directing their regional director, in fact, to do something he knows basically is wrong. And that has happened. I do not think that is the way our government was meant to run.

Now, that can be a legitimate difference of opinion. You may like that. I just think it is wrong.

That decision—this is one thing I love about a democracy. Everybody has an opportunity to voice their views, such as I do even myself, but I am going to pursue this policy nationwide to try to get the debate open of where we are going. If, in fact, the people want what you want, then that is how it shall be. But if, in fact, the people decide, and this is not a—you know, a horoscope, this is reality—if they decide I am right, then we will go in that direction regardless of that.

Thank you, gentlemen, for testifying.

Mr. BAKER. Thank you very much.

Mr. HANSON. Thank you.

The CHAIRMAN. We have—the last panel, I believe, is the Forest Service. You have been talked about, maligned, criticized collectively, patted on the back, but welcome.

Actually, I have been very kind. I want you to know that. I may need a cabin permit some day. You never know.

Do we have—Abigail, you are going to testify, and they will——

Ms. KIMBEL. I will introduce them.

The CHAIRMAN. OK, fine. Go ahead.

STATEMENT OF ABIGAIL KIMBEL, GARY MORRISON, AND BRAD POWELL, TONGASS NATIONAL FOREST SUPERVISORS, U.S. FOREST SERVICE, ALASKA

Ms. KIMBEL. OK. Mr. Chairman, I am pleased to have the opportunity to appear before you today to discuss the management of the Tongass National Forest and present the Administration's views on H.R. 2413, a bill "to transfer the Tongass National Forest to the State of Alaska."

With me are Brad Powell and Gary Morrison. Brad is the Forest Supervisor on the Ketchikan area. Gary Morrison is the Forest Supervisor on the Chatham area. I am the Forest Supervisor on the Stikine area.

The Department of Agriculture strongly opposes enactment of H.R. 2413. Our opposition rests on both philosophical and pragmatic grounds. Let me outline our position.

For over 100 years, during good economic times and bad, public lands have been a source of the goods and services that supply local and regional economic growth and diversity. Public resources have helped build a nation with affordable recreation, wood, fish and wildlife, energy and water. They have been the basis for environmental health, yielding clean air and water for generations.

The National Forest System, covering more than 191 million acres, is an important part of these public lands. Gifford Pinchot, first Chief of the Forest Service, set down an operating philosophy that is as appropriate today as it was when the agency was established. The National Forests are managed "for the greatest good for the greatest number in the long run." Be it the Shasta National Forest in California, the White Mountain National Forest in New Hampshire, or the Tongass National Forest in Alaska, each is managed for the benefit of all Americans.

By and large, Forest Service stewardship of this priceless resource has been a success. Through multiple-use management, balancing environmental health with human needs, the National Forests have provided substantial economic benefits to surrounding communities. By basing management on the best available science, we continue to refine land management practices to better protect and produce a full range of resources.

We recognize that some people disagree with certain aspects of current management efforts. Some believe we place too little emphasis on timber products; others believe that there is too much emphasis on timber. We urge you not to pursue a policy that would lead to the dismemberment of the National Forest System, but, instead, recognize that conflict and controversy are inherent parts of the natural resource management which cannot be "fixed" by shifting responsibility from Federal to state government.

The economies of Southeast Alaska are in a transition. The communities and the increasingly diverse businesses of the region need assurance of a stable supply of all the goods and services produced by the Tongass.

The Tongass is an ecological treasure: A vast expanse of temperate rain forest. Recognizing its value, the American public has invested major financial resources in the Tongass to ensure the wise and judicious use of all its natural resources.

For instance, the Forest Service, in cooperation with the Alaska Department of Fish and Game and the fishing industry, has invested more than $8 million of Federal money in fish passes and other habitat improvement structures over the last 15 years. This has, in turn, created millions of pounds of salmon contributing to the commercial fishing industry. The Forest Service has worked hard to facilitate growth in other sectors of the economy. The investment in programs and infrastructure made to the resources of the Tongass and the economy of Alaska since the Tongass was established in 1907 is substantial. Even if transfer of the Tongass made sense from a management standpoint, the Administration would object to relinquishing 17 million acres of valuable Federal

property and improvements without adequate compensation to the Federal Treasury.

H.R. 2413 would also change the flow of economic benefits that the Forest Service programs currently provide to the 33 communities within the Tongass National Forest. The Forest Service shares 25 percent of gross timber receipts from the National Forest. In 1995, this amounted to $7.6 million. Of this total, the city of Wrangell alone received $536,000. For Wrangell, as for other communities in Southeast Alaska, these revenues are a key component of local government finances. If they were diminished or lost, the alternative for most communities might be to raise taxes, cut back on services, or both.

The economy of Alaska would further be affected by the loss of an estimated $60 to $80 million per year that the Federal Government spends to operate programs on the Tongass at the current level. The cost of managing the Tongass would remain relatively unchanged if H.R. 2413 is enacted. Yet the loss of this influx of Federal money coupled with the additional burden to the state budget is certain to prove a burden to the stability of the Alaskan economy. Additionally, the revenue generated by the 565 permanent employees on the Tongass, whose salaries are spent and respent in local economies, supporting additional jobs and income for the private sector of Alaska, would be foregone.

Historically, issues surrounding the Tongass have been contentious. While the Forest Service is proud of all we have accomplished over the last 90 years, we do not pretend for a moment that everything is perfect. We acknowledge that the competing uses desired by our neighbors, partners, and owners has dramatically increased the debate surrounding how Federal lands should be managed. These conflicting needs and philosophies are, perhaps, more keenly felt here in Alaska than anywhere in the country.

We believe, however, that there are many things that we can do to improve our relationships with the public and the management of the resources in the coming years.

First, we need to do a better job of reconciling wildlife protection with stability in timber supplies.

There have been proposals from many groups that we should adopt additional measures to protect wildlife habitat on the Tongass. There have also been petitions to the Fish and Wildlife Service to list species as threatened or endangered under the Endangered Species Act. Responding to these proposals and associated litigation, actual or threatened, has made it difficult to provide the level of timber supply that the local timber industry has wanted and cast doubt in many people's minds about the future timber supplies.

We want to do a better job of reconciling this tension and balancing our stewardship obligations.

Of utmost concern to the Forest Service is establishing a sustainable timber supply upon which industry can rely. The Forest Service has been working aggressively to expand the independent timber sale program. And we plan to offer 116 million board feet under the independent timber supply program for fiscal year 1996.

Additionally, the Forest Service is committed to continuing to meet the KPC, the Ketchikan Pulp Corporation, obligation. In fis-

cal year 1996, the Forest Service intends to offer 205 million board feet under the terms of the long-term contract.

Would you like me to continue through the rest of——

The CHAIRMAN. How much more do you have?

Ms. KIMBEL. Just a couple more pages.

The CHAIRMAN. Go ahead.

Ms. KIMBEL. Thank you.

Better relationships with Alaska Natives.

We have recently negotiated a memorandum of understanding with the Sitka Tribe of Alaska and the Hoonah Indian Association to formalize government-to-government relationships. We hope we can similarly formalize relationships with other federally recognized tribes in the Southeast. Tongass management affects a broad spectrum of the legitimate interests of those Alaska Natives, ranging from subsistence use of forest resources to access to the land held by Alaska Native corporations. We have worked hard at these relationships, and we think we can do better.

Better service to those who seek permits for tourism and related activities on the Tongass.

As the tourist industry has grown, we have experienced explosive growth in the number of persons seeking permission to carry out tourist-related business activities on the Tongass. The growth in requests has far outrun our expectations and far outrun the appropriations we receive to evaluate and manage the permits. We intend to do better. We are reviewing the entire permit process to identify administrative efficiencies, to speed it up, and to make it more convenient for the public—in short, to reengineer the entire permit process.

We have committed to an improved interagency partnership so that the public will be subjected to less bureaucracy and improved responses to their applications.

Greater efficiency with fewer people and tighter budgets.

We are just completing a process to reorganize and downsize the Regional Office in Juneau in order to reduce administrative costs. In the coming years, we expect to reexamine work processes at all levels of our organization to ensure that we are properly configured for the workload and budgetary challenges that we think are coming in the balance of this century and into the next. We have appointed a special task team to chart the course for this reexamination, and we will be sharing the results with the public along the way.

Expanding the economic base of Southeast Alaska communities.

The Forest Service and the Department of Agriculture possess many tools for assisting resource-dependent communities to diversify and expand their economic base. Both financial and technical assistance provided by the Department and the Forest Service have been utilized extensively in Southeast Alaska. And just recently, Senator Stevens was able to allocate additional moneys for those programed, and we have been very grateful for that opportunity to work with the communities with that money.

This commitment to the communities of Southeast Alaska will continue into the future. In fact, the Forest Service, through its Rural Community Assistance program, intends to provide, or chan-

nel, more than $750,000 in grant money to resource-dependent communities in Alaska in fiscal year 1996.

Strengthening relationships with the State of Alaska.

Our relationship with the agencies of the State of Alaska have never been better, but still we continue to work to enhance them. Last summer, the Chief of the Forest Service met with the Governor and agreed on 14 points critical to both the state and the Forest Service. I ask that a copy of that agreement be made part of the record for this hearing. As we carry out that agreement, we think we will raise our relationship to an even higher level of understanding and cooperation.

Our first chief, Gifford Pinchot, recognized at the time of the establishment of the National Forest that there would be conflicting goals and compromises. He said: "National Forests exist today because the people want them. To make them accomplish the most good the people themselves must make clear how they want them run."

Nearly a century later, we know that still to be true, and we intend to redouble our efforts at listening to the people as we go around Southeast Alaska with the Tongass Land Management Plan revisions.

In fact, we have been working intensely to revise the Tongass Land Management Plan and continue to involve the public, our partners in state government, and Federal agencies to assure that the needs of the people of the Tongass and the United States are met in our plan. We expect that the draft revision of the land management plan will be available for full public review and comment by the end of March of this year. And we are looking forward to extensive and productive reviews and discussion of the range of alternatives for uses on the Tongass.

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and more than 90 years of resource stewardship by the U.S. Forest Service. We are proud, too, of our accomplishments for the people of Alaska and the resources of the nation.

The Forest Service has managed, and will continue to manage, the Tongass with public input, scientific and economic analysis, and sustainable natural resource practices, while complying with the law. We recognize that improvements can be made in our management practices, but, as we have shown in our testimony, we are working diligently to maximize the value of the Tongass National Forest to people across Southeast Alaska, as well as to the other owners of the Tongass across the United States.

We look forward to hearing from all of the panels of witnesses—we enjoyed hearing from all the panels of witnesses here today, and in working with you, Mr. Chairman, and our neighbors and owners to enhance the uses and management of the Tongass.

That concludes our statement. We would be happy to answer any questions you might have.

[The statement of Phil Janik may be found at end of hearing.]

The CHAIRMAN. Thank you, and I do appreciate your testimony.

How long have you been in your job?

Ms. KIMBEL. I have been in my job just over four years.

The CHAIRMAN. How long do you intend to be in your job?

Ms. KIMBEL. I hope to be in my job until I am at retirement.

The CHAIRMAN. That is one of our problems, by the way. We have people transfer out, temporary work. There is no institutional memory about the role of the Forest Service.

I have said before, 20 years ago, this hearing would have never taken place.

Ms. KIMBEL. Actually, in the community of Wrangell, we have enjoyed having a District Ranger in place here for 16 years.

The CHAIRMAN. The other thing is, did you write your own testimony? I say that as a friendly question.

Ms. KIMBEL. This testimony was prepared for Phil Janik, and I am presenting it in his absence.

The CHAIRMAN. By whom?

Ms. KIMBEL. Phil had a great deal—Phil was writing on this real hard last week before he was put in the hospital.

The CHAIRMAN. I notice that—and I do offer him my condolences. I heard that he had had that problem. I hope I was not a cause of it.

Ms. KIMBEL. There are a lot of things going on.

The CHAIRMAN. I feel a little better because one of his cohorts said he had had this problem before, and that made me feel a little better.

You said in your testimony that you are looking for a predictable, stable timber supply in the Tongass, is that correct?

Ms. KIMBEL. That is correct.

The CHAIRMAN. That is why I introduced my bill.

"Forest Service Chief calls stable timber supply a myth," Washington, D.C. [Article on page 236.] And I am not saying this disrespectfully to you. This is our problem. What you do, you are trying to work within a system that, frankly, is not working. It is not your fault. You have to do what you have to do. You are a Federal agency. But here is a guy, who I have very little respect for, now contradicting what you are saying and what Phil Janik is saying. And it just drives me absolutely to the point of very serious frustration. I am being very calm.

I heard this in 1990, that we were going to have a supply of timber. That even came from the Forest Service. It was not this Administration. But, apparently, we do not have it.

I just—you know, I—and another question and then I will go on to my prepared questions. I appreciate the Forest Service personnel that works in Alaska. I sometimes question why we have so many and cut so few trees. Apparently, there is other activities, such as looking for permits and that type thing. I am glad to hear you are going to expedite that process. I hope you have a reconsideration where a permit was not issued you do not issue citations against somebody using a cabin. Not good relationships. May have to do it, but I doubt that. And one of the things, wherever you have an enclave of Forest Service employees, make sure that they are also part of the community and they have not set up their own co-ops and, in fact, are not paying taxes to the community. And I will refer to that a little later on in a little while. But I am just saying this is part of the partners and relationship with Federal agencies. It is very, very important.

Your testimony is excellent, because it says everything that everybody wants to hear. I want to make sure that whatever you do can be followed through and someone does not undo what you want to do back in Washington, D.C., and that way we work together.

How many people worked in the timber industry in 1990 in the Tongass?

Ms. KIMBEL. The numbers range around 2,700.

The CHAIRMAN. Twenty-seven?

How many people working today?

Ms. KIMBEL. I do not have the latest figure.

The CHAIRMAN. Can you supply that to the Committee?

Ms. KIMBEL. We can supply that to the Committee.

The CHAIRMAN. OK. How many worked in the timber industry itself, instead of just the Forest Service? I want the Forest Service numbers of people who worked——

Ms. KIMBEL. I am sorry. Maybe I misunderstood your first question.

The CHAIRMAN. You probably did.

Timber industry, total numbers. You must have them somewhere.

Ms. KIMBEL. Yes, we do.

The CHAIRMAN. And I will put them in the record when you—once you submit them.

Ms. KIMBEL. The approximate—in the timber industry, there are approximately 2,900 jobs.

The CHAIRMAN. What were they in 1990?

Ms. KIMBEL. In nineteen—I am sorry. I do not have that number.

The CHAIRMAN. I think we do. I want you to read them from there.

Ms. KIMBEL. Thank you.

The CHAIRMAN. How many were working in 1990?

Ms. KIMBEL. In direct jobs, in 1990, in the timber industry in Southeast Alaska, there were approximately 3,500 jobs.

The CHAIRMAN. How many are there today?

Ms. KIMBEL. Direct jobs, approximately 2,000.

The CHAIRMAN. A drop of about 1,500 or 1,700?

Ms. KIMBEL. Correct.

The CHAIRMAN. What was installed mill capacity in 1990? Do we have the mill capacity?

Ms. KIMBEL. I do not have the—in 1990, the installed mill capacity was 730 million board feet.

The CHAIRMAN. What is it today?

Ms. KIMBEL. Today it is approximately 427 million board feet.

The CHAIRMAN. How many biologists worked on the Tongass in 1990?

Ms. KIMBEL. You have good numbers.

Approximately 184.

The CHAIRMAN. How many worked in nineteen——

Ms. KIMBEL. In 1990—I am sorry, 121.

The CHAIRMAN. 121? How many today?

Ms. KIMBEL. 184.

The CHAIRMAN. Biologists?

Ms. KIMBEL. Yes.

The CHAIRMAN. OK. What was the annual budget of the Forest Service in Alaska in 1990?

Ms. KIMBEL. The annual expenditures of the Forest Service in 1990 were approximately $88 million.

The CHAIRMAN. What are they in 1995?

Ms. KIMBEL. $107 million.

The CHAIRMAN. How much of that budget is spent providing timber for long- and short-term contracts? How much of that money is spent on actually timber activity?

Ms. KIMBEL. If I am recalling that figure, it is approximately $30 million.

The CHAIRMAN. Of the 107 million?

Ms. KIMBEL. Yes.

The CHAIRMAN. OK, 30 million.

How much was spent in 1990?

Ms. KIMBEL. I do not carry around all those numbers in my head.

The CHAIRMAN. We will—I thought you had your file there. Maybe I am going too fast for you, too.

Ms. KIMBEL. We had 1991 and beyond. I am sorry. But——

The CHAIRMAN. Well, let us go—how much timber was sold and released in 1990?

I will give you time to look that up.

Ms. KIMBEL. Thank you.

The CHAIRMAN. And then go to 1995.

What I am doing is balancing after the so-called great Tongass Reform Act what happened and then what is happening now.

Ms. KIMBEL. Let me ask a question of one of our staff who is here in the audience.

The CHAIRMAN. Sure.

Ms. KIMBEL. Fred Walk, do you have that information, please?

Mr. WALK. The question is how much was sold and released in 1990?

The CHAIRMAN. And then versus 1995.

Mr. WALK. Well, our records indicate 313 million in 1990 and 261 in 1995.

The CHAIRMAN. Approximately 40 million less?

Mr. WALK. Approximately, yes.

The CHAIRMAN. When you have—and everybody here, Mr. Leslie, and Mr. Baker, and everybody, and yourselves, talk about managing the Tongass. In the management, do you consider the Tongass as a whole or only the remaining multiple-use lands?

Ms. KIMBEL. We consider the Tongass as a whole.

I believe the question was raised as to whether or not difference of wildlife species protection was considered for the different wilderness areas and LUD II areas, and they are very absolutely considered.

The CHAIRMAN. The areas set aside?

Ms. KIMBEL. The areas set aside do count for providing——

The CHAIRMAN. You actually made the biological studies in those areas with the goshawk and the archipelago wolf, that type thing, the areas were set aside?

Ms. KIMBEL. The actual field studies for goshawk were conducted on proposed timber sale areas.

The CHAIRMAN. But not the other areas?

Ms. KIMBEL. No, they have not yet been conducted on the other areas.

The CHAIRMAN. Are they going to be conducted on other areas?

Ms. KIMBEL. We certainly hope.

The CHAIRMAN. Even after the Fish and Wildlife says there is no such thing?

Ms. KIMBEL. No such thing as?

The CHAIRMAN. As the hawk.

Ms. KIMBEL. We fully expect there are goshawks in other areas, and we hope that when the nineteen——

The CHAIRMAN. The problem is between agencies managing the land. You have got two Federal agencies under the same commander in chief at odds.

Is that not true?

Ms. KIMBEL. I do not understand how you mean that we are at odds.

The CHAIRMAN. They said there was no such thing as a scarce kind of habitat for the goshawk. They did not list it. They did not list it.

Ms. KIMBEL. No, they did not list it. And from what I have read, that we fully expect that there are goshawks in protected areas as well as in those areas identified for——

The CHAIRMAN. But, in the meantime, you set aside the remaining multiple-use acreage—or proposed to set aside the multiple-use acreage so there was less timber out of the timber base than was required.

Ms. KIMBEL. That is part of a comprehensive look at the viability of species across the Tongass, and that was that all lands on the Tongass, not just on lands that are available for consideration in timber harvest.

The CHAIRMAN. What about the—what is the role of the Forest Supervisor in the Tongass land planning process? Are each of you making decisions that you are supposed to be making under the law and regulations? What is the role of the Forest Supervisor, your roles?

Ms. KIMBEL. The role of the Forest Supervisor in the Tongass land management process has been changing over the last several years, and I would say we have a greater role today than we did a year ago and probably not as great a role as we did two years ago.

The CHAIRMAN. The other two, the same answer for you?

Mr. MORRISON. Our responsibility, Mr. Chairman, is to prepare the forest plan and to provide to the Regional Forester our recommendations as to how the forests ought to be managed in the form of a preferred alternative in the draft and then that moves forward into a final.

The CHAIRMAN. OK. Now, when you make your recommendations they are to the regional forester. You make it to Phil Janik, your recommendation?

Mr. MORRISON. That is correct.

The CHAIRMAN. Then what happens?

Mr. MORRISON. He considers our recommendations, and he may or may not agree with that recommendation. And his preferred alternative will appear in the draft. That will then go through public

involvement and additional analysis and then a final selected alternative would be made.

The CHAIRMAN. But it is made in Washington, D.C., not here?

Mr. MORRISON. The——

The CHAIRMAN. What I am saying is, whatever Phil Janik does after you make your recommendation, it goes back to Jack Ward Thomas in Washington, D.C., and Jim Lyons, and eventually to the Secretary of Agriculture, is that not correct?

Mr. MORRISON. I am sure that the Regional Forester consults with his boss in the final alternative that goes forward as the——

The CHAIRMAN. The recommendations you have made, how much have you seen them altered from your recommendations over the years?

Ms. KIMBEL. We have not actually had the opportunity to make a recommendation on a preferred alternative for TLMP yet until these next few weeks, when we will be doing that. We will be doing just that.

Mr. MORRISON. In the previous drafts that came out, I——

The CHAIRMAN. Well, what I am leading up to is, tell me—the chart that Senator Murkowski found on the TLMP alternatives, one of the impacts on the jobs in the Tongass is the chart arrangement. This is potential recommendations from you or Stikine, somewhere.

Ms. KIMBEL. That impact the chart?

It bears some similarities to some other charts that we have seen. I have not seen this particular chart until we got a copy in Senator Murkowski's letter.

Those numbers have been—this is why we have not yet been able to release—yes.

The CHAIRMAN. This came from somebody in your shop.

Ms. KIMBEL. And it is one of a series. This chart has been continually updated as the analysis has progressed.

The CHAIRMAN. Well, what I am understanding now is some scuttlebutt, may be scuttlebutt, that Alternative 4 is the one that is being chosen by the Forest Service.

Ms. KIMBEL. We——

The CHAIRMAN. Have any of you recommended Alternative 4?

Ms. KIMBEL. We have not made a recommendation yet for a preferred alternative. And we have been very curious about that, too. We learned that from Senator Murkowski's letter.

The CHAIRMAN. OK. Well, he is not the only one that has that information. And what I am suggesting, and I hope you do not take this in the form of hostility, I am suggesting that your recommendations do not mean a hill of beans, that this is being done from Washington, D.C. And if that is the case, that is more merit for my bill.

If, in fact, Alternative 4 is, in fact, chosen and I do not find out you recommended it, then my position is very clear why this bill is necessary. It goes back to what I call unsound management by a philosophy that emanates from so-called gurus in Washington, D.C.

Now, you may recommend four, but if you are in the field, I do not think you honestly can do so unless you are directed to do so.

What about habitat conservation areas? They are associated in Alternatives 3, 5, 6, and 8. What was the theory of land management development, and will any of these alternatives provide the current level of timber jobs in the Tongass? If you follow that recommendation that supposedly is coming out, then the effect upon the timber base is devastating on the remaining multiple-use lands.

I am going—I will tell you what I am going to do, because I know you cannot answer all these questions. But I am going to submit these questions to each one of you individually. And as an old school teacher, they may not be all the same answers, they better not be. That causes me great concern.

Ms. KIMBEL. We do not agree on everything.

The CHAIRMAN. You know, because, what I am seeing and what I am hearing here, and I hope everybody understands this, I am so convinced that we have lost the intent and the integrity of the Forest Service agency because it is being—and regardless of what administration—run from Washington. And I think that is basically what is wrong with our total government system right now, is we are—we have got the Executive Branch far beyond the Legislative Branch. In doing so, they think that they know best what is best for everybody. And some people like it. I do not.

Old growth habitat. Under the Act of 1990, 1980, how many acres did we approve in old growth habitat?

Ms. KIMBEL. The old growth habitat is identified as retention under our current land management plan, and it is identified project by project for protection for the length of that—length of that project.

The CHAIRMAN. No. Let us say—let us put it another way.

1994 old growth habitat that is left in the Tongass. How much was left from 1954 to 1990? How much was still left in the Tongass, old growth habitat?

Ms. KIMBEL. Oh, golly. A tremendous amount.

The CHAIRMAN. About 93 percent. And those are figures you can check out. That is how much is still left.

It reminds me—what I am saying is—again, I met one of your friends in Juneau, your Forest Service people, a young lady that apparently just came up here from California, San Francisco, all enthused about the Tongass. I mean, she and I had a discussion. She said, "You have ruined all the salmon streams." That struck a chord real quick. And then she said, "There are no more good timber areas left. You have cut it all down."

I am suggesting respectfully there ought to be what you call a training period for people who come up here in this vast forest to understand really what they are working with, because that is what hurts the agency itself, that type of narrow-minded envisionary concept of what is in the Tongass. At least they ought to know that.

We will go back to one other question I want to ask you about.

I heard—what is the habitat capability today compared to a 1954 baseline as far as salmon—the salmon, coho?

Ms. KIMBEL. I do know that most of the fish-enhancement projects that we have completed on the Stikine area have been spe-

cifically for coho salmon. And I do not have exact numbers for you, but I know that that has been the focus working with ADF&G.

The CHAIRMAN. My information from the ADF&G is a hundred percent baseline, and it goes back to the wilderness areas. My understanding, areas set aside by the 1980 Act and 1990 Act itself preclude you from actually working with the streams that might have a natural slide or a logjaming capacity impact killing the stream. You cannot go in there, can you?

Ms. KIMBEL. In fact, ANILCA permits us to go in.

The CHAIRMAN. Have you gone in?

Ms. KIMBEL. Not on the Stikine. I do not know if——

The CHAIRMAN. Not just the Stikine. I am talking any area. Any of you gone into those areas?

In fact, naturally a stream can be killed, can it not?

Ms. KIMBEL. Naturally a stream can be blocked, yes, and prevent access——

The CHAIRMAN. The same question about brown bears, compared to 1954 to—1954 is probably the logging time, and now the brown bears' capability is approximately what?

Mr. MORRISON. A good share of the brown bear population is on the Chatham area, on the ABC Islands, Admiral, Baranof, and Chichagof. And the best information I get from Fish and Game is that brown bear populations are at an all-time high.

The CHAIRMAN. I want to—you know, just a little bit of advice. Stick by your guns. This is not going to go away.

Again, 20 years ago, this hearing would have never taken place. There would have been no need for it. And sometime some of you are going to have to step up to the block and say this is not correct, we are doing what is right, this is how it should be managed, and do not let it be directed from Washington, D.C. And that takes a lot of courage, and I know that.

I know the pressures you are under, which you were not under before, because of certain interest groups on both sides of the aisle.

My main goal here is really, very frankly, to express a strong belief that this nation has a decision to make about where we are going and the philosophy of ownership of land. And I know because it is your domain you object to that. I understand that. I just want you to understand that the feeling across this nation, especially west of the Mississippi, is very strong.

As Robin Taylor mentioned, under the Constitution, all those other states got their land in fee title. We were foolish enough not to. How did that happen?

The Tongass was set up by Theodore Roosevelt. But the Tongass also, when we became a state, was being used in comradeship with the Federal Government and the state and local communities. It was not an adversarial position.

That happened in the last 40 years. It is not your fault. But you are going to have a responsibility far beyond your imagination in trying to make sure that the public understands that you made the right decision and you were turned down by somebody back in Washington, D.C. That is going to be hard for you, and I understand that.

Do you have anything else you want to add?

I want to thank all of you for being here, and we will continue this process down in Ketchikan. I hope to see you on the plane today, and we will be done.

I want to thank the audience. You have been very attentive and very informative. This is just a beginning of a great period of time of discussion about the management of land, be it you or be it the Federal Government.

This hearing is adjourned.

[Whereupon, at 12:27 p.m., the committee was adjourned; and the submitted material for the record may be found at end of hearing.]

TONGASS NATIONAL FOREST

FRIDAY, FEBRUARY 16, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Ketchikan, AK.

The Committee met, pursuant to call, at 10:00 a.m. in the Ted Ferry Civic Center, Ketchikan, Alaska, Hon. Don Young (Chairman of the Committee) presiding.

The CHAIRMAN. Madam Mayor.

STATEMENT OF MS. STANTON, MAYOR, KETCHIKAN, ALASKA

Ms. STANTON. Congressman, on behalf of the community of Ketchikan, I just wanted to welcome you and your hearing to our community. Those of us who live here in Ketchikan and work in the Tongass National Forest are really hopeful that this will be the beginning of some changes that will really help to stabilize the jobs that we feel are so important in the forest, and we wish you well in your hearing and really appreciate you bringing the hearing to Ketchikan as one of the initial steps.

The CHAIRMAN. Thank you.

For the information of the audience, this Committee hearing will be held as Committee Rules in the House. The witnesses will have approximately five minutes to present their testimony. Their written testimony will be submitted for the record. The panels will each give their testimony. Following the end of the testimony, I will probably be asking questions. Maybe not of everyone, but of some of the panel members.

I would at this time like to also inform you I will give my opening statement and then there will be a call-in from Gail Phillips and Bill Williams, from the Alaska State Legislature, because they do not have the beautiful sunshine you have here in Ketchikan. They have informed me that they were unable to arrive here, so that is how we will handle it. I ask you to keep very quiet, as the modern technology kicks into effect. They are now listening to this hearing in Juneau. They will know about when I am going to finish my opening statement. And then they will, of course, call in.

With that, I do thank you.

STATEMENT OF THE HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND CHAIRMAN, COMMITTEE ON RESOURCES

The CHAIRMAN. I want to thank you for coming here today. Welcome to the second hearing about the Tongass held in Alaska by

this Committee in the past two days. Before yesterday, it was 19 years since our Committee held a hearing in Southeast Alaska.

This hearing is on H.R. 2413, the bill I introduced that gives our state an option to own the Tongass. Our hearing yesterday in Wrangell was on the same subject.

My Tongass bill unlocks the Southeasterners from their Federal shackles. It gives Alaskans freedom and responsibility. It gives Alaskans control. Where better to place control than with the people of a state that spend more money per capita to protect the environment and manage its resources?

Alaska spends $546 per person each year to protect the environment in our state. Compare that to California, which spends only $211 per person, or Massachusetts, which spends only $176 per person, or even Arkansas, which spends just $104 per person.

It is not just dollars which make Alaskans good conservationists. It is the knowledge of the land and the condition of our forest, our tundra, and our coastal regions that gives me confidence that Alaskans can make the right choices for the Tongass.

My bill is the ultimate form of empowerment, a word you have heard much in the last 15 months, empowerment for Alaskans because power over important decisions in the Tongass can be closer to the people if Alaskans want the option. It lets us as Alaskans take responsibility for what goes on in our own backyard.

I made this proposal because I trust Alaskans to make decisions about the Tongass without Federal help. Yesterday we heard how Federal decisions have crushed the people of Wrangell. I do not want Ketchikan to be next. There are still family wage jobs here, but I want this forest in the hands of our state legislators, our Governor, and our state agencies. All we will get from the Federal system is process, process, process. That is the present system. Or questions that cannot be answered.

It saddens me to see communities gutted by a President that said he would put people first, while his political appointees try to figure out whether the Tongass will have ten or more or less birds three generations from now in a 17 million acre forest with six plus million acres already in wilderness. On issues like that, I think, and I know, Alaskans can do better.

My bill comes down to whether Alaskans want choices. Do we, as Alaskans, want the choice to control our future in the Tongass, or are we happy with the choices made for us by the Federal system? Do we want policies handed down from Washington, D.C., or can we, as Alaskans, make better policies? Those are the basic questions.

When my bill is enacted and we have the chance to own the Tongass, can we be better conservationists? Can we do a better job environmentally? Are we capable? Can we manage the Tongass more efficiently than the Federal Forest Service? Can we bring free market principles to our state management of the Tongass Forest? Will market principles allow Alaskans to develop revenue from tourism, recreation, mining, and timber that can help offset the declining oil revenues? Can we create a system that frees the Tongass of the conflict brought about by Federal laws? Can we manage without the high Federal costs? I think the answer to all those questions is yes, and that is why I have made this proposal.

My bill gives us a clean slate of questions like these. It allows Alaskans to reexamine land allocation questions. It allows us to set Alaskan standards for land management. It proposes a transition to ease the transfer into state ownership. It proposes ways to resolve current Federal issues like landless Native claims. It eases the Federal Government out and gives the state power. It protects valid existing rights. The bill brings Alaskans to the table to resolve issues.

I realize contracts, permits, and other relationships with the Forest Service need to be protected. My intent is to fully protect those relationships so the state would stand in the shoes of the old Federal relationships if Alaska elects to own the Tongass.

I stress that my bill is just a proposal. It may not be perfect and may not be complete. But that is why I went to Wrangell yesterday and why I am here in Ketchikan today. I hope to learn what you think about the proposal and how I might make the bill better.

When I introduced the bill on September 28th, I acknowledged that transferring the Tongass is a huge task. Hundreds of questions must be thought through. In my nearly—in fact, in my 23 years as your Congressman, I have always counted on the wisdom of Alaskans to help with questions like these. From day one, I said I wanted the benefit of the wisdom of Alaskans. I said I wanted hearings in Alaska to get your advice. My question to you is whether Alaskans are up to the idea of taking control of our own future in the Tongass.

Before I introduced the bill, was that Alaskans in Southeast were ready to dump the Federal system in favor of state ownership. Unlike 20 years ago, there were good working relationships. People are mad about what goes on in the Tongass today. Now, think about this a moment.

The environmentalists sue, the timber companies cannot get logs, the Federal law enforcement harasses people, the tourist business cannot get permits. The Federal system is paralyzed in its response.

A September 1995 poll of Southeasterners confirmed my thoughts: 55 percent favored transferring the Tongass to the State of Alaska, while only 34 percent opposed the idea. In Ketchikan, 65 percent favored the transfer to the state.

I am in Ketchikan today to test my initial thoughts. Yesterday, in Wrangell, I learned that people were so worn out by Federal decisions they were willing to take control of their own future.

Eventually, I will hold more hearings in Southeast before this bill goes through the Committee process. I mention this so Alaskans in other communities in Southeast will not fall for the diversion playing in the media now. Where anyone got the idea that I did not intend to hold hearings in Southeast is beyond me. Those who oppose Alaskan control in Southeast promote that game to distract you from the question at hand. The question is which: Do Alaskans want ownership and control of the Tongass? Rest assured, I want plenty of hearings on this bill so that Alaskans get the chance to discuss this project to the fullest extent.

Perhaps some of the special interests responsible for the diversion should have spoken up when this Committee failed to hold hearings on the Tongass, or in the Tongass, or in the Southeast on

the 1990 Act. Perhaps these interests were very comfortable with the Tongass laws being written in Washington, D.C., where their big-money headquarters pulled the strings. Maybe those groups feel threatened by my bill because they fear that if Tongass laws are made in Juneau, the cozy Washington, D.C., leverage vanishes. Perhaps they have no argument on the merits of why Alaskans should not have the option to control their own future using Alaskan laws and policies, so they divert the attention.

One final introductory point. I always get one question about this bill: "Can Alaskans really" or "Do Alaskans really have the chance to own the Tongass?" For the record, the answer is yes, we do have a chance to take control of the Tongass. Alaska and other Western states can be part of shifting power and control back to the states. Power and control of states and to the people is not just for the Medicare and welfare programs. It is for federally owned states as well.

I am telling those at the hearing today we all better start thinking outside the box. Ever since I have been in Congress, we have been forced to think inside the box. The box was built by the narrow-minded, command control approach of the special interest lobbies in Washington, D.C. We have been thinking inside the box so long that we could not imagine that the lid would come off. Fifteen months ago, the lid came off the box. For the first time we are looking over the edge of the box and imagining true possibilities. My bill is outside the box.

It is a long-term bill. It will not be enacted today or tomorrow. I am here today to get your thoughts and build the record that increases the chance of this bill becoming law in the long-term.

The topic today is do Alaskans want Federal control, Federal permits, Federal law enforcement, Federal policies, and the amazing Federal results that come from a Federal system, or do they want Alaskans to own and control the Tongass?

That is my opening statement. And, hopefully, we will have a call now from Gail Phillips. If she is listening very closely, Gail, push those buttons.

Gail, can you hear me? Modern technology. We will give her about 30 more seconds.

I am going to call Panel Two to come to the witness stand. And if we are interrupted, then we will go to Gail Phillips and Mr. Bill Williams.

Panel Two is Mr. Lew Williams, III, City Council Member, Ketchikan, Alaska; The Honorable Jim Elkins, Borough Assembly, Ketchikan, Alaska; and The Honorable Jim Carlton, Mayor, Ketchikan Gateway Borough, Ketchikan, Alaska. Please take the witnesses' chairs.

And as I mentioned, gentlemen, we will go forth. And if we are interrupted, just please bear with me. This is one of those difficult times that was unexpected.

I would suggest we will go right down the way I called them, The Honorable Lew Williams, III, the City Council Member, being the first witness. And then we will work right down the line the way we called off the order.

STATEMENT OF THE HONORABLE LEW WILLIAMS, III, CITY COUNCIL MEMBER, KETCHIKAN, ALASKA

Mr. LEW WILLIAMS. Thank you. I am happy to be the first one to speak at the hearing, and I thank you for coming and letting us talk.

Let me introduce myself. I am Lew Williams, III. My family runs the Ketchikan Daily News and local TV station now. And we have been—this is a third-generation operation.

I have also been on the City Council for seven years, two terms of three years each, and now I am on my third term. And I have always run for City Council, not for the title, but for the future of Ketchikan. And on the City Council, I have worked to support all industries, and timber is one of them.

I am really concerned about the future of the timber industry, and I think your bill, H.R. 2413, is heading in the right direction. I look at the Federal Government and all the frustrations this area has gone through, and I know there is other areas throughout the country that have their own concerns, from farmers to coal miners. But ours is timber, and we see what the Federal Government's policies are doing.

You set a policy from Washington, D.C., it cannot fix or change everybody's situation. They look and see something that is going wrong in one area, and they think one overall policy or law is going to do that. It does not. It just causes more frustration.

Today's world, you know, is fast-paced, fast food, everybody wants it now, decisions now, decisionmaking has to be done more quickly. And here we have a dinosaur, a strong centralized Federal Government that takes forever. The decisions are debated in court forever, and you cannot get any efficiency out of it.

And so I see laws like H.R. 2413 coming about for other areas, also, to let a localized centralized—the local governments deal with the problem of states. The Federal Government system is too slow, and it is going to cause more frustration. I think that frustration was shown in 1994 in elections. And it is a dinosaur the way government is going to work in the future.

I have a lot of frustrations. I have—I think the people in this area have a lot of stress over what is our future. They are insecure about their future, and they feel alienated.

I mean, you listen to the media, which I am a part of, and I cringe when I watch reports on the television or over the Associated Press talking about the Tongass and their facts or their sources are saying things that are totally different than what I am living here in. It scares me, it makes me fearful, when I listen to a Congressman from New York talk about what he thinks should happen in the Tongass. And I get angry when I hear environmental groups from Washington, D.C., or wherever they are located, using—I guess, justifying—the end justifies the means, is the way they operate, I feel. And it really makes me uneasy.

It goes back to before we talked about timber volume. It goes back to EPA hearings, because that is where we first—I first heard it. Everybody came up here, and it was clean water, and especially our mill had to go through hearings back in 1975, I believe. And they made changes, and they are working together. But then comes along ANILCA, and we thought we had it settled. And then comes

Tongass Reform Act, you know, and now that is settled. Now we are going to fight over the Tongass land management.

In all this, the timber industry has lost every time. And we have already gone three strikes. Now we are trying for four.

I feel that a centralized Federal Government with the Forest Service—I feel the Forest Service is too large. I feel now it has become a political tool. And even within the Forest Service itself, it is infighting.

I would love to see the Tongass put into the state control. It is more—it will be in our backyard, I guess you can call it, where we can work together. But what is good for a farmer in Kansas may not be good for people in the Tongass. And you cannot lump it under one centralized control. I feel it is outdated, and we are going to have to make the change.

Thank you very much.

The CHAIRMAN. Thank you, Lew. I appreciate that.

The Honorable Jim Elkins, you are up next.

STATEMENT OF THE HONORABLE JIM ELKINS, BOROUGH ASSEMBLY, KETCHIKAN, ALASKA

Mr. ELKINS. Thank you, Congressman. I thought maybe I would go after the Mayor, but he is probably going to be longer-winded than I am.

The CHAIRMAN. He has only got five minutes, just like you.

Mr. ELKINS. I am probably not going to take five minutes. I just wanted to just give you a little history on Jim Elkins.

I am a 30-year resident of Ketchikan. I was born in a logging camp in Oregon. I have never logged, but I wear these suspenders because I support the timber industry. And I want to say, like Lew and everybody else here today, I think, I have watched for the last 30 years a cancer grow in Alaska, and that cancer has been the U.S. Forest Service and is being fed by a bureaucracy in Washington, D.C. And I support your bill because it cuts that cancer out, it gives the State of Alaska a chance to revitalize the major industry to the State of Alaska. And we need to start that chemotherapy.

The Forest Service, over the years—this has no bearing on anybody locally in particular. But, you know, how many people realize today we have people in the Forest Service carrying guns? God, that is frightening, you know, when Forest Service personnel have to carry guns. I think there is something wrong. And that is part of the cancer that is feeding this bureaucracy. It is all right for us to use this forest and enjoy it, but you citizens, you know, we are going to pack guns and make sure you do everything exactly the way we tell you.

It is not just the control over logging, but it is every aspect of what goes on in the Tongass. And I think we need to cut that cancer out.

The CHAIRMAN. Thank you, Jim, and you can continue.

Gail, are you there?

Ms. PHILLIPS. Yes, we are.

The CHAIRMAN. All right. I am sorry you are a little late. I have got the first panel on. We just interrupted a very great piece of testimony. We can finish that up a little later.

All right. Gail, you are on.

Ms. PHILLIPS. OK. Thank you.
The CHAIRMAN. Speak up, now.

STATEMENT OF THE HONORABLE GAIL PHILLIPS, SPEAKER OF THE HOUSE, ALASKA STATE LEGISLATURE, JUNEAU, ALASKA

Ms. PHILLIPS. I apologize for us not being able to come in this morning. We were very, very much looking forward to it.

Mr. Chairman and Members of the House Committee on Resources, we appreciate this opportunity to testify on an issue of great importance to Alaska. We particularly wish to express our appreciation for holding hearings in Alaska.

For the record, my name is Gail Phillips, Speaker of the House of Representatives. I am testifying today in support of H.R. 2413 on behalf of the Alaska State House and for Senate President Drue Pearce and the Alaska State Senate. Because our time is limited, I will be brief, but I would ask that our testimony be entered into the record in its entirety.

Mr. Chairman, it is a sad commentary that we are here today holding a hearing regarding the potential transfer of the Tongass National Forest to the State of Alaska. We feel that this hearing would not have been necessary if the dynamic partnership arrangement institutionalized with the Federal Government at the time of statehood were still intact. After only 36 years of statehood, Alaskans have become totally frustrated with the Federal Government's bureaucratic approach to resource management and development.

Since statehood, the largest National Forest in the country has undergone a transformation from a Federal enclave dedicated to the concepts of multiple use and economic cooperation with the State of Alaska to one dedicated almost exclusively to meeting the fantasies of the extreme environmental community in our country. Gone is the dedication of balancing economic opportunities with environmental needs of Alaska and as a nation. Although the numbers are dated and timber volume demands are contested, the proof of the pudding lies with the visible impact on our beleaguered timber industry here in Southeast Alaska.

Mr. Chairman, Alaskans have lost their jobs. Pulp and timber mills have closed. And whether the Federal Government likes to admit it or not, the economic stability of this region has been severely damaged.

Statistics compiled by the Alaska Department of Labor clearly show that the timber industry employment, both direct and indirect, in Southeast Alaska has declined by 50 percent from 1990 to 1994. Although this amount of job losses may be no big deal in the state of New York, it is a significant proportion of this region's work force. A lost job represents a father or a mother, a husband or a wife, who is not working. That, to me, is unacceptable.

The present timber shortage is not a figment of this industry's imagination. We are advised that Seaborne Lumber of Ketchikan has cut its operations drastically and is faced with an indefinite shutdown if a viable timber sale plan is not implemented. Viking Lumber is operating at about 50 percent of capacity. Pacific Rim Timber in Wrangell has not operated in over three months and

faces permanent layoffs if additional timber is not made available immediately.

We are sure the grandfathers of this legislation will be chastised for appearing to concoct a scheme to make the State of Alaska richer and avoid the environmental protective cloak of the Federal agency.

Mr. Chairman, we can honestly say that if this was the objective of this legislation, the leadership of the State House and Senate would be opposed to this proposal. Although we are convinced that the forest can be managed to produce a profit and maintain a viable timber industry in this region, we are also committed to balancing the legitimate needs of all user groups.

The key is the term balancing, which, quite frankly, is missing from the present equation. We assure you that the Alaska legislature is totally committed to balancing the economic and environmental needs of our citizens.

There are numerous examples across our country where forests managed by the state and state agencies economically outperform those managed by the Federal agencies. Most Alaskans support this concept because we know we can do a better job by avoiding the administrative and legally unstable processes which have hampered the proper management of this resource treasure. Alaskans can implement an effective program which is fiscally more efficient than the Federal Government, is more responsive to the needs of those who live in the region, is more environmentally defensible and is less controversial.

Mr. Chairman, we may be somewhat old-fashioned when it comes to these kinds of exciting challenges. Quite frankly, we also understand why some people would be a little skeptical of the motives behind this type of a proposal and the chances that they could make good on our claim. Maybe we should adopt the philosophy promoted by President Truman when he said, "I am from Missouri, so you will have to show me."

Give Alaskans the opportunity to demonstrate its commitment and capability. If we fail to perform equal to or greater than present standards of the Federal Government, then Congress can opt to cancel the transfer.

In closing, we would also like to request that Congress minimize the strings attached to this concept. The Alaska Legislature has long maintained that Alaskans' sovereign rights must be respected and protected. Management of Alaska's land must be exclusively under the jurisdiction of the state, including the management of its fish and wildlife resources.

Mr. Chairman, on behalf of the Alaska State Senate and the Alaska House of Representatives, we thank you and the Committee for this opportunity to testify. As you can readily see, Alaskans are supportive of this legislation, and we commend you for taking such a bold step toward better resource management and better government. We stand ready to assist you in any way that we can.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Madam Speaker, and you came through loud and clear. And I want to thank the audience for being so attentive.

Is The Honorable Bill Williams there?

Mr. WILLIAMS. Yes, I am, Mr. Chairman.

The CHAIRMAN. If you can keep within the five minutes, like the Speaker did, we would appreciate it, Bill, but you are on.

STATEMENT OF THE HONORABLE BILL WILLIAMS, ALASKA STATE LEGISLATURE, JUNEAU, ALASKA

Mr. BILL WILLIAMS. Thank you. Thank you very much. I am sorry I cannot be there at home with you, Mr. Chairman.

My name is Representative Bill Williams, and I am in the Alaska State Legislature. I represent the hardworking people of House District One.

For the past three years, I have served either as the Chairman or the Cochairman of the House Resources Committee. As Chairman, I have overseen the debate of all resources issues across the state. And, in particular, timber issues in Southeast Alaska.

I have been, and still am, committed to policies which include informed decisionmaking resulting in prudent management of all Tongass resources. These decisions are reached through deliberations of sound science and include balance and substantiation.

I am a member of the Tlingit Tribe of the Tongass and a shareholder in the Cape Fox Corporation and Alaska Native Claims Settlement Act Corporation. I have lived in Saxman, Alaska, just three miles south from Ketchikan, for more than half a century. The Tongass National Forest is my home.

