

Forestry Opportunities in **SOUTHEAST ALASKA**

Update to the Alaska Board of Forestry

Robert Venables, Executive Director
Southeast Conference

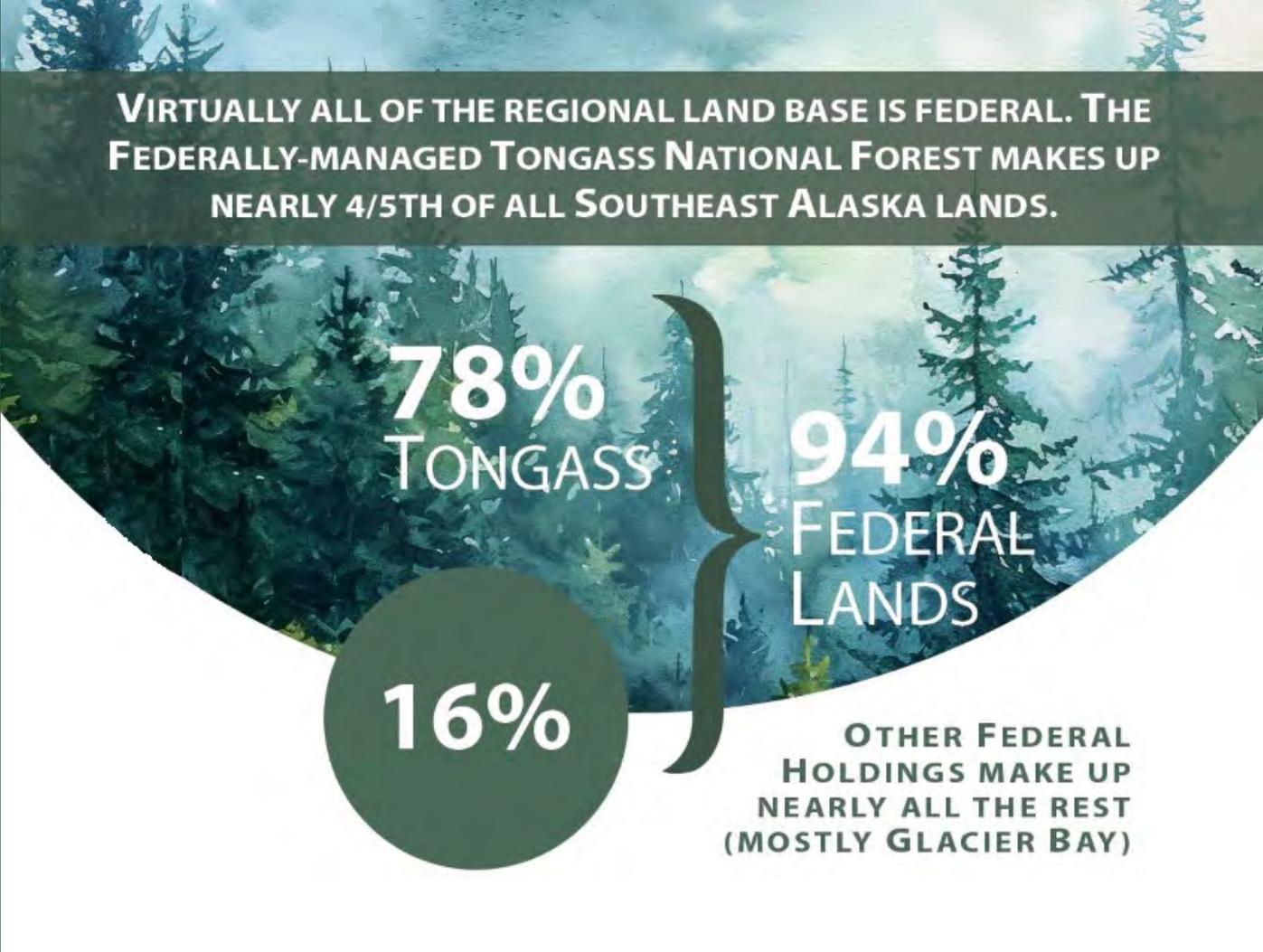
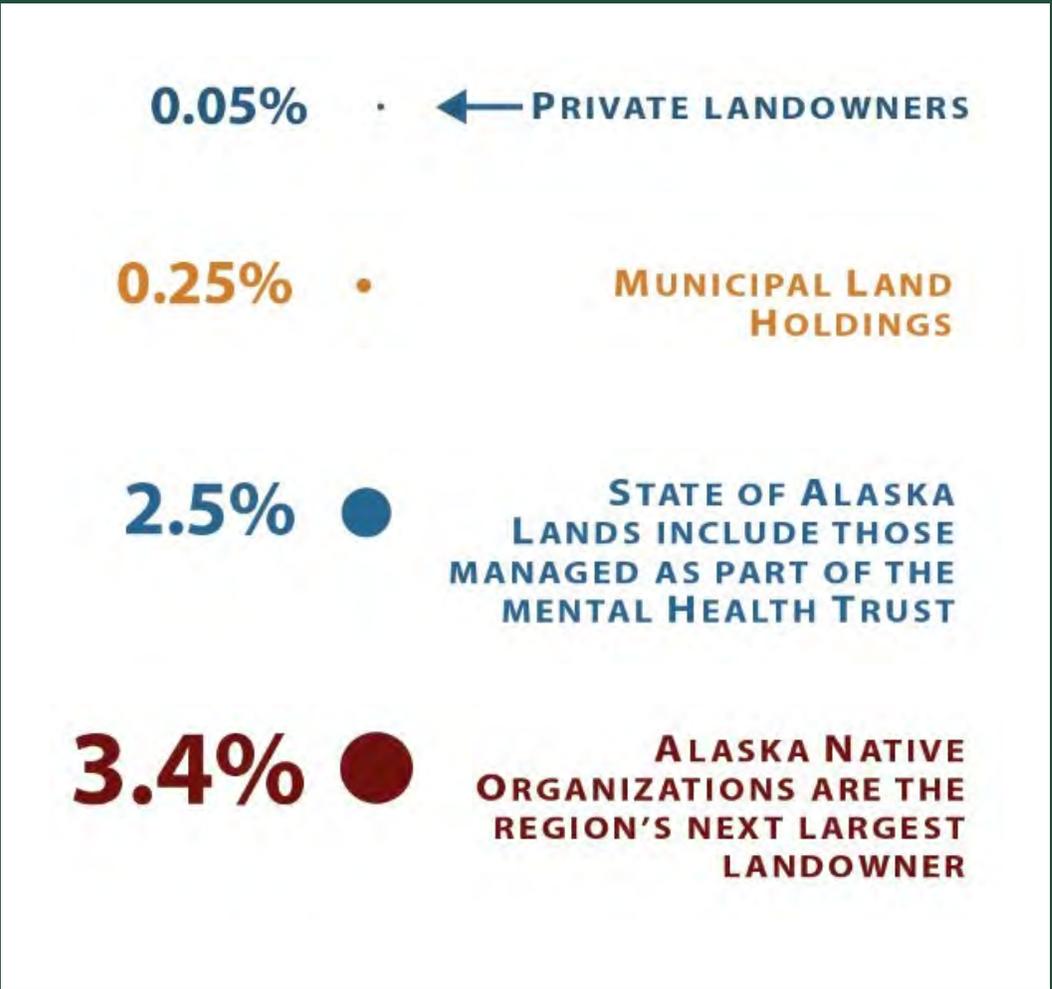
February 10, 2026



