

Editor's note: Through the last two decades, a frenzy of logging occurred across Southeast Alaska as newly created Native corporations, endowed with old-growth hemlock, Sitka spruce and cedar, fired up their chain saws on behalf of their shareholders. In all, this burst of logging clear-cut an estimated 245,000 acres and shipped an estimated \$2.7 billion worth of timber to mills. Daily News reporter Paula Dobbyn spent months looking into the legacy of this logging. Today we report on concerns by biologists and others that the clear-cutting will leave a lasting impact on wildlife populations and fish runs, both of which are currently healthy. Next Sunday we report on the social impact on Southeast Natives who, now that most of their trees are gone, debate whether the short-term windfall and giant dividends they were paid were worth it.

A clear-cut legacy: Some biologists see a nightmare looming around Southeast villages after four decades of harvesting timber.
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By Paula Dobbyn Anchorage Daily News Staff

Native Logging: Part One
Prince Of Wales Island -- Heavy rainfall, up to 200 inches a year, soaks this swath of the Tongass National Forest in Southeast Alaska. Despite the wetness, some scientists have dubbed this remote patch of panhandle a "biological desert."

It's the Maybeso Valley on Prince of Wales Island, one of the first places in Alaska transformed by industrial logging.

In the 1950s, loggers feeding a pulp mill in Ketchikan cut the valley's towering trees, part of a coastal temperate rain forest that once stretched from northern California to Glacier Bay. These days the Maybeso Valley is a place of virtual darkness. Young trees grow tightly together. Their interlocked branches form a closed canopy. The dearth of sunlight leaves the forest floor barren of most plants, except for moss, some ferns and a carpet of conifer needles. There's little sign of wildlife. No deer scat, few tracks.

"It's pretty sterile in there," said hunting guide John Rommen, who lives near the Maybeso Valley in Hollis.

Although the logging industry scoffs at the notion of a "biological desert," and some biologists call it a politically loaded misnomer, there's little dispute among scientists and hunters that the valley provides scant forage for deer.

Maybeso is one of many such places on Prince of Wales, the most heavily logged place in Alaska.

The island used to be known as the breadbasket of Ketchikan for its abundance of massive trees. For four decades, loggers cut the old growth timber under a 50-year contract with the U.S. Forest Service.

Logging reached new heights when Alaska Native corporations got into the business. Throughout the 1980s and early 1990s, until most of their trees were gone, the corporations aggressively logged large tracts of the roughly 550,000 acres they carved out of the Tongass under the Alaska Native Claims Settlement Act. The logging weaved a tapestry of clear-cuts across America's biggest and wildest national forest.

In heavily cut areas, like Prince of Wales Island, some biologists see a disaster looming. At the heart of their concern are two of Alaska's most prized and sought after species: deer and salmon. An abundance of both feed the Tongass' reputation as a place of natural wonder, the largest temperate rain forest left on the globe. It's one of the few places in America still teeming with brown bears, wolves, bald eagles and all five species of Pacific salmon.

But large-scale tree cutting has left a deep footprint on the rain forest and its reservoir of wild creatures in the form of logging roads, clear-cuts, culverts and landslides.

In the Maybeso Valley, the effects of logging are cropping up now, more than 40 years later, and they could last for centuries, biologists say.

Deer are avoiding the valley's thick new growth, and there's a salmon creek that was so damaged by logging it's called Fubar, an old military term meaning "f---ed up beyond all repair," according to state environmental specialist Kevin Hanley.

Although logging in Maybeso took place on federal land, under Forest Service guidelines from half a century ago, some scientists warn it foreshadows what to expect from Native cutting elsewhere in the Tongass, especially around heavily logged Native villages.

"We're heading for a management nightmare," said state wildlife biologist David Person, from his office in Ketchikan.

Biologists envision declining numbers of deer against a backdrop of increased competition from hunters and wolves.

It's a grim outlook that raises the hackles of the timber industry, especially Sealaska Corp. of Juneau, which is trying to adopt more environmentally sensitive ways of cutting down and replanting forests. Sealaska and other logging companies contend that tree-cutting and healthy ecosystems can co-exist in the Tongass.

"That's an overly aggressive scenario," Jack Phelps, head of the Alaska Forest Association, said of the disaster predictions. Sealaska calls it "Chicken Little Biology."
FOREST OF POLITICS

A quick glance at the Tongass' nearly 17 million acres paints a striking but deceptive portrait of vast, untamed wilderness.

The 500-mile-long archipelago resembles a sea of green, dotted with foggy islands, rocky shoreline, jagged peaks, glaciers and bogs.

Old growth blankets about one-third of the Tongass with giant hemlock, cedar and spruce trees. The remaining two-thirds forms a mosaic of muskeg, rock, ice and scrub timber. Since the turn of the century loggers have toppled the old growth trees on nearly a million acres of federal, state and private land in Southeast, according to the Forest Service. Of that, the agency estimates at least 245,000 acres were cut by Native corporations in an intense burst of new logging, starting around 1980. Of the estimated 550,000 acres owned by Native corporations, some 120,000 Sealaska acres remain unlogged.

Although a million acres sounds like a sliver of the Tongass' total land mass, logging claimed

some of the prime areas, from both a business and biological standpoint. Only 4 percent of the Tongass is capable of growing really large trees, according to Paul Alaback, a leading forest ecologist who has published numerous studies on the Tongass. These big ancient trees, which scientists call "high volume old growth," offer vital shelter and food to animals, particularly deer, wolves, marten, bear and goshawks: species that depend on old growth.

But lush stands of old-growth trees, anywhere from 200 to 700 years old, are also a timber executive's dream. The trees produced big salaries for the mill owners, steady incomes for logging families, dividends for Native shareholders and products like rayon and cellophane for customers in Japan. It was a formula that worked for decades until people started noticing that large tracts of forest were disappearing. By the 1970s, local environmental groups started clamoring to curb the logging.

The solitude of a typical rainy hike in the Tongass belies the heated politics of the place. The isolated forest has inspired some of the most pitched environmental battles in the nation. Loggers, fishermen, tourism operators, visitors and locals have crossed swords over how the forest should be managed. Many national environmental activists cut their teeth fighting Tongass wars, while veteran politicians and lobbyists bear scars from the same battles in Congress.

Those with a stake in logging the Tongass see it as a storehouse of trees, expansive enough to support a timber industry, shelter for animals and areas of pristine wilderness for recreation. They bolster their argument with a strong selling point -- despite decades of industrial cutting, Southeast enjoys record salmon runs, and no species has been listed as threatened or endangered. And unlike oil, trees are a renewable resource, the industry argues.

But around the corner and under the rug, many biologists hear a ticking time bomb. Research and ground conditions tell them it's only a matter of time before deer populations decline and once-plentiful salmon streams lose their bounty of fish. If these scientists are right, the people with the most to lose are residents of remote villages, subsistence

hunters and fishermen who survive off the Tongass.

Other scientists, some of whose research is funded in part by the timber industry, say the Tongass is largely intact even after decades of logging and that timber cutting can be compatible with healthy fisheries and wildlife if it's done right. Sealaska is spending hundreds of thousands of dollars on scientific studies it hopes will prove that. And it bristles at any suggestion that its money might influence the research.

Some skeptics remain unconvinced.

"Would you trust the tobacco industry's research on the effects of nicotine?" said Rep. John Davies, D-Fairbanks, a member of the House Finance Committee. "It's at least an apparent conflict of interest."

THREATS TO DEER

Sitka black-tailed deer, the most heavily hunted animal in Southeast, is a staple of the Native diet. Urban, mostly non-Native, hunters from Juneau and Ketchikan also relish the taste. On weekends during hunting season, city dwellers load their pickups on the state ferry and travel to Hoonah and Prince of Wales, scouring the logging roads for deer. During hunting season in Hoonah, the harbor often resembles an ATV park.

Deer populations are still considered healthy in most areas. The Forest Services estimates the total number at between 150,000 and 200,000, depending on winter severity.

