

# Chugach, CIRI cooperate on timber venture

by Holly F. Hallam  
Tundra Times reporter

Two Alaska Native regional corporations will be working together to hire shareholders this fall when a major logging operation gets under way on the Kenai Peninsula.

Chugach Alaska Corp. is buying 200 million board feet of timber rights from Cook Inlet Region Inc. for timber located on the Kenai Peninsula

near Ninilchik.

Michael Chittick, Chugach president, said to put the agreement into perspective — Chugach bought enough timber resources to run its sawmill for 10 years.

Chittick said this would consist of eight-hour-a-day shifts for a 10 year span.

In 1988 Chugach built a lumber mill in Seward. The mill is expected to start

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up next month.

This new timber operation is going to create a lot of new jobs both for

Chugach and CIRI shareholders. Chittick said there will be several hundred  
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jobs for the logging operation and about 55 at the mill site. Recruitment is scheduled to begin this fall.

"This is a substantial economic impact on the Kenai Peninsula," he said.

Chittick said Chugach will harvest and process their timber resource in Alaska unlike other companies who export their timber Outside.

"We will not only harvest on the Kenai Peninsula but process to make value added products," he said.

Carl Marrs, senior vice president of CIRI, said Chugach isn't buying land, but purchasing nearly 30,000 acres of timber resources in a lease-like agreement at an undisclosed price.

There are also stringent regulations that go with the agreement. Marrs said Chugach won't go in and clear out the land, but will use a thinning out process leaving nature to take care of its regrowth cycle.

It is expected that the majority of operations will be conducted during the winter months. This will help reduce possible impact on the land.

One consideration behind CIRI's decision to proceed with the sale of the timber was to reduce the fire risk created by spruce beetle infestation which has devastated other areas of the Kenai Peninsula forests, according to a press release prepared by CIRI.

And as a result of the harvest, the remaining timber will be better suited to withstand future spruce beetle infestations. Also access will be established for future recreational and residential use.

