

State of Alaska
Department of Natural Resources
Division of Forestry & Fire Protection



Coastal Region-Southeast Area Office

Preliminary Best Interest Finding

Odyssey Timber Sale
SSE-1391-K

January 2025

Abbreviations

ADEC	Alaska Department of Environmental Conservation
ADF&G	Alaska Department of Fish and Game
ADNR	Alaska Department of Natural Resources
BIF	Best interest finding
DMLW	Division of Mining, Land and Water
DOF	Division of Forestry and Fire Protection
FLUP	Forest Land Use Plan
FRPA	Alaska Forest Resources and Practices Act
FYSTS	Five-year Schedule of Timber Sales
MBF	Thousand board feet
POG	Productive old growth
POW	Prince of Wales
POWIAP	Prince of Wales Island Area Plan
ROW	Right-of-way
SESF	Southeast State Forest
SESFMP	Southeast State Forest Management Plan
SHPO	State Historic Preservation Office
UA	University of Alaska
USFS	United States Forest Service

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I. PROPOSED ACTION

The Division of Forestry and Fire Protection (DOF) is proposing to offer for sale timber from approximately 600 acres of mature old growth timber composed of western redcedar (*Thuja plicata*), western hemlock (*Tsuga heterophylla*), Sitka spruce (*Picea sitchensis*) and Alaska yellow-cedar (*Chamaecyparis nootkatensis*) from Southeast State Forest (SESF) lands, General Use and Settlement classified lands on northern Prince of Wales Island (POW). The planning areas are in the El Capitan and Whale Pass area. (see Appendix A, Timber Sale Area Map). The volume to be offered totals approximately 6,000 thousand board feet (MBF). The DOF proposes to sell the commercial timber in one or more negotiated sales under provisions of AS 38.05.118. Negotiated timber sale methods have been chosen because of the State's interest in encouraging employment on POW by processing as much of the timber locally as feasible.

The DOF designed and offered timber in the area between 2020 and 2024 (El Capitan timber sale) that fit the perceived markets at the time. Operators have since indicated a desire to also operate on lower volume per acre stands that have a redcedar component and traditionally removed from the existing road system through extended yarding methods. The willingness to do this is twofold. Alternative supplies of timber do not exist in the region and the market for redcedar appears to be stable and lucrative enough for all forms of sawlogs to sustain the economics of operating in these stands. The DOF intends to offer the timber as purchaser layout and use its standard request for proposal process (RFP) to determine the specific purchaser(s) with whom to negotiate the final configuration and conditions of the timber sale. The RFP process will consider the track record of the purchaser to design and manage timber harvest, locally manufacture wood products (AS 38.05.118), the proposed quantity of value-added wood products to be produced, the projected payroll associated with processing the sale, and the proposed stumpage rates. Selling the timber in an open and competitive manner using the AS 38.05.120 authority in Southeast Alaska would likely generate higher stumpage revenue to the State. Purchasers of competitive sales typically use the round log export market and obtain higher returns on their investment. A competitive sale using the AS 38.05.120 authority could not be constrained through contract language to use local mills as much as feasible.

The management objectives for the proposed timber sale area are:

1. To follow the Alaska Department of Natural Resources' (ADNR) constitutional mandate to encourage the development of the State's renewable resources, making them available for maximum use consistent with the public interest;
2. To help the State's economy by providing royalties to the State in the form of stumpage receipts, an infusion to the State's economy through wages, purchases, jobs, and business.
3. To help the local economy of the communities within southern Southeast Alaska by creating additional jobs in Southeast Alaska due to the combination of road building, logging, trucking and potentially milling.

II. STATUTORY AND REGULATORY AUTHORITY

The Division is taking this action under the authority of

- AS 38.05.035(e) Best Interest Finding;
- AS 38.05.110-120 and 11 AAC 71, Timber Sale Statutes and Regulations; and
- AS 41.17.010-950 and 11 AAC 95, Forest Resources and Practices Statutes and Regulations.

III. ADMINISTRATIVE RECORD

The Division will maintain an administrative record regarding the decision of whether or not to proceed with the action as proposed. This record will be maintained at the DOF's Southeast Area Office filed as SSE-1391-K.

IV. SCOPE OF DECISION

This best interest finding (BIF) is part three of a six-part process to design, sell, and administer timber sales. This BIF covers the sale of approximately 600 acres of mature old growth forest composed of western redcedar, western hemlock, Sitka spruce, and Alaska yellow-cedar on state land within the perimeter of the project area (see Appendix A1, Timber Sale Area Map). The following list summarizes the overall process:

Part 1: Regional Planning. The Department of Natural Resources develops area plans and state forest management plans to designate appropriate uses for state land, classify the land accordingly, and establish management guidelines for multiple use. These plans determine where timber sales are an allowed use, and what other uses must be considered when designing and implementing timber sales. Subsequent land use decisions must be consistent with provisions contained within the applicable area and/or forest plans. The project area in this BIF is covered by the Southeast State Forest Management Plan and the Prince of Wales Island Area Plan. The Land Classifications of the areas are Forestry, General Use and Settlement.

Part 2: Five-year Schedule of Timber Sales (AS 38.05.113). The Southern Southeast Area Office prepares a Five-Year Schedule of Timber Sales (FYSTS) every other year. The Schedule identifies proposed sales, including their location, volume, and main access routes. The FYSTS is a scoping document that provides an opportunity for public, agency, and industry to identify potential issues and areas of interest for further consideration in the BIF. Under AS 38.05.113, proposed timber sales within the area covered by this BIF must appear in at least one of the two FYSTSs preceding the sale.

Part 3: Best Interest Finding (AS 38.05.035(e)). DOF must adopt a BIF before selling timber. A best interest finding is the decision document that:

- Ensures that the best interest of the State will be served by this proposed action.
- Establishes the overall area within which the timber sale may occur,
- Determines the amount of timber that will be offered for sale and the duration of the sale,
- Sets the overall harvest and reforestation strategy for the sale area,
- Determines whether the sale proposal complies with the Constitutional requirement to manage for sustained yield by evaluating the amount of timber in the sale and the annual allowable cut for the affected area,
- Selects the appropriate method of sale (i.e., competitive or negotiated sale), and
- Determines the appraisal method that will be used to determine the sale price.

Part 4: Forest Land Use Plans (AS 38.05.112). Prior to authorizing harvest of timber on any area greater than 10 acres, the DOF must adopt a site-specific Forest Land Use Plan (FLUP) for the harvest area. DOF will prepare draft FLUPs for the harvest areas within the overall sale area covered by this best interest finding. The FLUP specifies the site, size, timing, and harvest methods for harvest units within the sale area. The FLUPs also address site-specific requirements for access construction and maintenance, reforestation, and multiple use management. The FLUP is based on field work and site-specific analyses by the DOF. Appropriate regulatory agencies are consulted, and the plan is subject to public review.

Part 5: Timber Sales and Contracts. Following adoption of the BIF, the DOF may offer the timber for sale using the identified authority. The Division will sign a contract with the purchaser for each sale. The contract will include stipulations to ensure compliance with the BIF, FLUP, and statutory requirements.

Part 6: Sale Administration. DOF will administer the timber sale and conduct field inspections to ensure compliance with the BIF, FLUP, timber sale contract, and applicable laws, including the Alaska Forest Resources and Practices Act (FRPA) and regulations (AS 41.17 and 11 AAC 95), and forest management statutes and regulations in AS 38.05 and 11 AAC 71.

V. PROJECT LOCATION, LAND STATUS, AND DESCRIPTION

A. Location

The timber sale area is on Prince of Wales Island and found within:

SESF El Capitan North and South Subunits: Section 36, T65S, R78E; Section 31, T65S, R79E, Sections 1, 12, T66S, R78E; Sections 6, 7, T66S, R79E, Sections 13, 24, 25, T66S, R78E all in Copper River Meridian (CRM).