But on land owned by Native corporations, where clear-cuts often envelop villages, biologists predict a sharp decline in the deer population in 10 to 20 years -- sooner if there are a few harsh winters in a row.

The timber industry, its consultants and some scientists are convinced the gloomy projections are exaggerated. In one study sponsored by Sealaska, now in its third year, scientists are investigating the nutritional components of plants that grow in various types of logged and unlogged areas. The goal is to develop a model for predicting deer survival after tree harvesting. Another Sealaska study, a 12-year project now in its fourth year, is exploring whether forestry techniques, such as thinning, pruning and using herbicides, can create the

conditions that would entice deer to new-growth forests.

Part of the work involves trying to mimic light patterns of old growth forests.

In a virgin forest, sunlight filters in through breaks in the canopy. Light hits the forest floor because the trees are various sizes, some tall and mature, others just seedlings or weather-beaten snags that have shed most of their branches. Light penetrates an old growth forest in a way that allows certain types of plants to flourish, such as bunchberry, skunk cabbage and fern-leaf gold thread, which deer thrive on.

Leafy understory of this kind hardly exists in older clear-cuts because the intertwined branches of similar-aged trees block out most of the light, scientists say. In 30 or 40-year-old clear-cuts, only 1 percent of the sunlight manages to penetrate, Alaback and others have documented. In old-growth stands, typically five to 10 percent of sunlight hits the forest floor, Alaback found.

Sealaska forester Ron Wolfe said the industry-funded studies are based on forest management models that haven't been tested before.

"Until the results are in, no one should presuppose the outcomes," said the forest association's Phelps.

Tom Hanley, a leading Forest Service expert on logging and deer in Southeast, is collaborating with Sealaska on its deer model study. Hanley said Sealaska should be commended for funding logging research. But, he said, it's too early to conclude that Sealaska's efforts at sustainable logging will benefit wildlife.

LOSS OF HABITAT

Many state and federal scientists say there's already plenty of data indicating that deer on Prince of Wales, and other heavily logged areas, are headed for trouble.

By disturbing large blocks of habitat, studies such as one published in Forest Science magazine in 1980 by Olof C. Wallmo and John Schoen, indicate that logging has made deer vulnerable to starvation after the second growth shades out the sunlight. In the short-

term, clear-cutting can expose deer to deadly snow drifts and makes them more visible to predators, particularly humans and wolves.

"There's research going back to the '60s that indicates there will be long-term impacts on deer," said Moira Ingle, a habitat biologist with the Alaska Department of Fish and Game in Craig.

Only during the last few decades have scientists begun to fully understand the relationship between logging and deer in Southeast.

They used to think logging benefited deer because young clear-cuts supply plenty of browse. A few years after logging, clear-cuts provide a virtual supermarket for deer. But research, including an influential 1989 study by Forest Service scientist Hanley, has led most scientists to conclude the supermarket shuts down after the trees get older.

Prince of Wales Island's network of logging roads snakes past mile after mile of clear-cuts, the result of both federal and Native logging. Striking in their size and ubiquity, the clear-cuts pose a stark reminder, particularly to deer hunters, that large amounts of critical winter habitat have disappeared on the island, between 40 and 50 percent, according to state biologist Person.

"There's a huge chunk of winter habitat that's gone. And you don't have to be a rocket scientist to figure out what's going to happen if we get a few bad winters," said Person, who is heading a long-term study of wolf and deer interactions on Prince of Wales. The study is just beginning and preliminary results won't be available until at least next fall. Extreme cold and heavy snow in extensively clear-cut areas will force deer downslope to fringes of trees along roads or to the beach where they'll be easily picked off by hunters, biologists say. Or they'll die of exposure because their shelter is gone. Or they'll cluster in remaining pockets of old growth, where they'll be vulnerable to wolves, "like sheep in a corral," said Person.

Deer are the food of choice for wolves in Southeast. If deer numbers drop, competition for the remaining herds will mount from both

wolves and hunters. In that case, the state may move to reduce the wolf population, said Person, a politically touchy move.

The Territorial Sportmen, a regional hunting organization, supports the right of private property owners to industrially log, but it shares the biologists' concern for wildlife. If deer numbers crash on Native land, the group expects hunting pressure to increase on public land nearby, said board member Ron Somerville. The Juneau resident, who grew up on Prince of Wales Island, described Native logging as a "tradeoff" between wildlife and cash dividends.

"It's like people in Oregon and Washington complaining about their lack of fish when they've dammed their rivers for cheap power," said Somerville.

'BUTCHER SHOP' MAY CLOSE

The combined pressure of logging, wolves and hunting by nonresidents have alarmed Hoonah Natives, 150 miles to the north of Prince of Wales.

Major loss of deer habitat, caused by years of intense logging, prompted the village's tribal government to sue the Forest Service over a timber sale on Chichagof Island, west of Juneau. After unsuccessfully battling Sealaska and Huna Totem corporations to stop logging around the village, the Hoonah Indian Association took the Forest Service to court in 1996. Lawyers argued the tribe's subsistence needs would be harmed if any more cutting occurred. Although the tribe lost the suit, the Forest Service scaled back the timber sale.

"It was a valiant effort," said Ken Grant, president of the Hoonah Indian Association. But Grant is pessimistic about the future of subsistence hunting around Hoonah.

"The horse has already been stolen. There aren't many trees left."

One of the most popular deer hunting spots in Hoonah, known as the "butcher shop" by locals, was logged by Sealaska, which bought the timber from Huna Totem, the Native village corporation for Hoonah. Local hunters considered it a big loss, and many remain bitter about it. Although the "butcher shop" is still a

young clear-cut used by deer, villagers worry about their meat supply in the future.

"Our people have to go farther away from the community to hunt. It's areas we're not familiar with. We've had people lost," said Hoonah resident Ernestine Hanlon.

The Alaska Fish and Game Department is concerned about deer populations around Hoonah, especially after the winter of 1998, one of the most severe in the northern Southeast town's history, said state biologist Jack Whitman from his office in Sitka. Whitman found high numbers of dead deer along the beaches near Hoonah. He performed necropsies that revealed the animals had starved to death.

Game managers lowered the deer hunt from four to three animals per person around Hoonah in 1988 in response to logging and related road-building, which attracts more urban hunters, said Whitman. Once the clear-cuts get a bit older, and the canopy closes, the Board of Game will likely reduce the harvest again, Whitman said.

To help deer find refuge from clear-cuts, Sealaska leaves migration corridors in some logged areas. The strips of unlogged forest, a few trees wide, are intended to allow deer to escape clear-cuts by moving from beach fringe to alpine.

Leaving these corridors is an expensive and voluntary step by the Native corporation. There are no legal requirements to protect deer or other wildlife on private land unless populations shrink to threatened or endangered levels. If the government tried to tell landowners not to log because it might hurt deer, officials say it would be fodder for lawsuits.

LOGGING AND SALMON

Scientists also have concerns about salmon, another key subsistence food.

Before 1990, when the state toughened Alaska's main logging law, the Forest Practices Act, logging practices damaged salmon streams, biologists say. Erosion, landslides and lack of trees along stream banks from past logging continue to cause harm, they added. As recently as a decade ago, loggers in Alaska

weren't required to leave trees along salmon streams, although some did voluntarily. Now they must leave no-cut "buffer strips" that line the stream with trees, stabilize the banks, provide temperature control to the water, and contribute wood to the channel. The woody debris forms pools in which young salmon rear. The buffers must be 100 feet wide on state land and 66 feet on Native land.

Without buffer strips, streams are subject to flooding, erosion and temperature changes, all of which can kill salmon. Before buffers were required, loggers cut down to the banks of salmon streams for 40 years in the Tongass.

"There's no question there have been impacts. You might not see them right away but some of the damage is irreparable, at least for the next 200 years until the buffer trees reach a size where they contribute woody debris to the stream," said K Koski, a federal fisheries biologist in Juneau.

