SEATTLE -- Federal efforts to end old-growth logging in Alaska's Tongass National Forest have stalled and millions of tax dollars are being wasted, according to a report that will be released Tuesday, the latest salvo in a dispute over the future of America's largest national forest.

U.S. Forest Service officials rejected the report's conclusions, particularly the observation that the agency had great latitude in how and where it would spend its money.

Four years ago, the Forest Service pledged to change the way the Tongass' abundant natural resources are managed, shifting the emphasis toward harvesting younger trees and supporting the growing tourism and fishery industries, which depend on the 17 million-acre expanse.

But the study by Headwaters Economics, a Bozeman, Mont.-based research firm, argues that the federal government's good intentions _ the so-called Transition Framework _ have not come to pass.

Researchers filed Freedom of Information Act requests to obtain Forest Service budget and staffing information from 2009 to 2013. Basing their analysis on that data, they say the agency still spends the largest percentage of its resources to prop up the shrinking timber industry, instead of investing in areas that are creating more jobs every year.

"The numbers speak for themselves," said Ben Alexander, the report's chief author. "The budget and staffing allocations show that old-growth logging is still the Forest Service's top priority on the Tongass National Forest.

"Focusing so heavily on timber, which is a minor source of employment, while neglecting opportunities in other more important economic sectors," Alexander said, "is a huge loss to the regional economy."

Robert Bonnie, undersecretary for natural resources and environment at the U.S. Department of Agriculture, said the Headwaters analysis missed a key point. The Forest Service is part of the USDA, and federal law dictates much of the department's spending.

"The Headwaters analysis says that if you are being totally rational about how you spend your money, you'll spend it in a particular way," Bonnie said. "That assumes that Tongass is given a pool of money and the Forest Service has complete discretion in moving money around. We don't."
Congress decides where the money will be spent, said Beth Pendleton, the Forest Service's regional forester for the Alaska region, and national forests throughout the country have seen a drop in funding directed to recreation, wilderness and trails programs.

In addition, the agency has been forced to spend an increasing percentage of its budget fighting wildfires, which drains resources from other areas.

"In 1995, 16 percent of the budget was spent on firefighting," Bonnie said. "Today, it is 42 percent, and we have to borrow sometimes. ... The budget challenges we face on the recreation side and other places are not insubstantial, but the notion that we can move dollars around? We're limited there."

According to the Headwaters analysis, Forest Service spending on harvesting timber in the Tongass accounts for 34 percent to 45 percent of the agency's budget, depending on the year. Over the same five years, the combined Forest Service budgets for fisheries, wildlife, recreation and watershed protection have been smaller than the timber budget.

The timber industry has been on the decline for decades and now accounts for about 1 percent of the private-sector jobs in southeast Alaska. At the same time, private-sector jobs in all other areas have increased, the study said.

Austin Williams, Alaska policy director for the conservation group Trout Unlimited, said the Forest Service was "throwing good money after bad" to support an industry on the decline while ignoring industries such as tourism and fishing that could help provide a stable economy in the struggling region.

"They're cutting funding for the programs we rely on most, burning down the village to save it," Williams said.

Headwaters expects the Forest Service to spend about $57 million preparing and administering the controversial Big Thorne timber sale — recently announced and already in litigation. The sale is expected to generate just $6 million in timber sales for the federal government.

Under the terms of the multiyear sale, about 6,000 acres of old-growth trees would be harvested from the Tongass, a scenic expanse the size of Delaware studded with 1,000-year-old trees.