Whale Pass Addition Subunit 5a: Sections 1, 12, T67S, R79E, CRM.

Exchange Cove Subunit 1b: Sections 29, 32, T65S, R80E, CRM.

The sale area is found within the Petersburg A-4 USGS quadrangle.

See Appendix A1, Area Map, Best Interest Finding, SSE-1391-K Odyssey Timber Sale.

B. Title status

El Capitan North and South Subunits: National Forest Community Grant 341 (Patent No: 50-96-0692) and 385 (Patent No. 50-96-0694).

Whale Pass Addition Subunit 5a: National Forest Community Grant 148 (Patent No. 50-89-0135) and 229 (Patent No. 50-96-0566).

Exchange Cove Subunit 1b: National Forest Community Grant 338 (Patent No. 50-96-0599).

C. Land use planning, classification, and management intent

The El Capitan subunits are predominately in SESF. The land at Exchange Cove is General Use. The Whale Pass land is predominately General Use with a small area on the north end of the tract classified for Settlement. The State of Alaska's Division of Forestry and Fire Protection (DOF) is the land manager within this SESF while the DMLW is the land manager for the land in Whale Pass and Exchange Cove. The DOF is the manager for the forest resources on all the identified State land.

The area land management document for the State Forest is the Southeast State Forest Management Plan (SESFMP), adopted on February 29, 2016. The primary purpose of the state forest is, "timber management that provides for the production, utilization, and replenishment of timber resources while allowing other beneficial uses of public land and resources" (AS 41.17.200(a)). SESF lands are classified as Forest land.

The area management plan for the Whale Pass and Exchange Cove subunits is the Prince of Wales Island Area Plan (POWIAP).

The intent for the Whale Pass Addition is:

“State lands will be managed for multiple use, with an emphasis on meeting the needs of the developing community, providing a timber supply base, and protecting the most valuable recreation and fish and wildlife habitat and harvest areas. Use of the log transfer site on the west side of Whale Pass is expected to continue. Future industrial activities are encouraged to locate on state lands south of the log transfer site. With the exception of areas identified for settlement and public facilities at Whale Pass, all state lands will remain open to mineral entry.”

Forestry

Management Intent:

“Timber harvest is considered an appropriate use in areas designated “Gu” (General Use) or “S” (Settlement) subject to the requirements of this plan (Chapter 2) and the results of the Forest Land Use Plan planning process. Harvest siting and design must consider the need for use separation buffers, important habitat and wildlife areas, and the protection of viewsheds important to the community in the development of the Forest Land Use Plan. All harvest operations must provide a buffer that separates the existing and any planned subdivision areas with areas of timber harvest.”

The overall intent for the Exchange Cove Subunit is:

“State uplands tidelands and submerged lands will be managed for multiple use. Management emphasis for state tidelands and submerged lands at Exchange Cove is for important habitat values, especially near the head of the cove. State uplands will be managed for multiple uses, including settlement, recreation, and forest harvest. Uplands adjacent to the coast (within 400 feet of the coast) will be managed for waterfront development of water-dependent or water-related activities, with other activities encouraged to locate first at Whale Pass, and second, if Whale Pass is not feasible, above the road at Exchange Cove. The intention for this management is to minimize impacts on the high habitat values of the cove and to reduce demand for new services that may already exist at Whale Pass. No residential land disposals are planned at Exchange Cove. State uplands, tidelands, and submerged lands in this subunit will also be managed to protect the most important recreation and fish and wildlife habitat and harvest areas. All state lands in this subunit will remain open to mineral entry. Lands proposed for disposal during future planning efforts are closed to mineral entry prior to sale.”

Forestry

Resource Information:

“Areas with commercial grade forest occur throughout the tract. Large portions of the tract some distance from the coast have been previously harvested.”

Management Intent:

“Timber harvest may occur in portions of this tract subject to the standards of Chapter 2 and any stipulations that may be imposed as a result of the Forest Land Use Plan planning process. Timber harvest operations should ensure protection of the coastal fringe and should coordinate with any planned industrial or commercial use.”

The Interagency Fire Management Plan includes all state lands in the project area in the modified or full protection category.

D. Current access and land use

The proposed sale area is generally accessed using the POW road system, specifically the only main north/south paved road leaving the north side of the Naukati community road junction. This route is generally considered part of the Alaska Highway System. At the end of the northern extent of pavement, the El Capitan area is reached via the northly unpaved 2000 Road. The Whale Pass area is accessed by taking the easterly unpaved road referred to as the Neck Lake Road or the 2500 Road.

Most of the El Capitan subunit is located off the 2000 Road west of Twin Lake on the Prince of Wales Island Road system near the junction of the 2700 Road.

The Whale Pass Addition subunit is located south of the Neck Lake Road (USFS 2500 Road) on the Prince of Wales Island road system just prior to entering the community of Whale Pass.

Exchange Cove is north of Whale Pass approximately 8 miles on the 3000 Road.

Whale Pass is the nearest community to all these areas. The adjacent public landowners are the United States Forest Service (USFS) and the second-class City of Whale Pass.

The state subdivision ASLS 2000-0022 (Plat 2000-18) is on the north end of the Whale Pass Addition subunit. These lots are a mix of raw land and developed residential activity.

Portions of all the surrounding area were logged approximately 30-50 years ago, and those harvested areas presently support well-stocked second growth timber stands.

The USFS managed the project area prior to State conveyance and conducted timber harvest and other forest management activities in the area prior to State conveyance; the project area contains numerous forest roads managed by the USFS which were constructed and maintained to agency standards for commercial timber operations. The USFS retained the mainline road right-of-way throughout the area and is the responsible agency for management and maintenance of most of the road system. The USFS stated they grade the mainline roads three times a year outside of any timber sale activity. The USFS retained an easement for an administrative site to the northeast of the Whale Pass Addition which contains an idle log transfer facility. The LTF is used to launch boats and has incidental camping occurring on it by the public. The Federal Highway Administration has designed upgrades for the Neck Lake Road and has advertised for those improvements. That work may occur during the timeframe of this timber sale.

The City of Whale Pass performs limited local road system maintenance within the community.

Privately rented cabins are present in the Whale Pass community. The focus of these cabins is generally associated with the semi-remote location and self-guided fishing of the larger freshwater streams such as the 108 Creek and the associated estuary area of Whale Pass during summer and self-guided deer hunting during fall. Several full-service guided sport fishing lodges are also in the area and focus more on offshore saltwater fishing.

A federal mineral claim is located to the west of State ownership at El Capitan focused on limestone. The activity on the mineral claim occasionally warrants private operators to plow the 2000 Road for access to the rest of POW in the winter.

The USFS maintains an established and permitted Log Transfer Facility (LTF) on a small island connected to POW by a road causeway in El Capitan Passage. The LTF has not received use in the last decade other than for moving heavy equipment by barge to the north end of POW. The El Capitan LTF also has a primitive boat launch that receives use by residents and fishing charter operators accessing the west coast of POW. The USFS has listed the ramp as a recreational improvement project in the POW Landscape Level Analyses. Several groups were observed camping at various times on the LTF uplands during the State timber sale planning fieldwork. The LTF was reconstructed in the fall of 2024 and is currently supporting a State timber sale in the area.

A quarter mile east of the El Capitan LTF, there is an established trailhead to the El Capitan cave, a karst interpretive site and an old USFS administrative camp area that the public uses for staging remote activities. The cave and karst interpretive site, although promoted and staffed by the USFS in the past decade, has received limited use and has been subject to funding constraints. The USFS also has an administrative cabin and a dock adjacent to the site. The dock is used by the public for transient boat moorage. The USFS recently rebuilt the interpretive site and constructed a public use cabin on saltwater adjacent to it.

