



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

OFFICE OF THE COMMISSIONER

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The Honorable Kelly Merrick, Co-Chair
The Honorable Neal Foster, Co-Chair
House Finance Committee
Alaska State Capitol, Rm 519
Juneau, Alaska 99801

February 17, 2022

Re: HB 98 - Forest Land Use Plans, Timber sales, and Emergency Firefighters

Thank you for the opportunity to introduce HB 98 to the House Finance Committee on February 10, 2022. While no follow-up was asked from the division, we hope you will find this additional information helpful.

Why we needed to hire firefighters to build fuels breaks

Emergency fire fighter (EFF) crews will be just one of the many tools DOF uses for fuels reduction. See the following list for other resources we use for mitigating wildfire danger.

- DOF contracts with private sector heavy equipment companies to build large fuel break projects and to maintain existing fuels breaks.
- We contract work out to two Native Corporation fire crews: Tanana Chiefs Conference and Chugachmiut.
- Our permanent agency crews and firefighters work on fuels when not on assignments. Unfortunately, they are not available much of the time for fuels work, since they are needed on fires.
- We work with local governments to reduce hazardous fuels. An example is the landfill chipping program in Mat-Su, where we provide the Borough with funds to offer the public free disposal of spruce beetle debris at waste transfer stations. This reduces fuels on private property and reduces the need for spring burn permits, resulting in fewer human-caused fires.
- DOF's Cooperative Forestry program offers forestry financial assistance to communities and private landowners to remove dead spruce trees;
- DOF offices throughout the wildland-urban interface support robust firewood and timber sale programs that help remove beetle-killed and hazard trees and create protection for communities.

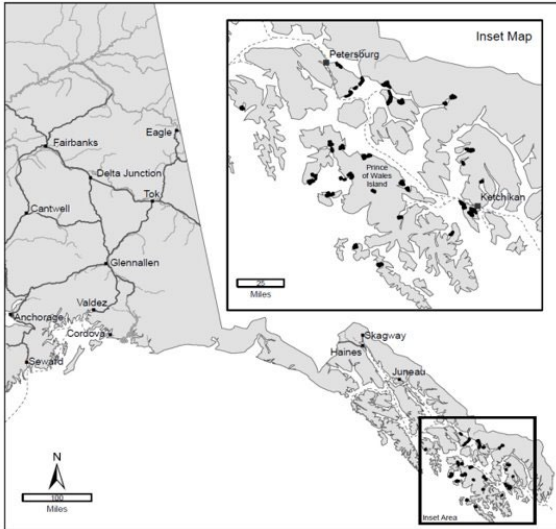
Adding emergency firefighters to our fuels workforce will augment the existing work we do. EFF crews are very much needed but are not the only tool we will use for fuels reduction. We need a variety of options for increasing our capacity to build fuels breaks to protect communities from wildfire, matching the right resource with the right project at the right time. Where the EFF resource will be of most benefit is in our rural communities where access to contracted resources, heavy equipment and the traditional fuels reduction workforce is limited. Rural or village EFF crews will provide a valuable resource in protecting their communities from wildland fire. Without these EFF crews, our rural communities may not receive the same level of protection as roadside communities.

This will provide a fuels reduction workforce while also training future firefighters and rebuilding our village fire crews. Village fire crew numbers have dwindled drastically in the last ten years, from 56 crews in 2010 to under eight full crews in 2021. Several factors contribute to this reduction in crews: fewer young people seem to be interested in jobs in the woods, and funding for DOF's Fire Academy was cut, so few training opportunities exist for rural Alaskans. (This will change if the Academy is reinstated in this year's budget.) The primary reason for the dwindling crew numbers, though, is that currently, under the emergency funding model, crews only have the opportunity to work part of the year, so they leave to find more permanent jobs elsewhere. We need to offer crews stable, long-term employment, and this amendment would provide it.

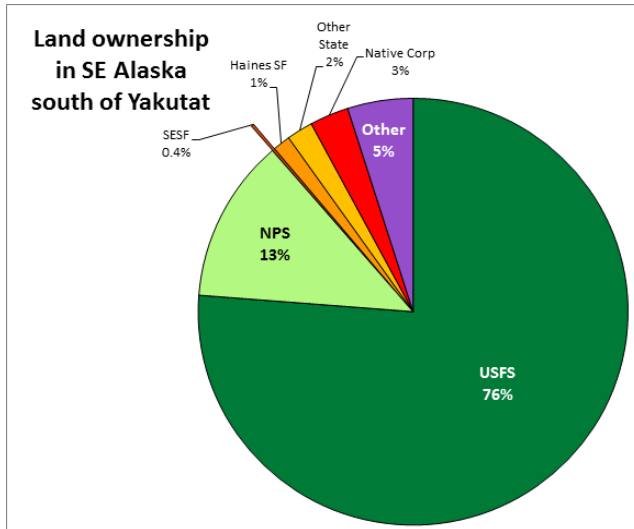
Southeast Alaska timber values

Although state land acreage is small in Southern Southeast Alaska (only 0.4% of the total land base), it contains the highest value trees in Alaska, and brings in the most revenue to the Division of Forestry. Thirty-two forest units total 46,952 widely scattered acres. In comparison, the Tongass National Forest is 16.8 million acres, with about 5.5 million acres of commercial timberland.