ABOUT SOUTHEAST CONFERENCE

- Southeast Conference was incorporated in 1958, primarily to advocate for the creation of the Alaska Marine Highway System. Community leaders from Metlakatla to Yakutat held their first meeting in Petersburg.
- After that success, we stayed together to continue to advocate for Community and Economic Development issues that are critical to Southeast Alaska and the State.
- The region's lands are predominantly federally owned (94%), with less than 1% owned by the private sector.
- Members from nearly every community, chamber of commerce, and economic development organization in the region.
- Conduct economic planning through CEDS process and implement CEDS, providing technical assistance and project development support. Manages statewide biomass program.
- Southeast Conference is the federally designated Regional Economic Development District, RC&D Council and the State-designated Alaska Regional Development Organization.



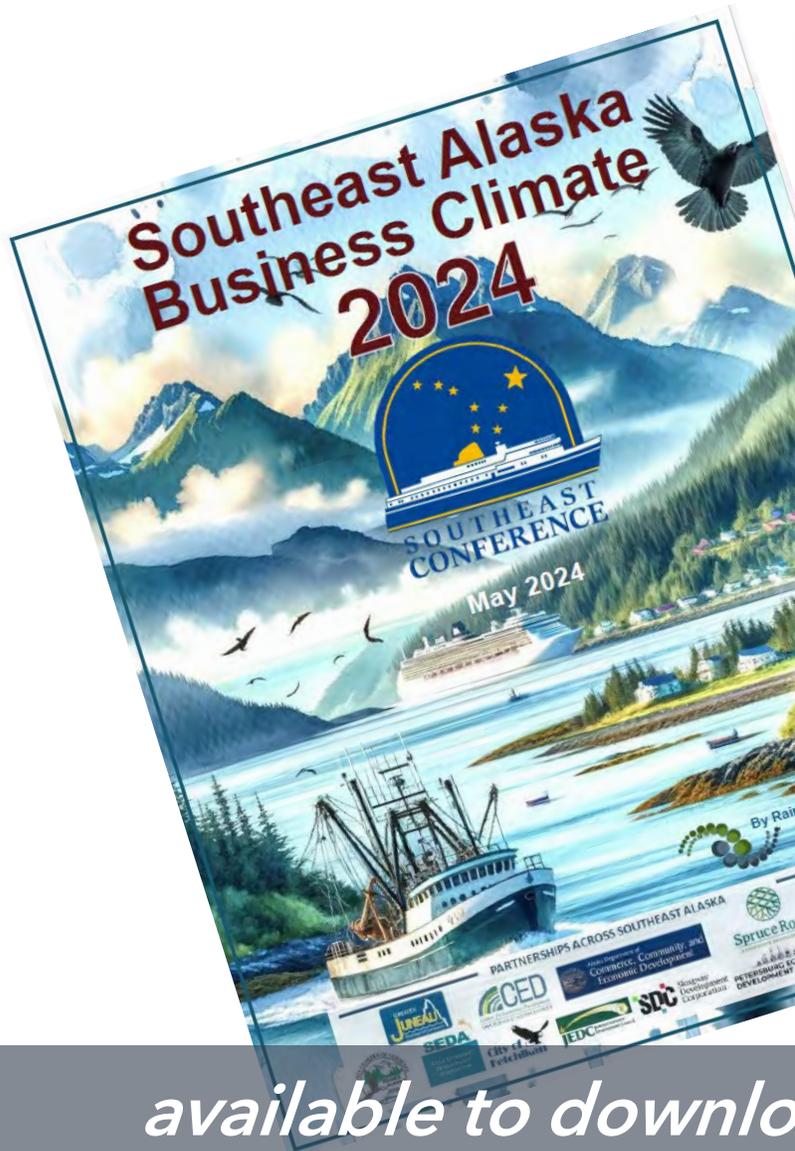


Southeast Alaska Land Ownership

Circle size = Number of Acres



PUBLICATIONS



2023 Southeast Alaska's economy is growing. In 2023 jobs were up by 3% and wages were up by 5% over 2022. All but two communities gained workers as 1,400 new jobs were added across the region. However, the region's two top private sector industries, seafood and tourism, experienced very different outcomes. In 2023, tourism became the largest sector in the region, with a lot more jobs, and more wages than any other sector, including local state government. Tourism jobs flooded back, growing by 26%, an increase of 1,700 year-round-equivalent jobs. Workers earned \$105 million more than the year before, a 44% increase. Seafood was the top private sector industry in 2022 and brought in a massive harvest in 2023. But while the catch was the largest in more than a decade, it had one of the lowest catch values on record, \$66 million less than the smaller catch from the year before. Wages fell by 26%, as global markets drove down prices. Other sectors were mostly up. The government, healthcare, retail, construction, finance, and mining sectors all added workers to their payrolls. Tribal government grew by 9%. Regional GDP was up by 31%. Nine communities saw double digit wage growth. But not all indicators were up. State jobs continued to decline, social services were down, along with professional & business services. Population and school enrollment declined.

2024 The economy of Southeast Alaska is strong and diversified. Two of Southeast business leaders are optimistic looking forward, with 30% saying their prospects will be even better over the year. The regional economy has finally recovered from the pandemic. Tourism is having another strong year with 1 million cruise passengers are expected. The construction industry is responding to a billion in infrastructure bill investment. Southeast. Inflation has normalized and is on the rise. Seafood continues to be a concern as prices are up slightly from 2023 but catch is down significantly. While jobs continue to grow, there are concerns about the lack of workforce in the region when the population is growing. When the population is growing, the region now has 5,600 fewer workers. The regional business leaders focus needs to be on: The top two answers are:

1. Housing initiatives
2. Attracting and retaining population.

We need more young people in the region and in order to attract them, we need more housing and more affordably-priced homes.