When trees reach that age, or thereabouts, they start dying and toppling over into the streams, forming pools that provide nurseries for young salmon. Koski's research on logging and fish habitat in Southeast helped persuade the Legislature to mandate buffer strips along salmon streams on state and private land in Alaska. The law was changed three years ago to provide more protections for fish.

Congress required the Forest Service to start leaving buffers in 1990 as well. The Tongass Timber Reform Act mandated that a minimum of 100 feet of trees be left on either side of a salmon stream. The law resulted from years of research in Alaska and the Pacific Northwest, where a century of logging without buffers was shown to have hurt fish.

Under 1999 rules governing federal land in the Tongass, loggers must leave buffers of 1,000 feet on some particularly sensitive areas such as beaches and estuaries.

FUBAR'S LEGACY

No one knows how many salmon streams were damaged during the nearly 40 years of industrial logging in Southeast when no buffers were required.

There simply aren't enough people to survey

the multitude of streams, rivers and creeks that trickle and rage through the mountains of Southeast, officials said.

Politics may also lurk behind the lack of knowledge.

Listing streams as degraded or impaired often leads to finger-pointing, penalties and restrictions on landowners, similar to when species are listed as threatened or endangered. It can be a nasty political fight people often want to avoid.

But some problems are hard to miss.

Take Fubar Creek, Nakwasina River and Katlian River, for example. All three systems made it onto Alaska's official list of "impaired waterbodies" because of chronically high sediment and turbidity levels. Fubar recently left the list because a rehabilitation plan was developed, said state environmental specialist Hanley.

Fubar Creek, on Prince of Wales Island, resembles a gravel pit in places because it was cut down to its banks in the 1950s and logs were skidded down the stream, damaging spawning habitat, said Hanley.

It's called Fubar because it's in such bad shape, said Hanley.

Although the Alaska Forest Practices Act requires 66-foot buffers on private land, some scientists say that width is too narrow.

Even where buffers are left, they can be blown down in storms because the trees that would "buffer" them are gone. Buffers also sometimes collapse after they're weakened by "variances," where loggers cut trees within buffer zones with state permission. Critics say so much cutting takes places within buffers that many of them amount to "selective logging zones."

"It was good we got the buffers, but they needed to be larger. A 66-foot buffer is pretty marginal," said Don Cornelius, a retired state habitat biologist.

During the time he worked in Southeast, from 1981 to 1994, Cornelius said he frequently saw

downed buffers, especially around Kake, a Native village often hammered by strong winds.

LANDSLIDES AND SILT

The timber industry disagrees that buffers are inadequate. And it is investing money to prove its point.

Sealaska has funded nearly a dozen studies examining logging effects on fish. A 1998 study funded by the Native corporation and other timber companies found that 66-foot buffers adequately protect fish habitat. Since 1986, Sealaska has shot three-dimensional, high-resolution photographs of streams that also show buffers are doing a good job, the company says. Although it wasn't yet required by law, Sealaska voluntarily left some stream buffers prior to 1990.

For industry, agreeing to leave buffer zones in the 1990 law was seen as a major concession. The biggest and best trees usually grow along river and stream banks. A tree left standing can mean thousands of dollars in lost revenue, and in the case of Native corporations, money not going to shareholders.

Back in the '80s, when Native logging was at its peak and buffers were not required, it was not uncommon to see salmon streams muddied from landslides or destabilized banks, say field biologists familiar with Southeast.

Cornelius walked hundreds of miles of salmon streams on Native land and saw plenty of erosion problems.

"You'd see lots of streams with silt in them, especially after heavy rains," Cornelius said. Silt covers the gravel in stream beds where salmon lay their eggs. The fine coating of sand buries the eggs, choking off the oxygen supply.

In Southeast, silt problems arise from both naturally occurring landslides as well as logging-related ones.

The Hobart Bay watershed, south of Juneau, owned by Native corporation Goldbelt Inc., was heavily logged and prone to landslides, according to state records. In 1993, the state forestry division made the corporation reseed and restore the land after slides poured soil and debris into two salmon streams.

In October 1998, Sealaska experienced a major slide on one of its clear-cuts near Dog Salmon Lake on Prince of Wales. The salmon-producing lake was flooded with sediment, according to biologists who visited the site.

"The lake was the color of Yoo-hoo," said Ketchikan-based biologist Person, referring to a chocolate beverage.

Heavy rains in the fall of 1993 triggered up to 20 landslides along the road connecting Hollis and Craig, which traverses miles of clear-cuts.

"It was like the island had been given an enema," said Person.

Sealaska spokesman Ross Soboleff said there is no proof that logging triggered those landslides. The company noted that landslides are natural events that often occur in standing timber in Southeast and that slides can contribute gravel to salmon streams beneficial to fish.

A logging-related landslide caused headaches for residents of Kasaan, a small town on Prince of Wales. Villagers were forced to boil their water from November 1998 until June 1999 after a landslide contaminated municipal drinking water. High winds and lashing rain sent the landslide careening down the municipal watershed, which had been logged for Kivilco, the Native corporation for the town, said Kasaan Mayor Richard Peterson.

"It was all caused by the logging, but they followed the state guidelines," said Peterson. The storm also blew down parts of a buffer strip along Linkum Creek, Kasaan's drinking water source, said public works director Russell Zeman, a former logger. Zeman said the logging company, Rayonier, had left a larger buffer strip than required under state law and shouldn't be blamed for what happened. Zeman said the state should have known the area was prone to landslides.

"They shouldn't have even logged it," said Zeman.

TROUBLED SALMON RUNS

Another known trouble spot on Prince of Wales is the Klawock Lake watershed, much of which

has been logged by three Native corporations: Klawock Heenya, Shan-Seet and Sealaska.

Red salmon numbers in the Klawock River, historically a major producer, are in sharp decline. At the turn of the century, the river produced an average run of 45,000 reds, with peaks of up to 80,000 a year. Now those numbers are down to under 10,000, said state biologist Steve Hoffman.

In March 1999, the Forest Service, Native corporations, tribal representatives and the hatchery launched an effort to rehabilitate the watershed. The group identified several possible causes for the salmon decline, including logging-related erosion, a lack of stream buffers, housing development, septic systems, increased fishing pressure and a hatchery that draws water from the Klawock River.

In the meantime, sport fishing for reds in the Klawock River is prohibited.

Spasski Creek near Hoonah, and the White River near Ketchikan, both located on Native land, have also been degraded by Native logging. The banks of both systems, major salmon and steelhead trout producers, have been largely stripped of trees. In the early 1990s, federal fish biologist Koski said he approached the landowners, Huna Totem and Cape Fox corporations, about restoring the streams but was turned down.

"I had to send the money back," said Koski of \$70,000 in funding he had received from the U.S. Environmental Protection Agency.

The biologist said no one wanted to admit there was a problem with either stream. Koski said he didn't know if the corporations feared fines, bad public relations, or both. Ernesta Ballard, a former EPA official and chief executive at that time for Cape Fox, the village corporation for Natives around Ketchikan, said she could not recall being approached by Koski. Peter Hocson, chief executive of Huna Totem, said the corporation's policy is not to talk to the media.

Sealaska said it has received several grants for stream restoration projects and within the next year plans to do some work in the Hoonah area.

Fish runs in Spasski are still healthy, the company said.

Another source of problems for salmon stems from culverts built for logging roads. A report issued last August by Fish and Game found that two-thirds of all culverts on salmon streams on federal land in Southeast don't allow fish to pass through them well enough. Either the culverts are blocked with debris, have collapsed or the velocity of the water gushing through is too fast for young fish to navigate. On streams without salmon but containing other species, the report found 85 percent of culverts impede fish passage. Fish and Game biologist Bill Hanson noted that culverts on Native land were designed to allow better fish passage than ones on Forest Service land and that companies are required to remove culverts on Native land after the logging is complete. Hanson said little data exists on the effects of culverts on fish on Native corporation land.

'IT LOOKS LIKE HELL'

In Southeast, the Native logging boom of the 1980s and early 1990s has largely ended. Most village corporations ran out of timber, and some are trading chain saws for catamarans and tour buses. The exception is Sealaska, which still owns big tracts of old growth and continues to log it around Hoonah and on Prince of Wales and Dahl Islands.

