

# **HB 98 (CSHB 98)**

Forest Land Use Plans;  
Negotiated Timber Sales;  
Emergency Firefighters

*House Finance Committee*

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# Presentation Overview

- Issue I: SE Alaska timber industry is struggling to survive.
- How can we provide and protect timber jobs?
  - Step 1: Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.
  - Step 2: Provide a stable and predictable supply of timber to the industry, once a timber sale has been purchased.





# Presentation Overview

Issue II: Increasing wildland fire risk;  
few job opportunities in rural Alaska.

- How can we protect Alaskan communities from wildland fire, while providing stable, long-term jobs for Alaskans, and save money in the long term?
  - Allow DNR to use existing general fund appropriations to pay emergency firefighting personnel to perform nonemergency work related to hazardous fuels reduction.
- Sectional Analysis





## Issue I: Timber industry in SE Alaska is struggling to survive

A dwindling supply of timber from the US Forest Service has gutted the timber industry in Southeast Alaska.

SE Alaska supports only 325 timber industry jobs today, compared to 4,000 jobs in the 1990s. Now, even those jobs are in danger.

Amending statutes to support the local industry in Southeast Alaska will protect existing jobs.



# How can we provide and protect jobs?

Step 1. Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.

Currently, negotiated timber sales must be sold for local manufacture, not export.

- A changing timber supply (more young growth) means that some sizes of timber are not marketable in Alaska.
- Demand for certain species (e.g., hemlock) is only overseas or in the Pacific Northwest.



## Timber sale types: negotiated & competitive

- Negotiated sales allow DOF to choose a timber purchaser not only based on price, but also on the **number of local jobs** the sale provides.
- Local SE Alaskan operators are not able to outbid larger out-of-state companies for competitive sales.

Without a consistent timber supply, local industry and jobs will erode further.







## How can we provide and protect jobs?

Step 2. Once a timber sale has been purchased, provide a stable and predictable supply of timber to the operator by providing contractual certainty.



# Stable Timber Supply

An appeal can halt harvesting, which can be disastrous to a logging company.

HB 98 ensures that once the decision has been made to sell the timber, no further administrative appeals can occur.

Input would still be gathered from public and agencies.





# Steps in a Timber Sale

*Public and agency comment gathered at each step.*

1. Area Plans\*
2. State Forest Plans\*
3. Five-Year Schedule of Timber Sales
4. Best Interest Finding\*
  - Timber may be sold after adopted.
5. Forest Land Use Plans\*
  - Not all Forest Land Use Plans must be issued before timber is offered for sale.
  - For large sales, prepare Forest Land Use Plans in phases, as access is developed.

*\*Subject to appeal.*



# BIF vs. FLUP: What's the difference?

## Best Interest Finding

### **Decisional document:**

- Should we sell this timber?

## Forest Land Use Plan

### **Implements BIF on the ground:**

- How will the sold timber be harvested?



