

Talking Points For City of Sitka Assembly Meeting

Mr. Mayor and Members of the Sitka Assembly. Thanks you for taking the time to visit with us tonight.

I am Carol Goularte, District Ranger for the Sitka District of the Tongass National Forest. I wanted to take a few minute this evening to share with you a few things we have going on that I think might be of interest to you.

To start, The Sitka Office of the Tongass National Forest plans to construct a new building at the current location of the FS Work Center. This is a \$6 million capital project that will potentially employ local contractors. This project is not currently funded but is prepped and ready to go if funds are made available. This building can represent a long term commitment of the Forest Service in Sitka. Currently about 66 Full Time Employees are located in the Sitka office. This number will go up or down depending on the forest management activity that is occurring on the district. More specifically, if restoration activities and stewardship contracting are increasing so will employment with the Forest Service. The Forest Service and the Tongass are in a transition. The current administration is highlighting community sustainability and restoration as the drivers for our resource deployment. Right now the Tongass NF is definitely on the radar of the Department of Agriculture as evidenced by multiple visits by the Deputy Undersecretaries of Agriculture for both Rural Development and Natural Resources as well as the Chief of the Forest Service. If Sitka desires a richer partnership with the Department of Agriculture there may not be a better time than now.

I wanted to take a moment to highlight some of the other things going on around the Forest

The Ocean Boulevard Wildlife Habitat Improvement Project is a project to treat about 270 acres of Forest land around False Island. The project will provide local jobs to conduct thinning activities with a wood byproduct estimated at 700,000 board feet (4200 green tons). There are local business people interested in this project to do on the ground activities and utilize the byproduct including providing for wood heat. The Sitka Ranger District is already working on the next young growth treatment area on False Island available in 2011 (Peril EA). We hope this will be a stewardship contract working with Sitka Conservation Society, private industry and the Forest Service.

Each year the District is investing in stream rehabilitation projects that are improving local fish production. We are teaming with partners such as the School District and the Sitka Conservation Society to take our young people into the woods to both install stream habitat structures and monitor the quality of habitat and biota. We are using the byproducts of habitat thinning to equip locals with the skills to construct log structures from our young growth timber in our log structure construction workshops in partnership with the State of Alaska and UAS. Most of you might have noticed the outcome of one of those workshops, the Starrigavan recreation cabin. A second workshop was sponsored this year and the cabin was placed on the Wrangle District on Middle Ridge.

We continue to neighbor up with partners like Sitka Trail Works to improve and expand our local trail systems including the recently completed Herring Cove to Beaver Lake Trail. This is just a small sample

of the many things we are doing to offer recreation, business and employment opportunities in and around this community.

This is all good but frankly I think that if we worked a little harder to develop a closer partnership with the City and the Forest Service. USDA Rural Development and our community could do better and take better advantage of the new direction of the Forest Service and the current programs being offered as part of the American Recovery and Reinvestment Act (ARRA). I want to further extend my hand to you now and over the next months to see if we might do better.

The new Forest Service Office will be heated using a biomass furnace. This project will create jobs to construct the building and heating system. The biomass heating system will create a long term need for fuel from the Tongass National Forest thereby creating jobs. The Forest Service facility could use approximately 25% of this fuel supply in a year.

Other uses for this wood might include additional young growth cabins such as the Starrigavan cabin where UAS, Sitka Conservation Society and others that have trained two dozen log builders through the cabin building workshop.

We know that we can build on this community-Forest Service partnership to improve economic conditions in Sitka. We would like to neighbor up with SEDA, USDA Rural Development, SCS, UAS Extension and city staff to develop a strategy to promote economic opportunities that fully utilize the programs that are currently available through our regular programs and those that are present now through the stimulus program.

How does the City of Sitka fit in this? We believe it would be mutually beneficial if we could count on a few hours of specific city staff to join us to develop a framework and short term strategy for near term economic development. We know that this is crucial if we are to take full advantage of near term possibilities in ways that are complimentary to city desires and needs.

The key to all this is timing. We expect there may be an opportunity for one more round of stimulus funding with likely requests needing to be developed early in 2010. For Example, the Japonski Island biomass heating facility is a great opportunity for that money to come to Sitka. Jobs—Japonski will create jobs directly to build the system in the short term and maintain the system in the long term as well as conducting habitat restoration activities on National Forest system lands that provide the biomass byproduct to feed the furnace. A new Forest Service facility that is specifically designed to attract visitors and utilize locally produced energy is another. Expanding our cabin building and trail development partnership to enhance the attractiveness of our community to the independent traveler, expanding our restoration program that puts skilled labor to work improving fishing and hunting opportunities for both subsistence and sport users. There are also timing energy needs short and long term in Sitka. Blue Lake hydroelectric facility is years from being up and running and will still have a shortfall of energy for Sitka. Takatz Lake is decades from implementation. Biomass is here and now. The cost of diesel is cheaper now than a couple years ago but how long will that last? Biomass could be a stable, local, carbon neutral energy and produces local jobs for Sitka.