While some Native corporations, particularly Goldbelt, are trying to capitalize on Southeast's growing tourism industry, the environmental legacy of industrial logging looms large on the horizon. Many Native villages, cloaked with clear-cuts, are finding tourism a tough sell.

"It looks like hell," acknowledged former Sealaska chief executive Byron Mallott of Native logging. But not cutting the trees would have been "ludicrous" from a business standpoint, he said. As far as environmental degradation is concerned, Mallott looks at it pragmatically. "We can make some harsh judgments now, but it was done under the existing regulations," he said. And the money that logging generated transformed some shareholders' lives for the better, he said.

By most accounts, logging practices have

improved over the years.

"Generally speaking, compliance (with the law) is pretty good," said biologist Ingle. That's an educated guess at best.

The state Fish and Game Department says it employs about four habitat biologists to regulate Native logging in Southeast. Virtually no surprise inspections take place. And as far as assessing the long-term impacts on fish and wildlife on private land, most of the research has been funded by Sealaska, the Alaska Forest Association and Klukwan Inc. with some collaboration with state and federal agencies.

While they often find themselves on opposite sides of logging debates, some biologists praise the timber industry for taking voluntary steps to protect the environment. He's seen plenty of damage over the years, but retired state habitat biologist Dave Hardy said some players deserve credit, especially logging engineers he's worked with in designing timber sales.

"Many of the engineers wanted to leave fish and wildlife benefits while meeting the fiscal responsibilities of the corporation," said Hardy.

But even when engineers tried to leave migration corridors for deer, corporate executives would often overrule them and order the entire area logged, Hardy said. Sealaska executives deny that, saying their engineers have wide latitude to leave trees standing.

While some corporations, namely Sealaska, deserve credit for replanting and doing research, said Hardy, it still comes down to making money off trees. And there's one thing about harvesting Tongass trees that hasn't changed much over the years, he said. "Logging is like strip mining. It requires very large habitat disturbance," said Hardy.

MAYBESO'S PROPHECY

The Maybeso Valley on Prince of Wales Island is green now, more than four decades after logging. Leafy plants and deer may be scarce but a dense stand of young trees flourishes on the ground.

Depending on their vantage point, people look at the valley differently. Through the eyes of some habitat biologists, a desert sprawls in the

heart of a rain forest. The logger sees a healthy new crop of trees, waiting to be cut.

Twenty years from now, when hundreds of thousands of acres of Native clear-cuts are thick with new growth, scientists predict there'll be other Maybeso Valleys wrapped around villages in Southeast.

Ironically, as Alaska Natives attempt to preserve their cultural traditions and identity, ties to the land and its natural resources grow ever more critical. Sealaska alluded to this scenario in an annual report.

"As Western culture and institutions influence the values of our young people, and as assimilation threatens the continuity of our heritage, our relationship with the land is more important than ever. It renews our identity and makes us unique. It sustains us," said the corporation.

Reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 907-257-4317.

Editor's note: Daily News reporter Paula Dobbyn spent months looking into the legacy of Native logging. Today, in the second of two parts, we report on the social impact on Southeast Natives who, now that most of their trees are gone, debate whether the short-term windfall and giant dividends they were paid were worth it. The first part of the series ran last Sunday.

Treeless in Southeast: Legacy of Native logging is a sea of stumps surrounding divided communities 2/18/01

**By Paula Dobbyn Daily News Reporter Staff
Native Logging - Part Two**

Hoonah -- The view out Floyd Peterson's living room window makes him angry and depressed. Where a lush forest once grew now stands a sea of stumps.

"It feels terrible. We've been treated with disrespect," said Peterson, a Hoonah charter boat captain and bed-and-breakfast owner, pointing at a steep clear-cut several football fields in length.

Logging removed not only the forest but with it Peterson's favorite hunting spot across the water from his home. Sitka black-tailed deer historically used the area as a wintering range, and Peterson used to snake between the giant spruce and hemlock trees scouring for his target. With the forest now a clear-cut, there's little challenge in picking off deer. Peterson has to go miles from the village to find trees and prey.

Hoonah is ground zero in the legacy of Native logging. A virgin rain forest once blanketed the landscape around this Tlingit village west of Juneau on remote Chichagof Island. Now the town of 880 people is surrounded by mile after mile of clear-cut mountainside. Few places in Alaska have been razed as dramatically. And few other villages are as polarized over logging.

Ironically, the old-growth forest around Hoonah was chopped down by companies owned by Alaska Natives, including many of the town's residents: Huna Totem, the local village corporation, and Sealaska Corp., the regional corporation for Southeast.

In the past 20 years, Native corporation logging around Hoonah, as well as other Southeast villages such as Hydaburg, Klawock, Kake, Kasaan and Craig, occurred at a pace and on a scale unlike anything seen before in Alaska. The 13 Native corporations of Southeast cut

hundreds of thousands of acres of ancient forest. Between 1982 and 1998, the export value of their timber was worth at least \$2.7 billion, according to the Forest Service, and the profits earned totaled hundreds of millions of dollars.

It was a massive operation that resulted in a huge infusion of wealth into cash-starved communities. The dividends that some of these corporations paid made headlines across the country, including a \$65,000 payout per shareholder from Klukwan Inc. in 1996.

Some people got jobs. A few became wealthy. But with the chain saws mostly quiet now, the days of the staggering dividends are over. And with the bulk of the trees cut, the legacy of logging looms large around most Southeast Native communities.

The cutting left emotional as well as visual scars. It cleaved apart families and communities by radically altering the way Natives had historically used their land. The forest -- once a storehouse of food, spiritual nourishment and tradition -- became a commodity to be liquidated, the faster the better. Some Natives now question whether sawing down their forests was worth the dividends it produced.

The corporations are struggling to carve out new businesses as they face a future without trees. Many have recently downsized in a bid to restructure. One succumbed to bankruptcy in 1999, and a few others are struggling to ward it off. Some have remade themselves into new businesses focused on tourism, mining, real estate or the new economy of technology. Others socked their timber profits into stock and bond accounts worth millions.

Divided communities and struggling companies aren't the only legacies, however. Many scientists forecast a major decline of Sitka black-tailed deer on Native land once the clear-cuts age. Others foresee shrinking numbers of salmon in streams that were logged to their banks.

Some say the environmental disaster predictions are overblown and the jobs and dividends that logging provided were well worth the price.

"With the logging coming in, people were able to have a little bit of pride and self-esteem. They could buy their own vehicle, buy their own home. It gave them a little bit more to live for," said Caroline Peterson, a Hoonah store clerk.

"It may not look pretty, but it'll grow back," she said.

In the meantime, some residents resent living amid clear-cut mountains. "It's like there's a black cloud hanging over this town," said Tlingit seiner Victor Bean, who was born and raised in Hoonah.

"This is a divided community."

CARPET OF TREES

The roots of Native logging were planted by Congress in 1971 when Alaska Natives inked a historic settlement with the federal government.

Breathtaking in scope, the Alaska Native Claims Settlement Act moved 12 percent of Alaska's total land base into Native ownership and reshaped the economy of the state.

With the stroke of a pen, some 220 newly formed Native corporations were formed across the state, endowed with 44 million acres of Alaska and nearly \$1 billion. Their mandate was to become an economic engine for Alaska Natives.

The law, called ANCSA, was a social-policy experiment designed as an alternative to the Lower 48's Indian reservations. It was essentially a crash course in capitalism. Virtually overnight, many Alaska Natives were swept into a corporate culture far removed from their own. From Kaktovik whaling captains to Saxman purse seiners, every Alaskan with at least one-quarter Native blood became a shareholder entitled to dividends.

In Southeast, the new Native corporations became the envy of the state when ANCSA entitled them to about 550,000 acres, much of it carpeted with massive trees. It took about a decade for much of the land to be conveyed. But once the corporations gained title, they turned to logging in earnest.