SEPTMBER 2024 Photo by Rafe Hanson Photography A SOUTHEAST CONFERENCE PUBLICATION BY RAIN COAST DATA



available to download at WWW.SECONFERENCE.ORG/PUBLICATIONS

1
YEAR

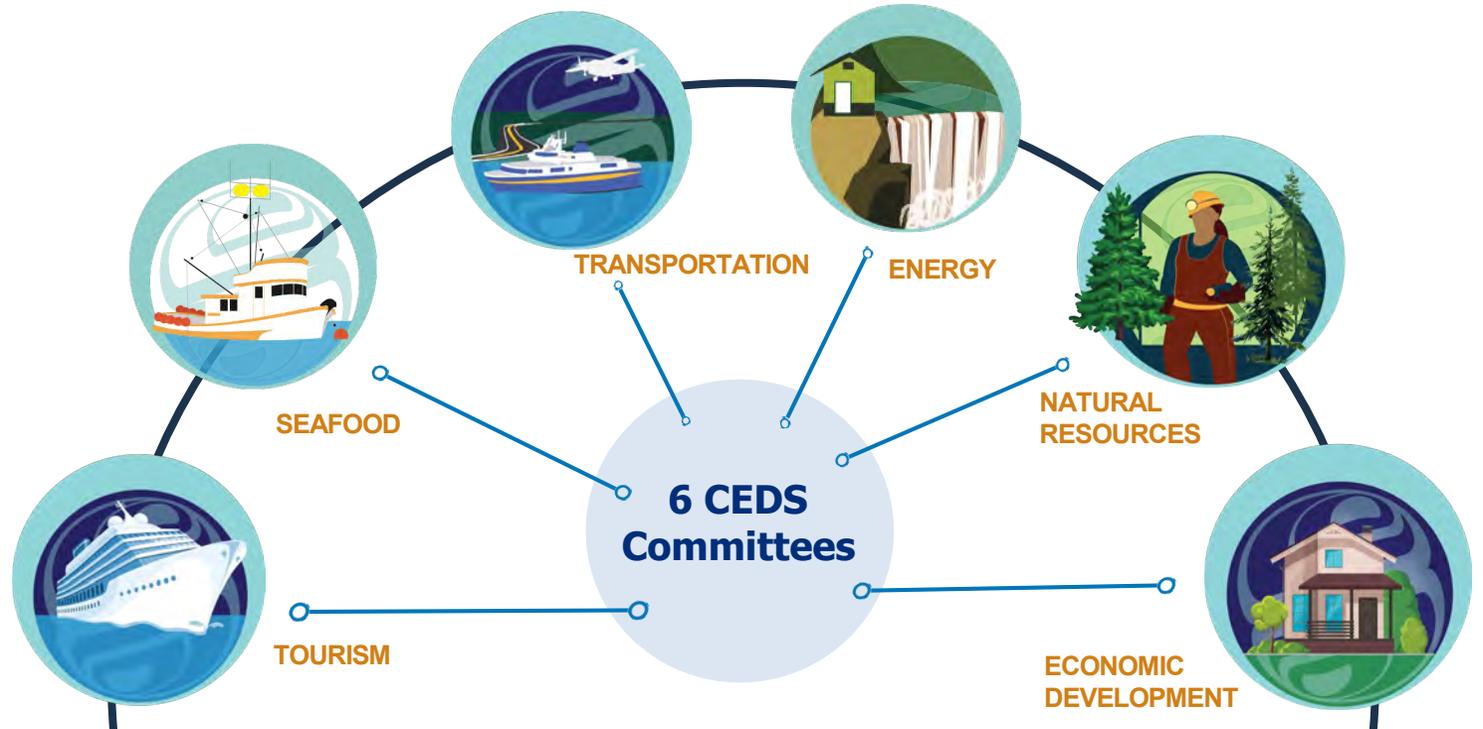
6
COMMITTEES

30+
MEETINGS

400+
STAKEHOLDERS

46
ECONOMIC
INITIATIVES

7
PRIORITY
OBJECTIVES



USE OF COMMITTEES

| | Transportation | Energy | Nat Resources | Seafood | Tourism | Other CEDS |
|-------------|----------------|--------|---------------|---------|---------|------------|
| Winter 2024 | ● | ● | ● | ● | ● | ● |
| Spring 2024 | ● | ● | ● | ● | ● | ● |
| Summer 2024 | ● | ● | ● | ● | ● | ● |
| Fall 2024 | ● | ● | ● | ● | ● | ● |
| Winter 2025 | ● | ● | ● | ● | ● | ● |

SOUTHEAST 2030 STRATEGIC PLAN SUMMARY

Priorities
46

Economic Development

- #1 ★ **1. Housing Objective:** Support the sustainable development of housing
- #3 ★ **2. Child Care Objective:** Increase Child Care Capacity in Southeast Alaska
- 3. Infrastructure Maintenance**
- 4. Education Objective**
- 5. Workforce Attraction and Retention Objective**
- 6. Coast Guard Objective:** Support Coast Guard vessel homeporting opportunities
- 7. Natural Disaster Planning Objective:** Support Disaster Preparation and Relief Efforts
- 8. Solid Waste Objective:** Support Regional Solid Waste Management Solutions
- 9. Healthcare Workforce Objective**
- 10. Telecommunications Objective:** Improve communications access in Southeast Alaska
- 11. Manufacturing Objective:** Promote Regionally Manufactured Local Products
- 12. Food Security Objective:** Increase supply and distribution of local foods

Transportation

- #2 ★ **1. Support the stability, sustainability and longevity of the Marine Highway Systems of Alaska**
- 2. Develop a long-term, strategic, multi-modal, regional transportation plan
- 3. Improve and expand opportunities to move freight to and from markets
- 4. Ports and harbors infrastructure improvements
- 5. Transportation Workforce Development
- 6. Ensure the stability and safety of passenger transportation services
- 7. Improve marine and road connection to Lower 48
- 8. Disaster Resilient Transportation Infrastructure



Southeast Alaska Priority Objectives for 2030 ★

Seafood Industry



- 1. **Further Develop Markets for Alaska Seafood**
- 2. **Seafood Modernization Initiative**
- 3. Work to Further Promote a Year-round Seafood Economy in the Region
- 4. Full resource utilization and ocean product development
- 5. Mariculture Development
- 6. Bring Back Seafood Jobs to Southeast's Smallest Communities
- 7. Support access to capital for harvesters and processors
- 8. Maintain a stable regulatory regime