The El Capitan Passage receives occasional boat traffic from recreational and commercial vessels trafficking the outside of POW through the semi-protected passage. The passage is also a traditional transportation corridor for log rafts moving within the Alexander Archipelago.

The southeast quarter of Section 11 was subdivided by DMLW, and some lots were sold in the 2022 State Land Offing. None have been developed to date.

While the proposed timber sale area is relatively remote, the public does use the areas in general for incidental semi-remote use including, but not limited to foraging, hiking and hunting. Most use appears to be proximate to the existing road systems or saltwater and is not regularly utilizing the overall land identified.

The DOF sold a 628-acre timber sale in 2024 to Viking Timber LLC. The sale is adjacent to the El Capitan and Whale Pass areas described in this document. Viking operated in the area in the latter half of 2024.

Sealaska Corporation is the Regional Native Corporation; there is no Native Regional Corporation or Native Village Corporation land adjacent to the timber sale.

E. Background and description of proposal

1. Background:

The State seeks to use State Forest land on Prince of Wales Island to encourage sustainable development of the State's Forest resources, making timber available for sale and harvest. The demand for State timber is without precedent due to the decrease and uncertainty of the federal timber supply, and the lack of timber sale offerings from private and Trust lands within the region. A diversified economy with a timber industry component is relevant to the resiliency of southeast Alaska given its history, the large amount of forest and the remote setting. By direction from the Governor and Legislature, the Division of Forestry & Fire Protection manages a timber sale program that makes timber volume available to help sustain the region's timber industry and economy. Much of the State's land base in southeast Alaska is remote. The POW area contains a large amount of raw land that is relatively proximate to the existing road system and offers forest resource values close to the remaining mills and processing facilities. POW is also home to a skilled local work force. The legislature designated most of the state land in the area as State Forest in 2010 and 2011. The DOF has been managing these lands for forestry purposes since that time.

In part because of the lack of timber supply in the region but also because the SESF contains a significant amount of low volume per acre timber, the DNR Commissioner has directed DOF to; solicit sale-specific input from industry, provide more flexibility in timber sale configuration(s) and development procedures, and reflect market opportunities for high value species such as redcedar that tend to grow in these areas that are perhaps currently underutilized. This proposed timber sale targets areas that are difficult to economically operate and have been passed over previously based on operational norms, and not due to environmental reasons or concerns. By utilizing purchaser layout, the DOF intent is to expand its knowledge of low volume sites, validate operational thresholds associated with marginal timber stands, and provide commercial timber harvest opportunity.

2. Timber Volume and Sustained Yield:

The total estimated saw log volume identified in this sale may be as much as approximately 6,000 thousand board feet (MBF) based on inventory and past comparable state timber sales.

The Division of Forestry and Fire Protection is required to manage its timber harvest on State Forest and General Use classified land on a sustained yield basis. "Sustained Yield" means the "achievement and maintenance in perpetuity of an annual or regular periodic output of the various renewable resources of the State land consistent with multiple use" (AS 38.04.910). The Division's policy is to define "regular periodic output" as output over a ten-year period. This is done to allow for market fluctuations and operational restrictions. Based on the DOF inventory of the land and the timber base, it uses an annual allowable cut of 9,100 MBF per year for the Southern Southeast Area. Timber sales that are sold in the Southeast Area will remain within the constraints of the allowable cut and will comply with sustained yield requirements at the time they are sold. The duration of the timber sale contract(s) will be governed by the economic conditions at the time of the sale. This timber sale is well within the annual allowable cut for forest managed state land.

3. Harvest Unit Design:

Reconnaissance by the DOF and consultants in 2019 indicates that the sale areas are generally harvestable using ground-based logging techniques. Unspecified methods of maximizing harvester range may be considered such as developing hog fuel trails and supporting operations with a helicopter are being

contemplated. Whatever logging system used will need to take advantage of directional timber falling techniques and utilize benches and uneven terrain to access the isolated timber. Areas of wet and or saturated soils will require adequate puncheon of the skid trails to minimize impacts to the soil and water quality. Where skid trails are established, soil integrity and soil compaction will be monitored to maintain existing site capacity or improve existing conditions for tree growth. Residual tree conditions will likewise be maintained with the intent to not significantly diminish young growth stands currently regenerating.

4. Unit Access:

Unit access is a function of timber location and has not been developed to date. The existing USFS and State road infrastructure will provide the backbone for the access. Where necessary permits will be secured from the USFS. Permits for the use of the roads will be the responsibility of the purchaser.

5. Agency Review and FLUP Development:

As part of the timber purchase agreement, the DOF and the timber purchaser will in good faith work together constructively to develop consensus on the location, configuration, harvest methodology and utilization of the timber in the timber sale area and within individual harvest units. The purchaser will be responsible for developing and completing the proposed unit layout; both conceptually, and in the field. The purchaser will submit a proposed layout that it has field located for DOF review and approval in the form of a draft FLUP. The decision to authorize the harvest or construct supporting road will reside with DOF.

F. Resources and management

1. Timber

a. Timber Stand Composition and Structure:

Western redcedar, western hemlock and Alaska yellow cedar are the primary commercial tree species, with minor amounts of Sitka spruce dispersed throughout the old growth timber stands identified. The timber overall contains common defects such as sweeps, crooks, mistletoe, fruiting bodies/conks, and dead or broken tops. Windthrow is the major natural disturbance observed within the stand. The inventory polygons associated with these proposed areas are a mix of Strata 1 (less than 10 MBF/ acre) and Strata 2 (10-20 MBF /acre). Isolated patches of higher strata timber types may also intermix because of site variability. Timber types are assigned based on interpretation of satellite imagery and/or aerial photos to identify, delineate and classify timber stands based on species, size, and density. Timber in Southeast Alaska within these low strata may provide commercial harvest opportunity, but only if they are accessible and contain a sufficient volume and value of timber. Timber stands growing on lower quality sites may not produce enough sawlogs or fiber on a per acre basis to cover the fixed costs necessary to access it, harvest it, and move it to market. Often these low stratum areas occupy poorly drained sites with poor aspect (shaded) where overall the timber is scrubby, short and defective. Better quality timber within the low strata typically occupies raised micro-sites with good drainage, and small ridges and slopes near surface waters with deeper mineral soils having better drainage and site aspect than the bulk of the timber within the stand.

b. Stand Silvics:

These low-volume, low-site old growth timber stands vary in age, volume strata and species composition. For the most part this type of site responds to disturbance and grows native trees slowly.

A high-water table is typically a dominant feature with a shallow soil profile. The potential for propagating higher growth rates is not a practical consideration. Like most sites in Southeast, but even more so due to the lack of soil, the timber is often growing on rock outcrops and remnants of previous tree remnants in the soil that provide site position and drainage. Regrowth in these timber types is not expected to produce young growth sawlogs that are within the rotational periods associated with the higher site classes of commercial timber types (80-120 years). For this reason, the DOF categorically does not include Strata 1 in the inventory calculations of the commercial timber base and the annual allowable cut; it is not considered significant in terms of rotational timber management. Harvest in these timber types is considered incidental. Where it does occur, it is accounted against the basis of the AAC and thus a conservative harvest is obtained overall. If operations in these low site areas becomes significantly relevant to the overall land base, DOF's perspective may change.

Regenerating stands of even-aged hemlock-spruce-cedar border most of the stands under consideration and the existing roads. Most of these young growth stands on State land were harvested by the USFS and then later selected and transferred to the state. Most have not been thinned as they were acquired prior to the state having a significant forestry program in Southeast. For the most part they are past the typical age (25 years) that they would benefit from precommercial thinning.