The Tongass is very important to me and the people I represent. As you know, there has been very much public debate over the uses within the Tongass.

One reason is the sustainable timber resources to provide to independent timber operators, long-term contract holders, loggers, and businesses related in my district. A continuation of a strong timber industry in Southeast Alaska is critical to the financial health of the region and its people. At the same time, other uses of the Tongass are both legitimate and important to my constituents. I believe there is enough room in the Tongass for all uses.

The compromise that was reached in 1991, Mr. Chairman, on the Tongass Timber Reform Act was directed toward protecting jobs in the Southeast timber industry. However, in spite of this, we have suffered a disastrous loss of employment in the past couple years.

Under the tenure of the Clinton Administration, the Forest Service has failed its obligation to meet market demand of timber and to provide for a sustained industry. This has just—this has been just as true for the small business mills as it has been for the long-term contract holders. This is why all of us in Southeast Alaska are very thankful for the efforts of our Congressional Delegations.

Congressman Young, you, together with Senators Stevens and Murkowski, have given us renewed hope. You have shown us that some in Washington still are members who care about the timber workers in Southeast Alaska.

Senator Stevens has worked hard on the fiscal year 1996 appropriations bill to bring balance to the TLMP revision process by making the Forest Service accountable for timber workers and timber-dependent communities. Senator Stevens' amendment would also resolve the AWRTA lawsuit, which has tied up some 300 mil-

lion board feet of desperately needed timber. The industry has suffered a great loss because of this.

Senator Murkowski has introduced Senate Bill 1054, which would ensure the balance of Tongass by the TTRA's relay.

Now Congressman Young, here, has introduced this bill which would permit the State of Alaska to decide whether the Tongass should be transferred to the state. I call upon the Governor and my colleagues in the legislature to work with the Congressional Delegation on this. It is desperately needed.

I know there are questions about whether the state can afford to accept management of this vast National Forest. These are reasonable questions that we should investigate together. I am convinced the answers and solutions can be found. I am also convinced that if the leadership of this great state, both in the administration and the legislature, will commit to working together with you and your Committee, we can find a way to transfer management of Alaska lands into the hands of Alaskans. This will require cooperation and mutual rolling up our sleeves.

When this happens, I believe the people of the Tongass will benefit, because they will have a greater voice in what happens in their backyard.

Thank you for making time to come to Alaska and receive testimony on this very important issue.

The CHAIRMAN. Thank you, Bill, for your testimony. I only have one question that you covered pretty well, both of you, in your testimony.

What is the feeling of the Senate and the House as far as support of my legislation and the concept at this time?

Ms. PHILLIPS. Congressman, I think there is strong support in the House. I cannot speak for the Senate. But just in casual conversations with the others, there is strong support for this concept.

The CHAIRMAN. Have you talked to the Governor at all about this concept?

Ms. PHILLIPS. I have not yet.

Representative?

Mr. BILL WILLIAMS. No, I have not.

The CHAIRMAN. I would suggest——

Mr. BILL WILLIAMS. We have Senator Taylor's resolution that we passed.

The CHAIRMAN. I would suggest you do talk to him. I have asked him to testify. And as I said, we will have other hearings in the Southeast area, and, hopefully, he would proceed to testify before those Committees.

I say this with hope that we have the strong support of not only both Houses of the state legislative body but, of course, the administration, because this is an option. It is not a mandate. It is an option that will take time, and it would sure help us out if we have a united team.

I want to thank both of you. We have a large audience here and another panel on board. I want to thank you for taking the time. I am sorry you could not be here. I know you were looking forward to being here today. And we will see you back in Juneau.

Thank you very much.

Ms. PHILLIPS. Thank you, Congressman.

The CHAIRMAN. My pleasure.

Mr. BILL WILLIAMS. Thank you.

The CHAIRMAN. Mr. Elkins, you can finish your great presentation, and you have whatever time you would like to take.

STATEMENT OF JIM ELKINS

Mr. ELKINS. I have lost some of my steam, but that is all right. I wanted to make it short, anyway.

You know, I think it is a sad state of affairs when the Federal Government has so little honor that it will not honor contracts with the people. As you know, we have made contracts with Washington and they choose not to honor them. I think that is real sad.

Recently, in Forbes Magazine, there was an article with a subtitle that says that it is not cheap labor that drives U.S. paper and lumber companies to investment dropping, but the government.

Thank you.

The CHAIRMAN. Thank you, Mr. Elkins.

Now, Mr. Carlton, Mayor? Go ahead.

STATEMENT OF THE HONORABLE JIM CARLTON, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN, ALASKA

Mr. CARLTON. Chairman Young and Members of the Committee, thank you for letting me testify on H.R. 2413 here in Ketchikan. My name is Jim Carlton. I am the Mayor of the Ketchikan Gateway Borough, and I represent 15,078 people. We have three major industries that supply our jobs: Fishing, tourism, and timber. Timber is the most year-round industry, and it supplies the most jobs and income here locally.

We, as Alaskans, are sick and tired of letting people from the lower 49 states make decisions about our forests and how they are to be used, when those people have never been here and know nothing about the Tongass National Forest. Too often, decisions are made as a result of studies using questionable material.

The pine martin, an animal not native to the area, was studied for no apparent reason. In an attempt to determine what environmental impact cutting timber has on Alaskan Southeast island communities, comparisons were made using data collected from remote South Pacific Islands. Differences in climate, distances from the Mainland, and growing conditions, and plant and animal life make this a debatable comparison.

The U.S. Forest Service has also done many very professional studies, such as the Tongass Land Management Plan, where Alternative P, the preferred alternative, was chosen. This study was ignored by President Clinton, Vice President Gore, Secretary of Agriculture Glickman, Chief of the U.S. Forest Service Thomas because of political pressure from preservationists and misinformed people of the lower 49 states.

The annual average timber harvest before the current administration took office was 420 million board feet. In 1995, only 224 million board feet were harvested. Between 1990 and 1995, the timber industry here in Southeast lost 1,400 jobs. Four out of five of the largest independent sawmills shut down, and we were left with one pulp mill in the entire state.

Under the U.S. Forest Service control of the Tongass, Southeast Alaskan communities continue to economically decline, and we seem to be powerless.

The record of the Forest Service in this state does not seem to reflect favorable responses to local and state timber needs as much as we would wish. The bottom line is that we have a better opportunity to present our case to those who have a working knowledge of our environment. At the state level we are more likely to get a professional decision rather than a political one.

We, as Alaskans, have a can-do attitude. In the state of Alaska—if the State of Alaska is given control of the Tongass National Forest, we will do the same thing we did when we took over our fishing responsibilities.

When the Federal Government was in charge of the salmon catch in 1958, we caught 14,914,000 salmon in Southeast Alaska. In 1995, when the State of Alaska was in charge, we caught 64,150,000 in Southeast Alaska, a record high. That dramatic increase in available salmon was the result of appropriate stock management. We did it ourselves.

Properly used, our forests can not only provide us with recreation and beautiful surroundings, but also with a renewable source of continued economic prosperity.

As Mayor of the Ketchikan Gateway Borough, I support H.R. 2413, and thank you for allowing my testimony. If you have any questions, I am——

The CHAIRMAN. Thank you, Mr. Mayor.

The CHAIRMAN. I want to ask all of you, you have been born and raised here—how long have you been here?

Mr. CARLTON. Fifteen.

The CHAIRMAN. And you?

Mr. ELKINS. Thirty.

The CHAIRMAN. The question I asked yesterday in Wrangell, 20 years ago, do you think this hearing would need to be taking place?

What I am saying is, the intent of my bill is the Forest Service, in fact, if it was to be operated as it was 20 years ago, there would be no frustration. You did not have the permit system, I do not believe. There was trees being worked out and worked together. And what has happened, even with the Forest Service here in town, what they say counts very little, because the decisions are being made in Washington, D.C.

That is a statement as well as a comment.

Both of you were here before. You did not have this problem, I do not think, did you?

Mr. ELKINS. Ninteen years ago, we started the first hearings that resulted in the first contract with the Federal Government—the second contract.

The CHAIRMAN. The second contract.

Is that correct, Lew? You have been here. There was not this problem, was there?

Mr. LEW WILLIAMS. It seems like 20 years ago I knew a lot of the people that were down at the Forest Service Office who were in charge of the timber operations, and it was a different kind of working relationship. They worked—the timber industry and the

Forest Service worked together to, you know, have a viable timber industry.

It feels like—and you can see it from, you know, reading in the newspapers alone. You know, there is conflicts within the Forest Service now and what they should be doing. There is groups that have—members that are in groups in the Forest Service that are antitimber, and they are fighting among themselves on what they should be doing, protecting it or managing it. And I think if you look back, it was formed because they were supposed to manage timber and grazing land as such.

Yes, the philosophy has changed a lot.

The CHAIRMAN. One of the things, we had a poll that was run here that said 65 percent of the Ketchikan residents supported the transfer of the Tongass from the Federal Government to the state.

Is that pretty accurate, or do you think it is higher or lower, or what would be—you are all elected officials.

Mr. CARLTON. I can comment on that.

The Southeast Conference has a resolution, and we supported your basic concept for this.

The CHAIRMAN. Jim, what do you——

Mr. ELKINS. I am also on the Visitor Board of Directors, and I think they support the basic concept of getting control back of all these resources back to the State of Alaska.

The CHAIRMAN. Now, all of you——

Mr. ELKINS. Closer to the people.

The CHAIRMAN. All of you referred to timber, but what other decisions have occurred that affect your constituents that have been contrary to what you think as elected officials should occur? What decisions? I mean, permits——

Mr. CARLTON. Permits on the project that we have just on the north end of the airport. We have been trying, basically, for eight years, some private people tried to do it. The borough has been trying to do it for the last two years.

We had a meeting yesterday. We talked to some people at the Federal level, EPA, Fish and Wildlife, and so forth, and even though it is on the airport, they talked about things preserving animals and their rights, and so forth, even though a few months ago we had an airplane that hit a deer, in Anchorage, killed 24 people, ducks or geese that ran into the airplane.

That is exactly what we are trying to do. And part of the pitch that I gave was that on that airport we do not care about anything that walks or flies. We do not want them there, because they are a hazard to that area. And yet these people at the Federal level are saying just the opposite.

And I think the bottom line and the punch to that thing is that we are trying to protect us, the people. Basically, we do not care about those animals on the airport. There is millions of miles of other places that they can survive, and we want to push them out.

The CHAIRMAN. They are still opposing——

Mr. CARLTON. And they are still opposing the thing.

The CHAIRMAN. All agencies or just specific ones?

Mr. CARLTON. The two that I mentioned, EPA and Fish and——

The CHAIRMAN. The state or Federal?

Mr. CARLTON. The Federal.

The CHAIRMAN. We can look into it.

Mr. CARLTON. We are just in the initial stages, and I do not want to tick them off by making a posture, but——

The CHAIRMAN. Lew, what have you seen in that arena?

Mr. LEW WILLIAMS. One of the things is, being on the City Council, we have dealt with water policies and regulations. And, you know, one of the ones that really bothers me is our outfall at one time met standards, but then they came across and said, well, you are a Second Class City, or whatever, so you need primary treatment or secondary treatment. And so I think we invested $2.3 million to upgrade our plant, and our water was good enough anyway to meet the standards. But just because the type of city we were, we still had to put it in.

Those kind of things irritate me throughout the council, plus mandated policies and regulations where you do not have the money, but it is a trickle-down thing.

The CHAIRMAN. One of the things that goes beyond this—and I do think we can control it better with state management, but there is a real movement in Congress now that these unfunded mandates are going to stop, because it breaks small communities such as this and it does not really accomplish the goals that we are seeking to do.

Jim, you talked about the Tongass—the Act of 1990, I believe it was, 1991, in your testimony. That was the intent of Senator Stevens' amendment. It was to make them follow the law. They are basically breaking the law. This Administration is breaking the law, this President is breaking the law. And we hope to be successful over the period of the next ten months in making sure they do follow through on what has happened, because that was the solution of the 1990 Act.

Later on, when we get other panels up here—the comments that were made, the suggestions that were made in 1990, we were trying to achieve goals. We thought there was—I did not. I urged my President to veto the bill. He signed it. And as soon as this President got elected, all those that supported the bill in the past came back and are trying to renew it today. Just a little editorializing.

I want to thank the panel and thank you very much for being here. Sorry about the interruption and hope it will not happen again.

Who do we have on the phone now?

We have Panel Three: Dr. Leal, Mr. Miller, and Mr. Bullock.

Would you please take the witness stand, please?

Berne Miller, is he—where is he?

Mr. MILLER. Here on the phone, if you can hear me, Congressman.

The CHAIRMAN. OK. I apologize.

Berne, you are on, and you have five minutes. He also could not get out.

Mr. MILLER. Right. I am another one that got fogged in in Juneau this morning.

The CHAIRMAN. Oh, that could not happen in Juneau.

STATEMENT OF BERNE C. MILLER, EXECUTIVE DIRECTOR, SOUTHEAST CONFERENCE, JUNEAU, ALASKA

Mr. MILLER. Good morning, Mr. Chairman. I am Berne Miller, the Executive Director of the Southeast Conference, speaking to you from our offices in Juneau. And on behalf of our members, I want to thank you for the opportunity to appear before you today, even if somewhat invisibly.

I am going to be fairly brief and touch on just a couple of topics.

First of all, Southeast Conference will celebrate its fortieth birthday this year. And while the Conference's focus has changed many times over those years to keep pace with the growth, development, and change that have occurred in the region, the Conference's fundamental interest remains in promoting strong economies, healthy communities, and a quality environment in Southeast Alaska. As an Alaska Regional Development Organization, our mandate is to help create jobs in the private sector. And we include in that mandate preserving jobs that exist today and resurrecting jobs that disappeared unnecessarily in the past. Also, as a new USDA Resource Conservation and Development Council, we are gearing up to help local groups and communities accelerate utilization and conservation of our region's natural resources. The Conference's presence here today is a direct result of our members' collective commitment to improving economic, social, and environmental conditions throughout Southeast Alaska.

Approximately 80 percent of the land in Southeast Alaska is encompassed by the boundaries of the Tongass National Forest. All of our communities are located either on or adjacent to land managed by the Forest Service. It does not matter whether one of our residents takes visitors to view the landscape of the Tongass, or catches fish that spawn in the waters in the Tongass, or searches for minerals that lie beneath the earth of the Tongass, or harvests trees that grow abundantly on the land of the Tongass, or whether one of our people sells supplies to our hosts, to fishers, miners, or loggers, or groceries to their families, or one who relies on the Tongass for subsistence, or even one of our residents who works for local, state, or Federal Government. It does not matter what kind of work our people do to provide for their families. The economic and social welfare of every person in Southeast Alaska, from Yakutat to Metlakatla, is affected by the decisions the Regional Forester makes about how the values and resources of the Tongass will be used. For that reason, the Southeast Conference thinks every person who lives and works in Southeast Alaska has a vital stake in understanding, evaluating, and speaking out on the Regional Forester's decisions before those decisions are made.

That is why the Conference has been, and will continue to be, an active participant in the Tongass Land Management Plan Revision process now underway and why we urge every person in Southeast Alaska to do the same. And that is why, beginning next month, we will release the record of our correspondence with the Forest Service and our documented analysis of the science and supposition that undergird the TLMP alternatives the Forest Service will release for public comment. We will provide that information to anyone who asks for it.

Over the last few years, the Conference has either cosponsored or participated in several consensus-building efforts focused on the contribution the Tongass makes to the economic and social well-being of the people and communities of Southeast, the most recent being the Seventh American Forest Congress Roundtables held in Ketchikan, Petersburg, Prince of Wales Island, and Juneau last year. These and similar efforts have endeavored to find common ground, to identify interests held in common by people and organizations who are usually antagonists.

One concern that shows up again and again relates to local control. Very simply put, residents of Southeast Alaska say they would like to have more input into and control over decisions about what happens to them in their communities, around their cities and villages, in the region, and in the state. They believe that outsiders, people who neither live here nor are affected by what happens here, have too much say in decisions about what will or will not be allowed here. While it is undoubtedly true that if they had more local control, some locals would shut the timber industry down and others would ramp it up, people who live here seem reasonably close to united in their desire to be allowed to work things out locally.

During their annual meeting last September, members of Southeast Conference considered the concept of transferring the Tongass from the Federal Government to the state. Some members were ardently in favor of immediate transfer. Quite honestly, others were adamantly opposed. Some felt transfer would increase the ability of people who live here to control their destiny through decisions made close to home; others were not so sure. Many felt they did not have enough information. And while the words did not make it into the Resolution finally adopted, the sense of the Conference members was that a whole host of questions would have to be answered before the Conference could consider either advocating transfer or endorsing specific mechanics or timing for its accomplishment.

And that is where Southeast Conference stands today. Transfer of the Tongass National Forest from the Federal Government to the State of Alaska would undoubtedly give the people who live here more control over decisions about what happens in their communities, around their cities and villages, in the region, and in the state. For that reason, a majority of Conference members believe the concept deserves investigation. But Conference members are not yet ready to endorse transfer because they think a good deal of time should be first devoted to discussion of the mechanics and timing and to the consequent economic and social impacts on the people and communities of Southeast. We heard you say in Juneau that you intend such a lengthy and wide-ranging discussion take place before moving the legislation forward, and we hope that everyone in Southeast will have the interest and the opportunity to participate.

Thank you very much.

The CHAIRMAN. Thank you, Berne. I am going to ask a couple questions and then I will go to the other panel, because you are on the phone.

I understand what you are saying. I just hope that you do not turn off the concept. If I understand you correctly, you are not saying no; you are just not ready to say yes. You are playing, you know, very coy at this time. Is that correct?

Mr. MILLER. Correct. We think that a thorough discussion ought to go forward.

The CHAIRMAN. A thorough discussion will go forward, and I hope you look at it. We do know what has happened in the past. We know that an amount of jobs have been lost since 1990 to now. We do know there is an economic impact upon these communities. We do know communities are, in fact, collapsing. And I hope that is all taken into consideration. But you really—you are yes to the concept; you are really talking about the fine-tuning. And I do need your help. I need the help of everybody in this arena, because there are some questions that have been asked that I think are legitimate. Especially, is the money available, is it not available, can we do it, et cetera.

So this whole concept, Berne, by the way, goes far beyond Alaska. I have said this before. There are other people interested from all the Western states about who should control Federal lands, the United States Government from Washington, D.C., or the people that reside in that area.

I thank you for calling in, Berne. Appreciate it very much.

Mr. MILLER. Thanks for giving me the opportunity. I appreciate it.

The CHAIRMAN. All right. And I understand Mr. Royce Ranniger is sitting in for Geoff Bullock. You are up, if you would like to be first up, if you want to.

STATEMENT OF ROYCE RANNIGER FOR GEOFF BULLOCK, UNITED SOUTHEAST ALASKA GILNETTERS, JUNEAU, ALASKA

Mr. RANNIGER. Thank you, Congressman Young, for being here and having these hearings. My name is Royce Ranniger, a 41-year resident of Ketchikan, Alaska. I would like to—I am here representing the Southeast Alaska Gillnet Association. And I have a brief statement here, and I would like to say a few other things on my own behalf with my knowledge and things I know about the area.

United Southeast Alaska Gillnetters would like to go on record in support of H.R. 2413. Alaska needs more control over its lands. We feel decisions affecting Alaskans are better made in Juneau rather than in Washington, D.C. I would like to expound on that a little bit.

I started out when I first came here—during the Territorial days, I worked on fish packers and seine boats in high school. And under the Federal leadership, so to speak, quote-unquote, for what little it was, fishing was on its way out. So when I got out of high school, I turned to the timber industry for employment and never regretted it, a very good opportunity for me, and I did quite well at it. But after about 18 years of that, I had to move about a little bit, so I went into my own bottle business here in town. So I have worked in retail, I have worked in the tourism industry, and still own and operate a business that relies on fishing, tourism, and the

timber industry. And recently I have gone back into fishing because that was my first love.

And under the state leadership, fishing has done real well. In fact, we are—if you read the paper, there is quite a glut of fish on the market. Fortunately, we have the best fish in the world. We can compete with them. It is a little tough right now, but I think we are going to survive the battle.

I think if the Tongass was put back—or put into the direction of the State of Alaska, where we have some control, I think it will—I think that the timber industry, as well as fishing, will continue to stay strong and get strong and be able to provide the needed products for the world, for the community of Ketchikan and Wrangell, and all the other communities around.

I think that is really about all I have to say. I was kind of put into this kind of at the last minute. Geoff could not come down from Juneau.

The CHAIRMAN. I appreciate it, too.

Mr. RANNIGER. I do not do too well talking in front of lots of people.

The CHAIRMAN. You did perfectly well. I appreciate it.

You were the second one that has brought up the fact that the fishing industry was on the way out when the feds were running it.

Mr. RANNIGER. Absolutely.

The CHAIRMAN. And the state was able to turn that around, and you say now we have a lot of fish.

And, by the way, the areas that were logged, it is very interesting, there are compatibility if you have the right to rehabilitate and take precautions prior to, and we have said that. So I deeply appreciate you being here, and I have a couple questions I will ask you in a moment.

But if I can, Dr. Leal, you are up. This gentleman is from Bozeman, Montana. Some of you already met him. He has a thesis and a concept that I think are very interesting testimony.

Doctor, you are up.

STATEMENT OF DR. DONALD LEAL, POLITICAL ECONOMY RESEARCH CENTER, BOZEMAN, MONTANA

Mr. LEAL. Thank you, Mr. Chairman.

For the record, my name is Donald R. Leal, and I am a senior associate at the Political Economy Research Center in Bozeman, Montana. My organization is frequently described as a free market think tank that applies market solutions to natural resource and environmental issues.

Mr. Chairman, I think the Tongass Transfer and Transition Act is a momentous bill. I think at long last there is a serious challenge to the very notion that multiple-use public forestry has to be under control of the great Leviathan. For too long, we have failed to consider state, or even local, options as a serious contender for management of these resources. Instead, we have accepted the conventional wisdom that such options lack the resources or, quote, the expertise, unquote, to do the job. Well, that conventional wisdom is under serious challenge today, not just in Alaska but in other states as well, including Oregon, and Idaho, and Montana.

Federal management has always operated under the understanding that decisions emanate from Washington, the benefits accrue to all, and the brunt of the cost inevitably falls on the local residents who live around the Federal holdings. In the past, it has been assumed that outfits such as timber, minerals, and recreation would continue to flow and payments in lieu of taxes would continue to be paid to the locals. Unfortunately, when gridlock sets in, as it has on the Tongass, the payback formula no longer works. Economic outputs have been disrupted and local communities have suffered as a result.

The Tongass is caught in a quagmire of conflicting and costly requirements with no single defining economic objective to navigate its way out. Lacking a clear objective, the Tongass has become a political football in which special interests can easily block all but the most radical options.

Fortunately, there is a way out, and state and local governments have shown us the way.

The information I would like to present today is from a recent study I have conducted comparing national and state forest management in my home state of Montana. Other studies I have conducted in Idaho and Minnesota also show similar results.

In Montana, over the 1988 through 1992 period, ten national forests had combined losses of $42 million from Federal timber sales, according to the Forest Service's own accounting data. Over that same period, the State of Montana made nearly $14 million in net revenues from the sale of timber on state forests. Remarkably, the state harvested one twelfth the timber that the Forest Service did on their national forest.

Now, Forest Service surveys show that these national forests and state forests are very similar in timber-growing potential. Also, state foresters carry out many of the same duties that the Forest Service does. That includes environmental assessments and forest plans. But the state manages to carry out its duties while spending less than half of what the Forest Service spends for a given volume of timber to move a timber sale.

Another study I conducted included a comparison of county and national forests in Northeast Minnesota. Here again, the Forest Service lost nearly $3 million on Superior National Forest. Meanwhile, nearby, county forests of St. Louis County made $3 million. Again, they spent—the county spent nearly a third of what the Forest Service spent to move a given volume of timber.

Now, given the Forest Service's high costs, some may argue, well, that is because they spend more to achieve higher environmental quality. But ground truth tells otherwise.

Performance audits spent examining different harvested sites in the last three years indicate that both the state forest of Montana and the county forest in St. Louis County, Minnesota have higher—are rated higher in terms of protecting their own watersheds. These audits were conducted by independent teams of experts in hydrology, forestry, biology and include representatives of environmental groups.

Similar lands and similar duties. How could state and local agencies achieve such drastically different results?

I believe the answer lies in the fact that both the state and the county are required to generate income from the sale of their timber. The Forest Service is not required to generate any income. Hence, there is little economic incentive for Forest Service personnel to keep the cost as low as the state or the county. State foresters, also, and county foresters, do not have to carry out the same burdensome environmental paperwork that the Forest Service does.

The implications for the Tongass are clear. H.R. 2413 would give Alaskans the opportunity to achieve the same results as Montana and Minnesota.

If the opportunity presents itself, the State of Alaska should consider the following: Management of the Tongass must have an overriding purpose of generating income from some or all of the most appropriate areas for economically viable opportunities in minerals, and timber, and recreation. The state should act as a trustee with a fiduciary duty to generate income for a designated beneficiary. This should be a beneficiary that appeals to all Alaskans, such as public schools or, in part, the Alaska Permanent Fund. Other areas that are high in environmental value but low in timber and minerals should be designated as reserves. This should not preclude generating income. Fees from tours, photographic safaris, hiking, or other options considered. And, finally, allow state managers the flexibility to market other options such as outfitter leases and conservation easements.

I want to thank the Committee for the opportunity to speak on this important bill.

[The statement of Mr. Leal may be found at end of hearing.]

The CHAIRMAN. Thank you, Doctor, for coming up. I am going to ask, actually, Royce a couple short questions.

Does the state law, to your knowledge, provide at least the same degree in stream protection for logging as the Federal law? Are you aware what that——

Mr. RANNIGER. I do not know, but one of our—the question that does pop up in transferring this to the state is that we do want to be sure that our streams are protected. And I think that—the conversations I have with the timber officials and stuff around the country, they are easy to work with. You know, you just have to watch where you are at.

We have a 100—I am not sure—I think the state is less. I think the feds have a 100 foot buffer zone.

The CHAIRMAN. But that—this bill would not preclude the state. I think the state is 60 feet to a 100 feet or above. It can be up to 200 feet.

Mr. RANNIGER. We would like to—we are most concerned about our buffer zones.

The CHAIRMAN. OK. The state—I think the state law is 100 feet right now on state land. And I just want people to understand that that question has come up where there will not be protection for streams. In fact, in reality, the state has a very stringent state timbering practice now, and it could be by state legislative body increased, in fact, if that were shown to protect the streams. That is why I am very excited about it.

Yesterday, the Forest Service—we got into the TLMP process. Do you have any knowledge, Royce—I am putting you on the spot—

the TLMP process, what scientific information went into that study? Do you have any knowledge on that?

Mr. RANNIGER. No. I am sorry.

The CHAIRMAN. I appreciate it. Do not worry about that. I am glad you were able to stand in.

Doctor, why do you suppose the state and county land managers that you said in Montana and Minnesota do such a better job environmentally? I noticed that in your testimony.

Mr. LEAL. I guess from personal conversations with some of the state foresters—for example, a friend of mine, Kirk Tessmer, who manages the state forest lands outside of Bozeman, where I live, they are located right next to Gallatin National Forest, he seems to feel that they are less bogged down with the paperwork. I mean, if you try to call them, you get the—you usually get, well, he is out in the field. I mean, you can call the Forest Service and always find somebody at a desk. I think they spend more time out in the field—I mean, it is not to disparage the expertise of the Forest Service. They are locked into this kind of mode where, without a performance objective of income, the only way to measure their performance is how many environmental assessments or impact statements do you produce, how many forest plans do you review. It is not, well, what is on the ground, what did you accomplish in protecting the watershed, and that, did you locate skid trails away from highly erosive areas.

If you are not putting your resources into protecting resources on the ground, but, instead, are putting your resources into producing paperwork, it is not a surprise to me that you see the performance being manifested in the field by the state and county foresters and not being manifested on the ground by the Forest Service. It is just a shift of resources to these other activities.

The CHAIRMAN. Doctor, back to what you said—later on, the Forest Service will be here. I asked the question yesterday, the amount of personnel now that is established here and the lack of actual productivity is just phenomenal from 1990 to 1995. So probably you are absolutely correct. They are more interested in producing results that the interest groups can see instead of actually protecting the environment.

Along the same line, if your testimony is correct, there were more moneys generated with basically the same amount of timber being harvested. What—is that paperwork, too, or how does that crank out?

Mr. LEAL. Just—OK. For Montana it manifested itself both in terms of higher revenues per unit of volume cut and lower cost per unit of volume cut. On the cost side, the state, you know, will maybe employ one- to two-men teams to cruise an area, mark trees, bring a biologist down to give them an assessment, what are the impacts here, are you making sure that the buffer zones are correctly laid out, you are not going to have logging within 50 or 100 feet buffer zones, whatever. They write up a timber plan that is two pages long. They say, OK, go cut it, and they probably expended, you know, two to three people in terms of resources.

You get the Forest Service, which, by the way, will have—sometimes they have these huge timber sales, big ones, maybe three times the size as the state, and they have a whole cadre of different

people. Maybe a ten-man team in that. And, you know, the question is, do you really need that many people to carry out a timber sale. Probably, under the restrictions imposed on the Forest Service, yes, because they have got to do all this paperwork. They have got to do more extensive environmental planning, more extensive timber planning. They are really bogged down.

The CHAIRMAN. Along those lines, in your studies, did you find any parallel in lawsuits filed against the state and the Federal Government?

Mr. LEAL. There is—I do not want to leave the impression that as soon as you transfer the Tongass to the state that you have immunity from the tension that exists between the public's perceived benefits of different goods like watersheds, streams, and this kind of thing. People are still going to be concerned with that, and they are going to have the view that, hey, you may be bringing money into, say, a beneficiary like public schools or the Alaska Permanent Fund, but you are going to hurt our stream for fishery, or something like this.

The state, for example—there was a timber sale outside of Bozeman where it was going to be located on a mountainside. I have a copy of the article. It is really interesting. And the local residents who had bought property on the valley floor said, hey, you are going to ruin our view, you are going to degrade our property values by selling this timber. And the state, their only objective was to generate income. They say, OK, we will not do the timber sale, we will sell you a conservation easement, and it is going to be $430,000, we will not cut the one million board feet that we said we would cut. The $430,000 represents the foregone future—or present and future income streams from timber. And they said, this is your first option, we will not cut it at all forever and ever for $430,000, or we are going to—we lay out a sensitive designed sale that will mimic the natural opening of the hillside. We think we will still get the same amount of board feet out of it, but it will not look like a regular timber sale. And this one—we will give you that as an option, and it will not cost you anything. And so the residents decided, well, let us try the second option, naturally.

And they did, and the school—they spent $50,000 preparing and harvesting the timber. The schools—they generated $102,000 in revenue. So the schools made $52,000 from the sale.

The guy who designed it got an award because he actually did—even when there is snow on the ground, you cannot tell that this timber sale happened. I mean, given—you know, this is a unique case because it is Doug fir, and the way he cut it there was natural openings in the hillside. It looks just like natural openings.

The CHAIRMAN. You do not see that kind of activity with the Forest Service.

Mr. LEAL. You do not yet.

The CHAIRMAN. They do not have the latitude?

Mr. LEAL. It is, basically, a zero sum game. You either do not cut—you know, you either—your measure of success is protest the sale, and the people who are protesting the sale do not face the full opportunity cost of—they are not going to lose any revenue by protesting the sale. So, you know, their objective rationally is to go out and say end it, let us kill the sale. It is not going to affect their

pocketbook. It is going to affect maybe the timber mill operators or somebody else. So they are going to go for all or nothing, whereas with the state, and that, they are going to look. They do not care what the outcome is in terms of if they do not cut at all, as long as they compensate the beneficiary, the public schools.

With that kind of objective, it seems like you work into these more balanced outcomes.

The CHAIRMAN. That brings me to probably my next-to-the-last question.

The trust fund you are talking about, what you are suggesting, if the state follows through and opts for my position, the state control, they have to have a—to make it supportive politically and communitywise, a reason for it?

Mr. LEAL. Right.

The CHAIRMAN. And you are saying like a school trust fund or even Permanent Fund?

Mr. LEAL. Right.

I think—I mean, the number one objective is to devolve management to the state level for the purposes of balancing out the current inordinate situation of cost.

Now, the local communities have faced an inordinate amount of costs from decisions made by Federal authorities, all the way back to Washington, and that arrangement is just not working anymore. I mean, the Federal management admitted as such, because that is why they used to have—that is why they have payment in lieu of taxes, that is why they promised a certain continuous stream of outputs, and that, to pacify the communities, because they know that decisions are going to really impact the people living next to the forest, not the people outside of Tysons Corner or Washington, D.C., and that. It is impacting the local communities.

It used to work. You know, as long as the Tongass and other national forests are producing outputs, you know, reasonably well, the payback works. But we are seeing more and more gridlock in that. And as soon as gridlock sets in, you get this inordinate amount of cost imposed on local communities.

The CHAIRMAN. I am very sensitive to the term gridlock.

What you are suggesting is that the use of the courts and the lawsuits create a lack of productivity, and that means the local communities—the argument is, the communities are going to lose the revenues because you are giving the land to the states that will no longer be available. In fact, there will be more revenue, will there not?

Mr. LEAL. Yes.

I did a—recently, Senator Burns, from Montana, had—I think he coauthored a bill for transference of BLM lands in Montana, eight million acres to the state. And right away the red flags went up. People were saying, well, if we do that, number one, the state cannot afford it, number two, the state is going to lose all that money they used to get from the feds in terms of mineral payments and all this. I went through and I calculated.

First of all, the state of Montana, the total land base of state trust lands is five million acres. It was allocated at the time of entry into the Union. All these Western states got huge amounts of state assets as a way to fund public schools. That was the entice-

ment to come into the Union. And a lot of states have kept those as trust lands, and that is how they used to fund the public school system, and that.

Anyway, the bottom line was that under the old arrangement, under the BLM land arrangement, the state was getting something on the order of $31 million in total revenue right off the gross of what was sold in terms of forest permits, minerals, et cetera, et cetera. OK. But once I calculated using the unit cost efficiencies that the state expends in terms of managing their range land, their timber, and everything else that they sell, and you apply it to the BLM lands with comparable assets—because, keep in mind, if you look at a map, they are intermingled. I mean, you have to have a map to tell the difference. And once you apply that, the state would have gotten $45 million with the cost savings. So the state would have came out ahead, almost $15, $16 million ahead.

And I think we are currently trying to do that now for all these different propositions. Will the state come out ahead in that?

The CHAIRMAN. Doctor, we will be calling on you, because this is one of the arguments we constantly hear, that we will not have the money as our budget decreases. I think we can show we will actually have a lot more moneys for the communities, especially in this state.

I want to thank both of you for being on the panel. I deeply appreciate it. Hope you will be able to hang around awhile and be able to discuss this issue with the members of the audience.

Thank you, Doctor.

We are going to take a three-minute recess.

[Recess.]

The CHAIRMAN. We now call up Panel Four: Rob Lewis, President, Ketchikan Pulp Corporation, Ketchikan, Alaska; J.C. Conley, Stand Up, Ketchikan, Alaska; and Jack Phelps, Alaska Forest Association, Ketchikan, Alaska.

Gentlemen, welcome to the program hearings.

I guess we will go with the order we have. Ralph, you are up first.

STATEMENT OF RALPH LEWIS, PRESIDENT, KETCHIKAN PULP CORPORATION, KETCHIKAN, ALASKA

Mr. LEWIS. Thank you. I want to thank the Chairman and Members of the Committee to have this opportunity to testify.

We certainly are at a point in the industry, everybody knows that, that is critical and needs some change. I think the direction that you are taking is one that KPC and I fully support. We need to be trying to move closer to the areas where the management of those resources need to be made. And I think that results of a lot of things that we heard earlier and some of the failures on the part of being managed in Washington, D.C., are just not working.

I know there is a lot of concerns in the bill. You can hear that on the street. I think that those concerns are going to be—as this process goes through, they are going to prove out that they are minor. I think that once most of those that have concerns are going to realize that it is going to be worked out by those of us in Alaska and all of us that are neighbors and that live here, we are going to find that we are going to come out with the correct solutions.

I know there is a lot of fear that goes with the state. It is going to open up to 100 percent logging and we are going to log the Tongass National Forest. I think those people need to realize that back when the wilderness was put in, and everything else, that we had meetings throughout the state, everybody agreed, and there was a consensus by a lot of those that, yes, we did feel that some of the land needed to be protected and should be protected. And I think those are the same people that are still here and those are the people that are going to be managing those resources in the future.

You know, I got a lot about the history of KPC. I just did not think that was—I do not need to go through that. Most of us that are here realize and know what the history is, know that we have been here for over 40 years. You know, they know that—certainly, all those in Ketchikan understand we have eight years left on the contract. And every time we have one of these hearings, there seems to be one less year on it. That there is a lot of expenditures that need to be made, a lot of improvements that need to be made out at the mill, because it is over 40 years old. And we need to turn into the 21st Century with a very positive attitude and, hopefully, somehow the knowledge that the timber base is going to be there. Because right now, looking at it, I do not think there is anybody in this room that does not fear that the way things are going that there will not be a timber base. And I think this is the first move to be able to straighten that out.

You know, you have to look at those that are being offered the opportunity to manage the resources and manage it by ourselves. I mean, we are the ones that have the children. We are the ones that want them to live here. We are the ones that want to have a future. Not the ones in New York, not the ones in Connecticut. They do not have a future. It is not their children that are here in this state; it is our children. And those of us that have that, and have that caring, want the resource to go on forever, we want sustainability, we want a future for our children.

Both of my older girls, living in the house, heard the fears and have gone through every TLMP process, every change, every cutback, every reduction that has gone through. They are both in Seattle. They are under 30, so God knows where they will live. Nobody knows yet. Hopefully, they will come back here.

Being in Ketchikan, you really do not have the opportunity for the rest of the state. You do not really learn much about Anchorage and Fairbanks, mainly, because the plane kind of goes one way. That is south. It even goes that way from Anchorage and Fairbanks. You know, it does not keep going north. And for that reason, they really look at Ketchikan as their home and Southeast Alaska as their home. And they are, you know, looking to see what will happen and if there is going to continue to be an industry up here. They do not want to be one of the last ones in the job force, which means in a reduction they are the first ones out. I think we all understand that.

You know, aside from that, I just kind of wanted to give my feeling of what I feel and how important that this step is. And I will tell you, I have been saying this, and, of course, half of them think I am crazy, but I will tell you, I would love nothing more than to

take the states west of the Mississippi and take four million of us—if they think a million people were a lot in Washington, D.C.—and go back there on July 4th and ask for our lands back and ask for the opportunity to manage ourselves and to quit being managed by other states that do not have the same problems that we have. That is what happened in 1776.

I am not saying that we should go to war. I am not saying we should split from the United States. I am just saying we should use this process to continue to grow in the United States and continue to have strong states, so that we have a very strong United States. And that is about all I want to say.

[The statement of Mr. Lewis may be found at end of hearing.]

The CHAIRMAN. Thank you. You may have heard the first Tea Party in Alaska.

Mr. Conley, you are up next.

STATEMENT OF J.C. CONLEY, STAND UP, KETCHIKAN, ALASKA

Mr. CONLEY. Good morning, Mr. Young.

I am President of Stand Up. It is a local grass roots organization that came about in response to what we feel are Federal actions that threaten jobs and the economic stability of our community in Southeast Alaska. Since the passage of the Tongass Timber Reform Act in 1990, Southeast Alaska has experienced a 40 percent reduction in the timber industry.

Mr. Chairman, I am also an elected member of the Ketchikan Gateway Borough Assembly. And as an Assembly member, I am deeply concerned about the future of our resource base economy. The Tongass Timber Reform Act of 1990 was sold to the people of Alaska as the final compromise. It was a bill that would bring peace to the Tongass National Forest, a bill that would assure jobs while protecting the interest of environmental groups.

Mr. Chairman, it is now 1996, and the few remaining timber operations are still looking for that stable timber supply of 420 million board feet per year, as promised in the Tongass Timber Reform Act.

Mr. Chairman, the environmental groups such as SEACC have made statements to the effect that the people of Alaska are incapable of managing the forest in a beneficial way for its people. What I really think is that your bill will end one of the most successful fund-raising campaigns that these environmental groups have been using to raise money. The result of your bill might be the layoff of their highly compensated staff.

Your bill, Mr. Young, will go a long way to fulfill some of the promises that were made to the people of our great state during statehood. The people of Alaska were promised access to the abundant resources that have become the economic backbone of communities like Ketchikan. I personally want to thank you for truly being the Congressman for all Alaska.

In closing, I would like to point out that in a true democracy the people have a right to govern. It is my belief that the resources on the public lands in Alaska were given to the people of Alaska. The process of access to those resources should be a public one, not political, bureaucratic, or legal. Your bill, Mr. Young, will reinstate that process and get Alaska's people back to work.

The CHAIRMAN. Thank you, Mr. Conley. Later on, you will hear some statements, and I will refer to statements that were made, about the 1990 Act and what we were told would happen and how it was supposed to be implemented and how that has been turned completely upside down after 1992, where the word was no longer valid.

I know many times the Forest Service is criticized, but many times that is because of the political activities within the higher regions of our so-called democracy. I deeply appreciate your conversation.

Jack, you are up.

STATEMENT OF JACK PHELPS, ALASKA FOREST ASSOCIATION, KETCHIKAN, ALASKA

Mr. PHELPS. Thank you, Congressman.

For the record, my name Jack Phelps. I am the Executive Director of the Alaska Forest Association, an association established in 1957 and now has more than 250 regular and associate member companies statewide.

The AFA would like to express its strong appreciation to you, Congressman Young, along with Senators Stevens and Murkowski, for your efforts to maintain the jobs of timber industry workers in Southeast Alaska.

As you yourself have mentioned a number of times, the TTRA, the Tongass Timber Reform Act, was one of many attempts to forge a compromise with the environmental community by reducing the ASQ's so that more areas could be put into wilderness and other legislative land withdrawals but contain provisions that promise to sustain industry in this state.

All we have seen since 1990 is a continued erosion of the available timber base and erosion that we all expect to continue under the TLMP revision process.

So none of those things, in our opinion, are working to sustain the timber industry in Southeast Alaska. So now that you have introduced this bill, which would permit the State of Alaska to decide whether or not the Tongass should be transferred to state control, we appreciate it. We believe it is part of that continuing effort.

As dramatic as that kind of measure may seem to some people, we believe it is time for drastic measures to be considered. We just cannot afford to sit idly by and watch the current regime destroy the livelihoods of so many fine people in Southeast Alaska. And we do call upon the Governor of this state and upon the legislature to work with the Congressional Delegation on this bill and all of the Delegation's efforts to solve the timber supply problems.

You yourself will recall, Congressman Young, one key reason that Alaskans wanted statehood was to get state control over the territory's fish and game resources. That was good reasoning then. It worked well in those areas, because Alaskans knew as a state we could manage those resources better than a remote Federal Government clear across the continent. We believe the same thing holds true with respect to management of the Tongass.

Can you imagine the Governor and the State of Alaska allowing the timber industry employment to drop 40 percent in five years without doing something about it, as has occurred under Federal

management? I cannot. Can you imagine the Governor and the State of Alaska agreeing to a TLMP process that would reduce by 60 percent the ASQ which sustain our jobs without first considering the socioeconomic impacts on the communities that would be affected? I cannot. Can you imagine the Governor and the State of Alaska requiring two environmental impact statements on the same timber before the timber could be transferred from one company's mill to another, as the Federal Ninth Circuit Court is requiring under NEPA? I cannot. Can you imagine the Governor and the Alaska Legislature becoming so bureaucratically ensnarled that they cannot make timber available from a huge resource while mills closed and workers go out of work in timber-dependent communities? I cannot imagine that.

Those are some of the things that we think would be different under state management.

Having said that, I do want to express to you our concern about Alaska's lack of a comprehensive timber policy in this state. We have an excellent track record in oil and minerals development, but we do not have a historic pattern of full development of our timber resources. And, instead, we have agencies that seem to have as their sole purpose blocking timber harvest within our state. And that concerns us, in light of some of the findings that are stated in your bill. It also concerns us, in light of the need for appropriate legislation to address that from the state's side, if, in deed, your bill were passed.

We urge you to work with our legislature and with our Governor to make sure that those kinds of concerns are addressed in any transfer legislation that emanates from the State of Alaska.

In short, we congratulate you, sir, on the concept of this bill. We look forward to working with you as it moves through the legislative process. Thank you very much.

[The statement of Jack Phelps may be found at end of hearing.]

The CHAIRMAN. Thank you, Jack. I can suggest to you that I understand your frustration about not having a state policy on timber, because it goes beyond Congress.

Mr. PHELPS. It does.

The CHAIRMAN. We have many areas in this state now that are highly timberized, that could be utilized on state lands, that are being objected to by Fish and Wildlife, or DEC, or someplace else. But that is something I believe the state legislative body would have the opportunity to work out.

Gladly, as time goes through this process, we will be working with them, that still allows the state to do—I do not want to dictate to the state. The idea of this is that the state will have the authority to go forth and manage the property which they receive.

Ralph, you bring up a point that is very dear to me in the sense that this is not just the Tongass. This is a—as you listen to the Doctor, this is going all over the Western states now from west of the Mississippi, this concept that a centralized government can control, may have all the wisdom, all the gurus. And it is a very cumbersome system, and is not working, and is a terrible frustration, just not in Ketchikan, or Wrangell, or Petersburg, or even Juneau. There is frustration in every community that is relying upon Federal lands.

Ralph, KPC is the last big mill. Do you think that state control would increase or decrease the chances of its survival?

Mr. LEWIS. I think it would increase it, a lot by just what was said.

I think that under state control, there is the responsibility to look at the people and have a long-range plan for us. And it is not going to be swayed by—I guess the best way to say that is, that we can look at the timber industry and say that we have 3,500 jobs. To those of us in Southeast Alaska, that is key, that is very important, that is our year-round jobs. Tell somebody in New York about 3,500 jobs, and they will tell you they just lost 10,000 or 50,000. They do not understand the importance of what is going on.

Those of us that live in this state do. We understand the infrastructure. We know how important it is.

Therefore, the management of that, and seeing to it that there is a long-range sustainable job, is very important and will happen. And it will be in that planning process.

The CHAIRMAN. J.C., are you not afraid the state would make the Tongass into a park?

Mr. CONLEY. If we do not get a new Governor soon, none of us are going to be able to worry about that.

Congressman, I am not, because Alaska is what it is today because of its natural resources, and I do not believe we are going to stray too far.

We have had—we are coming down off of a great period of wealth in this state. The problem with the great wealth that the state experienced off the oil revenue was that most of the residents of the state and most of the folks that are filling the slots in government positions came from somewhere else, and they are still trying to create that perfect world to live in that exists only in their mind. They do not understand that it was the hardworking people that founded this state. And now that the money is gone and we are looking at big cutbacks in government, those folks will be moving on. And people that live here and want to raise their families are going to understand that the money comes from resources in this state. So, no, I am not concerned.

But, Mr. Young, there is—I do want to relay a couple of comments that were made to me after I prepared my testimony. There is concern that maybe your bill does not go far enough, that your bill should include all national forests within the state. There is some fear in the community that not taking control of all forests will create some sort of a conflict and a tug of war, and I wanted to relay that.

