



FEB 19 2000

February 10, 2000

Federal Caucus Comment Record
C/O BPA-PL
707 W. Main Street, Suite 500
Spokane, WA 99201

Subject: Public Input, Conservation of Columbia Basin Fish

Caucus Team:

The purpose of this correspondence is to provide written comment for Three Rivers Timber, Inc. for the above referenced issue as part of the February 20, 2000, public meeting held at Lewiston, Idaho.

Three Rivers Timber is a family owned small business located at Kamiah, Idaho. Our operation employs 115 people at the plant site, and contracts log production operations employing another 100 people. We are one of the largest employers and property tax payers in Idaho County. Our operation is heavily dependent on raw material sourcing from local public lands. In recent years, timber output from highly productive Federal lands has decreased to a dribble. Capital investment decisions are driven by available timber projections as we continue to modernize operations to keep pace with industry competition. We are extremely sensitive to issues that may further jeopardize raw material sources.

While we have followed the issue of how the Lower Snake River will be managed, particularly in regards to possible dam breaching, other than the Multi-Species Framework group, no one has made the effort to discuss the impact of possible alternatives on our operation. Therefore, we have deep concerns over the thoroughness on impact analysis, and the gathering of basin public input.

While you may think the financial impact is marginal for a company located at Kamiah, let me tell you, nothing could be further from the truth. We have conservatively estimated we would have a combined revenue loss per year of from \$400,000 to \$1,200,000. This range is driven primarily by residual material (wood chips and sawdust) values that result from lumber manufacturing.

Further, depending on habitat decisions, we face the potential of decreased raw material availability, and increased costs to those manufacturers fortunate enough to

survive. It is easy to say that your decisions will dictate both the future of the timber industry of our region, and the economic future of the communities they support.

We see some glaring errors in various studies and information collected that will impact your decision. Our concerns are summarized as follows:

- So far, integrating resource management objectives has only been given lip service. No one yet understands how to make this happen through implementation at the watershed and sub-basin level. As an example, we have lost 50% of our elk herd in the upper Clearwater Basin because of habitat loss. How can we increase land management activities to recover elk, and at the same time increase fish habitat protection?
- None of the research recognizes the rate of watershed restoration taking place. Improved road construction and logging techniques, better equipment, improved understanding of ecosystem dynamics, and obliteration of unnecessary access routes have watershed recovery rapidly increasing. At the same time, increased disease and insect activity combined with grid-locked active management of public lands have significantly increased the risk of large, soil damaging catastrophic fire in unaccessed, unmanaged unroaded areas. These trends must be projected into the future as a basis of decision. The worst thing that could be done is to make decisions based on a snap shot in time that in most research is now five years old.
- 1 | • Some economic data is just downright terrible. We cannot believe the projection of increase electricity rates in the Pacific Northwest for dam breaching is only 1.9% to 6.7%. We think it will be at least double this projection. Further, it is pretty short sighted to say this will have little social and economic effect. At 6.7%, our operation would suffer a \$35,000 per year increase in power costs, not of "little effect" to a small business operator.

2 | Further, it is just plain ridiculous to assume long term effect on employment would be a net gain to communities in the upriver region, and that recreation values of alternative recreation and tourism on the lower Snake River would increase \$80 million per year. These assumptions are key drivers for your decision, but are based on poor information and projections. They cause the entire economic analysis to be suspect, and are the result of either poor work, or preconceived prejudice. We are concerned that this information was not sorted out prior to publishing documents, and by not correcting these flaws credibility of the management team comes into question.

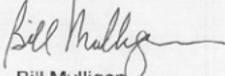
- If dams were breached, we must have a realistic analysis of mortality to fish runs, and resident fish populations, caused by sediment release. How do we save critical anadromous fish runs by first killing significant populations?

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- While a \$1 billion estimate for engineering and construction activities appears a big number, we believe this is underestimated. There will be significant time delays for appeals and litigation. The delays, legal costs, and design changes for unseen and unanticipated conditions have the potential to significantly increase costs.
- The loss to barge transported juveniles, and past release-delayed mortality have been moving targets in the analysis. As transportation and release methods have improved, mortality has dropped. A decision must recognize this dynamic. Further delayed mortality is a mystery until enough information is available to properly assign loss. This also has become a moving target.
- All alternatives must include a realistic approach to combat predation from all sources, and limitation and control of adult harvest, particularly in the river system should also be included.

We hope our comments are helpful. We believe our input covers key areas of concern that must be addressed prior to a final decision document.

Sincerely,



Bill Mulligan
President

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