

U.S. Forest Service regs will boost small timber firms

Washington, D.C.—New Regulations have been issued by the U.S. Forest Service which will enable small, independent timber companies in Alaska to compete more effectively with large, long-term timber contract holders. That announcement was made last week by the Alaska Congressional Delegation.

In 1984 Congress approved an amendment to the Timber Relief Act sponsored by the Alaska delegation. That amendment allowed the U.S. Forest Service to reassess stumpage rates for certain timber companies which hold short-term contracts to harvest timber in national forests. Long-term contracts contain provisions which allow stumpage rate redeterminations every five years, enabling contracts to change with market cycles. Short-term Alaska contracts, with five to seven year durations, had no similar provision until the amendment was approved. The Forest Service regulations released last week implement that provision.

"Stumpage rates" are the fees imposed upon the timber companies by the Forest Service for each tree taken.

"Given the dramatic decline in the timber market," Stevens said.

"I want to ensure that Alaska's small, independent timber companies are given as much consideration as the large firms. They're fighting for their survival and I'd like to see that they get a fighting chance."

"It's important that small, independent Alaska timber operations be given the chance to compete on the same footing for timber contracts," Congressman Don Young said. "I'm pleased that the Forest Service has issued these regulations."

"I was extremely disturbed when the new regulations were issued and then pulled back," Senator Frank Murkowski said. "I spoke with officials at the Office of Management and Budget and urged their release. OMB assured me the new regulations will be included in the final version of the Timber Relief Act."

"These new timber regulations will greatly benefit our state, especially in the depressed timber market of Southeast Alaska," Murkowski concluded.

Under the regulations, rate redeterminations may be made on all short-term sales between now and October 16, 1989. Rebates will be made on short-term sales which occurred after January 1, 1974.