Stand improvement such as pre-commercially thinning overly dense stands has occurred in the area historically. The benefits of thinning are an overall decrease in tree density and competition with an increase in tree growth rate and vigor in the residual stems. This typically increases piece size and uniformity at the rotation age. Precommercial thinning Strata 1 sites is not typically done for commercial forestry reasons due to the low expected return on the investment. Thinning is also well recognized as an effective treatment to improve deer habitat in young growth timber stands, regardless of site quality, and on low quality sites, the habitat benefits of thinning are expected to persist over longer periods of time than on higher quality growing sites.

c. Reforestation and Site Preparation:

The sale area will be reforested in compliance with the Forest Resources and Practices regulations (11 AAC 95.375-.390). Natural regeneration on all disturbed sites in Southeast has been shown on average to meet FRPA minimum reforestation requirements within five years. The DOF will conduct post-harvest reforestation inspections of all areas of commercial timber harvest to ensure that the stocking of natural regeneration meets or exceeds FRPA reforestation requirements. The DOF expects some delayed reforestation on these sites due to the low site.

Natural regeneration is the preferred regeneration method for this sale, and it is anticipated that adequate stocking levels will be achieved within 10 years after harvest. Experience with this regeneration method on POW has shown that well-stocked stands are readily established after utilizing the clearcut harvest method. Logging will break down the slash piece size and residuals to the ground level, accelerating decomposition and opening more growing space. Disturbance associated with logging will also increase seed bed opportunity and survival by creating some mineral soil access and micro relief on the large slash and skid trails.

Sitka spruce and western redcedar are the preferred species for reforestation. Redcedar will likely be the favored and dominant species due to its abundance, anticipated increase in available light, nutrients and scarification in the units during harvesting operations and its tolerance of poorly

drained soils. Scarification disturbs the vegetative mat making it available to degrade the protective seed coatings which in turn provides a more stable and receptive seed bed for germination.

d. Topography and Soils:

All of the sale area is located on rolling near-coastal terrain approximately 400 feet above sea level. Predominant geology is sedimentary conglomerate mixed with a limestone bedrock overlain with brown mineral and organic soils. Steeper slopes contain moderately well-drained soils. Benches and more level terrain generally contain poorly drained soils including areas of saturated soils.

Karst features will be identified as part of the purchaser's layout responsibilities. These karst features when encountered will be managed during operations to ensure operational safety and to maintain the hydrologic functions they provide to the area. At a minimum proposed operations will plan to minimize soil disturbance and slash introduction adjacent to features such as sink holes, caves or exposed limestone fins.

2. Wildlife habitat and harvest.

As required by AS 41.17.098, DOF provides due deference to ADF&G to ensure all wildlife habitat issues are addressed by the proposed timber sale design. The proposed timber sale was identified in the 2026-2030 FYSTS sent to ADF&G. No specific design issues have been identified by ADFG.

The United State Fish and Wildlife Service (USFWS) publishes a geodatabase of identified bald eagle (*Haliaeetus leucocephalus*) nest locations. Per 11 AAC 95.340 (c), the DOF avoids the nest locations in the planning of state timber sales. No eagle nest locations were indicated by the database or previously observed in the field, but foresters performing purchaser layout are responsible for identifying and protecting any so far unidentified or undocumented eagle nest trees that may exist in the sale area.

Evidence of Sitka black-tailed deer (*Odocoileus hemionus sitkensis*) (tracks/scat/sightings) and black bear (*Ursus americanus*) (tracks/scat) was observed throughout the proposed timber sale area during several reconnaissance trips. ADFG indicated in the preparation of the El Capitan and Whale Pass timber sale, the importance of timber stands for deer habitat in areas adjacent to that proposed timber sale areas that had larger and more dense timber types. The timber referenced and retained in those areas is not part of this proposed sale.

Retention of timber bordering the estuary below the road at Exchange Cove is a documented requirement in the POWIAP for wildlife habitat and its associated human use with development in the area. Based on this objective, timber below the road is not available for harvest in the south half of Section 29 or Section 32. The timber identified east of the road in northern part of Section 29 will only be authorized if ADFG concurs it will not diminish the purpose of the land classification. DOF may authorize individual timber harvest east of the road on a site-specific basis for operational safety.

3. Fish Habitat, Water Resources, and Water Quality.

The proposed sale area has been designed and managed to protect fish habitat and water quality in compliance with the Forest Resources and Practices Act and regulations (AS 41.17 and 11 AAC 95). As required by AS 41.17.098, DOF provided due deference to ADF&G to ensure all fish and wildlife habitat issues are addressed by the proposed timber sale design. DOF provides due deference to the Alaska Department of Environmental Conservation (ADEC) for all water quality issues.

Surface waters within and near the proposed timber sale were surveyed by field foresters. Streams were categorized with assistance from ADF&G GIS stream data related to the cataloged anadromous and high value resident fish streams.

Operations adjacent to cataloged anadromous habit are not anticipated. There may be some potential for operations next to streams that are tributary to cataloged and uncatalogued streams that are over 12% at these sites. Due to gradient, these streams are all unlikely to contain fish habitat. Standard best management practices will be implemented on all surface waters to maintain existing water quality.

4. Recreation, Tourism, and Scenic Resources.

There are no known commercial recreation operations that use the proposed sale area where harvest will occur. Residents and visitors alike use the numerous roads on POW to access nearby areas for firewood cutting, hunting, foraging, hiking, and wildlife viewing uses among others. Incidental uses such as these will be limited during active harvest operations. Scenic resources will be temporarily altered due the removal of trees, though visual impacts will be limited in due to size and remoteness of the harvest areas.

5. Cultural Resources.

The DOF works with the State Historic Preservation Office (SHPO) to identify and avoid known cultural, historic or prehistoric sites in planning the proposed access routes and harvest areas. No cultural sites have been identified.

G. Costs and benefits

The DOF will appraise the timber value in compliance with 11 AAC 71.092. The sale area will be appraised by using a residual value appraisal method. Selling values and extraction cost data are obtained from previous operations, industry sources and the United States Forest Service. Access and operating costs for this sale are projected to be covered by the average fair market log value.

One management goal for the timber sale is to encourage as much of the timber as is economically feasible to be locally processed in Southeast Alaska. While scoping past decisions in the communities on POW, several commenters thought it appropriate that small mill operators be provided the opportunity to benefit from some or all the timber. Partitioning the timber into smaller blocks and over a longer period is typically also suggested. The use of a competitive process is a reoccurring comment due to interest in the timber. The DOF has sold significant amounts of timber in the area through a negotiated or the Request for Proposal process to the smaller mills located in Goose Creek and to the larger mill owned by Viking Lumber Company in Klawock. The DOF will continue a similar approach in southeast to the extent that timber sale project economics and budgetary conditions make it prudent. Past sales this far north on POW have not been of interest to operators in the Goose Creek area.

DOF will encourage domestic processing to the extent feasible at the time of sale. Historic removal costs and value of the timber present indicate that some of the smaller hemlock and spruce timber may need to be exported in the round to generate adequate return for expenses. Given the timber type that most of the sale will operate in, this small hemlock and spruce sawlog is expected to be a minor timber component harvested. Where this type of small merchantable timber is cut, it will be utilized. Current utilization

standards in other State timber sales require the recovery of #3 sawlogs with a gross volume greater than fifty board feet (#3 sawlogs as defined by the Pacific Northwest Log Scaling and Grading Bureaus).

The DOF and operators are already working in the vicinity of the proposed timber sale. Historic sale administration costs will be adapted to represent the DOF's administration costs per 11 AAC 71.045 for this proposed timber sale. The base rate(s) will be reviewed at the time of negotiation to confirm that they adequately provide the financial resources needed by the State to administer the sale. The minimum stumpage cost the State will consider for sale of the timber will be the estimated administration cost of this sale. A nominal stumpage royalty to the State above the administration costs (the base rate) may be possible but is unlikely given the nature of the timber type, the extended operating ranges being considered and the current market risk in the industry. This "at cost" stumpage rate supports one of the goals of this timber sale, to provide underutilized timber to an industry that is currently without options to purchase timber from other forest landowners/managers in the area.