Natural Resources

- 1. Prepare for potential Chinook salmon listings
- 2. Work with USFS to direct federal contracts toward locally owned businesses
- 3. Support an innovative, integrated timber industry
- 4. **Attract capital investments, maintain global competitiveness**
- 5. Provide an economically viable supply of timber from the Tongass to regional operators
- 6. **Increase access to minerals and energy sources for mining on state and federal lands**
- 7. **Advocate for the regulators**
- 8. **Revise the Tongass National Forest Land Management Plan**



Visitor Industry



- 1. **Support local tourism ownership and entrepreneurship**
- 2. Workforce housing for visitor's sector
- 3. Cultural Tourism Development
- 4. Collective regional strategy for accommodating tourism industry growth in Southeast Alaska



Energy

- 1. **Reduce energy costs and increase deployment of renewables** ★
- 2. Promote beneficial electrification
- 3. Support consumer education on heat pumps
- 4. Policy & regulatory development to meet community energy needs & priorities
- 5. Continue to support PCE for rural communities
- 6. Biomass in energy





SECURING AN ADEQUATE, ECONOMIC TIMBER SUPPLY



ALASKA WOOD ENERGY DEVELOPMENT TASK GROUP



17

ACTIVE PARTNERS

Meet annually to review applications and award funds for pre-feasibility studies for woody biomass heat systems





**Southeast
Conference**

Biomass

Cordwood Operator Training

- 3 Sessions throughout AK
- 27 Certifications since 2024

Technical Support

- Assistance provided to dozens of partners

Pellet Mill Demonstration Project

- POW Island, Generations SE
- Scale up to 3,000T

BDO Zone – identified opportunities and challenges for biomass



CHIP BIOMASS INSTALLATIONS in the INTERIOR

NENANA



*Biomass
Energy
Techniques
(BET) boiler
for District
Heat*



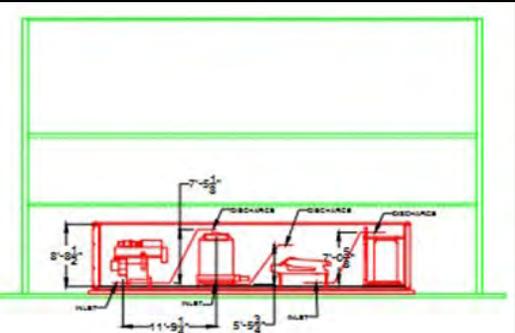
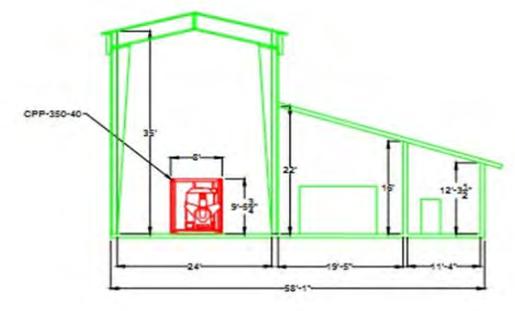
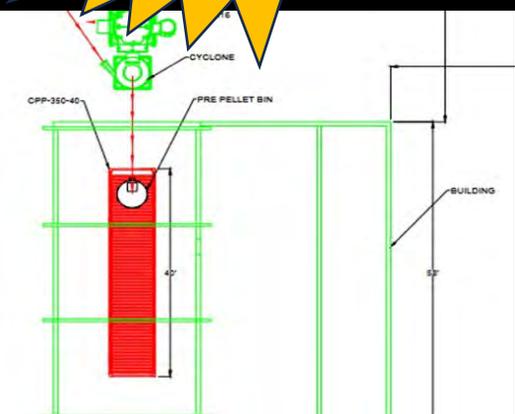
MENTASTA

Heizomat Boiler in a Box



**COMING
SOON**

SOUTHEAST CONFERENCE PELLET PROJECT



**Planned installation on Gravina Island.
Anticipate Pellet Plant will produce 3,000+ tons per year**

Workforce Development Partnership



MOA with Generations Southeast



Instant classroom from construction to operations and maintenance.



Utilize timber processing waste as part of an integrated strategy to support industry.



Lowers heating costs onsite and for other large facilities.



Related Activities



Biomass Boiler Installations:

Craig City School District – underway

City of Saxman – Prefeasibility Study

Other institutional users possible

SASS



Biomass Operator, Pre-feasibility Studies and Circuit Rider Contractor



Assisting Small Businesses and Accelerating Local Job Creation on POW with BDO Zone Ratings

