- 1. Trails: Trail crews have been doing great work on the trails throughout the district. Some highlights are:
  - a. Kupreanof Island, City of Kupreanof, Petersburg Trails: Great American Outdoors Act (GAOA) project for 2023-2026 to work on Petersburg Lake Trail.
  - b. On Mitkof Island:
    - i. Ideal Cove trail restoration complete.
    - ii. Ohmer Creek trail has been cleared and gravel placed in blowdown areas.
    - iii. Crews working on Crane Lake Trail.
    - iv. Man Made Hole bridges have had netting put down to increase safety on the bridges.

#### 2. Timber:

- a. Lower Falls Creek (See attachment) 2 units coming up for sale. Young growth sale. Decision Notice has been signed
  - i. Reference link: <a href="https://www.fs.usda.gov/project/?project=60641">https://www.fs.usda.gov/project/?project=60641</a>
  - ii. <a href="https://www.fs.usda.gov/projects/tongass/landmanagement/projects">https://www.fs.usda.gov/projects/tongass/landmanagement/projects</a> scroll down to "Upper Falls Creek Young-Growth Project"
- Mitkof Island Small Sales (MISS) are ongoing with trees being selectively cut for Commercial Firewood or individual Tree use. MISS 12 – 2 acres, 38 trees individually marked. Sitka Spruce, on road system, shovel transport.
- c. Thomas Bay working on developing alternatives to respond to public input. Young growth type sale.
- d. Kake Access Road roadside salvage timber: The down trees are being scaled to determine the best way to utilize them.
- e. Spruce Budworm: (Dr. Liz Graham, FS Entomologist)
  - i. The main message that I have been sending is that this is a natural event that will resolve itself. These outbreaks have been occurring every 30-40 years, which means many of these old trees have been through this quite a few times! The trees that appear red look terrible but are still alive. They may look like that for several years and still recover.
  - ii. We are already seeing signs of diseased caterpillars which means this outbreak has likely peaked and will have drastically less activity next year. If the trees can withstand and leaf out next spring, they should be able to recover. Top kill is common, and we have seen some mortality but often it looks worse than it is. If the trees still have green needles, they have a shot.
  - iii. From a Foresters perspective, this may be an opportunity to salvage recently killed trees, or they may see the caterpillars acting as their thinners 2 I think the public sees red trees and immediately thinks they're dead, but I keep trying to stress that there are ones that have looked TERRIBLE and are still alive. It may look ugly for several years but it's amazing what a beating they can take

### 3. Facility Consolidation:

- a. At old Post Office Building it is necessary to gut the office to remove all of the asbestos, renovate to consolidate all Forest Service staff at the downtown location, and reduce overhead costs.
- b. Closed out of the nursery and returned to UAA

- c. Design alternative for a new shop to be built at Fram Street compound and Scow Bay Supervisors office (Harris Building) to be converted to storage over the next 5-10 years.
- d. First work not likely to start until 2024.

## 4. Resource Advisory Committee:

- a. A Forest/Regional Office decision was made to develop two Resource Advisory Committees (RAC) under the Secure Rural Schools Act, one north and one south for the entire forest.
- b. Pending approval of RAC members from Secretaries office.
- 5. SouthEast Regional Advisory Council (SE RAC):
  - a. The fall meeting (October 25-27, 2022) of the Southeast Alaska Subsistence Regional Advisory Council to discuss subsistence wildlife/fisheries issues and develop recommendations on fisheries closure reviews and proposals to change Federal subsistence fish and shellfish regulations for 2023-2025 regulatory years, as well as other issues affecting subsistence resources and management in the Southeast Region.
  - b. The Council anticipates hosting the meeting in person with a teleconference option for those unable to attend in person. The Council will convene at 8:30 a.m. each day, beginning on October 25, 2022, and should adjourn around 5:00 p.m. each day, subject to the call of the Chair.
  - c. Link to the web page: <u>Southeast Alaska Region | U.S. Department of the Interior</u> (doi.gov)

# Lower Falls Creek (Excerpts):

#### **Timber Economics**

Interest in commercial young-growth volume from Mitkof Island operators and recent young-growth timber sales indicate a growing demand for young-growth timber from the Tongass National Forest. The intent of this project is to provide local industry an opportunity to familiarize itself with logging and milling young-growth timber. Although this project provides less than one million board feet (MMBF), it would contribute to training and workforce development for young-growth harvest methods and manufacturing. Over time, the local presence of skilled workers and trained mill operators would support the transition to a primarily young-growth timber base, as more young-growth timber reaches a size for commercial sale offerings. The Forest Service plans to continue offering young-growth sales that range in size to allow purchasers with varying capabilities to capitalize on opportunities to either produce a variety of forest products or support an export operation.

## Volume and Financial Feasibility

The estimated net sawlog volume from the proposed action is 677 thousand board feet (MBF) of Sitka spruce and 214 MBF of hemlock for a total of 891 MBF. The actual volume offered for sale would be based on a statistically accurate cruise. The cruised volume may be offered as one sale or several small sales. One sale was assumed for the financial efficiency analysis. The resulting financial efficiency analysis resulted in \$26.39/ MBF for domestic processing and \$78.91/MBF for export. There would be no National Forest System Road (specified road) costs. Temporary road costs would be the same, \$32,674, for either domestic or export processing.

### Projected Employment and Income

Estimates indicate four annualized jobs related to domestic processing could be supported and an estimated three jobs supported if the volume is exported. Direct income from this employment is estimated at \$232,273 if the sale is domestically processed or at \$187,531 for export. The difference results in the transportation costs of a longer haul distance to an export site, in addition to the cost of barging to the export site. Logging and road employment would be the same for both domestic and export scenarios. Employment for export may increase slightly due to a longer haul to the LTF and employment involved with other services related to export (Daniels 2017¹). Indirect effects were not estimated since they can be inaccurate and misleading for a project of this size (Alexander 2012²).

### Forest Service Administrative Costs

Based on budget information from the Alaska Region, the Forest Service administrative project costs would be approximately \$82,439, which includes sale preparation and sale administration. The cost of environmental analysis to comply with NEPA is considered a "sunk" cost and includes all field work including surveys relating to streams, wildlife, soils, and cultural resources.

Reference links: <a href="https://www.fs.usda.gov/project/?project=60641">https://www.fs.usda.gov/projects/tongass/landmanagement/projects</a> scroll down to "Upper Falls Creek Young-Growth Project"

<sup>&</sup>lt;sup>1</sup> Daniels, J.M. 2019. Memo. Employment coefficients and direct income for Southeast Alaska timber industry updated for CY 2017.

<sup>&</sup>lt;sup>2</sup> Alexander, S.J. 2012. Employment Coefficients and Indirect Effects, for NEPA planning: 2012 Update.