

Why the Altai Forest Is Going Bare

By [Vladimir Ryzhkov](#)

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The main natural riches of the Altai steppe are its pine forests. From space, they look like four parallel dark green ribbons stretching for hundreds of kilometers from Semipalatinsk on the Irtysh River to the Ob River near Barnaul and Novosibirsk. All told, they cover more than 1 million hectares, and there are no other forests like them anywhere on the planet.

These "ribbon" forests of Altai are a living grid that supports all of the other life forms in Altai. They protect the famous Altai farmland from erosion and from Asian sandstorms. They accumulate moisture in winter and slowly disperse it in spring, contributing to forest streams and lakes while providing water for fields and people. Their beneficent presence generously provides residents of the steppe with berries and mushrooms, game for hunting, ample fishing and cool refuge from the swelteringly hot, dry Siberian summers. Local residents have always taken care of the forests, knowing that they are the very cradle of life for the region.

Corruption
and nepotism are

the largest
threats to one
of the most
precious natural
resources in the
Altai region: its
pine forests.

Now those forests are threatened by industrial logging on a scale unseen under the tsars or even Soviet rule. Avaricious, unscrupulous authorities who were appointed, not elected, to their posts are responsible for the problem. Local residents have already collected 30,000 signatures for a petition to save the forest and deputies of the local parliament have appealed to the governor to stop the destruction.

In short, the ancient pine forests of Altai, which lack commercial reserves of industrial timber, are falling victim to an onslaught of industrial logging.

The logging is conducted by the Altailes, or Altai Forest, holding company. The names of its founders are carefully concealed, while the structure of the holding company is purposely confusing. The company directors are the children and relatives of the very same officials who are charged with preserving and restoring the forests. The trees are felled in secret in violation of the law and in full connivance with federal regulatory and law enforcement agencies.

The two figures behind all of this activity are Altai Governor Alexander Karlin, who was appointed by Moscow, and First Deputy Governor Yakov Ishutin, who oversaw the forestry sector in Altai for many years. Karlin supported the creation of the Altailes holding company and the construction of two industrial-scale timber mills in the towns of Kamen-on-Ob and Rubtsovsk, both located in the region's steppe. Their primary raw material is the ancient ribbon pine forests. The governor has granted those mills tax deductions on logging leases for half of the ribbon pine forests, favorable loan rates with Sberbank and even made the creation of the mills part of a state investment program. As for Ishutin, he combined 31 logging firms into a company that now has a monopoly on supplying timber to the mills. Deputy Governor Ishutin and his deputies' relatives head up Altails. The result is a classic case of pure corruption and conflict of interest, where officials create a private business that monopolizes the very sector they are charged by the state to regulate.

The consequences have been disastrous both for the environment and for the people living near the forests. Numerous smaller mills that had processed timber obtained from legal and proper tree felling have gone broke. Now almost all of the raw timber is shipped by the monopoly to the two mills in Kamen-on-Ob and Rubtsovsk. The region's unemployment rate has risen, its budget revenues have declined, and its economy has dwindled. As usual, a state-created monopoly has quickly and ruthlessly decimated local small businesses. At the same time, the price of processed lumber has increased threefold.

The volume of logging in the pine forests has doubled or even tripled at times. For example, the Mamontovskoye forestry district previously felled no more than 14,000 cubic meters of timber annually. Now, it fells more than 50,000 cubic meters.

Rather than selectively cutting down only older, sick and dying trees as before, loggers now chop down up to 70 percent of all the trees in a stand, removing the higher quality and more profitable timber preferred by the two new Altailes mills. At the same time, they carelessly leave unwanted branches and treetops to rot on the forest floor where they breed parasites that infect the remaining healthy trees.

Mass deforestation is even hitting protected forests and nature reserves. Streams and lakes have become shallower, and the future of Altai's famous farmlands is threatened by erosion caused by the loss of forest cover on the steppe. Endless convoys of trucks bearing Russian and Kazakh license plates and loaded with freshly cut trees drive year-round toward the Kamen-on-Ob and Rubtsovsk mills or else directly to Kazakhstan, China and Central Asia.

All of this is done in clear violation of laws governing forests and the protection of nature. Logging leases are granted to Altailes without competitive bidding. Quotas are constantly and illegally increased. The trees are sold to the mills at artificially low prices to reduce taxes and increase profits for the owners closely linked to government officials charged with protecting the forests.

Citizens cite numerous violations of the law, but the resulting investigations by the regional prosecutor's office, Investigative Committee and Federal Security Service inevitably produce no result. As a formality, the authorities are also inspecting the federal Rosleskhoz, or Forestry Agency, but that body is more likely providing cover for the looting of the forests than working to protect them.

Although Altailes co-founder Mikhail Klyuchnikov has been removed from his post as director of Regional Forestry Management and faces criminal charges, he continues to head the region's Union of Forestry Organizations and his son is CEO of the Rubtsovsk lumber mill. The son of the deputy head of forestry management for the Shershnev region is the manager of investment projects for the holding company. Deputy Governor Ishutin's son is the director of development for the company and is personally responsible for the delivery of raw timber products. What's more, Klyuchnikov's wife is the holding company's chief accountant.

Their collective goal is to cut down and sell as much of the protected Altai forests as possible. They are out to monopolize the use of the forests and drive competitors out of the market — local businesses that had helped preserve the forests in the past.

The Federal Antimonopoly Service simply ignores the forestry monopoly set up by the very — Altai officials charged with protecting the forest. The prosecutor's office, Federal Security Service and Investigative Committee turn a blind eye to the blatant corruption and conflict of interest by Altai officials. Moscow inspectors fail to call anyone to task for the excessive exploitation and destruction of the protected forests in Altai.

The power vertical has rotted, as have the officials entrusted with protecting the forests. It turns out that the region's forests will be rescued by the only viable force remaining in Russia — its true patriots, the residents of Altai.

Vladimir Ryzhkov, a State Duma deputy from 1993 to 2007, hosts a political talk show on Ekho Moskvyy radio and is a co-founder of the opposition RP-Party of People's Freedom.

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