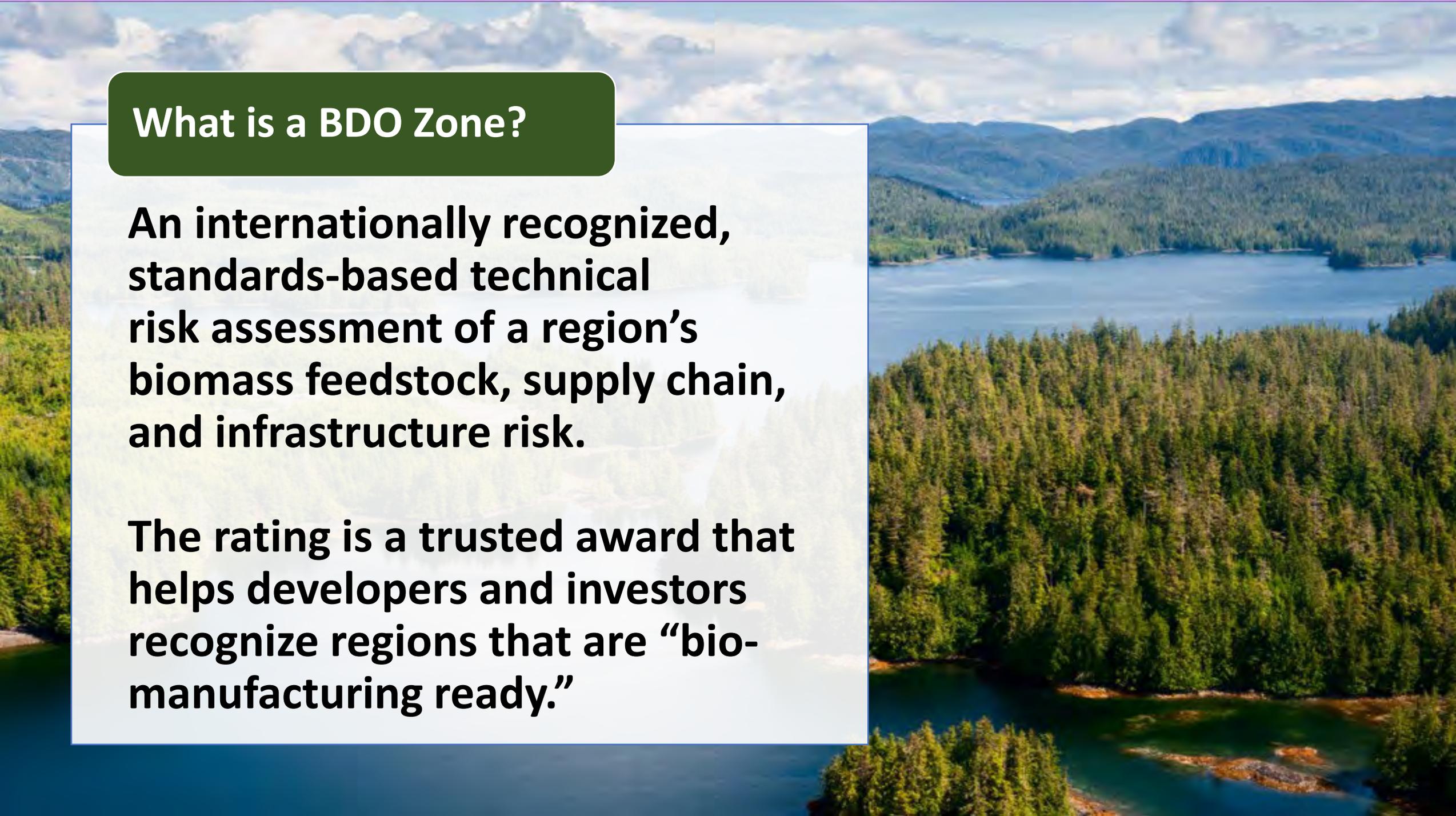
Rural Business Development Grant

Prince of Wales Bioeconomic Diversity Opportunity Zone



BD | BIOECONOMY DEVELOPMENT
OZ | OPPORTUNITY ZONE INITIATIVE





What is a BDO Zone?

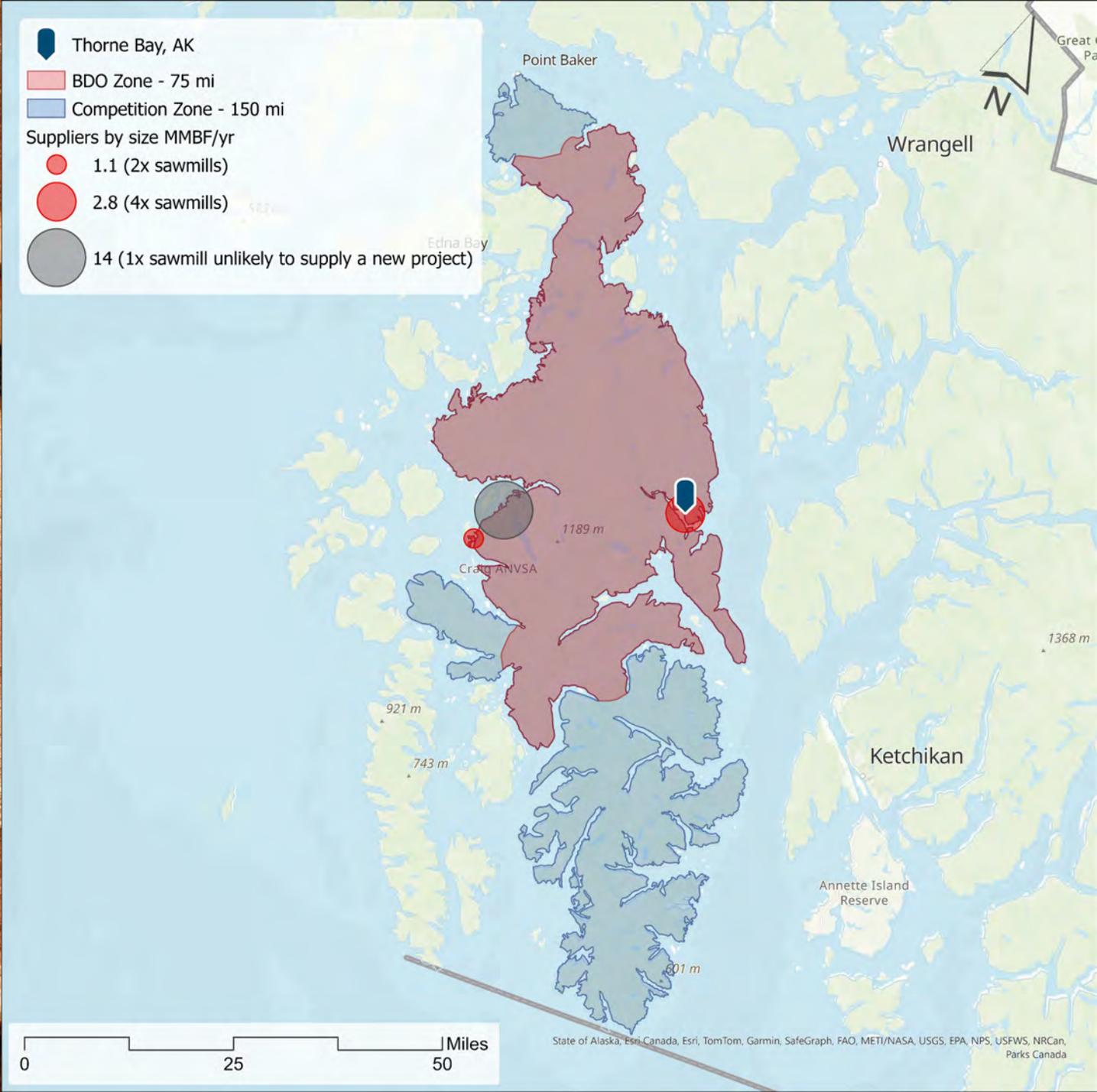
An internationally recognized, standards-based technical risk assessment of a region's biomass feedstock, supply chain, and infrastructure risk.

