

# Alaska's Forest Products Industry

## Past & present...



From the 1950's until the end of the 1990's, the forest products industry centered on large scale pulp mills in Sitka and Ketchikan in southeast Alaska. By 2000, the mills closed for a variety of reasons, including tighter environmental standards, increasing competition in world markets, and aging mill facilities.

Over the last 50 years, commercial timber harvesting has occurred primarily on federal, state and Native corporation lands in southeast Alaska; on Native corporation lands in Prince William Sound, the Copper River basin and Afognak Island; and on state, borough, trust and Native lands in the Susitna and Tanana basins and the Kenai Peninsula.



Matanuska-Susitna Borough port at Pt MacKenzie, across Knik Arm from Anchorage

## South Central Forests

Recent trends in Alaska's wood products industry have favored the establishment of small dry-kiln facilities, with installations typically less than 25 thousand board feet (MBF) capacity. Since 2000, 12 such facilities have come online in Southeast, South Central, and Interior Alaska. These kiln drying facilities are a great benefit to local communities, as they create jobs and retain dollars in the state's economy.

The paper birch and spruce forest in the Susitna valley, north of Anchorage historically has had little economic value due to a high defect rate. This had made it difficult to create more than the few jobs offered by log home builders and very small sawmills.

Growing interest in wood chips, biomass for energy, and hardwood saw timber may provide wider opportunities for use of South Central forests.

Farther south, on the Kenai Peninsula, continued deterioration of beetle killed spruce has limited the amount of useful timber to the local mills. This has forced some mills to move out of the area or cease operations entirely.



Chip handling facility at Pt MacKenzie



## Interior Forests

The state is the major timber owner in Interior Alaska, including 1.8 million acres in the Tanana Valley State Forest. Native corporations, the University of Alaska, and the Fairbanks North Star Borough also have significant timber holdings. Local forests have supplied lumber, logs, and firewood for use in the region since the days of the gold rush. In recent years, local mills have added kilns and planers to their facilities. Currently, high oil prices are raising interest in wood energy from biomass. Extensive hardwood forests offer potential for a variety of manufactured products and energy sources.