Based on past performance, the DOF projects that a purchaser with a variety of resources is needed to operate and attract the monetary and human capital to access the site(s). Due to the expected low timber volumes and values present, a highly integrated organization will be necessary to sustain operations and understand market feasibility that match the potential of the timber type present.

Access may be improved on State Forest land and other classifications for future management which increases the long-term operational flexibility of the land and forest to meet its respective purposes. Once access is developed in an area it is much more likely the land can support other land uses, active forest management activities or future harvest entries.

While the DOF encourages utilization of the timber resource by the timber purchaser, significant residual firewood potential typically is present after a timber sale is logged. The DOF will consider leaving the road systems open or inactive if demand for firewood is indicated by the community. At this time there is projected to be significant firewood resources located within several miles of all these locations resulting from other State timber sales.

Timber sales have traditionally created broad economic benefits to the communities of Southeast Alaska. The business communities on POW and other nearby SE communities will receive direct economic benefits by providing support services for the operators such as transportation, fuel, food, housing, medical and miscellaneous supplies.

VI. PUBLIC REVIEW

The public and agencies are invited to review and comment on this Preliminary Best Interest Finding and draft Forest Land Use Plan. Objections or comments pertaining to the proposed action must be received in writing by the DOF Southeast Area Office **by 4:00 pm February 17, 2025** to ensure consideration and review. Commenters are encouraged to confirm receipt of their comments by the DOF prior to the submission deadline. Comments should be mailed to the State of Alaska, Division of Forestry and Fire Protection, 2417 Tongass Avenue, Ketchikan, Alaska 99901 or emailed to dnr.dof.sse@alaska.gov. For more information, please contact Greg Staunton at 907-225-3070 or by email at dnr.dof.sse@alaska.gov. To be eligible to appeal the final decision, a person must have provided written comment on this Preliminary Best Interest Finding and draft Forest Land Use Plan by the deadline of: **4:00 pm February 17, 2025**.

VII. PUBLIC NOTICE

The preliminary best interest finding, and decision is publicly noticed in compliance with AS 38.05.945. Notice is posted on the Alaska Online Public Notice System. Notices are also posted at the Ketchikan, Craig, and Thorne Bay Public Libraries. Mailed notices were distributed to a mailing list maintained by the Southeast Area Office and public notices were sent to the post offices of Edna Bay, Ketchikan, Ward Cove, Craig, Klawock, Thorne Bay, Coffman Cove, Naukati, Metlakatla, Wrangell and Petersburg. A legal notice is also provided in the Ketchikan Daily News and the Island Post.

VIII. RECOMMENDATION AND PRELIMINARY DECISION

After due consideration of all pertinent information, the ADNR has reached the following preliminary decision: to offer for sale approximately 600 acres of old growth timber composed of western red cedar, western hemlock Sitka spruce, and Alaska yellow cedar on Southeast State Forest land and other State land. Harvest activities on the Southeast State Forest lands will follow the management intent of the of the Southeast State Forest Plan. Activities on other State land will follow the management intent of the Prince of Wales Island Area Plan. The DOF finds that this decision satisfies the objectives stated in this document and it is in the best interest of the State to proceed with this action under its authority in AS 38.05.035(e) (Powers and Duties of the Director) and AS 38.05.110-120; 11 AAC 71 (Timber Sale Statutes and Regulations; and AS 41.17.010-.950 and 11 AAC 95 (Forest Resources and Practices Statutes and Regulations).

IX. SIGNATURE

Area Forester
Alaska Division of Forestry & Fire Protection

Date

X. APPENDICES

Appendix A SSE-1391-K Odyssey Timber Sale Area and Unit Maps (5 pages)

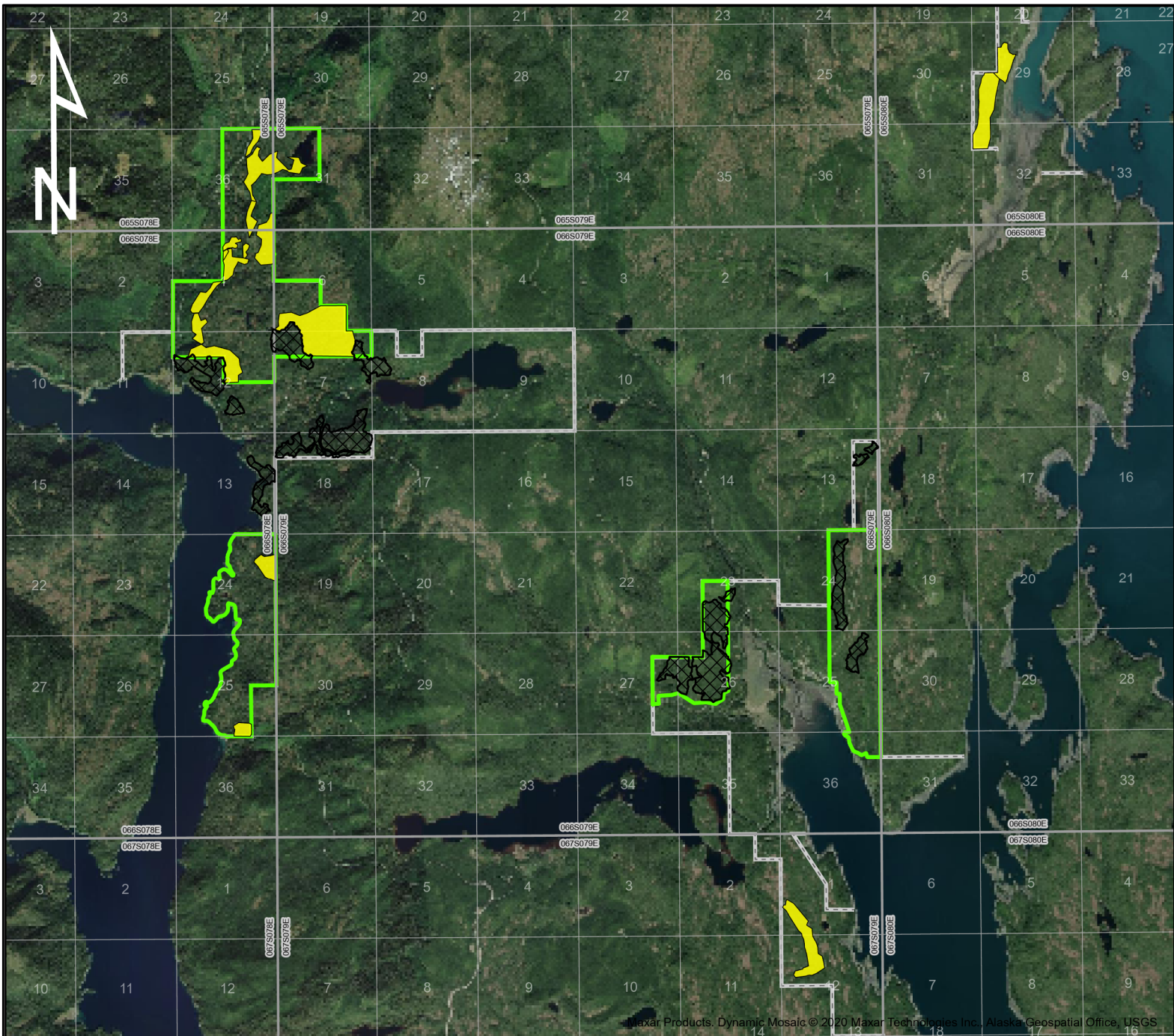
Appendix B References

Appendix C Appeal Regulations (reserved)

