

To: Members, Tongass Futures Roundtable
From: Ad Hoc Committee examining Chabot/Andrews amendment
Date: October 12, 2007
Subject: Report on recent work
Attachment: Chabot Andrews Comparison 092507

Background on Ad Hoc Committee

At its meeting in Petersburg on September 10th – 12th, the Tongass Futures Roundtable heard from the Forest Service that the Chabot/Andrews amendment pending in Washington, D.C. had the potential to limit fiscal year 2008 timber sale offerings on the Tongass from approximately 154 million board feet to only about 13 million board feet. In addition the Forest Service had concerns about possible unintended consequences on forest management and the Tongass Land Management Plan (TLMP) Amendment process. After sometimes intense discussion, the Roundtable established an ad hoc committee to examine the Chabot/Andrews Amendment to the federal FY 2008 appropriations to the Forest Service.

The following Roundtable members were assigned to the ad hoc committee: Bruce Botelho, Forrest Cole, Laurie Cooper, Owen Graham, Karen Hardigg, Niel Lawrence, Chris Maisch, Bruce Wallace, and George Woodbury. Buck Lindekugel was subsequently asked to join the committee. Brian Rogers, Erin Dovichin, John Sisk, Laura Baker, and Charlie Streuli along with additional Forest Service staff have provided staff support to the ad hoc committee.¹

The Chabot/Andrews Amendment

The Chabot/Andrews amendment passed the House of Representatives on June 27, 2007 as Section 503 of H.R. 2463, which makes appropriations for the Department of the Interior and related agencies for fiscal year 2008. It was not included in the Senate's companion legislation, S. 1696, which has been reported out of the Senate Appropriations Committee but still awaits action by the full Senate.

The text of the House-passed amendment is as follows:

Sec. 503. None of the funds made available in this Act may be used to plan, design, study, or construct, for the purpose of harvesting timber by private entities or individuals, a forest development road in the Tongass National Forest.

Committee Deliberations

The committee met in person in Ketchikan on Friday, September 21st, and by teleconference on Tuesday, September 25th to investigate possible consensus recommendations to the Roundtable.

¹ We especially commend Forrest Cole and his staff for devoting substantially their entire September 22-23 weekend to analyze legislative options and the timber sale schedule.

Ketchikan Meeting Friday September 21st

At the meeting, timber industry representatives reiterated their concern that the Chabot/Andrews amendment would irreparably damage the viability of the industry. Their analysis indicates one or more sawmills would close, at least temporarily, and suggests that any diminution of the timber supply could have similar consequences.

Forrest Cole predicted potentially significant adverse personnel impacts on the Tongass were the amendment to be enacted. Forrest provided an estimate that as many as 200 Forest Service employees could be affected depending on how the amendment is interpreted. He was also concerned that the amendment could be interpreted to bar administration and readjustment of existing road contracts, including those for sales covered by the judicially approved settlement agreement in the TLMP case.

Conservationists said that they would work to ensure the amendment did not interfere with sales proceeding under the settlement order. Similarly, they did not think that the amendment was drafted or intended to block adoption of a revised TLMP.

The group discussed, but did not reach consensus on, a proposal to limit congressional action on the Tongass this year to a version of Chabot/Andrews along the following lines:

Sec. 503. None of the funds made available by this Act may be used to plan, design, study, or construct, for the purpose of harvesting timber by private entities or individuals, a forest development road **in an inventoried roadless area** in the Tongass National Forest, **except for roads in timber sales approved or contemplated by the settlement agreement approved by the federal district court in <cite case>**.

The AFA participants opposed the Chabot amendment in any form. Noting that opposition, there was otherwise general agreement that:

- Timber sales approved by the settlement agreement should not be blocked by congressional action, including the Scratchings, Tuxekan, and Scott Peak timber sales;
- The TLMP Amendment process should not be halted by the amendment.

The committee asked the Forest Service to consider accelerating the following sales to FY08:

- Big John (Central Kupreanof Island)
- Logjam – roaded portion
- Tonka

They also asked the Forest Service to work with industry and the environmental community to make the following sales more economic:

- Scott's Peak
- Traitor's Cove

The Forest Service took these questions under advisement, considered meeting notes received from Brian Rogers and a subsequent proposal received from Niel Lawrence, and worked over the

weekend to prepare an assessment of the options and questions identified by the committee in time for a teleconference meeting on Tuesday, September 25th.