And numerous people wanted me to relay to you their frustration with the regulatory agencies. And, while we speak of timber here today, let us not forget about mining. Forty-five miles south of Ketchikan, U.S. Borox invested a hundred million dollars and walked away from it. If that plant—or if that mine was in operation today, this community would have 400 direct mill jobs out there.

You know, I want to live here forever. And I am like Ralph, I want my kids to live here forever. And, you know, it is the resources. And that is the beauty of your bill, it brings those re-

sources back to state control. I think we are better off to debate it internally.

You know what scares me is, we can have a timber sale appeal to a Ninth Circuit Court of Appeals. And we all know that it does not matter what it is, if it is timber related, they will rule against us.

The CHAIRMAN. I am very sympathetic to what you are saying.

One of the problems we have is the same people that oppose timber activity also oppose the core sale buying, as you know. I can go back and get them by verse.

You know, the interesting thing is that some part of our society happens to suggest that, well, we will not be touched, but for those interested in the fisheries and tourist industry, they are going to be next. Then we lose our economic base. This has been a playground for too many people.

Which reminds me, Jack, did your association ask for this legislation?

Mr. PHELPS. This legislation? No, sir.

The CHAIRMAN. I just want to make that clear for the record.

This is the brain child of my staff and myself in frustration. No one asked us for this. No one even suggested it. It finally got to a point, as the Congressman for Alaska, to understand that the people of Alaska, not only with the Forest Service, but the central control of the Forest Service, and the Park Service, and the Fish and Wildlife Service, it is being run from Washington, D.C. And, again, for the fishing people, there are people within the fishing elements of our Federal Government that want it all run from Washington, D.C., and not by the North Pacific Council.

This is an infection that has been created, as somebody suggested a moment ago—an infection is being created by centralized control. And I am lecturing now, but my philosophy has been from the day I first heard my father talk, control is best kept with the people that live in the vicinity and by the states in which those people reside, not by Washington, D.C.

I say that, even talking about the Forest Service people who are in this room, much of what they do they have little to do with because what they do they think is correct is overturned by people in Washington, D.C.

I want to thank you for being on this panel and being with us today. Hopefully, we will continue this conversation. And, hopefully, we will be able to solve these problems. Thank you very much.

Mr. CONLEY. Thank you.

Mr. PHELPS. Thank you.

Mr. LEWIS. Thank you.

The CHAIRMAN. Next is Panel Five: Buck Lindekugel, Southeast Alaska Conservation Council, Juneau, Alaska; Marilyn Lee, Tongass Sportfishing Association, Ketchikan, Alaska; Jerry Sharrard, Prince of Wales Citizens' Coalition, Craig, Alaska; Wayne Weihing, Tongass Conservation Society, Ward Cove, Alaska. And if you will please take your seats.

The first person up will be Buck. And, Buck, you are on the phone? Is he on the phone?

Mr. LINDEKUGEL. Yes, I am. Can you hear me?

The CHAIRMAN. Yes, just a minute. We will have to turn it up a little bit.

Buck, you will be up first. And then because of the communication system, if there is a question to be asked, I will ask it, and then we will go to the rest of the panel. So, Buck, you are up now.

STATEMENT OF BUCK LINDEKUGEL, SOUTHEAST ALASKA CONSERVATION COUNCIL, JUNEAU, ALASKA

Mr. LINDEKUGEL. Thank you, Mr. Chairman.

The CHAIRMAN. Speak up.

Mr. LINDEKUGEL. For the record, SEACC strongly opposes your bill and protests the limited nature of these hearings. There are many more Tongass-dependent communities than Wrangell and Ketchikan. You could have scheduled more hearings this week. You also said that you wanted to hold hearings in timber-dependent towns. What about Sitka? Informed decisionmaking by members of Congress is not served by your hearing schedule and format. The totally stacked deck at today's hearing represents one of the most outrageous attempts to build a record in your favor that we have ever seen and is little more than a political pep rally for trashing the nearly 100-year tradition of public ownership of public forest lands.

You have publicly stated several times that this bill stands no chance of becoming law, and, therefore, these hearings, sir, are a waste of taxpayers' time and money. This bill should be stopped dead in its track right here and right now.

Thanks to Senator Robin Taylor, we confirmed the real intent of your bill. This bill is not about a simple transfer of the Tongass to the State of Alaska. The real goal is to turn these public lands over to private hands.

In a letter written to a Montana State Senator, Senator Taylor declared his goals for state management of the Tongass. He wrote, "Hopefully, a large portion of this acreage will eventually be conveyed to the private sector." This one sentence makes the goal of your legislation perfectly clear.

Senator Taylor will be a leading player on how the state makes decisions about these public lands, if the state ever gets them. If you and Senator Taylor get your way, these lands, which have always been open for public hunting and fishing, will be sold off and covered with no trespassing signs.

Let us talk about freedom. Your bill strikes at the very heart of the all-American concept of publicly owned forest lands, one of our most strongly held freedoms. This is a freedom where Alaskans can pick a spot on a Tongass map, climb aboard a floatplane or skiff and go there. They can hunt and fish. And when they leave, they leave with the knowledge that they can return to the same spot on their public lands again, and again, and again. Your bill would rip this dearly-held freedom away.

You claim that this bill is about control and stability. We strongly disagree.

On the second to the last page of your bill you take your double-barreled shotgun, load it up with buckshot and blast away at every single protected acre on this great forest by repealing all statutory

land protections for wilderness, and legislative LUD II areas, and salmon stream buffer zones.

What stability will this bill provide commercial fishermen, who depend upon these million dollar salmon watersheds? What stability will this bill provide to recreation and tourist businesses, whose customers come to see a wild and beautiful country?

Have you considered the impact of your bill on Tongass-dependent communities such as Pelican, Yakutat, Tenakee, Craig, Petersburg, Juneau, and Sitka? In all, 17 communities have publicly supported protection of areas which are near and dear to them. If this bill is your answer, then your answer must be a big fat no.

You have also stated that no one could construe this bill as a Federal mandate. Who are you trying to fool? Your bill is loaded with Federal mandates and conditions. Your bill would only benefit the corporate robber barons, who have, and will continue, to put short-sighted profits ahead of the long-term health and welfare of local communities. In the case of Ketchikan Pulp Company, this robber baron is also a convicted felon currently on probation for intentionally dumping toxic sludge into the waters of Ward Cove.

Your bill is a very serious threat to our public forest lands and to the way of life for many Southeast Alaskans. Your bill is not a transfer. It is a travesty. It is ludicrous, ridiculous, outrageous, and if ever taken seriously, flat-out dangerous.

This is the end of my statement, Mr. Chairman.

[The statement of Mr. Lindekugel may be found at end of hearing.]

The CHAIRMAN. Well, Buck, as I told the gentleman yesterday, thank God for democracy and freedom of speech. I hope you appreciate that.

It is ironic to me that there were no hearings held at all in Alaska on the Tongass Act of 1990, which you strongly supported, or at least your group did, and no——

Mr. LINDEKUGEL. Well——

The CHAIRMAN. I am not through. You made your statement. I will ask you a question in a moment.

But one of the things that is true, if, in fact, you say this bill has no chance, and I have always said this bill will become law, I do not know why you are so deeply concerned about it. This is an attempt to, in fact, let Alaskans—and I hope you consider yourself an Alaskan. I would have a little more faith in Alaskans than some far-away, dedicated centralized government.

You are an Alaskan, are you not?

Mr. LINDEKUGEL. Yes, I am, sir.

The CHAIRMAN. OK. You have no confidence in yourself?

Mr. LINDEKUGEL. Yes.

Just with regard to the facts that your statement that there were no hearings held by the House on the Tongass Timber Reform Act, there was a trip in 1987, August 1987, by the Committee, the House Committee, and they came to Alaska Southeast, and they traveled to Pelican, Sitka, Juneau——

The CHAIRMAN. In all due respect, there were no hearings, and I have the documentation of that. So do not tell me there were any hearings. There may be traveling by some of those people, but——

Mr. LINDEKUGEL. They came on a fact-finding trip.

The CHAIRMAN. A fact-finding trip? They went fishing. And I have confidence in them, I hope they caught some fish.

Anyway, Buck, thank you. We have got the rest of the panel here. And it is a little bit better to talk individually to the panel than it is on the phone. We will see you around.

By the way, there will be hearings. You will have other opportunities with your group to testify. This is a process that will happen.

And I am very complimented that everybody is so concerned about not allowing Alaskans to have a say in how they should manage the lands of Alaska. I still believe it is a difference of philosophy that a big centralized socialist government cannot properly serve the people in the communities or the state that they represent.

I thank you, Buck. All right. Goodbye.

Wayne, you are up.

STATEMENT OF WAYNE WEIHING, TONGASS CONSERVATION SOCIETY, WARD COVE, ALASKA

Mr. WEIHING. Thank you.

Thank you for the opportunity to testify in this hearing. My name is Wayne Weihing. I represent the Tongass Conservation Society. It is a local grass roots organization of approximately 185 members. These people share a concern for the future of the Tongass National Forest.

Following are the issues that we are concerned about:

Number one, the State of Alaska has limited resources and people to manage the fish and wildlife. The Tongass is our nation's largest forest, which makes it difficult to manage for various interests, such as fishing, tourism, subsistence, and recreation. Our present system of managing the Tongass may not be perfect, but we have had record fish runs, a strong tourism industry, and many of us still depend on hunting and fishing for subsistence.

Two, H.R. 2413 would take away the fish and wildlife protections. It would repeal 100 foot buffer strips around our salmon streams and would eliminate the LUD II areas, such as the Naha, Karta River, Misty Fjords, and Anan Creek. The Tongass Conservation Society is dedicated to the protection of fish and wildlife.

Number three, reading from H.R. 2413, referring to Section (c), Alaska Pulp Corporation contract—this is taken out of the bill—"The State of Alaska shall enter into discussions with the Alaska Pulp Corporation during the transfer—transition/transfer period and will conclude with an agreement which reinstates the Alaska Pulp Corporation contract."

When APC shut down and left Sitka, what remained was a Superfund site. Ketchikan Pulp Company has been found guilty in court of water pollution. In addition, KPC is already crying about a shortage of timber, so why would we consider another facility on the Tongass?

I would like to offer some personal comments on jobs. I believe there is more than just jobs. It is the quality of jobs and what conditions people work under.

As a former Ketchikan Pulp Company employee from 1968 until 1989, I have an insight as to what jobs mean and what a quality job is. I was elected president of the union representing the pulp

workers. In 1984, after a failed employee stock ownership buyout, the company terminated the labor agreement and implemented an offer that included huge cuts in wages, benefits, and working conditions. The company was no longer concerned with the safety of its workers, with the number of hours worked. Many people were forced to work 16-hour shifts at the threat of losing their jobs. The jobs lost their dignity because management exercised raw power and workers had no avenue to voice their complaints. There was no grievance or arbitration procedure, although workers had had those when the labor agreement had been in force. I left my employment with Ketchikan Pulp Company in October 1989 because of unsafe work conditions concerning asbestos exposure, sulphur dioxide, and others. I valued my health more than my paycheck.

As of February 1996, the pulp workers still do not have a labor agreement and are working for less wages than they were making in the spring of 1984. The community of Ketchikan lost those dollars that should have been paid to the working people, and the reduced paychecks had a detrimental effect on our region.

When the last high-value tree is cut, when the last natural run king salmon is caught, then we can ask the long-term residents of Alaska "Who wants to look at the stumps or the fish farms?" and ask "Was the large scale industrial logging worth it?" When the fish habitat has been destroyed by siltation, will the residents be satisfied with: "Oops, we made a mistake"? Now is the time to make the right decisions, so we do not have to say "Oops, we made a mistake in the 1996 Republican Congress."

When my grandchildren ask me why our national forest is being clear-cut, I can only tell them that our Congressman Young does not believe in the future for you, he believes that now is the time for the fast dollar for the corporations.

I find it very difficult to tell my grandchildren to have faith in the American way and the democracy as written in the Constitution of this great United States.

I challenge you, Congressman Young, to stand on honest grounds and tell the public who are you really representing. I believe your proposed legislation is for the special interest of the large timber corporations. And if not, why are you getting so much support from the industry?

Thank you.

The CHAIRMAN. I thank you.

To answer your question, I get support from all Alaskans. I am the Congressman for all of Alaska. Apparently, not you. But I understand that.

I would just ask you one question before we go on. When you talk about fisheries, we had a record year last year, and the year before that, and the year before that, and the year before that. What happened?

Mr. WEIHING. My concern is for—is in the future. I know fishing is real good now, from what I am hearing from commercial——

The CHAIRMAN. To your knowledge, are there any of the streams that were logged upon not productive today?

Mr. WEIHING. I cannot—I do not know. I could not say it is not.

The CHAIRMAN. In fact, the ones that are actually dead are areas that cannot be rehabilitated because they are in wilderness areas and the Forest Service chose not to rehabilitate those streams?

Mr. WEIHING. I cannot speak to that. I am sorry.

The CHAIRMAN. I would suggest that you look into that, because it is a very interesting study. And I have.

Jerry, you are up next.

STATEMENT OF JERRY SHARRARD, PRINCE OF WALES CITIZENS' COALITION, CRAIG, ALASKA

Mr. SHARRARD. Thank you, sir.

My name is Jerry Sharrard. I am a member of the Control Lake Citizens Coalition on Prince of Wales Island. I would like to thank the Committee on Resources for giving us this opportunity to speak on the Tongass Transfer and Transition Act.

The Control Lake Citizens Coalition was formed from a group of small timber operators, conservationists, fishermen, biologists, and concerned citizens. We are advocates of a different kind of timber industry. We formed this group to promote timber sales on Prince of Wales Island that conform to the following standards:

It must be truly sustainable. As mature adults, we have the obligation to leave our children a home that has been cared for. We have an obligation to allow them the same uses of the forest that we have had; be it for recreation, subsistence, cutting wood for our houses, building boats, or value-added businesses. A good timber sale must provide timber jobs to local residents. Currently, according to state labor figures, 39 percent of the timber industry jobs are currently held by out-of-state workers. A good timber sale must promote value-added products. It must protect the biological diversity of the forest, it must protect culturally important areas. Wildlife, subsistence rights, and fisheries must be protected. All users of the forest must be considered, including recreation, scenic, and tourist uses. As a result of forming this group, we wrote our own timber sale plan for the Control Lake Timber sale on Prince of Wales Island. It is now known as Alternative 10 in the draft DEIS.

Prince of Wales has been the heart of the timber sales since the beginning of the long-term contract at KPC. It is clear to many of us who live there that the rate of logging that has been going on cannot continue without severely affecting the biological heart of the island. Under the 50-year contract demands, the Forest Service has either been forced to ignore or chosen to ignore the issue of timber sustainability on Prince of Wales Island. Small operators and people trying to establish value-added businesses require the better-quality wood to do business.

I myself am a boat builder. I use volume class six and seven. Volume class six and seven is 12 percent of the commercial forests. Half of that is already gone.

Unfortunately, the vast majority of this wood has already been taken off the island by KPC or by Native cutting on their own land. Small timber operators return much more money to the local community. For example, in 1994, in the Ketchikan area, independent operators paid on the average $373 per thousand board feet. $407 include the road credits. Most importantly, they contribute as citizens to the local communities.

We have many disagreements with the Forest Service, and I find myself in the strange position between bad choices, supporting the Forest Service or supporting what we perceive as a poorly designed bill. Careful reading of this bill shows it to be nothing more than a thinly veiled attempt to open the Tongass National Forest to the carpet-bagging money mongers who want to get in on a good deal.

The state is not in the financial position, nor does it have the expertise, to be able to do a proper job at protecting the forest. Just last week, the Alaska Department of Fish and Game announced that due to budget cuts the Habitat Division no longer has the ability to do its job of monitoring the timber sales going on now. The state has no track record of large timber sales.

The current fiscal position of the State of Alaska would force, if this bill were to pass, the massive selling off of the resources of the Tongass. The large timber companies, the large corporations would end up with all the marbles. Of course, it must be noted that these same companies also have the ability to provide the most reelection money to the Congressional Delegation.

The Forest Service has managed the Tongass for over 90 years. Besides developing public-use facilities such as campgrounds, picnic areas, visitor centers, trails, totem parks, cabins, cultural sites, cave access, special-use permitted facilities such as lodges, community grants, and fish passes, they also contribute 25 percent of all receipts to the local governments for schools and roads.

On the whole, we have found that the local Forest Service line officers and employees are trying to do a reasonable job of balancing the multiple interests on the Tongass. If the Congressional Delegates would leave them alone to do their job, I believe they could do a credible job. But under the burden of the highly taxpayer-subsidized, special interest, 50-year contract, the chances of them doing a professional job that balances all uses is impossible.

Congressman Young claims that this is not a timber bill but more of a question of states' rights. Anyone with a third grade education can see by reading this bill its real intent is to eliminate wilderness areas, LUD II's, national monuments like Misty Fjords, and a way to eliminate or weaken stream buffers. I would liken the passage of this bill to what went on after the Civil War during reconstruction—wholesale rape and plunder. And I would suggest that this bill has little chance of going anywhere and is a waste of taxpayers' time and money.

I would like to close by stating one thing I have not heard mentioned at all in the last few days. The population of Southeast Alaska is somewhere in the neighborhood of 75,000. The great voting block in Alaska is in the Anchorage valley. Are you willing to let those folks decide what happens to your local area?

The CHAIRMAN. Thank you.

Who is next? Marilyn, you are next.

STATEMENT OF MARILYN LEE, TONGASS SPORTFISHING ASSOCIATION, KETCHIKAN, ALASKA

Ms. LEE. Congressman Young, my name is Marilyn Lee, and I am a member of the Tongass Sportfishing Association, Chapter 573 of Trout Unlimited. Our membership consists of sportfishers, charter operators, resort and related sportfishing businesses. We have

a long history of involvement in issues surrounding the Tongass because the Tongass is both the breeding ground of salmon, steelhead, and trout, and the ideal setting in which to fish for them.

Our main objection to your bill is that it takes years of research, planning, and public testimony and throws it out the window by doing away with existing land use designations. Those designations were not arbitrarily pulled from a hat. They were arrived at through many long, arduous, and often contentious hearings attended by Alaskans who gave up countless hours of their free time to study the research and attend the meetings in an attempt to reach a compromise on how the Tongass should be managed. Millions of dollars and untold hours went into research to develop land use plans. Your bill chucks it all in the trash with no regard for the time, money, or personal sacrifice it took to get to where we are today.

At this critical time in the life of the Tongass, we must not start from ground zero. Your efforts would be far more productive if you were to put your support behind the next phase of the Tongass Land Use Management Plan. The TLMP process offers Alaskans the best opportunity to participate in shaping the future of the Tongass and assuring that the needs of all Tongass users are addressed.

Alaskans do not need a bill that gives the state six months to settle the Federal Government's lawsuit with Alaska Pulp, nor do we have anywhere near adequate state moneys or resources to administer the rest of the Ketchikan Pulp 50-year contract. What we do need is a Federal Government that takes responsibility for addressing some serious habitat problems looming in the future of the Tongass.

The U.S. Forest Service Report to Congress, Anadromous Fish Habitat Assessment, states that current management practices in the Tongass may doom us to the same fate as the forests of the Pacific Northwest. This bill, which will effectively end current habitat protection and replace it with much more lax state forestry practices, may well seal that fate.

In conclusion, Congressman Young, we oppose virtually every intent of this bill and challenge you, in your duties as Chairman of the House Resource Committee, to assure that the Tongass National Forest is managed as the national treasure that it is, assure that the Tongass is managed for the maximum benefit of all Alaskans and all citizens of the United States, and remains a treasure for generations to come.

Thank you.

The CHAIRMAN. Marilyn, do you speak for yourself or your association?

Ms. LEE. I speak for our association.

The CHAIRMAN. You speak for your association? Sportfishing or Trout Unlimited?

Ms. LEE. Yes.

The CHAIRMAN. One question, Jerry.

How much money did I receive from the timber industry?

Mr. SHARRARD. I do not know, sir.

The CHAIRMAN. Then why did you say that?

Mr. SHARRARD. Well, I know that--I know that——

The CHAIRMAN. I mean, if you are going to make a statement, have the figures before you. It is public information.

Mr. SHARRARD. Well, I did hear this morning on the radio that over two thirds of the money you raised last year came from PACs.

The CHAIRMAN. That is true. That is the way the system works. The people contribute, the little person contributes. It is not big business.

Each of you, do you have a good relationship with the present State Administration on the Tongass? You do? You are working with this Administration on this issue?

Mr. WEIHING. You are talking about the Knowles Administration?

The CHAIRMAN. Pardon?

Mr. WEIHING. The Knowles Administration?

The CHAIRMAN. This Administration. Yes, the Knowles.

Do you have a good working relationship?

Mr. WEIHING. I would say we did.

The CHAIRMAN. In fact, have they indicated they are supporting your position against this bill?

Mr. WEIHING. I do not know if they—I cannot speak if they have taken a position. I know we have contact with them, but I cannot say it is——

The CHAIRMAN. Who did you contact?

Mr. WEIHING. That would be the people in the natural resources—the people—I cannot remember their names right now.

The CHAIRMAN. I would like, for the record, to have you submit who you contacted in the State Administration.

Mr. WEIHING. I can supply that.

The CHAIRMAN. OK. Any of the rest of you, if you have a chance.

Do you work well with the organization? Do you work with your legislators? A good working relation with your legislators, state legislators?

Ms. LEE. I have no relations.

The CHAIRMAN. No relations at all?

You heard the local Representative say he was supportive of the bill and the Speaker of the House. And they indicated they have the ability to, in fact, implement this legislation, if, in fact, they decide to do so.

I hope you heard that. That is what I heard.

Ms. LEE. Yes, I did.

The CHAIRMAN. OK. Do you find any objections—Jerry, you made a statement in support of the Forest Service. Do you not think if the state owned the lands, that you would have a better chance for the small business operators than the big ones?

Mr. SHARRARD. No, sir, I do not. The reason I do is, given this current fiscal position of the state, I feel that what would happen is they would be forced, just because of the fiscal constraints, to sell it off in large blocks, and that generally would go to large corporations. And the small person, I think, would just get crushed.

The CHAIRMAN. How much of the state land grants have been sold so far?

Mr. SHARRARD. Excuse me, sir?

The CHAIRMAN. How much of the state land grants have been sold?

Mr. SHARRARD. State what?

The CHAIRMAN. State land grants, timber.

Mr. SHARRARD. I have no idea.

The CHAIRMAN. There is 104 million acres of statehood land.

How many acres has the state sold today to generate moneys?

Mr. SHARRARD. I do not know that answer, sir.

I do know that they have no large credible history of large timber sales.

The CHAIRMAN. Well, I am just saying—because you are thinking the state does not have the wisdom, is what you are saying. Yet, they have not done any of the things you said they were going to do with state lands they have.

Mr. SHARRARD. I have seen no large sales that the timber—that the state has put up that have worked at all, and I am saying they do not have the expertise to do it well.

The CHAIRMAN. Well, I mean, they have not put it up, number one.

And you made another statement that sort of concerns me. You talked about timber has been sold by the Native corporations or cut by the Native corporations. You do not object to that, do you?

Mr. SHARRARD. I do not object to that. What I do object to is when it is shipped to Japan instead of all the value-added businesses and jobs that could have been created here in the communities on that same timber.

The CHAIRMAN. Would you—that is only Federal timber. The Native timber itself, you know—would you object to—are they not shipping grain across the world from Kansas? If you want added value, you know they ship grain, do you not?

Mr. SHARRARD. We have a tremendous amount of excess of grain. I am sure you are well-aware we pay farmers to grow—not to grow grain.

The CHAIRMAN. We are talking about privately.

If you own something privately, you should have a right to sell it where you want to sell it, should you not?

Mr. SHARRARD. I would agree with that.

I would just point out to the Native corporations that so many more jobs could have been created by not selling that wood to the Orient. It could have been——

The CHAIRMAN. Just like——

Mr. SHARRARD. Those jobs could have existed right here in Southeast Alaska.

The CHAIRMAN. How many—the state has 22 million acres of forest land, 22 million. How many acres do you think the state harvests per year?

Mr. SHARRARD. I do not know the answer to that.

The CHAIRMAN. All right. I do thank the panel. I understand you are not terribly excited. I wish you had a little more faith in Alaskans and yourself, because I think that it will work, it is going to work. This nation is going to have a change in the direction we are headed. You may not agree with it, but it is going to happen.

Thank you very much.

Mr. SHARRARD. Thank you.

The CHAIRMAN. It is my intention not to break for lunch. Any of you that would like to go to lunch, you are perfectly welcome.

I am going to now call Panel Six: Kathi Lietz, Thorne Bay; Lonnie Haughton, Troller, Ketchikan; Ernesta Ballard, I understand that Mr. Fisher will be giving that testimony; and Eric Muench, Ketchikan, Alaska.

Before we continue, it is great to be Chairman. You know, it reminds me of the squirrels that I used to hunt when I was a young boy. I never shot at the ones at the bottom of the pile. I only shot at the ones at the top of the pile. I am on top of the pile, and I love to get shot at. So far they have not been able to hit me, so we are having fun.

We will go through the way I called out. Kathi, you are first.

STATEMENT OF KATHI LIETZ, THORNE BAY, ALASKA

Ms. LIETZ. Mr. Chairman, before I start, I would just like to say in response to a letter that ran in the Ketchikan Daily News this week about this being a circus and you coming to town, where do I sign on to join the circus?

The CHAIRMAN. Thank you. And I appreciate that, because, again, those that are saying those type of things did not complain a bit when all the hearings in the 1990 Act were held and it was held and no Alaskans, unless they were special interest, had an opportunity to go back to Washington, D.C. So I made a commitment when I became Chairman I am taking these hearings to 25 different hearings around the United States on different issues and will continue to do that as long as I am Chairman, and with the willingness of Alaska, it is going to be a long time, because I am one persevering legislator.

Go ahead.

Ms. LIETZ. Mr. Chairman and esteemed members of the Committee, it is an honor to be here today. My name is Kathi Lietz. I am the bookkeeper and office manager for Black Bear Cedar Products, a red cedar shingle mill located near Thorne Bay on Prince of Wales Island. My husband is a proud ten-year employee of KPC at Thorne Bay. We have three beautiful children who were born in Ketchikan. We have made Thorne Bay our home and have established strong ties to our community and the timber industry on the Tongass.

I sincerely appreciate this opportunity to share my views with you on H.R. 2413.

Speaking as someone who has firsthand knowledge of the political entanglements of the Tongass National Forest, I can think of many reasons why H.R. 2413 is legislation that is both necessary and important to the Tongass National Forest.

First and foremost on my mind is the fact that no other National Forest is as closely watched or controversial in this nation. We are the sole focus of many environmental groups, who seek to impose their own misguided views upon us. In the process, the very souls whose livelihoods are derived from this forest are the ones being used as pawns in a game of political chess.

No one in this entire country stands to gain or lose as much by the outcome of this legislation than the citizens who live within the Tongass National Forest. Yet we are constantly outspoken or out-

maneuvered by the vocal majority of folks living in the urban sprawl of the lower 48 states, who wish to see Alaska remain their own private playground. There are more people living in one suburb of New York City than living within the entire 17 million acres of the Tongass. While we may be better educated on the inner workings of this forest, we simply do not stand a chance when outnumbered ten to one.

The USDA Forest Service, and the Federal Government as a whole, have a history of false promises and poor decisionmaking skills in regards to this forest. The timber industry was promised, when we fought against the Tongass Reform Act, that it would be the last great compromise and little would change for us. Yet a mere five years later, our industry has suffered a 42 percent job loss and the number is growing as we speak.

It is with great irony that I recall sitting in this very room one year ago and listening to Regional Forester Phil Janik promise that his agency would release 320 million board feet of timber for harvest in fiscal 1995. I said at that time it would not happen, and it did not.

One of the worst decisions yet to date was the cancellation of the APC contract. That one decision left hundreds of people unemployed and devastated two communities. Frankly, a natural disaster would have done less damage to Sitka and Wrangell than that one politically motivated decision did. Why did not the Federal Government use simple reason and compromise to avert the crisis that ultimately occurred?

Although, at this juncture, I cannot say that our current State Administration would have handled the situation any better. Our Governor seems comfortably resigned in writing off the people and communities of Sitka and Wrangell.

The USFS's boneheaded plan to implement hundreds of thousands of acres to goshawk reservation areas, when there was absolutely no indication of the birds' impending peril, is yet another classic example of political persuasion at its best. The Forest Service chose to listen to the Chicken Little cries of the environmentalists and set about locking up the remaining 10 percent of the forest in which timber harvest is allowed. To say that the Federal Government has failed the people of the Tongass miserably is, quite simply put, the understatement of the century.

Most assuredly, the state government is closer to the issues and needs of the people here. The State of Alaska has considerably more motivation to manage this forest wisely and properly for generations of Alaskans yet to come.

Accessibility of key decisionmakers is a central issue in my mind. It is much more likely that we could speak to our local representatives, or even the Governor, than Bill Clinton or Jack Ward Thomas. Yet the President and Dr. Thomas are the very men who are making decisions for or about us at this time. Is it not time we were afforded some self-determination in our own lives?

Economic diversification is the big catch phrase the environmentalists are using these days. They keep saying we need to get away from a one-industry forest and diversify. One of the great components of diversification is land in which to build businesses on.

At this point in time, the Forest Service is trying to eliminate special use permits on the Tongass for timber-related businesses. They are still allowing eco-tourism permits. These permits allow business people to lease land from the Federal Government in which to operate their businesses.

In the meantime, the State of Alaska set a precedent by auctioning off 17 parcels of land for industrial purposes on Prince of Wales Island last spring. There were twice as many potential buyers as there was land available. All of the lots went for more than the minimum price, with most selling for at least double the minimum. This indicates a strong desire for industrial land in Southeast. Unfortunately, there is no land available for businesses at this time.

Gentlemen, more than anything else, this boils down to a simple Constitutional right. Our forefathers certainly never intended for the citizens of this great nation to be ruled by an ironfisted government. As I recall, they held a Tea Party in Boston to show their feelings of being ruled by an unfair and oppressive government, and the Revolutionary War ensued. The members of the Constitutional Congress made not one, but two, provisions in the Constitution to assure the right of self-determination to the states. However, the Federal Government has seen fit to discriminate against most of the states who have entered the Union since 1802, by withholding vast tracts of land from them. Surely, our forefathers, who fought and died so that we might live in a less tyrannical nation, must be rolling over in their graves at the sight of what this nation has become.

I strongly urge you to release the people of the Tongass from the stranglehold we are under. Give us a chance to do something with our lives besides drawing welfare or making minimum wage as a tour guide. Pass this legislation and put the power back into the hands of the people, as our Founding Fathers wished.

Thank you again for this opportunity.

The CHAIRMAN. As we go through these series of hearings, we will eventually take them back to Washington, D.C. We are keeping track of those who testify, and we will definitely be seeing some of you.

Lonnie, you are next.

STATEMENT OF LONNIE HAUGHTON, TROLLER, KETCHIKAN, ALASKA

Mr. HAUGHTON. Mr. Chairman and Members of the Committee on Resources, my name is Lonnie Haughton. I have resided in Ketchikan, Alaska since 1973. I am a commercial salmon fisherman and currently own and operate the fishing vessel *China Cove*. I have fulfilled leadership positions in various sport and commercial fishing organizations and currently serve as secretary/treasurer for the 200-member Ketchikan Trollers Committee.

In past years, I have been a member of several environmental organizations and have strongly supported efforts to instill an environmental ethos into the timber harvesting practices in the Tongass National Forest. I clearly remember the pillage and plunder attitudes of many of the local loggers in the early nineteen seventies.

It is now the mid nineteen nineties, though. There has been a surge of ecological awareness throughout Alaska and the nation. And like most Americans, I support a balance between the extremists on both sides of the environmental battles. Specifically, I believe that the responsible extraction of the natural resources of Southeast Alaska, whether by mining, logging, or fishing, is legitimate and appropriate.

In regards to the multiple uses of the Tongass National Forest, I support the basic compromises of the Tongass Land Use Management Plan, and I oppose those who profess support for the responsible middle ground but who then work through other avenues to subvert such agreements to further their own extreme agendas.

Therefore, Mr. Chairman, if the primary intent of this legislation is to work an end run around the TLMP provisions, then I would oppose it.

Section 6(b) makes me very nervous. I could not support this bill in its current form because it appears to sweep aside those TLMP land use restrictions that all parties, including the timber industry, have agreed were necessary to protect areas of critical salmon-producing habitat.

And it does not seem appropriate to use Section 6(e) of this bill to dump the landless Native issue into the state's lap. I agree that those Natives who did not receive land under the Alaska Native Claims Settlement Act were treated unfairly. Unfortunately, there now may not be enough unreserved land to resolve this situation. Without available land, it is clear that equity for these Native Alaskans probably will require a large cash settlement from the U.S. Treasury. This legislation appears to short-circuit a proper Congressional review of the complex situation in order to saddle the state with this Federal obligation.

On the other hand, I hope that President Clinton was sincere when he recently proclaimed, "The era of big government is over." It is long past time to pull the Federal Government off our backs. It is no more legitimate in the nineteen nineties for the great spider web of ultraliberals to force upon us their moral and social agendas than it was in past eras when it was the ultraconservatives who sought to impose their reactionary dogma on all Americans.

Future management of the Tongass Forests should be done within Alaska, by Alaskans, and for the benefit of all Alaskan residents. It is from this perspective that the trustees of the Ketchikan Trollers Committee support the basic concept of your legislation.

We would also urge the members of this Committee to oppose the reauthorization of the Endangered Species Act. It has become an insatiable monster, destroying lives and livelihoods throughout the country. The tremendous havoc wreaked by the futile efforts to preserve the already extinct Snake River sockeye salmon subspecies demonstrates the need to totally rewrite ESA. God, not the National Marine Fisheries Service, is the only agency that can reverse time and evolution.

In conclusion, Mr. Chairman, I again applaud your efforts to transfer federally-controlled natural resources, such as the Tongass National Forest, to the individual states, but I have specific concerns about portions of this legislation that could be used to de-

stroy the compromises that were reached by loggers, fishermen, and environmentalists within the Tongass Land Use Management Plan.

Thank you for this opportunity to testify.

The CHAIRMAN. Thank you, Lonnie, for a very well-thought out—and, by the way, this is just a beginning. That is what I want people to understand. It amazes me the outcry of rage about this bill. This is the beginning of the legislative process that goes over a long period of time. I am committed to Alaskans and this nation to do it correctly, and that is what we will do.

I will have some questions and some comments a little later, when all the panel is through.

Ed, you are going to read?

Mr. FISHER. I am.

The CHAIRMAN. Did you write it or did she?

Mr. FISHER. Well, we cooperated.

STATEMENT OF ED FISHER FOR ERNESTA BALLARD, CHAMBER OF COMMERCE, KETCHIKAN, ALASKA

Mr. FISHER. Chairman Young and Members of the Committee, thank you for taking testimony on H.R. 2413 here in Ketchikan. My name is Ed Fisher. I am here today on behalf of my wife and business partner, Ernesta Ballard. Ernesta is President of the Greater Ketchikan Chamber of Commerce, and it is in that capacity that we appear today.

The Chamber has approximately 400 business and individual members, representing over 2,000 jobs. Our members represent the three primary industries that sustain our community: Timber, fishing, and tourism. Our goal is to advocate for our members' interests. We sponsor community events and support active committees through which we address issues which are important to economic development.

There is no single issue of greater importance to our members than a strong economy. There is no greater threat to our economy than the reduction in timber harvest on the Tongass National Forest. Each year we poll our members to determine where to focus our efforts. Each year our members affirm our commitment to stay at the table and stay with the debate over timber supply.

The Ketchikan Chamber of Commerce is in favor of any initiative which results in continued multiple use of the Tongass Forest, including the commercial harvest of timber at the full rate it can be sustained.

We believe that management of the forest over the last 40 years has achieved a success of which the government should be proud. Salmon streams are healthy; harvested acreage sports vigorous new growth; logging roads, bridges, and log watering sites support new permanent communities; beaches, stream beds, view corridors, and important habitat are protected from development; and recreational use of the forest is high.

You would never know these things if you listened to or watched the actions of the United States Forest Service, the very agency that has overseen four decades of development in Southeastern Alaska. Rather than express pride and confidence in their own management practices, they demur in the face of the present con-

troversy. Since they do not choose to defend the results of their efforts, they leave the field open to debate by parties much less familiar with the facts. Into this void come partisan spokesmen, given more to verbal extravagance, some of which we heard today, than accuracy. Out of this void come demands for change such as your bill.

It is clear that the intent of your bill is to restore the opportunity for continued success in the management of the Tongass. We support your intent and applaud your initiative. We appreciate the chance to add our voice to the chorus of support for something more than another round of forest plans. We are tantalized by the action verbs in your bill. We urge you to proceed with all possible speed and see your bill through to successful passage.

We know that superior economic and environmental results have been accomplished by states with responsibility for forest management. We believe that it is reasonable to assume that similar results could be achieved here.

Notwithstanding our enthusiasm for your effort, our reaction to your bill as it is presently written, and especially to your introductory findings, is similar to the reaction of the fish which is moved from the frying pan into the fire. We are not confident that we will be better off. We are not confident that your bill assures multiple use of the forest including the commercial harvest of timber.

We appreciate the opportunity to offer what we hope will be viewed as constructive criticism. In supporting your bill, we want to be sure that it accomplishes the outcome you intend.

For your record, here are our concerns: Your bill asserts that the State of Alaska is committed to policies which include multiple, balanced, and sustainable use of Tongass resources. We do not believe that the state has developed such policies. Your bill asserts that the State of Alaska is committed to forest management, which includes sound science. We do not believe that the state properly distinguishes between risk assessment and risk management, and, therefore, confuses biology with policy. Your bill asserts that the State of Alaska is committed to an intensive and inclusive planning process for the diverse interests associated with the Tongass. We do not believe that the interests of our members and the jobs and the families they support are represented at the state's planning table.

It is a painful irony that the State of Alaska speaks more about timber harvest as habitat loss than about timber harvest as economic opportunity. Harvest is generally associated with gathering and measuring, and is accompanied by a celebration of success. The harvest of wheat has become a symbol of our national pride. The habitat modifications that result from any harvest are generally accepted as reasonable collateral for the related economic benefits.

In the State of Alaska, there is no such celebration at the falling of a tree. This is not a partisan problem. No state administration has developed a coherent program for commercial timber harvest.

We do not believe that the state is ready for the Tongass. The state needs a timber strategy that begins with the premise that timber harvest is good for the economy and has a rightful place in Alaska. The state needs a timber strategy that is based on the strengths and weaknesses of the Alaskan resource. The state needs

a timber strategy that acknowledges the specific economics of the high-cost production of a mixed-quality resource.

We urge you to add a section to your bill that requires the state to make a commitment to timber harvest and to develop procedures for forest management before the transfer is accomplished. Multiple use management by the state without commercial harvest will be of no more use to our economy than is the present multiple use management by the Forest Service.

In asking for a commitment to timber harvest, we do not intend that all the trees in each forest will be candidates for harvest. However, we do expect that some of the trees will be cut down. It is evident from both field research and economic result that timber harvest is compatible with other forest uses. This does not mean that each use can be attained on each acre of forest. It does mean that uses can exist side by side in the same forest.

The National Forests are intended for multiple use. Only in recent years have we had to fight for the recognition of commercial timber harvest as one of those uses. If the state is to take title to a former National Forest, it must do so only with an explicit commitment to multiple use. In these contentious times, we believe that multiple use will have to be spelled out clearly to include the commercial harvest of trees. This commitment must be for full, sustainable yield, rather than token harvests which give the impression of development without sustaining the industry.

Finally, we are concerned that other Federal agencies will still have stifling influence over the management of these forest lands. The Endangered Species Act, Coastal Zone Management, and wetlands regulations are but a few of the barriers to the timely development of timber sales. Federal agencies need to become partners in achieving the multiple use forest goals.

We urge you to seek changes to legislation and coordination of regulation so that the management of public lands can continue to contribute to the health, welfare, and economy of our communities.

Thank you for the opportunity to testify.

The CHAIRMAN. Thank you, and tell Ernesta that I allowed you to go overtime.

Mr. FISHER. I will tell her.

The CHAIRMAN. Eric, you are next.

STATEMENT OF ERIC MUENCH, KETCHIKAN, ALASKA

Mr. MUENCH. Thank you, Congressman Young.

Bill Williams said awhile ago that Federal management of the Tongass is a dinosaur. I think he was right on.

The local control of resources is important to democratic government, because if you cannot govern the things that your life depends on, there is very little point in the idea of the government itself. The Federal control was natural when there was no government, but now we have governments in place that can take care of the resources on our surrounding lands.

When Alaska became a state, 104 million acres went to the state, but almost none of it was in Southeast. In the state, the percentage of land owned by the Federal Government went from something like 97 percent to 67 percent, but in Southeast, because of the ex-

istence of the National Forest and National Parks, we are still 95 percent owned by the Federal Government.

Now, the problem is that those National Forests were reserved from any transfer to the state at that time. And what we need to do now is fix that problem. And I believe that your bill is on the right track to doing that. It is part of a natural process. It is not a radical idea.

A large part of the problem that we see with the Federal Government's management of timber is that there is a great loss of land, of revenue, whenever they put up a timber sale. A lot of this has to do with the way the Federal Government operates their timber sales.

Number one, a lot of their procedures for sale preparation are not logical in that they require more work to be done in terms of the people that are thrown onto the project and in terms of the work that they require the loggers to do than is necessary to achieve the result of a harvest of timber in an environmentally sound way. There are far more people involved in the layout of the timber sale than what is necessary. And this is done mostly to conform to a lot of conflicting laws and regulations that the Federal Government has put in place.

Then, too, it is very common for the Federal—for the Forest Service—to require excessive road building into timber areas. They do this with what they call specified roles.

Now, in order to put up a timber sale, it may cost a half a million dollars to put a road in to access the timber. In many cases, the Forest Service will require a million dollar road. Well, that half a million dollars would normally be subtracted from the value of the selling product to achieve a stumpage value. But when you have to double that and take a million dollars off of it, you might be taking off most of the value of the trees, and the government ends up with a very low stumpage value, that a half a million dollars in excess is charged up to the timber sale program even though some other program benefits.

In the case that I have stated in my written testimony here, we had a road that was built for about $350,000 a mile and could have been built for about $130, $140,000 a mile. And it was not for timber purposes. That excess was for recreational purposes. The difference was charged up to timber.

The other—that leads to the conclusion that the Federal Government is losing money. The state would not have to lose that money, if the state were not tied to these illogical ways of putting up timber for sale.

And, of course, the other thing is, the great cost of the Environmental Impact Statements and the excessive paperwork that goes into them in order to produce a document that, hopefully, will pass muster, and yet it never does as far as the environmentalists are concerned. It is always challenged. And if the state took over the system, it could handle it a whole lot more efficiently by cutting out some of the means of—the legal means of simply stall and delay.

The state is very qualified to handle this program. The state now oversees about 400 million board feet of private harvest per year in Southeast with a staff of seven foresters and, I think, maybe three part-time people and two clerical people. Compare that with

what the Forest Service is able to do as far as their personnel and the amount of timber they put up. The state can do it, the state can make money, and the state does not have to be involved in any environmental degradation to do it.

I have one suggestion. I echo Lonnie Haughton's concern about item 6(b), which has to do with the land use designations ending automatically after a year. I would suggest that those land use designations stay in place indefinitely after the transfer to the state until such time as the state takes positive action to address the individual land use designation, either adopts them, changes them altogether, modifies them, whatever the state feels like doing, so that in that period there will not be an uncertainty as to what that land should be doing.

The process of creating that vast network of land use designation areas was too complex to try to redo, or even review, in one year. I think that you could do that transition more smoothly with that change.

[The statement of Mr. Muench may be found at end of hearing.]

The CHAIRMAN. Thank you, Eric. And, again, this is what you call constructive testimony. It is a good idea.

We started out with the bill with an idea about a philosophy about where we are going as a nation, about centralization and control of land, and we are going to pursue that. I naturally picked the Tongass as the most controversial area in the whole United States, though there are other states with the same problem.

You brought out something, Eric, that a lot of even Alaskans do not understand. Yes, we have 104 million acres of land, and when we finally get title to it, we will have about—68 percent will be controlled by the Federal Government. But down here, if anything, you have got less land, but it is still 98 percent federally controlled. The reason why is under the Constitution ratified by this Congress and by the state of Alaska's people as they voted, was, in fact, lands that were held in reserve at the time of the passage of the act could not be selected.

What we are really doing, this is a new statehood act for those in Southeast Alaska. And the intent at that time was we did not, in fact, have the opportunity, nor the moneys, to take lands in Southeast and manage them correctly. In fact, we were told when we became a state that we would have access to and multiple-use concept would be in place. So there really was no need. But times have changed, so I deeply appreciate that comment about the history of this total program in Alaska in the land selection process.

One of the things that I am interested in that all of you—these are multiple questions. You, in your own mind, with additions, think that you can best—the state could better manage these lands than what is occurring right now?

Ms. LIETZ. Definitely.

The CHAIRMAN. There is no objection to that?

Have you seen—I have asked this question before, Lonnie, but the effect of the decisions made by agencies, because you mentioned ESA singing to the choir, the ESA and the actions of the Forest Service as they are directed from Washington, D.C., is going to hurt all aspects of the economy in Southeast Alaska. You can refer back—why did you think the ESA should be changed?

Mr. HAUGHTON. Well, sir, it is clear that—it is clear to me it is unfixable. We would all be far better off just killing it dead and just starting over again.

I believe we need something like it for various situations across the United States, but the—once a system like this is in place, you build up these vast bureaucracies that have their own agendas that then can use this weapon to further those agendas. And there is no way that you can argue back when the National Marine Fisheries Service down in Seattle, to solve an allocation dispute around the Pacific Salmon Treaty, uses the Endangered Species Act as the weapon to force through their allocation solution. You find that you cannot fight it because they say, oh, this is the environment, this is ESA, this is not an allocation thing, this is an environmental thing.

The Endangered Species Act has achieved a religious aspect about it, where you do not dare stand up and question it without being seen as a Attila the Hun, perhaps, a pillaging heretic.

With the Endangered Species Act, to recapitulate, I urge, and I—certainly, there is plenty of fishing organizations that do not agree with the Ketchikan Trollers Committee, but the leader of the Trollers Committee would say kill it and start over.

The CHAIRMAN. I appreciate that, because the idea of state management—this is one of my second priorities, is the Endangered Species Act, because it has been so badly misused. You are classically right about the poor remaining sockeye salmon on the Columbia River and the effect on the Alaskan fishery, which does not make sense, and yet that is what they are going to try to implement.

Just out of—I will ask a couple more questions. Just to give you an idea, if, in fact, we had followed through—you were all here for 1990, were you not, the Tongass Reform Act? You all thought that that was the end of this battle, right, or did you? You did not think so, Kathi, did you?

Ms. LIETZ. No, I did not.

The CHAIRMAN. OK. I did not, either. I urged the President to veto that bill, and he signed it.

To give you an idea where I fit in, I get very frustrated, and let me go back to a statement we heard from the gentleman from Juneau for SEACC. Let me read some statements that were made at the end of that.

"I think it is important to state that H.R. 987 does not mean a loss of Tongass timber jobs," K.J. Metcalf, SEACC. "No existing Tongass-dependent timber jobs will be lost under this comprehensive legislation," K.J. Metcalf, SEACC. "I do not feel that our position is antilogging, that logging is bad. We are trying to get a prudent management system," Southeast Seiners Association. I always loved this one over here. It says, "The timber will still be available for jobs." That was Representative Miller, former Chairman. "I am very much aware it is very easy to roll over the Representative of Alaska because it is a throw-away vote for everybody else in the Lower 48. This is not about closing the mills. This is not about locking up the timber so they cannot have it. This is simply saying we ought to engage in modern practices." That was, again, George Miller.

