

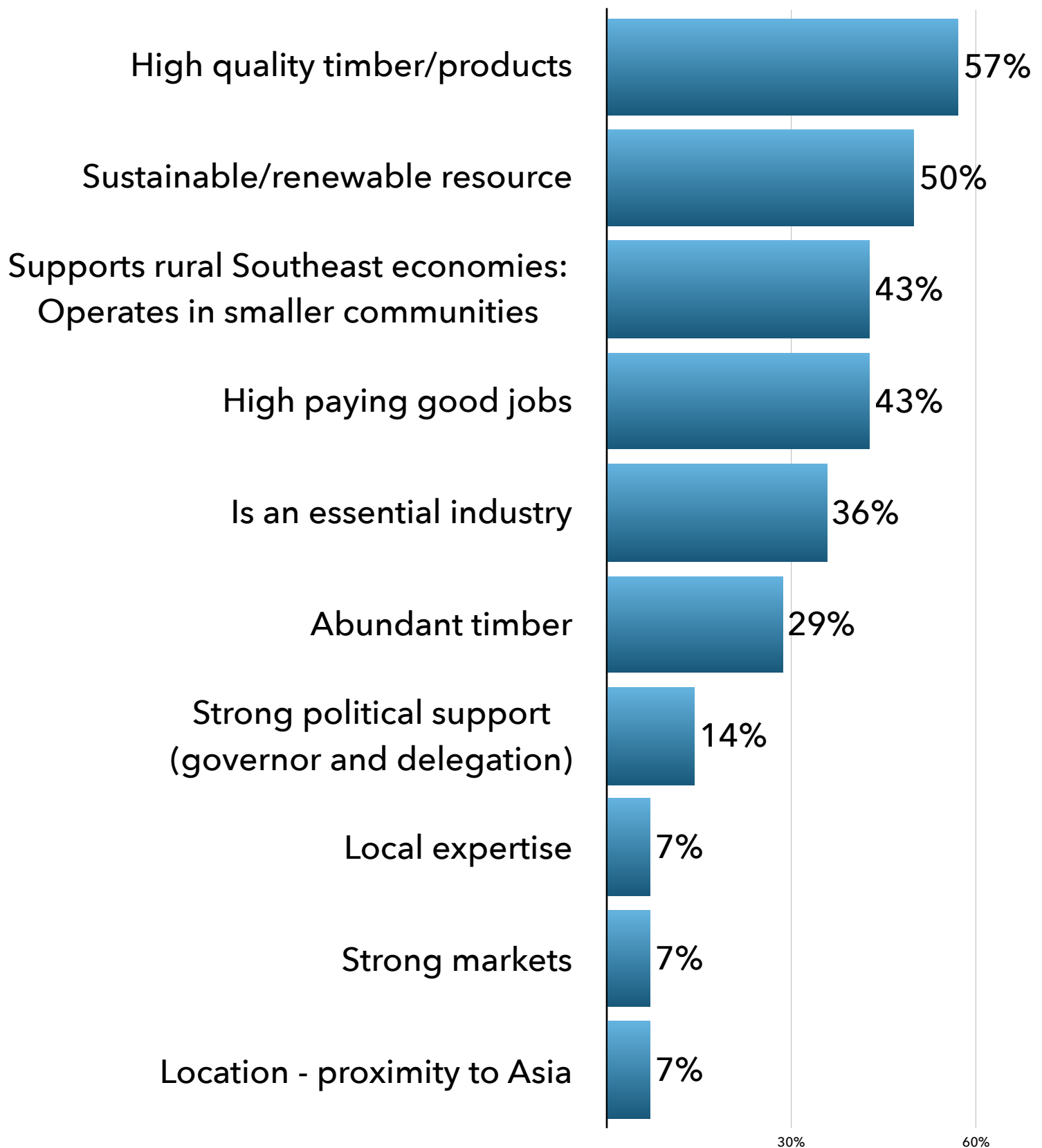
Southeast Timber SWOT



SOUTHEAST TIMBER SWOT SUMMARY

The Southeast Alaska Timber SWOT analysis was conducted by 15 members of the Southeast Conference Timber Industry Committee in a series of meetings on February 4, May 6th, and August 5th 2020. Participants were asked to develop key elements, and then prioritize by individually choosing the top three items that they felt were most representative of regional strengths, weaknesses, opportunities, and threats. The results of this exercise are presented on the following pages.

