Environmental lawsuits have long made it difficult for Sierra Pacific Industries, the second-largest lumber producer in the United States, to obtain local timber for its small-log sawmill in the tiny Northern California town of Quincy.

This week, the flagging economy hit the final nail into the mill's coffin: The company announced on Monday that it will close the plant in May.

The mill was conceived to use small-diameter logs from programs that thin trees on national forest lands for the purpose of reducing the risk of catastrophic wildfire.

But due to a long series of administrative appeals and lawsuits from environmental groups that object to any commercial logging in national forests, the Forest Service has only achieved 20 percent of its overall sales targets, said Sierra Pacific
Industries (SPI).

Nearly two-thirds of this year's timber sale program is being held up by pending litigation, the company said. The result is that SPI has had to haul logs from farther away to run the mill and make up for the difference.

"Today's lumber prices are not sufficient to cover these increased costs," said the company in a statement. "To make things worse, environmental litigation has not only reduced the mill's raw material supply, but also increased the risk of wildfires in the area."

Small trees -- a big problem in the area's large forest fires -- can't be cut.

Linda Blum of the Quincy Library Group, a group formed in an effort to reach a compromise between environmentalists and loggers to restore the health of the region's forests, said the closure is symbolic of the difficulties in managing forest land to reduce the threat of catastrophic wildfires and benefit the community at the same time (ClimateWire, Sept. 18, 2008).

In 1998, five years after the group was founded, Congress passed the Herger-Feinstein Quincy Library Group Forest Recovery Act, which promoted tree thinning on national forest land to reduce the threat of wildfires while providing raw material for local timber companies. Sierra Pacific Industries began building the
mill in Quincy even before the act was officially passed.

Blum said that the plant closure is a very bad sign. "It is a big hit on the community of Quincy, but it is also a big hit for the future of these projects."

The problem can be cyclical, Blum explained. The small trees, which burn fast and furiously, are the ones that provide the fuel that lights up the canopies of bigger trees. Firefighters call them "fire ladders" because they create conditions for fast-spreading, large wildfires that are much more difficult to fight.

More misery looms for the spotted owl

If fewer small trees are logged, she said, the larger, older trees that the environmental community treasures as habitat for species such as the spotted owl are more susceptible to burning. And the terrible wildfire seasons in California have meant that large felled trees have glutted the timber market, making the economics of processing smaller trees that much more difficult.

"The irony of this is these the fires have killed so many big trees, and the environmentalists' actions have kept the small trees from being cut," said Blum.

Gail Kimbell, chief of the U.S. Forest Service, addressed the issue during a congressional hearing this week on the topic of public lands and climate change. She acknowledged the problems that
the Forest Service has had in providing enough small logs to feed the Quincy mill, but added that some fuels reduction projects had been finally ready to go just before recent wildfires incinerated some of the forests involved.

The economics of hazardous fuels reduction programs vary widely, and they can be much more expensive when there is no one to buy the wood locally or at all, said Kimbell.

"Being able to treat those acres can also be very, very good for the community," she said. Small-diameter logs could be used for lumber, for pelletized fuel for wood stoves or as a feedstock for cellulosic biofuels or renewable electricity.

The controversy over the issue could flare up later this year, because the economic stimulus bill awards the Forest Service $500 million to boost wildland fire management programs, including hazardous fuels reduction efforts.

Environmental group: no choice but to sue

Blum said she worries that if other mills that process small logs can't survive the economic downturn, the wood from thinned forests could be wasted or could even end up in landfills. Because of an absence of loggers, the Forest Service has sometimes had to burn forest thinnings in pits, adding to the forests' carbon dioxide emissions and the government's expenses for fire prevention because the thinnings can't be turned into
salable products.

"If the Forest Service gets around to start really offering projects, it [the Quincy plant closure] calls into question whether or not there's going to be someone to utilize the material," said Blum.

Environmentalists, however, blamed the Quincy mill closure squarely on the tanking housing construction market. "They [SPI] chose to scapegoat the environmental community as being the reason for the bulk of their problems," said Craig Thomas, executive director of Sierra Forest Legacy, a group that has challenged many Forest Service thinning projects through regulatory appeals and lawsuits.

He also said that environmental groups had no choice but to sue, since, over the last five years, the Bush administration refused to engage them in a dialogue about exactly how small a "small-diameter" tree really was and where larger trees should be removed to reduce wildfire risk. Today, he said, he is working with President Obama's new team, and discussions are moving toward a compromise on the design of projects that would allow them to proceed. "Even right now, we are negotiating," said Thomas. "We are not even holding onto some hard line."

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