God, I love being Chairman.

"The timber will be there. There will almost be double the amounts to be cut," et cetera, et cetera.

It was my feeling at that time, although I was very suspicious—I thought we had reached a solution to this problem. In fact, if the Administration and the Forest Service had implemented the laws passed in the Tongass Reform Act, we probably would not be having this hearing.

I mean, do you agree or disagree with that opening statement? I mean, to me, what is happening is, that the interest groups that go beyond what was intended in 1990 have now tried to undo through the Endangered Species Act with the goshawk and the wolf just being applied to the areas that are multiple use areas. They did not apply that same principle to the areas that we set aside in two acts, in 1980 and 1990. They have not applied that.

And I can go on and talk all day long. I am just—I want you to work with us on this legislation. I am sure you will.

And contrary to what some people have said, I plan on pursuing this bill. It has given me another cause. I had one cause, and we hope to accomplish that very nearly, and that is the opening of ANWR. The second cause is, we are going to get stability back into the management and, in fact, the ownership of the Tongass, where it should reside, and that is with the people of this state and not with somebody back in Washington, D.C.

This is bigger than Alaska, by the way. There is much of what you say that applies to all the other Western states. And, Ed, I will have a suggestion in telling you that I still have a little more faith in the state legislative body and, yes, in the Governor, too. As Jack Phelps said, I do not believe this sort of, well, we will just let it slide attitude would continue if there was a direct result. Right now, the state can blame the Forest Service.

Mr. FISHER. No question about it.

The CHAIRMAN. And I do not think--when you finally cut out the middleman and you have to be responsible, there is a better result.

Any other comments before I ask you to be dismissed? Yes, Eric.

Mr. MUENCH. It is real pleasant being able to talk with the House Resources Committee, and I thank you for being here, but I also have to comment that it is very rare.

As you pointed out, the Committee has not been here in 19 years. And just down the hill here, on Front Street, we have a Legislative Information Office, and they teleconference committee meetings of the State Legislature. And we can go down there 19 times a year, if we want to.

I think that is an illustration of the greater influence we have at the state level than at the Washington level.

The CHAIRMAN. And without throwing stones, but there has been a disproportional amount of power in Washington, D.C. against—and, again, it was a throw-away vote. And, unfortunately, that has affected all Alaskans.

It is no longer a throw-away vote. We have the ability as the Alaskan Delegation now to change the direction. It is hard for us to undo, I would say, many years of malfeasance.

Which reminds me, after we get through a lot of legislation, we are going to have many oversight hearings of all the agencies and

the regulatory reforms they put in place, regulatory laws, that went beyond the intent of the law. But Congress, because they were doing it and they liked what they were doing, never even had oversight. And I think we ought to, and we shall, have an accounting of every agency we are dealing with to make sure that the laws of the land are being followed, not just the laws of the philosophies of an agency that is not elected. And this is something I am very excited about.

You had something to say, Kathi.

Ms. LIETZ. Yes. I was just going to say that I really wholeheartedly support this bill, but I really fear, particularly after the events of the past week or so, that it may be too little, too late.

Mr. Seley is now in an indefinite shutdown, Frank Age of Wrangell has shut down, Dahlstroms only have a certain amount of wood ahead of them. And we discovered, through a series of processes at my employment, we have about two weeks' worth of logs ahead of us. One of the other mills out there has about four weeks'. Beyond that point, there is nothing in sight because of the tie-up of the lawsuit, we have constant appeals. And it is just boggling in my mind that all it takes to hold up a timber sale is a pencil, a piece of paper, and a 32 cent stamp. And regardless of whether that appeal is frivolous or unnecessary, it is going to hold it up for 60 days. And at that point, how many people are going to be out of work?

The CHAIRMAN. You know, Kathi, let me inform you that the Commission on the goshawk came from New Mexico, did not come from Alaska, two people, and the Forest Service followed through with it. And by law they said they had to. That law should be change. That is the Endangered Species Act itself.

Ms. LIETZ. Yes.

The CHAIRMAN. I would suggest another thing.

Senator Stevens has been working very hard to get the appropriation bill. As you know, this President has vetoed it. And all we are doing is implementing the 1990 Act, which was supported by George Miller and all the other conservation groups. And he vetoed it, saying, well, we are going to cut down the last remaining rain forest. I doubt if the President would know a rain forest from a street corner. But the truth of the matter is, that is what we are up against. And the Senator is going to try to do it again, and they are going to try to vote it down again, and eventually we will make it so uncomfortable he will sign that bill. That is the only quick solution we have.

One of the things that—I am talking too much here, but one of the intents of certain groups is to break down the infrastructure so no more investment can be made. Once you lose—I just went through Northern California. Forty-seven mills have been shut down there in three years. They will never come back, because no one—because they do not have a steady supply of timber, they will not reinvest.

And this is why the intent here is to balance out the multiple-use concept, the multiple use, and let the people of Alaska make that decision. And I hope that will occur.

I want to thank the panel for their testimony, and thank you for allowing me to bring you here today. And we have two more pan-

els, and I am going to have a three-minute recess, and we will be finished up here.

[Recess.]

The CHAIRMAN. If we can, if you want to take your seats, please, do so.

As an old ex-school teacher, I am keeping an account of who remains and then who is eating lunch. I will find out who is the dedicated souls on both sides.

We have Panel Seven: Mr. Loescher from Sealaska, accompanied by Ray Roberts; Mr. Martinez, "Cisco", from Cape Fox, and Jack Booth, the Mayor, Council of Annette Islands.

It is my inclination I am going to let Mr. Roberts, I believe, go first, if that is in agreement with everybody. Mr. Roberts, you are up.

STATEMENT OF RAY ROBERTS, SOUTHEAST ALASKA ANCSA LANDS ACQUISITION COALITION

Mr. ROBERTS. Congressman Young, welcome to Ketchikan. Good day to you.

My name is Ray Roberts. I am Chairman of the Board of Southeast Alaska ANCSA Lands Acquisition Coalition, better known as SAALAC, the Alaska Native organization formed to redress the wrong that resulted from the failure to permit five communities to form local corporations under the Alaska Native Claims Settlement Act. The landless appreciate the Committee's having scheduled this important hearing on H.R. 2413 and having invited us to testify. Particularly, we want to thank Congressman Young for addressing landless issues in this bill.

I have brought with me today a copy of a 1994 study of the landless issues that were directed by Congress and commissioned by the United States Department of Agriculture and Interior. The study is aimed, in part, at figuring out why the five landless communities, Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, were treated differently by ANCSA. The study found that the five communities do not differ significantly from the communities that were permitted to form village and urban corporations under ANCSA. The study supports recognition.

The authors found that the five communities are substantially similar to the villages that were able to form local corporations under ANCSA. For example, they have similarly sized Native populations and approximately the same percentages of enrolled shareholders that lived in the five communities in 1971. All of the landless communities were involved in advocating settlement of the aboriginal claims. Further, the study found that nothing in the law or legislative history stands in the way of Congress' exercising its broad settlement authority by recognizing these communities.

I ask this Committee to enter the executive summary of this study, entitled "A Study of Five Southeast Alaska Communities," in the record of this hearing.

The CHAIRMAN. Without objection, so ordered.

Mr. ROBERTS. I submit a copy of the full study for the Committee's reference as well.

When ANCSA was enacted in 1971, Alaska Natives enrolled through the Bureau of Indian Affairs in regions and communities

where they had historical family ties. The Natives of Southeast Alaska, as a rule, enrolled to Sealaska Corporation as their regional corporation. Approximately 22 percent, or 3,422 Natives, enrolled to communities in Southeast Alaska that were inadvertently prevented from incorporating as village or urban corporations. The landless included 1,862 Natives from Ketchikan, 321 from Haines, 428 from Petersburg, 64 from Tenakee, and 747 from Wrangell. These numbers include only the original landless; they do not include Natives who did not enroll to any Native corporation or the descendants of original landless.

To turn my attention to the specifics of H.R. 2413, I do have a few comments on Section 6(e), the portion of the bill that primarily concerns the landless. This section contemplates that the five landless communities will each receive up to 46,080 acres of land. So SAALAC appreciates this guidance for addressing settlement of the landless claims. This figure is also in line with the acreage the landless have in mind, but we are not yet prepared to nominate specific land areas. Each landless community has been working to identify the acreage and will offer its recommendation both to the Tongass Land Management Plan team and to Congress in the near future. We ask that the Committee keep the record of this hearing open for some time to permit the landless the opportunity to advance some legislative concepts and to identify land for conveyance.

While we certainly appreciate the recognition given to landless by including them in this bill, it may be that all concerned will eventually determine that the landless issue is best dealt with through a separate bill.

Redressing the injustice of the inadvertent exclusion of these five communities is an Alaska Native claims matter and unfinished business of ANCSA. The land claims settlement came about and remains under Congress' plenary authority; it is not an area for state government or even the Federal administration. Alaska Natives' relationship is with Congress, and the landless communities wish to preserve that relationship. Therefore, the bill's requirement that the State of Alaska negotiate with the landless is, in our mind, inappropriate.

The Section 6(e) list of purposes for the land to be conveyed to the landless satisfies SAALAC's interests in the land claims settlement.

This bill imposes on landless communities a ban on exporting unprocessed timber. This restriction has never applied to any other Alaska Native corporation and causes SAALAC some concern. Because the landless communities will receive their land 25 years after all the other Native corporations have taken their selections, and due to Federal land withdrawals in the Tongass Forest for conservation purposes, the amount of land available for nomination and conveyance is greatly reduced. As the amount of available timber diminishes over time, a requirement of primary manufacture in the state could reduce the economic value of the settlement to these new Native corporations and their shareholders. We will want to discuss a proposal either to delete or to significantly modify this requirement as specific legislation is developed.

H.R. 2413 provides that the transfer of land to the landless communities will follow the model of the ANCSA land transfers; with-

drawal, selection, and conveyance. The landless communities intend to advance their land nominations for conveyance by Congress directly through legislation. To this end, as I mentioned earlier, the landless are now preparing to pinpoint the acreage to be conveyed. The process of land selection set out in the current bill is not in the best interest of the landless, and we will ask for modification of the approach to provide for statutory conveyance.

In conclusion, we appreciate the opportunity to address the Committee about the concerns of the landless Natives, particularly as they relate to H.R. 2413. I thank you for your attention to this matter that is so important to so many of us in Southeastern Alaska and reiterate my request that the hearing record remain open for some period to permit the landless communities to identify land selections and to advance proposals for amending the legislation.

Thank you.

[The Executive Summary of study mentioned may be found at end of hearing.]

The CHAIRMAN. Thank you, Ray.

Mr. Loescher, do you have anything to add to that?

Mr. LOESCHER. Yes, Mr. Chairman, I have a short statement.

The CHAIRMAN. Go ahead.

STATEMENT OF BOB LOESCHER, SEALASKA, JUNEAU, ALASKA

Mr. LOESCHER. My name is Robert Loescher. I am the Executive Vice President for Natural Resources of Sealaska Corporation, the Native Regional Corporation for Southeast Alaska. We would like to thank you, Congressman Young, for holding this hearing to discuss the Tongass Forest and specifically H.R. 2413, a bill that could have tremendous impact not only on the timber industry but on all users of the forest, including Native interests.

We applaud Congressman Young's effort to devise a creative solution to the problems of Tongass management. If this effort is to give Alaskans who live in the forest a greater opportunity for a say in the future management and use of the forest, as opposed to the larger say we have experienced to date by people far away in Washington, D.C., San Francisco, and elsewhere, I say it is long overdue and much appreciated. But we do wonder, rhetorically, is a transfer of a Federal asset, the Tongass Forest, to the State of Alaska realistic; is this a longer-term initiative, several years out, if at all; is the State of Alaska capable or committed to assuming the ownership and management of the Tongass Forest?

Sealaska is quite concerned about the direction that the management of the Tongass has been taking. Its interests lie more in current issues in the Tongass than in the longer-term questions addressed here.

It is critical that the Tongass Land Management Plan be completed. The delay has created hardship for all users of the forest. TLMP is the business management plan for the Tongass Forest. Until the Forest Service has an agreement with the public and Congress on TLMP, the Forest Service probably has incomplete authority to manage the Tongass and to allocate its resources. Once the Forest Service has finally completed its process and a final-final report, Sealaska urges that this Committee hold an oversight hearing on TLMP.

A key concern for Sealaska is timber supply. We are quite concerned about the supply for current operations, because we believe that there is not enough timber for the SBA operators and for Ketchikan Pulp Corporation under its long-term contract. In the short-term, over the next several months, we expect that the public forest will not produce enough timber. This shortage will cause mill closures, with the resulting loss of jobs, and will be a further blow to the economy of Southeast Alaska.

Sealaska is also vitally concerned about pending issues of management, litigation, and planning that relate to the Tongass. These include such matters as habitat conservation areas to sustain viable populations, riparian management, and endangered species concerns. Our opinion is that most of these issues have been politicized, even to some degree within the technical and scientific community. Although these matters are of real concern, we do not support conclusions affecting management and the use of the forest resources that are not based on science and that have not been subject to an open process that allows diverse scrutiny and provides perspective to the relative importance of these issues. Through rank speculation, various constituencies elevate each of these otherwise marginal issues to critical status and demand radical management actions to sustain viable populations. The consequence of this failure to discriminate appropriately is an overreaching and reactive management of the forest.

The bill addresses the issue of the long-term Federal timber contracts in the Tongass, particularly the Alaska Pulp Corporation contract. The Ketchikan Pulp Corporation contract, of course, is similar to APC's. We question whether it is realistic to revive the APC contract as contemplated by Section 5(c). APC has not been a going concern for some time. Sealaska does not support reinstatement of APC's contract, nor does it support an extension of that or any other long-term contract in the forest. It is our belief that the timber industry in Southeast Alaska must be continued and redeveloped from this point on a free-market and competitive basis. Capital investment and timber supply issues should be driven by private sector initiatives.

As a Native corporation, Sealaska is concerned about two issues that may well get caught up in the proposed transfer of the Tongass to the state. One is subsistence, a matter that remains unresolved. Although the bill requires the state's compliance with Title 8 of ANILCA, we worry that this legislation could, in time, abbreviate the commitment to compliance.

We ask for a modification of this legislation to exclude subsistence, keeping it a matter of Federal concern until the state is fully in compliance.

Second, Sealaska is concerned about the bill's plan for one-fifth of its shareholders who are landless Natives. The Alaska Land Claims Settlement Act is an outgrowth of the Natives' relationship with Congress, not with the state, and not even with the Federal administration. Redressing the injustice done to the five communities of landless Natives is unfinished business of ANCSA and a matter for Congress to resolve.

Sealaska endorses recognition of these five landless communities and asks Congress to certify their right to a land settlement. Their

recognition of these communities is vital. We urge Congress to continue to use its flexibility and creativity in fashioning the appropriate consideration for this settlement, as it has done in other settlements under ANCSA. We would support a move to separate the landless legislative remedy from this bill, and we would like to see a land settlement for the communities of Ketchikan, Wrangell, Petersburg, Tenakee, and Haines make it through this session of Congress.

That said, Congressman, we are heartened to have the landless issue before Congress and are pleased to have this opportunity to discuss it here. And we welcome you, again, back to Southeast Alaska.

The CHAIRMAN. Thank you, Bob, and we will discuss this a little later on. But we have been communicating with you constantly on the issues that you brought up.

Cisco?

STATEMENT OF THOMAS "CISCO" MARTINEZ, CHAIRMAN, CAPE FOX CORPORATION, KETCHIKAN, ALASKA

Mr. MARTINEZ. My name is Thomas Martinez, Cisco. I am with the Cape Fox Corporation. I want to thank Don Young for his long-term support of Native corporations and Alaska Natives.

Cape Fox Corporation is a local Village corporation. Cape Fox is completely invested in the local community: Cape Fox Hotel, Cape Fox Tours, Ketchikan Title, and our timber operation.

Cape Fox Corporation is directly tied and affected by the local economy. Cape Fox Corporation supports all efforts to stabilize the local economy, especially with the timber industry, and believe that H.R. 2413 will accomplish this and, therefore, support it.

Cape Fox has a corporate resolution in support of the landless Natives and, therefore, supports the section of H.R. 2413 addressing this issue.

I want to thank you, Mr. Young, for coming.

The CHAIRMAN. Thank you.

Mr. Mayor?

STATEMENT OF JACK L. BOOTH, SR., MAYOR, COUNCIL ANNETTE ISLANDS RESERVE, METLAKATLA, ALASKA

Mr. BOOTH. Congressman Young, Members of the Committee, my name is Jack Booth, Sr., Mayor of Metlakatla.

On behalf of the Metlakatla Native Community, I am here to express support for H.R. 2413 and to thank the Congressman for recognizing that something must be done for the timber-dependent communities in Southeast Alaska. We are for sound environmental policy, and, also, we are for jobs, people, and families as well. We applaud this effort to seek a new avenue of stability for our economy.

Our community is a federally recognized Indian Tribe of about 2,000 people, with an unemployment rate over 50 percent. Our economy was based primarily on Federal programs, fishing, and the sale of tribal timber. Due to Federal budget cuts and problems in the fishing industry, we are now a timber-dependent community.

We successfully established the Small Business Administration timber sale purchase program and started a small sawmill to pro-

vide jobs and revenue. It provides between 20 and 40 jobs. We also depend on the lease of our big mill to KPC for additional jobs and revenue. So we have become timber dependent, but our new economic program is now threatened by lack of timber. To survive, we know we must become a greater participant in development of the policies that shape how the forest is managed. That is why we support H.R. 2413.

We believe Alaskans can solve the timber-supply problem without permanent harm to the environment. This is a chance for Alaskans to let the Nation know that we believe Alaskans can take charge to solve its problems.

We have only one suggestion to the language of the bill at this time. We note the provision that will require distribution of 25 percent of the timber receipts to municipalities and local governments does not make clear that the term includes the Metlakatla Indian Community. We will suggest specific language to clarify this.

In conclusion, Mr. Chairman, let me say, again, how much the people of Metlakatla appreciate your efforts on their behalf.

[The statement of Mr. Booth may be found at end of hearing.]

The CHAIRMAN. Thank you, Jack. I want to thank the panel. You offered some good suggestions.

I guess, in short, we are talking about the landless issue. We have been working on it a long time. I am basically waiting for some recommendations so we can move forward and solve that problem. If that takes place, that will be in the finalization of this bill. We had to recognize that thought in the legislation.

I can assure all of you that we are very much aware of those issues. We communicate regularly as we draw this legislation closer to finalization. And we will need your input.

It was an oversight. Metlakatla is part of it. I appreciate your stand, Mr. Mayor. That is one community I usually go to during the period of time of every two years, and I will try to be there sometime this year.

I want to thank the panel and thank you for your presentation.

Bob, I tried to talk to the Governor on this bill. Have you talked to the Governor at all?

Mr. LOESCHER. Mr. Chairman, yes.

When your bill was announced in November, the Governor did ask me about the bill. And at that time, I suggested to him that he ought to keep an open mind and see how it goes as the bill develops in public hearing.

I have had a chance, you know, to work with the Governor this last year on his Natural Resources Transition Team and the Long-Range Financial Planning Commission and then his Market Alaska Initiatives, which include timber, and just recently, he appointed me to the Alaska Industrial Development Export Authority Board.

And I find the Governor very sensitive to jobs and family. It is not just rhetoric. It is a true initiative on his part.

In a meeting with the Alaska Forestry Association in the Governor's conference room about three weeks ago, he did express to the industry his frustration, and he is perplexed by the lack of a solution to Tongass issues, and somewhat as you have in your opening remarks to the hearing this morning.

I believe that the Governor will give a thoughtful response, but, you know, realizing revenues of the state, the expenses, the structure of the state being incapable of taking on this task, and the underlying philosophy of why the state would assume such a vast undertaking of the Tongass Forest, I think he will come back with a thoughtful response. And we have counseled—I have counseled, at least from what little access I have, this kind of a direction.

The CHAIRMAN. The second thing, Bob, if I can ask you, you have heard about the APC contract, long-term contract, how would you envision, though, without some long-term contracts being in place, a steady supply of timber so we can keep the infrastructure in place?

One of the problems—the gentleman from the pulp mill mentioned the fact that only eight years are left on one contract, and the decision to make investments of considerable amount to the mill are a real question when there is no guarantee of supply. How can we address that issue? How can I address it in this bill?

Mr. LOESCHER. Mr. Chairman, I am personally aware of the environmental investments and initiatives that KPC must make, and there is an initiative that they want to link that to an extension in their contract. And it is understandable.

There are some of us, though, in the industry who believe that we are in a transition point in the industry and that issues regarding timber supply and future capital investment in the forest should be driven by private industry, not the government. And the issue of determination of the Ketchikan Pulp contract in the year 2004, and if it goes forward, we believe that KPC can go forward on the independent forest management basis that the Forest Service operates across the country and with the SBA timber initiatives. Along with the state's wood basket and private industry wood basket, I think that they will be able to continue.

But we really would like to believe that the franchise that they have is not healthy, the terms of the contract they have, the fact that they have to be restricted to just the dissolving pulp and sawmilling, it could be that the contract needs to be changed. And whether the contract expires or is renegotiated to be extended with changes, and whatnot, we think it might be better public policy to take a harder look at some of this.

The CHAIRMAN. Bob, do not you believe, though, if the state managed the Tongass, they could set up long-term contracts and apply them to whoever would like to do so? Do you think that could be done? Do you not think there has to be a long-term contract if you are going to have a pulp mill?

Mr. LOESCHER. Mr. Chairman, there are two ways to look at it. One is through TLMP.

This lengthy debate about the level of timber supply is difficult. If the public, through TLMP and through Congressional oversight, can find a number of volume of timber that they are willing to put up on a consistent basis over time, the industry will build itself around that volume and volume from other sources.

The CHAIRMAN. The trouble is, we found that number 15 times.

Mr. LOESCHER. Yes, sir. That is a problem.

The CHAIRMAN. And every time we find it, someone says, well, that is not enough, it is too much. And it is a constant battle.

My interest, too, in this legislation, and I know some of you will say I told you so, is the fact no one reconsiders the amounts of timber, and old growth habitat, and wildlife habitat that has been set aside already. That is never put in the equation.

We are not managing the Tongass anymore. We are managing about a million hundred thousand acres. The rest of it is not managed. There is no management in the acreage we set aside in 1980 and 1990.

I go back to it, 1,822,000 acres was set aside in 1990, 22 areas, but there is no management in those areas. So when we talk about managing the Tongass, we are talking about a very small body of land. I think if the state controlled it, it would be a different concept.

I know there are some objections with the suggestion about LUD II's and that area. There is a possibility that the state could come back with a plan. Somewhere along the line, we have got to look at this total package for management. We just cannot talk about what little remaining timber we have left.

I want to thank the panel, and appreciate you being here, and Bob Loescher for flying down, and the Mayor from Metlakatla. Thank you.

I would like to bring up the last panel, the Forest Service supervisors. I can suggest we have—I know about what they are going to say and they know everything I am going to say. Brad Powell, you are going to say it. Yesterday you did not.

Mr. POWELL. That is right.

The CHAIRMAN. We will go through the same system, if it is all right.

Mr. POWELL. All right.

The CHAIRMAN. I think you fared better today than you did yesterday. So welcome again to the panel, glad to have you here.

Mr. POWELL. I am glad to be here. And I know we will be a popular panel, since we are last. That is always a good place to be.

The CHAIRMAN. You know you have dedicated people.

Mr. Powell, you are up.

STATEMENT OF BRAD POWELL, ABIGAIL KIMBEL, AND GARY MORRISON, TONGASS NATIONAL FOREST SUPERVISORS; FRED WALK, DIRECTOR OF TIMBER MANAGEMENT, U.S. FOREST SERVICE, ALASKA; AND BOB MAYNARD, USDA, OFFICE OF GENERAL COUNSEL

Mr. POWELL. Mr. Chairman, I am pleased to have the opportunity to appear before you today to discuss the management of the Tongass National Forest and present the Administration views on H.R. 2413. Our testimony was presented in Wrangell yesterday, and I will summarize it today.

With me are Abigail Kimbel, Forest Supervisor of the Stikine area, and Gary Morrison, Supervisor of the Chatham.

The Department of Agriculture strongly opposes enactment of H.R. 2413.

For over 100 years, public lands have been a source of the goods and services that supply local and regional economic growth and diversity.

The National Forest System, covering more than 191 million acres, is an important part of these public lands.

By and large, Forest Service stewardship of this resource has been a success. Through multiple use management, a concept that balances environmental health with human needs, the National Forests have provided substantial economic benefits to surrounding communities.

We recognize that some people disagree with certain aspects of current management efforts. For example, some people believe that we cut too much timber and some not enough. We are dealing with these perceptions. We urge you not to pursue a policy that would lead to the dismemberment of the National Forest System, but, instead, recognize that conflict and controversy are inherent parts of natural resource management.

The communities of the region need assurance of stable supplies of all the goods and services produced by the Tongass. H.R. 2413 would undo the long-established working relationship the Forest Service has developed with the State of Alaska, local governments, and Alaska Natives.

This bill would also change the flow of economic benefits that Forest Service programs have created for the 33 communities and local governments within the Tongass. The Forest Service shares 25 percent of all revenues from timber sales and other activities on the National Forests. In 1995, this amounted to 7.6 million dollars. Of this total, Ketchikan received $337,000. These revenues are a key component of local government finances.

While the Forest Service is proud of all we have accomplished over the past 90 years, we do not pretend for a moment that everything is perfect. We acknowledge that competing uses have dramatically increased the debate surrounding Federal lands. These conflicting needs and philosophies are perhaps more keenly felt here in Alaska than anywhere in the country.

There are many things that we can do to improve our relationships with the public and the management of the resources in the coming years.

A few key examples are: First, a commitment to a sustainable timber supply.

Of utmost concern to the Forest Service is establishing a sustainable timber supply upon which industry can rely. We intend to offer 116 million board feet under the independent timber supply program in 1996.

The Forest Service is committed to meet the Ketchikan Pulp Company obligation. In fiscal year 1996, the Forest Service intends to offer 205 million board feet under the terms of the long-term contract.

Secondly, the better relationships with Alaska Natives.

Tongass management affects a broad spectrum of interests of Alaska Natives, ranging from subsistence uses of forest resources to access to the land held by Alaska Native corporations.

And, finally, a better job of listening to the people.

Our first Chief, Gifford Pinchot, gave us the following advice: "National Forests exist today because the people want them. To make them accomplish the most good the people themselves must make clear how they want them run."

We still think that is good advice. We intend to increase our efforts at listening to people to make sure we understand how the people want the Tongass run.

We have been working to revise the Tongass Land Management Plan. We expect that the draft revision of the land management plan will be available for full public review and comment by the end of March of this year.

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and the more than 90 years of resource stewardship by the Forest Service and the relationships that we have built with our neighbors, our partners, our customers, and our owners.

The Forest Service has managed the Tongass with public input. We recognize that improvements can be made in our management practices. We are working diligently to make those improvements.

We have enjoyed hearing from all the panels of witnesses here today, and in working with you, Mr. Chairman, to enhance the uses and management of the resources of the Tongass National Forest.

That concludes my statement, Mr. Chairman. We would be happy to answer any questions you might have.

[The statement of Phil Janik may be found at end of hearing.]

The CHAIRMAN. Thank you.

I want to—you made the comment you are going to put 116 million board feet up this year for small business and 205 million board feet up for the mill. That is 321 million board feet.

How many feet did you put up this year?

Mr. POWELL. Last year?

The CHAIRMAN. Yes.

Mr. POWELL. I believe last year's——

Mr. WALK. Two twenty-four.

Mr. POWELL. Two twenty-four?

Let me ask Fred Walk, if I might, of our staff, what the number was for last year.

Mr. WALK. Mr. Chairman, I am not sure I heard the question.

The CHAIRMAN. Well, the question was—there was a comment made, 321 million board feet. We heard this, I think, last year, the same figure.

We put up how much last year? 224?

Mr. WALK. We offered 327 million last year, as part of our program.

The CHAIRMAN. But what I am saying, when you offered—the sales, were they actually offered, or was that on paper?

Mr. WALK. They were offered. And then some became enjoined, and they were not——

The CHAIRMAN. You mean, suits against them?

Mr. WALK. Yes, sir.

The CHAIRMAN. Do you have anything in your plan?

You see, what happens is, you are caught in between, you know, the ones that do not want any timbering at all and, of course, those that believe they have to maintain a steady sustainable yield. Have you got any alternative plans when you put up sales and there are lawsuits against those sales to have immediate sales in other areas to make up for the total footage?

If you tell me 321 million board feet, if I have 321 million board feet, that would be very, very, very attractive. But if you do not have 321 million board feet and Mr. Seley's mill is being shut down, and the Ketchikan mill is being shut down, and the Wrangell mill is shut down, paper does not mean much.

Mr. POWELL. The 321 million is the total that we have got prepared to put up this year. If any are litigated, or enjoined, or appealed in any way, that will be reduced.

The CHAIRMAN. Can you come up with an alternative plan to reach the 321 million?

Mr. POWELL. We do not have the ability this year to supplement with any additional volume for that 321 because of the time that it takes to prepare those offerings and those sales.

The CHAIRMAN. What happened to Stevens' pipeline deal timber pull-through?

Mr. POWELL. If you do not mind, again, I would ask Fred Walk, who has had extensive experience dealing with those kind of things.

The CHAIRMAN. Fred, why do not you just get up here. I mean, you flew down on the airplane with me. Why do not you get up here, seriously. There is a chair over here. Because if they are going to keep referring to you, it gets kind of embarrassing for my neck.

Ms. KIMBEL. This is Fred Walk, the Director of Timber Management for the Alaska Region.

The CHAIRMAN. What happend to the timber pipeline we were talking about so there would be a flow of timber going through the process?

Mr. WALK. Mr. Chairman, some of that timber is being prepared, as we speak, through the environmental process, and those Environmental Impact Statements are supporting some of the planned timber sale program that we are offering this fiscal year as well as some last fiscal year.

There were approximately one billion board feet of timber sales that were originally identified and going through the environmental processes. And those timber sales are coming on line now and will be offered and go through the process.

The CHAIRMAN. The reason I am asking, there is supposed to be a three-year supply of timber available. We are never supposed to be caught in the position we are right now.

I do not want to—just for the record, again, I want to go back to what I said before. How many Forest Service employees did we have in 1990?

Mr. POWELL. Let me get that information for you.

You are speaking just on the Tongass, right?

The CHAIRMAN. Right.

Mr. POWELL. In 1990, I show 812 employees.

The CHAIRMAN. How many board feet did we have put up for sale that year that were sold?

Mr. POWELL. I show in 1990 that we sold and released 313.

The CHAIRMAN. How many employees do we have today?

Mr. POWELL. Today we have—in 1996, I show 879 employees.

The CHAIRMAN. And how much timber did we sell last year?

Mr. POWELL. The 261 is the figure. I think that was the 1994 figure we had in the chart.

The figure you just gave, Fred, for 1995 was what?

Mr. WALK. A total of 327 million.

The CHAIRMAN. What I am leading up to here is that, hopefully—again, I told you this yesterday, I know you are caught in a box. You have got—Jack Ward Thomas does not want to cut another tree. He is your boss. But, hopefully, that we are able to come up with an alternative proposal, so that we do not have—again, we shut down much more, there will not be any investment availability. You can have 200 million board feet up, and there will not be anyplace for it to go. Even 116 million board feet, I am hearing from the small business timbermen, they are not getting it through the pipeline, too.

Where is the logjam occurring. Is it, like Dr. Leal said, just pure paperwork?

Mr. POWELL. What is called NEPA, the Environmental Impact Statements, is a very complex process. That has taken approximately two years to complete on most of our timber sales. And then some of those sales are either appealed or litigated, which can extend that timeframe.

The CHAIRMAN. So we ought to be maybe addressing those issues, and streamline the NEPA process, and precluding frivolous lawsuits that occur over, and over, and over?

Mr. POWELL. I would not suggest that to you, but I would tell you that is where a lot of the time is expended.

The CHAIRMAN. One thing, Brad, in your testimony you talk about a working relationship, better relationship, good relationship. Twenty years ago, this hearing would not be taking place.

Just out of curiosity, what about the enforcement citation for cabin usage that was issued a couple weeks, three weeks ago? Does the law enforcement officer report directly to you, or who does he report to?

Mr. POWELL. He does not report directly to me. He reports to our special agent in Juneau.

The CHAIRMAN. In Juneau? And does—and then they report to the Regional Forester?

Mr. POWELL. That agent reports to a special agent in Washington.

The CHAIRMAN. So you do not have a whole lot to do with it? I mean, you or Phil Janik do not? It goes from a separate branch of the agency that enforces all the way through? You really were out of the loop?

Mr. POWELL. I would not say I am out of the loop.

Supervision is clearly as I just described it. The policies and the regulations that they enforce are developed by the Forest Supervisors and the Regional Forester.

The CHAIRMAN. You do not have anything to do with those cabins?

Mr. POWELL. We manage the cabins.

The CHAIRMAN. Yet they are the ones that enforce the——

Mr. POWELL. They enforce the policies that we enact.

The CHAIRMAN. Did you know he was in the field?

Mr. POWELL. I did not know that that particular law enforcement officer was out that day.

The CHAIRMAN. Was he with you or your agency flying or chartering or using another agency's airplane?

Mr. POWELL. The day of the cabin that you describe, he was actually—he was on a boat, as I recollect, that day with the Coast Guard.

The CHAIRMAN. Oh, the Coast Guard? Now, is the Coast Guard part of your team, or is that something separate?

Mr. POWELL. Again, that just was a cooperative Federal agency.

The CHAIRMAN. Well, the Coast Guard is also under my Committee, and I will have an oversight hearing on the Coast Guard.

At least they can identify me—or notify me what they were doing. I was unaware of what they had been doing, and they go through my Committee.

What is your land planning timeframe? What is the accuracy for scientific prediction for population of wildlife beyond the ten- or 15-year timeframe? What is your confidence in a 100-year timeframe? Because other people testified before the Committee we are talking about, including myself, three birds, ten birds, five birds, 16 birds, or——

Mr. POWELL. Let me answer that separately.

The first question was timeframe. In my testimony, I mentioned we expect to have a draft available for public review by the end of March. We are expecting a final decision to be made this summer, in the late summer.

Relative to the degree of accuracy of the scientific information—I think that is how you phrased the second question—I am not sure I can give that to you in a quantified sentence. The scientists are providing information to the team and to the Forest Supervisors. It is our job to look at that information, assess its reliability, assess the foundation of that information, and make a decision.

The CHAIRMAN. Scientific information. You have how many biologists now working for the Forest Service?

Mr. POWELL. Let me get you that information.

The CHAIRMAN. You have got it, because we gave it to you.

Mr. POWELL. 192 today.

The CHAIRMAN. And 1990 we had?

Mr. POWELL. 121.

The CHAIRMAN. 121?

How many timber engineers do we have?

Mr. POWELL. I show—if you combine both foresters and engineers, in 1990, we had 132. And let me change these, because I think I have given you both the regional numbers. I think we had 109 engineers in 1990, 122 in 1996. Foresters or forestry related, we had 226 in 1990, 208 in 1996.

The CHAIRMAN. In all do respect, you have more biologists, then, do you not?

Mr. POWELL. We have—at least currently today, we have nearly the same in biologists as we have in foresters.

The CHAIRMAN. The reason I ask that, when you say scientific information on the study to the first part of my question, do you have just total in-house scientific research, or do you joint this with Fish and Wildlife, or do you have peer pressure from outside?

Mr. POWELL. We have both in terms of we are using scientists that work for PNW, which is the Pacific Northwest Station, which are internal scientists, we have panels that were used of scientists that involve other agencies, other Federal agencies. And we are currently working with other Federal agencies that have concerns about the Tongass and the development of the plan.

The CHAIRMAN. And the state is involved in this?

Mr. POWELL. And the state is involved in it.

The CHAIRMAN. Now, has it been your agency's desire to have—we are working on peer pressure review, because within agencies science is sometimes questionable.

You do not really have any objection to outside pressure or what I call review?

Mr. POWELL. Are you asking have we had peer review of the panel reports?

The CHAIRMAN. Yes.

Mr. POWELL. At this time, the panel reports and the assessments have not been peer reviewed. It is our intent to have them peer reviewed, but it has not occurred yet.

The CHAIRMAN. As you know, we have got in our possession, and you do, too, these nine alternatives under the Tongass plan. Without putting you all in jail, how many of you—what do you support of the nine different alternatives?

Mr. POWELL. I will speak first to say we have not made a decision yet. You know, it is our job as supervisors to recommend a preferred alternative, and we have not done that yet. We are in the process of developing that recommended alternative at this time.

The CHAIRMAN. When do you think you will have a—remember, I told you yesterday, as a school teacher, I do not want you to all have the same answer. But when do you think there is a possibility of this so-called recommendation being made?

Mr. POWELL. That recommendation will be made sometime in early to mid March to go to the printer to have the document available by late March.

The CHAIRMAN. The reason this legislation is introduced is the interference and the second-guessing on the D.C. level.

Now, will we have privy of your recommendations prior to the time you send it to D.C., or is it going to be sent to D.C. and then sent back to you and say that is your recommendation when it is really not your recommendation?

Mr. POWELL. I am not sure I can answer you directly on that. What I would tell you is, you will be able to see what the recommendation, the recommended preferred alternative, of the supervisors is.

The CHAIRMAN. I would like to see it before it gets to D.C., between you and I. And you may not feel free to do that, but as a Congressman, I think I can ask that, and, in fact, I request that. And I just want to make sure that, again, be able to show that the recommendations are legitimately applied and all the information you have cannot, in fact, be misinterpreted or reinterpreted by someone sitting in Washington, D.C., that, very frankly, does not listen to you.

This has been going on for a long time. This has been a process, but it really means a great deal to me.

Mr. POWELL. Well, I understand your request.

The CHAIRMAN. The status of litigation of the APC contract, how much is that claim in for?

Mr. POWELL. Let me refer—I hate to refer again, but we happen to have an expert on the status of that litigation with us, Bob Maynard. Bob is an attorney with OGC.

The CHAIRMAN. I think it might be easier. I might go out in the audience and——

Mr. POWELL. We want to give you the best information.

The CHAIRMAN. What is the status?

Mr. MAYNARD. Mr. Chairman, let me introduce myself for the record. Bob Maynard, with USDA Office of General Counsel.

The CHAIRMAN. For the Forest Service or——

Mr. MAYNARD. We are a separate agency, but I serve as legal counsel for the Forest Service in Alaska.

The CHAIRMAN. Does that come out of the Forest Service budget?

Mr. MAYNARD. No. It is a separate budget.

The CHAIRMAN. Which budget is it?

Mr. MAYNARD. It is the Department of Agriculture budget.

The CHAIRMAN. OK.

Mr. MAYNARD. It is a separate appropriations item.

The CHAIRMAN. I am watching all appropriations.

Mr. MAYNARD. But I have been in Juneau, Alaska since 1983 providing local legal counsel to the Forest Service.

And the Department of Justice, as well as USDA, does have a particular concern about questions that come up in hearings like this that relate to matters in litigation. We are very constrained about what we can say in terms of avoiding—impairing the judicial process and the government's position in——

The CHAIRMAN. Well, the only point I am asking you is, how much is the claim for? That is public knowledge.

Mr. MAYNARD. The claim that is public knowledge is for over one billion dollars.

The CHAIRMAN. And who made the decision to terminate the contract?

Mr. MAYNARD. That is a contracting officer's decision, signed by Mike Barton, dated April 14th, 1994.

The CHAIRMAN. To your knowledge, did anyone in D.C. indicate that is the best way to go?

Mr. MAYNARD. I cannot comment further upon the issues that are in that litigation without running afoul of some very longstanding policy.

I can tell you that with respect to questions like this, we have had an understanding in prior hearings, and in particular with Senator Murkowski's Committee, when they had hearings last year, that if you do have questions like that that you want answers to, if you can provide in writing, we will provide a written response.

The CHAIRMAN. That is fair, and that is what we will do.

Really, what I am looking for, is where the indication came from to cancel the contract, because it eliminated the fiberboard possibility, which the city of Sitka was looking for and is still looking for, and my interest is to find out where this all originated. Was it philosophy, or was it really based upon sound legal terms, was it

based upon, you know, use of taxpayers' dollars? That always has bothered me.

Mr. MAYNARD. Yes, sir.

I will just tell you, that matter is specifically in litigation and at issue in that litigation.

The CHAIRMAN. I understand.

On each of your areas in the Tongass this year, what is your timber volume target for the budget process?

Mr. POWELL. On the Ketchikan area, and I am going to just give it to you approximately, I think it is 187 million on the Ketchikan area this year.

The CHAIRMAN. How much long-term, how much short-term?

Mr. POWELL. I think there is about—and I can get you the exact numbers. I am doing this from memory. But I think there is less than 20 of that is independent, and the remainder of that is all long-term.

The CHAIRMAN. This question may be—I am sorry.

Mr. POWELL. Would you like to hear——

The CHAIRMAN. Go ahead.

Mr. MORRISON. For the Chatham area, the volume that is my target for this year is 62 million. Of that, 32 million is independent and 30 million is KPC.

Ms. KIMBEL. And on the Stikine area, my 1996 target is 63.8 million. That is only independent. 20 million of that is enjoined with the AWRTA lawsuit.

The CHAIRMAN. What do you think you will actually accomplish?

Mr. MORRISON. For the Chatham area, the 62 million of our target, I suspect that 40 million is going to be an administrative appeal throughout the fiscal year, I predict that 20 million is going to be in litigation throughout the year. So that part that I am assured of is about two million board feet.

The CHAIRMAN. That is my problem. There has got to be—you have got to give me some idea how we can get around this. What we have is, different interest groups killing the intent of the Forest Service and how the so-called supply of timber is just on paper, it is not there. I told Phil Janik that, it is not there. People are not receiving the logs, and jobs are being lost.

It does not do me any good to sit here and listen that the government is going to put up 321 million board feet, when in reality it is not going to get there. That is just—I mean, I can say I am going to put up 700 million board feet. But if the log is not cut, it is not available.

It is just very frustrating, which—anybody else want to comment? I am getting excited.

Mr. POWELL. I can just tell you, the Ketchikan area, out of that 187, we expect—it is called the CPOW supplement, Central Prince of Wales. That is close to 100 million. It was recently appealed. Depending on whether that is litigated or not, that is probably the only volume that is—potentially would not be offered this year.

The CHAIRMAN. Do you think it will be litigated?

Mr. POWELL. I really do not know at this point. I would say there was a 50/50 chance that it will be.

The CHAIRMAN. About this time, I am ready to become Shakespeare. You know, the role I am referring to is the litigative process.

Go ahead.

Ms. KIMBEL. Of the 63.8 million on the Stikine area, I expect to be able to—I am not anticipating legal challenge to any of the others other than that that is already enjoined. So 43.8 million is what I am expecting to be able to offer.

The CHAIRMAN. You know, Mr. Powell had a point here, now. I had comments yesterday about the permitting process on the Stikine. Cabins, use permits, et cetera.

Does that same patrol branch apply to you? Do they consult you when they go to the Stikine and say your canoe has been tied up too long, or is that part of your obligation?

Ms. KIMBEL. I am not really sure where some of those comments came from, because they sure have not been incidents that have happened in my tenure here.

The law enforcement personnel that serve the Ketchikan area serve the Stikine area as well. And we have a pretty good relationship, so that I do know when they are on the Stikine area and when they are patrolling.

The CHAIRMAN. That is important to me, because this image is very, very—it is bad, and it was not that way, and I think that is where the emphasis comes with state management. Probably some of the state enforcement people are not much better. But there has got to be some responsibility locally with the head forester about what is occurring, or you are going to constantly have this problem.

It is just not the timber industry. It is a regular issue in this country. People deeply resent the United States Government, a guy wearing a gun—it is just not the Forest Service, the Park Service is doing it, too—going out and just "I am Mr. Government, I am big time." And that causes great concern and great agitation on the citizens in the park, and rightly so. It is just not the way to do business.

The PR job—and I mentioned yesterday to all of you—one of the best things you can do is you hire this group of people, both—professional foresters, who are really park rangers—they ought to at least have a training period of time where they understand the people they are dealing with and the philosophy of at least the constituents they are dealing with, because this idea that they can walk around in their uniform, like the Park Service does now, and say that "We are the government, you better do as we tell you to do or you are going to be in trouble," it is not going to fly.

It is just not this agency. I am talking about the whole government concept is really very difficult.

What is the AWRTA legislation? What is the status of that litigation? Is that——

Mr. MAYNARD. Mr. Chairman, we are in the midst of a briefing schedule in the District Court that concerns the issue of how much of that currently enjoined timber will remain enjoined while the Forest Service would proceed with supplemental NEPA and ANILCA 810 work.

The CHAIRMAN. How much timber?

Mr. MAYNARD. About 282 million board feet is currently enjoined.

The CHAIRMAN. Was the Forest Service position in the litigation supported by the Alaska Delegation, as reflected in the fiscal year 1995 recisions law and the vetoed Interior appropriation bill?

Mr. MAYNARD. I honestly did not follow you on that question.

The CHAIRMAN. Was the Forest Service position on the litigation supported by the Alaska Delegation as reflected in the fiscal year 1995 recisions law and the vetoed Interior appropriation bill? So were you on the same side in this issue?

Mr. MAYNARD. The Forest Service has been seeking relief from that injunction. So to the extent the legislation was directed at that, they went to the same issue.

The CHAIRMAN. The answer is yes, then? Yes.

Again, what was the—you already mentioned how much timber was tied up, but what was the nature of the lawsuit?

Mr. MAYNARD. The AWRTA lawsuit, without characterizing any of the pleadings, just my thumbnail sketch is the issues are compliance with the National Environmental Policy Act, and Section 810 of the Alaska National Interest Lands Conservation Act, ANILCA, subsistence procedures.

The CHAIRMAN. Was there any—again, I am asking for what sort of environmental problems are at the issues of the suit. Are there any specific problems at the issue of the suit, or is it just the issuance of a new statement, EPA statement?

Mr. MAYNARD. It would be difficult for me to get into specific concerns.

The general issue is the plaintiff's allegation that supplemental NEPA/ANILCA work is needed.

The CHAIRMAN. Procedurally?

Mr. MAYNARD. Yes.

The CHAIRMAN. How much money do you think we are going to have to spend on that suit?

Mr. MAYNARD. I have no idea.

The CHAIRMAN. Maybe we can find that information as it goes through the process. I think that is important.

The taxpayers have to understand that this type of frivolous lawsuits are costing big dollars, not just the effect upon the directly impacted people, but the big dollars we are relinquishing, because once the suit is filed you have to respond, and it is just one of those issues I do not think even Alaskans are aware of how much money is being wasted of their tax dollars through the agencies because of suits that are filed by individual groups that have only one thing in mind, to stop the process.

Is the socioeconomic analysis complete for the TLMP process?

Mr. POWELL. I do not believe it is complete yet. And, in particular, it is at the draft stage.

We have completed the initial work through the draft plan. There will be follow-up work involving all 33 or 32 different communities between draft and final.

The CHAIRMAN. It will not be in the draft final?

Mr. POWELL. There will be a socioeconomic analysis in the draft plan, but between draft and final there needs to be additional work completed.