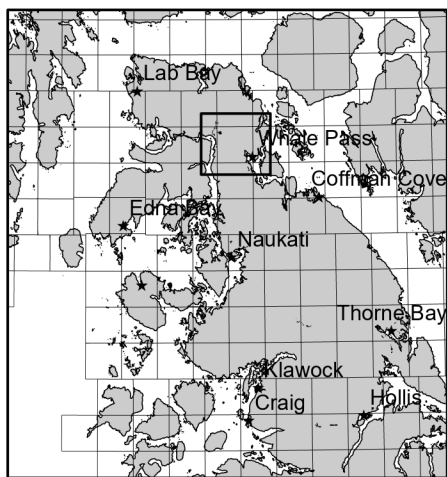
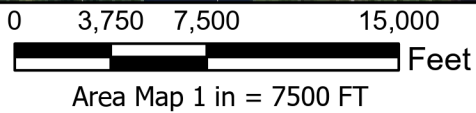
Appendix D SSE-1391-K Odyssey Timber Sale Comments & Responses (reserved)

Appendix A SSE-1391-K Odyssey Timber Sale Area and Unit Maps

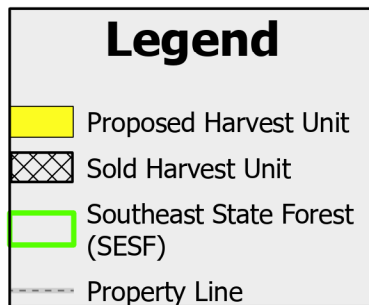
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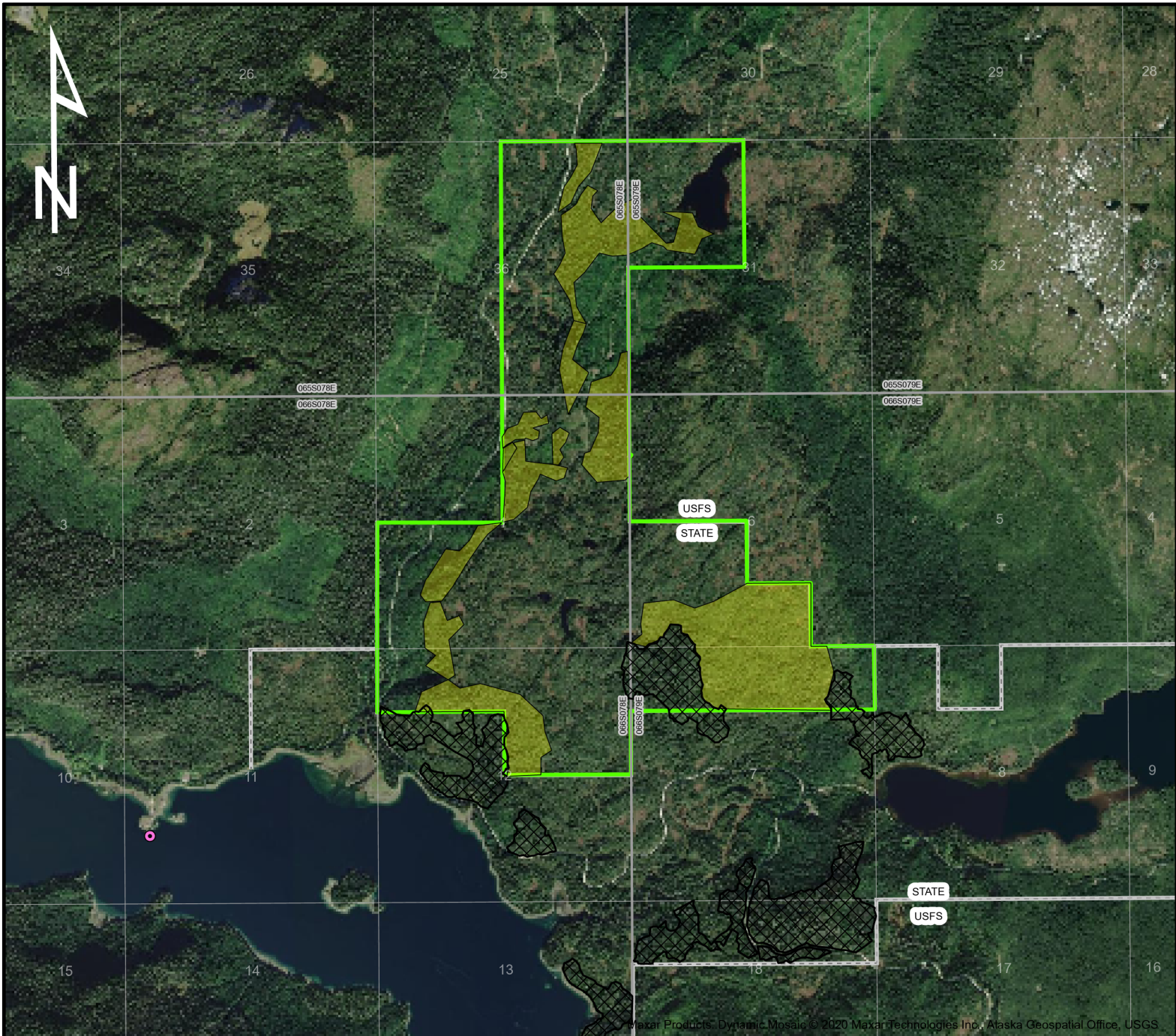


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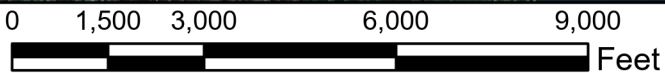


**APPENDIX A1
SSE-1391-K
ODYSSEY TIMBER SALE
AREA MAP**

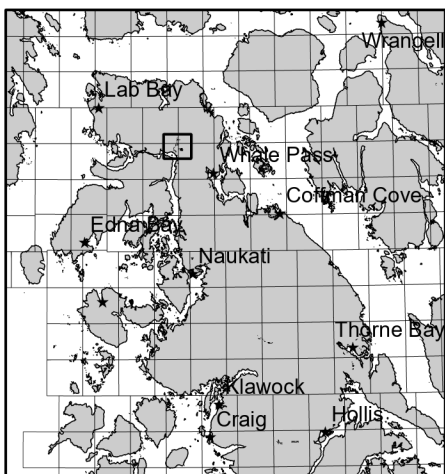




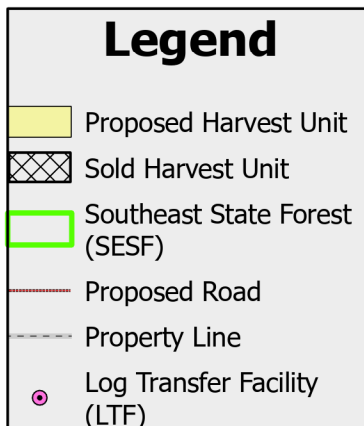
Maxar Products, Dynamic Mosaic © 2020 Maxar Technologies Inc., Alaska Geospatial Office, USGS