To the fledging Native companies, the forest was like a swollen bank account, flush with millions and millions of dollars. To cash in and start paying out returns to shareholders, the 13 corporations in the region fired up chain saws and set about felling trees.

Many of the new corporations were headed by people who had never run a business, much less a logging operation. Driven by indebtedness, changes in federal tax laws and a thirst to earn profits for shareholders, the companies cut down their trees with amazing speed: an

estimated 245,000 acres of old-growth in 20 years.

Today, most of the valuable timber owned by village corporations is gone. Juneau-based Sealaska Corp. has cut about 62,000 acres, about half of its prime timber.

Some Native companies today are little more than stock and bond portfolios, bought with logging proceeds and managed by bare-bones staffs to bring shareholders an ongoing stream of dividends. A few, including Shaan-Seet, are struggling to stay afloat financially. Shaan-Seet laid off 89 workers last year, and in its 1999 annual report, the corporation said the future of the company was uncertain.

Sealaska is the only Southeast corporation that still has a sizable logging business because it owns a much larger volume of trees. But Sealaska is also trying to lessen its reliance on timber. The company has made losing investments in plastics and limestone mining and recently entered the gaming and wireless telecommunications industries. Sealaska told shareholders this winter to expect major company losses for 2000, though it did not cite a figure.

SISTER AND BROTHER

Wanda Culp has campaigned against large-scale logging by Native corporations for nearly 20 years.

Now a grandmother in her early 50s, Culp overcame shyness to organize petition drives, letter-writing campaigns and protests. She testified before political committees to curb logging and protect traditional uses of the forest.

Culp began her crusade after seeing an elder weep over a clear-cut on the backside of Hoonah Mountain in the early 1980s, when Native logging was in its infancy and still away from town.

Culp's activism came with a double burden, common in the clannish politics of Alaska Natives: It pitted family member against family member.

Culp's only brother is Robert Loescher, who resigned last month as chief executive of Sealaska, one of the state's biggest logging companies and the largest private landowner in Southeast.

While Culp describes her brother's treatment of the land as "cultural genocide," Loescher takes

an opposite view. For him, logging means taking care of Sealaska's 16,500 shareholders.

"Without logging, many of these villages wouldn't have an economy," he said.

Loescher makes no bones about what he did for a living.

"My mission in life is to create revenue." Logging continues to fuel Sealaska, though it's a less important source of revenue than it was a few years ago. In recent years the company employed about 85 people year-round and 500 others seasonally in the logging industry, injecting \$50 million into the regional economy, according to recent Sealaska annual reports.

"I believe there is a trade-off for economic development and jobs. There has been some impact to culture and the environment, but if you're going to have an economy, you have to contemplate these impacts," Loescher said. Logging provides financial benefits not only to Sealaska's Tlingit, Haida and Tsimshian shareholders but to those of every other Native corporation in Alaska. Under ANCSA, regional corporations like Sealaska must share their resource profits with the other corporations. Since the corporation's inception, Sealaska has paid out \$229 million in revenue sharing, with much of it coming from logging profits. Beyond this, the corporation spends millions on forest restoration, logging research and cultural preservation.

Sealaska Heritage Foundation offers programs in Native languages and cultural studies and sponsors an intertribal gathering in Juneau, called Celebration. The festival promotes Native dancing, artwork, crafts and food. The corporation also repatriates Native artifacts, does genealogical research, offers scholarships and internships and holds culture camps for children and clan workshops.

Today Culp and Loescher share an uneasy peace. But they don't speak to each other about logging much. It's too emotional. "We know exactly where each other is coming from," Culp said with resignation. Culp sees irony in what she considers the tragedy of ANCSA.

On a summer morning a couple of years ago, she and her friend Victor Bean, the Hoonah seiner, took his boat out. With them was Loescher's young grandson, Donovan, Culp said. The little boy looked up at the bald mountain that broods over Hoonah from the West Port Frederick side. The mountain is completely

clear-cut about five miles around. Sealaska cut some of the trees, Huna Totem the rest. Donovan turned to Culp with a puzzled expression and asked, "Who cut down the trees?"

She wanted to say "your grandfather." Culp bit her lip, smiled and said nothing.

ANCSA ANGST

In many respects, Culp and Loescher embody what the Alaska Native Claims Settlement Act has meant to Native Alaskans. While providing income for Natives, the law has created sharp divisions that run deep and wide.

Some Natives have grown wealthy as a result of ANCSA, while many others languish in villages where poverty, unemployment and social problems abound.

ANCSA created a cadre of "corporate" Natives, who command high salaries and live in cities like Juneau, Anchorage, Fairbanks or outside the state. Resentment festers toward these "haves" by some of the "have-nots," the so-called "traditional" or "tribal" Natives who tend to have less money, live in rural areas and heavily rely on subsistence.

"When some people have prosperity, others that don't can become pretty anxious," said Byron Mallott, former Sealaska chief executive and current board member.

"In many ways (ANCSA) has pitted family against family. There are some members of my family that won't talk to me anymore," Gordon Jackson, former chief executive of Kake Tribal Corp., said in an interview over coffee at a Juneau cafe.

Jackson said he's frequently asked how he managed to stay on as Kake's chief executive for nine years. He doesn't have an answer except to say he's glad he's no longer overseeing the corporation, which filed for bankruptcy in 1999.

Running a Native corporation can be riddled with land mines because many of the officers are related by blood to shareholders, who expect regular dividends. It can be hard to refuse a dividend distribution even when you know a payout may not be the best for the company, said Robert Hamilton, former chief executive of Haida Corp., the Native corporation for Hydaburg.

"How can you say no to your family? You can't do it," Hamilton said.

"The corporations were held captive to their shareholders who demanded money," said Duff Mitchell, Kake Tribal's chief operating officer. Much of the angst over ANCSA, at least in Southeast, boils down to how the law redefined Native land use. Many Southeast Natives who live in villages cloaked by clear-cuts say ANCSA set their traditional lifestyles on a collision course with a new, artificially created economy.

"ANCSA was part of the cultural genocide that Native people have endured. Land was part of their being. By making land a commodity, you start looking at it differently," said Riki Ott, a scientist and author from Cordova who has worked with ANCSA corporations to promote sustainable logging.

"It's like having arms and legs and all of a sudden being able to sell them. A lot of people might choose that."

Corporate leaders recognize the problem. "To go in and harvest trees commercially is countercultural. But Congress said it's your job," said Joe Beedle, who stepped down as Goldbelt Corp. chief executive in January 2000. Testifying before the U.S. Senate Energy and Natural Resources Committee in 1997, Huna Totem chairman Albert Dick said, "The business concept has been difficult for all of us Tlingits to deal with, because we painfully realized that we were negatively impacting our homelands -- our immediate back yard that has provided our subsistence source for all these years. In many ways, we were being forced to damage our heritage, the basic tenets of our lifestyle."

Tlingit anthropologist Rosita Worl said Native people traditionally revered the land but also used it to fulfill their needs. So the fact that Natives got into the logging business with gusto is not too surprising. But Worl, a Sealaska board member, acknowledges the shortcomings of the pace and scale at which it unfolded. She said Sealaska didn't have the time to do regional ecological planning because it needed to quickly turn its trees into cash. But the corporation is trying to do that now and has devised a long-term plan for its forests, Worl said in an interview at the Alaska Federation of Natives conference in Anchorage last fall.

BIG PAYDAYS

A decade ago, in the heat of the intense logging by Native corporations, much of the criticism was muted.

Some Southeast Natives were reaping eye-

popping windfalls that made them the envy of many Alaskans.

On the strength of huge logging profits, some corporations started handing out big dividends to their owners, the shareholders.

In 1996, Klukwan Inc. mailed checks totaling \$65,000 each for the average shareholder with 100 shares.

"We paid off every bill we ever had. We're debt-free now," said Klukwan shareholder Dave Berry.

Some people squandered the money. Some invested it. Others bought cars and boats or made down payments on homes, said board chairman Bill Thomas. Klukwan's 1996 payout wasn't the only big one. The corporation issued several large dividends, including a \$36,000 payout in 1990.