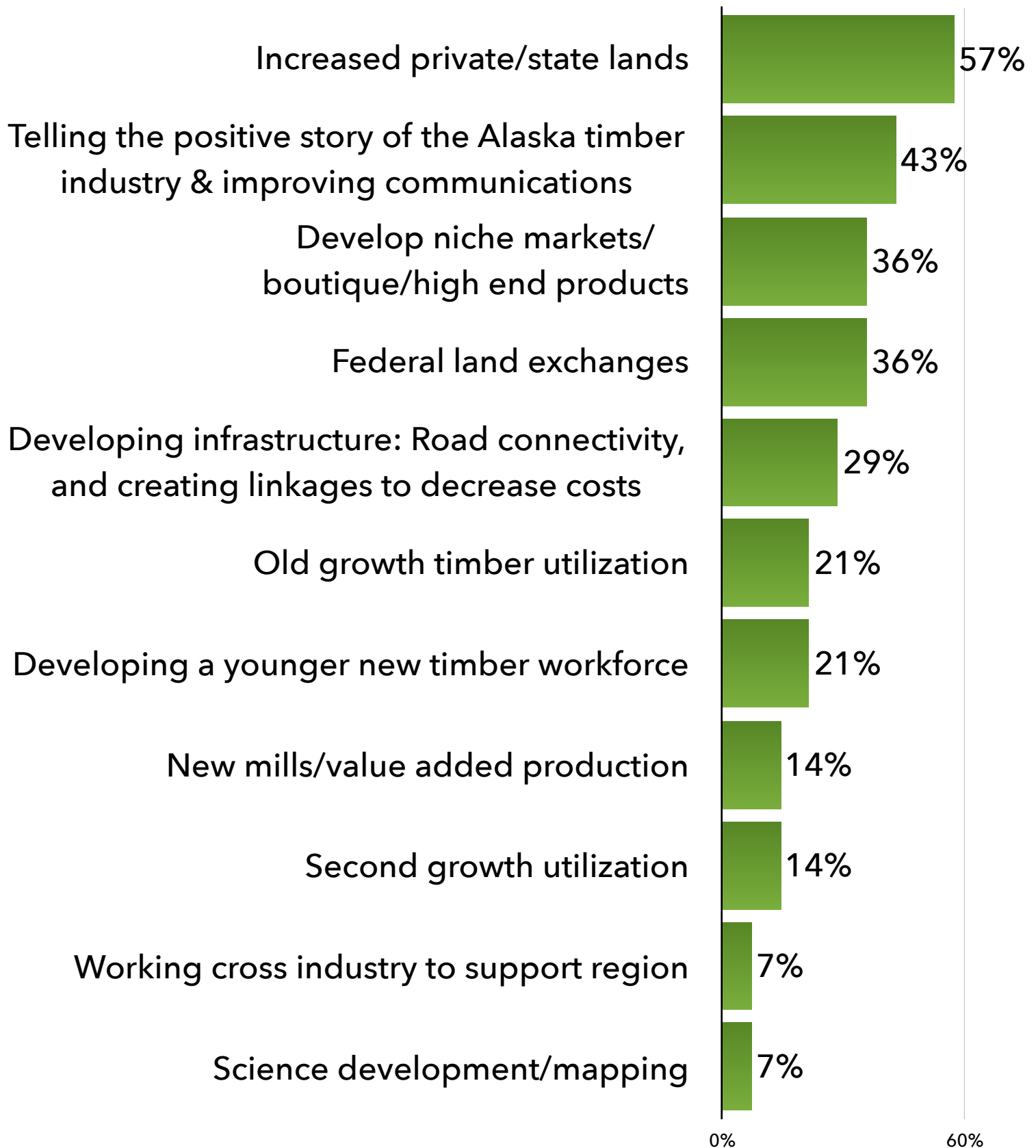
Timber Strengths



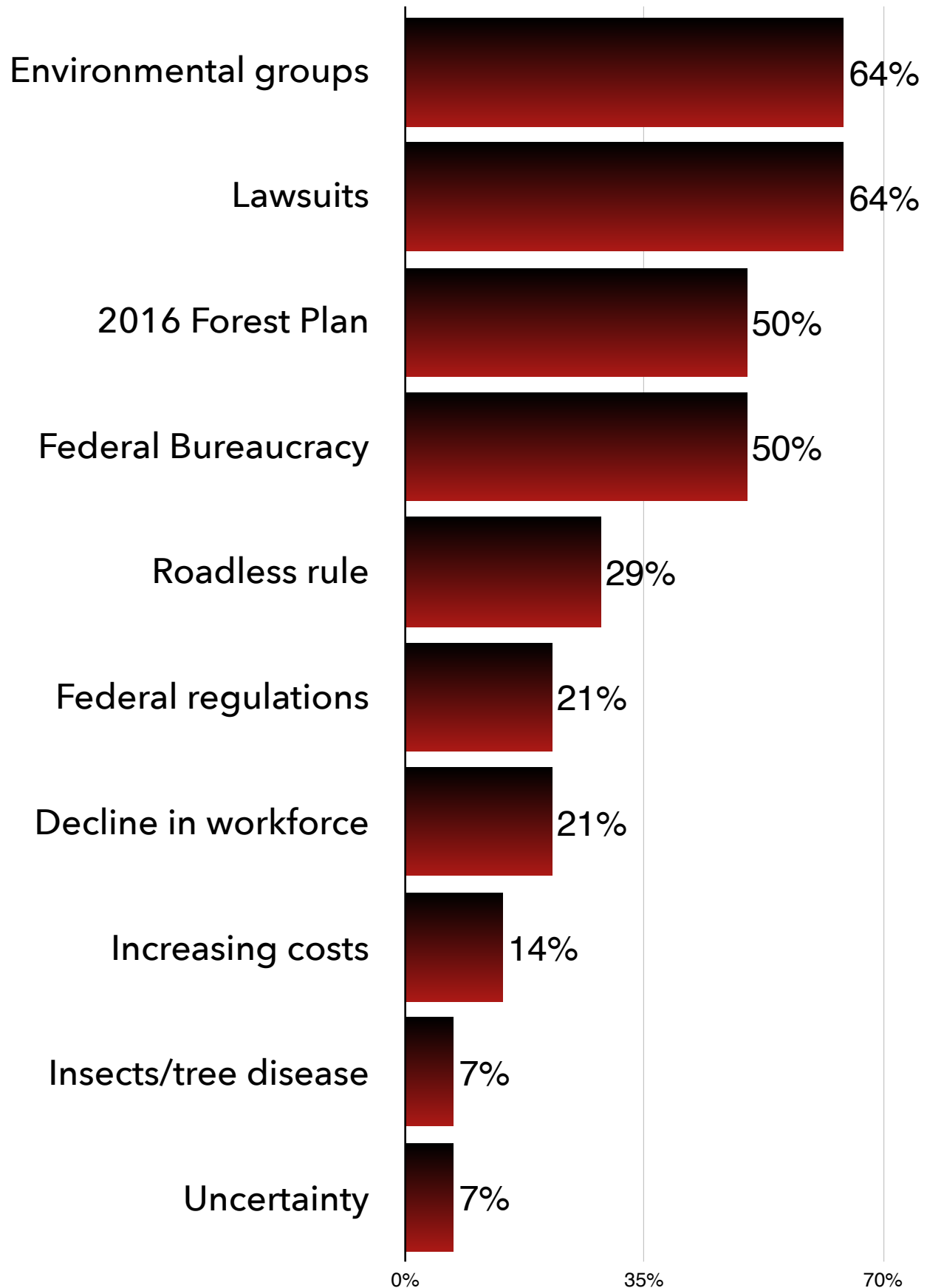
Timber Weaknesses



Timber Opportunities



Timber Threats





Timber Initiatives

SOUTHEAST CONFERENCE

MID-SESSION SUMMIT 2021

INTRODUCTION

The Southeast Alaska Timber initiatives were developed by 15 members of the Southeast Conference Timber Industry Committee in a series of meetings in 2020. They have been prioritized in the order presented.