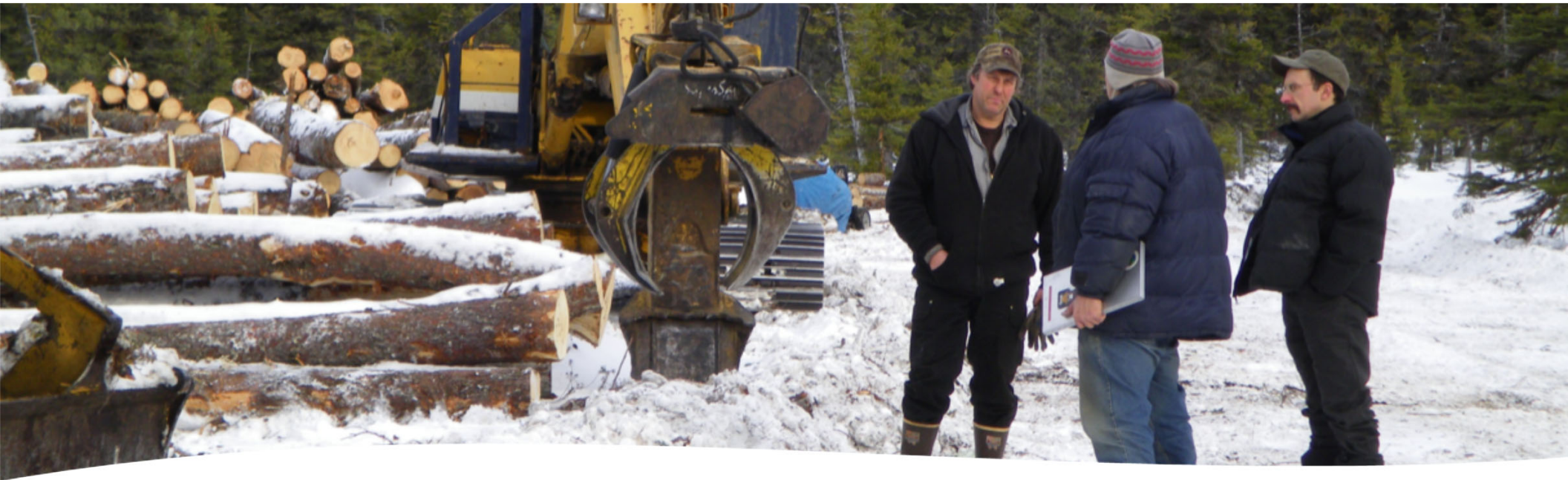


# Safeguards on timber harvests

Timber harvests must adhere to the Alaska Forest Resources and Practices Act (FRPA, AS 41.17), which:

- protects fish habitat and water quality, and
- ensures prompt reforestation<sup>11</sup>





## Safeguards on timber harvests, continued

- DOF enforces FRPA through inspections, directives, stop work orders, and civil fines.
- On state-administered sales, the operator is held to the timber sale contract. Every contract includes a bond.
- If DOF, the landowner, or a member of the public sees a problem, DOF can issue a notice of violation, and if necessary, shut down the timber operation until the problem is remedied.





## **HB 98 focuses appeals at the Best Interest Finding stage, before timber is sold.**

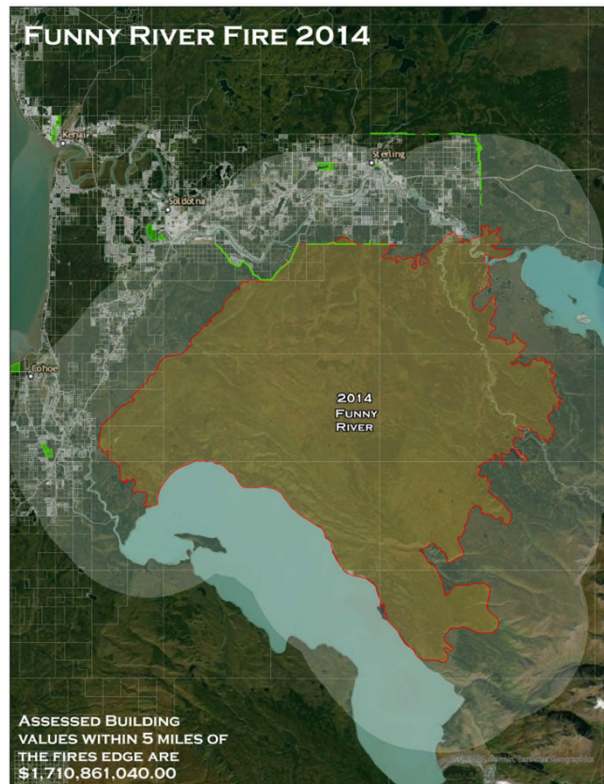
- Provides stable and predictable supply of timber once sold
- No interruptions of harvest at a subsequent Forest Land Use Plan stage
- Includes specific criteria the DNR commissioner must consider when deciding whether to offer a negotiated timber sale
- Costs nothing: Zero fiscal note



## Issue 2: Increasing wildland fire risk; few jobs in rural Alaska

- Over the last two decades, Alaska has seen a drastic decline in the number of emergency firefighter (EFF) crews, in particular village-based crews, due to the lack of consistent work.
- Meanwhile, wildland fire risk has increased due to warmer temperatures and longer fire seasons.





