

May 20, 2011

Testimony of Owen Graham
Before the House Resources Committee
H. R. 1408 Southeast Alaska Native Land Entitlement Finalization Act

Mr. Chairman, Congressman Young, and members of the Committee. Thank you for the opportunity to submit testimony for the record of this important hearing on H.R. 1408.

My name is Owen Graham. I am executive director of the Alaska Forest Association. The AFA is the statewide association representing companies engaged in forest practices including support companies. We have 115 members and represent timber companies, loggers, trucking and towing companies, suppliers, and other members who have a stake in the future of a vital and hopefully healthy timber economy in Alaska.

AFA strongly supports the passage of HR 1408 without delay. Passage of this bill is critical to the future of our remaining industry. Alaska Native timber is in decline in part because ANCSA land entitlement has not been fulfilled, even though ANCSA was passed over three decades ago. The Native lands represent only about 3% of the land in Southeast Alaska, but Sealaska's timber operations, currently support about 40% of the forest industry employment in the region because of the inappropriate reductions in timber harvest from federal lands.

Drastic reductions in the federal timber sale program since 1990, after the Tongass Timber Reform Act was enacted, have been disastrous for our industry and our communities. The federal lands comprise about 94% of the total land in the region and, as a result of the dramatic decline in federal timber sales; our industry has declined over 90%. If Sealaska is unable to continue their forestry operation, we will not be able to maintain much of our industry support infrastructure – transportation companies, fuel barges, equipment suppliers, etc.

Even though the Forest Service has a timber plan in place which claims to provide up to 267 million board feet annually, the agency has only offered about 15 mmbf of new timber sales annually. Because the timber sale program on federal lands is so unreliable, it is critical that private timber be available to support our industry. In most states, there is a mix of federal, state, and private timber which provides more opportunity to compensate for periodic declines in the federal timber sale program. We do not have that diversity of land ownership in Southeast Alaska, but it is vitally needed. This legislation will move the region a little closer to balance.

From today's struggles described above, AFA hopes our industry can be restored to a level closer to what we had in 1990. That is why the passage of this bill is so vital and so timely. This committee and Congress need to act immediately.

Please do not be persuaded by those who claim the passage of this bill will threaten wildlife viability or plant diversity. This is simply not true. There are millions of acres under complete protection in the Tongass including nearly 7 million acres of wilderness or legislated LUD II areas

where development is statutorily prohibited. These legislatively set-aside areas include about 2 million acres of commercial timberland. The Tongass Land Management Plan administratively sets aside more than 3 million additional acres of commercial timberland. The commercial lands that are the subject of this legislation total less than 85 thousand acres – less than 2% of the commercial timberlands in Southeast Alaska.

Sealaska is a good steward for their lands. They comply with the State Forest Practices Act regulations and they put an effort into managing their young-growth timber for the future. In addition, their lands are managed to allow timber, wildlife and fish to all prosper on the same acres. I have seen this with my own eyes.

Some of those who speak against this legislation are the same people that have used administrative appeals, litigation and political pressure to drive down the timber supply from federal lands.

A number of small communities have expressed concerns about potential impacts on the timber supply for local processors. Further, these communities fear a loss of recreational and subsistence access to the lands that Sealaska has selected. Sealaska has addressed these concerns; land selections have been modified to avoid the most contentious areas and Sealaska has agreed to provide public access to their lands. Further, the Forest Service timber sale plans for these areas indicate no conflict over the next few years and the agency has ample opportunity to adjust the forest plan to account for potential future timber sale impacts. After all, the forest plan has about three million acres of commercial forestland held in reserve that could be put to use if needed.

Fish streams, wildlife habitat and recreation opportunities are already well protected in this region; what is not assured is the future of our timber industry. We have lost 90% of our employment due primarily to a decline in the availability of timber from the federal lands in the region. We cannot afford to reduce the timber supply from private lands as well.

Sealaska has agreed to provide access to their lands for both subsistence and recreational hunting and fishing and Sealaska's operations will provide continued jobs and other economic benefits to both regional and local communities.

This bill does not finalize the total acres that Sealaska will receive under ANSCA, so we recommend that the committee instruct the BLM to work with Sealaska to negotiate the final entitlement.

Thank you again. The AFA urges immediate passage of this bill to help keep our industry alive and our communities healthy.

Regards,

Owen Graham
Executive Director
Alaska Forest Association

REGIONAL IMPACTS

- Sealaska employment and its contractor employment combined is the largest for-profit sector employer in Southeast Alaska.
- Many Southeast communities, including Juneau, experience some level of economic impact from Sealaska timber harvest operations.
- In 2008 Sealaska Corporation, Sealaska Timber Corporation and Sealaska Heritage Institute spend \$45 million in Southeast Alaska.
- Sealaska and its contractors directly employed 363 workers in 2008
- Including both direct and indirect employment, Sealaska-related employment totaled nearly 490 workers and \$21 million in payroll in 2008.

Summary

- ✓ The timber industry and the communities in Southeast Alaska need the continued economic activity provided by Sealaska's operations.
- ✓ The only impacts on the federal timber supply for local sawmills in the next 5-years are two commercial thinning projects proposed on Kosciusko Island (both of which have questionable economic viability). Beyond the next 5-years, there is a potential 2% impact, but that impact can easily be avoided by minor schedule changes.
- ✓ We need to sustain all of our timber employment – both from private and public lands - and there is more than adequate timber available to do so. The maximum timber harvest rate over the next 100-years would still leave about 90% of the existing old-growth commercial timberlands untouched.