

Written Testimony of Bryce Dahlstrom
HR 3650- State National Forest Management Act of 2015
February 25, 2016

My name is Bryce Dahlstrom. I am the Vice President of Transportation and Raw Materials of Viking Lumber in Klawock Alaska. I also serve on the Board of Directors of Southeast Conference and as Vice President of the Board of Directors for Alaska Forest Association.

Viking Lumber, Southeast Conference, and Alaska Forest Association fully support Congressman Young's bill. Alaska's Governor and our State Legislature have shown support for State management of a portion of our National Forest. Other supporters include: Alaska Chamber of Commerce, Greater Ketchikan Chamber of Commerce, Resource Development Council, Alaska Miners Association, Alaska Municipal League, and the Southeast Conference of Mayors. All of which represent many businesses and communities not only in Southeast Alaska, but statewide.

In 2012, the Alaska State Timber Jobs Task Force, which I had the honor of being appointed to, produced the Alaska State Timber Jobs Task Force Report. The report specifically advocated for the establishment of a 2-million acre Southeast State Forest acquired from the Tongass National Forest.

Ninety percent of the land mass in Southeast Alaska is federally owned. The Tongass National Forest consists of about 17-million acres, but only four-percent is managed for timber production. Over the last 15 years the recorded timber cut on the Tongass has dropped to levels lower than that of the early 1900's. With endless litigation from environmental groups and crippling federal policies, the Forest Service has been unable and unwilling to provide a reliable and sufficient supply of economical timber sales. In the past 35 years, two pulp mills, five large sawmills, and many smaller mills have been forced to shut down because of insufficient supply from the Tongass. An estimated 5,000 family-wage jobs have been lost in Southeast Alaska.

Under the Alaska Statehood Act, the Federal Government provided Alaska a 103,350,000-acre land entitlement. Section 6 of the Alaska Statehood Act limited the selection of land from the Tongass National Forest and the Chugach National Forest because of the USFS commitment to the two pulp mills' 50 year contracts. Approximately 5,500,000-acres of land entitlement have yet to be conveyed to the State.

The State of Alaska has been very successful in supplying timber from the 400,000 acres of land it owns and manages in Southeast. But that is just not sufficient; operating just one 8 hour shift Viking Lumber processes 18-25 million board feet annually. The State is only allowed an annual cut of about 12-million board feet in Southeast. From that harvest, they generate positive returns on taxpayer investment, unlike most federal timber sales which tend to cost the taxpayer.

The State of Alaska has the ability to plan and offer a timber sale in about 18 months, whereas the USFS process takes about 5-years because of NEPA and other impediments. The State of Alaska manages timberlands under the very well respected State Resource and Forest Practices Act. The Tongass Land Management Plan, through which the USFS manages lands is cumbersome and exposes federal agencies to inevitable litigation.

With the new USFS directive of transitioning to second-growth, Southeast Alaska's timber industry is in dire need of a steady, reliable source of old-growth timber. The Forest Service itself has determined that a 5-10 year transition from old-growth to second-growth would likely result in the complete collapse of the Tongass dependent timber industry. They also estimated in 1997 that broad-scale logging of second growth would not begin until around the year 2040.

Why is the USFS rapidly moving in a direction that will destroy the remaining industry? Viking believes it is in part to a pledge from the current administration to the environmental community for campaign contributions. Forcing the deprived old-growth industry into either investing upwards of \$60 million to process young-growth before it is viable, or to completely shut down, leaving the Tongass a decaying forest never to be touched.

Viking Lumber has been providing high-quality lumber products to established markets for 22 years. The uses include: piano sound boards, high-end solid wood doors, moldings, windows, and lumber used in decks, fencing, gazebos and much more. These products demand the tight-grain characteristic of old-growth and cannot be made from the low-quality lumber produced from second-growth.

Even though the timber industry is no longer considered a major part of the economy in Southeast Alaska, Viking Lumber contributes greatly to the economy and communities on Prince of Wales Island and surrounding areas. Viking provides 45 direct jobs, and an estimated 100 indirect jobs. Using the national average of 1.8 children per family, that equates to almost half of the children enrolled in public school on the island. Viking Lumber is about 50% of Alaska Power and Telephone's annual revenue. Without Viking, local franchises of AP&T, Petro Marine, Napa and Alaska Commercial would be forced into layoffs and increased service rates.

Right now, we have two timber sales under contract which were delayed for a year because of administrative appeals on a false claim that the wolf on Prince of Wales Island was an endangered subspecies. With the remaining volume on these sales, we can operate Viking Lumber for 2 more years. The USFS has already begun shifting lay-out crews to second-growth sales, and away from old-growth, creating an enormous uncertainty in our future supply.

With the establishment of a State Forest capable of supplying 10 year sales of cost-effective old-growth timber, Viking Lumber could not only survive but invest in its future. It would also promote a healthy business environment for investment in new timber facilities, mineral development, hydropower projects, bio-mass, etc... Maybe once again, the timber industry can be a major contributor to the economies of Southeast Alaska.

Establishing a 2 million acre State Forest selected from the Tongass National Forest is the only solution to promote healthy communities and create a sustainable timber industry in Southeast Alaska.

Literature cited

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Alaska Forest Resources Act (FRPA, AS 41.17)

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