Overview of Timber Committee Initiatives

1. Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators
2. Revise the Tongass National Forest Land and Resource Management Plan
3. Support an integrated timber industry that includes harvest of young growth and old growth
4. Community-Based Timber Workforce Development
5. Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally owned businesses
6. Communication and Advocacy
7. Promote Free Trade
8. Contract and Agreement Reform

1

Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators

Support management, research, and legal efforts to assure access to adequate, consistent, and economic timber supply on federal and state forest lands

To be economically successful local mills must be provided an opportunity to accumulate a supply of purchased but unharvested economic timber (i.e. volume under contract) equal to approximately three years of timber consumption.

1. This allows the industry ample time to plan an orderly and systematic harvest schedule that meets all timing restrictions and permit requirements
2. It allows the industry to better manage its financial resources and to secure financing on the basis of longer-term timber supply (banks don't want to provide loans without multi-year plans in place)
3. It allows time for the necessary infrastructure to be maintained
4. An ample timber supply gives the industry more opportunity to sustain itself through market cycles which have proven highly erratic in Alaska in recent years

② Revise the Tongass National Forest Land and Resource Management Plan

The last full revision of the TLMP was in 1997.

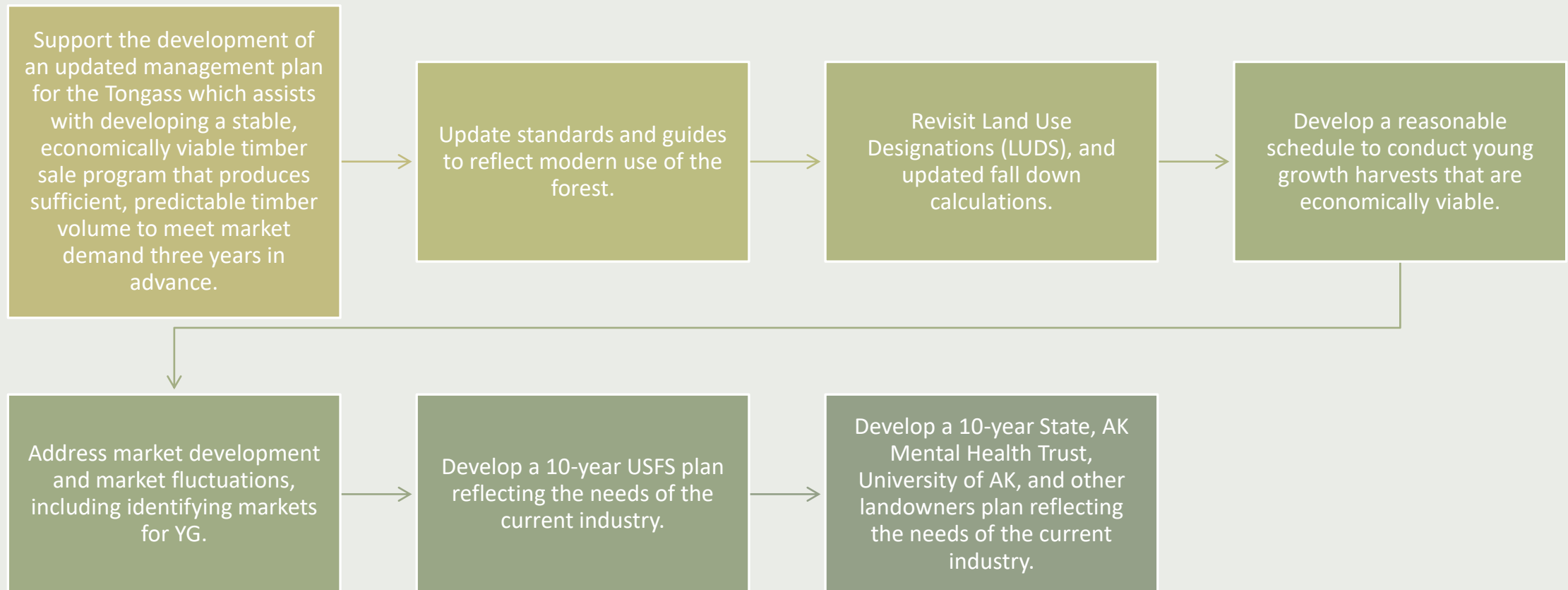
The assumptions and work of the US Forest Service's (USFS) 2016 Tongass National Forest Land and Resource Management Plan (TLMP) are no longer valid.