## Fuel break success stories

Recent Alaska wildfires have shown that fuel breaks around communities in fire-prone areas can dramatically increase the chances of stopping a fire, **saving human lives and millions of dollars.**

# How can we protect Alaskan communities from wildland fire, while providing stable, long-term jobs for Alaskans?

Statutes now prohibit DNR from paying EFFs for non-emergency fire tasks. The proposed change would:

- allow existing General Fund appropriations to pay emergency firefighters for work, such as:
  - hazardous fuels reduction,
  - creating and maintaining fuel breaks,
  - identifying at-risk structures.
- support steady employment for rural-based firefighting crews, and
- reduce the state's future costs for fighting wildland fires.







## HB 98:

- Costs nothing: Zero fiscal note.
  - Timber sale changes: no cost.
  - EFF changes: FY21 capital budget already appropriated \$5 million for Fire Risk Reduction and Fuel Break activities over the next five years. In the future, DOF will establish a “hazard fuels reduction fund.”
- Adds criteria for all timber sales, where DOF will consider local markets and benefits to the local economy.





## Sectional Analysis



# Section 1

Provides intent language for:

- BIFs to include consideration of economic benefits resulting from:
  - local manufacture,
  - local processing, and
  - a stable local job base.
- DNR to increase personal use firewood areas near communities, including access to these areas.







## Section 2

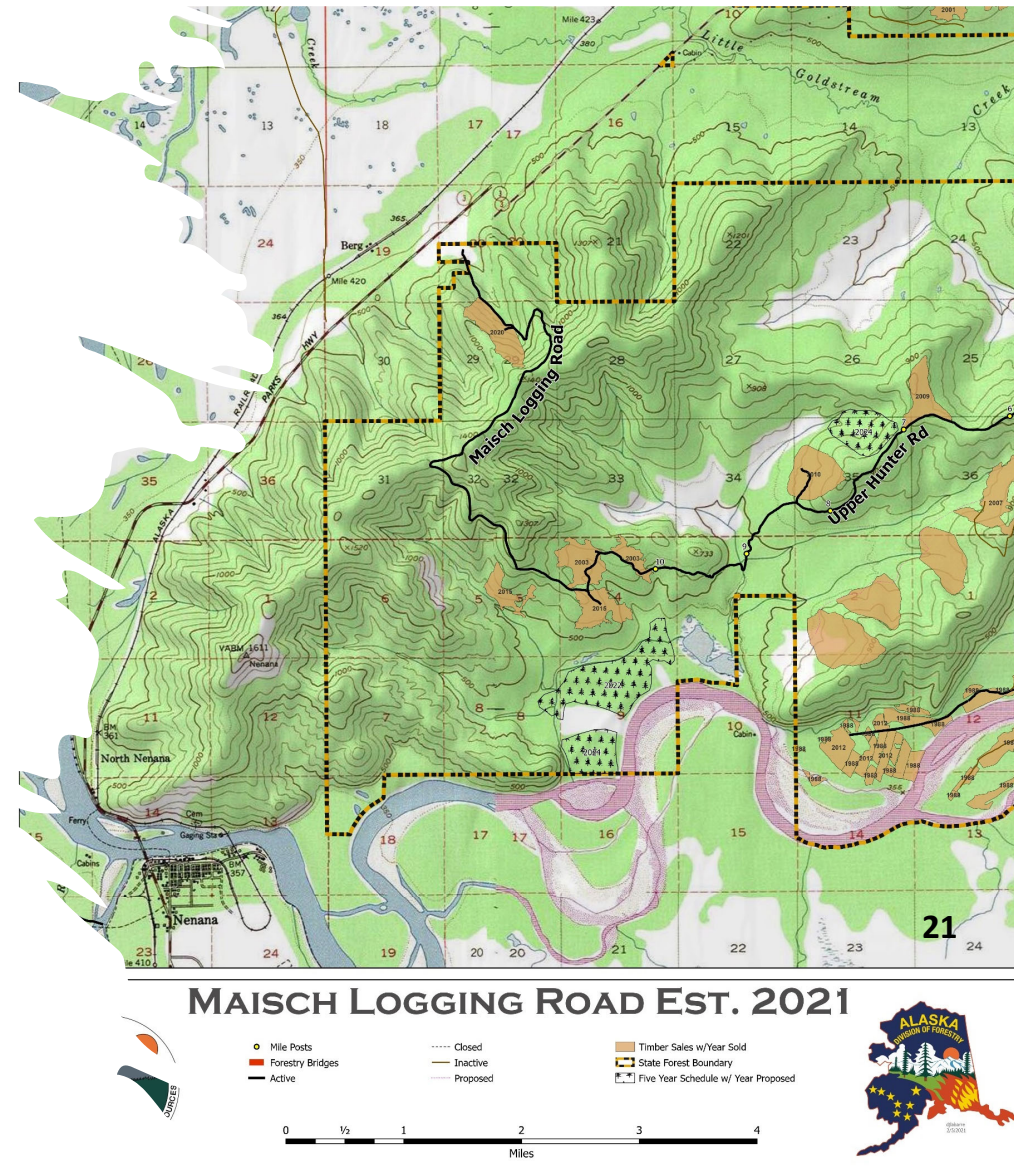
Conforming change: amends AS 38.05.035(e)(6)(A) to maintain the exemption of sales of 500,000 board feet of timber or less from a written best interest finding (BIF) requirement, since AS 38.05.115 (small negotiated) sales are now combined into AS 38.05.118 negotiated sales authority.