The CHAIRMAN. Will it be including the effects upon the existing contracts and existing mill operations?

Mr. POWELL. It will be.

The CHAIRMAN. And the amount of timber maintained? We are not going to have 104 million board feet?

Mr. POWELL. I think it will clearly show how many acres are involved, how many jobs are related to that, what volumes of timber we project on that.

The CHAIRMAN. Again, though, I want to stress the fact that we talk about board feet and how it is going to solve the problem, but if it does not get into the funnel, it does not work. And that means there is tremendous uncertainty in this community and other communities that makes it very difficult.

I know we have strayed away from the intent of the bill, but this is very important, and you do represent the Forest Service. And I did not think you would support my bill. I would be terribly surprised. But I am going to pursue this issue as we go through the process, and I hope we are able to keep the lines of communication open and be able to look for solutions and try to avoid the pitfalls I think that have occurred in the past piece of legislation.

I know most of you are aware that I have worked on this type of legislation since 1973. As was mentioned, I had the first hearing here at the high school, when we had the EPA water quality standards. And the only bright thing that came out of those hearings was I hooked the largest king salmon that ever swam in the waters of Ketchikan. And as each year goes by, that fish gets bigger. Ed Elkins and myself went out there, and that fish now is up to 400 pounds.

I want to thank the panel, and we will be in communications. And, hopefully, we will be able to get something together in the near future. I want to thank the panel for participating.

Mr. POWELL. Thank you.

The CHAIRMAN. And as of now, this second Committee hearing is over. And we will, in fact, now pursue other hearings across the state. And I will probably see some of you again, I will probably see some of you in the audience again. And I look forward to be able to continue this correspondence. Thank you very much.

Adjourned.

[Whereupon, at 1:55 p.m., the committee was adjourned; and the following was submitted for the record:]

I

104TH CONGRESS
1ST SESSION

H. R. 2413

To transfer the Tongass National Forest to the State of Alaska.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1995

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To transfer the Tongass National Forest to the State of Alaska.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tongass Transfer and Transition Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) It is in the public interest to provide a mechanism to transfer ownership of the Tongass

National Forest to the State of Alaska to be managed and operated under the laws of the State of Alaska.

(2) The State of Alaska is the level of government that is most sensitive to the ecologic and economic needs of the people of the Tongass and other Alaskans.

(3) The State of Alaska is committed to policies in connection with the Tongass that include informed decisionmaking, prudent management of Tongass resources with sound science, multiple, balanced, and sustainable use of Tongass resources, an inclusive planning process for the diverse interests associated with the Tongass, and planning that fosters consensus.

(4) It is appropriate for the State level of government to own and manage the land area now comprising Tongass National Forest and to provide the best ecologic and economic balance in the Southeast Alaska area that comprises the Tongass National Forest.

(5) Without Federal constraints and costs, the State of Alaska is in a better position to balance the diverse needs and interests of those concerned with the future of the Tongass.

(6) It is necessary to provide a smooth transition between Federal and State ownership and control and to resolve as many issues as possible prior to State ownership and control.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "Tongass National Forest" means the Tongass National Forest, as depicted on the map numbered ____ and dated ____.

(3) The term "Federal obligation" means any obligation or duty of the United States Forest Service arising out of any lease, permit, license, contract, and other legal instruments issued by or with the Forest Service relating to the Tongass National Forest. The term "Federal obligation" does not include any obligation with respect to a Federal law, regulation, or policy.

(4) The term "Tongass National Forest lands" includes all right, title, and interest of the United States in and to all real property located in the Tongass National Forest, and all structures (permanent and temporary) owned by the United States Forest Service located on such land.

(5) The term "transfer-transition period" means the period beginning when the State of Alaska elects to receive the lands pursuant to this Act and ending one year thereafter.

(6) The term "transfer date" means the date on which the State of Alaska elects to receive the lands pursuant to this Act and notifies the Secretary of such election.

(7) The term "patent date" means the last day of the transfer-transition period.

(8) Terms used in section 6(c) shall be accorded the meaning given to such terms under the Alaska National Interest Lands Conservation Act.

SEC. 4. TRANSFER OF TONGASS LANDS AND PROPERTY TO THE STATE OF ALASKA.

(a) AUTOMATIC TRANSFER OF LANDS.—If, within 10 years after the date of the enactment of this Act, the State of Alaska elects to receive all Tongass National Forest lands in conformance with subsection (b), and so notifies the Secretary, all Tongass National Forest lands shall be conveyed, by operation of law, to the State of Alaska, subject only to valid existing rights. Such transfer shall occur in accordance with this Act.

(b) FORM OF ELECTION.—The election by the State of Alaska to receive lands pursuant to subsection (a) shall

be in the form of a bill approved by the House and Senate of the Alaska State Legislature and signed by the Governor of the State of Alaska. Such law shall state that—

(1) the State of Alaska elects to receive all Tongass National Forest lands;

(2) the Tongass National Forest lands received shall be received subject to valid existing rights;

(3) the procedures specified in this Act and the transition provisions of this Act shall apply to the transfer; and

(4) the rights and obligations of the United States under the Alaska Native Claims Settlement Act with respect to lands, rights in lands, and use of lands transferred by the Tongass Transfer and Transition Act shall not be infringed by the State of Alaska.

(c) PROCEDURE.—Upon receipt by the Secretary of Agriculture of a copy of the law specified under subsection (b), the Secretary of Agriculture shall prepare a patent conveying all Tongass National Forest lands to the State of Alaska and shall deliver such patent to the State of Alaska on the patent date. The duty of the Secretary to prepare and deliver such patent pursuant to this Act shall be purely ministerial and delivery of the patent on the patent date shall not be withheld or conditioned. The United

States Supreme Court shall have exclusive jurisdiction to issue such writs and compel such actions as may be necessary to accomplish the conveyance made under this Act.

(d) OTHER PROPERTY.—Upon the election pursuant to subsection (a) and concurrent with the transfer of lands pursuant to this Act, the Secretary shall also transfer the right and title to and interest in all other types of property (including real and personal property) used for purposes of operating, administering, and managing the Tongass National Forest. Such property shall be transferred on the patent date and include only that which is owned by the United States and used by the United States Forest Service within the Tongass National Forest and that which is directly associated with the management of such Forest. All vehicles transferred shall be painted the official colors of State of Alaska vehicles prior to transfer.

SEC. 5. TRANSITION PROVISIONS DURING THE TRANSITION PERIOD.

(a) EXISTING OBLIGATIONS OF THE UNITED STATES.—The United States shall remain obligated for Federal obligations during the transfer-transition period.

(b) EMPLOYEES.—During the transfer-transition period, to the extent practicable, the State of Alaska shall interview each person employed on the date of the enactment of this Act in the Tongass National Forest by the

United States Forest Service for purposes of reemployment by the State of Alaska for a comparable function within the new State administrative system for the Tongass Forest. Employees who do not secure employment with the State of Alaska shall be given preferential treatment for purposes of other available positions with the United States Government.

(c) ALASKA PULP CORPORATION CONTRACT.—The State of Alaska shall enter into discussions with the Alaska Pulp Corporation during the transition-transfer period and conclude an agreement which reinstates the Alaska Pulp Corporation Contract (Contract No. 12–11–010–1545) within six months of the patent date. Such agreement shall provide for dismissal with prejudice of a lawsuit styled as Alaska Pulp Corporation against the United States of America, No. 95–153C. Such reinstatement shall include an additional provision which requires sale or assignment of such contract to a third party who agrees to construct a manufacturing facility in Southeast Alaska that utilizes pulp-grade logs. The State of Alaska shall assume the obligations of the Forest Service under such reinstated contract, except that the State of Alaska shall assume no obligation for any claim relating to such contract which arose from an occurrence before the transfer date.

(d) TIMBER ROAD PROGRAM FUND.—From amounts remaining after making payments for the benefit of public schools and roads under the Act of May 23, 1908 (16 U.S.C. 500), the Secretary shall, notwithstanding any other provision of law, provide the gross receipts from the Tongass National Forest derived from timber sale stumpage fees due during the transfer-transition period to the State of Alaska as seed money for purposes of establishing a timber roads revolving fund.

SEC. 6. TRANSITION PROVISIONS OUTSIDE THE TRANSITION PERIOD.

(a) MANAGEMENT OF TRANSFERRED LANDS.—(1) Beginning on the patent date, the lands transferred pursuant to this Act shall be administered and managed under applicable State of Alaska law, except as otherwise provided in this Act for the period provided by this Act.

(2) During the transfer-transition period and until the patent date, the lands subject to transfer pursuant to this Act shall be administered and managed under Federal law and the Tongass Land Management Plan.

(b) LAND DESIGNATIONS.—Land use designations in effect on the date of the enactment of this Act under the Tongass Land Management Plan shall continue in effect for a period of up to one year after the patent date, but shall cease to be applicable when the State of Alaska

adopts a land use designation system for the transferred lands during such one-year period.

(c) SUBSISTENCE USE AFTER THE PATENT DATE.—The Secretary of the Interior shall retain continuing authority to manage subsistence uses of fish and wildlife on lands transferred under this Act until such time as the State of Alaska law is in compliance with title VIII of the Alaska National Interest Lands Conservation Act.

(d) MINING CLAIMS.—(1) For a period of 15 years after the patent date, Federal mining claims located before the patent date pursuant to the General Mining Law of 1872 (30 U.S.C. 22 and following) in the Tongass National Forest shall remain subject to the laws, rules, regulations, and policies of the United States, but such laws, rules, regulations, and policies shall be administered by the State of Alaska. During such period, the right and ability of a claimholder to patent such a mining claim shall not be infringed. An application to patent a Federal mining claim located in the area comprising the Tongass National Forest may be made by the claimholder with the State of Alaska and shall constitute an election by the claim holder to be subject to Federal mining claim patent procedures administered by the State of Alaska.

(2) At any time during the 15-year period referred to in paragraph (1), the holder of a Federal mining claim

may elect to convert the claim into a mining claim to be administered under the laws of the State of Alaska. An election to convert such a claim must be in writing, include such information as the Commissioner may request, and be sent to the Commissioner of the Department of Natural Resources of the State of Alaska. The State of Alaska shall convert each Federal claim into one or more State claims covering the area of the Federal claim.

(3) Upon the expiration of the 15-year period referred to in paragraph (1), each Federal mining claim for which a mining patent application has not been filed and which is located within the Tongass National Forest shall be converted by operation of law into a mining claim or claims to be administered under the laws of the State of Alaska.

(4) During the transfer-transition period the Federal Government shall maintain the right to receive fees and revenues, if any, due on Federal mining claims. After the patent date, the State of Alaska shall have the right to receive any fees or revenues due on Federal claims that are not converted under paragraph (2) or (3).

(e) LAND GRANTS TO NATIVE PEOPLE.—The State of Alaska shall negotiate in good faith to obtain an agreement with the native people of the communities of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, Alaska

who did not receive a land claim settlement under the Alaska Native Claims Settlement Act. Under such agreement, the State of Alaska shall convey not less than 23,040 acres of surface estate and not more than 46,080 acres of surface estate to each community within the boundary of the land transferred for purposes of historical, cultural, economic (including timber, tourism, and recreation) development and subsistence use in settlement of such claims. Upon the conveyance of such surface estate, the State of Alaska shall convey the subsurface estate of such lands to Sealaska Corporation. Unprocessed timber (as defined in section 493 of Public Law 101–382) may not be exported from Alaska. Negotiations shall conclude as soon as practicable after the patent date, but in no case later than two years after the transfer date. If an agreement is not reached, then the matter shall be submitted to binding arbitration.

(f) TIMBER RECEIPTS TO LOCAL GOVERNMENTS.—In each year, beginning with the fiscal year of the State of Alaska beginning after the transfer date and ending with the tenth fiscal year thereafter, the State of Alaska shall allocate 25 percent of the net timber stumpage receipts for all timber sold on the lands transferred under authority of this Act directly to boroughs, municipalities,

and local governments for purposes of schools, educational materials, and community roads.

(g) TIMBER RECEIPTS TO THE UNITED STATES.—For a period of 10 calendar years, beginning with the fiscal year of the State of Alaska beginning after the patent date, the State of Alaska shall pay to the United States, 25 percent of the net receipts for all timber sold on the lands transferred under authority of this Act.

(h) KETCHIKAN PULP CONTRACT.—On the patent date, the State of Alaska shall assume all the obligations of the United States and be entitled to all the benefits due to the United States under Contract No. A10fs–1042 with the Ketchikan Pulp Corporation beginning on the patent date.

(i) TIMBER EXPORTS.—The State of Alaska shall prohibit by law export of unprocessed saw, utility, and pulp logs originating from lands transferred under this Act for a minimum period of ten years.

(j) EXISTING OBLIGATIONS AFTER PATENT DATE.—On the patent date, the State of Alaska shall assume all Federal obligations and duties and receive all rights of the United States Forest Service, except that the State of Alaska shall assume no obligation for any claim for damages or specific performance relating to a contract if such

claim arose before the patent date, unless the State of Alaska receives the benefit from such an obligation.

SEC. 7. MISCELLANEOUS DUTIES OF THE PARTIES AND OTHER PROVISIONS RELATING TO THE TRANSFER.

(a) MAP AND LEGAL DESCRIPTION.—The Secretary shall provide the State of Alaska with a map and other legal descriptions of the land to be transferred under section 4. The map and the legal descriptions provided under this subsection shall be on file and available for public inspection in the Office of the Secretary in Washington, District of Columbia, and in two readily accessible locations in Alaska, at least one of which is in Southeast Alaska.

(b) HAZARDOUS MATERIALS.—As promptly as practicable after the enactment of this Act, the Secretary shall make available to the State of Alaska for review and inspection, all pertinent records relating to hazardous materials, if any, on lands to be transferred under this section. The responsibility for costs of remedial action related to such materials shall be borne by those entities responsible under existing law.

(c) JUDICIAL REVIEW.—Transfer of land pursuant to this Act shall not be subject to judicial review in any court of the United States, except—

(1) to the extent a right of judicial review is conferred specifically by the United States Constitution;

(2) otherwise conferred by this Act; or

(3) when sought by the State of Alaska on matters pertaining to rights conferred by this Act.

(d) RULEMAKING.—No formal rules under section 553 of title 5, United States Code, are required to implement this Act.

(e) SURVEY.—The patent for lands conveyed pursuant to this Act shall not be subject to completion of a field survey and may be issued based on a protraction survey.

(f) REPEAL.—Sections 503, 508, 703, 704, 705, and 706 of the Alaska National Lands Interest Conservation Act are repealed on the patent date. Title III of the Tongass Timber Reform Act is repealed on the transfer date.

(g) ENCUMBRANCES.—For purposes of an orderly transfer of the Tongass National Forest to State ownership and transition to State management, the Secretary shall provide a list of encumbrances of record and otherwise known in the Tongass National Forest to the Commissioner of the Department of Natural Resources of the State of Alaska during the transfer-transition period. The

transfer under this Act shall be subject to all existing encumbrances.

○

Supplemental Information and Summary

Senator Robin L. Taylor
State Capitol
Juneau, AK. 99801-1182

phone (907) 465-3873
fax (907) 465-3922

I must say, however, that I have serious concerns about some of the provisions of H.R. 2413 as it stands today.

I see no problem with the provision requiring the State of Alaska to interview employees of the U.S. Forest Service for possible job placement. I can assure you, however, that Alaska will not need the nearly one thousand employees it takes the federal government to manage the forest. Our neighbors in British Columbia get along perfectly well with less than 500 employees to manage forest lands which are eight times more productive than the Tongass has been under federal management.

I have major concerns, however, with the provisions of Section 6 (g) of the bill as written. To require us to pay to the federal government 25 percent of the net receipts for all timber sold is simply not viable. It significantly reduces the revenue stream we will need in the start-up years of Alaskan management. This is money we will need for roads, docks and commercial thinning. Why should Alaska pay the federal government a 25 percent return on resources the state would own? Are New York, Pennsylvania or Virginia asked to make a similar payment when they sell timber from state land?

Senator Taylor
Supplemtnal Information
Page Two

While I am certain that the State of Alaska can do a more efficient and less expensive job of managing the forest, diverting 25 percent of the revenue in the start-up years could doom us to failure.

There are those who contend that the federal government manages the Tongass at a deficit. We are willing to accept that liability and in the process help you to reduce the federal budget. That should be payment enough. I urge you to reconsider this provision.

My most serious concern is over Section 6 (c), the provision addressing subsistence use after the patent date. While I have included the required language in the bill accepting the transfer, our legal services division has already advised me that such a provision would be unconstitutional under the Constitution of the State of Alaska. I am afraid, Mr. Chairman, that my colleagues in the majorities of both houses of the legislature will view this provision as a poison pill. You are aware of our position on this issue. We are unwilling to trade our sovereignty for the Tongass.

The Anchorage Times

Publisher: BILL J. ALLEN
"Believing in Alaskans, putting Alaska first"
Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN
The Anchorage Times Commentary in this segment of the *Anchorage Daily News* does not represent the views of the *Daily News*. It is written and published under an agreement with former owners of *The Times*, in the interests of preserving a diversity of viewpoints in the community.

N.Y. hypocrites

ANCHORAGE newspaper readers the other morning may have been surprised by a front page story lauding the pro-environmental initiatives of a Republican congressman from New York.

Rep. Sherwood Boehlert opposes logging in the Tongass National Forest, and he's against opening the coastal plain of the Arctic National Wildlife Refuge. The politician says he is concerned about protecting the environment and that Alaska's representatives in Congress are not.

A similar criticism was made the other day by a different New Yorker writing an opinion column in the New York Times. Eric J. Siy, project director of a New York-based organization called Environmental Advocates, lambasted Alaska's congressional delegation for seeking federal subsidies to assist resource industries in Alaska.

"Drilling for oil in the Arctic refuge, clear-cutting ancient trees in forests owned by all Americans, selling off public resources at fire-sale prices — all of these schemes will make some people rich. But they will make the rest of us poorer. . . ," wrote Mr. Siy.

In the face of such stories, Alaskans may want to ask: Are we really the evil monsters destroying the environment for personal gain that these New Yorkers claim?

To answer that, let's compare the two states, and consider just one of the industries we have in common: timber.

Do you think Alaskans are clear-cutting their forests, while New Yorkers revere theirs? Think again. There's one pulp mill operating in Alaska's Tongass National Forest. There are 34 pulp mills pulverizing trees in New York. Alaska has about 30 sawmills, New York has 231. There are 1,250 timber industry jobs in Alaska. There are 62,295 in New York. The Alaska timber payroll is $500 million. New York's is $1.9 billion.

The total timber harvest in the Tongass is less than 250 million board feet a year. In New York, the annual tree cutting exceeds 1.1 billion feet.

The kicker is this: Less than 1 percent of New York, or a mere 290,000 acres, is owned by the federal government and protected from development. Most of the other 99 percent is privately owned and open to development.

In Alaska, the opposite is true. Less than one-twentieth of 1 percent of the land in Alaska has been been developed. About 60 percent, more than 220 million acres, is owned by the federal government — much of it designated parks, refuges and wilderness areas that are off limits to development. The state, itself, has designated more than 6 million acres of its land as parks and wildlife areas.

The bottom line: New York has exploited almost all of the resources within its borders. Alaska has carefully protected vast areas for wildlife habitat.

And the New Yorkers have to gall to criticize us.

THE ANCHORAGE TIMES, P.O. Box 100040, Anchorage, AK 99510

Subj: Re:National Forests Under Attack
Date: 95-05-14 22:01:03 EDT
From: JWithering

WATCH OUT!!!!!! HERE THEY COME!!!!!!!

RICH TIMBER COMPANIES AND THEIR BUDDIES IN CONGRESS ARE GOING AFTER AMERICA'S LARGEST AND WILDEST NATIONAL FOREST, ALASKAS "TONGASS" -- YOURS WILL BE NEXT!!

ROBIN HOOD MUST BE ROLLING OVER IN HIS GRAVE! Last November Alaskas Senator Frank Murkowski and Representative Don Young, took over chairmanships of the committees controlling our national forests. They have plans to take the national forests away from the American people and give them to rich multinational timber companies. Not just the trees, but the land itself! This is how they intend to do it.

FIRST ATTACK THE TONGASS NATIONAL FOREST IN ALASKA---This vast coastal rainforest is a 17 million acre national treasure harboring North Americas largest remaining populations of salmon, bald eagle, and grizzly bear and a healthy, growing, regional economy based upon renewable resources. They plan to dismantle the Tongass Timber Reform Act of 1990, a law that guarantees that the Tongass is managed for balanced multiple use, providing hunting, fishing, tourism, and recreation, as well as a sustainable timber industry.

1

FIRST, SENATOR MURKOWSKI SAYS THAT HE WILL USE THE TONGASS AS A TEST CASE. In the next few weeks, Senator Murkowski will hold hearings asking his Energy and Natural Resources committee to:

*MANDATE AS MUCH CLEARCUTTING AS IT TAKES TO SATISFY TIMBER INDUSTRY "DEMAND", NO MATTER WHAT.

*SUSPEND ALL ENVIRONMENTAL LAWS SO THAT THE FOREST SERVICE CANNOT LISTEN TO THEIR OWN FISH AND WILDLIFE SCIENTISTS; AND

*TAKE AWAY 1000 SQUARE MILES OF THE BEST TONGASS NATIONAL FORESTS LANDS, SUPPOSEDLY PROTECTED FOREVER IN THE TONGASS TIMBER REFORM ACT, AND TURN THEM OVER TO PRIVATE TIMBER CORPORATIONS FOR CLEARCUTTING.

The Tongass Timber Reform Act of 1990 was a bipartisan compromise supported by the entire Senate and four fifths of the House of Representatives. If this reasonable, widely supported legislation can be undone, then no national forest, national park, wildlife refuge, or other public land is safe.

SECOND, MANDATE CLEARCUTTING-AT-ALL-COSTS IN ALL OTHER NATIONAL FORESTS...Just like the mandate in the recent "salvage logging" rider. According to Rep. Young, they even plan to give the national forests away to the counties, states, and timber companies.....if it works on the Tongass.....

AND AS IF THAT WASN'T ENOUGH, WE STILL SUBSIDIZE THEIR CLEARCUTTING WITH OUR TAX DOLLARS!!!! Most Tongass timber is sold below fair market value to one company under a 50 year monopoly. This corporate welfare costs the American people $40 million every year. Congress should STOP, not INCREASE this subsidy. This only benefits some congressmans rich timber industry friends who contribute heavily to their campaign funding, while destroying our natural heritage and the quality of life of the people. WHAT WOULD ROBIN HOOD SAY ABOUT SUBSIDIZED CLEARCUTTING?

YOU CAN HELP SAVE OUR NATIONAL FORESTS STARTING WITH THE TONGASS!!
Please call, fax or write, and ask senator (especially if on the Energy and Natural Resources Committee) to protect the Tongass Timber Reform Act of 1990 and to vote against any other attempts to mandate logging or give away our remaining great American forests and other national treasures. This is serious!!! and really happening!!!!

Testimony of the Territorial
Sportsmen on H.R. 2413
before the House Committee
on Resources

Wrangell, Alaska
February 15, 1996

Good afternoon Mr. Chairman and members of the House Committee on Resources. My name is Carl Rosier and I am a Board Member testifying on behalf of the Territorial Sportsmen. The 2,000 plus members of the Territorial Sportsmen are celebrating our 50th anniversary this year. As a conservation group we have been speaking out on fish and wildlife issues since 1945. Our membership lives primarily in the Juneau-Douglas area however, we have members in a number of other communities throughout Alaska. We are also an active member of the Alaska Outdoor Council.

We understand that hearings on H.R. 2413 have been scheduled only for Wrangell and Ketchikan at this time. This proposed legislation, because of the potential financial impacts to the State budget demands that the public be heard throughout Southeast Alaska communities as well as other areas. of the State. Wrangell is a good point to begin hearings, due to the impacts of industry's decision to terminate sawmill operations here. It must be remembered however, that the changing economic picture and multiple use nature of business and recreation on the Tongass today causes every Southeast Community to have a stake in how and by whom the forest is managed. The Territorial Sportsmen thank you for this opportunity to participate at this hearing, and urge you to expand the opportunity for all communities to be heard on such an important issue as State ownership of theTongass National Forest.

Upon initial reading, any states-right believer would consider H.R. 2413 to be desirable legislation. After all who in this day and age wouldn't be excited about obtaining title to approximately 17.0 million acres of prime real estate. Close scrutiny of the bill, however raises a number of serious questions.

Sportsmen in our organization questions whether the State has the financial capability to take on and do an effective job of managing the Tongass if this bill were to pass. We see State resource agencies being cut by over 25% in their operational budgets. State Habitat protection measures such as the State Forest Practice act that cannot be fully implemented due to legislatively mandated budget cuts. A total absence of a research capability within the state to assess impacts of resource development and closure of parks for lack of funds. These are only a few examples of state financial decisions that cause us to question the wisdom of taking on ownership and management of the Tongass. As we

look at the projected declines in oil revenues within the state, it seems more rational from a fish and wildlife standpoint to continue sharing responsibilities with the federal government.

Self determination and close to home decision making, would certainly benefit the people of the region, however Section 6 (c) provisions destroys those benefits as far as fish and wildlife issues are concerned. This provision relating to subsistence management mandates that the Secretary of Interior manage until the Alaska State law is in compliance with Title VIII of ANILCA. Title VIII is the federal law gun at the head of the State that continues to pit resident Alaskans against one another. Provisions of Section 6 (c) perpetuates federal management, exacerbates the subsistence issue in the Southeast Region and detracts substantially from the States right to manage fish and wildlife on all land . Continued dual management systems caused by Title VIII jeopardize fish and wildlife species and do nothing for personal use and recreational hunters and fishermen. Resolution of this issue cannot occur through the State coming into compliance with Title VIII of ANILCA but only through removal of this devisive federal law.

A third area in which recreational hunters and fishermen are impacted by this legislation include loss of access to the land. Provisions to convey 115,000 to 230,000 acres of Tongass land to new native organizations in Ketchikan, Petersburg, Tenakee, Wrangell and Haines further limit recreational opportunities for all citizens of the region. These named communities failed to qualify as native communities under the 1971 provisions of ANCSA even following appeal of their status. Hunters and fishermen have seen extensive closure and limited access to the approximate 500,000 acres conveyed to native communities under the 1971 law.. The rights of the private landowner to control access is supported by the Territorial Sportsmen however, further withdrawals of public land and coincidental loss of access to the public users is truly an injustice.

Section 5 (c) mandates that the State enter into discussions and conclude an agreement that re-instates the Alaska Pulp Corporatioin contract within 6 months of the patent date. This provision appears to ignore the opportunity to modify Tongass management to better accomodate the demands by a diverse population for improved balance in providing multiple use of the forest. The evidence is pretty compelling that the industrial logging of the past has not had a beneficial effect on fish and wildlife. Termination of the A.P.C. contract provides a relief valve for potentially improving multiple use of the Forest. It is our view that a second long term contract for continuation of industrial logging in northern southeast is a badly outdated concept.
The final provision of this bill that concerns our organization is the Sec. 7 (f) Repealer. We understand that if transfer were to occur that one approach to minimize federal strings would be to repeal all the federal protective measures upon patent. Our concern is with what happens then? There are many good reasons for protection of the fish and wildlife values by the sections being repealead. Lacking similar provisions in State law it appears that risks to fish and wildlife are significantly increased over a lengthy period of time While the State once again gets its house in order while starting from ground zero

This concludes my remarks Mr. Chairman. I would be pleased to answer any questions the committee might have.

Testimony Before the Committee on Resources, U.S. House of Representatives
on
H.R. 2413: a bill to transfer the Tongass National Forest to the State of Alaska
by Bruce H. Baker
Member, Board of Directors, Southeast Alaska Conservation Council
February 15, 1996
Wrangell, Alaska

My name is Bruce Baker, and I am testifying as a Southeast Alaska Conservation Council (SEACC) board member. SEACC opposes H.R. 2413, and our Executive Director, Bart Koehler, will present our full testimony tomorrow in Ketchikan. Today, I will mention some of the fish, wildlife, and tourism problems we have with the bill. As background, I am a graduate forester and have worked in Southeast Alaska 25 years. I began my career here with the U.S. Forest Service and later worked for the State of Alaska, first as a natural resource policy specialist in the Office of the Governor and then as Deputy Director of the Alaska Department of Fish and Game's Habitat Division.

The Tongass National Forest belongs to the people of the United States and not just those of us who are fortunate enough to live in Alaska. Although the state has matured considerably in its ability to manage public trust resources, the state's constitution, laws, regulations, and budget allocations do not ensure the balancing of national, state, and regional interests to the degree that national forest management does. For example, the state has no law that requires as comprehensive and public a disclosure and evaluation of the beneficial and detrimental aspects of land management decision options as the National Environmental Policy Act.

Fishing Industry & Fish Habitat

The Forest Service's January 1995 Anadromous Fish Habitat Assessment Report to Congress notes that Southeast Alaska's quarter-billion-dollar per year commercial salmon fishery is one of the most productive and highly valued in the world and provides over 5,000 jobs in the region. The growing sport fishing industry provides over 1,200 jobs with over $28 million in earnings. Sport fishers spend more than $90 for each salmon caught. The subsistence salmon harvest is more than 1.2 million pounds annually. The long-term protection of salmon habitat is critical for ensuring the sustainability of this important segment of the region's economy.

To protect salmon habitat in the coastal forest, National Marine Fisheries Service (NMFS) biologists recommend at least 100-foot-wide, no-harvest zones on each side of salmon streams. In the Tongass

Timber Reform Act, Congress adopted this NMFS recommendation and established a no-logging buffer zone of at least 100 feet in width on each side of salmon streams and tributary resident fish streams which directly affect the water quality in salmon streams. H.R. 2413 would repeal this provision. On state-owned coastal forest land, the state Forest (Resources and) Practices Act requires that timber harvest may not be undertaken within 100 feet immediately adjacent to a salmon stream, and that between 100 and 300 feet of such a stream, timber harvest may occur but must be consistent with the maintenance of important fish habitat. This bill would allow the transfer of more than 200,000 acres of the Tongass to private corporations, and on private land, state law requires that partial uncut buffers be left within only 66 feet of only certain portions of salmon streams.

Although fish habitat protection requirements are somewhat similar for the Tongass and for state lands, the number of biologists available to work with timber sale layout staff varies greatly between the two. The Forest Service has 19 fisheries biologists that it can assign to work on timber sales and associated road building on the Tongass, yet the state has only about three biologists to work on timber sales and roads throughout the state, regardless of land ownership. 1/, 2/ In its report last month to the state Board of Forestry, the Alaska Department of Fish and Game (ADF&G) indicated that its funding to implement the state's Forest Practices Act has been slashed by the state legislature to only 65 percent of what it was before the act was passed in 1990. **The ADF&G report concludes that under the act, "we can anticipate a continued degradation in the abundance, quality, and availability to humans of non-timber resources."**

The Forest Service's January 1995 Anadromous Fish Habitat Assessment Report indicates that despite recent advances in protection of salmon habitat, current practices on the Tongass do not meet either the goal in the Tongass Land Management Plan ". . . to protect biological productivity of every fish stream on the Tongass," or the long-term goal of avoiding the possible need for listing of salmon and steelhead stocks under the federal Endangered Species Act. To its credit, the Forest Service identified more than a dozen specific recommendations that it can implement to meet these two goals. Neither the state nor the private sector has conducted such a comprehensive analysis of the effectiveness of fish habitat protection measures.

The Anadromous Fish Habitat Assessment Report concludes that "current practices [100-foot minimum no-cut buffers and best management practices] **for timber harvest planning and application are not fully effective in protecting anadromous fish habitats on the Tongass National Forest."**

In passing the Tongass Timber Reform Act, Congress ensured the permanent protection of 12 Land Use Designation (LUD) II areas such as Salmon Bay and the Lisianski River. Like Congressionally designated Wilderness, LUD II areas are important for the survival of commercial, sport, and subsistence fishing and would be repealed under this bill.

Wildlife and Wildlife Habitat

Unlike national forests in the lower 48 states, the Tongass still supports the same complexes of wildlife species that it did before European exploration. These animals are important sources of food

or wildlife viewing for Southeast Alaskans and others, and some species like the wolf and the brown bear have not fared well in the wake of human development world-wide. Over the millennia, most Tongass wildlife species have come to depend on the various characteristics of the ancient old-growth coastal forest, and over the last 40 years they have come to depend on sound forest management decisions. The Forest Service has a far more comprehensive body of laws and regulations than the State of Alaska has for the protection of wildlife habitat.

The greatest degree of wildlife habitat protection on the Tongass is that afforded by the Congressionally designated Wilderness areas and by the 12 Congressionally established LUD II areas such as Berners Bay, Kadashan, and Calder-Holbrook. The repeal of all these areas by H.R. 2413 would be very detrimental to wildlife populations and the people who depend on them for their monetary or non-monetary economic well being.

On the more than 200,000 acres of national forest land that could be conveyed to private corporations under this bill, the state Forest Practices Act would require no protection of wildlife.

Tourism Industry

Tourism is Southeast Alaska's fastest growing industry, and in 1993, over 700,000 visitors came to the region - a 130 percent increase over 1989. In a 1995 visitor study in southeast Alaska (conducted for the Alaska Wilderness Recreation and Tourism Association), 70 percent of those interviewed indicated that wildlife viewing was either a "very important" or "important" consideration in their decision to visit the region. In the same visitor study, 69 percent of those surveyed indicated that seeing remote wilderness was "very important" or "important" in their decision to visit Southeast Alaska.

Wildlife and Wilderness have become major contributors to Southeast Alaska's outdoor recreation and tourism industry, and place names such as Admiralty Island, Misty Fjords, and Anan Creek attract visitors from around the world. Wildlife populations on the Tongass merit at least as much protection as they have been afforded under federal management, and this bill's repeal of Congressionally designated Wilderness and LUD II areas would result in serious long-term economic damage to Alaska communities dependent on the outdoor recreation and tourism sector of the region's economy.

Conclusion

It is clear that despite its problems, the U.S. Forest Service is in the best position to balance the many legitimate national, state, and regional interests here. For the general good of this and future generations, we recommend that you redirect your emphasis from this bill to supporting the ongoing public process for revising the Tongass Land Management Plan.

1/ Personal communication with Cal Caspirit. Forest Service. 2/8/96.
2/ Personal communication with Janet Kowalski. ADF&G. 2/9/96.

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Milner, Alexander M. September 1991. Timber Harvest and Water Quality in Alaska - Final Report. Prepared for the U.S. Environmental Protection Agency by the University of Alaska, Arctic Environmental Information and Data Center. Environment and Natural Resources Institute, University of Alaska, 707 A Street, Anchorage, Alaska 99501

Schoen, John W., Matthew D. Kirchoff, and Jeffrey H. Hughes. July 1988. Wildlife and Old-Growth Forests in Southeastern Alaska. In Natural Areas Journal, Vol. 8, Number 3. Natural Areas Association, 320 South Third Street, Rockford, IL 61104.

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CITY OF PETERSBURG
P.O. BOX 329 • PETERSBURG, ALASKA 99833
TELEPHONE (907) 772-4511
TELECOPIER (907) 772-3759

To: **Honorable Don Young**
United States Congress

From: **Syd Wright, Petersburg City Council**
Representative to the Southeast Conference

Date: **February 15, 1996**

Subject: **House Resolution No. 2413**

Place: **Wrangell, Alaska**

Thank you for this opportunity. I bring to you greetings from the City of Petersburg and an invitation from Mayor Jeff Meucci to hold hearings in Petersburg where your lunch will be a sampling of the finest seafood in the world.

My name is Syd Wright. I am a Councilor from the City of Petersburg and serve as the Council's representative to the Southeast Conference. I have been a full time resident of Alaska for thirty-three years, most of them in the Tongass. I have been a commercial fisherman for thirty-two years and an educator also for all of that time, mostly as principal of Petersburg High School.

In my long time study of legislation affecting the Tongass, I am struck by the contrast between Representative Young's bill and the apparent intent of the originator of the notion that the Tongass should be a National Forest. I think that perhaps Teddy Roosevelt is turning round and round in his grave.

In 1907, he designated the Tongass National Forest. In the same year, Colorado and Wyoming stock, mining and timber interests tried to organize anti-conservationist policy support to get public lands ceded to the states. But opinion was divided and the move failed partly because of Teddy Roosevelt's appointee, Gifford Pinchot. Teddy rejected John Muir's preservationist position in favor of Pinchot, who then developed the multiple use concept - which is why we still have a forest to argue about today.

Teddy Roosevelt, a Republican conservative President, one of the greatest presidents of the twentieth century, with Gifford Pinchot, came up with a three phase policy which still works today.

•Re-name the Bureau of Forest the Forest Service to emphasize its commitment to public service and rename the forest reserves to National Forests to emphasize their public use; and

•Identify the goal as "the greatest good for the greatest number for the longest time"; and

•Develop an integrated program for all natural resources giving each its proper treatment in relation to the whole.

With these views in mind let me report to you the City of Petersburg's position in two different resolutions. Support of ANILCA and TTRA as they stand and opposition to HR 1034. Two different resolutions passed, neither unanimously.

Our stated reasons were:

1. The intentions of the framers in 1907.
2. The State of Alaska does not have the resources to manage the Tongass National Forest.
3. HR 2413 specifically repeals the sections of ANILCA and TTRA which protect National Monuments, Legislated LUD II Areas, Wilderness Areas (which include Petersburg Creek) and one hundred foot buffers, which we feel are critical to commercial fishing and tourism.
4. The bills do place emphasis on the small independent timber business.
5. The improved timber receipts to our schools as a result of TTRA.
6. The loss of the Forest Services' social and economic impact on Petersburg ($6.5 million payroll and over $2 million in Wrangell).

Let me close with a story. My friend, State Senator Robin Taylor recently answered some of my questions about his companion bill in our State Senate. (Robin, are we still friends?) In his answer he asked me if I didn't trust my friends and neighbors' decisions relative to managing the Forest.

I will answer this way. Twenty-five years ago there was a battle in Petersburg about logging Petersburg Creek. My friends and neighbors prevailed. Along came ANILCA. Many of my friends and neighbors helped pass it.

In 1990, along came TTRA. Many of my friends and neighbors including all the commercial fishing organizations supported it and still do.

The Petersburg City Council, elected by a majority of my friends and neighbors, also passed two relevant resolutions. So in answer to Senator Taylor's question, I feel enough of my friends and neighbors are supportive to justify my presence here to oppose HR 2413.

The common thread that runs through all of this is Teddy Roosevelt's "the greatest good for the greatest number for the longest time" - the multiple use concept - re-emphasized in the words of TTRA, shall provide timber "to the extent consistent with providing for multiple use and sustained yield of all renewable forest products".

This was Teddy's intent and it is ours still today.

EXHIBIT #1

RESOLUTION NO. 1415-R

A RESOLUTION REQUESTING RECONSIDERATION OF SOUTHEAST CONFERENCE RESOLUTION NO. 95-12.

Whereas, at the Southeast Conference Membership and Annual Meeting held in Whitehorse, B.C., September 19 - 21, 1995, the membership considered Resolution No. 95-12 which supports Congressman Young's House Resolution No. 2413; and

Whereas Congressman Young's House Resolution No. 2413 provides for the transfer of the Tongass National Forest from the federal government to the State of Alaska; and

Whereas, the designators of the Forest in 1907 intended that it belong to all the people of the United States, not just Alaskans; and

Whereas, the State of Alaska does not have the financial or personnel resources or the necessary institutional memory to provide for minimal adequate management of the Tongass National Forest; and

Whereas, the State of Alaska taking over the management of the Tongass National Forest is similar to and as inappropriate as the Federal government taking over the management of wildlife and fish on federal lands in Alaska; and

Whereas, Petersburg has already gone on record supporting Alaska National Interest Lands Conservation Act (ANILCA) and the Tongass Timber Reform Act (TTRA) as they presently stand; and

Whereas, House Resolution 2413 calls for the repeal of several portions of ANILCA and TTRA which would eliminate: National Monuments, Legislated Lud II Areas, Wilderness Areas and 100 ft. buffers; and

Whereas, the above areas are critical to the continued economic success of the fishing and tourist industry in Southeast Alaska; and

Whereas, House Resolution 2413 would reinstate Alaska Pulp Company's fifty year contract, the elimination of which has opened the former Alaska Pulp contract area to small, independent timber and tourism business opportunities and increased the prices timber businesses are paying for timber; and

Whereas, these independent timber businesses have bid a fair and much improved price for valuable timber which has resulted in higher values and significantly improved timber receipts for support of schools and roads in Southeast communities; and

Whereas, the City of Petersburg opposes House Resolution 2413; and

Whereas, the transfer of the Tongass National Forest to the State of Alaska would mean the loss of 130 families of US Forest Service people who live in Petersburg. These families provide great economic benefits to Petersburg and to other Southeast communities; and

Whereas, the US Forest Service employees and their families are a great social and educational asset to our community; and

Whereas, the voting members attending the Southeast Conference did not receive any notice or information regarding Resolution No. 95-12 prior to the meeting nor were they given an opportunity to discuss the ramifications of Congressman Young's House Resolution No. 2413 with their respective communities and sponsors.

Now Therefore Be It Resolved by the City of Petersburg, Alaska to encourage the membership of the Southeast Conference to consider the implications of Congressman Young's bill and reconsider Resolution No. 95-12.

The City of Petersburg further resolves to encourage the Southeast Conference to provide information to its membership and set aside one month for discussion and study prior to reconsideration of Resolution No. 95-12 and further to provide the membership with a mail-in ballot process for reconsideration.

Passed and Approved by the City Council of the City of Petersburg, Alaska this 6 day of November 1995.

Mayor

ATTEST:

City Clerk

EXHIBIT #2

RESOLUTION NO. 1397-R

A RESOLUTION SUPPORTING THE TONGASS TIMBER REFORM ACT AND THE ALASKA NATIONAL INTEREST LANDS ACT.

Whereas, the City of Petersburg is supportive of a balanced multiple use of the Tongass National Forest; and

Whereas, the stability and future growth of Petersburg's major economies, fishing and tourism, are dependent upon provisions of the Alaska National Interest Lands Act and the Tongass Timber Reform Act; and

Whereas, Petersburg's subsistence use of fish and game also depend upon the provisions of the Alaska National Interest Lands Act and the Tongass Timber Reform Act.

Now Therefore Be It Resolved by the City Council of the City of Petersburg, Alaska to support the Alaska National Interest Lands Act and the Tongass Timber Reform Act as they presently stand.

Passed and Approved by the Petersburg City Council on the 5 day of June, 1995.

Mayor

Attest:

City Clerk

Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Voice and Fax

EXHIBIT #3

June 1, 1995

The Honorable Frank Murkowski
Chairman,
Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator Murkowski:

The Petersburg Vessel Owners Association is an organization of commercial fishermen dedicated to the conservation and rational management of Alaska's fisheries. It is one of the oldest organizations of its kind in Alaska and its members have been active participants in Tongass timber issues for many years.

As an organization, we are not opposed to logging nor are we opposed to a self-supporting timber industry, but we believe the needs and interests of the commercial fishing fleet also must be acknowledged and addressed before any legislative revisions are made to land-use designations or management practices within the Tongass National Forest.

Since this hearing may, in fact, be a precursor to the introduction of legislation, we would like to make some general comments at this time with a request that our industry as well as other Southeast residents be given ample opportunity to participate in a greater capacity in the near future.

As you know, the commercial fishing industry is Southeast Alaska's largest private employer and its continued success depends on the health of hundreds of salmon-producing streams within the Tongass. In order to ensure streams continue to produce salmon and therefore, provide jobs and economic opportunities for Southeast residents, the safeguard measures of TTRA including 100-foot buffer strips, the integrity of LUD-II areas and additional protection for sensitive watershed areas must be maintained.

Even though some valuable watershed areas were protected by TTRA, private corporations have been harvesting private lands containing several salmon-bearing streams. Of particular concern are lands north of Petersburg between Port Houghton and Windham Bay. In these cases, TTRA measures were not required; thus minimal buffer strips were established along streams and few measures were taken to protect salmon habitat. Furthermore, much of the timber has been left on the slopes with only logs removed for export. We cannot afford expansion of timber harvest which do not require allowances for other Tongass-dependent industries; it is not conducive to the health of the Tongass nor to the economy of Southeast.

Hon. Ted Stevens
June 1, 1995
page 2

As you may recall, TTRA was widely accepted in Southeast; the reason being is that the law takes into account the needs of different industries which rely on the Tongass. The fact remains that the economy of Southeast Alaska is based on much more than the total number of board feet harvested from the Tongass; we believe future management of the Tongass must reflect that reality.

Thank you for the opportunity to comment and we look forward to working with you, your staff and the residents of Southeast Alaska on revisions to land-use and management practices within the Tongass National Forest.

Sincerely,

Gary a. Slaven

Gary Slaven
President,
Petersburg Vessel Owners Association

cc:
Hon. Ted Stevens
Hon. Don Young
Members, Committee on Energy and Natural Resources

STATEMENT OF
PHIL JANIK, REGIONAL FORESTER
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
House Committee on Resources
United States Hose of Representatives

Concerning H.R. 2413, a bill,
"To Transfer the Tongass National Forest to the State of Alaska"

February 15 & 16, 1996
Wrangell & Ketchikan, Alaska

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am pleased to have the opportunity to appear before you today to discuss the management of the Tongass National Forest and present the Administration"s views on H.R. 2413, a bill, "to transfer the Tongass National Forest to the State of Alaska." The Department of Agriculture strongly opposes enactment of H.R. 2413.

Our opposition rests on both philosophical and pragmatic grounds. Let me outline our position.

National Forests Belong to All Americans

For over 100 years, during good economic times and bad, public lands have been a source of the goods and services that supply local and regional economic growth and diversity. Public resources have helped build a nation with affordable recreation,

wood, fish and wildlife, energy and water. They have been the basis for environmental health, yielding clean air and water for generations.

The National Forest System, covering more than 191 million acres, is an important part of the these public lands. Gifford Pinchot, first Chief of the Forest Service, set down an operating philosophy that is as appropriate today as it was when the agency was established. The National Forests are managed "for the greatest good for the greatest number in the long run." Be it the Shasta National Forest in California, the White Mountain National Forest in New Hampshire or the Tongass National Forest in Alaska, each is managed for the benefit of all Americans.

By and large, Forest Service stewardship of this priceless resource has been a resounding success. Through multiple use management, a concept that balances environmental health with human needs, the National Forests have provided substantial economic benefits to surrounding communities. By basing management on the best available science, we have been able to refine land management practices to better protect and produce a full range of resources wildlife and fish, recreation opportunities, and timber.

We recognize that some people disagree with certain aspects of current management efforts. Some believe that we cut too much timber or, conversely, that we place too little emphasis on

timber products. We are dealing with these perceptions through improved science and more effective public involvement in the decision-making process. We strongly urge you not to pursue a policy that would lead to the dismemberment of the National Forest System but, instead, recognize that conflict and controversy are inherent parts of natural resource management which cannot be "fixed" by shifting responsibility form Federal to state management.

Effects of H.R. 2413 to the Economy of Southeast Alaska

The economies of Southeast Alaska are in transition. The communities and the increasingly diverse businesses of the region need assurance of a stable supply of all the goods and services produced by the Tongass. The Clinton Administration recognizes the vital role that natural resources play in the economy of the region and is committed to the economy of Southeast Alaska and to providing a sustainable and dependable supply of timber and other resources from the Tongass to the communities and businesses of Southeast Alaska. The proposed legislation, however, would adversely effect efforts toward accomplishing economic stability and, conversely, create additional economic uncertainty.

