



March 19, 2015

Senator Pete Kelly, Co-chair
Senator Anna MacKinnon, Co-chair
Senate Finance Committee
State Capitol
Juneau, AK 99801

Re: CSSB32 (RES), State Timber Sales

The Alaska Forest Association (AFA) supports Senate Bill CSSB32 (RES)

The AFA is a non-profit business association that was formed in 1957 to represent the interests of the timber industry in Southeast Alaska. The AFA currently manages a pension program, a group health insurance program, a scholarship program for the timber industry and also sponsors the Sustainable Forestry Initiative program for Alaska. Our members businesses and their employee's lives are dependent upon a reliable supply of timber.

We are supporting efforts to significantly increase the size of the State Forests in Southeast Alaska because we have confidence in the States forestry program but meanwhile, our need for State timber sales has never been greater. Over the last twenty years the Forest Service has downsized the federal timber sale program in Southeast Alaska by about 90% and although the State currently manages only about 1% of the timberland in the region, the State timber sale program is very well managed and the State timber sales have allowed at least a few small, and one mid-size sawmill to survive.

The AFA served on the State's Timber Task Force in 2011-2012. The Task Force report included a number of recommendations to enhance the timber industry across the State, including both the 2-million acre State Forest we seek for Southeast Alaska and the changes to the state timber sales authority that are the subject of CSSB 32 (RES). Those changes will allow the State Division of Forestry additional flexibility to manage their timberlands more strategically. The changes will enable the Division of Forestry to negotiate a wider range of timber sales to address specific operator needs. The

changes will help not only operators who are at risk from the decline in federal timber sales, but will provide more options for timber supply for operators across the State.

The proposed changes will not result in any reduction in protections for fish or wildlife habitat, access for recreation and subsistence nor will the changes result in negative financial impacts for the State. For instance, the changes will remove the current requirement that State timber sales can only be negotiated in areas that have:

- (1) a high level of local unemployment;
- (2) an underutilized timber manufacturing capacity; and
- (3) an underutilized allowable cut of state timber, timber that will lose substantial economic value due to insects, disease, or fire, or timber to be cleared for the conversion of land to nonforest uses.”

A more flexible timber sale program is better for the State regardless of whether there is high-unemployment, underutilized mills or excess allowable cut, particularly now when the need for additional State revenue has increased.

Please approve this legislation in your committee so that it can be enacted by the full legislature this year.

Thank you,

A handwritten signature in cursive script, reading "Owen Graham", is written over a horizontal line.

Owen Graham
Executive Director
Alaska Forest Association