# Section 3

Adds specific criteria the DNR commissioner must consider when deciding whether to offer a negotiated or competitive timber sale:

- best interests of the state
- local timber market
- specialized or developing foreign or domestic markets
- presence of underutilized timber
- economic constraints of the intended timber market
- riparian and other environmental effects
- wildlife habitat effects
- other benefits to the state and local economy



## Section 4

- Expands from 10 acres to 20 acres the size of timber sales exempt from the need for a FLUP.
- Requires a FLUP to be adopted before harvest.
- Allows a single FLUP to authorize timber harvest for multiple harvest units in a timber sale contract.
- Allows DNR to award a timber sale contract before adopting a FLUP.
- Allows FLUPs to be issued over the life of the timber sale contract.







## Sections 5-7

**Section 5 – Focuses appeal opportunity on the BIF instead of subsequent FLUPs.**

Section 6 – Removes negotiated timber sales from AS 38.05.115; those sales are moved to AS 38.05.118 (see Section 7 and 8).

**Section 7 – No longer restricts negotiated timber sales to local manufacture of wood, thus allowing negotiated timber sales for export.**

## Sections 8-9

Section 8 – AS 38.05.115 negotiated timber sales are now consolidated in AS 38.05.118.

Section 9 – Consolidates another provision from AS 38.05.115 into AS 38.05.118, and adds ability for DNR to request purchaser to pay for additional analysis by a contractor. (This language was previously only for .123 sales.)





## Sections 10-11

Section 10 – Allows timber sales to be negotiated for local manufacture of high-value-added and other value-added wood products (see .123(j)).

Section 11 – Deletes requirement that .123 negotiated timber sales must include contract terms limiting the sale to the amount of timber the commissioner determines to be the maximum amount that could be commercially practical to harvest.





## Section 12

**Allows DNR to use already-appropriated General Funds for EFF to perform critically important fire prevention work, which is currently “non-emergency activity.”**



# Sections 13-15

Section 13 – A conforming amendment due to the consolidation of negotiated timber sales in AS 38.05.118.

Section 14 – Because of the consolidation of the negotiated sales provisions in AS 38.05.118, both AS 38.05.115(b) and (c) are unnecessary. AS 38.05.123(e) is repealed due to the amendments in Section 3 to avoid redundancy.

Section 15 – Establishes an immediate effective date.





Thank you!  
Questions?