H.R. 2413 would undo the long established working relationship the Forest Service has developed with the State of Alaska, local governments, and Alaska natives. From management of cultural resources to road maintenance, the Forest Service works with a

variety of local interests to ensure the natural and cultural resources of Alaska are well maintained. Discontinuing these relationships will hamper the technical and financial ability of partners to manage certain resources and activities ranging from municipal watershed management to cooperative recreation planning.

The Tongass is an ecological treasure--a vast expanse of temperate rain forest. Recognizing its value, the American public has invested major financial resources in the Tongass to ensure the wise and judicious use of all its natural resources. This in turn has greatly contributed directly and indirectly to the growth of the Southeast Alaskan economy and the health of our nation. For instance, the Forest Service, in cooperation with the Alaska Department of Fish and Game and the fishing industry, has invested more than $8 million of Federal money in fish passes and other habitat improvement structures in the last 15 years. We estimate that this is creating more than $17 million worth of additional salmon each year for the commercial fishing industry. The Forest Service has worked hard to assure sustained growth in all sectors of the economy. The investment in programs and infrastructure the taxpayers of this country have made to the resources of the Tongass and the economy of Alaska since the Tongass was established in 1907 is substantial. Even if transfer of the Tongass made sense from a management standpoint, the Administration would object to relinquishing 17 million acres of valuable federal property and improvements without adequate

compensation to the federal treasury.

H.R. 2413 would also change the flow of economic benefits that Forest Service programs have created for the 33 communities and local governments within the Tongass. The Forest Service shares 25% of all revenues from timber sales and other activities on the national forests. In 1995 this amounted to $7.6 million. Of this total, the city of Wrangell alone received $536,000 and Ketchikan received $337,000. For both these cities, as for the other communities in Southeast Alaska, these revenues are a key component of local government finances. If they were diminished or lost, the alternative for most communities might be to raise taxes, cut back on services, or both.

The economy of Alaska would further be affected by the loss of an estimated $60 to $80 million per year the federal government spends to operate programs on the Tongass at the current level. The cost of managing the Tongass will remain relatively unchanged if H.R. 2413 is enacted. Yet the loss of this influx of federal money coupled with the additional burden to the State budget is certain to prove detrimental to the stability of the Alaskan economy. Additionally, the revenue generated by the 565 permanent employees on the Tongass, whose salaries are spent and respent in local economies, supporting additional jobs and income for the private sector of Alaska, would be foregone.

The Future

Historically, issues surrounding the Tongass have been contentious. While the Forest Service is proud of all we have accomplished over the past 90 years, we don't pretend for a moment that everything is perfect. We acknowledge that the competing uses desired by our neighbors, partners, and owners has dramatically increased the debate surrounding how Federal lands should be managed. These conflicting needs and philosophies are, perhaps, more keenly felt here in Alaska than anywhere in the country.

We believe, however, that there are many things that we can do to improve our relationships with the public and the management of the resources in the coming years:

1. A better job of reconciling wildlife protection with stability in timber supplies.

There have been proposals from many groups that we should adopt additional measures to protect wildlife habitat on the Tongass. There have also been petitions to the Fish and Wildlife Service to list species as threatened or endangered under the Endangered Species Act. Responding to these proposals and associated litigation, actual or threatened, has made it difficult to provide the level of timber supply that the local timber industry has wanted and cast doubt in many people's minds about the future timber supplies.

We want to do a better job of reconciling this tension and balancing our stewardship obligations for wildlife habitat with the human needs for a healthy and growing economy. We think the best way to do this is to complete the Tongass plan revision, where this balancing can be considered in the broadest context, with the most comprehensive information base, and through the widest public participation. We will be releasing the draft of that plan very soon, and expect to make a final decision this summer.

2. A commitment to a sustainable timber supply.

Of utmost concern to the Forest Service is establishing a sustainable timber supply upon which industry can rely. The Forest Service has been working aggressively to expand the independent timber sale program. We intend to offer 116 million board feet under the independent timber supply program for FY 1996.

Additionally, the Forest Service is committed to continuing to meet the Ketchikan Pulp Company (KPC) obligation. In FY 1996, the Forest Service intends to offer 205 million board feet under the terms of the long-term contract.

With 8 years remaining on KPC's contract, I believe it would be valuable to KPC, the Forest Service, and the communities of

Southeast Alaska to work together to assess KPC's future timber needs and to attempt to determine from where on the Tongass the timber will come. At the same time, the Forest Service intends to work with the communities of Southeast Alaska and all of the economy to attempt to reduce conflict over timber harvesting and thus assure a more predictable and stable timber supply.

3. Better relationships with Alaska natives.

We have recently negotiated a memorandum of understanding with the Sitka Tribe of Alaska and the Hoonah Indian Association to formalize a government-to-government relationship with them. We hope we can similarly formalize our relationships with other Federally recognized tribes in Alaska. Tongass management affects a broad spectrum of the legitimate interests of Alaska natives, ranging from subsistence use of forest resources to access to the land held by Alaska Native corporations. We have worked hard at these relationships but we think we can do better.

4. Better service to those who seek permits for tourism and related activities on the Tongass.

As the tourist industry has grown, we have experienced explosive growth in the number of persons seeking permission to carry out tourist related business activities on the Tongass. Frankly, the growth in requests has far outrun our expectations and far outrun the appropriations we receive to evaluate and manage the

permits. We intend to do better. We have established a task team to review the entire permit process to identify administrative efficiencies, to speed it up, and to make it more convenient for the public--in short, to re-engineer the entire permit process.

Also, we have committed to an improved interagency partnership so that the public will be subjected to less bureaucracy and improved response to their applications.

5. Greater efficiency with fewer people and tighter budgets.

We are just completing a process to reorganize and downsize the Regional Office in Juneau in order to reduce administrative costs and get more money to on-the-ground programs throughout Southeast Alaska. In the coming years we expect to reexamine work processes at all levels of our organization to ensure that we are properly configured for the workload and budgetary challenges that we think are coming in the balance of this century and the opening of the next. We have appointed a special task team to chart the course for this reexamination, and we will be sharing the results with the public along the way.

6. Expanding the economic base of Southeast Alaska communities.

The Forest Service and the Department of Agriculture possess many tools for assisting resource dependent communities to diversify and expand their economic base. Both financial and technical assistance provided by the Department and the Forest Service have been utilized extensively in Southeast Alaska. In 1994, the Department offered direct assistance to the city of Sitka through the creation of a Resource Conservation and Development (RC&D) area. A coordinator was located in Sitka to work directly with community leaders and local industries to help identify means for expanding local economic opportunities for the communities.

Over the last three years, a total of $1.8 million in Forest Service rural community assistance (RCA) funds have been distributed to twenty communities in Southeast Alaska. In FY 1995, $500,000 of RCA funds were dedicated to the communities of Sitka and Wrangell to help them respond to the impacts of recent mill closures. Sitka residents plan to use their half of the money to expand and enhance the Thompsen boat harbor. Wrangell intends to complete the infrastructure necessary for residential development and provide port fill for water-dependent development. Also in FY 1995, a one-time appropriation of $300,000 was made to the Forest Service to fund a study of alternative wood products for manufacture in Sitka. Sitka residents are playing an important role in this effort and have worked with the Forest Service to design the study and will

continue to be involved as the work progresses. The study is scheduled to be completed in March 1996.

This commitment to the communities of Southeast Alaska will continue into the future. In fact, the Forest Service, through its RCA program, intends to provide more than $750,000 in grant money to resource dependent communities in Alaska in FY 1996.

7. Strengthening relationships with the State of Alaska.

Our relationship with the agencies of the State of Alaska have never been better, but we will continue to work to enhance them. Last summer, the Chief of the Forest Service, Jack Ward Thomas, met with the Governor, Tony Knowles, and reached an agreement on 14 points critical to both the State and the Forest Service. I ask that a copy of that agreement be made part of the record of this hearing. As we carry out that agreement, we think we will raise our relationship to an even higher level of understanding and cooperation.

Secretary of Agriculture Dan Glickman's visit to Alaska last summer also emphasized the importance of this Federal and State partnership.

8. A better job of listening to the people.

Our first Chief, Gifford Pinchot, gave us the following advice:

"There are many great interests on the National Forests which sometimes conflict a little. They must all be made to fit into one another so that the machine runs smoothly as a whole. It is often necessary for one man to give way a little here, another a little there. But by giving way a little at present they both profit by it a great deal in the end."

"National Forests exist today because the people want them. To make them accomplish the most good the people themselves must make clear how they want them run."

We still think that is good advice. We intend to redouble our efforts at listening to people to make sure we understand how the people want the Tongass run.

In fact, we have been working intensely to revise the Tongass Land Management Plan and continue to involve the public, our partners in State Government, and Federal agencies to assure that the needs of the people of the Tongass and the United States are met in our plan. We expect that the draft revision of the land management plan will be available for full public review and comment by the end of March of this year. And we are looking forward to extensive and productive reviews and discussion of the range of alternatives for uses on the Tongass.

Closing

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and more than 90 years of resource stewardship by the Forest Service and the relationships that we have built with our neighbors and our partners, our customers, and our owners. We are proud, too, of our accomplishments for the people of Alaska and the resources of the nation.

The Forest Service has managed and will continue to manage the Tongass with public input, scientific and economic analysis, and sustainable natural resource practices, while complying with the law. We recognize that improvements can be made in our management practices, but, as we have shown in our testimony, we are working diligently to maximize the value of Tongass National Forest to the residents of Southeast Alaska, as well as the other owners of the Tongass in the rest of the United States.

We look forward to hearing from all of the panels of witnesses here today and in working with you, Mr. Chairman, and our neighbors and owners to enhance the uses and management of the resources of the Tongass National Forest.

That concludes my statement, Mr. Chairman. We would be happy to answer any questions you might have.

August 25, 1995

THE UNITED STATES FOREST SERVICE COMMITS TO WORKING WITH ALASKANS TOWARD THE FOLLOWING:

1. A strong, healthy, diversified economy for Southeast Alaska that includes fishing, fish processing, tourism, timber, commercial guiding, subsistence, mining, and recreation and personal use. Affirm that all of the uses of the Tongass are important and acknowledge that the people and the management of the Tongass are inextricably linked and a consensus process is imperative recognizing the importance of multiple use reflected by the following:

   Fishing - The fishing industry is the single largest private employer in Southeast Alaska. Approximately 2,162 people are employed in Southeast Alaska in seafood harvesting.

   Seafood Processing - Approximately 1,603 people are employed in Southeast Alaska in the seafood processing industry. This has increased 14.1 percent since 1990.

   Tourism - The tourism industry employees approximately 3,637 people. There has been a 40% increase in employment in the tourism industry since 1990.

   Timber - The timber industry employs approximately 2,180 people. While there has been a 37.2% decrease in timber jobs since 1990, it remains an important employer in Southeast Alaska.

   Mining - The Tongass is one of the most heavily mineralized regions of Alaska and is actively growing and expanding. Approximately 165 people are employed in the mining industry in Southeast Alaska.

   Subsistence and Personal Use - The Tongass National Forest provides, other than a cash economy to Alaskans, important social, personal, and cultural uses.

2. Multiple, balanced, and sustainable use of the Tongass National Forest that meets the needs of Alaskans today while preserving opportunities for future generations.

3. Alaskans will be encouraged to maximize self-determination through public participation in the Tongass Land Management Plan (TLMP) revision process. Southeast Alaska communities will have a voice in the discussions and decisions regarding the Tongass.

4. National Forest fish and wildlife habitat protection, conservation, and management that is based on science and assures sustainable yields of populations of salmon, deer, and other important fish and wildlife species.

5. Scientific information will be an integral part of the management planning for the Tongass National Forest. It will not dictate the management decisions but will guide them.

6. Scientific assessments will be made available for review by the various industries, interest groups, and communities and the state as part of the management planning process. Several assessments and reports will be available in draft form in the next few days.

7. A clear, discernable TLMP planning process that includes a clear presentation of the planning steps and a well understood schedule for scientific studies, public participation, and completed products.

8. A supply of timber for Ketchikan Pulp Corporation (KPC) that meets the terms of the long-term contract.

9. In addition to the KPC contract obligations, the Forest Service is scheduled to provide about 100 mmbf in each of the years of 1995 and 1996 for independent and Small Business Administration (SBA) purchasers and to help support Southeast mills. Projections for the independent and SBA sale programs will become more certain with completion of the TLMP Revision.

10. The Forest Service will work toward developing a mutually agreed, efficient process for review of timber sale proposals by state regulatory agencies so as to establish predictable timber sale release schedules with a goal of a three-year timber supply and sufficient volume ready to offer or under contract to provide a predictable supply of timber available for manufacturing.

11. A major goal of both the state and the Forest Service is to provide incentives to encourage high value-added processing of timber in Southeast Alaska that provides more jobs per board foot cut. The Forest Service will support incentives to encourage investment in high value-added processing. The Forest Service recognizes sustainability of the economy is dependent on our ability to transition into diverse, dispersed, value-added industries.

12. A review by the state of the 1989 proposal for the establishment of an economic diversification fund to provide opportunities for communities and industries.

13. Continued efforts to assist Wrangell in their economic development and diversification as well as providing incentives for companies interested in high value-added processing.

14. The Forest Service will continue to work with various interest groups to implement a process that encourages consensus and reduces conflict.

TESTIMONY FOR THE
COMMITTEE ON NATURAL RESOURCES

FEBRUARY 16, 1996, 10:00 AM
TED FERRY CIVIC CENTER, KETCHIKAN, ALASKA

By

Don Leal
Senior Associate
PERC (Political Economy Research Center)
Bozeman, Montana

Mr. Chairman, the Tongass Transfer and Transition Act (H.R. 2413) is indeed a momentus bill. At long last there is a serious challenge to the very notion that mutiple-use, public forest management has to be under control of the great Leviathan. For too long we have assumed that a cadre of experts, answerable only to Washington and backed by an almost unlimited expense account, is the only option for allocating timber, minerals, recreation, and wilderness from our public lands. For too long, we have failed to consider state and local options seriously. Instead, we have accepted the conventional wisdom that these agencies lack the resources and expertise to do the job. Well, that conventional wisdom is under serious challenge today, not only in Alaska but in other western states as well.

Federal management has always operated with the understanding that decisions emanate from Washington, the benefits accrue to all, and the brunt of costs falls on the locals. In years past, state residents have assumed that outputs such as timber, minerals, and motorized recreation would continue to flow and that payments in lieu of taxes to counties would continue to be paid to offset their share of the costs. Unfortunately, when gridlock sets in, as it has on the Tongass, this payback formula simply doesn't work and chaos is the result. Economic outputs have been disrupted and communities have suffered as a result.

The Tongass is stuck in the quagmire of conflicting and costly requirements with no single defining economic purpose to navigate its way out. Lacking a clear objective, the Tongass has become a political football in which special interests can easily block all but the most radical options. The result has been devastating for Alaskans whose livelihoods depend on a balanced output of goods and services emanating from the forest.

Fortunately, there is a way out of the quagmire and states and local governments are showing us the way. What I will share with the committee today is the knowledge that there is a better way to manage a public forest such as the Tongass, one that has been proven successful in states such as Montana and Minnesota, two states with substantial state and local land holdings and with the clear economic objective of generating income for a designated beneficiary.

The information I will present here today is from two recent studies I've conducted comparing national forest management with that of state and local forest management in Montana and Minnesota, respectively. These comparisons will show that state and local foresters are not only capable of managing multiple-use, public forests, but they do so with far greater efficiencies than federal managers. Moreover, state and local foresters carry out their duties without sacrificing environmental quality. Indeed it appears that the very costly attempts to ensure environmental protection through federal laws result in never-ending paperwork but don't buy us much in the way of protection.

My first study compares national and state forest management in western Montana where state forests are rated by government surveys as having timber-growing potential similar to that of neighboring national forests. And like national forests, Montana's state forests are mutiple-use, public forests. They provide outputs of timber, livestock grazing, minerals, public recreation, as well as providing habitat for wildlife that includes grizzly bears.

Of the 600,000 state forest acres in Montana, about 500,000 acres provide timber (the remaining acres have been set aside for economic or environmental reasons). In addition, state foresters must meet similar environmental standards as the Forest Service, including protecting streamsides, reserving habitat for endangered species, and making sure water quality standards are satisfied. They do these things, however, with smaller staffs and less documentation requirements.

In addition, unlike the Forest Service, which has no requirement to make money from national forests, state foresters are required to generate income from state lands for the funding of public schools. For example, while the public can and does use state forests extensively to hunt, hike, fish, and camp on, a recreational user fee is charged and that fee goes toward funding of public schools. For 1994, the state charged a fee of $5 per person for a season's recreation pass and generated net revenues totaling $157,555. Also, the state sold 140 special recreational licenses for outfitting on state lands, netting an additional $66,948. All told, the state generated $224,503 in income for the funding of schools from recreation.

Without the income incentive, the Forest Service does not pay the same attention to costs as the state, nor does it have to try to raise revenue by exploring other potentially profitable options for the forest—such as charging hunting and fishing fees. Thus, we would expect the state to have much greater motivation to perform better economically than the Forest Service, and it does.

From 1988-1992, Montana state forests, many of which lie right next to national forests, generated $13.3 million in net income from timber sales, while Montana's ten national forests managed to lose nearly $42 million. Remarkably, the state harvested only 8 percent of the quantity harvested by the Forest Service in Montana over the 1988-1992 period.

This performance difference occurred because the state carried out its timber and

environmental duties at much lower costs. On state forests in northwestern Montana, the state spent an average of $65 for every thousand board of harvest, while on nearby Flathead National Forest the Forest Service spent an average of $106 for every thousand board feet of harvest. On state forests in Montana's southwest region, the state spent an average of $80 for every thousand board feet of harvest, while on nearby Beaverhead National Forest the Forest Service spent $169 for every thousand board feet of harvest.

Why were the state's costs lower? One reason is that the Forest Service expended substantially more labor hours administering a given volume of timber through a sale than did the state. On the Gallatin National Forest, for example, the Forest Service expended over two-and-a-half times the labor hours expended by state foresters on nearby state lands. Another reason is that the state spent a lot less than the Forest Service contructing a given mile of timber road. The state averaged from $4,000 to $8,000 per mile, while the Forest Service averaged from $45,000 to $50,000 per mile. The Forest Service builds roads under the "built-to-last" philosophy so they will be used by recreationists long after logging has ended for a given rotation. The state builds timber roads under the "get-in-and-get-the-timber-out" philosophy. They are mostly for temporary use, and thus they are less disruptive to the environment.

Despite lower overall costs, the state carried out its duties without sacrificing environmental quality. In 1992, an independent audit of harvested areas by the state and the Forest Service, the state ranked higher than the Forest Service in mitigating the impacts of logging on watersheds. The audit is now being caried out in additional states to assess how well forest owners are protecting forests on the ground where it counts.

My second study compares timber sales from St. Louis County forests in Minnesota with nearby Superior National Forest. As in the previous comparison, these forests are rated by foresters to be very similar in timber-growing potential. Like the Forest Service, county foresters must manage their forests for multiple outputs, including timber, public recreation, and minerals, while adhering to strict requirements for protecting watersheds, wetlands, and wildlife habitat from logging impacts.

Once again, the key difference is that county foresters are required to generate income from their forests while the Forest Service is not. In the case of St Louis County, the income generated from the county's forests benefits county taxpayers by funding public services in the county.

As in the previous case, county foresters had much better economic results than the Forest Service. Over the 1990-1993 period St. Louis County foresters generated income totaling $2,340,572 from timber sales, while the Forest Service lost $5,178,362 from timber sales on Superior National Forest. While unit revenues from timber sales were similar for both agencies, the county had much lower unit costs overall. Over the 1990-1993 period, the County spent an average of $12.31 for every thousand board of harvest, while the Forest Service spent an average of $34.12 for every thousand board of harvest.

My analysis shows that the Forest Service spent nearly three times as much on timber sale preparation as county foresters. The Forest Service's higher planning costs were driven by more extensive land use and environmental planning and environmental documentation. The county spent far less on planning and generated far less paperwork. Most of its expenses for environmental protection are for on-the-ground monitoring and mitigation activities to protect environmental assets.

Once again, despite the lower planning costs, the county carried out its timber duties without sacrificing environmental quality. In an independent audit similar to the audit carried out in Montana, county foresters came out slightly ahead of the Forest Service in protecting areas from logging impacts.

In both Montana and Minnesota, state and local foresters managed to make money without sacrificing environmental quality. The benefits accrue to designated local beneficiaries and these beneficiaries make sure that the state and local foresters carry out their duty under state and county law.

The implications for H.R. 2413 are clear. With passage, Alaskans would now have the opportunity to manage the Tongass in a manner similar to Montana or Minnesota. If this opportunity comes about, the state of Alaska should consider the following:

1. Designate the Tongass as a state land trust holding, with the state as a trustee for a designated beneficiary. This should be a beneficiary that appeals to all Alaskans, such as public schools or in part the Alaska Permanent Fund.
2. Management of the Tongass must have the clear purpose of generating income from some or the most appropriate areas determined to be economically viable for timber, minerals, recreation, etc.
3. Other areas that are of low economic value for timber and minerals but of high environmental value should be designated as reserves. (Note: Recommendation 3 does not prevent these areas from producing income. Fees from nature visitors, photographers, hikers, etc., could provide revenues.)
4. Allow state managers to market a variety of options for surface use, such as outfitter leases and conservation easements.

I want to thank the Committee on House Resources for the opportunity to speak on behalf of this most important bill here today.

TESTIMONY BY

Ralph D Lewis
President
Ketchikan Pulp Company

BEFORE

Committee on Resources
United States House of Representatives

Ketchikan, Alaska

February 16, 1996

Mr. Chairman and members of the Committee:

Thank you for this opportunity to testify. My name is Ralph D Lewis. I am President of Ketchikan Pulp Company (KPC) and have been a resident of Ketchikan, Alaska, and an employee of KPC for 30 years. As a long-time and permanent resident of Ketchikan, I have a sincere concern for the continued economic viability and stability of the Ketchikan region of Southeast Alaska. KPC has a continuing commitment to Southeast Alaska communities to provide the employment opportunities necessary to maintain the economic viability and stability the region so sorely needs.

Accompanying me today is Troy Reinhart, KPC Employee Affairs and Public Relations Manager, to assist in answering any question you might have that are not covered in my prepared remarks.

Local Jobs Require Local Decisions

KPC fully supports HR 2413 (the Tongass Transfer Act) as the first step in bringing management of the Tongass National Forest back to the people of Alaska, back to the people whose lives, families and jobs are directly impacted by the decisions made regarding the Tongass National Forest.

I have no doubt we will continue to have debates on how the Tongass should be managed, but let them be with, and the decisions made by, people who have a direct stake in the debate. That is why the State of Alaska must become the manager of the Tongass.

The establishment of the timber industry in Alaska was a grassroots effort by those living right here in Alaska, people who made Alaska and the communities of the Tongass their homes. Those who worked hard to bring a timber industry and year-round economic stability to the region were also looking for Statehood. Notable among them was B. Frank Heintzleman, who served as Regional Forester for Alaskan National Forests from 1937-1953 and thereafter was Territorial Governor. They wanted a bigger say in how the affairs of Alaska were managed and the right of self-determination.

Dating back as far as 1920, those in charge of managing the Tongass were of the opinion that the best, ultimate utilization of the large timber resources of the region would come mainly through pulp and paper production, the establishment of which would promote the economic development of Alaska. Therefore, they sought to attract pulp manufacturers to Southeast Alaska with the promise of long-term timber supply contracts. However, conditions in those years were not ripe for such a development so, to preserve the timber resource for the day when industry did come to Alaska, the primary manufacture requirement was developed in 1928, the effect of which was to prevent the export from Alaska of Tongass timber in round log form, not only to foreign countries but to the lower 48 as well. The reason for the primary manufacture requirement was explained by the Chief of the Forest Service as follows:

> These recommendations are based on the belief that the manufacture of Alaskan timber in Alaska, rather than its shipment in the raw state for manufacture elsewhere, is to the best interests of this pioneer region. The establishment of new and the expansion of existing local wood-using plants should be fostered energetically as Alaska is badly in need of more industries. Prohibiting log exports is an important step in this direction.

The primary manufacture requirement remains today as a key and necessary component for sustaining the economic viability of Southeast Alaska.

As World War II came to an end, efforts to attract pulp manufacturers to Southeast Alaska were renewed and intensified. Long-term sales were offered once again. In 1949, Regional Forester Heintzleman wrote:

> The timber-management policies provide that the timber resources of the Tongass Forest shall be used for the upbuilding and the support of permanent, modern communities throughout southeastern Alaska. In line with this policy, the forest has been divided into pulp-timber allotments, that in turn have been tentatively grouped into four sustained-yield units. Each unit has sufficient timberland to support one or more pulp mill of economic operating size in perpetuity.

A major purpose of long-term timber sales in Alaska was to bring stable, high-paying, year-round jobs to the communities of Southeast Alaska. By the 1950's, this objective was accomplished. Thereafter, through the 1970's, the forest industry grew and diversified. However, beginning in the 1980's and particularly since passage of the Tongass Timber Reform Act, the viability of

the industry has been threatened as less and less timber is made available from the Tongass. Management of the Tongass has become disjointed and politically driven by those who do not even live here.

Some people express concern that the State of Alaska does not have the ability to manage the Tongass. I disagree. The people who live here are singularly qualified to best protect and balance the uses of our natural resources. The people of Alaska are prepared to manage the Tongass National Forest.

However, any transfer of the Tongass to the State of Alaska must protect agreements now in place. We believe this includes the KPC long-term contract and the independent timber sale program.

History/Background of KPC and Its Long-Term Agreement

Ketchikan Pulp Company, a domestic company since its inception, was founded in 1948. In the summer of that year, KPC was the sole bidder on and was preliminarily awarded a contract for the Ketchikan Pulptimber Unit. In 1951, after several years of studies, planning and negotiation, KPC qualified for the final award, and a long-term timber sale agreement with the United States Forest Service was executed at that time. The contract required KPC to construct a pulp mill as a necessary condition of its performance. This agreement was the culmination of 30-40 years effort by the federal government to entice someone to invest in facilities necessary to process the Southeast Alaska timber resources. Establishment of operations under the KPC agreement marked the first success of the Forest Service in finding a private party willing to invest the large sums of capital necessary to implement such a pioneering venture.

This agreement was vitally important to the national interest. A joint resolution of the House Interior and Agriculture Committees adopted in 1947, the focus of which was the Tongass National Forest, stated quite clearly the intent, need, objectives and importance placed on establishing a year-round pulp manufacturing enterprise in Southeast Alaska:

> [I]t is believed that the prompt enactment of this measure is of the utmost importance to the Territory of Alaska and the United States as a whole.
>
> A large-scale development of the timber resources in southeast Alaska, involving the establishment of important business enterprises and the employment of many persons for extensive operations on a year-round basis, is essential to the maintenance of a prosperous and stable economy in the Territory. Heretofore, Alaska has been handicapped by the seasonal nature of the principal industrial

> activities conducted within the area. A timber program of the sort mentioned by the Secretary of the Interior would be of great benefit in assisting the people of Alaska to progress from the present dependence upon seasonal business operations. Moreover, such a development within the territory would be a great value to the Nation as a whole, both from the standpoint of making available to the national economy valuable and sorely needed products from the great forests in southeastern Alaska and from the standpoint of promoting the national defense through increasing the population and industrial capacity of Alaska as our "Northern Rampart."

Thus, a primary purpose of the government's many years of effort was to bring year-round employment to Southeast Alaska. To achieve this goal and to obtain full utilization of the forest resource, the Forest Service recognized that the existence of a pulp mill was essential--since a high percentage of the Tongass National Forest was comprised of overmature and decaying material usable only for pulp. A pulp mill was meant to serve as the foundation of the new timber industry, serving as an outlet for pulp grade material from independent loggers and for residual chips from independent sawmills that were envisioned by the Forest Service to come into existence after the pulp mill was constructed. It was recognized that a pulp mill operation would, by necessity, provide steady, year-round employment since, unlike a sawmill, a pulp mill generally must operate continuously throughout the year.

This was a risky venture from the standpoint of KPC, given the costs associated with construction of a pulp mill in an isolated region with 600 miles of a foreign border between Alaska and the nearest state. Given the large federal government ownership in Southeast Alaska, it was recognized that KPC would not have an opportunity to acquire fee ownership of timberland to help meet its raw material supply needs. In order to support the necessary financing and construction of the pulp mill, KPC was guaranteed 8¼ billion board feet of timber to be supplied over a 50-year period from a specified area of the Tongass National Forest. Recognizing the importance of a guaranteed and steady supply of timber to operate a pulp mill, the agreement called for 5-year operating periods during which the necessary timber would be made available for harvesting in a timely manner. As stated by Regional Forester Barton as recently as April 14, 1994:

> Historical papers and correspondence demonstrate vividly that a primary objective of the Forest Service in selling timber from the Tongass National Forest through fifty-year contracts was to establish a permanent pulp industry in Southeast Alaska that achieved maximum utilization of timber and provided

> year-round employment and opportunities for community development. * * * The preamble to the contract explicitly states the parties' intent that the government supply timber to support the "permanent operation of the enterprise which may be established under the terms of the contract." (emphasis supplied).

Needless to say, the economics associated with the guaranteed timber supply were vitally important to a company such as KPC entering into such a pioneering venture. Given that KPC had to pay minimum rates ("base rate") for the timber even if the timber was valued below that amount ("deficit"), the agreement required that the Forest Service select areas that made economic sense. In addition, the pricing of the timber throughout the term of the agreement could not place KPC in a "disadvantageous position with respect to similar enterprises in the Puget Sound region". Finally, the stumpage rates were required to be equitable and competitive in comparison with those charged on any other long-term pulptimber development contracts on the Tongass National Forest.

Construction of the pulp mill in Ketchikan began in 1952, and by 1954, the production of "Tongacell Pulp" was a reality. Throughout its history, the primary product of KPC's pulp mill has been dissolving sulfite pulp, which is processed into viscose for use in the manufacture of rayon, cellophane, munitions and other similar materials. The pulp mill, which currently has a maximum annual pulp capacity of 200,000+ tons, has the ability to produce 90-93% pure grade chemical cellulose pulp. Our pulp is sold both domestically and to foreign buyers. Our foreign sales are sold to buyers in 32 countries throughout the world (China-25%; Taiwan-21%; Indonesia-19%; Europe-15%; and, Japan-12%). KPC produces high, value-added specialty pulp for customers requiring pulp grades with particular performance characteristics. The pulp is principally produced from hemlock fiber which yields a pulp product superior for the making of rayon. KPC is one of only eight stable suppliers of such dissolving pulp worldwide.

In addition to the pulp mill, KPC operates two sawmills, one located on Annette Island and the other in Ketchikan adjacent to the pulp mill. Assuming an adequate supply of raw materials, the mills together have the capacity to produce 130 million board feet of lumber annually. Both mills have the ability to increase operations to a three-shift basis. Products from the Annette Hemlock Sawmill (AHM), operated pursuant to a lease with the Metlakatla Indian Community, include large diameter, rough sawn spruce and hemlock cants which are sold and subsequently further processed to form such items as decorative doors, window frames, stair parts, and piano soundboards. The Ketchikan Sawmill (KSM) manufactures logs in smaller diameters which are typically processed into high quality, metric-sized, planed lumber. Approximately 90% of the sawn product processed at the Ketchikan Sawmill is a finished product entering the structural lumber market

worldwide. The balance of the sawn product from KSM is used for tight grain cut stock or studs and is sold in domestic markets.

KPC has recently instituted a program to upgrade and improve its pulp-making facilities to produce elemental chlorine-free pulp (ECF). This effort is in direct response to the world's increasing desire for chlorine-free products and is the first step in the effort by KPC to develop an entirely chlorine-free pulp process. KPC intends to commence production of elemental chlorine-free pulp in 1996 and hopes to produce totally chlorine-free pulp (TCF) as the technology becomes available.

With the exception of temporary mill closures that have resulted from a shortfall in timber volume made available by the Forest Service under the long-term contract in recent years, KPC continues to provide a significant year-round employment base in Southeast Alaska. When provided adequate raw materials by the Forest Service, KPC facilities employ about 1,000 persons in its various operations and directly support employment of another 1,500 persons (for example: contract loggers, road builders, longshoremen, and tug boat operators) in the Ketchikan-Metlakatla-Prince of Wales area of Southeast Alaska. Overall, approximately 25% of the region's total employment payroll is involved, in some way, with KPC and its activities. KPC is the largest private employer in Southeast Alaska, and most of the services and support industry is dependent upon the continued viability of KPC and its operations. The employment provided by KPC in 1995, provided the average full-time KPC employee approximately $45,000 in wages (not including benefits). During 1995, KPC paid wages to its employees totaling over $40,000,000 (not including benefits). KPC enjoys a very stable work force, with the average duration of an individual's employment being close to 10 years. Over 90% of our work force is hired locally, and KPC employees mirror the population diversity of Southeast Alaska, with Alaska Natives comprising approximately one-third of the total work force.

KPC operations remain the foundation of the timber industry in Southeast Alaska, providing an assured outlet for residual chips and pulp grade logs from independent sawmill and logging operations--when such operations have supplies of raw materials themselves in sufficient quantities to operate. Through its operations, KPC provide economic viability so necessary for community stability. Through its operations, KPC puts more than $5,000,000 monthly into the Ketchikan-Metlakatla-Prince of Wales economy. KPC's manufacturing operations are as essential to the Southeast Alaska economy today as they were at the inception in the 1950's--especially given the shrinking commercial timberland base of the Tongass National Forest and the resulting forced harvest of lower quality and more inaccessible timber stands. Through its integrated pulp and saw operations at Ketchikan and Metlakatla, KPC provides full utilization of the forest resource.

Stated quite simply, KPC has met its part of the "bargain" reached with the Forest Service in 1951. A pulp mill was con-

structed and began operation in 1954. Since 1954, KPC has invested over $325 million in its operations. In addition, KPC has developed an extensive network of roads used by various sectors of the public. Additional facilities have been constructed at KPC's expense to ensure full utilization of the timber resource. KPC is now a fully integrated forest products company starting with timber harvest operations and continuing through its two sawmills and pulp mill facility. KPC has fully met its harvesting requirements, having logged more than 6.1 billion board feet of timber under the long-term agreement during the first 40 years of its life. All of this activity was conducted with the expectation that the federal government, too, would live up to its "part of the bargain".

A Look to the Future

The history of the KPC long-term contract is significant, but we must look to the future. KPC is planning for the future by investing in its operations. Capital projects planned by KPC include storm drain run-off treatment systems, relocation of our out-fall to the Tongass Narrows, and development and implementation of chlorine-free pulping processes (ECF and TCF). We also are planning other operational upgrades to keep KPC competitive and efficient as we move toward the future.

These upgrades and investments do not come without a significant price tag. Already $25 million has been spent in 1995, and we believe the investments and upgrades will mean spending an additional $130 million over the next five years.

However, like anyone borrowing money to purchase a new home, we must show the bank we can repay the loan over a reasonable period of time. That leaves us with our current dilemma. There are only eight years remaining in the initial term of our contract. This is not a sufficient period of time to repay loans of the magnitude we are facing. Therefore, to fully implement our aggressive plan, we need at least a 15-year extension of our contract, at the current average annual offering level of 192.5 million board feet per year.

A 15-year extension is not an excessive period of time. In fact, a 15-year extension is within industry norms for the borrowing of $155 million. This request for an extension of our contract term is about jobs and the vision of those who fought for the establishment of a fully integrated timber industry in Southeast Alaska.

KPC finds itself at a crossroads not of its own making. To the left is a contract extension and the investment in our operations. To the right are the eight remaining years on our contract and investments only to ensure we meet out current permits and current responsibilities.

The correct choice is clear. The choice must be made now; however, ultimately, it is not ours to make. The choice of which

direction to go lies with the people of Alaska and our Congressional delegation. We know the people of Ketchikan and Southeast Alaska are behind us, and we look to Congress for help. This decision must be made and acted upon immediately. Delays in making these investments to ensure KPC's future will only mean increased difficulty in maintaining operations.

Therefore, KPC formally requests that legislative consideration be given to a 15-year extension of the KPC long-term contract, at the average offering level of 192.5 mmbf/year, along with necessary contractual modifications to cure the breach of contract caused by the imposition of unilateral changes by the leadership of the Forest Service. Now is the time for this consideration to begin. It cannot be left until ownership of the Tongass is turned over to the State. This is a time-sensitive issue which must be acted upon quickly. If deferred until another time, there will be no Ketchikan Pulp Company or any significant forest products industry remaining from which the State of Alaska could benefit. Alaskans would be forced to leave their state in search of other jobs.

Conclusion

We applaud you for introducing HR 2413. Bringing the decision-making process, regarding the Tongass National Forest, back to the people of Alaska is the right thing to do. Alaskans are intelligent people and will make the right decisions.

Thank you. I would be glad to answer any questions you may have.

Alaska Forest Association, Inc.

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KETCHIKAN, ALASKA 99901-6599
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FAX 907-225-5920

IN THE COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

PROPOSED LEGISLATION TO TRANSFER THE TONGASS NATIONAL FOREST TO THE STATE OF ALASKA

TESTIMONY OF ALASKA FOREST ASSOCIATION
By Jack E. Phelps, Executive Director
Offered February 15, 1996
Wrangell, Alaska

Mr. Chairman and members of the Committee:

My name is Jack Phelps. I am the Executive Director of the Alaska Forest Association (AFA). The Association was established in 1957, and now has more than 250 regular and associate member companies statewide.

The AFA would like to express a strong appreciation to Congressman Young, along with Senator Stevens and Senator Murkowski for their efforts to maintain the jobs of timber industry workers in Southeast Alaska. Since the Tongass Timber Reform Act (TTRA) was passed in 1990, over 40% of the jobs in the timber industry have disappeared. We have lost a major sawmill and a pulp mill due to reduced economics and the unavailability of timber. Three out of five small production mills are foreseeing potential closure within the next six months.

The TTRA was one of many attempts to forge a compromise with the environmental community by reducing the allowable sale quantity (ASQ) so that more areas could be put into wilderness and other legislative land withdrawals. Today we have six and a half million acres of land withdrawn into permanent reserves and only one tenth of the entire Tongass available for harvest. Now the Clinton Administration is pressuring the Forest Service to reduce the commercial forest land base even farther by establishing habitat conservation areas (HCAs) on more than 600,000 acres of the remaining 1.7 million acres. This will further reduce the ASQ so that an industry will not be sustainable on the Tongass National Forest.

Now Congressman Young, you have introduced this bill, which would permit the State of Alaska to decide whether or not the Tongass should be transferred to the state. As dramatic as such a measure may sound to some people, we believe that it is time to begin consideration of some

dramatic measures. We simply cannot afford to sit idly by and watch the current regime destroy the livelihoods of so many of the people of Southeast Alaska. We call upon the Governor to work with the Congressional Delegation on this bill and on all the Delegation's efforts to solve the timber supply problem on the Tongass.

As you will recall, one key reason Alaskans wanted statehood was to get state control of the territory's fish and game resources. Alaskans knew as a state we could manage these resources better than a federal government sitting clear across the continent. The same holds true with respect to management of the Tongass.

Can you imagine the Governor and the Alaska Legislature allowing employment in the timber industry to drop 40% in five years without doing something about it, as has occurred under federal management on the Tongass? I cannot. Can you imagine the Governor and the State of Alaska agreeing to a TLMP revision process which would reduce by 60% the ASQ which sustains jobs for our remaining timber workers without first considering the socio-economic consequences of that action as the Forest Service is now doing? I cannot. Can you imagine the Governor and the State of Alaska requiring two environmental impact statements on the same timber before that timber could be transferred from one company's mill to another as the Ninth Circuit is requiring under federal law? I cannot. Can you imagine the Governor and Alaska Legislature becoming so bureaucratically ensnarled that they could not make timber available from a huge resource while mills closed and workers were put out of work in timber dependent communities? I cannot.

These are just a few of the things we think would be different if the State of Alaska were charged with the management of the Tongass instead of the Federal government.

Having said that, we remain concerned about Alaska's lack of a comprehensive and coherent state timber policy. Unlike our excellent track record in oil and minerals development, the state does not have an historic pattern of full utilization of our vast timber resources. We would urge you to address this issue, particularly in the findings section of your bill, which presently does not accurately reflect past and present state agency actions.

In short, Congressman Young, we congratulate you on the concept of this bill. We look forward to working with you as it moves through the legislative process.

I would be happy to answer any questions you may have.

Testimony on H.R. 2413
Supplemental Sheet

Alaska Forest Association
Jack E. Phelps, Executive Director
111 Stedman, Suite 200
Ketchikan, AK 99901
(907) 225-6114
(907) 225-5920 fax

Summary:

The Alaska Forest Association supports the concept of transferring the Tongass National Forest to state ownership. This is driven by the failure of the Forest Service to meet the timber supply needs of the Southeast Alaska timber industry, by the progress of an unacceptable TLMP revision process, and by the refusal by Federal courts to protect the industry in litigation over NEPA provisions.

Recommendation:

Review the findings section of the bill for accuracy regardingcurrent state policies. Ensure that under state management, full utilization of timber resources would occur.

Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, AK 99801
(907) 586-6942 phone (907) 463-3312 fax

STATEMENT OF
ROBERT E. LINDEKUGEL, CONSERVATION DIRECTOR
SOUTHEAST ALASKA CONSERVATION COUNCIL

HEARING ON H.R. 2413,
THE TONGASS TRANSFER AND TRANSITION ACT

BEFORE THE
U.S. HOUSE RESOURCE COMMITTEE
IN KETCHIKAN, ALASKA, FEBRUARY 16, 1996

Mr. Chairman,

My name is Robert E. Lindekugel, conservation director for the Southeast Alaska Conservation Council. Thank you for the opportunity to participate on one of the panels testifying before you today. I respectfully request that my written testimony and accompanying materials be entered into the official record of this Committee hearing.

Founded in 1970, SEACC is a coalition of fifteen local citizen, volunteer conservation groups in twelve Southeast Alaska communities, from Ketchikan to Yakutat. SEACC's individual members include commercial fishermen, Native Alaskans, small timber operators and value-added wood manufacturers, tourism and recreation business owners, hunters and guides, and Alaskans from all walks of life.

SEACC is dedicated to preserving the integrity of Southeast Alaska's unsurpassed natural environment while providing for balanced, sustainable use of our region's resources. Southeast Alaska contains magnificent old-growth forests, outstanding fish and wildlife habitat, important "customary and traditional" or subsistence use areas, excellent water and air quality, unsurpassed outdoor recreation opportunities, world class scenery, and provides a unique way of life for hardy, independent people who choose to call it home.

For the record, SEACC strongly protest the limited nature of these hearings. You could have scheduled more hearings in our home region this week. You failed to do so. You need to get a better map of our region, which shows more Tongass-dependent communities than Wrangell and Ketchikan. You've said that you wanted to hold hearings in "timber dependent towns which have been adversely affected by federal

ALASKA SOCIETY OF AMERICAN FOREST DWELLERS, Point Baker * ALASKANS FOR JUNEAU * [illegible]
FRIENDS OF BERNERS BAY, Juneau * FRIENDS OF GLACIER BAY, Gustavus * LYNN CANAL CONSERVATION, Haines
[illegible]

timber policies." What happened to Sitka? Our guiding principles of free speech and informed decision-making by members of Congress, will not be served by the proposed hearing schedule and format. The totally stacked deck at today's hearing represents one of the most outrageous attempts to build a record in your favor that we have ever seen.

One of the most outrageous things about this bill and these political sideshow hearings is this: You yourself have stated several times that this bill stands no chance of becoming law. We both know that you can't get this bill passed in the House of Representatives nor in the Senate. Even Senator Craig Thomas, who has introduced a bill to transfer Bureau of Land Management public domain lands to Western States, has stated that your bill goes to far. You, sir, are wasting the taxpayers time and money by holding these hearings. These hearings represent election year politics at their very worst.

One other note on hearings. We've heard you and others state that the House of Representatives didn't hold hearings in Alaska prior to passage of the Tongass Timber Reform Act. In August of 1987, members from the House Committee on Interior and Insular affairs held an extensive fact-finding trip prior to taking action; a trip which was aimed at listening to people from all walks of life and from communities, including Pelican, Juneau, and Sitka. You did not join the Committee on that trip. Furthermore, the Senate held two hearings in Sitka and Ketchikan prior to taking action on the TTRA. Ninety-four (94) persons testified at the April 24, 1989 hearing in Ketchikan, and another ninety-six (96) testified at the April 25, 1989 hearing in Sitka. You seem to be purposefully ignoring these facts.

Congressman Young, your January 15, 1996 press release made this bill sound like a moderate and benign simple transfer of lands. This extremist bill really represents a radical reversal and re-write of almost 100 years of national forest policy in Alaska and totally removes over 15 years of hard-fought conservation protections (and compromises) adopted by Congress. This includes the protection of watersheds and salmon stream buffer zones supported by commercial fishing groups, Native interests, recreation and tourism businesses, more than 15 Alaskan communities, and the Governor of Alaska. Congressman Young, you even voted to protect many of these areas when you voted for the Agriculture Committee's version of the TTRA in 1989.

SEACC strongly opposes your bill, and here are some reasons why:

If Ever Passed, H.R. 2413 Would Spell The Beginning Of The End For Our 100 Year Tradition Of Public Ownership Of National Forest Lands.

In radio reports last year, you charged that public lands are some kind of communist plot. Given that Republican President Teddy Roosevelt established the national forest system, and indeed the Tongass National Forest in 1907, your charge implies that President Teddy Roosevelt was a communist! President Roosevelt's idea for national forest was

that they were to be managed for "the greatest good for the greatest number in the long run."

H.R. 2413 directly contradicts this principle of public land stewardship because the long term goal of your bill represents the ultimate "lock-up" of formerly public lands and the "lock-out" of the public when these lands end up in private hands. The former Tongass would be reduced to ridge to ridge clearcuts and tons of no-trespassing signs --- across lands which were once open for public hunting and fishing, for almost a century.

President Teddy Roosevelt once said....."I'm opposed to the land-skinner every time". Your bill fully embodies the attitudes and arrogance of the land-skinners and robber barons, who would love to own their own private chunk of the Tongass.

One of the worst parts of your bill is that there is no prohibition or limitation against the sale of lands in the Tongass to the highest bidder. Our fears are completely confirmed by statements from Alaska Senator Robin Taylor in a letter to a Montana state senator on March 25, 1995 (Exhibit I) which supported Congressional actions to relinquish federal public lands to the states. In that letter, Senator Taylor stated that "[h]opefully, a large portion of this acreage will eventually be conveyed to the private sector." If Tongass lands were handed over to the State, Senator Taylor would play a lead role in decisions made by the state legislature. His statement clearly shows that the main goal of this bill is to turn public lands over to private hands.

H.R. 2413 Guts 15 Years Of Conservation Law In Alaska

The bill repeals all the Tongass protections enacted by Congress in the Alaska Lands Act of 1980 and the Tongass Timber Reform Act of 1990.

- The bill repeals Wilderness and National Monument designations for places like Misty Fjords, Admiralty Island, Petersburg Creek, Chichagof-Yakobi, and the Stikine, Chuck, and Karta Rivers.
- The bill repeals permanent protection, as legislated LUD II areas, for key commercial fishing, subsistence, wildlife, tourism, and recreation watersheds, including Naha, Kadashan, Anan, Berners Bay, Point Adolphus, Mud Bay, Lisianski River and Inlet, Upper Hoonah Sound, Calder-Holbrook, Salmon Bay, Nutkwa, Yakutat Forelands, Trap Bay, and Outside Islands.
- The bill repeals minimum 100 foot no-logging buffers now required on salmon and resident fish streams.