If we wait, the money will be gone and there will not likely be another chance to get it later. There is stimulus funding for Ocean Boulevard project right now. This project will happen. The timeline is for it to be into Forest Service Contracting March 31, 2010 with award by June 2010. Currently there is little market for the by-products. If we will be bold and timely in our planning, we may be successful to turn the wood and the wood from the inundation zone of Blue Lake expansion into a new and right sized industry for Sitka that can be sustained. We would like to schedule a work session in about a month to share and discuss the work that this ad hoc work comes up with.

With that, I would like to turn this over to our partners to share their perspective on such an effort. Thank you for your consideration.

Carol A. Goularte

Sitka District Ranger
Tongass National Forest

Thermal Energy uses of Woody Biomass

Across the nation, rural communities are developing energy projects that use woody biomass to create thermal energy (heat). The use of woody biomass as a source of thermal energy can reduce our dependence on fossil fuels, enhance energy efficiency, cut consumer and industrial energy costs, strengthen rural economies, and aid in forest restoration. It is critical that policy addressing the development of woody biomass thermal applications support the integrated goals of promoting responsible stewardship of our national forests and contribute to the economic health of rural economies.

AN ALTERNATIVE TO FOSSIL FUELS

Approximately one third of the energy consumed in the United States is used to produce thermal energy¹, and one third of thermal energy is generated from petroleum products.² Woody biomass is the most efficient source of thermal energy – up to 90% efficient³ – and could replace approximately 30% of the nation's petroleum imports with a domestic, renewable fuel source. Nevertheless, national renewable energy policies have thus far ignored the thermal energy benefits of biomass utilization and focus their incentives on less efficient energy technologies such as electrical generation and transportation fuels. The development of a national Renewable Electricity Standard (RES) should value the role of thermal energy created from woody biomass and the energy efficiency gains that are captured by using "by-product" heat when generating electricity.

Efforts to reduce our dependence on foreign oil must be broader than improving combustion efficiencies of motor vehicles and substituting bio-based transportation fuels. While these will be part of the solution, so must reducing the amount of petroleum we use to generate thermal energy. Of the petroleum used to generate thermal energy in the United States, a large portion is dedicated to manufacturing processes. In addition, 12.6 million homes nationwide use heating oil (#2 fuel oil) and/or propane – both petroleum distillates – as their primary source of energy for home heating and hot water.⁴

1 Source: http://www.eia.doe.gov/emeu/aer/pecss_diagram.html; accessed 3/3/2009.

2 Source: http://tonto.eia.doe.gov/dnav/pet/pet_cons_psup_dc_nus_mbbldpd_a.htm; accessed 3/3/2009.

3 Efficiency of each application varies according to a host of factors, however it typically ranges between 65-90%.

4 Source: <http://www.cojoweb.com/ref-heating-oil-propane.html>; accessed 3/3/2009: 8.1 million households – heating oil; 4.5 million households - propane.

KEY RECOMENDATIONS:

1. Develop a thermal energy component of national renewable energy policy that includes incentives for stand-alone biomass thermal energy generation and provides tax credits for capitalization costs of space heat projects.
2. Fund the Community Wood Energy Program and other relevant programs in the Food, Conservation, and Energy Act of 2008 and the Energy Independence and Security Act of 2007.
3. Promote wood bio-energy technologies with higher system efficiencies in a national Renewable Portfolio Standard (RPS) or Renewable Electricity Standard (RES) through policy mechanisms such as Renewable Energy Credit (REC), multipliers, and prioritizing the connection of smaller-scaled projects to the electricity grid (prioritized interconnection).
4. Use feed-in tariffs in an RPS or RES to incentivize development of appropriately scaled distributed biomass combined heat and power (CHP) systems that function as a source of wealth capture for forest-reliant rural communities.
5. A definition of renewable biomass in national renewable energy policy must include sustainably harvested material from private and public land, including National Forest System lands.

The use of woody biomass to generate thermal energy, both in stand-alone heat applications and in conjunction with electrical generation (i.e. combined heat and power (CHP) applications), provides a tremendous opportunity to, reduce our dependency on petroleum, reduce carbon emissions by displacing combustion of fossil fuels, support ecologically based forest restoration, and promote a distributed energy economy which includes rural communities as part of the solution.