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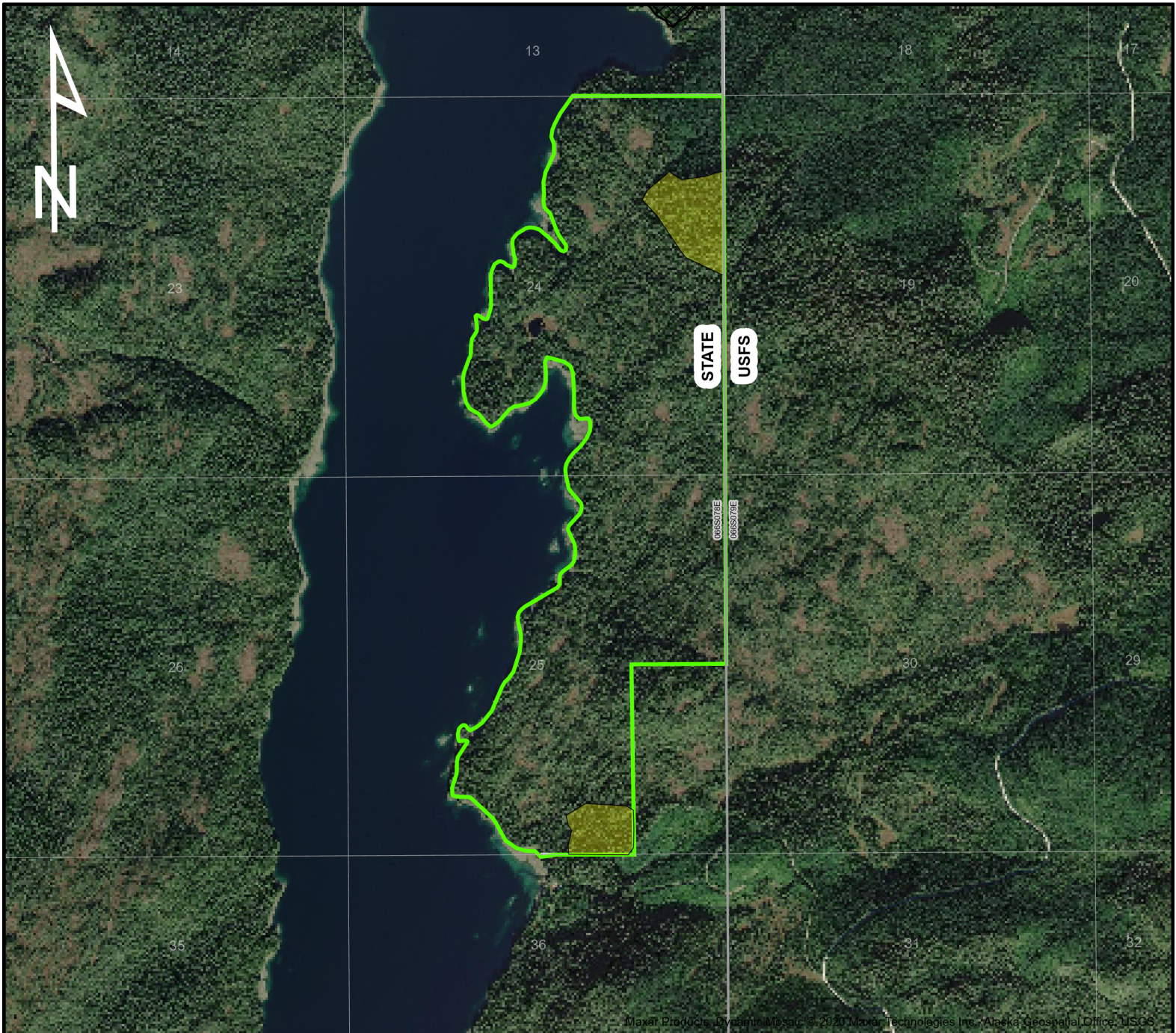


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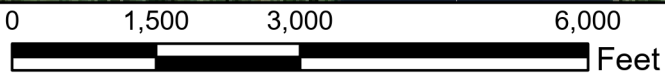


APPENDIX A2
SSE-1391-K
ODYSSEY TIMBER SALE
EL CAPITAN NORTH SUBUNIT

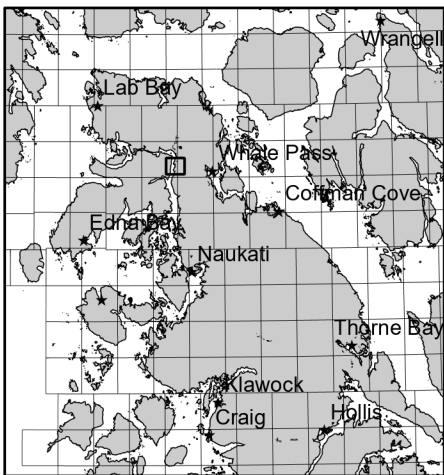




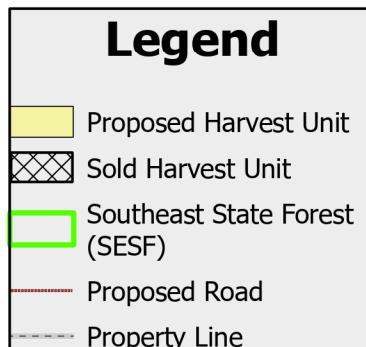
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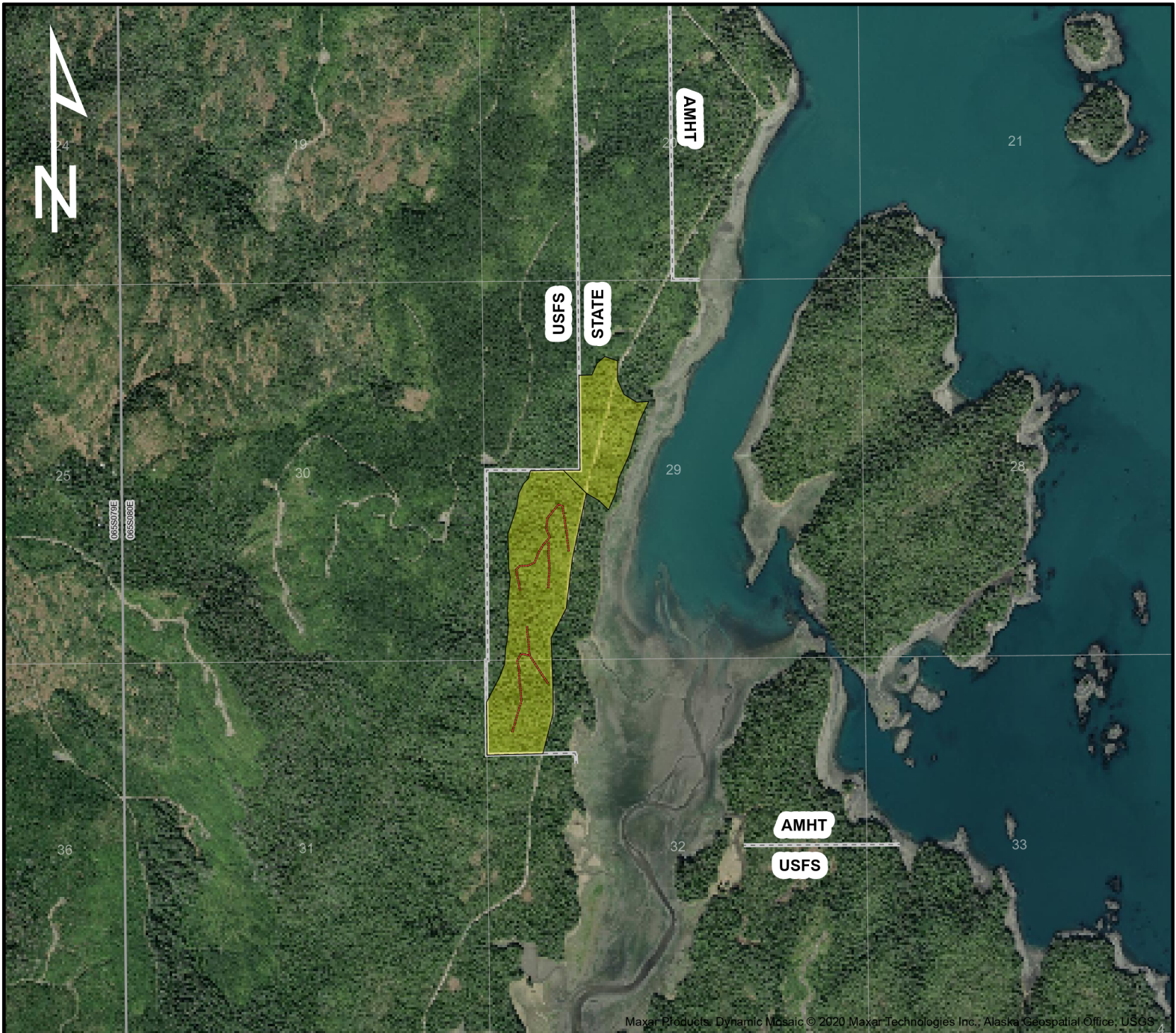