Southeast State Forest Units



Land Ownership



DOF sold \$1.7 million of timber in Southern Southeast Alaska in FY 2021, while the timber sold in the remainder of Alaska totaled \$633,000.

DOF Commercial Timber Sales Sold in FY2021, by Area

Area	Number of Sales	Acres Sold in New Sales	Volume Sold - Units Converted to MBF	Sale Value
Southern Southeast	5	585.00	15,851.85	1,688,333.20
Northern Southeast	5	1,064.00	23,218.91	433,455.00
Kenai - Kodiak	2	22.00	150.00	6,375.00
Mat Su	0	0.00	0.00	0.00
Coastal Total	12	1,671.00	39,220.76	2,128,163.20
Fairbanks	8	191.10	1,144.29	63,109.72
Delta	7	254.20	1,887.35	125,816.07
Tok	1	10.00	37.80	500.00
Copper River	2	19.00	55.02	3,668.00
Northern Total	18	474.30	3,124.46	193,093.79
State Total	30	2,145.30	42,345.22	2,321,256.99

Timber sales under contract

In May 2021, the Division of Forestry had \$5.14 million of timber sales under contract.

- Coastal Region (includes Southern Southeast) sales under contract totaled \$4.3 million, not including federal Good Neighbor Authority sales. Their destination varied; some sales are for export and some serve local manufacturing markets.
- The Northern Region’s timber sales under contract totaled \$850,000, and are 100% for local manufacture.

Demand for timber sales in Southeast Alaska

The dwindling supply of timber from the US Forest Service has already decimated the timber industry in Southeast Alaska, which has been reliant on federal raw material supply for decades. Southeast Alaska supports only 325 timber industry jobs today, compared to 4,000 jobs in the 1990s. Now, even those jobs are in danger, with the sudden stop to all timber harvest from the Tongass National Forest. More than ever, the industry is counting on State timber sales for its supply of timber.

The Division of Forestry has committed to assisting the Governor's Bridge Timber program in southern Southeast Alaska (Ketchikan area). This plan will accelerate DOF's timber sales from a sustained yield of 9 million board feet per year to an estimated 14 million board feet per year. To meet that objective, DOF will use up its backlog of annual allowable cut on the Southeast State Forest and General Use lands and develop sales on land classifications that are not constrained by annual allowable cut: lands planned for settlement, for example. The intent of the plan is to provide timber volume to industry stakeholders until a viable and sustainable supply of young growth timber is available for harvest.

For more information, see attached *Briefing Paper 2022-14, Strategy for Southeast Alaska Bridge Timber Supply*.

Demand for timber in Southcentral Alaska

Demand for timber sales in Southcentral is lower than in Southeast, primarily because of lower timber values. The relatively low value of the timber in Southcentral makes it difficult for an operation to be profitable. For example, building a road to a timber sale can cost more than the timber is worth. The spruce beetle outbreak has further diminished the value of the timber in Kenai and the Mat-Su.

For more information on DOF's response to beetle kill in Southcentral, see attached *Briefing Paper 2022-13, DOF's targeted response to Southcentral Alaska's spruce beetle outbreak*.

However, DOF offers small negotiated sales to meet the demand for small sales, and the public may purchase firewood permits on DOF's website: <https://dnr.alaska.gov/FPS/>. Before 2016, Mat-Su and Kenai offered 2-6 large sales per year at about 40-100 acres each. In FY 2016, resource foresters in the Mat Su and Kenai Kodiak Areas were laid off due to budget cuts. The loss of staff has made it difficult to offer large sales, so timber purchasers are now buying large sales from the Kenai Peninsula Borough, Mat-Su Borough, or Native landowners.

Demand for timber in Interior Alaska

In the Northern Region, DOF is currently meeting the demand for timber and has sales available over the counter. DOF also offers small negotiated timber sales when requested, to help new operators get into the forestry business.

Negotiated sales vs. competitive sales

Division of Forestry timber sales in Interior and Southcentral Alaska are rarely negotiated, and are not currently sold as export. The primary beneficiaries of HB 98 would be Southeast timber operators.

The work involved for DOF to sell a negotiated timber sale in Southeast Alaska is not significantly more than selling a competitive sale. Furthermore, the proposed statute changes are unlikely to increase the number of sales prepared, because we are already selling the maximum amount of timber available in Southern Southeast state land under our sustained yield mandate. Demand for negotiated timber sales is unlikely to increase elsewhere in the state, since there is no export market, and the only type of negotiated sale currently used is for small sales under AS 38.05.115.

Please let me know if the department can be of further help in providing information to the committee.

Sincerely,



Laura Boomershine
Legislative Liaison

Cc: Akis Gialopsos, Governor's Legislative Office, Director