CREATING THERMAL ENERGY IS THE MOST EFFICIENT USE OF WOOD FOR ENERGY PRODUCTION

Current federal energy policies that provide incentives (both regulatory and market-driven) for woody biomass focus on transportation and electricity generation and do not promote the most efficient use of woody biomass – the creation of thermal energy. The Renewable Fuels Standard (RFS) contained in the Energy Efficiency and Security Act of 2007 provides subsidies for the conversion of wood to cellulosic ethanol. The energy conversion for this technology ranges between 40-50% of the energy content in wood feedstocks.

WHO WE ARE

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, Montana, Arizona and Colorado.

The federal Production Tax Credit (PTC) extended for the generation of electricity from renewable resources provides a per kilowatt hour subsidy for biomass; efficiencies for generating electricity with wood range between 25-40% depending on the scale of the project. Comparatively, no current federal policy providing incentives exists for generating thermal energy from woody biomass although wood-fired boilers of varying scales operate in the range of 65-75% efficiency.

Combined heat and power systems (CHP) in which the production of electricity is coupled with the use of “by-product” heat load can extend overall system efficiencies upward of 80%. Woody biomass is well suited for CHP systems; these systems are typical at many forest products facilities that use thermal energy in on-site manufacturing processes such as drying lumber.

Heat-led CHP is a term used for systems designed around the heat produced in order to capture the maximum amount of heat generated from the production of electrical energy. The design of these systems lend themselves to smaller, distributed energy generation since a large-scale electrical generation (ie. 50 MW) facility would generate a vast amount of excess heat- too large to effectively use in any industrial manufacturing process. Smaller-scale energy systems are well suited to many rural communities located in proximity to public and private forests. Typically, heat-led CHP facilities operate at system efficiencies of at least 65%. For most manufacturing processes, CHP facilities from 0.5–5 MW capacity are most appropriate. For some intensive industrial processes, such as paper manufacturing, heat-led CHP systems up to 15 MW may be appropriate where thermal energy demand is extremely large.

TYPES OF THERMAL ENERGY

1. **Space heat** is the thermal energy needed to heat the physical space of a building; hospitals and schools are two primary examples of space heat users.
2. **Process heat** is the use of thermal energy in an industrial process. Process heat uses vary widely, including manufacturing processes like food packaging and drying lumber, but also include heating water for commercial buildings.

USING WOODY BIOMASS TO CREATE THERMAL ENERGY SAVES MONEY

Rising petroleum costs can have dramatic effects on businesses and residents dependent upon heating oil or propane for thermal energy. A typical rural school in the West might use 50,000 gallons or more of heating oil per year. From 2000-2006 heating oil prices in the US averaged \$1.83/gallon.⁵ During the fall and winter of the 2007-2008 school year, heating oil averaged \$3.24/gallon⁶, resulting in a \$70,500 increase in annual heating costs for the typical rural school in the West. For industrial consumers, a similar price per gallon increase results in a significantly large increase in energy costs due to the increased scale of thermal energy needed in manufacturing processes. These increased manufacturing costs are typically passed on to consumers.

5 Source: <http://tonto.cia.doc.gov/dnav/pet/hist/whoreus4w.htm>; accessed 3/3/2009.

6 Source: http://www.cia.doc.gov/cmeu/steo/pub/fsheets/real_prices.html; accessed 3/3/2009.

USING WOODY BIOMASS TO CREATE THERMAL ENERGY MAKES SENSE

Reducing America’s dependency on petroleum: Over 12 million homes nationwide use heating oil or propane as their primary source of energy for home heating and hot water. Replacing half of the thermal energy in homes and industrial processes that currently use petroleum-based fuels with heat generated from woody biomass could reduce our domestic oil consumption by over 1 billion barrels annually, roughly 1/7th of current consumption.¹

Promoting energy efficiency: Using woody biomass to create thermal energy is currently the most efficient use of wood for energy production. Using woody biomass to generate heat alone can be up to 90% efficient², whereas using woody biomass to generate electricity alone ranges between 15-40% efficiency. In combined heat and power (CHP) systems, as the heat component increases and the electrical component decreases the overall system efficiencies can approach 80%.

Saving Americans money on heating costs: Using woody biomass to create heat instead of petroleum-based fuel sources can save rural homeowners over \$1,000 on their annual energy costs; one rural school in eastern Oregon will save over \$125,000 annually in heating costs after switching from heating oil to a wood-fired boiler. For industrial consumers, woody biomass fuels cost approximately 80% less than heating oil or propane to generate the same amount of thermal energy. These costs savings could have dramatic impacts for heat-intensive manufacturing processes.³

Keeping energy dollars local to build strong rural economies: For some communities who purchase energy outside of the local economy, as much as 75% of every dollar paid to the utility “leaks” out of the community. The jobs and services associated with procuring wood fuel or manufacturing densified energy products creates wealth that is re-circulated and reinvested in the community.⁴

Reducing carbon dioxide emissions: To produce the same amount of total energy, wood-fired combined heat and power (CHP) systems use one third of the feedstock volume of stand-alone electricity generation facilities due to gains in system efficiency. Therefore, a wood-fired CHP facility operating at 75% system efficiency (including the value of thermal energy) will produce one third of the emissions of a stand-alone facility operating at 25% efficiency while consuming the same volume of wood to produce the same amount of electricity.