Subsequent Plan amendments (2008 & 2016) transitioned the forest from predominantly old growth to predominantly young growth (YG) harvest.

2

Revise the Tongass National Forest Land and Resource Management Plan

The following should be undertaken:



3

Support an integrated timber industry that includes harvest of young growth and old growth

Address	Work	Develop	Ensure	Provide	Allow
Address the USFS transition plan that expects harvest to be predominantly YG by 2040 to 2070.	Work to integrate and diversify the timber industry rather than developing an industry extinguishment and replacement strategy.	Develop new and boutique markets for AK forest products, including consideration of the demand for old growth products.	Ensure timber sales are economically viable.	Provide a cushion of purchased but unharvested timber equal to a three-year timber supply.	Allow economic old growth timber to be harvested in a volume sufficient to meet market demand for an integrated timber industry.

4

Community-Based Timber Workforce Development

As the industry has contracted, it has become more difficult to attract skilled labor and individuals with technical training in forestry. There is also a lack of contractors available for harvesting.

Support	Consider	Work	Ensure
Support local workforce development for timber focused occupations.	Consider a multi-organization workforce development initiative with local, non-profit, state and landowner participation.	Work to attract and retain forest product professionals.	Ensure there are sufficient contractors in the region to support the timber industry, including tasks such as preparing and laying out sales.

5

Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally owned businesses

The USFS spends millions each year on contracts in support of construction, maintenance and land management and advertises projects through federal procurement vehicles.

Local Alaskan companies are often at a disadvantage for being selected.

Advocate for the USFS to right-size larger projects into several smaller or linked phases and revise federal financial bonding requirements on contracts.

Provide a variety of large and small contract opportunities.

This allows for revised bonding thresholds that are more attainable to small, local businesses who are currently unable to meet the minimum requirements.

Advocate for the full range of federal contracting mechanisms be utilized including small business set asides, HUB zone preferences, 8(a) preferences and advertisement for competitive bid through the government's sam.gov platform.

Likewise, small mill owners would benefit from an increase in right-sized timber sales, extending harvest schedules, allowing harvest of dead/down trees on road corridors, and reduction in bonding requirements.

Factual errors, and misguided information regarding both industry and the Tongass National forest continues to be shared regionally, statewide, and nationally.

A focused public relations effort led by industry and supported by regional partners could change the discussion and perception of industry.

Tell the story of the Southeast Alaska timber industry as it exists today.

Work to combat misinformation promulgated on the regional, state, and national levels.

Link the timber industry to associated secondary and tertiary industries that benefit directly from timber harvest and associated projects, contracts, and personnel.

⑥ Communication and Advocacy

7 Promote Free Trade

The **escalating trade war** between the U.S. and China has negatively impacted the Southeast Alaska timber sector.

The **current tariff** on spruce logs exported to China is **25 percent**, which has substantially **increased costs** and **reduced harvest levels**.

Steep tariffs have **halted much of the region's YG harvest**.

The reduction in harvesting is **threatening the economic viability of contractors in the Southeast region** as well.

7

Promote Free Trade



Resolve the trade war and continue to advocate for tariff exclusions and exemptions.



Contract and Agreement Reform

Collaboration between landowner groups, agencies and industry has proven beneficial for many reasons.



Revisit and update agreements with the industry and the USFS, including the following: contracts: Shared stewardship agreement with USDA; Cost Share Agreements with USFS.



Ensure active participation in Landowners Group Meetings currently chaired by the State of AK, DNR, DOF.