Kavilco Inc., the village corporation for Kasaan on Prince of Wales Island, has paid its typical shareholder \$257,670 since the company's inception, said chief executive Louis Thompson.

Goldbelt distributed \$16,000 to the typical shareholder in 1994. Kake Tribal shareholders received \$17,000 in 1994 and then voted themselves another \$35,000 payout later that year.

But as the forests disappeared, so did the fuel that drove many of the companies.

Goldbelt in Juneau diversified into hotels, cruises, a tram and other tourism investments. But the company is struggling to turn a profit from these investments and it has not paid dividends to shareholders since early 1999. Cape Fox Corp. of Ketchikan owns a hotel, a title company, some retail stores, a Burger King restaurant and tourism ventures. But the company shrank its administrative staff in the last two years, the board took cuts and the company refinanced its debt "to live within our means without timber," said chief executive Peter Gigante. Cape Fox socked about \$11 million of timber money into a permanent fund investment account, he said.

Kavilco, Huna Totem and Shee Atika Inc., the Sitka-based corporation, are now little more than stock and bond portfolios that manage to pay a stream of dividends, similar to the Alaska Permanent Fund.

Shee Atika also owns a hotel and other commercial real estate and has about \$52

million in its trust account, said chief executive Bob Loiselle.

CUTTING CLOSE TO HOME

In the final years of logging, clear-cuts began encroaching on the edges of neighborhoods and a stark realization set in that the big paydays carried a huge cost.

In Hoonah more than anywhere else, clear-cuts literally envelop the town. Tall mountains, denuded of trees, ring the village, providing a constant reminder of how long it will take before the forest grows back.

The landscape around other Native villages, including Kake, Hydaburg, Kasaan and Klawock, is also etched with expansive clear-cuts. But because Hoonah's tall mountains hunker over the town, clear-cuts loom from virtually every direction.

Since 1994, the Hoonah Indian Association has adopted three resolutions calling on Sealaska and its local village corporation, Huna Totem, to stop logging around the town.

"It's privately owned land. We can complain, and we continue to, but we have no other recourse than to beg to be heard," said Johanna Dybdahl, Hoonah's tribal administrator.

Most of the 23,000 acres of trees Huna Totem received under ANCSA covered mountains and valleys close to the village. It's all cut except for a roughly 2,000-acre stand in town that's worth \$5 million, according to Albert Dick, Huna Totem chairman and Hoonah mayor. Not only are some residents concerned about another blight on the land, but they also worry that more logging will damage salmon and deer habitat. The corporation has proposed trading these trees for national forest land elsewhere that it could log. Legislation authorizing the land swap stalled in Congress last session. Huna Totem isn't the only village corporation wanting to swap the remaining forests near their towns.

Kake Tribal Corp. persuaded Congress to approve a land exchange last year to get 1,389 acres of Forest Service land plus \$17.9 million, according to Duff Mitchell, chief operating officer. In exchange, Kake Tribal traded about 2,400 acres in the municipal watershed, an area the corporation wants to avoid logging. Like their counterparts in Kake and Hoonah, Natives of Klawock, Craig, Hydaburg and Kasaan have cut most of their trees and live against a backdrop of stumps.

The latter villages are on Prince of Wales

Island, off Ketchikan, the third-largest island in North America and home to a cluster of Native villages.

Drenched with up to 200 inches of rain a year, POW, as islanders call it, used to grow some of the biggest and best trees in the Pacific Northwest. It still does in some corners.

But from the air, POW resembles a patchwork quilt. The island's spruce, hemlock and cedar stands have been cut not only by a slew of Native corporations but since the 1950s by loggers feeding the now defunct Ketchikan pulp mill. Environmentalists call the island a "timber colony" of Asia and Ketchikan.

The irony of treeless villages isn't lost on some residents.

Millie Stevens, president of the tribal government for Natives of Craig, said, "Native people are very close to the earth. We're taught not to overharvest. A lot of people are having a very hard time with this."

FEW PERMANENT JOBS

The Forest Service, with a few exceptions, requires that trees logged off the Tongass be manufactured into pulp, lumber or other products so that the logs create more employment than simply shipping them out raw. Native corporations are exempt from the rule.

And the fastest and most lucrative way to convert Southeast timber into capital is by clear-cutting and selling unprocessed logs to Asia, which is what Native corporations did. Some think it was a mistake.

"I would have liked to see some type of furniture factory in Hydaburg," said Vicky Le Cornu, a former director of Shaan-Seet Inc., the village corporation for Craig, and current board member of the Southeast Alaska Conservation Council.

"All the jobs associated with Native timber were exported. There could have been a lot of mills with hundreds of people working. It could have gone on for 100 years instead of being over in 20," said Gregory Head, owner of the Harbor Store in Craig.

Hogwash, some people say. Timber is a boom-and-bust business.

"Anyone who believed this was going to go on forever had a very erroneous view of the timber industry," Mallott said.

The corporations bristle at criticism over how they approached logging.

"Shareholders feel bad that people point their finger and say, 'Look at how you guys have ripped down your forest.' But they don't understand the economics of it," Mitchell said. Kake Tribal would love to have a sawmill in Kake that would employ shareholders, but with soaring electricity costs in the island community, it's not going to happen anytime soon, Mitchell said.

Unlike most of the village corporations that have run out of timber, Sealaska, the regional powerhouse, is planning to stay in the tree-cutting business over the long haul. Sealaska says it can sustain a cut of 70 million board feet a year indefinitely because of its large timber reserves and replanting.

Sealaska has said it's considering building a wood-based ethanol plant in Southeast. Ethanol is added to fuel to lower pollution. The corporation recently received a \$2 million congressional appropriation for an ethanol feasibility study.

Some Natives compare griping over logging to sour grapes. If people didn't support it, the argument goes, they could always refuse the dividends. And it's rare to find a person who did that.

Mallott said Sealaska surveys of shareholders consistently showed support for logging at around 70 percent.

As far as a clash between corporate and village values, Mallott said that's based on a misperception about the role of ANCSA corporations. The companies are a tool for development, not a panacea for the multitude of problems wrought by years of assimilation and economic transition, he said.

"ANCSA corporations made it clear to shareholders and the government from the start that these corporations weren't going to resolve all the problems. And the law didn't absolve the U.S. government of its responsibilities toward Alaska Natives," Mallott said.

He blames the media and politicians of painting a wrong impression of what Natives can expect from their corporations.

While Mallott said it would have been ludicrous not to clear-cut Native land, he's also conflicted over it.

"One reason I left Sealaska was that I was uncertain as to what all of this meant," he said.

LASTING BITTERNESS

Wes Morrison grew up in Hydaburg, on Prince of Wales Island, one of the few remaining Haida communities in North America.

Morrison, the mayor of Hydaburg, left Southeast after finishing high school in Ketchikan and lived in California, where he ran collection agencies for 30 years. A gruff-sounding chain smoker, Morrison returned to Hydaburg in 1995 because he wanted to retire on his home turf. He balances the books and maintains the bingo license for the local Alaska Native Brotherhood chapter.

"I was getting these checks in California, and I thought everything was wonderful until I got back. Then I was shocked," Morrison said over black coffee at the ANB hall, overlooking Sukkan Strait. A karaoke machine blares in the background.

He called the Forest Service and Alaska Department of Fish and Game to see what could be done to prevent the remaining forest from being logged. He said the people he spoke to kind of laughed and told him to try calling SEACC, the Juneau-based environmental coalition.

Morrison is bitter about ANCSA. The corporations are rampant with cronyism, nepotism and incompetence, and the big dividend checks created "a mini welfare system" in towns with few jobs and high unemployment, he said.

Morrison has only one good thing to say about ANCSA.

"At least they didn't ship us all to reservations in Oklahoma."