Teleconference Monday, September 25th

Forest Service Report

The Forest Service presented the document attached to this report, entitled “Chabot Andrews Comparison 092507.”

It summarizes the timber sale schedule for fiscal year 2008, which includes sales that would be offered for sale between October of 2007 and September of 2008. It shows how much of each sale is in an inventoried roadless area, the roads that would be constructed in the sale, and a series of volume estimates. Specifically, it provides the Forest Service’s estimates of potential timber sale volume under the current schedule and under each of three alternative formulations of the Chabot/Andrews Amendment. The table also shows which timber sales are likely to appraise at a deficit, which would make them unavailable to the industry. In gross summary, the agency estimated that the following volumes could probably be available to timber sale bidders, after deducting about 66 million board feet in likely deficit sales:

<u>Scenario</u>	<u>Volume estimate (million board feet)</u>
Current Forest Service timber sale schedule	82.3
Chabot/Andrews, House-passed version	11.0
Chabot modified as per BR committee notes	58.3
Chabot modified as per Niel’s notes	58.3

The difference between the third and fourth scenarios lies in how they clarify non-applicability to the settlement order sales. The Forest Service felt that the difference could affect one sale, Mad Buck II, but since it appraises negative there is no difference in the volume estimates.

The short table below the main table in “Chabot Andrews Comparison 092507” presents five sales that could potentially be moved up into FY 2008. Two are currently appraising at a deficit and three are still quite early in the NEPA process. Those three are limited not as much by funding as by the time available to staff to work through the process and Forrest estimated that they might not be available until 2009 or later. Also included in this document are notes from the Forest Service to the effect that there are limits to how much they can continue to accelerate and weave together non-roadless timber sales without creating significant gaps in the future year timber supply.

Committee Discussion

Important discussion points included:

AFA reported that the timber industry does not see adequate supplies of timber, with or without the Chabot amendment. They cannot accept any reduction in timber supply; they must have an increase. The amendment just makes a bad situation worse, from AFA’s point of view, and they are going to oppose it in any form.

AFA pointed out that the effort to increase timber harvest volume in roaded timber sales this past year failed to provide additional volume. They think the risk of another mill closure has increased as a result of the settlement agreement. AFA expressed concern that the 58-82 million board feet that the Forest Service estimates could be sold in FY08 would be harvested over the following two to three years. The industry does have some volume under contract now, but AFA reported that it is less than it was last year and, although the Forest Service plans to continue to offer timber after FY08 the amount of timber the Forest Service actually sells in a given year has consistently been below estimates, sometimes substantially. AFA emphasized that they think the supply situation at the mills is very bad, and cannot continue as it is. They are going to circulate to the Roundtable a report on the supply situation at the mills as they see it now, showing how dire things are.

Conservationists are concerned that any proposals to modify the amendment to address Forest Service and timber industry concerns have to be acceptable to Representatives Chabot and Andrews and to the conference committee. There is no point in proposing changes the sponsors will reject.

There is a need to clarify the status of the Mad Buck II timber sale, and Niel is working on this with the Forest Service to see whether it might bring some additional harvest volume into play. It was clear that the Kuiu sale, while it does not include roadless lands, is controversial and will probably be appealed and perhaps litigated. At the same time, the Forest Service might be able to increase the volume offered, somewhat, in the Scott's Peak, Traitor's Cove and Kosciusko sales, which might lead to positive appraisals on the first two and more available volume overall. AFA reported, however, that the Thorne Bay Ranger District believes Kosciusko will appraise deficit.

Regardless of the Chabot/Andrews amendment, the timber industry stated it is willing to continue Roundtable collaboration on individual timber sales and ways to survive possible impacts of the Chabot/Andrews amendment while continuing to move forward toward Roundtable goals.

Conclusion

Because, within the ad hoc committee, there is no consensus recommendation to the Roundtable, we do not propose convening a teleconference of the Roundtable. Nevertheless, we believe that the work of the committee was valuable in achieving a greater understanding of the industry's needs and the potential impact of the Chabot/Andrews amendment. We expect that efforts to find common ground on Chabot/Andrews and other Tongass-related legislation will continue, and encourage individual members of the Roundtable to lend their ideas and support to that process.