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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 4, 2016

Representative Dave Talerico, Co-Chair
Representative Ben Nageak, Co-Chair
House Resources Committee
Alaska State Capitol
Juneau, AK 99801

RE: CSSB 32, State Timber Sales

Dear Co-chairs Talerico and Nageak:

I am writing on behalf of the Resource Development Council of Alaska for Alaska, Inc. (RDC) to support passage of CSSB 32, an Act relating to the sale of timber on state land.

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. 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 have been absolutely essential in keeping what is left of our remaining manufacturing capacity operating.

RDC agrees with the administration that competitive timber sales are the preferred means of selling timber under most conditions. However, some circumstances warrant the flexibility of offering negotiated sales in order to ensure a reliable supply of raw material to mills. The State of Alaska 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.

In conclusion, the basic premise of the bill is to remove the constraints on negotiated timber sales and to allow longer-term timber sales where it is appropriate. Passage of this bill will help keep our members in the forest products industry in business. The current restrictions limit the DNR to negotiating only with certain sawmills.

RDC urges you to pass CSSB 32 from the committee, and thanks you for the opportunity to provide comments.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Carl Portman', is written above the printed name.

Carl Portman
Deputy Director