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Governor Sean Parnell
STATE OF ALASKA

October 30, 2009

Mr. Jay Jensen
Deputy Under Secretary
Natural Resources and Environment
United States Department of Agriculture
Washington, DC 20250

Dear Mr. Jensen,

Thank you for making time in your busy schedule to travel to Alaska earlier this month to attend the Tongass Futures Roundtable meeting in Anchorage. I'm certain by the experience you learned firsthand the unique relationship our Southeast communities share with the National Forest System.

The State of Alaska will continue its participation in the Tongass Futures Roundtable with the goal of achieving broad support for a sustainable timber management program through the prompt implementation of the 2008 Tongass Land Management Plan. The State will also continue to provide accurate information to the roundtable as it works toward achieving consensus on future land allocations in the Tongass National Forest.

During the roundtable, you made it clear that the U.S. Forest Service will be focusing on restoration and transitioning from old-growth to young-growth harvesting in the Tongass National Forest. I agree that the long-term future of the timber industry in Southeast Alaska will depend on young-growth harvesting. However, some old-growth harvesting will be necessary in the near term to keep the industry alive while young-growth forests mature. I would appreciate more information regarding your vision of how the Forest Service will transition out of an old-growth industry, and your expectations for the timing of this transition. I would also like to express my support for an inventory of our young-growth forests in Southeast. Without this inventory, we cannot reliably plan for this transition.

The State of Alaska remains committed to working with the Tongass staff to assist in any way we can to implement the 2008 Tongass Land Management Plan. We believe the plan can be successfully implemented and enough timber provided to maintain a viable timber industry. We have committed considerable staff resources to this effort, and we believe progress is being made. Still more can be done, such as supporting a change to the Alaska export and appraisal policy to the primary processing requirement for federal logs to help ensure timber sales have a positive appraisal value.¹ This change will allow each log to be utilized for its highest economic return and will ensure our local industry will have the logs needed to continue operating.

¹ The primary processing requirement means that all logs from federal sales must have primary manufacturing occur in Alaska mills. This can range from lumber to cants, but in order to export a "round" log a policy change is being requested. The pending request by the regional forester would allow up to 50 percent of the sale spruce and hemlock log volume to be exported in the round and the net result would mean higher overall value in a timber sale and thus a better chance for a positive appraisal.

Mr. Jay Jensen
October 30, 2009
Page 2

A current example of this problem is the Logjam timber sale. Despite appraising positive in preliminary reviews, continued downward pressure on log prices and higher operating costs have contributed to an erosion of the sale value. Current forest service appraisals show a negative or deficit return for the sale, and therefore the sale can't be offered. If this occurs, the Viking Lumber Company will run out of logs by December, and additional jobs will be lost in a community already hard hit by the downturn in the economy. I am respectfully requesting that you promptly approve these changes so the first sale in this project can move forward.

My staff recommends a review of planned timber sale projects for FFY11-16 to identify any potential issues and to provide direction to the Forest Service on where to concentrate its budget and efforts to ensure a steady and timely release of economic sales. Our State team stands ready to assist in this review, so that we have a clear road map for the short- to mid-term sale program.

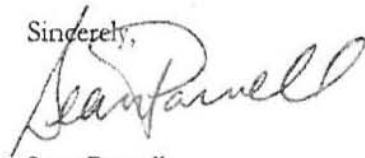
Finally, I would also like to renew our request that the exemption for the Tongass from the roadless rule be maintained and formalized in regulation. As I'm sure you have experienced in your travels here, our state does not have an abundance of roads. The remote nature of our lands and resources make economic access to them difficult. Southeast Alaska can never have a viable timber industry without an adequate infrastructure of roads.

Our concern for maintaining the roadless exemption is highlighted by the recent effort by 12 environmental groups to lobby Secretary Vilsack to halt the Central Kupreanoff and the Sue timber projects. These timber projects are both consistent with the 2008 Tongass Land Management Plan, and will be instrumental in helping to revive the withering timber industry. I urge you to allow these projects to go forward.

As time is not on our side, I would suggest a meeting soon between my key staff, you, and Chief Tidwell to continue this discussion. It is critical that we foster a mutual understanding on these key issues and work together to address the needs of Southeast Alaska communities.

Thank you again for your willingness to spend time on Alaskan issues. Responsible resource development is the backbone of our economy, and with your help we can ensure a high quality of life for our Southeast communities while preserving the integrity of our national forests.

Sincerely,



Sean Parnell
Governor

cc: The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congress
Robert Bonnie, Senior Advisor, Office of the Secretary, United States Department of Agriculture
Tom Tidwell, Chief, United States Forest Service
Denny Bschor, Alaska Regional Forester, United States Forest Service
Forest Cole, Tongass Forest Supervisor, United States Forest Service
State Tongass Team Members