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Governor Sean Parnell  
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January 17, 2013

The Honorable Charlie Huggins  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Huggins,

Under Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to creating the Susitna State Forest and relating to negotiated timber sales to meet local needs. The creation of the Susitna State Forest will aid in development and increased access to lands, and in turn, increase timber sales for small mills and commercial firewood businesses. This legislation ensures the long-term availability of timber supply to support commercial and personal use, creating economic growth and job opportunities for Alaskan communities.

The Governor's Administrative Order 258 established the Alaska Timber Jobs Task Force with federal, State, private industry, and community members. The Alaska Timber Jobs Task Force was charged with reviewing and recommending actions related to management of State-owned forest land, establishment and expansion of legislatively-designated State Forests, and State timber harvesting statutes and regulations. In its report to the Governor, the Task Force recommended the creation of the Susitna State Forest

This bill establishes the Susitna State Forest in the Matanuska and Susitna Valleys from suitable State land classified for forestry or general use management by the State land use plans for the region – the Susitna Matanuska Area Plan, the Southeast Susitna Area Plan, and the Fish Creek Management Plan. These lands are currently managed by the Department of Natural Resources (DNR) for timber harvest and other multiple uses. The proposed Susitna State Forest includes 33 parcels totaling approximately 763,200 acres in 14 large management blocks, and would join the Haines State Forest (est. 1982), the Tanana Valley State Forest (est. 1983), and the Southeast State Forest (est. 2010) as part of the State Forest system established under the Alaska Forest Resources and Practices Act (FRPA, AS 41.17).

This legislation will also support the growing interest in biomass wood energy projects in local communities, which require a long-term, sustainable wood supply. Wood biomass can provide cheaper, locally produced, and renewable energy. Additionally, the economic activity associated with the biomass production will stimulate local economies in communities throughout Alaska. This

legislation expands conditions under which the State can offer negotiated timber sales to encourage the use of these local energy sources.

This bill also addresses the Task Force's recommendation to expand the conditions and increase the flexibility under which the State could offer negotiated timber sales to meet local manufacturing needs. Under the existing statutes, DNR may not offer negotiated timber sales larger than 500,000 board feet unless the sale area has high unemployment, underutilized manufacturing capacity, and an underutilized timber supply that will lose value due to insects, disease, fire, or conversion to non-forest uses. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. This bill authorizes DNR to offer negotiated timber sales statewide within the limits of the sustained yield supply, and subject to a best interest finding.

This legislation will make a meaningful difference to Alaska's economy. I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in blue ink, reading "Sean Parnell". The signature is stylized with a large, looping "S" and a cursive "Parnell".

Sean Parnell  
Governor

Enclosure