Sitting at the kitchen table in her family's trailer in Hydaburg over freshly baked cinnamon rolls, Vicky Le Cornu reflected on the many years she spent fruitlessly opposing logging by her corporation, Shaan-Seet. Le Cornu said she wasn't against logging in principle and she never refused a dividend. She just wishes it had been done on a smaller scale to create something more sustainable. But many of the trees LeCornu grew up with are gone now. "Logging was never a good decision," she said. "It overtook us. It was instant cash, and it turned into a treadmill."

Reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

(Sidebar 1) Decomposing bark covers sea bottom at 'log dumps' Some sea life adapts while other marine creatures decline.

02/11/01

By Paula Dobbyn Anchorage Daily News Staff

Hundreds of acres of sea bottom in Southeast are cloaked with decomposing bark, the legacy of decades of logging.

The bark, which smothers marine life, flakes off the sides of logs that have been cut, hoisted into the water and bundled in rafts, waiting to be loaded onto ships or into mills. When the bark decays, it takes on the slippery texture of oatmeal.

For the snails, worms, clams, mollusks and other lowly life forms that live on the bottom, the bark is a goopy killer. Other organisms, like sea cucumbers, starfish and sea urchins tend to adapt to the bark and thrive.

"The divers tell us there can be lots of life on top of the bark. But the bark smothers what's on the bottom," said David Sturdevant, who regulates log transfer facilities, commonly known as log dumps, for the Alaska Department of Environmental Conservation.

The effect on the rest of the food chain isn't fully understood, but certain larger, and commercially valuable, organisms are likely to disappear, said DEC biologist Kevin Hanley.

"You may see less crab in an area where you lose the smaller life forms they feed on," said Hanley.

The DEC doesn't know exactly how many acres are bark-covered, but 200 to 300 log dumps have dotted the coastline from Ketchikan to Kodiak at one time or another, Sturdevant said. About 100 are actively used, and others are planned for future logging, he said.

The water surrounding some of these facilities, no one knows how many for sure, is considered polluted because the amount of bark exceeds a one-acre, 10-centimeter limit set by the U.S. Environmental Protection Agency.

An old log transfer facility in Thorne Bay on Prince of Wales Island has a bark pile that the DEC last estimated at 55 acres, based on a dive report from 1990.

In Ketchikan's Ward Cove, the site of a big pulp mill that shut down in 1997, and in Thorne Bay, bark piles from log dumps have gotten so high at times that they actually impeded navigation. The state didn't require any cleanup, although the operators dredged some of the bark, Sturdevant said.

The state depends on the industry to monitor the log dumps. Timber companies hire divers to survey and photograph the bark piles and submit the results to the DEC. Operators can face penalties if caught violating pollution standards, although DEC officials say no one has ever been fined for exceeding the bark limits.

Log transfer facilities have traditionally been placed in sheltered bays and inlets so the logs aren't exposed to heavy seas and wind. But with growing tourism and recreation in the Tongass, log dumps have become a problem for some ecotourism operators who want to take clients to the same spots. The Alaska Wilderness Recreation and Tourism Association has joined a lawsuit to force the federal government to tighten the regulations on log dumps. Two Southeast tribes and several environmental groups are also involved.

Reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 907-257-4317.

(Sidebar 2) Some Native firms investing for future in old clear-cuts Companies spend millions for replanting, research. 2/11/01

By Paula Dobbyn Anchorage Daily News Staff

Some Native corporations are replanting clear-cuts, testing forestry techniques and funding research to see if logging can be less harmful to the Southeast environment.

Sealaska Corp. has invested \$5.5 million on thinning, pruning, fertilizing, aerial seeding and hand planting on 19,300 acres to date, according to company forester Ron Wolfe. It has also spent more than \$1 million on scientific research on the effects of logging.

The Juneau-based regional corporation, the biggest logging company in the state, describes itself as a leader in forest stewardship. "Sealaska is entrusted to care for Southeast Native tribal lands for all generations," the company says in its latest annual report. "We put our money where our mouth is," Wolfe said.

Klukwan Inc., a village corporation for Klukwan, north of Haines, is also investing in the restoration of its forests on Long Island, a barrier island off Prince of Wales that grew some of the best trees in Alaska. The corporation has a \$5 million settlement trust exclusively for Long Island reforestation, said Ron Gilbert, chief executive.

As part of their effort to bring back a healthy crop of timber faster, Sealaska and Klukwan are thinning clear-cuts. Cutters take out less desirable trees once the clear-cuts reach 15 years of age, when the young trees begin to crowd each other out. Thinning increases the diameter of trees by allowing more sunlight to penetrate the stand. And the spaces it creates in the thick regrowth may benefit wildlife.

Thinning also puts shareholders to work.

"It's a renewable resource. And it provides jobs from the beginning to the end, in terms of cutting, thinning and replanting," said Richard Carle, a Sealaska Timber Corp. official and chairman of Klawock Heenya, the village corporation for Klawock.

Sealaska became a certified tree farmer in 1998. The certification was awarded by the American Tree Farm System, which describes itself as the nation's oldest sustainable forestry program. The organization's stamp of approval means the landowner is taking steps to protect water quality, fish, wildlife and scenic values.

Whether thinning actually benefits wildlife is an open question, according to some biologists. Although thinning creates openings between trees, allowing sunlight to stimulate plant growth on the forest floor, the canopy eventually closes over when the trees get older.

"Precommercial thinning is a short-term fix. The best result is good public relations," said state research biologist Matt Kirchhoff, who has published many studies on logging and deer in Southeast.

Not all scientists agree with Kirchhoff. Some Forest Service scientists say forestry techniques may help wildlife.

"It's not all doom and gloom," said Forest Service scientist Mike McClellan, who's heading a long-term study on alternatives to clear-cutting.

Reporter Paula Dobbyn can be reached at pdobbyn@adn.com and 907-257-4317.

(Sidebar 3) State agencies say they lack funds to enforce timber laws Governor blames lawmakers who in turn blame agencies.

By Paula Dobbyn Anchorage Daily News Staff

The law that regulates logging in Alaska requires three state agencies to oversee timber cutting on private and state land to ensure it doesn't jeopardize fish, wildlife and water quality. But in the most recent Board of Forestry report to the governor, state forester Jeff Jahnke said underfunding has enfeebled the state's ability to enforce the Forest Practices Act.

"Even with federal funding, field presence is below adequate levels," wrote Jahnke. The three resource agencies received more than \$650,000 in state funding last year to enforce Alaska logging standards. The federal government contributed just over \$1 million.

In the same report, the Department of Environmental Conservation said it can't tell if the Forest Practices Act is protecting water quality on private land because it doesn't have the resources to find out. The DEC employs the equivalent of three and a half people to enforce logging standards statewide. That's about a third of the staff the agency would need to have to meet the minimum requirements of the law, and none of these DEC employees watchdog Native logging, according to the report.

"ADEC's staffing limitations have resulted in only minimum forest practices inspections and monitoring," the report said. "ADEC had no dedicated forest practices field presence on private lands in the Southeast Region in 1999."

Fish and Game's habitat division, which also oversees logging, received no state general funds in 1999 or 2000, according to Lana Shea Flanders, head of the Southeast habitat division.

The \$490,000 the agency did get for forestry work came entirely from the federal government or from other divisions of Fish and Game, according to Kevin Brooks, the department's director of administrative services. Fish and Game employs three biologists, a part-time technician and a part-time supervisor to enforce logging standards on state, federal and private land in the panhandle, more than 17 million acres, Flanders said.

The Department of Natural Resources also cites a lack of funding. The agency, which employs five people to oversee logging statewide, says inspections have been reduced to the point that "inadequate enforcement is a concern," according to the DNR's latest report to the Board of Forestry. "Without federal funding, the agencies would not have been able to meet core requirements such as review of plans of operation and field inspections on private timber harvests," wrote Jahnke, adding that federal funds may decline in the future.

Gov. Tony Knowles, a Democrat, blames the Republican-led Legislature for hamstringing state agencies' abilities to regulate logging.