1 Source: <http://www.cojoweb.com/rcf-heating-oil-propane.html>; accessed 3/3/2009; 8.1 million households – heating oil; 4.5 million households – propane

2 Efficiency of each application varies according to a host of factors, however it typically ranges between 65-90%.

3 Source- see Table 1.

4 Shuman, Michael, November, 2005: Economics of Proposed Biomass-fired District Heating System for Santa Fe, New Mexico. Available online at: <http://www.localenergy.org/documentLibrary.htm>

Table 1. Cost efficiency and potential savings of various sources to generate thermal energy.

Energy Sources			Energy Costs		
Feedstock	Price/Unit ¹	MMBtu/unit ²	\$/MMBtu	Commercial ³	Residential ⁴
Wood Chips	\$ 40 /green ton	10.1	\$6.09	\$27,525	n/a
Wood Pellets	\$ 160 /ton	16.4	\$12.20	\$67,805	\$1,153
Cordwood	\$ 175/cord	19.5	\$12.82	\$62,372	\$1,060
Natural Gas	\$ 1.05 /therm	0.1	\$13.13	\$72,975	\$1,241
Heating Oil	\$ 2.95/gallon	0.139	\$28.30	\$147,500	\$2,508
Propane	\$ 2.10/gallon	0.0905	\$29.01	\$161,271	\$2,742

¹ Prices are subject to change and those used here represent average values.

² CTA Group. Biomass Boiler Market Assessment Final Report, October 5, 2006.

³ Calculated based on the energy output of 50,000 gallons of heating oil consumption of a typical rural school. Consumption and cost for an industrial user would be significantly greater.

⁴ Calculated based on the energy output of 850 gallons of heating oil consumption of an average residence. Actual residential consumption is highly variable based on home insulation efficiency, geographic location, and year to year temperature variability.

While residential consumption varies by household, an average residential consumer uses 850 gallons of heating oil annually. The cost per gallon increase described above would result in an additional \$1,200 in annual heating costs per year, or an increase of 77%. In contrast, consumption of transportation fuel per passenger car is around 600 gallons per year.⁷ To result in a similar increase of costs (\$1,200 per year), the national average for fuel prices would have to increase an additional \$2.00 per gallon over current costs.

Using wood, either in chip or pellet form, to generate thermal energy is more efficient in terms of energy output per unit cost than other fossil fuel based sources. Table 1 above shows the cost per million British Thermal Units (MMBtu) for various sources of thermal energy and the potential energy cost savings from switching from petroleum-based sources to woody biomass for a commercial (ie. rural school) and residential consumer. After accounting for boiler efficiencies, wood chips are roughly 80% less costly to generate a MMBtu than petroleum-based fuels. Even when compared to natural gas, wood fuels are more cost efficient per unit of thermal energy. This cost relationship has potentially dramatic impacts for commercial and residential consumers. For example, a rural household could save over \$1,500 per year in energy costs by switching from propane to wood pellets to heat their home.

CASE IN POINT

By using woody biomass instead of heating oil to create thermal energy, the school in Enterprise, Oregon in the eastern part of the state is projected to save \$125,000 annually on heating costs. This additional money can eventually be reallocated to improving the quality of education via staff increases and/or curriculum additions. Similar results have occurred in Montana where the US Forest Service's Fuels for Schools initiative has been implemented.

⁷ Calculated using 12,000 miles per year per passenger vehicle and fuel efficiency of 20 miles per gallon.

ECONOMIC AND ECOLOGICAL BENEFITS TO RURAL COMMUNITIES

Using woody biomass to generate thermal energy can have tremendous economic benefits for rural communities. Procuring wood chips or densified energy products locally can function as a source of wealth capture for forest-reliant communities. Instead of energy spending flowing out of the community, it can be recirculated within the community, directly in the form of wages, and indirectly resulting in additional community services.

Many rural communities throughout the West benefit from business investments in manufacturing wood-based densified energy products like pellets or bricks. As many rural, forest-reliant communities are surrounded by overstocked forests that are now prone to uncharacteristic wildfire, appropriately-scaled manufacturing facilities provide local employment and add value to the by-product of hazardous fuel reduction and forest restoration treatments on Federal lands. The manufacturing process for wood pellets needs thermal energy, resulting in an opportunity to co-locate and purchase the "by-product" heat from a CHP facility that generates electricity. These types of integrated facilities have the opportunity to place rural, forest-reliant communities across the West at the beginning of the energy pipeline instead of at the end.