H.R. 2413 Would Cause Devastating Economic Impacts, Plus The State Does Not Have The Money To Adequately Manage The Tongass For Multiple Use And Would Sell Off Public Lands.

- **Local officials have raised concerns about the substantial financial loss to communities.** The Forest Service has a payroll of $44 million dollars and employs

roughly 1000 people in Southeast. H.R. 2413 would have devastating economic impacts for our region.

- **The Tongass costs U.S. Taxpayers over $90 million each year to run.** In these tough budget times, the State lacks the money to run the Tongass adequately.
- **The State Forest Practices Act, which regulates logging on state and private lands, requires only minimal protection for fish and wildlife habitat.** Commercial fishing, tourism, hunting, subsistence, and other multiple uses would suffer.
- **The logical result of H.R. 2413 would be for the State of Alaska to sell off large chunks of the Tongass to the highest bidder,** which in most cases would be timber companies interested in short-term profits, not the long-term health of the Tongass' unique ecosystems or rural communities. The Tongass would most likely become a series of huge private tree farms, and former public hunting areas would become private hunting clubs. This prediction is consistent with Senator Robin Taylor's letter. I have noted that the State of Alaska does not have the money, and is not equipped (either by statute or by manpower) to adequately manage the Tongass. As further evidence, I have attached the following news articles, ...the Headlines read: *Timber laws not working, agency says* (Juneau Empire, February 11, 1996, Exhibit II), and *State wants park in private hands* (Anchorage Daily News, Feb. 6, 1996, Exhibit III).

H.R. 2413 Turns Back The Clock And Dishes Out Favors To Special Interests.

- **The bill requires the State to reinstate the 50 year monopoly timber contract with the Alaska Pulp Company.** The Forest Service canceled this contract, which gave Alaska Pulp a guaranteed supply of timber at bargain basement prices, in 1994 because Alaska Pulp materially breached its contract by closing its pulp mill in Sitka.
- **It effectively repeals the Tongass Timber Reform Act of 1990, including the changes made to the 50 year monopoly timber contracts** -- provisions that require Ketchikan Pulp to pay timber prices comparable to those independent operators have to pay.
- **The bill would force the State to hand over more than 200,000 acres of prime forest land to new for-profit Native corporations, termed "Landless Natives" in previous draft bills.**

ADDITIONAL COMMENTS:

Lets talk about Freedom. Congressman Young, you and your bill are striking at the very heart of the century-old, all-American concept of public forest lands. To many Americans, the concept of being an owner of our public forest lands is one of our most strongly held freedoms. This is a freedom, where Alaskans can pick a spot on the Tongass map, climb into a float plane or skiff and go there. They can hunt, fish, hike, pick berries, watch wildlife, gather firewood. When they leave, they leave with the

knowledge that they can return to the same spot on their public land, again and again and again. This is a freedom that is held dear.....and you want to rip it away.

Lets talk about rights. You make a big deal about attempting to protect valid, existing rights in this bill. What about our rights -- the rights of the public to own and enjoy their public forest lands? Aren't these rights valid and existing?

In your January 25, 1996, press release, you claim that "This bill is about control - Alaskan control of the forest - and stabilization for the people who depend on forest resources to survive ...." We strongly disagree with your characterization. You never seem to mention the provisions on the second to last page of your bill, which are totally out of control. You save the real bombs for Page 14, line 13, Section 7 (f). Here is where you take your ten-gauge double -barreled sawed-off shotgun, load it up with buckshot and then blast away at every single protected acre on this great forest. Did you ever consider the impact on the commercial fishing industry which depends upon these protected watersheds -- many of which are million dollar salmon fisheries? Did you consider the impact on the recreation and tourism industries which depend upon visiting wild and beautiful country? Did you ever consider the impact on Alaskan communities including Pelican, Elfin Cove, Yakutat, Point Baker, Port Protection, Kupreanof, Tenakee, Gustavus, Hydaburg, Edna Bay, Craig, Klawock, Angoon, Whale Pass, Petersburg, Juneau, and Sitka -- all of which have been on record in support of protecting areas which are near and dear to them? If this bill is your answer, then your answer must be a big fat " no."

From virtually all the communities in our region -- everywhere you look , you see the Tongass. These public lands are where Alaskans hunt, and fish, and walk in the woods. This is where people who work in the timber industry find the trees to log and send to the mills. The watersheds of the Tongass produce over 80% of the salmon harvested in our region; salmon that our commercial fishermen depend upon. The bounty of the Tongass has been an incredible sustainable renewable public resource for Alaskans and all Americans. Our way of life depends on the Tongass. Your bill will not promote "stabilization," but destabilization, and destruction of a way of life.

In your January 25, 1996 press release, you state that "Because assuming control of the Tongass is voluntary and conditions are minimized, no one could construe this bill as a federal mandate. It is the opposite of a mandate, because it gives up control, ..." Who are your trying to fool? **Your bill is loaded with federal mandates and conditions,** including the repeal of all statutory land protections, Section 7(f); re-instatement of the Alaska Pulp Corporation contract, Section 5(c); the State's compliance with Title VIII of ANILCA, Section 6(c); the handing over of more than 200,000 acres of prime forest land to five (5) new, for-profit Native corporations, Section 6(e); payment of 25 percent of the net receipts for all timber sold on the Tongass to the United States for 10 years after the State receives patent to lands in the Tongass, Section 6(g); and, the assumption of all obligations of the United States under the Ketchikan Pulp's 50-year pulp contract; Section 6 (h). Your bill does not give up control to the State of Alaska but merely shifts federal obligations to the State, in a most irresponsible way.

SEACC's Hearing Statement on H.R. 2413
Ketchikan, Alaska February 16, 1995

There are a couple of ironies which can not be missed. We always hear about the crisis caused by the Alaska Pulp being shutdown, putting hundreds of people out of work. Yet, I haven't heard you use the word "crisis" when this bill, which would toss roughly 1000 people out of work, is discussed. It is also ironic that recently Senator Stevens fought tooth and nail to keep the Regional Forester's office and its large payroll in Juneau -- and now you want to get rid of the Forest Service in Southeast Alaska entirely.

One of the biggest laughers comes in comments written by your comrade, Senator Robin Taylor. He noted that one of the reasons to support this bill is because "no one has told the American people of the expensive gross mismanagement currently being practiced by the United States Forest Service." It is very ironic that only now are proponents of your bill squawking about expensive gross mismanagement of the Tongass. You are probably complaining about the Forest Service planning process, but we've never heard you complain about the expensive subsidies needed to run the timber program for KPC, or the loss of $102 million dollars to the Federal Treasury from operating the Tongass timber program over the past 3 years. You've never bothered to curb these subsidies in Congress -- so what gives now?

I'm sure that some time today we'll hear your mantra of misleading myths that chant " only 10 percent of the Tongass will ever be logged " and "90 percent will never be logged." For the record, I have attached a fact sheet (Exhibit IV) which explains the truth about this matter. The truth is that the 10 percent that will be logged is the "biological heart" of the Tongass. Saying "not to worry" about this 10 percent is like the doctors telling you that they will cut your heart out -- but the rest of your body will be just fine!

Over the past years you've argued that Alaska needs your leadership and seniority in Congress to protect Alaska's interests. Unfortunately, this legislation and these hearings are not about the future or about leadership -- -- they are about political grandstanding. What Southeast Alaska needs is a leader who is going to step forward and work with Southeast Alaskans to figure out constructive ways of starting to make the transition necessary for assuring the development of a healthy and diverse future for all Southeast Alaskans. Instead of showing leadership, you are using your power as Chairman of the House Resource Committee to trash a hundred year old American tradition of liberty and freedom in, and public ownership of, our public forest lands. Your actions will not benefit Alaskans or American citizens but will only benefit the corporate robber barons who have, and will continue to put short-sighted profits ahead of the long term health and welfare of Alaskans.

Your bill is a very serious threat to our public forest lands, and to the way of life for Southeast Alaskans. Your bill is not a transfer, it is a travesty. Your bill is ludicrous, ridiculous, outrageous -- and if ever taken seriously -- flat out dangerous.

We strongly urge you to stop this bill dead in its tracks.

Attachments

Alaska State Legislature

Chairman,
Judiciary Committee

Vice Chairman,
Transportation Committee

Member,
Resources Committee
Western Legislative Forestry Task Force

Senator Robin L. Taylor

State Capitol
Juneau, Alaska 99801 1182
(907) 465-3873
Fax (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
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Fax (907) 225-0713

March 29, 1995

Sen. Delwyn Gage
State Capitol
Helena MT 59620

Dear Sen. Gage:

As a member of the ALEC Criminal Justice Task Force, I used the opportunity of our recent meeting in Scottsdale to lobby on an issue very dear to my heart. This letter is in follow-up to that lobbying effort.

I am enclosing a copy of Senate Joint Resolution No. 6, which passed the Alaska State Legislature with only seven dissenting votes in early March. I hope you will consider sponsoring a similar measure in your state.

The federal government controls vast tracts of land, mainly in the West and makes land-use decisions the states are forced to live with, regardless of the negative impacts on the individual states.

SJR 6 demands that the federal government relinquish the so-called "public lands" to the states for management by the states. Hopefully, a large portion of this acreage will eventually be conveyed to the private sector.

The doctrine of Public Domain is contrary to the principals upon which this country was founded. It has created a system of unequal states, some with control of the land within their borders and others which I call "land poor".

I ask for your support in gaining Congressional action on this issue.

Sincerely,

Robin L. Taylor

Senator Robin L. Taylor

Exhibit I

Exhibit III

Timber laws not working, agency s

■ *State biologists say without changes, there will be damage to habitats*

By LORI THOMSON
THE JUNEAU EMPIRE

Just when timber industry officials thought all was well in state and private forests, state biologists dropped a bombshell.

The Alaska Department of Fish and Game told the Alaska Board of Forestry in January the law governing timber harvests on state and private lands wasn't working. And without changes, that would mean damage to wildlife habitat and valuable fish streams.

The Board of Forestry met Friday and Saturday at the city assembly chambers to hash over Fish and Game's January report and decide what to do next.

The department's report drew sometimes emotional testimony Friday from supporters.

MICHEAEL PENN / JUNEAU EMPIRE

For the defense: Dave Hardy, left, Jim Durst, center, and Janet Kowalski, all from the Department of Fish and Game, defend their report. Jim Ferguson of DEC is at right.

"I'm here because of clearcuts in Hoonah. It's been totally devastated," said Frank Wright, president of the Tlingit and Haida Community Council in Hoonah, after the public hearing. "It's an issue close to my heart because I've lived there all my life."

He said intensive logging was destroying habitat for deer, critical to tribal culture.

The report also drew the ire of timber industry representatives, who said biologists lacked proof for claims in the report.

"It was an offense ... boss was also ... to cooperate ... then we get ... said Rick ... board as a ... also works ... source pla... Corp., South... Corp.

John ... Koncor For... Saturday ... Practices ... ging on stat... working wel...

After two ... Fish and G... provide spe... tat problem... Sturgeon ... venture of ... land owners...

Janet ... habitat di...

Plea... Forest, Page

Exhibit II, P.2

A-8 JUNEAU EMPIRE, SUNDAY, FEBRUARY 11, 1996

Forest . . .

Continued from Page A1

Game, said the department can't provide proof of problems because it doesn't have the staff and resources to monitor whether the law is being effective.

Fish and Game's inability to do monitoring is at the heart of its concerns, because monitoring is exactly what the department is supposed to be doing to carry out the Forest Practices Act.

"We're in a Catch-22," Kowalski said.

Board member Steve Kallick, representing environmentalists, disagrees with private industry there is not a problem.

"There's an information gap and people are seeing what they want to see, depending on their bias," said Kallick, director of the Anchorage-based Alaska Rainforest Campaign.

Kallick said either the agencies have to be fully funded to make the act work as it was intended or the act needs to be rewritten.

"I think we designed a Cadillac because in 1990 we had the funding," he said. "Now we're faced with a VW budget."

The Legislature slashed funding so Fish and Game has only three and a quarter positions to do all the work necessary statewide for state and private timber operations under the act, she said.

The Alaska Department of Environmental Conservation also reported in January it was unable to carry out its responsibilities to review water quality under the act because of a staffing shortage. The department has 3.5 positions to cover forest issues on federal, state and private lands statewide.

The Board of Forestry decided to create a committee to review issues raised over fish habitat and bring a report and recommendations back to the board by its first meeting after July 1. The committee is to be co-chaired by Kowalski and Marty Welbourn of the Alaska Department of Natural Resources, with input from private industry.

At the request of Anchorage board member Larry Hartig, who represents recreational interests, the board also requested the committee report on the degree of harm being done to habitat in comparison to the burden on the private property owner – a principle reiterated by industry representatives as being key to the Forest Practices Act.

Sturgeon said he was pleased with the results of the meeting and ongoing fine-tuning of the act.

Kowalski also said she was encouraged the board was keeping the issue on the table, although she also said the committee is not going to be able to get all the needed information because of the lack of department staffing.

Exhibit III

State wants park in private hands

Anchor Point sounds alarm

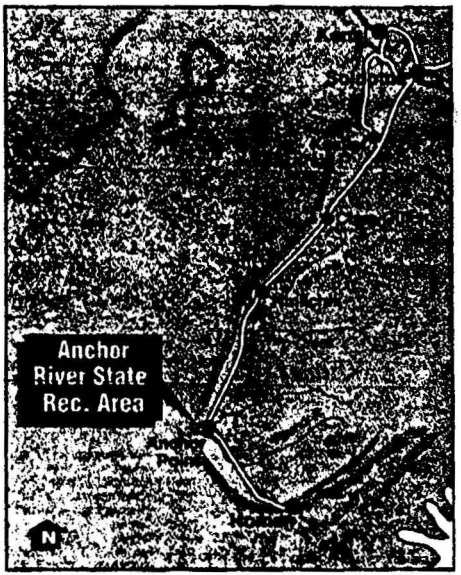
By TOM KIZZIA
Daily News reporter

HOMER — A decade ago, Lynn Whitmore fought to add private land to the state park at the mouth of the Anchor River and improve public access to the popular salmon stream.

Now the state is proposing to turn the Anchor River State Recreation Area over to a private operator, who will be free to charge parking fees and raise camping fees to wring a profit out of the area. Whitmore said he feels betrayed.

"The whole push was to make it so we all had access to it," said Whitmore. "Now the state says if you want to use that public land, you've got to pay for it."

The state wants to get rid of park rangers in Anchor Point and bring in private contractors as a response to declining state dollars. Park officials have been trying to make up the difference with higher user fees, but now they've reached the limit allowed by the Legislature. So they're proposing to shed the Anchor Point operation and save nearly $50,000.



RON ENGSTROM / Anchorage Daily News

"When you cut government, you cut service. And that's what's happening."

Please see Back Page, PARK

PARKS State wants private contractor to run recreation area; proposal riles Anchor Point

Continued from Page A-1

said state parks director Jim Stratton.

Private management of state parks may be the wave of the future. State officials said private operators may be able to run some types of parks more efficiently than government. The contract can be written to keep a concessionaire from gouging the public or spoiling public facilities, they said.

But the state park proposal has stirred near-unanimous opposition in Anchor Point, where businesses fear a decline in tourism and old-timers resent stopping at a tollbooth on their way to a fishing hole after work.

"There's something about being able to walk down to the river and have a cookout, do some dolly fishing or just watch the sunset as I have for 40 years, and not be charged for it," said Scott Ulmer, owner of a Homer sporting goods store.

Anchor Point Chamber of Commerce president Stan Harrington said the plan is stirring fear and resentment.

"A lot of people realize that when they pay a camping fee to the state, that money goes back into maintenance and upkeep of the parks," Harrington said. "It may make a difference when it's a private contractor who's going to be gone in three or five years. They can't see that money going back into the parks."

Kenai area parks superintendent Chris Degernes said she is surprised by the "backlash" against the state proposal. "I thought the community, being more Republican-oriented, would be more open to private enterprise doing something rather than government."

The park controversy is occurring in the back yard of House Speaker Gail Phillips, R-Homer, who said Monday she is asking the state parks division to slow the transition. Phillips said she supports the private-park idea, but feels the state moved too quickly and caught Anchor Point by surprise.

"Every time we make these kind of changes, everyone is up in arms," Phillips said. "But these things are going to keep coming as we keep cutting the budget."

The first privatization occurred last summer, at state park units in Tok and at Montana Creek in the Susitna Valley. In addition to Anchor River, the state plans to contract this summer for management of campgrounds at Big Lake and Rocky Lake north of Anchorage.

"Contract management is the only way I've got in any certainty to free up money to take care of the expanding needs of the park system," Stratton said.

Tourism is increasing, new parks have been created and the division has responsibility for new boat launches, scenic pullouts and wilderness cabins, Stratton said. At the same time, state funding for park operations and maintenance has been cut in half since 1986.

State officials say they chose Anchor River, with its five public campgrounds, because the same contractor also can manage a nearby state campground at Stariski.

The Anchor River site costs the state $70,000 a year to operate and brings in fees of $34,000, Degernes said. But three-fourths of the overnight campers last summer didn't pay camping fees, up to $10 a night, because they carried annual passes honored at all state campgrounds, parks officials said. The passes cost $75 for residents and $100 for nonresidents.

A private company taking over Anchor River won't have to honor the annual pass, according to the state prospectus. A contractor also will be able to begin charging day-use fees, probably between $2 and $5, Degernes said.

Anchor Point business leaders predicted the refusal to accept annual passes would cause tourists to shun the area. They also said the loss of a park ranger could create public safety problems along the busy riverside.

Stratton said tourism might actually increase because the private operator will be able to advertise. He said local police protection was not his agency's function.

Source: State Division of Parks RON SWEETMORE / Anchorag...

Stratton conceded that the ... camping pass will be less valuable i... future as more parks are privatize... refuse to accept them. The annual p... eventually may be phased out, he ...

State park officials have schedu... meeting with potential bidders an... chor Point residents Thursday.

Exhibit III, P. 2

The Myth:

"90% of the Tongass is Wilderness and will never be logged"

--Don Young, KPC, et al.

Fact:

When Don Young says that "only 10% of the Tongass will ever be logged," remember — this 10% is the "biological heart" of the Tongass. Saying "not to worry" about this 10% is like telling you they'll cut your heart out — but the rest of your body will be just fine!

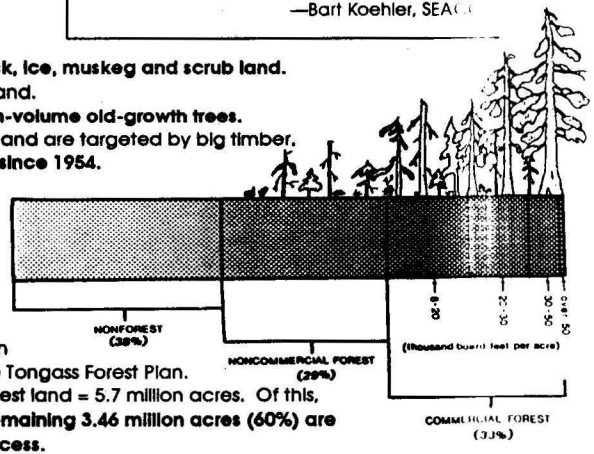
—Bart Koehler, SEACC

The Facts:

▼ how big is the Tongass timber base?...

- The 17-million acre Tongass National Forest **is 2/3 rock, ice, muskeg and scrub land.**
- The remaining 1/3 is considered commercial forest land.
- **Only 4% of the Tongass National Forest contains high-volume old-growth trees.** These acres provide critical habitat for fish & wildlife and are targeted by big timber.
- **Nearly half of these prime acres have been logged since 1954.**

▼ how much is really protected?...



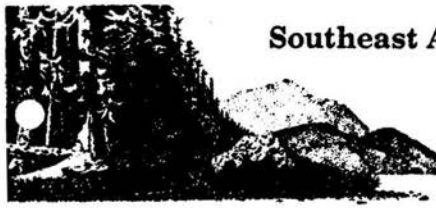
- The Tongass National Forest has 6.8 million acres set aside by Congress as Wilderness, legislated "LUD II" wildlands, and salmon stream buffers. This equals 40% of the total acreage--**but the majority of these acres <u>have no trees</u>.** Over 10 million acres are available for other multiple uses under the Tongass Forest Plan.
- The 1/3 of the Tongass that contains commercial forest land = 5.7 million acres. Of this, 2.2 million acres (40%) are protected by law. **The remaining 3.46 million acres (60%) are open for logging via the Forest Service planning process.**
- **<u>Fully 75% of the forest's original prime, high-volume old-growth acres have never been protected</u>** from logging. Only 25% of the most valuable old-growth (just 241,000 acres) has been legislatively protected.

▼ how much has been cut? How much will be cut?...

- **Nearly a million acres** of the most productive Tongass, state and private forest lands **have been clear**cut already.
- 1.7 million acres are scheduled for logging under the current forest plan; this makes up more than 50% of the existing timber base

For more information, contact the Southeast Alaska Conservation Council 9 6th st. #328, Juneau, AK 9801 Phone: (907)586-6942

Exhibit II



Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, AK 99801
(907) 586-6942 phone (907) 463-3312 fax

Sent Via Fax

January 26, 1996

Duane Gibson, Resources Committee Staff
U.S. House of Representatives

Dear Duane:

This letter is in regards to your January 24, 1996 Fax to me, and the press release announcement of Field Hearings concerning Congressman Young's Tongass Bill. Forgive me for not contacting you sooner, but I've been in non-stop meetings, and on long airplane flights -- so I have not been able to respond until now.

Your fax stated that Congressman Young wants to "hear from diverse perspectives" and "we want to be fair." With all due respect, for you to honor these goals and provide meaningful opportunities for participation by Alaskans, you need to hold hearings in many more communities in our region -- not just in Wrangell and Ketchikan. Fundamental principles of our democracy -- such as free speech, public ownership of public lands, and informed decision-making by elected representatives in Congress -- will not be served by the currently proposed hearing schedule and format.

Congressman Young's press release makes his bill sound like a moderate, benign, simple transfer of lands to the State of Alaska. Instead, this bill represents an incredible reversal and re-write of almost 100 years of national forest policy in Alaska and removes over 15 years worth of conservation protections established by Congress -- including the protection of many key watersheds and salmon stream buffer zones supported by commercial fishing groups, Native interests, recreation and tourism businesses, more than a dozen Alaskan communities and the Governor of Alaska.

Given the far-reaching consequences of this bill, you should give a much bigger priority to hearing from Alaskans from as many communitites as possible during your week-long Congressional break. Therefore, we urge you to hold hearings in Petersburg, Sitka, Craig/Klawock, and Juneau, when you visit our home region.

Sadly, if Congressman Young fails to hold additional hearings at this time, he will fail to give Alaskans a fair chance to be heard. Furthermore, he will fail to fairly represent their views on an issue of such great magnitude for Alaskans and for all the citizens of the United States who are currently co-owners of each and every one of our national forests -- including the Tongass.

Bart Koehler

Bart Koehler/ Executive Director

Exhibit V

ALASKA SOCIETY OF AMERICAN FOREST DWELLERS, Point Baker * ALASKANS FOR JUNEAU * CHILKADEF CONSERVATION COUNCIL, Tenakee Springs
FRIENDS OF BERNERS BAY, Juneau * FRIENDS OF GLACIER BAY, Gustavus * LYNN CANAL CONSERVATION, Haines
NAKU WS CONSERVATION COUNCIL, Petersburg * PELICAN FORESTRY COUNCIL * SOUTH [illegible] CONSERVATION ALLIANCE, Craig
SIERRA [illegible], Juneau * SITKA CONSERVATION SOCIETY * TAKU CONSERVATION SOCIETY, Juneau * TONGASS CONSERVATION SOCIETY, Ketchikan
WILDERNESS RESOURCE COUNCIL * YAKUTAT RESOURCE CONSERVATION COUNCIL

Federal forest use payment to city not a windfall

By CHRIS RUSS
THE JUNEAU EMPIRE

Juneau will receive roughly $500,000 more in federal timber receipt payments than budgeted. City officials, however, say the payment isn't a windfall.

The $752,221 paid by the federal government is a part of the Twenty-Five Percent Fund, which turns a quarter of all money mustered from annual use and sale of national forest products and services to communities.

It's expected the city will receive the money early in 1996.

In May, Juneau budgeted for $250,000 for revenue received from the receipts, but that was a conservative estimate.

"If we got to spend the money without penalizing PILT payments two years down the road, it would be exciting," said Deputy City Manager Donna Pierce. If the city were to spend the additional 25 percent money, it would create a deficit later, she said.

The extra $500,000 is not a windfall because it is budgeted against another federal funding program called Payment in Lieu of Taxes or PILT.

PILT is calculated using a formula involving population, the amount of federal land in a borough and timber receipt payments over the previous two years, said city Finance Director Craig Duncan.

This year's PILT payment was $397,996.

Juneau's portion of the 25 percent money comes from an estimated $7.3 million allocated to the state from receipts generated from timber sales, road credits, mining, recreation and other fees in the Tongass and Chugach national forests.

Up until 1991, Alaska distributed its money only to organized boroughs based on national forest acreage within each borough. Under a 1991 change in state law, cities and schools located within a national forest, but outside an organized borough, can also share the revenue generated by that forest.

Other Southeast communities receiving 25 percent funds include Yakutat, $536,480; Hoonah, $304,444; Pelican, $51,638; Skagway, $177,696; Angoon, $27,174; Tenakee Springs, $8,822; Kake, $244,138; Wrangell, $634,077; Craig, $449,014; Hydaburg, $136,347; Thorne Bay, $83,839; and Klawock $244,324.

Money for schools within the national forest, but outside an organized borough, is distributed to eligible cities and Regional Education Attendance Areas based on student enrollment.

Alaska's method of distribution is different than most states where receipts are returned to counties proportionate to receipts generated within their boundaries, said Gary Morrison, forest supervisor for the Chatham Area.

A number of areas receive substantial payments even though few or no receipts are generated within their boundaries, he said.

Exhibit VI

TESTIMONY CONCERNING

THE TONGASS TRANSFER AND TRANSITION ACT, H.R. 2413

Presented by

Eric Muench, Principal

Alaska Woods Service Company

Post Office Box 6811
228 Martin Street
Ketchikan, Alaska 99901

(907) 225 - 5372

at a public hearing held in Ketchikan, Alaska
on February 16, 1996

before the

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON RESOUCES

Eric Muench
Alaska Woods Service Co.
P.O.Box 6811
Ketchikan, Alaska 99901
(907) 225 - 5372

Testimony on the Tongass Transfer and Transition Act HR2413

February 16, 1996 Ketchikan, Alaska

.SUMMARY

I have 34 years of forestry and logging engineering and woods work experience in Southeast Alaska. This is a timely and essential bill for Southeast Alaska

The American Logic of Local Control

In a free society control of land and resources transfers to State and local governments as they form to represent the people.

.The Problem In Southeast Alaska

In Southeast this transition has stalled because of the predominant presence of national parks and the Tongass National Forest. Past important land use decisions have been made in Washington with little regard for local preference. Decisions made with purely national political interests in mind are not good for democratic government or for the economy

Problems of Federal Timber Sales Management

The Forest Service is not cost effective. Timber sale preparation is hampered by wasteful laws and regulations. Roads cost much more than they should. Timber appraisals are not effective in establishing realistic minimum bids. Federal requirements and environmental impact statements create delay and high costs for the work done.

Advantages of State Management of the Tongass

State forestry management is much more efficient and could take on Tongass management. Alaska has a solid record of good forestry on lands under state jurisdiction and of good stewardship of other resources. Any problems will be solved much faster with local input rather than with an unresponsive faraway bureaucracy.

Suggestions for Changes to H.R. 2413

Three changes are suggested to avoid management indirection and to create a smooth and positive transition

Testimony of Eric Muench

Concerning

H. R. 2413

TO TRANSFER THE TONGASS NATIONAL FOREST TO THE STATE OF ALASKA

PUBLIC HEARING IN KETCHIKAN ALASKA
FEBRUARY 16, 1996

Thank you for the opportunity to comment to you about this important and ground-breaking bill. I am Eric Muench of Ketchikan and I operate a forestry consulting and logging engineering business in Southeast Alaska. I worked for the U.S. Forest Service in Southeast from 1962 to 1967, mostly in timber. After several years in logging, surveying, mineral exploration and construction, I started and continue to operate an independent consulting service. Working with local ANCSA Native corporations and with the Ketchikan Gateway Borough on projects that involve dealing with State agencies or liaison with and with timber offerings of the Forest Service has given me a good view of how those various agencies work.

I believe this is a timely and essential bill for the people of Southeast and in fact makes good economic as well as political sense for the future of the rural economies throughout the western states.

The American Logic of Local Control

In a society of free people local control of the economic base is essential to, and as important, as the operation of free enterprise. For a natural resource based economy such as Alaska's, this means local control of public lands is essential. In a new land like the west during American settlement there is a natural transition to local control.

At first the land was near-wilderness, with few inhabitants, and no local or regional governments at all to manage or control land use, and little need for them either. The entire area was a territory of the

Federal government, which alone could deal with what little governance was needed.

With increasing settlement, local governments formed to deal with the affairs of isolated concentrations of people but there were still no regional or State governments, and federal management continued on the outlying areas.

Continuing growth brought a need for expansion of communities into formerly outlying areas as well as individual and community need for, and dependence on, the land resources of the surrounding countryside. This caused problems and frustration as local folk tried to deal with a federal government unused to thinking in local terms and impatient with niggling local dealings. It also brought the dilemma, for a free people, of a population not allowed to govern itself. The response to this was statehood, and in Alaska's case, with the State land entitlement. The state, its towns and boroughs were supposed to deal with local concerns and economic development in the democratic American manner.

The Problem In Southeast Alaska

However, in Southeast the transition to local control of the economic base atrophied. Acerage conveyed to the state and local governments was miniscule. Over 95% of Southeast (the land area south and east of Yakutat Bay) remains in federal ownership. The lands comprising most of the economic base of Southeast remained in the Tongass National Forest. Planning and development upon which communities depend is done by outsiders. Local Forest Service planners, though they are professional land managers and usually civic-minded citizens, are controlled by the policies of Washington. Those policies are in turn influenced by special interests with little concern for local needs or desires. Citizens often face nonsensical federal rules enforced by bureaucrats who are "just going by the book".

Congressman Young will remember this example: In the mid 1970's when the Forest Service was going about its new program of forest-wide land planning, an important Ketchikan concern was land use designation of the area known locally as the East Behm Canal country. Almost no one questioned the virtue of a protective scenic designation for a sizable area of this outstanding landscape. The Forest Service developed four alternatives, ranging in size from

perhaps 200,000 acres to probably around 1,000,000 acres. (I do not have the exact details anymore.) One local group proposed a much smaller area, possibly around 60,000 to 80,000 acres. Another group proposed a much larger area, 2,200,000 acres stretching from the southernmost point of Alaska mainland to the borders of Canada and the Bradfield River drainage near Wrangell. Few people locally gave those two extreme proposals much credibility or chance of adoption. But because of the influence of the Sierra Club on the Carter Administration, the largest extreme was chosen, thereby making a wilderness monument not only of the scenic heart of the area but also of the most logical road route to the continental interior (the Unuk River corridor, site of an old mining road), of a potential hydro-electric site now needed by Ketchikan (Grace Lake), of the worlds largest molybdenum deposit (Quartz Hill), and of the potentially most useful protected harbor/town-site in the area (Manzanita Bay). Named Misty Fjords (which corresponds to no place name in the area), the portion visited by tourist ships and airplanes amounts to only a small fraction of the area locked away from any development.

In the recent 25 year national mood-swing toward increased concern for the environment, Alaska has been the favored sacrificial lamb of national politicians eager to earn the praises of powerful environmental lobbies without inconveniencing their own constituents. 70% of the federal land in Southeast Alaska has been locked away from any chance of economic development as national park or as national forest wilderness, roadless or other restrictive classification. In spite of that, the Clinton Administration's politically appointed Alaska Forest Service bosses are trying to lock away a major portion of the 8% of Southeast's federal land which is presently managed for timber production. More wild swings of policy occasioned by shifts in national political fortunes and administered by an uncaring bureaucracy can be expected. This sort of interference in local resources and land use is not healthy for the economy, not democratic, and not in the American tradition.

Problems of Federal Timber Sales Management

U.S. Forest Service operations are not cost effective. It has been a constant source of amazement and disappointment for me over the past thirty four years that so many capable, dedicated and hardworking Forest Service employees cannot accomplish any more than they do. The Service is hopelessly hidebound and bureaucratic, often frustrating its own best people. As an example, from 1990 to

1994, Tongass National Forest timber sales volume dropped 17%, timber revenue dropped 35%, and timber industry employment dropped 59%, but during that same period Forest Service timber employment dropped only 9%, Forest Service total employment rose by 1/2% and total Forest Service spending rose a full 29%.

Forest Service timber sales preparation work is not allowed to be efficient. Federal environmental laws and regulations treat even good seasoned employees as though they were completely ignorant and uncaring of any concerns outside their narrow specialty. To comply it is commonly necessary for even a small logging unit to be visited by a landscape architect, an upland game biologist, a fishery biologist, a soil scientist, an archeologist, an engineer, and a forester, all doing the work that could be performed by one or two experienced field men with occasional advice from the specialists as needed. I have been in the forest on right-of-way field reviews with so many Forest Service specialists that it was necessary to find a fairly spacious clearing so that everyone could gather around to take part in the discussion of some important matter. I have spent a whole day with three Forest Service archeologists searching high and low on about a two acre site of rock, muskeg, and scrubby timber where no one had the least expectation of finding any cultural remains, but were obliged by regulation to investigate anyway.

Forest Service roads are commonly overbuilt for the purposes they serve, resulting in vastly increased engineering and inspection time and much lower stumpage values because of the high construction cost. In one recent case I looked at a timber access road route designed to overly high standards for the benefit of later recreation use. It required major cuts and fills that could otherwise have been avoided. The extra design, staking and inspection costs could only be imagined but the construction cost was over $350,000 per mile, which could have been reduced to about $135,000 per mile for timber access purposes. This would have produced a slightly slower and slightly shorter road. The speed would not have mattered much because it was only about a two mile road to a dead end from which it can never be extended due to prohibitive topography.

Forest Service timber appraisals attempt to reach a fair and objective valuation of the timber to be sold. But the federal process for doing so is counter-productive. Commonly a year-long cost and selling value data collection process is followed by several months of data

analyzing and averaging and distribution to field units. Then several more months pass in which the data are applied to individual timber appraisals, advertisements and bid award. Then more months go by while the timber is provided road access, logged and delivered to mills, processed and finally marketed. The problem with this process is that successful businesses do not respond to the past or to the present, but only to their estimate of future values. Two year old data does little to determine the "fair market value" that buyers will stick their necks out for. The result is often minimum bids out of phase with the market, being either too low or so high as to attract no bidders, making demand appear artificially low. In the evaluation of timber that I deal with for private owners, these procedures and lag times are short-circuited. We know what competetive contract costs are for road building, logging, and etc. Marketing experts and trade groups with whom we deal provide current information on prices and (usually) valuable insights to near-future selling values. The appraisal process is faster and simpler, and less hindered by a need for the appearance or proofs of fairness and rule-following.

I have very roughly calculated timber cruising, engineering, contracting and administrative time as well as accounting time both for myself and for others involved in the sale of private timber on some projects I have worked on. Four to ten million board feet per person-year is a common average range. The Forest Service average, based on the 1990 and 1994 listings of volumes offered and sold and of "timber staff", seems to hover around 1 1/2 million board feet per person-year. The need that the Forest Service has of government reporting and public accountability and of tending to the broader public good make this a somewhat unfair comparison, but I believe it shows, without intending any insult, that U.S. government operations are, perhaps inevitably, not very efficient.

Perhaps the biggest present impediment to Forest Service efficiency in its timber program is the need for seemingly endless environmental impact statements of great weight and wordiness which become the subject of appeals and lawsuits and delays. The delay value in fact seems to account for environmental extremists' resistance to any improvement to the process. However it can surely be streamlined without losing the opportunity for meaningful public participation, though perhaps never as part of the federal program.

Advantages of State Management of the Tongass

The State of Alaska has a core of experienced foresters and managers for whom expansion to take on Tongass mangement would be quite feasible if wasteful federal expenditures were eliminated. The Division of Forestry, for example, oversees the Alaska Forest Resources and Practices Act compliance on an average of about 400 million board feet per year of private land logging operations in Southeast as well as the State beach salvage program and occasional State timber sales with a Southeast staff of only 7 full-time and 3 part-time foresters and 2 clerical people.

Alaska's commitment to environmental quality and record of forest protection for non-timber uses is as good as that of the federal government. The Alaska Forest Resources and Practices Act and regulations are a comprehensive document for conserving present and future forest values on State, municiple and private lands. Alaska had an anadromous stream buffer requirement in place on all forest land under its jurisdiction before the U.S. Forest Service did. State fish and wildlife protection expertise and efforts are better than those of national forest managment. The Alaska Department of Fish and Game brought back Southeast salmon runs from near ruination under the U.S. Fish and Wildlife Service in the late 1950's to frequent record runs since the late 1970's. In spite of its small population and the huge areas of federal parks, refuges and wilderness areas, Alaska has the largest area of state parks in the nation.

As manager of the Tongass Forest, Alaska will not be perfect. Mistakes will be made. But when they are, the path to correction will be shorter and swifter than what a top-heavy remotely controled bureaucracy like the U.S. Forest Service can do. Problems that now just bounce off the well-insulated Washington brass will get the undivided attention of State commissioners of natural resources, fish and game, and environmental quality And the Sierra Club members of any large eastern metropolitan area will no longer be able to steamroll over the wants and needs of Southeast Alaska.

Suggestions for Changes to H. R. 2413

Section 6(b) : I suggest that the Land Use Designations in effect on the day of patent should remain in effect for an indefinite period

until the State takes a positive step to adopt, modify or change it. This will insure a continued deliberate management policy and avoid a possible period of "drift" after one year when no one may be sure just what mangement direction should be. A Land Use Designation system as large and involved as that now on the Tongass will not be easy to review in a single year.

Section 7(g): I suggest that the Secretary should provide a list of encumbrances and unfulfilled federal obligations to the State upon passage of the bill, along with a fiscal note. This will help the legislature in their consideration of election to recieve the Tongass.

New Section : I believe it would be prudent to enjoin the federal administration from transferring by presidential order any portion of the Tongass National Forest to national park or refuge status during the ten years Alaska has to make the election, unless it has the consent of the Alaska State Legislature to such a transfer.

Thank you once again for this opportunity to provide input on this valuable piece of legislation.

Executive Summary: A Study of Five Southeast Alaska Villages

Introduction and Background

In early 1993, Congress told the Secretary of the Interior to examine why five communities in Southeast Alaska—Haines, Ketchikan, Petersburg, Tenakee, and Wrangell—had been denied eligibility to form village or urban corporations under terms of the 1971 Alaska Native Claims Settlement Act (ANCSA). Three federal agencies—the Forest Service, the Bureau of Land Management, and the Bureau of Indian Affairs—then contracted with the Institute of Social and Economic Research at the University of Alaska Anchorage to prepare a report on that question.

This report will be presented to Congress. Congress will use it to help determine whether the five communities were intentionally or inadvertently denied eligibility to form village or urban corporations. The report presents the available evidence on the omission, and looks at how the historical circumstances and conditions of the study communities compare with those of the Southeast communities that were able to form village or urban corporations under ANCSA. Finally, it estimates some of the financial benefits the shareholders of Southeast village and urban corporations and the at-large shareholders of the study communities have received from ANCSA.

ANCSA awarded about $1 billion and 44 million acres to Alaska's Native people and called for establishment of village and regional corporations to manage the money and land. In four larger communities, the act also allowed establishment of urban corporations instead of village corporations. All Native beneficiaries enrolled to a regional corporation, and most also enrolled to either a village or an urban corporation.

The $1 billion in ANCSA money was divided—based on population—among the regional and the village and urban corporations. A little over half of the land entitlement went to village and urban corporations, with the regional corporations getting subsurface rights to village corporation lands. The balance of the land entitlements went to the regional corporations under a land-loss formula.

Section 11 of ANCSA listed villages—in all regions except Southeast—that would be eligible to form village corporations, once the Department of the Interior had confirmed that they met the eligibility criteria. The villages were required (as discussed more below) to have at least 25 Native residents and to have populations that were mostly Native, they also could not be "modern and urban in character." An additional provision allowed villages that were not listed in section 11 to become eligible by proving that they met the criteria. Finally, a special provision allowed four larger communities—Juneau, Sitka, Kenai, and Kodiak—that did not meet the requirements for Native villages to form urban corporations.

Provisions for Southeast Communities Under ANCSA

Native communities in Southeast Alaska were treated differently from communities in other regions—because the Tlingit and Haida Indians had received an earlier claims settlement (as discussed below). The first administrative settlement bill (one of the precursors to ANCSA) excluded Southeast communities altogether. But findings of the U.S. Court of Claims and the Indian Claims Commission supported arguments of Tlingit and Haida groups that not all their aboriginal rights had been extinguished by the earlier settlement. Subsequent settlement bills began listing Southeast villages.

Ultimately, ANCSA included a separate section—Section 16—for Southeast villages. That section listed 10 Southeast communities that were eligible to form village corporations. But unlike earlier sections that dealt with villages in other regions, section 16 did not include a provision for unlisted villages. Two additional Southeast communities, Juneau and Sitka, were included in a special provision that allowed four communities to form urban corporations. All the village corporations in Southeast Alaska got less land than corporations elsewhere, because they had benefited under the earlier Tlingit and Haida settlement.

The Study Communities

The study communities—Haines, Ketchikan, Wrangell, Petersburg, and Tenakee—are all located in Southeast Alaska but were not listed in Section 16. So what benefits were the Native residents of the study communities granted or denied under ANCSA?

- Natives from the study communities did not have the option of establishing village corporations. They became at-large shareholders of Sealaska, the regional corporation for Southeast Alaska.
- At-large shareholders received proportionate shares of cash distributions from the ANCSA settlement fund in lieu of distributions to village corporations. They also receive, as do the village and urban shareholders, ongoing cash distributions and other benefits from Sealaska.
- Without village corporations, the study communities did not get the 23,040 acres that each of the village and urban corporations in Southeast Alaska received. Those land entitlements have proved particularly valuable in Southeast Alaska, where there are extensive stands of commercial timber.

The Alaska Claims Settlements

Congress can settle aboriginal claims almost any way it chooses, as long as the settlements reflect "Congress's unique obligation toward Indians" and do not violate their constitutional rights. (See Cohen's *Handbook of Federal Indian Law*, 1982 ed., at 221; Getches and Wilkinson, *Cases and Materials on Federal Indian Law*, 267-68, 1986 ed.) Alaska Natives have won two settlements of aboriginal claims, and the settlements reflect two different approaches.

The first, the Tlingit and Haida settlement, came after Congress authorized the Tlingit and Haida Indians of Southeast Alaska to take their claims before the U.S. Court of Claims. The Court of Claims decided in 1959 that the Tlingit and Haida should receive compensation, and in 1968 valued their land claims at $7.5 million. To manage the settlement, Congress recognized a consolidated tribal body—the Central Council of the Tlingit and Haida Indians of Alaska.

The second settlement was the much larger 1971 Alaska Native Claims Settlement Act, under which Congress settled aboriginal claims of all Alaska Natives. In that settlement, Congress itself awarded both land and money and mandated creation of village, urban, and regional business corporations to manage the assets.

Participation of the Study Communities in the Tlingit and Haida Settlement

Several steps led up to the Tlingit and Haida settlement: the 1935 Jurisdictional Act, allowing the Tlingit and Haida to take their claims before the U.S. Court of Claims; the subsequent establishment of the Central Council of the Tlingit and Haida Indians; the 1959 Court of Claims decision that the Indians were entitled to compensation; the 1965 amendments to the Jurisdictional Act, broadening the function of the Central Council and the eligibility criteria for beneficiaries; and the 1968 Court of Claims award of $7.5 million in compensation for lost Tlingit and Haida lands.

Who benefited under the settlement changed considerably from the early steps in the 1930s to the judgment in 1968. The 1935 act talked about "tribal communities," and the 1959 Court of Claims decision specifically listed Tlingit-Haida tribes and the modern communities associated with those tribes. In 1965 amendments to the Jurisdictional Act, Congress broadened eligibility for benefits under the settlement so that any group of Tlingit and Haida Indians could organize, seek membership in the Central Council, and thereby become eligible for settlement benefits.

Table 1 lists communities named in the 1959 and 1968 Court of Claims decisions in the Tlingit and Haida settlement and the Southeast communities recognized under ANCSA. How did the study communities of Haines, Ketchikan, Wrangell, Petersburg, and Tenakee take part in the activities leading up to the settlement, and how did they benefit under the settlement?

- All of the study communities took part in the early organizational meetings of the Central Council of the Tlingit and Haida Indians. Between 1953 and 1960 Ketchikan, Wrangell, and Petersburg regularly participated in Tlingit-Haida annual conventions. Haines sometimes had its own delegates and sometimes sent a resident as part of the Klukwan delegation. Tenakee appears not to have been active in the organization in the 1950s.

Table 1. Comparison of Southeast Communities Listed in Tlingit and Haida Decision and in ANCSA

Communities Listed in 1959 and 1968 T&H Court Decisions[a]	Communities Listed in ANCSA
Angoon[a]	Angoon
	Craig
Douglas[a,b]	
Haines[a,b]	
Hoonah[a]	Hoonah
Hydaburg[a]	Hydaburg
Juneau[a,b]	Juneau
Kake[a]	Kake
	Kasaan
Ketchikan[a,b]	
Klawock[a]	Klawock
Klukwan[a]	Klukwan
Petersburg[b]	
Saxman[a]	Saxman
Sitka[a,b]	Sitka
Skagway[b]	
Wrangell[a,b]	
Yakutat[a]	Yakutat
Total 16	12

[a] Listed in 1959 decision as modern communities associated with tribal groups
[b] Named in 1968 decision as communities where Indians should receive compensation for lost lands

- In its 1959 ruling, the Court of Claims listed Haines, Ketchikan, and Wrangell among the modern communities associated with Tlingit and Haida tribes. It did not list Tenakee or Petersburg
- The court also reported that a third of the modern communities it had recognized were not located at the same sites as the original villages. These included the study communities of Haines and Ketchikan, as well as Juneau, Douglas, and Saxman.
- In a report accompanying the 1965 amendments to the Jurisdictional Act, the Senate cited "Juneau, Douglas, Ketchikan, Wrangell, and Petersburg" as larger communities that without the amendments would have received "little or no benefit" from the expected settlement.
- In its 1968 award, the Court of Claims listed the study communities of Haines, Ketchikan, Petersburg, and Wrangell (as well as Douglas, Juneau, Sitka, and Skagway) as places where the Tlingit and Haida had lost lands when townsites were created. It did not list Tenakee.
- As of 1971, four of the five study communities—Haines, Ketchikan, Petersburg and Wrangell—as well as 13 other Southeast communities and two out-of-state chapters were recognized as members of the Central Council of the Tlingit and Haida Indians.

Eligibility Criteria for ANCSA Village and Urban Corporations

Criteria For Village Corporations Except Southeast

Under terms of the Alaska Native Claims Settlement Act, Native communities benefited through both regional and village corporations (and, in a few cases, through urban corporations). Communities that were judged ineligible to form village corporations were not able to select lands. The criteria for eligible communities evolved over several years and through a number of draft settlement bills.

