Presented by: Mayor and Assembly
Introduced: 08/16/93
Drafted by: J.R.C.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1661

A RESOLUTION SUPPORTING THE CITY AND BOROUGH OF SITKA, ALASKA, IN ITS EFFORTS TO ALLEVIATE THE PROBLEMS CREATED BY THE ANNOUNCED INDEFINITE CLOSURE OF ALASKA PULP CORPORATION'S PULP MILL IN SITKA.

WHEREAS, the Alaska Pulp Corporation has announced that it will shut down its pulp mill in Sitka, commencing September 10, 1993, and

WHEREAS, the closure of Sitka's largest employer, with its direct payroll of $18,000,000 and major role in the economic base of the community, is anticipated to cause the most significant economic adjustment in any Alaska community of Sitka's size since statehood, and

WHEREAS, the shutdown of the pulp mill is being caused, in large part, by unilateral changes in the wording and interpretation of the Fifty-Year Timber Sales Contract by the United States Forest Service and other agencies of the federal government, and

WHEREAS, the Timber Sales Contract was instituted to provide economic stability in Southeast Alaska, and

WHEREAS, it is possible that a fair interpretation or reformation of the contract would allow consideration of alternative uses of the pulp mill and an adequate timber supply, thus allowing Alaska Pulp Corporation to re-open its operations in Sitka, and

WHEREAS, the City and Borough of Sitka has always "paid its own way" and has been a model of fiscally prudent management, and

WHEREAS, without help, Sitka will be completely unable to adequately compensate for the massive adverse impacts of the mill closure on its economy, and

WHEREAS, pending relocation of permanent jobs through alternative use of the mill or recruitment of new industry, the construction of needed capital projects can be a means of generating new employment and needed economic stimulus;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. The United States Forest Service and Federal Government is requested to interpret the long-term Timber Sales Contract to allow Alaska Pulp Corporation to develop alternative uses for its mill in Sitka and to assure it an adequate timber supply.

2. The Congress of the United States is requested to amend The Endangered Species Act so as to protect the economic viability of the Southeast Alaska fishing industry.

3. The State of Alaska is requested to provide additional funding for needed capital projects for Sitka.

4. The State of Alaska Department of Transportation and Public Facilities is requested to release already committed ISTEA funding for Sitka projects.

5. The State of Alaska is requested to provide assistance to the Sitka School District for operational funding to:

(a) permit the Sitka School District to use previous year enrollment (as proposed in Alaska 2000) or provide a "hold harmless" provision for the next two years;

(b) provide for early retirement; and

(c) reduce Sitka's required match for the School Matching Grant Program from 30 percent to 5 or 10 percent.

6. The City & Borough Clerk is directed to forward copies of this resolution to the Mayor and Assembly of Sitka, the Governor of the State of Alaska, the legislative and congressional delegations, and appropriate federal and state agency officials.

7. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 16th day of August, 1993.

Dennis Egan
Mayor

Attest:

Patty Ann Pollet
Clerk