REDUCING CARBON DIOXIDE EMISSIONS THROUGH EFFICIENT THERMAL WOOD-ENERGY SYSTEMS

Promoting efficiency across energy sectors should be one aspect of reducing carbon dioxide emissions. Regardless of feedstock source, electrical generation by CHP facilities capture up to 50% more of overall energy (including thermal) when compared to stand-alone electricity generating facilities. To produce the same amount of total energy, CHP facilities use one-third of the feedstock volume of stand-alone facilities. Combusting less volume of any feedstock (coal, heating oil, propane, or wood) will result in reduced carbon dioxide emissions. A CHP facility operating at 75% system efficiency will reduce emissions by two-thirds compared to a stand-alone facility operating at 25% efficiency. By incentivizing heat-led CHP, national renewable energy policy will favor appropriately scaled and distributed electrical generation facilities that have a need to co-locate with a thermal energy consumer, thus promoting the most efficient capture of energy.

The development of national renewable energy legislation has the potential to significantly reduce our dependence on foreign oil, improve the health of our forested lands, and increase durable employment opportunities in rural communities. Yet, to achieve these goals, energy policy must consider a suite of renewable energy options, including thermal energy generated by woody biomass.

FOR MORE INFORMATION

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COALITION PARTNERS

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Alliance of Forest Workers and Harvesters
Jefferson State Forest Products, LLC
Sierra Business Council
Trinity County Board of Supervisors - District 3
Watershed Research and Training Center

Colorado

Community Energy Systems, LLC
Forest Energy Colorado

Idaho

Coeur d'Alene Forest Coalition
Community Forestry Resources
Framing our Community
Idaho Department of Commerce
Lemhi County Economic Development Association, Inc.
Salmon Valley Stewardship
Woody Biomass Utilization Partnership

Maryland

Communities Committee

Montana

Flathead Economic Policy Center
Northwest Connections
Vander Meer's Wildland Conservation Services
Watershed Consulting, LLC

New Mexico

Forest Guild
Gila WoodNet
Restoration Technologies, LLC
Santa Clara Woodworks
SBS Wood Shavings

Oregon

Applegate Partnership & Applegate River Watershed Council
Bear Mountain Forest Products
Central Oregon Intergovernmental Council
Community Smallwood Solutions, LLC
Ecosystem Workforce Program
Grant County Court
Hells Canyon Preservation Council
Institute for Culture and Ecology
Lake County Resources Initiative
Lomakatsi Restoration Project
National Association of Forest Service Retirees
Oregon Department of Forestry
Resource Innovations
The Siuslaw Institute, Inc.
South Central Oregon Economic Development District
Sustainable Northwest
Upstream 21
Wallowa Resources