### Primary and Secondary (value added) Forest Products Manufacturing

# of sites at location

• 1 - 2

• 3 - 5

• 6 - 11

• 12 - 20

• 21 - 33

■ Kiln Drying Facility

● Birch Syrup Producer

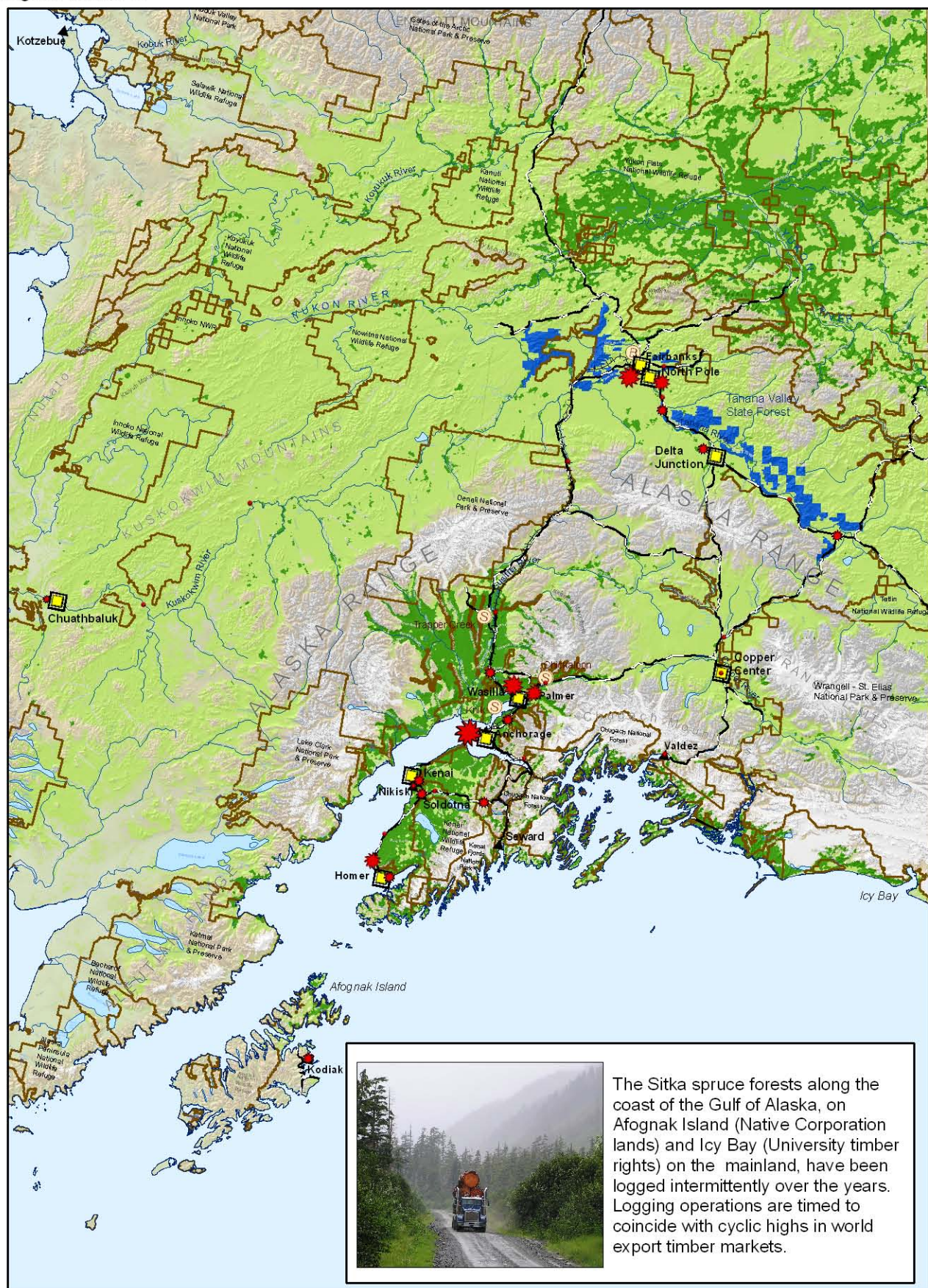
● Wooden Bowl Producer

■ Forested Lands

■ High Volume, Closed Canopy Forest

■ Alaska State Forests

■ Federal and State Public Conservation Lands



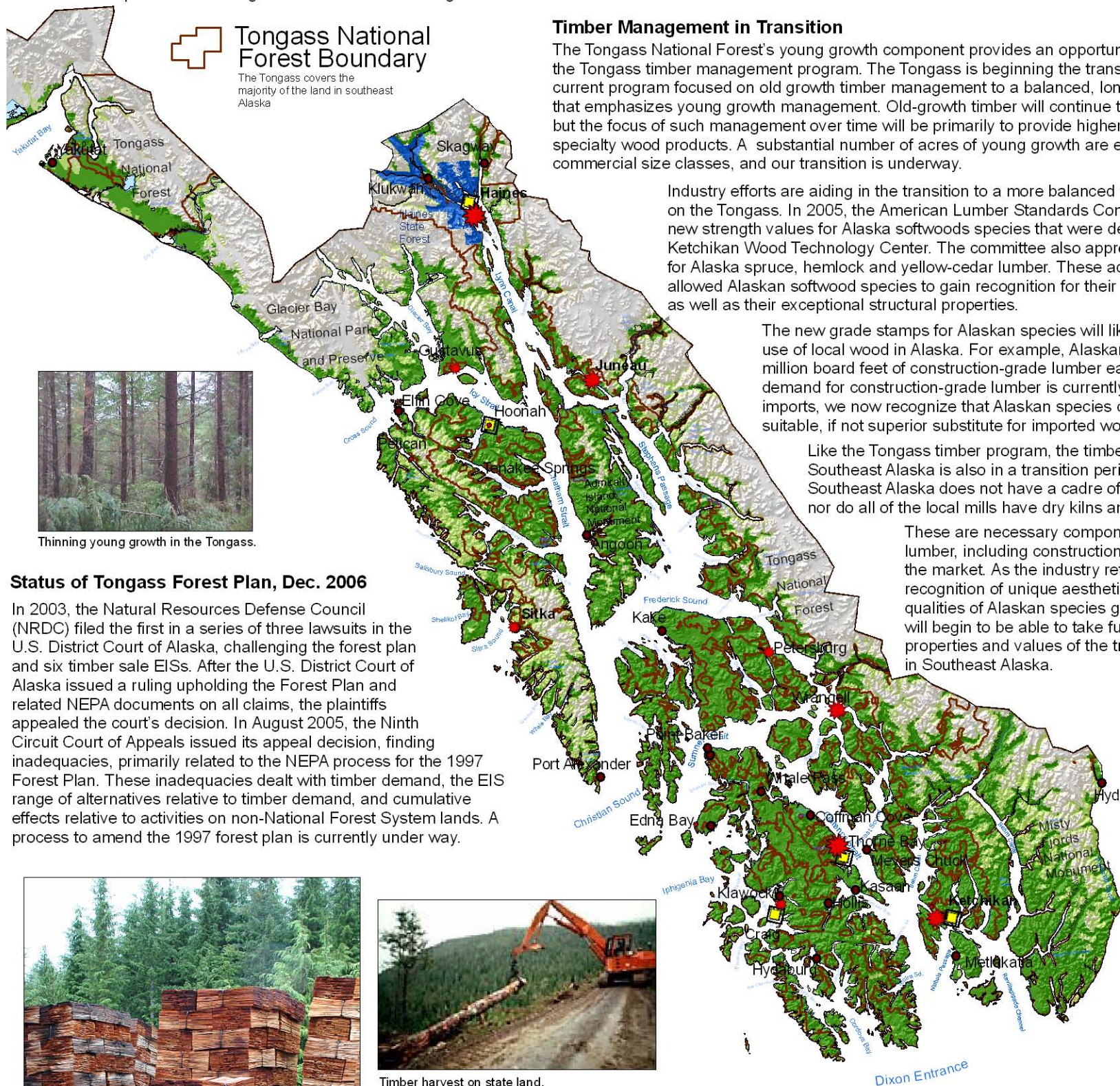
The Sitka spruce forests along the coast of the Gulf of Alaska, on Afognak Island (Native Corporation lands) and Icy Bay (University timber rights) on the mainland, have been logged intermittently over the years. Logging operations are timed to coincide with cyclic highs in world export timber markets.