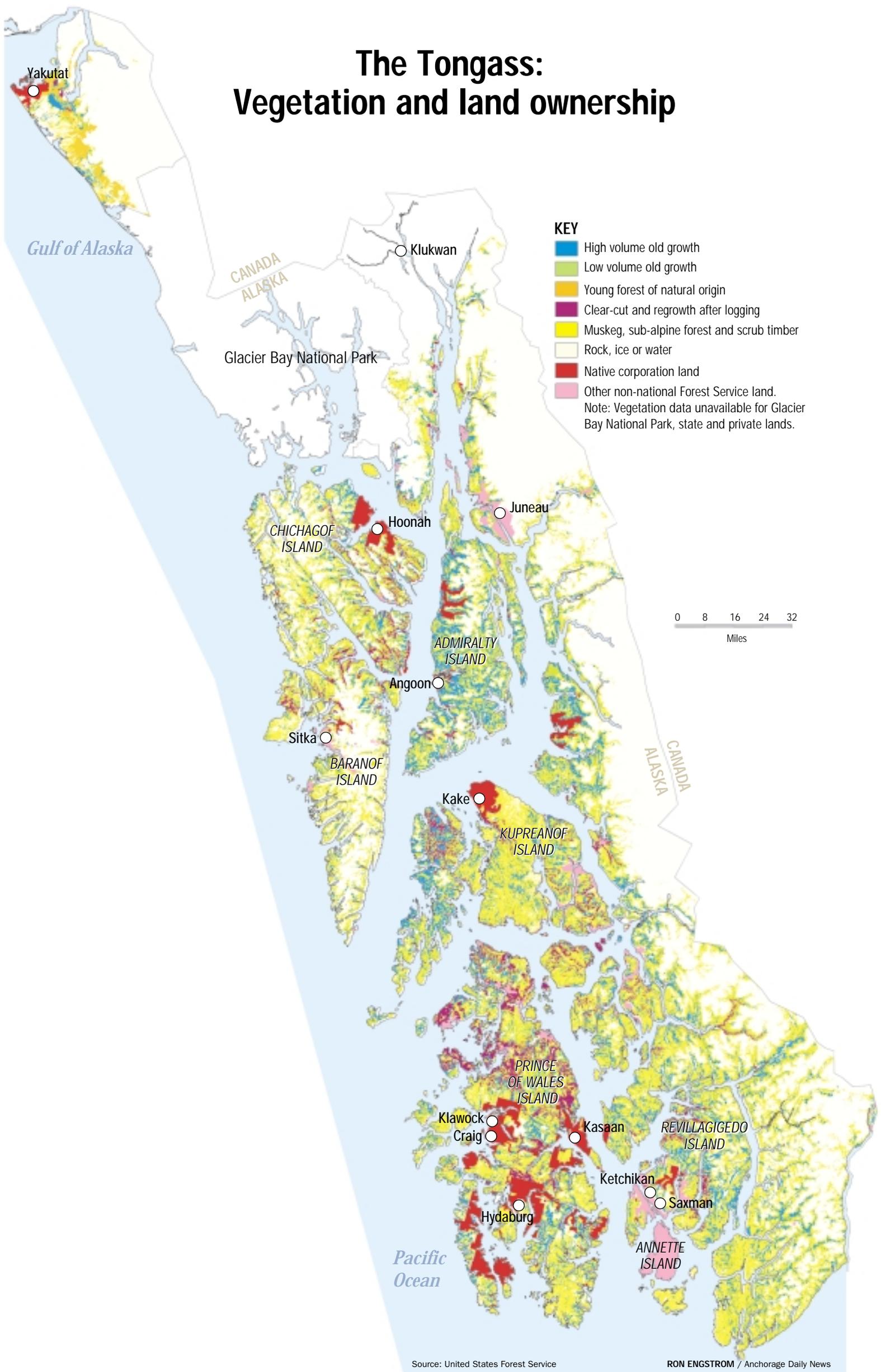
"The habitat division of Fish and Game and the Department of Environmental Conservation have long been targets of the Legislature. It's pitiful what's been done to DEC's budget," Knowles said in an interview.

Republican state Sen. Loren Leman of Anchorage, who chairs the subcommittee that oversees DEC's budget, said the agencies get sufficient funds to do their jobs. If they're not doing the work, it's because of their own mismanagement, at least in DEC's case, said Leman.

"We gave them close to \$48 million last year," said Leman of DEC. "The department needs to do a better job of fulfilling its mission."

Reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 907-257-4317.

The Tongass: Vegetation and land ownership



Forest succession and Sitka black-tailed deer populations

Old-growth forest

Mosses, ferns, herbs, shrubs, lichens and conifers dominate. Lasts indefinitely. Provides food and cover.



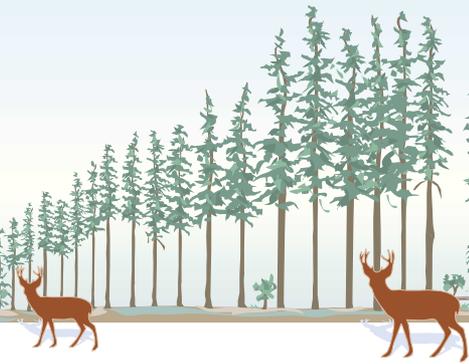
Clear-cut

Begins the first growing season after logging. Mosses, ferns, herbs, shrubs and young conifers. Lasts 20-30 years. Provides food but little cover.



Even-aged second growth

Consists of ferns, mosses and maturing conifers. Lasts about 200 years. Provides cover but little food because sunlight cannot penetrate the forest canopy.

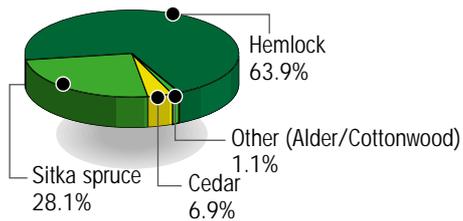


Old-growth forest

Mosses, ferns, herbs, shrubs, lichens and conifers dominate. Lasts indefinitely. Provides food and cover.



Trees of the Southeast rain forest

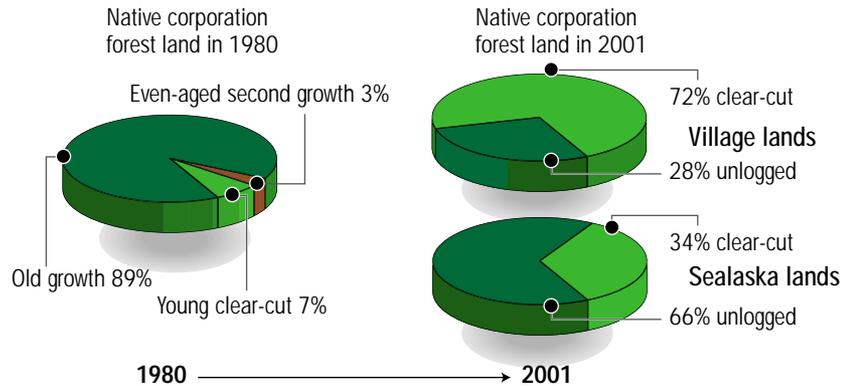


How deer respond to logging



Each symbol represents a density of Sitka black-tailed deer that Tongass old growth can support. For example, if old growth can sustain 10 deer, scientists have concluded that even-aged second growth can normally only support one or two.

Changing Southeast forests





CUTLINE: Cutter Tauno Hill, a Sealaska shareholder from Hoonah, harvests another tree for Whitestone Logging near the end of the logging season in November 1999. In Hoonah, the tribal government has urged Native corporations to halt logging, claiming it harms the tribe's subsistence needs.



CUTLINE: Clear-cutting around Hoonah not only removed the forest from around Floyd Peterson's home but took with it his favorite hunting spot as well.



CUTLINE: Wes Morrison, who grew up in Hydaburg, received an unpleasant surprise when he returned to Alaska after living in California for 30 years. "I was getting these checks in California, and I thought everything was wonderful until I got back. Then I was shocked," he said. Morrison later called the U.S. Forest Service and Alaska Department of Fish and Game to see what could be done to prevent more logging.