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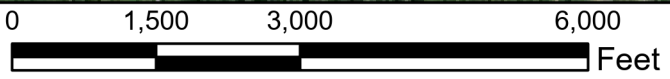


APPENDIX A2
SSE-1391-K
ODYSSEY TIMBER SALE
EL CAPITAN SOUTH SUBUNIT

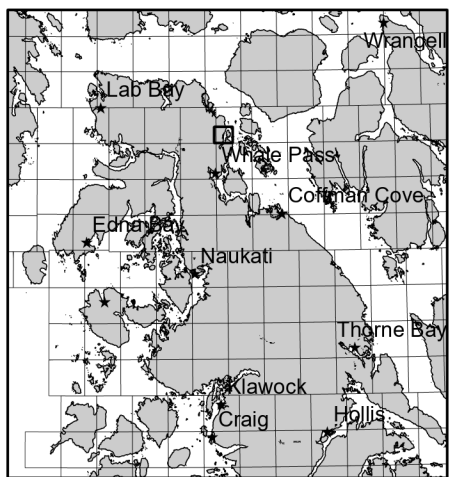




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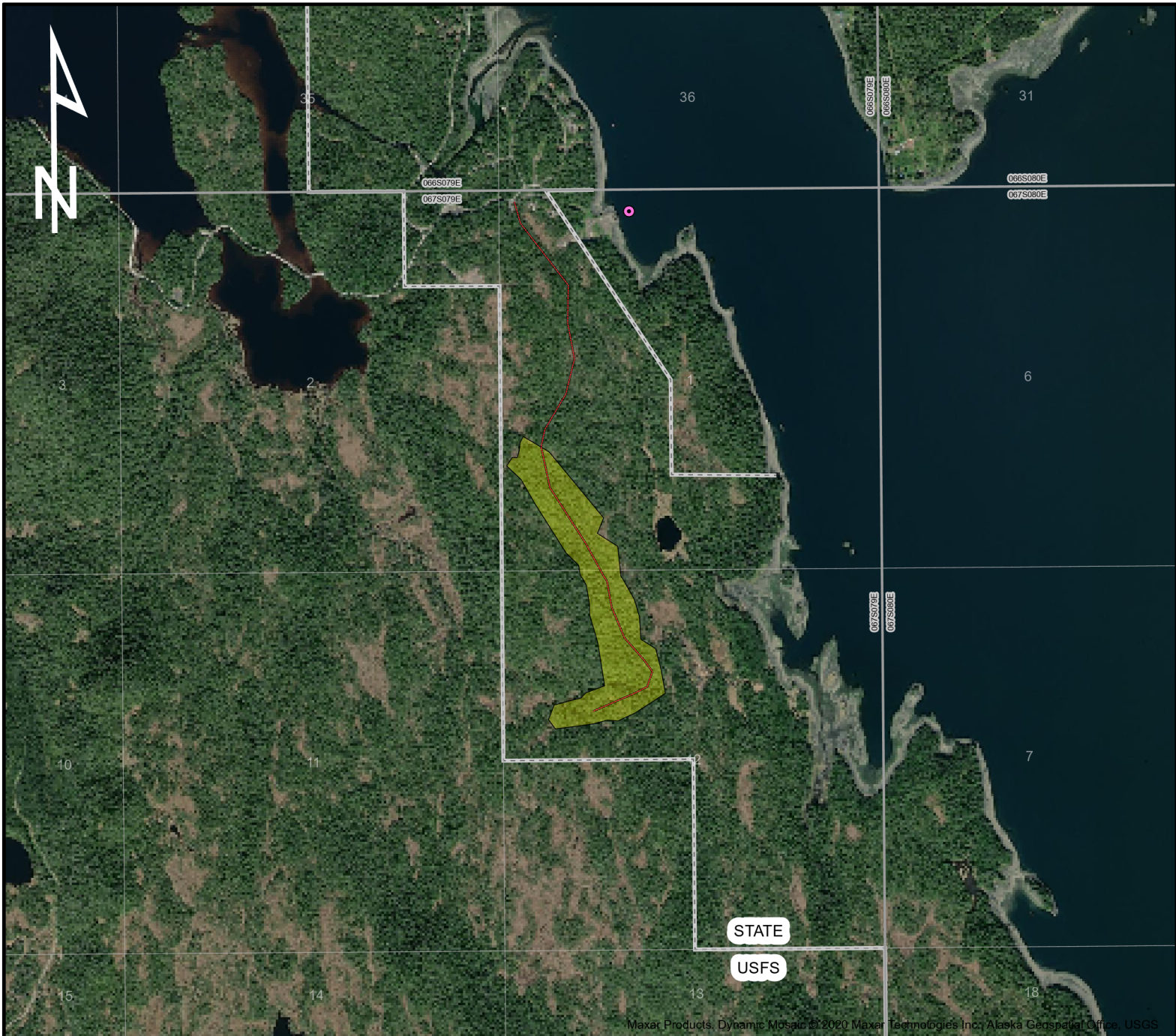
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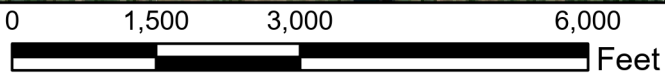
- Proposed Harvest Unit
- Southeast State Forest (SESF)
- Proposed Road
- Property Line

APPENDIX A2 SSE-1391-K ODYSSEY TIMBER SALE EXCHANGE COVE SUBUNIT 1B

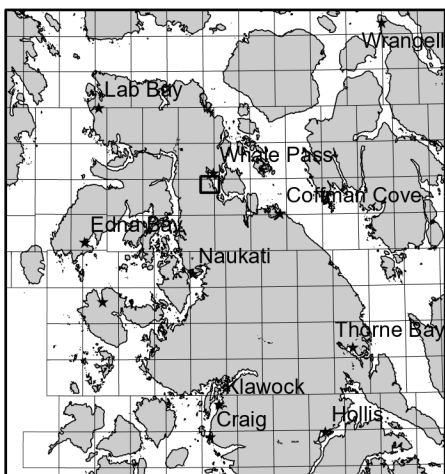




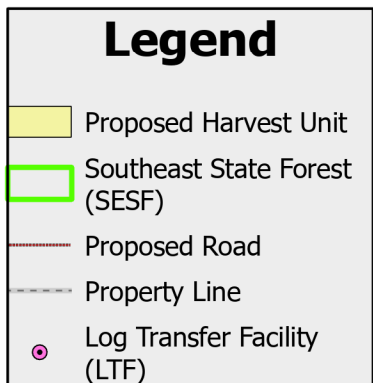
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Area Map 1 IN = 2,000 FT



Vicinity Map 1 IN = 32 miles



APPENDIX A2
SSE-1391-K
ODYSSEY TIMBER SALE
WHALE PASS ADDITION SUBUNIT 5A



Appendix B References

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Appendix C Appeal and Request for Reconsideration Regulations (reserved)

Appendix D SSE-1391-K Odyssey Timber Sale Comments & Responses (reserved)