# The Tongass - America's Largest National Forest

## Managing for Multiple Use and Sustainability

Timber and related products from the Tongass National Forest have long played an important role in the economy of Southeast Alaska. Their importance was formally recognized in 1990 with passage of the Tongass Timber Reform Act. TTRA requires the Forest Service to seek to provide a supply of timber in a sustainable balance with all multiple resource objectives on the Tongass. The Tongass Forest Plan guides the management of all resources on the Forest.

The 16.8 million acre Tongass has about 9.4 million acres of old-growth forest, about 5 million acres of which are of commercial size. The Forest also has about 400,000 acres of young growth stands that are the result of timber management activities initiated primarily in the 1950s. Under the current Tongass Forest Plan, about 3.6 million gross acres of land are zoned to allow for some level of timber management; however, only 676,000 acres are programmed for long term timber management. This amounts to about 4 percent of the Tongass land base and less than 15 percent of the original commercial sized old growth forest.



## Tongass National Forest Boundary

The Tongass covers the majority of the land in southeast Alaska



Thinning young growth in the Tongass.

## Status of Tongass Forest Plan, Dec. 2006

In 2003, the Natural Resources Defense Council (NRDC) filed the first in a series of three lawsuits in the U.S. District Court of Alaska, challenging the forest plan and six timber sale EISs. After the U.S. District Court of Alaska issued a ruling upholding the Forest Plan and related NEPA documents on all claims, the plaintiffs appealed the court's decision. In August 2005, the Ninth Circuit Court of Appeals issued its appeal decision, finding inadequacies, primarily related to the NEPA process for the 1997 Forest Plan. These inadequacies dealt with timber demand, the EIS range of alternatives relative to timber demand, and cumulative effects relative to activities on non-National Forest System lands. A process to amend the 1997 forest plan is currently under way.



Small mills in southeast Alaska provide cedar shakes, lumber, and logs for local use. State and Forest Service timber sales focus on supplying wood for local mills.



Timber harvest on state land.



Young forest regeneration on Sealaska Native Corporation land holdings near Hoonah.



A typical Tongass harvest area, Baranof Island.



Maps produced by the  
Alaska Dept of Natural Resources  
Division of Forestry

## Timber Management in Transition

The Tongass National Forest's young growth component provides an opportunity to diversify the Tongass timber management program. The Tongass is beginning the transition from its current program focused on old growth timber management to a balanced, long term program that emphasizes young growth management. Old-growth timber will continue to be managed, but the focus of such management over time will be primarily to provide higher value and specialty wood products. A substantial number of acres of young growth are entering commercial size classes, and our transition is underway.

Industry efforts are aiding in the transition to a more balanced timber program on the Tongass. In 2005, the American Lumber Standards Committee approved new strength values for Alaska softwood species that were developed at the Ketchikan Wood Technology Center. The committee also approved grade stamps for Alaska spruce, hemlock and yellow-cedar lumber. These advances have allowed Alaskan softwood species to gain recognition for their aesthetic values as well as their exceptional structural properties.

The new grade stamps for Alaskan species will likely increase the use of local wood in Alaska. For example, Alaskans use about 120 million board feet of construction-grade lumber each year. While demand for construction-grade lumber is currently met through imports, we now recognize that Alaskan species can provide a suitable, if not superior substitute for imported wood products.

Like the Tongass timber program, the timber industry in Southeast Alaska is also in a transition period. Currently, Southeast Alaska does not have a cadre of lumber graders, nor do all of the local mills have dry kilns and planers.

These are necessary components for producing lumber, including construction grade lumber, for the market. As the industry retools and the recognition of unique aesthetic and structural qualities of Alaskan species grows, the industry will begin to be able to take full advantage of the properties and values of the tree species found in Southeast Alaska.