

# **USDA RURAL DEVELOPMENT COMMUNITY MEETINGS**

August 28, 2009 Ketchikan & August 29, 2009 Sitka

## Meeting Notes

### USDA Visiting Attendees:

Jay Jensen, Deputy Undersecretary of Agriculture, NRE

Victor Vasquez, Deputy Undersecretary of Agriculture, Rural Development

Robert Bonnie, Senior Advisor to the Secretary of Agriculture

Joel Holtrop, Deputy Chief, National Forest System, US Forest Service

M.L. Smith, Special Assistant to the Deputy Chief, US Forest Service

Wayne Maloney, Special Assistant to Deputy Undersecretary of Agriculture, RD

### INTRODUCTIONS:

Jay Jensen

- This meeting is the start of long-term relationship, needed to help Southeast Alaska diversify economy based on where we have been and where we are headed.
- Spent week touring Craig, Hoonah, Juneau, Ketchikan
- Secretary of Agriculture Tom Vilsack's first major speech in Seattle couple weeks encapsulated his vision for Forest Service--reconnect people to land
- No other place in country are people so connected to the land as Alaska
- Excited to learn from people here, build appreciation in other parts of country for forests and farms—and what they provide
- Forests provide clean water, clean air, roof over head
- We need to invest in resources
- Secretary's focus for next four years will be through lens of climate change and clean water
- How does that translate to ground?
- We are in the beginning stages of the process to develop opportunities for restoration economy, diversified portfolio
- We need infrastructure on the ground too support goal of forest restoration
- What direction do we go in? The communities need to determine that.

Victor Vasquez

- Here to talk about building the economy around who lives here and what they value
- People work hard, value time, value quality of life—people here look after each other, true sense of community
- What can we do together? What is possible when we work on an economic strategy together, paying attention to what already exists in community?
- What can we support? People involved in a variety of industries besides natural resources
- Big picture is diversified economy, which means longevity of community
- Expect this to be a continuing dialogue looking at wide array of programs and services that could support economic and community development, including housing, community, utilities, and broadband.
- What you can expect from us? We will continue to work together and will be receptive to what communities want to work on.

## COMBINED PUBLIC COMMENTS:

### **COMMUNITIES**

- Resource dependent
- Some can't come back home because of lack of economic opportunities
- Families leaving—communities not sustainable
- Losing jobs here, and families without health insurance
- Let's look at another way of doing business, but complement old way as well
- Retooling bill—makes it possible to shift infrastructure, create a new biz model
- Stop migration of young people—maximize opportunities, help employers stay and grow
- Strategy for education and training here so can hire locally
- What is a livable income? Looks like we make a lot of money here, but gap between pay and expenses is small
- We are willing to boot-strap, but we need a kick-start
- Alaska has highest population of seniors—they are community supporters
- Look at enticing seniors as a economic boost
- Sustainable economy—shortage of skilled workers
- Alaska is losing 1000 blue collar jobs a year due to lack of skilled workers
- Key to economic stability is to have a trained workforce, job placement
- Need to foster partnerships to build facilities to train in meaningful jobs to keep Alaskans here
- All projects are going to demand a workforce
- In Sitka especially we need affordable housing and Land availability
- Can't get capital—reduce risk of capital investments
- Outward migration of 30% of communities in past 10 years
- Look for industry clusters in pacific northwest

### **ENERGY**

- SE AK needs cheap affordable green power, can attract businesses
- Everything uses energy
- We could be totally energy independent and even export power
- Offset propane, diesel use
- Stabilize energy costs

#### Woody biomass

- Opinion that wood is higher carbon producer than oil, instead look to non-combustible power
- Work with mill operators on product supply
- How can we create local demand to coincide with locally produced product?
- Sealaska Signature projects—create a commercial demand by converting Sealaska Plaza into wood biomass boiler facility
- Other potential projects—federal buildings, Hoonah Icy Points Cannery to heat for summer tourists, greenhouses.
- Restoration management, integrated resource management plans
- Biomass in Craig—take waste and turning it into energy, ties in with forest restoration, transportable liquid and solid fuels
- Craig wood biomass boiler—not new technology

- Euro countries 1/3 of communities are heated with biomass, wood waste, even garbage.
- Co-generation plants? Need certified boiler operator 24/7
- “Bio” bricks—reduce dependence on oil
- Sitka does not have ready supply of fire wood, sawdust residue can be used for bio bricks
- 50% of municipal waste is paper that could be made into bio bricks
- 6 sawmill operators in Thorne Bay formed a coop to buy machinery to produce biobricks

#### Hydropower

- Hydro energy—small scale black bear facility on POW
- Opportunities for federal agencies and land owners to synergize and work together
- Lots of hydro but not where it is needed--expensive to get
- Cutting down trees for transmission lines—side industry
- Blue lake hydro electric project, alpine lake fish friendly clean
- Electric vehicles—could be fueled by hydro
- Classified as non-renewable – why? Need for policy to change
- Tyree Lake and Swan Lake facilities provide 75% of power Wrangell and Petersburg
- Hydropower could provide 95% of power in Southeast Alaska
- Successful because we get a lot of rain
- Environmentally benign, could be certified as low impact hydro energy
- Displace diesel generation
- Cap and trade climate change bill
- Hydro proven, successful, no complaints
- Need transmission lines—where lines are located affects cost of project

#### Tidal

- Technology not yet developed
- Thousands of megawatts—need electric grid to export energy—macro and micro, corridors, land management plan.
- Tidal reserves, manufacturing of facilities
- Possible manufacturing for tidal power machines here