Vermont

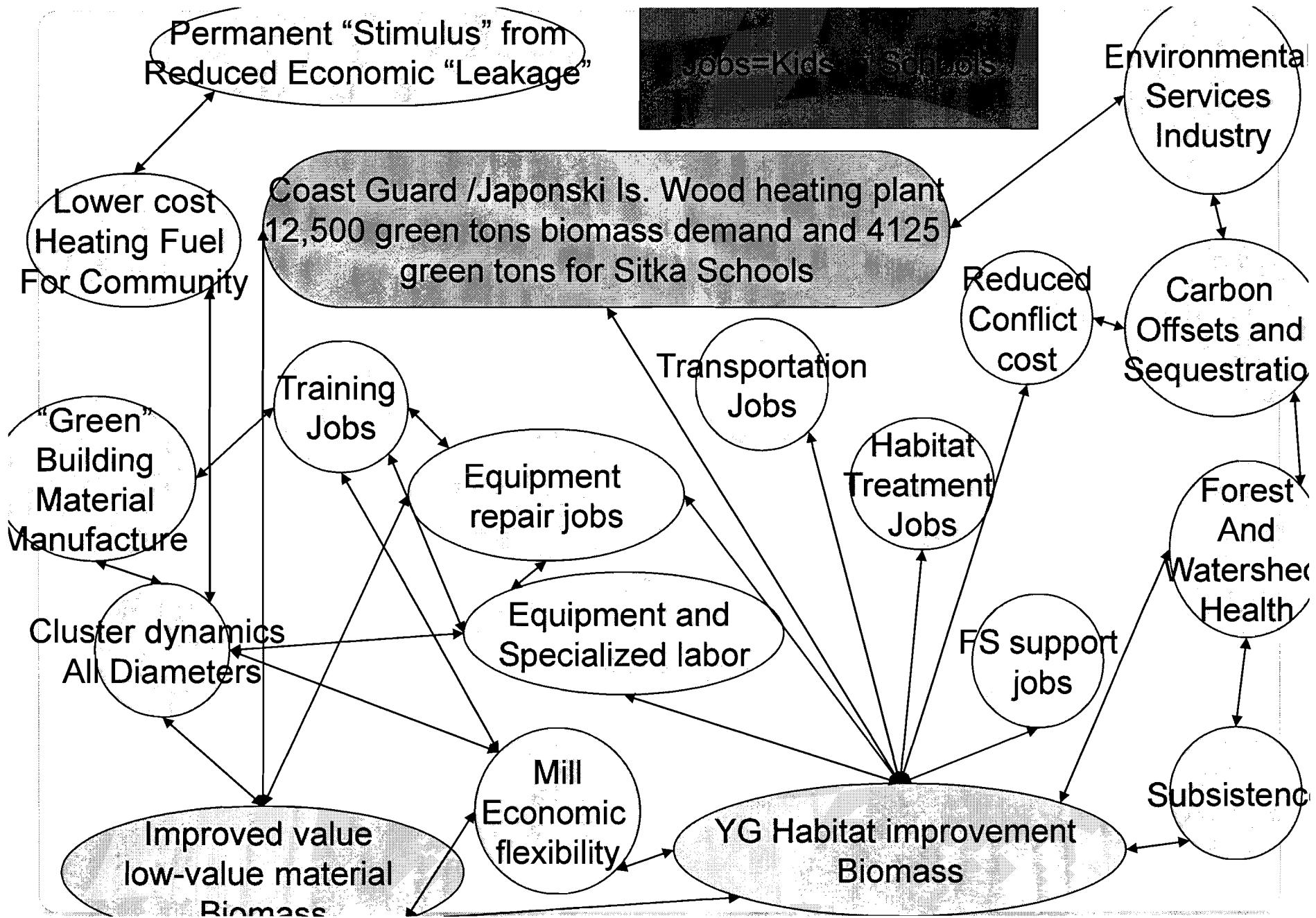
Biomass Energy Resource Center

Washington

Mt. Adams Resource Stewards

Washington, D.C.

American Forests
Biomass Thermal Energy Council
Pinchot Institute for Conservation





SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

November 29, 2009

Senator Lisa Murkowski and Senator Mark Begich


Honorable Alaskan Senators:

I am writing to express our thanks for your efforts to support the U.S. Department of Agriculture/ Forest Service work on Southeast Alaska Forest Restoration—especially the Salmon Habitat Restoration Efforts. Seafood Producers Cooperative is the largest individual fishermen's cooperative in North America. Current membership totals 520, most who are resident Alaskans. These member owner fishermen are primarily engaged in the salmon fisheries. SE Alaska fisheries can be defined as a "small boat fleet" consisting of family owned and crewed vessels. These businesses are not far ranging but concentrate their efforts within regional southeast Alaska. Their livelihoods depend entirely on a sustainable marine resource that is closely intertwined with the public lands of the Tongass National Forest.

Throughout the 1960s and up until 1994 there was a concentrated timber industry within the Tongass. The river and valley stream systems which provides critical habitat for pacific salmon became the preferred routes of access into the old growth southeast forests. The closure of the pulp mills in Ketchikan, Wrangell and Sitka resulted in the direct loss of approximately 1,200 jobs. The overall reduction in employment was much higher. Some of these now unemployed individuals returned to the fisheries. Others became new entrants of the commercial sector, or the developing sport charter industry. In either case they rely on rebuilding and protecting the critical habitat which was degraded during the timber era.

It is encouraging to see the progress which has been made regarding forest and salmon habitat restoration in the Prince of Wales area. However, SPC and its members believe that this effort must be further bolstered and continued into the Admiralty, Baranof and Chichagof watersheds if we are to restore viability to our natural resources. We hope that you will work to strengthen the US Forest Service's capacity to restore Salmon Habitat and help to move these valuable salmon habitat restoration initiatives forward.

Sincerely,


Craig Shoemaker
Alaska Operations
SPC / Sitka



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December 14, 2009

Forrest Cole
Supervisor, Tongass National Forest
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Ketchikan, AK 99901-6591
Sent via email: fcole@fs.fed.us

Dear Forrest,

The Southeast Alaska Conservation Council (SEACC), Sitka Conservation Society (SCS), Icy Straits Lumber, Todd Miller Construction, Tenakee Logging Company, and the Chichagof Conservation Council (CCC) and other local businesses have been forging a shared vision for sustainable logging and forest stewardship. since we began collaborating on the Hoonah Community Forest and the North Tongass Integrated Resource Management Projects in 2007. As part of this effort we have been working closely with the USFS to align this vision with a long-term program of work. We believe the vision that Chief Tidwell describes below harmonizes well with where we see this partnership leading:

"The Forest Service focus on restoration will be closely tied to landscape-scale conservation. Especially in an era of climate change, we need to restore the resilience of America's forests to disturbances of all kinds. The treatments needed will improve watershed health, increase water quality, build community prosperity, and meet our shared vision of healthy sustainable forests."

