



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Founded 1975
Executive Director
Rick Rogers
2014-2015 Executive Committee
Ralph Samuels, President
Eric Fjelstad, Sr. Vice President
Lorna Shaw, Vice President
L.F. "Len" Horst, Treasurer
Ethan Schutt, Secretary
Phil Cochrane, Past President
Bob Berto
Patty Bielawski
Pat Carter
Ella Ede
Stan Foo
Tim Gallagher
Paul Glavinovich
Bill Jeffress
Scott Jepsen
Wendy Lindskoog
Tom Maloney
Lance Miller
Kara Moriarty
Hans Neidig
Glenn Reed
John Shively
Jeanine St. John
Cam Toohey
Directors
Jaeleen Araujo
Anna Atchison
Greg Baker
Tom Barrett
Greg Beischer
Jason Bergerson
Rick Boyles
Jason Brune
Bruce Bustamante
Dave Chaput
Steve Connelly
Dave Cruz
Steve Denton
Corri Feige
Mike Ferris
Carol Fraser
Gideon Garcia
Ricky Gease
Stephen Grabacki
Dan Graham
Scott Habberstad
Karl Hanneman
Rock Hengen
Steve Hites
Teresa Imm
Michael Jespersion
Mike Jungreis
Christine Klein
Thomas Krzewinski
John Lau
Tom Lovas
Thomas Mack
John MacKinnon
Stephanie Madsen
Karen Matthias
Sam Mazzeo
Ron McPheters
James Mery
Lori Nelson
Tom Panamaroff
Lisa Parker
Judy Patrick
Shannon Price
Mike Satre
Joe Schierhorn
Keith Silver
Loralie Simon
Doug Smith
Phil Steyer
John Sturgeon
Casey Sullivan
Jan Trigg
Doug Ward
Sinclair Wilt
Ex-Officio Members
Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young
Governor Bill Walker

February 6, 2015

Senator Cathy Giessel, Chair
Senate Resources Committee
State Capitol
Juneau, AK 99801

RE: SB 32, Timber Sales

Dear Senator Giessel,

I am writing on behalf of the Resource Development Council of Alaska (RDC) to support passage of SB 32 "An Act relating to the sale of timber on state land; and providing for an effective date."

RDC is a statewide business association representing forestry, oil and gas, mining, tourism, and fishing industries. Our mission is to grow Alaska through responsible resource development. RDC supports policies aimed at ensuring a reliable and economical long-term State and federal timber supply.

In the decades since the State's timber sale authorizing statutes were last amended, the demand for wood fiber from State lands for energy purposes has increased significantly in response to escalating fuel oil costs and State capital investment through the renewable energy capital grant program. As a result wood fiber for biomass energy has grown into an important component of forest products from State timber sales.

What has also changed over the past decades is the dependence of our remaining Southeast Alaska mills on timber sales from State lands. In some circumstances negotiated State timber sales are essential in keeping what is left of our remaining manufacturing capacity operating.

RDC agrees with the administration, as articulated in Governor Walker's transmittal letter, that competitive timber sales are the preferred means of selling timber under most conditions. However some circumstances warrant the flexibility of offering negotiated sales at appraised fair market value in order to ensure a reliable supply of raw material to mills. The Department of Natural Resources (DNR) has a good track record of limiting its negotiated sales to those circumstances where it is clearly in the State's best interest, and the added flexibility afforded to the DNR Commissioner

by this surgical statutory revision will provide needed flexibility required by today's realities of timber supply and markets.

By giving the DNR Commissioner added flexibility in offering negotiated sales and clarifying that users of wood fiber are also eligible for negotiated sales, the State will have tools appropriate to conditions that frankly were not part of the timber supply landscape when State's timber sale statutes were last revised.

These amendments support recommendations of the 2012 Alaska Timber Jobs Task Force. The task force recommendations were developed with input from leaders in the timber industry and have been endorsed by the Alaska Board of Forestry.

RDC encourages the passage of SB 32 from committee.

Respectfully,

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers
Executive Director