Karuk Community Development Corporation

John Sebelius
White House Energy Project Streamlining Task Force
8E044 USDOE South Building
1000 Independence Ave SW
Washington, DC 20565

November 6, 2001

Dear Mr. Sebelius:

The Karuk Community Development Corporation is the economic development arm of the Karuk Tribe. We are very interested in pursuing biomass power plants located in remote regions. The biomass build up in our national forests has reached dangerous levels. Removing forest debris and converting it to electricity may help alleviate rural socio-economic depression while repairing our national forests.

Sincerest regards,

John Martinez
Executive Director

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Fuels Reduction Treatment Plan

A Model to Achieve Dual Sustainability

"the most extensive and serious problem related to the health of national forests in the interior West is the over-accumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable, and catastrophically destructive wildfires. ...."
(October 13, 2000) the U.S. Forest Service report, known as "The Cohesive Strategy"

Compelling Purpose

The mid-Klamath River region, culturally and racially diverse, disturbingly is becoming the green ghetto of America. Once proud, robust and civic-minded community cultures are transforming into disfigured, socially isolated enclaves. Within many forested communities severe economic woes have wrought social ills reflecting the most negative stereotypes of inner-city minority communities. The unemployment level soars while domestic violence, broken homes and substance abuse are replacing family picnics, responsible civic leadership and hope in the future.

A parallel exists, if not an inextricable relationship, between socio-economic conditions and the health and well being of the forest. The Native population practiced regular burning over a period perhaps as long as ten thousand years. Thousands of years of regular burning and natural, uninterrupted fire and ignition events created a symbiotic relationship between man and forest. This long-standing relationship between Earth and humankind formed a mutual, harmonic dependency that provided food, shelter, culture, forest preservation and overall ecological health. Local Native culture, customs and commercial trade evolved through the generations within a balanced and healthy eco-system.

The once harmonic balance between humans and forest is in discord. Discord is manifest in the uncontrollable and destructive nature of wildfires, socio-economic despair and other malignant conditions. Economic sustainability, watershed enhancement and fuels reduction form the bedrock upon which we will rebuild a natural, harmonic balance. Our goal is to create a balance that will yield a better, healthier whole for both human and ecological elements.

Problem

Fire once played a beneficial role that shaped the overall health of forests, provided Native communities with bountiful food sources and increased habitat for wildlife. Today however, wild fire represents a growing threat to regional safety, air and water quality, wildlife habitat and the very existence of our national treasures we call forests. The threat from wild fire stems directly from fuel loads that have grown beyond our ability to reduce through "controlled burns" or traditional brushing methodologies. As the fuel loads within our public lands increase so do the likelihood of catastrophic

wildfires that may have irreversible repercussions upon our environment. Catastrophic fire may be the single greatest threat to plant and animal species, watershed and air quality, regional safety and the forest itself. Immediate and aggressive fuels reduction strategies must be implemented if we are to save our forests and communities from wildfire.

However, reducing the threat of catastrophic wild fire represents an ever-complex issue as myopic environmental regulations have spawned a "hands-off" paradigm to forest management. Many environmental regulations, in effect, hold non-forest activity as axiomatic to forest health. Actually, non-forest activity/management has accelerated fuel loading, insect infestations and unnaturally high tree densities thereby increasing the risk to our environment. The three interdependent and mutually reinforcing elements of heavy fuel loads, insect kill and tree density must be addressed aggressively and soon. Inaction may and will eventually, through rot and/or wildfire convert our forests into expansive brush fields.

Ironically, comprehensive fuels treatment strategies designed to safeguard our environment may not be beyond reproach from extreme elements within the environmental community. Effective treatment regimens will require a careful review of both the Endangered Species Act (ESA) as well as forest management plans written to mitigate litigious extreme environmental groups' quixotic view of ecology. Moreover, aggressive approaches to fuels reduction require capital. Thus, effective fuels reduction will require combined congressional action and market driven strategies to reverse a growing national crisis. Our goal is to implement a comprehensive, sustainable 21st century fuels reduction program.

Concept – "Dual Sustainability"

Underpinning our model is the concept of dual sustainability. Dual sustainability denotes that aggressive fuels reduction and economic feasibility are not mutually exclusive; but rather, that they are necessary and sufficient conditions to reversing the threat of wildfire. Thus, our model strives to create a fuels treatment program driven by market incentives -- dual sustainability. While the model strives to promote fuels reduction through market forces its ultimate intent is to improve forest health.

Improving forest health through our model will require considerable congressional commitment and action as well as capital investment in the form of grants and tax relief. Initially, as with any undertaking that seeks to use market forces to create a pure public good, our model will require a mix of public funding and tax incentives. The model posits that pure public goods may be derived through induced market incentives via targeted tax relief, targeted subsidies and creating a pollution credit transfer vehicle between polluting and non-polluting industries.

More specifically, economic sustainability requires a mix of green electricity end-user tax credits, varying tax incentives and/or exemptions for specific fuels removal activities, long-term energy sales agreements for bio-mass electric plants, financial contributions from existing fire/fuel plans, and a carbon sequestration pollution credit system.

Moreover, sustainability will require long-term and unfettered access to fuels reduction byproducts within the National Forest, long-term salvage agreements, long-term contracts for replanting and seeding, and fisheries grants subsidized by nations fishing off our coastal waters and netting within our rivers.

Starting Point

Given the enormity and time consumption of changing the tax code and development of pollution transfer credits, we must identify a starting point with fewer constraints. We believe the process, once in motion, will demonstrate the feasibility of fuels reduction as a sustainable environmentally enhancing economic activity. Once we demonstrate that fuels reduction byproducts can both generate revenues and enhance the environment, consensual inertia driven by a variety of stakeholders will keep the process in motion.

The Karuk Tribe would like to establish a biomass electric generation plant within its ancestral territory. Establishing the plant will require that the Tribe is allowed access to biomass material on a sustained basis up to as long as twelve years. We have identified a watershed drainage that will provide at least twelve years of biomass from fuels reduction work. The drainage is Indian Creek drainage located within the Klamath National Forest Happy Camp District.

Indian Creek drainage is particularly important, as it is one of few remaining drainages that has not experienced catastrophic wildfire. The drainage is littered with millions of board feet of dead and dying timber, tremendous levels of duff, overgrown tree stands, over accumulation of brush and insect infected areas. Our goal is to save this watershed from catastrophic fire through an aggressive fuels reduction program. The Indian Creek drainage affords the opportunity to demonstrate that economic development and environmental enhancement need not be mutually exclusive. Our program will demonstrate that economic development and environmental enhancement are synonymous.

Electricity generated from the plant will power a value-added fuels reduction byproducts processing plant, a diversified forestry products hot house nursery and a state of the art fish hatchery. Surplus electricity will be sold back into the electric grid. Net revenues will be reinvested into fuels reduction work. Our goal is to capture all margins within the above turn key process thereby creating a sustainable fuels treatment and watershed enhancement program.

We request Indian Creek Drainage for consideration as a national model to develop sustainable fuels reduction programs elsewhere in the Pacific Northwest. Program feasibility will require that the Karuk Tribe have:

- 10-12 years of continuous supply of biomass material to feed at least a five megawatt generation system
- secure long-term brushing and replanting contracts/agreements
- secure grants and grant-loan combinations to capitalize the integrated fuels reduction model

- secure long-term fisheries enhancement contracts

We believe the above request will initiate a process that will redefine economic development in forested communities. The process will prove that human activity in our nation's forests is beneficial to watersheds, fish, animals, plant species and people. The Tribe will invite local and regional resource committees, county governments, and federal agencies to directly participate in the program.