

DRAFT Minutes
SE Region Timber Industry Task Force
Cape Fox Lodge
Ketchikan
December 12, 1996

The Task Force Chairman, Wrangell Mayor Doug Roberts **Called the Meeting to Order** at 8:10 am. He asked those who were interested to be sure to sign up for trips to Ketchikan Pulp Corp. and Ben Fleenor's sawmill.

At **Roll Call all Task Force members** were present: John Sturgeson and Peter Allgren were connected by phone.

Jim Caplan and Fred Walk were present and representing U.S. Forest Service Regional Forester Phil Janik.

Marilyn Heiman of the Governor's office; Kathleen Morse of the Department of Commerce and Economic Development; and, Ruth Tadda of the Department of Natural Resources were present and serving as Staff.

A Congressional Progress Report from Steve Seley was presented on the previous day's workshop, and the Mayors Report by Mayor Gray was added to the agenda. There were no objections, and the **Agenda Was Adopted**.

Steve Seley provided an overview of his trip to D.C. He said the most important thing was this Task Force complete it's vision and get it back to them.

Chairman Roberts moved the meeting on to **Progress to Date and Path to Completion**. Of the workshop and the previous meeting in Wrangell, he said there shall be subcommittees formed to meet and accomplish the goals in the mission statement. He acknowledged that does not mean that the group will come to unanimous decisions right now, but that we will have a primary focus and offer a variety of options to work towards in Washington, D.C.

Ketchikan Pulp Update Since Troy Lewis was on his way to D.C., Troy Reinhart provided an update for KPC. He said everyone is still at the table working out the concerns and that they would carry forward some of the ideas brought up at the evening workshop.

TLM Update. Jim Caplan presented Phil Janik who was also back in Washington doing briefings and clearing the work on issues remaining. He had cautious optimism in working out the final details of the Record of Decision. He hoped it would be signed the following week - or at least by Christmas.

Response to Task Force Questions provided by Fred Walk. He said there are some questions that have not been answered yet in regards to sale economics. These questions will be answered till after ROD is signed.

He said of the questions on funding level road blocks that several had been identified and would be answered once its been completed through OMB, the President and

Congress. He said the USFS would be putting together a new sale list and would forward it to Kathleen ASAP.

Fred Walk and Jim Caplan provided a question and answer period for the member of the Task Force.

Jim Caplan distributed a copy of the USFS letter replying to Senator Murkowski regarding bringing useful information to the Southeast timber industry from the Forest Products Lab in Madison.

After a break, the meeting was brought back to order at which point Bob Loescher made the following three motions which were all seconded and passed unanimously:

- 1) Bob Loescher moved that the Task Force request the Regional Forester at the time the Record of Decision is signed that he provide to the Task Force and whomever, a copy of that Record of Decision and any Executive Summary that might be available on TLMP.
- 2) Bob Loescher moved that the Task Force assign to one of their subcommittee's the drafting of a letter to the Alaska Delegation, specifically Senator Murkowski for assistance on the hard money issues for the Forest Plan for pre-reviewing.
- 3) Bob Loescher moved that the Task Force request the Regional Forester's Office to provide them with a copy of the new revised Sales List as soon as possible.

Industry Model/Scenarios Kathleen Moore provided a summary of the workshop held the previous day.

George Woodbury outlined the **AFM Four Vision** document for the group. Copies were made available for everyone.

John Sigurdson and David [redacted] FACC who distributed his **Modeling a Small-scale Market for Timber in Southeast Alaska Draft Working Paper**. David thanked the Task Force for asking him to provide his input and outlined his concepts for the [redacted] noted that the NW Research Station Research Paper entitled Product [redacted] from Hemlock and Spruce" from Alaska by Thomas D. Fahey.

The meeting was then closed with discussion.

Lunch which was hosted [redacted] started at 12:35 to resume meeting at 1:35.

During the lunch hour, Mayor Shay provided his report to the group. He distributed a list of organizations serving small businesses and secondary marketing as provided by the [redacted] in Portland.

[redacted] with [redacted] of NREL provided their Biomass to Ethanol Concept to the [redacted] for use of low grade materials.

The Chairman moved the meeting into **Discussion of Pre-Commercial Thinning and Employment**. Fred Walk provided several examples including acreages and seasonal jobs it would create throughout areas in the Tongass National Forest. He said that funding is not high priority right now. He used Rick Hallgren's prepared paper and offered to provide copies to anyone who is interested. A discussion period followed.

The meeting moved on to **Experiences in Washington/Oregon Timber Transition**. Bill Von Segan Region 6 (Portland) USFS S&PF; and Ken Kilborn, Region 10 USFS and Sue Willetts, USFS PNW Research Station in Portland provided their reports to the group. Bill Von Segan provided a summary of transitions and applications that may apply to Alaska. Sue Willetts provided a summary of the mill recovery study.

Ken Kilborn and Fred Walk discussed possibilities about mill recovery studies.