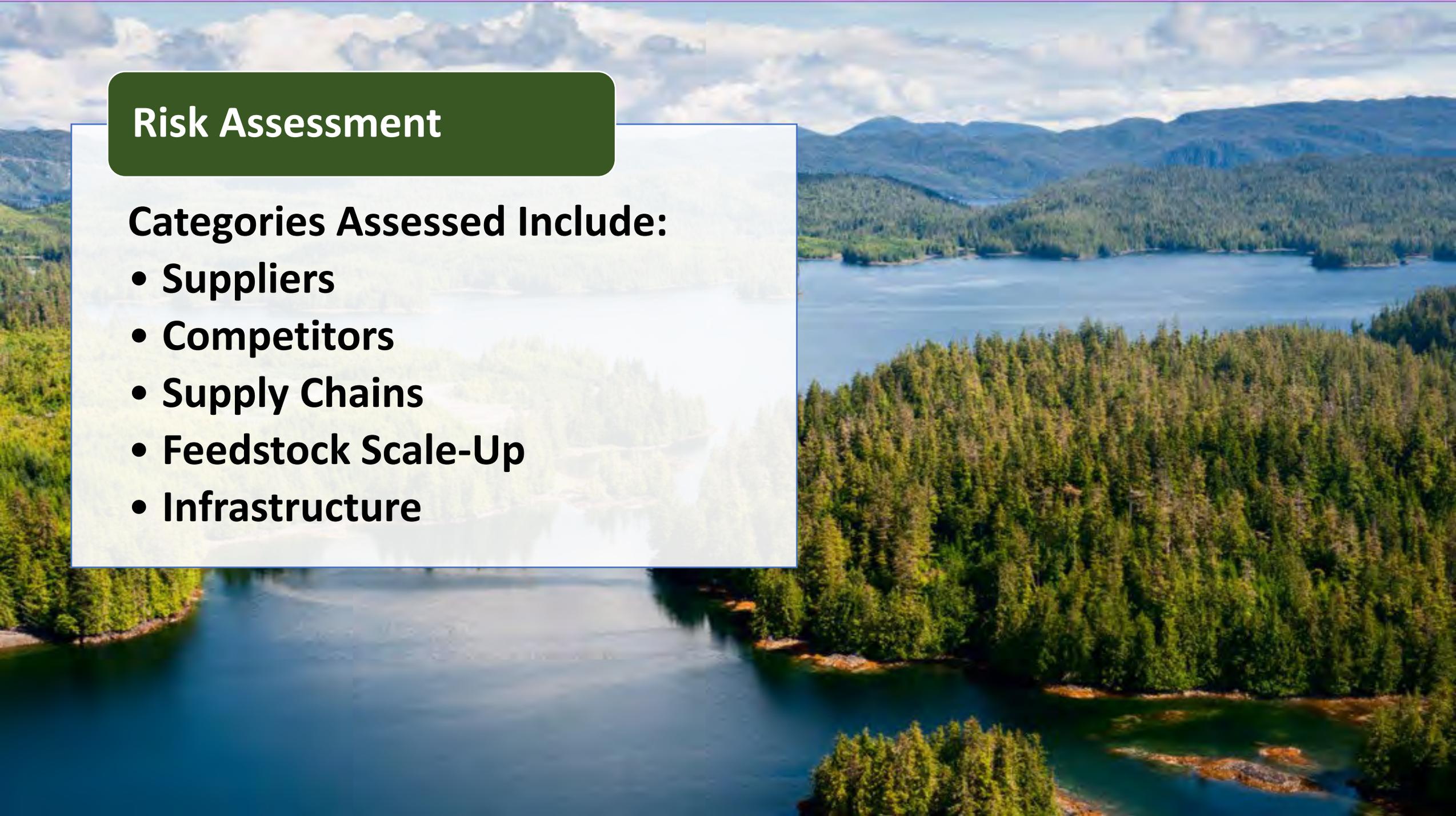
The rating is a trusted award that helps developers and investors recognize regions that are “bio-manufacturing ready.”

Locations of Sawmill Clusters on POW that Could Support New Biomass Projects

“(POW’s) ... rating acknowledges both the region’s current limitations and its future potential.”