#### Geothermal

- Proven technology being used at Chena Hot Springs near Fairbanks
- Possible Southeast Alaska sites include Tenakee Inlet, Chichigof Island
- Pacific rim is rim of fire
- Geothermal energy big in California and Oregon
- Need fed policies and programs to encourage development here—renewable energy credit, surcharge on electricity
- Not feasible to build less than 20 megawatt plant?
- Feasibility is main issue—need \$50k funding to do study

#### Fish waste energy

- 65-75% of product used
- Major processors discharge by-products from fishing industry
- Violation of EPA rules
- 20 mil pounds of waste could be composted, turned into energy
- Demonstration project to use it
- Silver Bay Seafoods—salmon waste serious problem

- We can do better and there are opportunities
- Need to make profit from salmon waste
- Scientists developed tried and true technology, closed risk gates, creating template for dealing with salmon waste—can be ready and in operation in Sitka by march.

## **RESTORATION ECONOMY**

- Includes second growth
- Restoration of streams and fisheries
- Road work
- Invasive species eradication
- Needs to include way to make money—viable
- Service, stewardship contracts

### Timber

- Pulp mills gone, need to move on to other way of doing biz
- Only 7-8% of Tongass developed, harvested
- Restoration projects good, but won't create robust economy, need harvest as well
- Timber harvesting—there is room in the plan for everything, reforestation, we are in the biggest forest in the country, retooling, need to sustain a job base
- Let FS implement Forest Plan
- Montana had coalition...multi-pronged effort to form coalition to stop lawsuits
- Sitka Spruce—is a specialty wood that should not be used for just anything, should be designated for music, special uses, not used for just biomass
- Industry in transition paper—Viking Mill owner Steve Seley
- Time for industrial clear-cut logging is past
- Remove commercial restriction on free-use permit so local folks can use for econ diversity
- Support small scale logging
- Need bridge to get to second growth
- Export policy needs to be revamped--frustrating to see wood leave in rafts and barges
- We want to use each part of tree, here
- Retooling bill represents intersection point between proposals and opportunities
- Wood used to build houses comes from down south— State of AK does not have a grade stamp for wood, by law must have to use locally for building
- Think local

## **MARICULTURE & FISHERIES**

- Economic diversification, clean water, year-round quality jobs, industry clusters
- Good, clean pristine cold waters
- 400-600 rural jobs
- Global economic opportunities
- Not just shellfish--algae, seaweed, products produces oil

### Shellfish

- Shellfish industry can solve many problems and create many jobs
- Identified in Ketchikan Economic Development Plan as priority industry with double demand

- Economic Development Administration grant—result could be new facility next year
- Green mussel mariculture in New Zealand—lots of small mom and pop farms, in next 5 years it will be a billion dollar industry—we have more potential

#### Hatcheries

- Seward hatchery is shutting down
- Hatcheries enhance the natural native stocks
- Laws require us to utilize in -state

#### Salmon

- Restoration of fish habitat priority
- 45% of natural resource economy is salmon
- Value added—smoking fish

#### Herring

- Should be managed for sustainability as the basis for all other fisheries
- Subsistence

## **INFRASTRUCTURE**

#### Ketchikan Hospital

- Funding needed for facility master plan approved by city council assembly
- Need multiple funding entities
- Largest employer in Ketchikan: 450 employees
- Possible partnership with tribal entities

#### Ketchikan Indian community

- Need training facility across from university to house 52 students for vocational training
- Chance for KIC to leverage BIA funding
- Alaska aging population, need to train youth
- Alaska losing 1000 workers per year through retirement

#### Performing Arts Center

- Key to keeping professionals, families in community
- Ketchikan top 100 arts communities
- Weather requires us to spend a lot of time indoors
- Building is purchased—need funds to remodel. Can't keep professionals in town
- Could also be used for cultural presentations, conventions, etc

#### Sheldon Jackson

- Closed, but still costing money and is a liability
- Possible site for new Job Corp Center?

#### Sitka Ranger District

- Needs more staffing – reductions are effecting permitting services to small businesses
- Build new office with local wood and heated with renewable energy

#### Pulp mill sites in Sitka and Ketchikan

- Both have water access
- Liabilities right now, could be assets

## Transportation

- Need transportation network to get products to market
- Prince Rupert, B.C.—2007 opened up container port with railroad to Chicago, 66 hours to south—looking to expand, better than Seattle
- Alaska Marine Highway—easier access to SE communities needed

## SCIENCE

- TNF important global resource in terms of climate stabilization, temperate rainforest, need researchers to discover what role of temperate rainforest is in global climate change
- Need science support at highest levels to build sustainable industries
- Carbon—comprehensive carbon management, FS has active part to play not only in managing land but in helping communities make decisions that reduce emissions...need action plan. Trees sequester carbon---some reports that Tongass has highest levels of sequestration in world.
- Eco—management of the household (economy, ecosystem)—think of Tongass as household – how will we manage that household? Research possibilities here are great.
- Sitka salmon spawning science facility

## SECURE RURAL SCHOOLS

- Funding expires in three years

## ROADLESS

- Roadless rule protects fisheries, helps against climate change – seek to have Tongass included
- Roadless rule would restrict opportunities for harvest and development, maintain Tongass exclusion from rule
- Tour company—roads are not always a bad thing, brings 3000 people out into the Tongass to see wildlife, old growth habitat, learn about forest, some roads decommissioned, some not maintained, brushed in and not usable. Roads important for recreation and subsistence, ATV retail sales, boats, etc