The Tongass National Forest is well poised to enact a vision for supporting community sustainability and ecological health through Integrated Resource Management Projects and Stewardship Contracting to:

- provide a steady and sustainable supply of resources for forest product manufacturers;
- implement a robust program of work in habitat restoration; and,
- maintain and improving existing infrastructure for ongoing forest management and providing access for subsistence, recreation and tourism.

SEACC and SCS are very serious about supporting IRMPs and their implementation through the stewardship contracting process. In the past 3 years the two organizations have spent approximately \$150,000 to facilitate the development of such a program. SEACC and SCS have allocated \$75,000 for 2010 thus far and have approximately \$300,000 dollars in grant requests submitted for contractor capacity building in rural communities, stewardship contracting education, field surveys and GIS analysis for project prioritization, forest product market development and funds that could be used directly on the ground for habitat restoration.



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The Icy Straits Mill in Hoonah, Todd Miller Construction in Sitka, and the Tenakee Logging Company in Tenakee Springs are all valuable contributors to northern Southeast's economy and have proven that they have the creativity and adaptive capacity necessary to help shape and implement a long-term vision of community-based stewardship. These businesses are eager to invest in the tools and develop the techniques that will be necessary to implement our shared vision of sustainability and prosperity for the Tongass and its communities. They are ready to do the work of habitat restoration, young-growth utilization and infrastructure maintenance; however, they cannot wait for this emerging program of work indefinitely. There are real and pressing needs that must be met soon for these operations to remain viable in Southeast.

The Ocean Boulevard project in the False Island area (VCU 2450) of Chichagof Island could provide a crucial step in creating a mutually beneficial partnership between the USFS, conservation organizations and rural communities, but we believe it is in need of your guidance to do so. This project, which underwent scoping by the Sitka Ranger district several weeks ago, was recently changed from a proposed *Stewardship Contract* to a *Service Contract* because the Forest Service lacks available capacity to assess the value of potential by-products from thinning as well as create and administer a Stewardship Contract within the imposed schedule to utilize funds from the American Recovery and Reinvestment Act (ARRA).

Rural community needs, and how Stewardship Contracting can address them, have been documented in several collaborative efforts and community meetings SCS, SEACC and the USFS have participated in over the past 2 years: up-front collaboration with local communities, emphasis on local community benefits through best-value contracting, longer-term multi-project contracting to name a few.

Stewardship Contracting will also allow for the testing of potential markets for sustainably-harvested Tongass young growth. This is a critical step in bridging the existing industry to new markets. Under the proposed Service Contract and the future Timber Contract to sell the thinned materials, there is a very real possibility that the thinning byproducts will sit at False Island and rot, unused. The American Recovery and Reinvestment Act had the stated goals "to preserve and create jobs and promote economic recovery" and "to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits". Stewardship Contracting and investing in community and Forest Service capacity to produce more Stewardship Contracts address the objectives of ARRA more effectively than a one-shot Service Contract for Ocean Boulevard. ARRA funds should help to catalyze transition on the Tongass.

In addition, we would like to see a more holistic approach to Integrated Resource Management kicked off through the Ocean Boulevard project. If the USFS could stage additional False Island/Peril Strait projects to follow Ocean Boulevard thinning we would see more efficiencies and benefits while at the same time forging a new model for collaboration between rural communities, local businesses, environmental organizations and the USFS. Project ideas that have come out of our discussions include:

Projects currently in development:

- Reconstruction of the Lake Eva recreation cabin facility;
- Sitkoh River salmon habitat restoration;
- Partnership with University of Alaska to develop resource management and restoration curriculum;

Additional projects that can be integrated into current proposals:

- Construction of a False Island Integrated Resource Management research and education facility;



- A variety of experimental stand treatments for research and monitoring;
- Study market feasibility and utilization of Tongass young growth, alder and high-value old growth wood;
- A log cabin construction facility at False Island;
- Repair “red pipes” (culverts that do not pass fish) and maintain roads throughout the landscape;
- Replacement of the Sitkoh Lake cabin(s);
- Installation of a new cabin in Sitkoh Bay (e.g. Florence Bay);
- Installation of a new cabin at Oly Creek and Broad Creek;
- Hiking and ORV trail development

The owners of the Icy Strait Mill and Sitka contractors are capable of, and interested in, doing the work for many of the ideas listed above. Our hope is that you can direct the Ocean Boulevard Thinning Project to act as a first step in a commitment to long-term stewardship contracting that will fully implement a holistic IRMP and allow local contractors to make the investments necessary to do the work of Tongass Stewardship in the future.