*Jordan Solomon,
Chairman, BDO Zone Initiative*

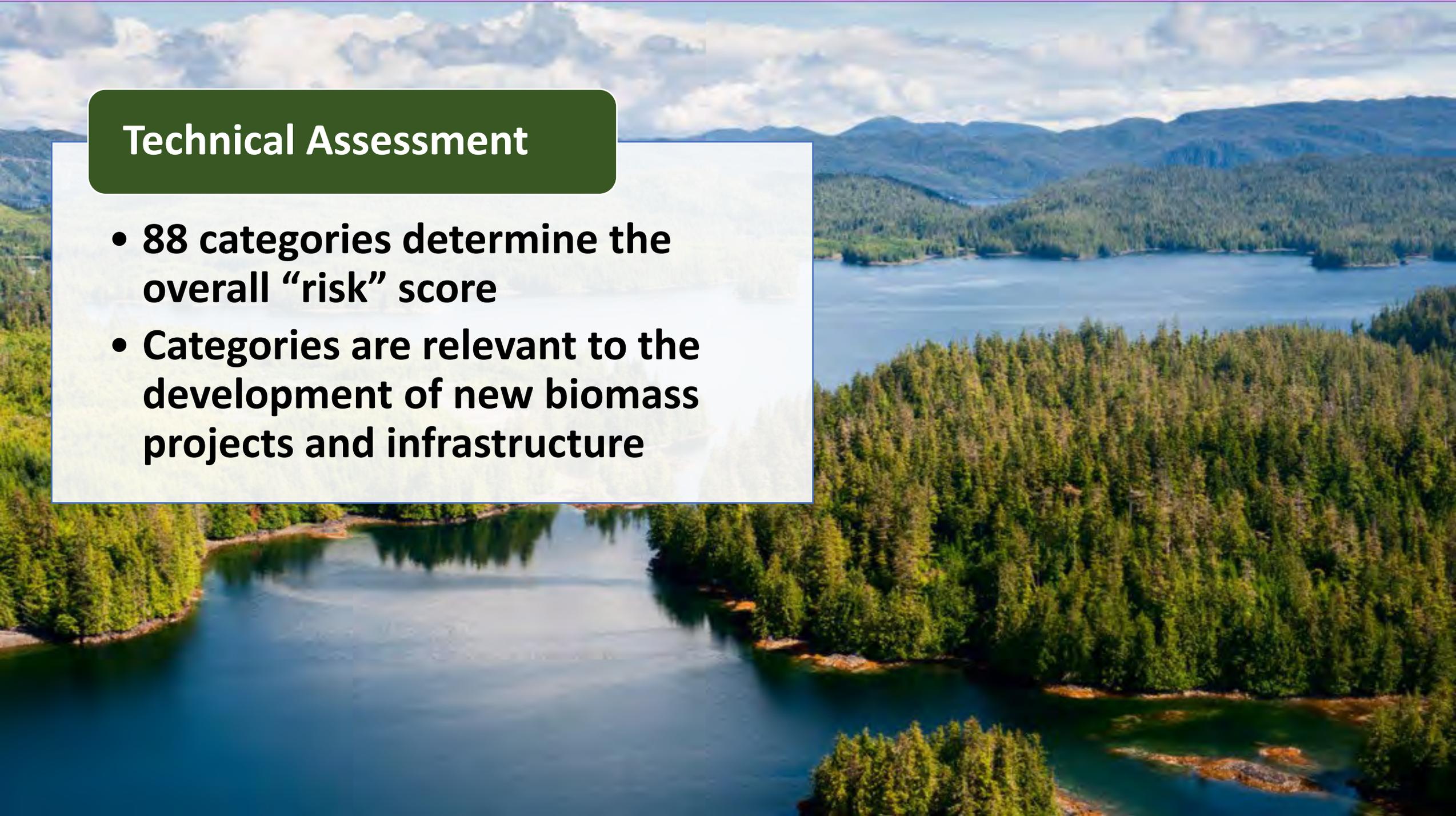




Risk Assessment

Categories Assessed Include:

- Suppliers
- Competitors
- Supply Chains
- Feedstock Scale-Up
- Infrastructure



Technical Assessment

- **88 categories determine the overall “risk” score**
- **Categories are relevant to the development of new biomass projects and infrastructure**

POW Available Biomass

- **Sawmill Residue:** 6,500 bdt/yr
- **Pulpwood:** 3,000 bdt/yr
- **Forest Residue:** 2,000 bdt/yr

Total Available: 11,500 bdt

BB Moderate Risk

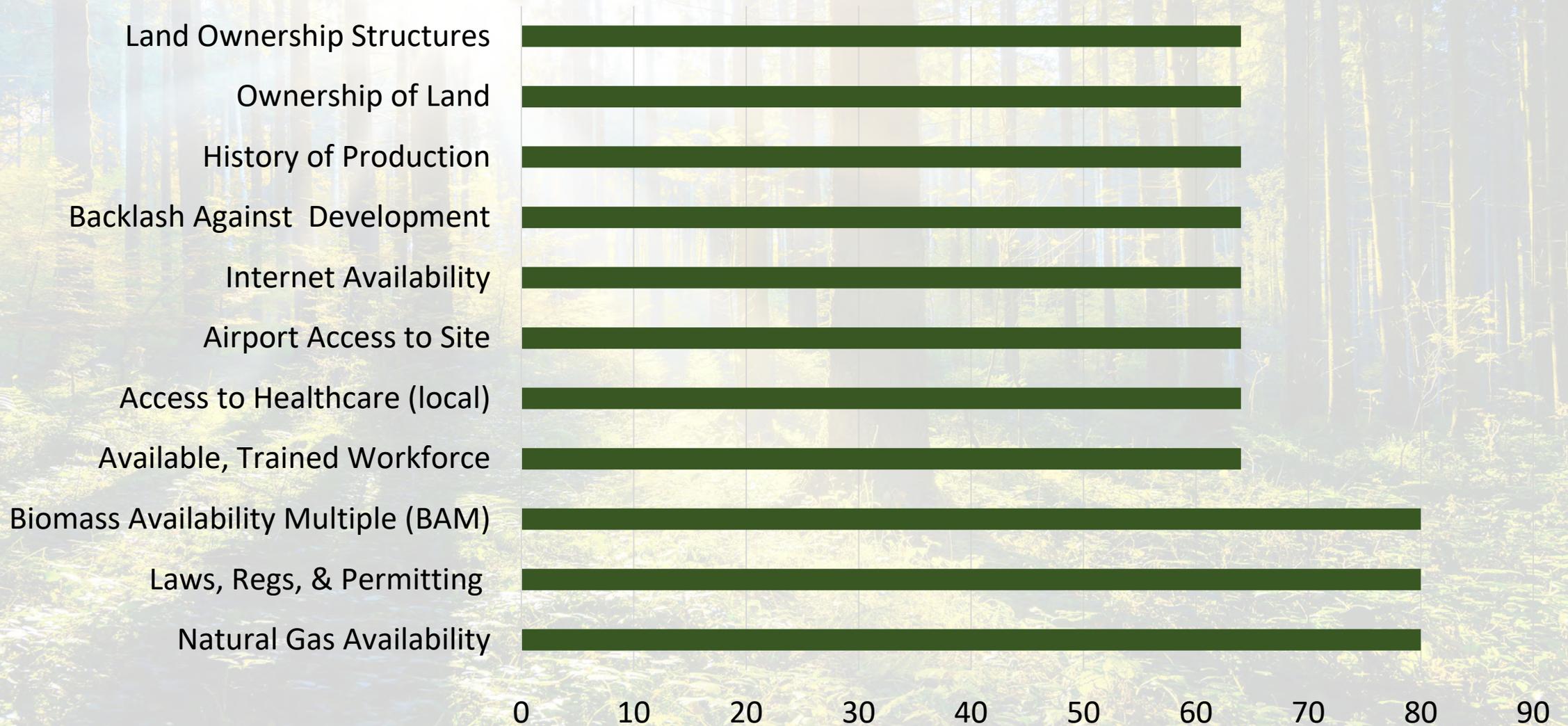
Key Assets

- **Workforce and equipment scale-up can be achieved over a short time frame.**
- **Available wood fiber from secondary forests likely to increase over the next 15-20 years.**
- **Quantities sufficient to support a quadrupling of the regional biomass heating market.**