When the claims settlement act was passed in 1971, it listed (in Section 11) the villages eligible to form village corporations and required the Secretary of the Interior to confirm that the listed villages met the eligibility criteria that they had at least 25 Native residents as of 1970, that they were not modern and urban in character, and that a majority of their populations were Native. A separate provision of the law allowed villages that were not listed to become eligible by proving that they met the criteria.

- It is not clear where the requirement for a minimum of 25 Native residents originated. The Federal Field Committee for Development Planning, which compiled tribal lists before ANCSA was passed, consistently used a population of 25 as the standard measure of village existence. Also, in 1970 the state government generally required communities to have populations of at least 25 to organize as municipalities, and the 1970 census identified unincorporated communities, including Native villages, with populations of from 25 to 1,000.
- The requirements that eligible villages have mostly Native residents and that they not be modern and urban appear to have originated for several reasons. Powerful members of Congress insisted on present aboriginal use of claimed lands as a prerequisite for sharing in any settlement.. For example Wayne Aspinall, chairman of the House Committee on Interior and Insular Affairs, sponsored a settlement bill that defined Native villages as those that were not "of a modern and urban character" (Hearing on HR 3100, HR 7039, HR 7432, 1971).

The State of Alaska also objected to including communities not "primarily Native in character" (Id. at 366, testimony of Governor Hickel). And the state government had an interest in limiting the number of communities eligible to select land because at that time it was also selecting lands under its statehood entitlement. Finally, up until ANCSA was passed, all the proposed settlement bills had included some form of Native subsistence privilege that would have allowed closure of land around villages to all except local Native subsistence users—and the more eligible villages there were, the more land could have been closed (Sen. Rep. Doc. No 92-405 at 43-44). (That provision was not included in the final settlement bill.)

Criteria for Urban Corporations

Earlier proposed settlement bills had dealt in various ways with the issue of how Natives not living in small, rural Native villages could benefit from the settlement. When the final claims settlement was enacted, it had three options for Natives living in urban areas: they could enroll to village corporations in the communities they were originally from; they could enroll as at-large shareholders of their regional corporations, in lieu of a village corporation; and those Natives living outside the state could vote on whether to create a 13th regional corporation.

Aside from those general provisions, ANCSA also included a special provision for four communities—Sitka and Juneau in Southeast Alaska and Kodiak and Kenai in Southcentral Alaska. Those specific communities were authorized to form urban corporations and select one township each. ANCSA described these urban places as communities that were "originally Native villages, but [came to be] . . . composed primarily of non-Natives" [43 USC 1613(h)(3)].

- There appears to be no record of criteria or evaluation used to determine if these communities were more qualified than others. Bill Van Ness, who was at that time chief counsel for the Senate Interior and Insular Affairs Committee, said in an interview for this report that the urban corporation provision was never formally introduced in any bills leading up to the passage of ANCSA, and that no one had objected to the four communities' gaining eligibility. Hank Eaton, who was at that time a lobbyist for Kodiak Natives, recalled in an interview that he and other representatives of the four communities lobbied congressmen in both houses. John Borbridge, who at that time was a lobbyist for the Tlingit and Haida, recalled in an interview that Alaska's Senator Ted Stevens introduced the provision in the final bill, and that the sense of the conference committee was that no more communities would be accepted for urban corporation status.

Eligibility of Study and Other Southeast Communities

Communities throughout Southeast Alaska were, as described above, treated differently under ANCSA. A separate section—Section 16—of ANCSA listed 10 eligible villages in Southeast and restricted their land awards to one township each. Two additional Southeast communities, Juneau and Sitka, were allowed to form urban corporations.

How were the five study communities treated in early settlement bills, and what historical evidence is there about why they were not included on the list of eligible communities in the final claims settlement?

- The study communities—except for Tenakee—did appear on some earlier versions of Native village lists but were excluded from others.
- The study communities disappeared from the list of Southeast villages at the same time as the 1970 census data became available and as the village eligibility criteria evolved to require that villages have at least 25 Natives, not be modern and urban in character, and have a majority Native population.
- The omission of the study communities is not clearly explained in any provision of ANCSA or in the accompanying conference report.

Eligibility Determinations for Unlisted Southeast Villages

ANCSA included a provision that gave unlisted villages a chance to prove to the Interior Department that they in fact met the eligibility criteria for forming village corporations. The Senate's version of the final claims settlement bill had included a similar provision for unlisted Southeast villages, but the conference committee did not adopt it in the bill that became law, nor did it explain why.

Representatives of three of the study communities—Tenakee, Ketchikan, and Haines—appealed to the Alaska Native Claims Appeal Board to try to gain eligibility to form village corporations. The board denied all three appeals and said

- That ANCSA had "created an exclusive list of eligible villages in Southeast Alaska which cannot be added to"
- That it was "apparent that Congress did not intend that unlisted Southeast villages could be made eligible for benefits under the Act," and
- That Congress's failure to provide a specific provision for unlisted Southeast villages was evidence that Congress did not intend them to have the same opportunity to become listed as unlisted villages in other regions of the state (In Re: Appeal of Ketchikan Indian Corporation, 2 ANCAB at 171.)

Comparison of Southeast Community Populations

A comparison of the 1970 populations of the study communities and the Southeast communities that were recognized under ANCSA sheds some light on differences among and similarities between the two groups of communities

- Total populations of the study communities were comparable to those of Southeast communities recognized under ANCSA
- Natives made up close to the same percentage of the population in Ketchikan (15 percent) and Wrangell (19 percent) as in Juneau (20 percent). Petersburg's Native population (12 percent) was smaller as Table 2 shows
- Natives made up 24 percent of Haines's population—similar to the proportions in Saxman (27 percent) and Kasaan (27 percent), but considerably below that of the other medium and small Southeast communities recognized under ANCSA. Natives in ANCSA communities other than Saxman and Kasaan made up a majority of the population—anywhere from 82 to 94 percent.
- In Tenakee, the U.S. census recorded six Natives making up 7 percent of the population.

Table 2. Comparison of Native Population and Enrollments in ANCSA and Study Communities

URBAN PLACES	PERCENT NATIVE POPULATION 1970 CENSUS	ENROLLMENT TO COMMUNITY	PERCENT OF ENROLLEES LIVING IN COMMUNITY
Juneau	20%	2,722	67%
Ketchikan	15%	1,862	64%
Sitka	23%	1,863	77%
LARGE COMMUNITIES			
Petersburg	12%	428	72%
Wrangell	19%	747	64%
MEDIUM COMMUNITIES			
Angoon	94%	629	62%
Craig	56%	317	53%
Haines	24%	321	51%
Hoonah	71%	876	63%
Hydaburg	88%	565	40%
Kake	90%	558	79%
Klawock	91%	508	46%
SMALL COMMUNITIES			
Kasaan	27%	120	39%
Klukwan	89%	253	14%
Tenakee	7%	64	0%
Saxman	27%	196	57%
Yakutat	82%	342	70%

Study communities

Comparison of Enrollment Procedures

The first step in enrolling for benefits under ANCSA was identifying a place of residence. Natives could identify the community where they were living at the time or a community where they or their families had traditionally lived. Later, the Interior Department made determinations of which villages were eligible to form village corporations. Natives who were enrolled to communities that were later determined to be ineligible became at-large shareholders of Sealaska regional corporation.

There were two enrollment periods—an initial period and a later period for those who had missed the first. The 1976 amendments to ANCSA also included a provision that would have allowed Natives who had enrolled to villages that were later declared ineligible a chance to change their enrollments. But in fact

that amendment was never implemented. Some communities outside Southeast Alaska instead won changes in eligibility through the 1980 Alaska National Interest Lands Conservation Act. And, as noted below, the Interior Department ruled that the provision did not apply to Southeast communities.

Nearly 3,500 Natives—or 22 percent of total enrollment in the Sealaska region—enrolled to the study communities. Table 2 shows the number of persons who enrolled to the study communities and to the Southeast communities recognized under ANCSA. What evidence is there about how the enrollment process in the study communities compared with that in the recognized Southeast villages? And were there substantial differences in enrollment patterns among residents of the study communities and the communities listed in ANCSA?

- The policies and procedures for enrollment were uniformly applied in the study communities and in the ANCSA-recognized communities, according to available documents and interviews with community enumerators.
- Many Natives in the study communities were unaware that their villages were not listed as eligible to form village corporations, according to several enumerators interviewed for this report. And in many cases they were unaware of the significance of villages' being listed or unlisted.
- It is not clear how much enrollment to the study communities may have been affected among those who were aware that the communities were unlisted. Some enumerators interviewed for this report felt that it caused Natives to enroll elsewhere, but others felt that it had no significant effect on enrollment.
- Natives who enrolled to the study communities were declared ineligible to have their places of enrollment changed under a 1976 amendment to ANCSA. That determination came in a 1983 opinion of the Department of the Interior. Attorneys for Sealaska regional corporation and for a resident of Haines unsuccessfully challenged that opinion.

The proportion of enrollees to a community who actually lived in that community is another measure of similarities and differences among the study and the ANCSA communities. As of 1974:

- In the three large study communities and the two Southeast urban places recognized under ANCSA, the share of Native enrollees who resided in the communities where they enrolled was similar. The proportion of enrollees who lived in the communities varied from 64 to 77 percent, as Table 2 shows.
- Among the small and medium communities recognized under ANCSA, between 14 and 79 percent of enrollees lived in the communities where they enrolled. The study community of Haines fell into that range, with 51 percent of those who enrolled to Haines also living there.
- None of those who enrolled to Tenakee lived there.

Histories of Use and Occupation in Study and Other Communities

We can use a number of measures to compare the histories of Native use and occupancy in the study communities and in the listed communities in Southeast Alaska :

Traditional Native settlements (villages or camps) at sites of modern communities, before the arrival of whites

Indian occupancy of identifiable areas in the early towns

Indian land reservations or exclusions from the Tongass National Forest

Indian possessions and Native townsite lands

Federal schools for Indians

Churches or missions serving Natives

Participation in Native Organizations

Traditional Native settlements at sites of modern communities

- It was common in Southeast Alaska for modern communities to be established directly on or near areas and sites of Native settlements and camps. This was true of the five study communities and of recognized ANCSA communities. Non-Natives were drawn to these places by fish, minerals, or other resources. Indian settlement patterns were characterized by seasonal population dispersal and aggregation.
- Ketchikan and Petersburg were summer villages and fish camps before white settlers arrived, while Haines and Tenakee were winter villages. Wrangell was a summer village and then became the primary village of the Stikine kwan in 1836, after the Russians established a post there.
- Among communities recognized under ANCSA, Sitka was the site of a principal village of the Sitka kwan before the Russians established a settlement there in the early 1800s. Juneau was established at the site of a Native fish camp. Craig was established directly across from a former village on Fish Egg Island. Kasaan was a large Haida village; the site of the village was moved about 5 miles in 1901, when the manager of a mining company offered education and job opportunities to residents.

Indian Occupancy of Identifiable Areas in Early Towns

- One or more areas in all the study communities were considered to be Indian villages or Indian towns. That was also true in the ANCSA recognized communities of Juneau and Sitka and in a number of smaller ANCSA communities. However, in some of the smaller ANCSA communities like Kasaan and Craig, Native residents often lived throughout the community rather than in specific areas.

Land reservation or exclusion from the Tongass National Forest

- Federal land reservations were set aside for Natives at Haines and Ketchikan in the early 1900s. The Indian village at Tenakee was excluded from the Tongass National Forest under a federal land order in 1935.
- Federal land reservations were also made in the ANCSA communities of Hydaburg, Klawock, and Klukwan early in the century. The ANCSA communities of Kasaan and Craig were also excluded from the Tongass National Forest in the 1920s and 1930s.
- School reserves for federal Indian schools were also set aside in many Southeast communities, including the study communities of Petersburg, Wrangell, and Haines.

Indian Possession or Native Townsite Lands

- Haines, Ketchikan, Wrangell, and Petersburg had Indian possession lands identified when the townsites were first established. There is no record of Indian possession lands in the Tenakee townsite, since the Indian village was outside the original townsite.
- Juneau had no Indian possession lands in the original townsite, and Sitka had Indian possessions totaling less than an acre—because the Indian villages in those communities were outside the original townsites. There is no record of Indian possessions in the original townsite of Craig.
- The Bureau of Land Management made no distinction in the administration of townsite lands occupied by Natives in the study communities and in ANCSA-recognized communities.

Government Schools for Indians

- Federal Indian schools operated in Haines, Ketchikan, Petersburg, and Wrangell during the period between 1881 and 1948. There were also federal government schools in all 12 Southeast communities recognized under ANCSA.
- Tenakee had a territorial school, as did the ANCSA community of Craig.

Churches and Missions Serving Indians

- The first churches to organize in all the study communities were Native churches—that is, churches that were either started as missions for Natives, or churches that Native themselves established. Such activity of Native churches was common among ANCSA recognized communities as well.

Participation in Native Organizations

- All the study communities had local camps of the Alaska Native Brotherhood and Sisterhood beginning in the 1920s, as did ANCSA-recognized communities.
- Ketchikan, Petersburg, Wrangell, and Haines belonged to the Tlingit and Haida Central Council as of 1971, as did ANCSA communities as well as Metlakatla; Seattle, Washington; and Oakland, California. Tenakee was not active in the council in 1971.
- All the study communities except Tenakee formed IRA organizations in the 1930s and 1940s, as did ANCSA recognized communities.

Financial Benefits from Village and Urban Corporations

The village corporations and the lands awarded them under ANCSA have benefited Alaska Natives in a number of ways—including the subsistence, cultural, and spiritual values of the land. Most observers would agree that the corporations have also provided valuable economic and social benefits through their political power and ability to nurture leadership in shareholders. But it's impossible to put a dollar figure on those kinds of values.

It is possible, however, to estimate financial benefits village and urban corporations in Southeast Alaska have provided their shareholders. Corporations in Southeast Alaska differ from village corporations elsewhere in the state in two important ways. First, Southeast corporations received only one township (23,040 acres) each, because communities in Southeast Alaska had benefited from the earlier Tlingit and Haida settlement. Village corporations elsewhere received anywhere from three to six townships each. Second, much of the land Southeast corporations selected had valuable timber. Few other villages in Alaska found themselves surrounded by such an economically valuable resource.

The estimates of financial benefits for corporation shareholders in Southeast are based on a fairly complete set of annual reports for five of the ten village corporations and both of the urban corporations. Reliable data for the other five village corporations are not available. Although our sample includes only half the village corporations, it covers nearly two-thirds of the village shareholders and 100 percent of the urban shareholders. So the data presented below represent benefits received by 82 percent of the village and urban corporation shareholders in Southeast.

Since it is not our goal to compare financial performances of individual village corporations, we present the village data in composite form, as a weighted average of the five sets of village data. The result gives us a sense of the average financial benefits.

The five study communities were not able to form village corporations and did not receive land grants. How have the financial benefits of the enrollees from the study communities—who are at-large shareholders of Sealaska—compared with those of village and urban shareholders?

- All shareholders—at-large, urban, and village—were entitled to equal per capita payments from the ANCSA settlement fund and are still entitled to equal resource revenue sharing payments required under section 7(i) of ANCSA. The difference is that at-large and urban shareholders collect those payments directly, while payments to village corporation shareholders go to the village corporations, which do not necessarily pass them directly on to shareholders. Some may have invested them well and earned good returns for shareholders, but some may have lost the money through bad investments. So even though payments are calculated on an equal per capita basis, the at-large and urban shareholders have received larger direct cash payments from these sources.
- However, cash distributions from the ANCSA fund and from resource revenue sharing have proved to be minor compared with the financial benefits Southeast village and urban shareholders have received from timber harvesting on their lands.
- On average, shareholders in the sample five village corporations had received more than $57,000 in cash distributions as of 1992. The average per shareholder book equity—a measure of the shareholders' stake in corporate assets— of the five village corporations was more than $117,000 as of 1992. (Table 3)

Table 3. Shareholder Distributions and Book Equity of Five Southeast Village and Two Urban Corporations

Fiscal Year	AVERAGE OF 5 VILLAGE CORPORATIONS Total (In Thousands of Dollars)	Dollars per Shareholder	AVERAGE OF TWO URBAN CORPORATIONS Total (In Thousands of Dollars)	Dollars per Shareholder
1977	0	0	0	0
1978	0	0	0	0
1979	$71	$126	0	0
1980	338	601	0	0
1981	1,453	2,580	0	0
1982	26	46	0	0
1983	234	416	0	0
1984	501	889	0	0
1984A(1)	536	952	0	0
1985	840	1,492	0	0
1986	781	1,387	0	0
1987	3,492	6,200	$3,554	$1,554
1988	5,081	9,021	409	179
1989	5,655	10,040	780	341
1990	5,015	8,904	728	318
1991	3,643	6,469	1,243	543
1992(2)	4,713	8,368	4,219	1,845
Total Distributions	$32,379	$57,491	$10,933	$4,780
Reported Per Shareholder Book Equity, 1992 (Includes some ANCSA Land assets)		$117,073		$31,83

[1] Several corporations adjusted the start of their fiscal year during the 1980s. As a result, there are in some cases more data points than calendar years

[2] Distribution Data for 1992 are incomplete Average is computed from only 3 corporations

Source. Corporation Annual Reports

- On average, shareholders in the two Southeast urban corporations had received about $4,800 in cash distributions through 1992—far less than the village corporation shareholders. Urban shareholders have received less because (as Table 3 shows) their total distributions have been smaller, and they have many more shareholders—so the distribution per shareholder is much smaller. Part of the reason for the smaller distributions by the urban corporations is that their land conveyances and therefore logging were delayed a number of years. The average per shareholder book equity in the urban corporations was about $32,000 as of 1992—again, much less than the equity of village corporation shareholders.
- The five village and two urban corporations also earned $430 million between 1986 and 1988 by selling their net operating losses. A provision of the 1986 Tax Reform Act gave Alaska Native corporations the ability to sell their operating losses to more profitable businesses looking for tax write-offs. The Southeast corporations were able to measure those losses as the difference between the value of a log at the time the land was conveyed to the corporation and the value of the log at the time it was either cut, sold, or written off as having no value. As of 1992, much of the cash generated by sales of losses remained locked up in escrow accounts, pending IRS audits of the transactions
- Overall, the Southeast village and urban corporations have been the most financially fortunate groups of all ANCSA corporations, as measured by financial returns per shareholder to date. There are two main reasons for their good fortune. The first is that their ANCSA lands included valuable timber, and the second is that they were able to make substantial profits from the sale of net operating losses—which were not actual cash losses but were based on the decline in the value of timber
- Past financial performance, however, does not predict future fortunes of these or any other corporations. First, Congress ended sales of net operating losses in 1988, so those will not be a future source of income. Second, much of the commercial timber on village corporation lands has already been harvested. Those corporations with commercial timber will still have to deal with volatile world market prices for timber

This summary has briefly reviewed our findings about the historical circumstances of the study communities and the available record about how they came to be omitted from the ANCSA list of eligible Southeast communities. We now turn to our detailed discussions.

COUNCIL ANNETTE ISLANDS RESERVE

METLAKATLA INDIAN COMMUNITY

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TESTIMONY OF THE METLAKATLA INDIAN COMMUNITY
IN FAVOR OF THE
TONGASS TRANSFER AND TRANSITION ACT
H.R. 2413
Presented by: Mayor Jack L. Booth, Sr.
February 16, 1996

Congressman Young, Members of the Committee:

On behalf of the Metlakatla Indian Community, I am here to express support for H.R. 2413, the Tongass Transfer and Transition Act, and to thank the Congressman for recognizing that something must be done for the timber dependent communities in Southeast Alaska that are ignored in the rush to "save" the environment. Metlakatla is for sound environmental policy but we are for jobs, people and families as well. We applaud this effort to seek a new avenue of stability for our economy.

The Metlakatla Indian Community is a federally recognized Indian Tribe. About 2,000 people live on Annette Island Reserve. Until recently, Metlakatla's economy was based primarily on federal programs, fishing and the sale of tribal timber. Due to federal budget cuts, the collapse of salmon markets and other factors beyond its control, Metlakatla is now a timber dependent community; a timber dependent community with an unemployment rate over 50%. A stable timber supply from the Tongass National Forest is essential to our welfare.

Our history has been to depend on the seafood industry to provide the jobs and revenues our Community needs. We cannot change the markets, however, and our seafood enterprise does not provide the revenue that we formerly enjoyed. We used to look to the federal government in times of need. I do not have to remind you that those days are gone. I could tell you about the federal budget cuts we face, but I know I would not be saying anything that hasn't been said and heard before. What I want to make clear is that we learned we cannot depend on the federal government to make things right for us.

Tourism is not the answer for us either, at least for the present. While others profit from tourists, we have not yet determined how we can benefit from this part of the economy. Nor do we see tourism as the only and final answer to Southeast's economy. We know tourism is important but it is not the only answer. Its seasonal jobs are important, but we need something to depend on year round.

In our efforts to sustain our economy, we turned to the resource that has sustained the Tsimpsians for centuries. We looked to our forests. We successfully established a Small Business Administration timber sale purchase program and started a small sawmill to provide jobs and revenues. We have operated our mill profitably for about three years. It provides between 20 and 40 jobs. We also depend on the lease of our big mill to KPC for additional jobs and revenues. So, we have become timber dependent. But, our new economic program is now threatened by lack of timber. To survive we know we must become a greater participant in development of the policies that shape how the forest is managed. That is why we support HR 2413.

Recently, the head of the Forest Service basically admitted that the Forest Service is incapable of providing a stable timber supply from the forests of Southeast Alaska. Although I do not doubt that the Forest Service believes that stability is impossible, I don't think we can afford to go along with that attitude. We cannot be a timber dependent community subject to a federal bureaucracy that admits it cannot do the job.

In Metlakatla, we believe Alaskan's can solve the timber supply problem without permanent harm to the environment. That's why we want to encourage everyone to take a hard look at HR 2413. This is a chance for Alaskans to let the Nation know that we believe Alaskans can take charge to solve its problems. To do otherwise, will be to submit to the continued control by a Forest Service that believes stable timber supply is impossible. It also will mean that Washington, D.C. will continue to "know what's best" for us in Southeast Alaska. That will not be good for our economy.

We have only one suggestion to the language of the bill at this time. We note the provision that will require distribution of 25% of the timber receipts to municipalities and local governments does not make clear that the term includes the Metlakatla Indian Community. We will suggest specific language to clarify this.

Conclusion:

In conclusion Mr. Chairman, let me say again how much the people of Metlakatla appreciate your efforts on their behalf and on behalf of all the people of Southeast Alaska. By its presence here, Metlakatla is declaring its commitment to stand with all right thinking people in Southeast Alaska to find a solution to our economic problems. Part of that solution must be a new approach that will allow us to continue to utilize one of our most dependable resources, our forest, for the good of all. We know this bill will be difficult to pass. This bill, or some bill, must be passed, however, so that a stable timber supply in this area is guaranteed. We support your efforts and will continue to support yours and our Senator's efforts to solve this problem until we get the job done. Thank you very much.

February 28, 1996

Rep. Don Young
Chairman House Resources Committee
1324 Longworth Bldg
House of Representatives
Washington, D.C. 20515

RE: H.R. 2413

Representative Young:

It was with an open mind that I listened to the Congressional field hearings held in Wrangall & Ketchikan this month on HR 2413. And after considering the issue, I wish to express my comments on the proposed legislation:

First, it seemed unfair, to put it mildly, that you were in control of who spoke at these hearings. One can only come to the conclusion that you want the record to be filled with voices of those that you personally agree with. I don't believe this was a true representation of southeast Alaskans. Nor do I believe that it's just Alaskans who are affected by the management of the Tongass National Forest. **National** is a key word here. The Tongass belongs to all citizens of the United States. It seems very unlikely that Americans would want to give away one of the most beautiful forests in existance.

I strongly oppose HR2413 as it would repeal all the protections enacted by Congress in the Alaska Lands Act of 1980 and the Tongass Timber Reform Act of 1990. Many years, countless individuals, and great effort was put into these Acts, with a strong majority of Congress supporting it.

I oppose HR2413 because it would repeal the minimum 100 foot buffers now required on salmon streams. This isn't excessive. It's minimal. The number was only reached after compromise. **Compromise** to habitat.

I oppose HR2413 because I believe it is catering to the pulp mills of southeast Alaska at the expense of public health. Both the mills in Sitka & Ketchikan have violated environmental quality standards & permits for years. They began their operations long before the general public began to realize the harmful effects if industrial processors. I don't think you grasp the correlation between environmental health & public health. This seems elementary.

I oppose HR 2413 because it would obligate the State to hand over more than 200,000 acres of prime forest land to new for profit Native corporations, the so-called "landless natives". Its only just recently that Natives are coming to the realization that their forests are gone (Hoonah for example) and while their their pockets have filled, it was only temporary. Now, many find that continuing traditional practices has been severely impaired by the clear cutting techniques of the logging interests. Just because a few native corporations can show earnings & dividends to their shareholders does not mean that they have been a success. Indeed, the Burger Commission which studied the Alaska native corporations consequences have found it regrettfully flawed. To continue to encourage this concept seems foolish.

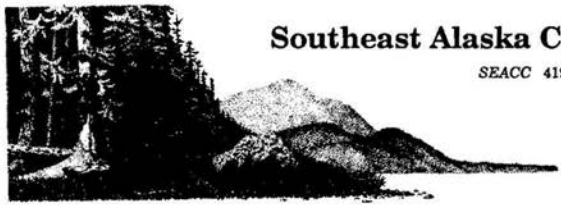
I live in Ketchikan Mr Young. I am one of those who you consider to be most affected by the management of the Tongass.

I request that this be entered into the formal hearing record.

Sincerely,

I. Alexakos
Box 23426
Ketchikkan, AK 99901

cc: Rep. George Miller
Sen. Ted Stevens
Sen. Frank Murkowski
Gov. Tony Knowles



Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, AK 99801
(907) 586-6942 phone (907) 463-3312 fax

February 29, 1996

The Honorable Don Young
Chairman of Committee on Resources
U.S. House of Representatives
1324 Longworth House Office Bldg.
Washington, D.C. 20515

re: additional comments for the Hearing Record for H.R. 2413

Dear Chairman Young:

This letter follows up on your recent hearings in Wrangell and Ketchikan regarding H.R. 2413, the Tongass Transfer and Transition Act, the real goal of which is to turn our largest national forest over to private hands. In addition to the written statement we provided for the February 16, 1996 hearing in Ketchikan, we submit this follow-up statement. We request that you include this as part of the official, written hearing record.

Although bad weather prevented my attending the Ketchikan hearing last week, I testified by telephone from Juneau. In a blatant violation of normal hearing procedures, you disconnected my call before the panel I was on had finished, and before I could correct several inaccurate statements you made in Wrangell and Ketchikan. Here are my corrections for the hearing record:

I. CHAIRMAN YOUNG TRIES TO REWRITE HISTORY.

In a letter to editor of the Juneau Empire (attached), dated February 25, 1996, Chairman Young repeated a claim made at both the Wrangell and Ketchikan hearings. You wrote:

> Another point I'd like to make is that while the Tongass Timber Reform Act was being discussed in 1989-90, not one hearing was held in Alaska. I repeat, not one hearing was held.

This statement is dead wrong. In April of 1989, the Senate Committee on Energy and Natural Resources held hearings in both Sitka and Ketchikan prior to taking action on the Tongass Reform Law. Unlike the recent hearings in Wrangell and Ketchikan held by Chairman Young, the Senate hearings gave a broad diversity of local residents an opportunity to testify on the issue of reforming Tongass management: ninety-four (94) people testified at the April 24, 1989 hearing in Ketchikan, and another ninety-three (93) testified at the April 25, 1989 hearing in Sitka.

Chairman Young also has stated that the House of Representatives didn't hold hearings in Alaska prior to passage of the Tongass Timber Reform Act. The Chairman is only telling a part of the story. In August of 1987, members of the House Committee on Interior and Insular Affairs held an extensive fact finding trip prior to taking any action on Tongass legislation; a trip aimed at listening to people from all walks of life from the communities of Juneau, Sitka, Pelican and Ketchikan. Don Young was no where to be seen on this trip. He refused to join the Committee on this important visit to his own state.

II. THE MYTH -- "ONLY 10 PERCENT OF THE TONGASS WILL EVER BE LOGGED."

At both the Wrangell and Ketchikan hearings, you repeated your mantra of misleading myths that chant "only 10 percent of the Tongass will ever be logged" and "90 percent will never be logged." **The truth is that the 10 percent that will be logged is the "biological heart" of the Tongass. Saying "not to worry" about this 10 percent is like having a doctor tell you that your heart must be cut out -- but, don't worry, the rest of your body will be just fine!**

Attached for the record is a revised copy of the fact sheet attached to my February 16th hearing statement with some minor corrections. The fact sheet explains that:

- Two-thirds of the nearly 17 million acre Tongass is rock, ice, muskeg and scrub land;
- Only one-third (5.7 million acres) is considered commercial forest land;
- Only 4 percent of the Tongass contains high volume old-growth trees;
- Nearly one-half of the most productive old-growth forest, about 1 million acres, has been clearcut since 1954;
- Only 40 percent (6.8 million acres) of the Tongass' 17 million acres have been set aside by Congress as wilderness, legislated LUD II wildlands, and salmon stream buffers -- only 2.2 million of those acres (1/3rd of the total acres protected) are commercial forest land;
- Only 25 percent of the most valuable old-growth forest (just 241,000 acres) has been legislatively protected, and only 11 percent of the high-volume commercial forest land is protected by law;
- Fully 75 percent of the Forest's original prime, high-volume old-growth acres have never been protected from logging;

- Over 6 million acres of the Tongass will be crisscrossed by logging roads and clearcuts to access the 1.7 million acres of suitable timber currently available and scheduled for logging.

III. TIMBER JOB LOSSES SINCE 1990 NOT CAUSED BY TONGASS REFORM LAW.

At both the Wrangell and Ketchikan hearings, you and others blamed the Tongass Reform Law for the 40 % reduction in timber jobs since 1990. This blame is misplaced -- the majority of those job losses were caused by Alaska Pulp's cold-hearted corporate decision to close its mills for economic reasons: low pulp markets, high cumulative operating deficits, and its President's decision to liquidate and dispose of over one-half of the company's total assets in one year -- 1993.[1]

Some may argue that the Forest Service has a responsibility to provide a timber supply -- but they sure as heck don't have a responsibility to guarantee a profit for a foreign-owned pulp mill on the back's of the U.S. taxpayer.

What about the crisis your bill will cause when 1,000 Forest Service workers are thrown out of their jobs and Southeast communities lose over $44 Million dollars in annual payroll from these workers? The facts show that our economy does not depend upon the timber industry, but has continued to grow since 1990 in spite of it.

IV. THE "REAL" TONGASS COMPROMISE

Congressman Young and others quoted some of SEACC's testimony during the Tongass reform debate. Back in late 1990, SEACC executive director Bart Koehler stated that the timber base left available after the land set-asides would not impact existing Tongass-dependent timber jobs. Bart Koehler's statement was correct.

After protecting key areas from logging, the Tongass Reform Law left available the potential to schedule up to 395 million board feet per year -- more than 100 million board feet above the average cut in the decade prior to enactment of the Tongass Reform Law. Congress did not, however, guarantee a timber base or a specific job level in the final Tongass Timber Law. Instead, Congress enacted Section 101 of the Tongass Reform Law, which amended section 705(a) of ANILCA to eliminate its unrealistically high and uneconomic mandate to supply 4.5 billion board feet per decade from the

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[1]For the record, we have attached a fact sheet, *Tongass Timber Job Losses--Don't Blame the Reform Act*, dated July 1995.

Tongass and to repeal its $40 million permanent appropriation for the Tongass timber program.

Under Section 101 of the Tongass Reform Law, the Forest Service may "seek to meet [] market demand" for timber, but only "to the extent consistent with providing for the multiple use and sustained yield of all renewable forest resources;" only to the extent funding is available; and only to the extent it can do so within the confines of all "other applicable law," such as Section 810 of ANILCA and the National Forest Management Act. In describing the intent behind Section 101 of the Tongass Reform Law, Representative George Miller, the House Floor Leader during the Tongass Reform debate, stated:

> "This language requires the Forest Service to meet the needs of resource based industries other than timber--including commercial fishing, sport hunting [and] fishing, and tourism--and provide for the non-commodity uses of forest resources for subsistence and recreation. ...
>
> As amended, Section 705(a) requires that timber sale offerings, even if consistent with other resource needs and sustained yield principles, must not be in excess of actual market demand."

136 CONG. REC. H12833 (daily ed. Oct. 26, 1990). This is what "balanced multiple use" on the Tongass is all about.

Therefore, the real Tongass compromise was a merger between the different approaches, overwhelmingly approved by both the House and Senate,[2] for curbing the timber management abuses that had long plagued the Tongass, our largest national forest. The House bill terminated the two long-term contracts and designated 23 areas of the Tongass, comprising approximately 1.8 million acres, as Wilderness. The Senate bill modified the two long-term contracts to promote fair competition and assure protection for valuable forest resources and provided that 12 areas of the Tongass, comprising approximately 673,000 acres, would be managed in a roadless state (legislated Land Use Designation II) to retain the areas' wildland character in perpetuity. The final "compromise" bill modified the contracts to resemble, to the greatest extent possible, short-term, independent timber sales, and designated 18 areas of the Tongass, comprising slightly over 1 million acres plus salmon stream buffer zones, as permanently off-limits

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[2]The House overwhelmingly approved its bill, H.R. 987, by a vote of 356 - 60 on July 13, 1989. On June 13, 1990, the Senate unanimously adopted its substitute to H.R. 987, leading to a conference committee which concluded its deliberations on October 23, 1990. See H.R. REP. NO. 101-931, 101st Cong., 2d Sess. (Oct. 23, 1990).

to logging. Six (6) of these areas were designated as Wilderness, and the remaining 12 areas were designated as Legislated LUD II (roadless) areas.

V. CHAIRMAN YOUNG WRONGLY MALIGNS BART KOEHLER.

At the Wrangell hearing, you singled Bart Koehler out as the villain. It is true that Bart went on to new challenges after passage of the Tongass Reform Law in 1990. He headed South to Greater Yellowstone Country -- he worked for the Greater Yellowstone Coalition and you voted for a bill that Bart help shepherd through Congress in 1993.

Contrary to your statement in Wrangell, however, Bart did not return to Southeast Alaska right after President Clinton was elected. SEACC asked Bart to return in April of 1995, after you and Senators Stevens and Murkowski started your push to rollback Tongass reform. If you hadn't started these attacks, Bart would still be riding horses down in Montana.

VI. ALASKANS ALREADY HAVE THE ABILITY TO TAKE CONTROL OF THEIR FUTURE.

The purported rationale stated for H.R. 2413 is to give Alaskans a legitimate voice in what happens to the Tongass. Alaskans, and indeed all Americans, already have a legitimate and open process for influencing decisions regarding management of the Tongass. The public forest planning process provides the opportunity for Southeast Alaskan residents and communities to influence Tongass management -- as owners of this great public resource.

Following release of the latest draft supplemental revision to the Tongass Land Management Plan (TLMP) this spring, the Forest Service will hold hearings in 32 Southeast Alaska communities and provide Southeast Alaskans with the most updated information available on the status of the forest resources upon which we depend both culturally and economically. This open public process provides a level playing field for all interests to make recommendations to influence Tongass management decisions. The Alaska delegation should have heard the voices of Southeast Alaskans last year in the overwhelming opposition to the "solutions" which the Alaska delegation sought to impose from Washington D.C. The TLMP process provides all Southeast Alaskans with the opportunity and responsibility to meaningfully participate in a public decision making process to assure that our children and grandchildren will enjoy the same healthy forest that we do.

CONCLUSION

In conclusion, H.R. 2413 will only benefit the corporate robber barons who have, and will continue to put short-sighted profits ahead of the long term health and welfare of local communities. In the case of the Ketchikan Pulp Company, this "robber baron" is also a convicted felon currently on probation for intentionally dumping toxic sludge from its pulp mill into the waters of Ward Cove. By mandating that the State assume all obligations under Ketchikan Pulp's 50-year contract, H.R. 2413 rewards Ketchikan Pulp for breaking the law.

By mandating that the State renegotiate a long-term contract with the Alaska Pulp Corporation, H.R. 2413 dismisses the fact that Alaska Pulp's contract was terminated because Alaska Pulp materially breached its contract with the United States by closing its Sitka pulp mill. H.R. 2413 excuses this selfish corporate behavior which chose to put short-term corporate interests ahead of the long-term interests of the workers and communities of Sitka and Wrangell.

Your bill is a very serious threat to our public forest lands, and to the way of life for Southeast Alaskans. Your bill is not a transfer, it is a travesty. Your bill is ludicrous, ridiculous, outrageous -- and if ever taken seriously -- flat out dangerous.

We strongly urge you to stop this bill dead in its tracks.

Best Regards,

Buck Lindekugel
Conservation Director

Alaskans being given legitimate voice at last

In response to an article entitled "Lawmakers Write to Don Young," run by the Empire on Feb. 7th, I would like to take the opportunity to clarify a few important points.

First and foremost, my intention in introducing the Tongass Transfer and Transition Act is to begin an intelligent discussion on what I think is an excellent opportunity for Alaskans to take control of their future. The key is that Alaskans will be able to determine whether or not they want to control the Tongass National Forest as opposed to our lives and futures being controlled by bureaucrats and political appointees in Washington.

Secondly, the decision to hold hearings in Wrangell and Ketchikan initially was because these are two of the communities, along with Sitka, that have been most directly affected by the poor management decisions of the Forest Service. Nowhere have I state that other hearings will not be held, because this issue is extremely relevant to all communities within the Tongass. These are the first in a series of hearings. We have to start somewhere.

The argument surrounding the locations of hearings is a diversion from the main issue: Alaskans controlling their future in the Tongass. I said from the beginning that this is a long-term process. I am open to hearing from all perspectives of this issue. We have invited a diverse group of Alaskans to testify at the first two hearings including representatives from the environmental community, fishing interests, tourism interests, the forest products industry, small businesses and individuals.

Another point I'd like to make is that while the Tongass Timber Reform Act was being discussed in 1989-90, not one hearing was held in Alaska. I repeat, not one hearing was held. No one is being excluded from the hearing process as your article implies. It is when the substance of issues are avoided and not discussed in the open that people are truly excluded.

Recently, the State Legislature passed a resolution supporting the transfer of federally controlled property back to the states. Transferring the Tongass is the first step in line with the resolution.

Finally, this bill is not about timber. It is about self-determination and Alaskans having a legitimate voice in what happens to the Tongass. But again, we are the ones who should make that decision. When this legislation becomes law, it gives us the option to elect to take control of the forest – but at least we'll have the opportunity to choose.

Don Young

Juneau Empire 2-25-96

The Myth:

The Tongass "is 90% a Wilderness... only 10% would be cut."
—Rep. Don Young

When Don Young says that "only 10% of the Tongass will ever be logged," remember — this 10% is the "biological heart" of the Tongass. Saying "not to worry" about this 10% is like telling you they'll cut your heart out — but the rest of your body will be just fine! **—Bart Koehler, SEACC**

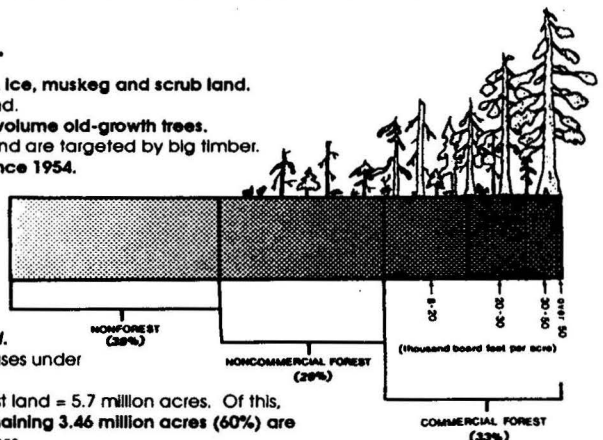
The Facts:

▼ how big is the Tongass timber base?...

- The 17-million acre Tongass National Forest **is 2/3 rock, ice, muskeg and scrub land.**
- The remaining 1/3 is considered commercial forest land.
- **Only 4% of the Tongass National Forest contains high-volume old-growth trees.** These acres provide critical habitat for fish & wildlife and are targeted by big timber.
- **Nearly half of these prime acres have been logged since 1954.**

▼ how much is really protected?...

- Congress has set aside 6.8 million acres of the Tongass National Forest as Wilderness, legislated "LUD II" wildlands, and salmon stream buffers. This equals 40% of the total acreage—**but the majority of these acres *are not commercial forest land.*** Over 10 million acres are available for other multiple uses under the Tongass Forest Plan.
- The 1/3 of the Tongass that contains commercial forest land = 5.7 million acres. Of this, 2.2 million acres (40%) are protected by law. **The remaining 3.46 million acres (60%) are open for logging via the Forest Service planning process.**



- ***Fully 75% of the forest's original prime, high-volume old-growth acres have never been protected from logging.*** Only 25% of the most valuable old-growth (just 241,000 acres) has been legislatively protected.

▼ how much has been cut? How much will be cut?...

- **Nearly a million acres** of the most productive Tongass, state and private forest lands **have been clearcut already.**
- 1.7 million acres are scheduled for logging under the current forest plan; this makes up more than 50% of the existing timber base. **Over 6 million acres of the Tongass will be crisscrossed with roads and clearcuts to log these 1.7 million acres.**

For more information, contact the Southeast Alaska Conservation Council, 419 6th st. #328, Juneau, AK 9801 Phone: (907)586-6942

Tongass Timber Job Losses--Don't Blame the Reform Act

Southeast Alaska timber industry employment is cyclical, rising and falling with international wood markets. Timber job declines since the all-time peak of 1990 are not a result of the Tongass Timber Reform Act. Yet the former pulp mill community of Sitka is thriving, and Southeast Alaska's overall job base GREW by 4% between 1990 and 1994.

- In 1991, the region's two largest independent sawmills closed, due to a marketing and financing dispute with their broker, Weyerhaeuser Corporation, causing a 58% decrease in independent logging levels on the Tongass National Forest.

- Between 1991 and 1994, private logging levels plummeted by more than 50%, as a number of Native corporations approached the end of their loggable supply of timber in roughly 15 years. This inevitable decline in sustainable logging levels also cost hundreds of Southeast Alaska logging jobs.

- Of the 970 direct Tongass-dependent timber jobs lost since 1990, a majority of those--400 in Sitka and 230 in Wrangell--resulted from Alaska Pulp Corporation's (APC's) cold-hearted business decisions, not a timber supply shortage or the Reform Act.

- When APC closed its Sitka and Wrangell mills, no Tongass timber was under injunction.
- APC shut the Sitka pulp mill despite having a three-year supply of timber available.
- APC closed the Wrangell mill after refusing to bid on a one-year available timber supply.

- **The Sitka mill had tremendous, long-term financial problems.** In 1987 (well before the Reform Act), APC's cumulative operating deficit stood at $170 million. It sank to "only" $122 million by 1991, but plummeting international pulp prices caused the company's deficit to swell to $163 million in 1993. APC closed the money-losing pulp mill (APC lost $31 million in 1993), and APC's President liquidated the company's massive stock market investment division, withdrawing 55% of the company's net assets in a single year. The Reform Act did not cause these long-term financial problems.

- **The timber was there, APC just didn't want to compete for it on the open market.** In 1994, APC paid $1.42 in cash per thousand board feet (mbf) of timber under its 50-year timber contract. The same year, timber originally intended for APC under its 50-year contract sold on the open market for over $50 per mbf.

- **KPC's temporary mill shutdown is driven by pulp prices.** KPC's recently announced decision to temporarily shut down its Ketchikan sawmill was a business decision driven by pulp prices that more than doubled in the last year, and are now at or near their highest levels ever. Dissolving pulp is now selling for $1,300 a metric ton on the spot market. Just one year ago, dissolving pulp was at a low of only $530 per metric ton.

- While pulp prices exploded, the average market price for sawn lumber dropped by $138 per thousand board feet, or 33%. KPC is running its log supply through its pulp mill.

July 1995

D4 Anchorage Daily News Friday, January 26, 1996

Forest Service chief calls stable timber supply a myth

By SCOTT SONNER
The Associated Press

WASHINGTON — Forest Service Chief Jack Ward Thomas told Congress Thursday it is impossible to promise the kind of predictable, stable logging levels some Western Republicans want on national forests.

"The idea of stability — absolute, predictable, stability — is a myth," Thomas said in response to several senators who are demanding better performance in the agency's timber harvest program.

The ever-changing environmental, social and political climate prevents the service from offering anything more than its best estimate of the potential harvest on any given forest in any given year or series of years, he said.

"We are one lawsuit away from a big change all the time," Thomas told the Senate Energy and Natural Resources subcommittee on forests and public lands.

"We are one budget cycle away, one hurricane away on a particular forest, one forest fire away, one spruce budworm outbreak away. We are one election away. There are many, many things that don't produce stability," he said.

Republican Sens. Larry Craig of Idaho, Frank Murkowski of Alaska and Craig Thomas of Wyoming said they want more trees cut and a better accounting of the logging program, which dipped last year to its lowest production level since 1954.

Last year, the Forest Service sold only 1.3 billion board feet of the 1.7 billion board feet of salvage timber planned for sale and only 1.5 billion board feet of the 2.5 billion board feet of live, green timber planned for sale, Murkowski said.

"In the past, the allowable sale quantity in your forest plan was something people depended upon and planned around," said Murkowski, chairman of the full committee.

"The public deserves a clear understanding — not just rhetoric — about what they can expect from you," he said. "These are real people."

James Lyons, agriculture undersecretary for the environment and natural resources, said the Forest Service moved away from the practice of setting an allowable sale quantity on individual forests because "it created false expectations."

"The ASQ is not now nor was it ever intended to be a target. It is a measure of capability. We need to stay away from false measurements of performance," he told the panel Thursday.

SUBMISSIONS FOR THE RECORD

Due to the high cost of printing, the material submitted by the following was placed in the hearing record files of the Committee:

Actor, Lorraine M.
Alexander, Brenton
Barnes, Paul
Berry, Paul N.
Brower, John
Brown, William T.
Coghill, Kathy
Crumpler, Cynthia
Dillman, Karen
Ellis, Kathy
Emerson, Phil
Farnell, Richard M.
Folta, Richard
Gorman, Peter
Grunstein, Steven P.
Haley, Shamar
Harold, L. Stephanie
Hart, Karla
Hooge, Philip N.
Howe, D. L.
Kelley, Mark
Kemmerer, Lisa
Kirchhoff, Mark
Kistler, Mark S.
Knight, Becky
Knight, Rebecca
Leghorn, Ken
Levine, Joyce Gail
Morgan, Julie
Opp, Elizabeth
Ortega, Yvette K.
Ratner, Marcelyn J.
Ratner, Nathaniel M.
Roberge, Scott
Rosenthal, Jeri A.
Rothkowitz, Jason
Ryan, Corinne
Savage, Katharine
Sherman, Marty
Sisk, John
Sisk, John B.
Sloss, Jeff
Smith, Doris G.
Smith, Richard A.
Smith, Tarleton F.
Swanson, John R.
Thompson, Mary Therese
Wells, Ralph A.
White, Katy
Whittington-Evans, Chris
Wilson, Bob
Wilson, Jeffrey
Wilson, Karen

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