We ask that you meet in person with our communities and local businesses to chart a course for how the Ocean Boulevard Project and other projects can help us meet the objectives described above. Our hope is that a Stewardship Contracting specialist could be detailed to Region 10 soon enough to participate in this meeting and use the Ocean Boulevard project to train our local USFS contract specialists to become fluent in stewardship contracting in the future.

Let’s get together and work out the details,

Respectfully,

*signatures available
upon request*

Wes Tyler
Owner
Icy Straits Lumber

Todd Miller
Owner
Todd Miller
Construction

Andrew Thoms
Executive Director
Sitka Conservation Society

Lindsey Ketchel
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Southeast Alaska
Conservation Council

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*National Forest Foundation Proposal
Capacity Building Grant Program
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The Sitka Conservation Society seeks \$15,000 to develop the capacity to convene and facilitate a Collaborative Stewardship Group in Sitka, Alaska - comprised of the Tongass National Forest, local public-lands dependent businesses, nonprofits, other public and private land managers, and the Sitka community at large. This group will develop solutions to meet the needs and priorities of the community that will create social, economic, and environmental resiliency and vitality for Sitka and the surrounding environment.

The issue

Sitka, Alaska is a rural forest-dependent community surrounding by the 17 million acre Tongass National Forest. Our community depends upon the Tongass for subsistence, recreation, solitude, renewable energy, and a wide array of economic opportunities – forest products, tourism, and commercial and sport fisheries. Our community also has a rich Alaska Native heritage which is still vibrant today.

Collaborative stewardship offers the ideal mechanism to bring the benefits of public lands to our community while conserving and restoring the same lands for these benefits to be available to future generations. For the past 50 years, the need for forest stewardship has been vastly overshadowed the Tongass timber wars. Disagreement over old-growth logging polarized communities and paralyzed effective land management. But the Tongass is now in transition. Old growth logging has significantly diminished and communities are ready to work together to define the next generation of Tongass land management.

At the national level, when Agriculture Secretary Tom Vilsack outlined his new vision for America's Forests, he stressed the importance of collaborative management solutions

Our nation's forestlands, both public and private, are environmental and economic assets that are in critical need of restoration and conservation. By using a collaborative management approach with a heavy focus on restoring these natural resources, we can make our forests more resilient to climate change, protect water resources, and improve forest health while creating jobs and opportunities.

Therefore, we propose to capitalize on both national and community momentum to develop a Collaborative Stewardship Group in Sitka.

Ecological, economic and social benefits of the proposed project

The proposed project will greatly increase the capacity of the community of Sitka to benefit from national and state forest stewardship opportunities. A striking example of this unrealized potential is that Federal Stewardship Contracting Authorities have never been attempted at our local Forest Service District that manages over 1.8 million acres. Additionally, several watershed councils were formed in 2003 to collectively fundraise for and promote local stream restoration projects. Sitka does not have a watershed council. Forming a Collaborative Stewardship Group will provide more opportunities for local businesses to conduct restoration work and for community organizations and individuals to participate in forest stewardship activities.

Organizational capacity and need

Just like the Tongass and its communities, the Sitka Conservation Society is also in transition. The Sitka Conservation Society (SCS) was formed in 1967 as a reaction to the clearcut logging of old growth trees. Our organization was borne in the midst of the Tongass timber wars that polarized communities. However, political, economic, and social changes have created new opportunities to work together at developing solutions to create economic opportunities while conserving our public natural resources.

SCS is well-poised to initiate a major effort at convening and facilitating a Collaborative Stewardship Group, but lacks solid funding support for this effort. We have already partnered with the Sitka Ranger District on forest and stream restoration projects to convene two public meetings and host field trips with local business owners and other stakeholders. Our work with the Sitka Ranger District has also included partnering on the Wilderness Stewardship Challenge, project reporting, GIS analysis, sharing of knowledge and resources, community outreach and public education, and providing a link with contracting specialists from other regions. Therefore, we know and have credibility with many of the land management stakeholders. The majority of our traditional funders, however, focus on our past history of successfully fighting old growth timber projects. A NFF Capacity Building Grant would allow us to build the funding capacity and credibility to pursue future grants to make a Collaborative Stewardship Group more permanent.

Project Objectives

Funds will be used to achieve the following goals:

1. Develop SCS capacity to convene and facilitate a Collaborative Stewardship Group.
2. Develop USFS capacity to support a Collaborative Stewardship Group.
3. Develop community capacity to engage in forest and stream stewardship activities.

We will utilize lessons from both in-region and Lower-48 peer learning networks by participating in community meetings and field trips of existing collaborative efforts. We will also increase communication between the Sitka Ranger District and community stakeholders by convening and facilitating community meetings and

etcetera objectives from 2-year timeline....