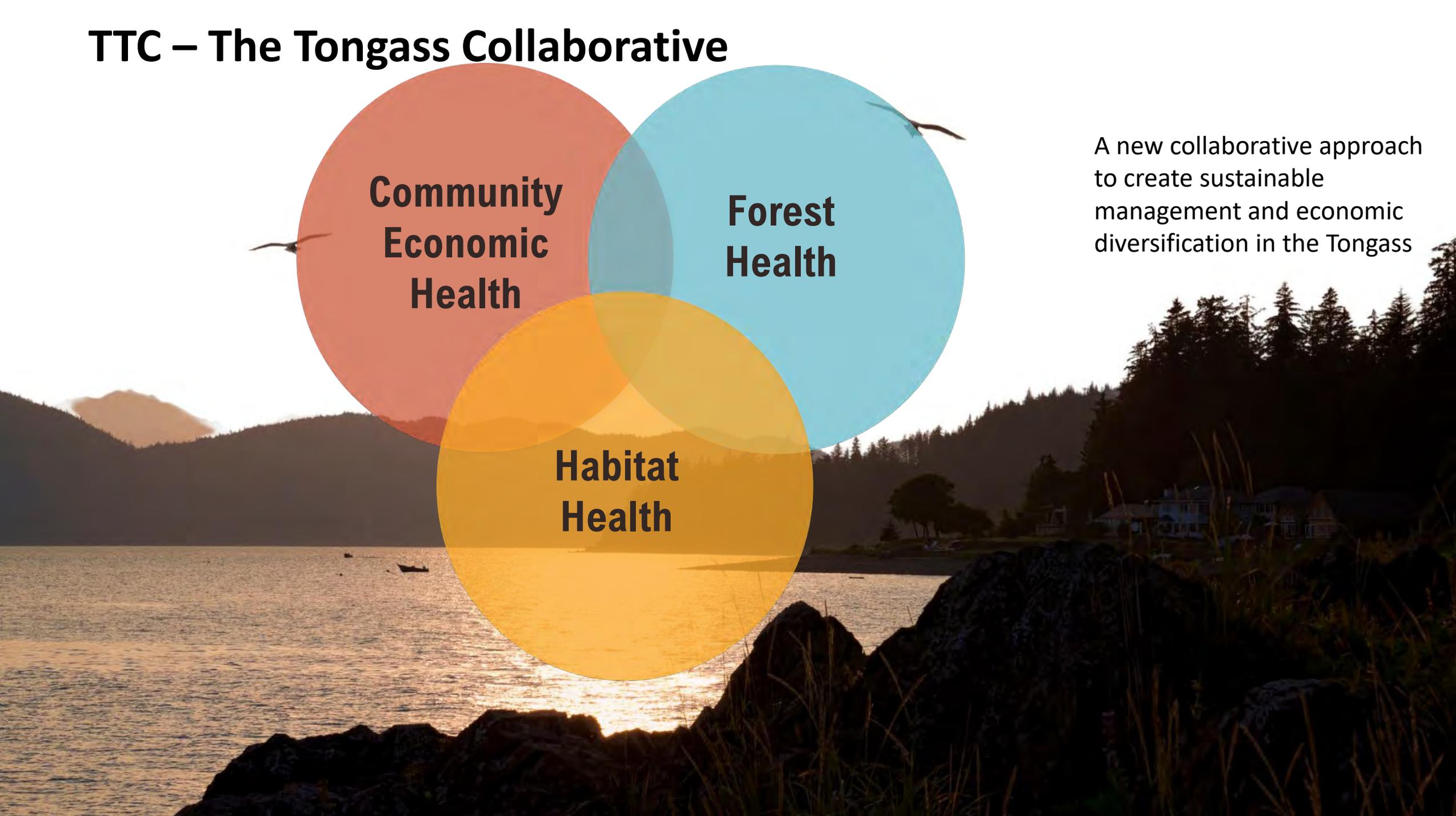
Key Liabilities

- **Remoteness of POW presents challenges for market, infrastructure, and timber workforce.**
- **Securing rated quantity will likely require small mills to double activity.**
- **Ban on old-growth limits wood supply, leading to sawmill curtailments and business closures.**

High Risk Categories



TTC – The Tongass Collaborative



**Community
Economic
Health**

**Forest
Health**

**Habitat
Health**

A new collaborative approach to create sustainable management and economic diversification in the Tongass

DIVERSITY OF ECONOMIC OPPORTUNITIES

- Durable Timber Policy and Programs *(with a 250 year horizon)*
- Mineral Resources *(is there really \$2 Billion to discover in Southeast?)*
- Fisheries and Mariculture
- Recreation and Visitor Services
- Renewable Energy
- Carbon Sequestration



Community, Wildlife Habitat and Forest Health

There is a tremendous backlog of acres in need of active management to benefit fisheries, wildlife habitat, subsistence access and resource availability, and timber productivity, yet they have received limited investment. Increasing investments in these activities can also create workforce opportunities for local communities. In the areas of the Tongass where logging has occurred, management activities that improve both wildlife habitat and silvicultural characteristics of young growth stands are critical.



OPPORTUNITIES + NEEDS

1. Support and accelerate the organizational shift within the Tongass National Forest to better coordinate and integrate silvicultural and wildlife considerations in management decision-making to implement management actions that reverse the trend of decreasing population of deer and wildlife, increase the growth rate of trees, and reduce the time it takes for stands to return to old growth conditions.
2. Allocate more resources to thinning needs, including pre-commercial thinning, which provides wildlife habitat benefit in addition to local job opportunities. Additional investment could support local entrepreneurial opportunities through training, equipment, and infrastructure.
3. Invest in timber industry owners and operators in a transition to local, value-added young growth markets. To be economically viable, operators will need capital investment and small business loans to acquire modern, efficient equipment designed for small diameter timber, as well as training for such a transition. Opportunities for investment include emerging technologies like mass timber for lower-carbon footprint construction, local materials sourcing for construction, and a market appetite for products that are economically and environmentally regenerative.
4. Integrate local and regional expertise and partnerships with the private sector, AKDNR, USFS, Economic Development District, Tribes, University of Alaska for strategies and investments for workforce development, research, implementation, and monitoring of forest management activities, including thinning, restoration work and other economic sector opportunities.
5. Invest in research to explore ecosystem function across the landscape. Topics to explore include broader exploration of biogeographic and ecological processes, extreme weather impacts and adaptation strategies, karst vulnerabilities, impacts of land management approaches on wildlife, and restoration needs and treatment strategies.
6. Continue the young growth forest inventory for long-term supply planning purposes. The work will help model and plan the short and long-term supply, management units, and future sale areas.



PRINCE OF WALES ISLAND

INTEGRATED FORESTRY CAMPUS



WHAT: A young growth timber processing facility that fully utilizes the product removed from the forest resulting in biomass-based fuel to displace diesel and help alleviate the energy costs in the region, generating revenue for the enterprise

WHY: To help guide the commercialization of Young Growth Timber and create a new model to follow in Southeast Alaska.

WHEN: Over the next 2 years

WHERE: Prince of Wales Island, due to the largest existing collection of small sawmills in SE Alaska and the largest amount of Young Growth timber coming up for sale.

WHO: Partners to Date include Prince of Wales Chamber of Commerce, City of Thorne Bay, Mule Deer Foundation, The Nature Conservancy

NEXT STEPS: Hold a series of visioning meetings to craft the framework for the project

WINS: Biofuel Development Opportunity Zone* “BB” Designation for Prince of Wales Island

**The Biofuel Development Opportunity (BDO) Zone Initiative certifies ‘regional readiness’ for biomanufacturing to the global market*

THANK YOU!



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