Regulatory Review and Involvement of Alaska Delegation was discussed for the next meeting.

Next Meeting Dates and Objectives Mayor Shay suggested getting started on supporting minimum harvest levels, supporting the Mayor's conference. Chris Roberts said they discussed it in the workshop the previous week. There are several conceived harvest level ideas. He suggested the group would come up with that number. Steve Seley understood this group would not come up with a specific harvest level but would instead come up with a range. He suggested getting something back to Washington quickly and to draft a document that could be sent around by fax. Mack wanted to see more details, eg, value of old growth wood chips, vs. eucalyptus chips. He said industry and environmentalists are too far apart on the numbers they would each endorse. Alison Stanton was not comfortable with harvest level nomenclature, either. She wanted to see more fleshing out, too. She thought the group was not that far apart and that the subcommittee could come up with something reasonable and supportive of industry, but to do so would be premature.

Doug Roberts clarified the statement of sustainable harvest volume and techniques. A number would be made eventually. TLMP decision makers have requested information. The 300 mmbf volume.

There was much discussion within the group on the subject of mmbf numbers.

Steve Seley proposed in the subcommittee to construct a format as provided by AFA and to expand from a range of 50 mmbf and up to come up with a plan to move forward within the group.

Mayor Shay seconded.

A discussion followed on the necessity of more open discussions &/or the clarification of a MMBF number.

Steve Seley proposed tabling the motion. Mack seconded it. There were 7 yeas and 5 nays.

Bob Loescher made the motion that this Task Force recommend to the governor that we would like a timber industry that has an employment base, an investment base, and a timber supply surrounding a 300 mmbf harvest level.

The motion was seconded.

Mayor Halgren asked if it included potential state timber.

Bob Loescher said we need to work around the core timber supply that being US Forest Service and at this point consideration of other timber like Alaskan sources need to be deferred. The other thing in the motion - as he was persuaded by some of the secondary talk and language - when he talked about an investment in a primary and secondary manufacturing industry is what his motion is speaking to, to correct his motion. So he is looking at a jobs level, and an investment in primary and secondary manufacturing investment program surrounding a 300 mmbf harvest level in the Tongass Forest.

The motion was seconded.

Chairman Roberts asked for discussion: Does the timber supply at this time meet that is a realistic, achievable number?

Bob Loescher said, as George indicated and for Alaska as a whole, if we get too far below 300 mmbf we are going to have a very marginal sustainable industry and the ability to attract investors and keep sustained the business community that would support this industry would be very difficult. We honestly believe that the 300 mmbf level is sort of a break point and it gets very marginal when you get below that level. From our point of view, we think the 300 mmbf level is at about as low as we can go from the US Forest Service timber supply.

The Chairman asked if he thought that was realistic, they can achieve that number with political support in SE Alaska, in Sitka, in Wrangell, and in Juneau, does he think we have the political support at that level?

Bob Loescher said we are a timber grower, we are an investor in the industry, we have experience. If we were going to build a business and - this is the idea of what the task force is trying to address - we honestly believe that we are going to need 300 mmbf from the US Forest Service to re-build the industry. Whether that's politically acceptable or not, that leaves that for others to discuss, but for our task force to identify a level of harvest that can sustain jobs and capital investment in primary and secondary industry. That is a reality as far as he was concerned and where the industry are coming from.

Mayor Alaire Stanton said she was concerned about being premature because she did not think we have enough information to make that recommendation to the governor at this time. While she agreed with the intent, and that those are the kind of numbers she was not sure that we have completed our task well enough to actually recommend to the governor and say this at this time. justify what our instincts are saying.

Bob Loescher moved to table the motion to the next meeting. Alaire Stanton seconded

it. It passed unanimously.

Chairman Roberts asked for volunteers to sit down and come up with a number. Steve Seley, John Sportsman, and Errol Champion volunteered. He asked if operators outside of the Task Force would like to volunteer. Frank Age agreed and Jack Phelps volunteered, too. The deadline was set for the middle of the following week. They would meet by phone and work out whether they would teleconference or what. They discussed the process would be to conclude to come up with a solution. At end of meeting, they would vote and sign off .

John Sisk said he would not be able to participate by end of the next week and conveyed his opposition to the plan.

Discussion of alternating perspectives followed.

Chairman Roberts said before we get to subcommittee activity - it is not clear that the results that need to be accomplished are to find a balance with the committee. He asked if the ranges preferred by timber industry are the numbers that were wanted by the group.

Mayor Meucci suggested the numbers should also be based on ASQ terms. He also asked to have the USFP Lab present at the next meeting.

John Sisk asked if the Evergreen partnership could talk to the group.

The **Next Meeting was Scheduled** in Jopau on Friday, January 17 at 8:00 am.

The fifth Southeast Region Timber Industry Task Force **Meeting Adjourned** at 3:40p.m.

Tours of the **Witchikan Pulper** by **Ben Fleenor** and **Bill** were provided afterwards for those who signed up.