

Calvin Zuelow

From: Rep. Robyn Burke
Sent: Tuesday, March 4, 2025 2:19 PM
To: Calvin Zuelow; Sarah Snowberger
Subject: Fw: HB 72 timber leases

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From: Tom Paragi <[REDACTED]>
Sent: Tuesday, March 4, 2025 1:59 PM
To: Rep. Robyn Burke <Rep.Robyn.Burke@akleg.gov>; Rep. Maxine Dibert <Rep.Maxine.Dibert@akleg.gov>; Rep. Carolyn Hall <Rep.Carolyn.Hall@akleg.gov>; Rep. Donna Mears <Rep.Donna.Mears@akleg.gov>; Rep. Zack Fields <Rep.Zack.Fields@akleg.gov>; Rep. Dan Saddler <Rep.Dan.Saddler@akleg.gov>; Rep. George Rauscher <Rep.George.Rauscher@akleg.gov>; Rep. Julie Coulombe <Rep.Julie.Coulombe@akleg.gov>; Rep. Bill Elam <Rep.Bill.Elam@akleg.gov>
Subject: HB 72 timber leases

Dear Members of the House Resources Committee,

I have read HB 72 and its Sectional Analysis from DNR and listened to your committee hearing. I encourage you to not pass this bill from your committee in this session for reasons explained below. This bill would apply most expansively to boreal forest in Interior and Southcentral Alaska.

First, I am concerned with what I perceive as a proposed reduction in oversight by the Board of Forestry through its powers and duties under AS 41.17.047. The Sectional Analysis for the bill proposed substantial change from the existing timber sale process, giving the Commissioner of DNR substantial discretion in (1) unspecified details of lease conditions (including non-competitive, single bid negotiation) and (2) applying the Alaska Forest Resources and Practices Act (FRPA) with respect to requiring a written Best Interest Findings or exempting leases from FRPA principles within a state forest. Board involvement through FRPA has served the resources and public well for 4 decades under a far more transparent public process. Standards for forest roads, harvest practices, and reforestation have allowed timber harvest while protecting fish habitat and water quality.

Second, in the Senate Resources hearing, the Commissioner mentioned the Weyerhaeuser timber company investing in research on tree improvement to shorten the rotation period for trees, implying this potential for boreal Alaska. An important context for that statement is that Weyerhaeuser is one of the largest and longest term private landowners in the U.S. and does not lease lands. Its intensively managed private holdings are also lower latitude environments and tree species different from Alaska, produced for diverse markets (chips, pulp, glued laminate, etc.). These are harvests typically on much shorter saw log rotation periods than Alaska trees (~70 years for birch and 110 years for white spruce). Thus, the shortening of rotation periods Weyerhaeuser has achieved elsewhere may not (likely doesn't) apply directly to Interior and Southcentral Alaska.

I question whether private entities or corporations (particularly those outside of Alaska) would have incentive to invest in distant projects on even 55 year timber leases, which are also called licenses or tenures. A 2018 article on Canadian forest tenures from a timber industry website raises this very question:

<https://www.pulpandpapercanada.com/establishing-competitive-forests-1100001367/>:

Area agreements: These agreements are traditionally signed with a single forest products company. The company is responsible for the preparation of a long-term forest management plan, subject to approval by the province. The company is also responsible for all forest operations including post-harvest regeneration. While the licence may be for at least 25 years and renewable, there is little evidence that companies managing area agreements have seen any incentive for long-term investment in silvicultural treatments to improve tree growth and quality.

Third, large tenure projects in other countries seem to be exclusively for export markets. Relevant questions are (1) whether the relatively small trees in boreal Alaska would have an economical market either in-state use or for export, and (2) how would a large lease of forest land might affect timber access by existing local mills. Assuming a use for smaller Alaska trees, a large mill by Lower 48 or Canada standards would meet Alaska's building needs in a few weeks, requiring a viable product export market to remain open all year. A forest markets economist with knowledge of the current Alaska wood demands and industry potential for export would be a helpful person to question in your committee.

Timber leases might make sense for Alaska, but the arguments presented for them so far by DNR that suggest investment in roads, timber improvement, and hazardous fuels reduction (most needed near communities is not timber quality but black spruce) were more conceptual than factual. I recommend that you ask DNR to present more details on how leases would work with the realities of raw timber and product export markets and transportation costs, and what steps would be taken to avoid large companies from displacing the existing, family-owned, small logging and milling businesses. A symposium before the next legislative session that includes timber lease experts, forest economists, and existing logging and milling operators might help inform a decision before approving 55-year leases based on the concepts presented thus far.

Thank you for the opportunity to comment.

Tom Paragi

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