

ALASKA STATE LEGISLATURE

SESSION

State Capitol, Rm. 30
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator.Bert.Stedman@akleg.gov



INTERIM

1900 1st Ave.
Suite 310
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-0713
www.BertStedman.com

SENATOR BERT K. STEDMAN

MEMORANDUM

TO: Senator Coghill, Chair
Senate Judiciary Committee

FROM: Senator Bert K. Stedman *B.S.*

DATE: February 21, 2014

SUBJECT: SCR 2 Questions

At the last Senate Judiciary Committee held on February 17, 2014, there were several questions posed to SCR 2. Here are the responses.

Q. Has the Statehood Act ever been revised, and if so, when?

A. Yes, the Statehood Act has been revised at least twice by Congress with the agreement of the State: In 1971, Alaska Native Claims Settlement Act (ANCSA) was enacted to settle Native Claims. This Act provided for 40 million acres of land selections by various Native groups as well as amending the State selections process. In 1980, Title IX of the Alaska Natural Interest Lands Conservation Act contained a major revision to the Statehood Act to further the selection and conveyance of State land selection. In each instance, the bills specifically dealt with specific land selection, conveyance and entitlement of lands selection under Statehood Act.

District Q

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Q. Has an Alaskan Governor attempted this before? Was it three years ago?

A. Yes, Governor Frank Murkowski worked with the Alaska delegation during the 110th Congress, second session (2008) and Representative Young introduced HR 6682. This legislation addresses many of the same issues as the proposed SCR 2. The bill would have amended the Statehood Act to allow land selections from the Tongass National forest, 1.8 million acres, as partial fulfillment of the original statehood entitlement. The proposed legislation also had a tie to educational programs in Alaska and the short title of the bill was: “Alaska Timber Management Areas for Education Land Selection Act”.

Stepping back a bit further to the 144th Congress, HR 2413 was introduced in 1995. This legislation proposed to transfer the entire Tongass National Forest to the State of Alaska. The bill was entitled: “To Transfer the Tongass National Forest to the State of Alaska”.

More recently in June of 2012, the Alaska Timber Jobs Task Force issued their final report per Administrative Order 258 from Governor Sean Parnell. Several specific recommendations in the report address Tongass National Forest management including high priority recommendations in Section 2, Task 2 and 5. The recommendations read “Southeast State Forest: add two million acres of National Forest System lands from the Tongass NF” and “Pursue state ownership and /or management authority of two million acres of National Forest System lands in the Tongass NF to support an

integrated timber industry in Southeast”. The Division of Forestry has a reporting matrix on their website that tracks progress on all the recommendations in the Task Force final report, including the ones on additional land selections in the Tongass.

http://forestry.alaska.gov/aktimber_jobs_taskforce.htm

The administration has been working with the Alaska delegation to discuss options for accomplishing this recommendation and the Division of Forestry is actively engaged in the topic. This past year State Forester Maisch testified in front of the House on HR 1294 (Self-Sufficient Community Lands Act) and HR 818 (Restoring Healthy Forests) and in the Senate Energy and Natural Resources Committee hearing on challenges and opportunities for improving management of national forest land. Thru the National Association of State Foresters (NASF), Alaska is working to form a state and national coalition to advocate for national forest management changes, including Western Governors Association (WGA), Intertribal Timber Council (ITC), and other national organizations.

Q. Would Senator Stedman prefer to purchase or trade land?

A. We need a timber supply and the federal government has, since 1990, steadily reduced the amount of timber available from federal lands in Southeast. The federal

government has monopoly power over the timber supply in the region, where more than 94% of the land is under federal management (the Tongass and Glacier Bay).

Q. How many acres does he want to acquire?

A. Two million. This is the amount of land required to sustain the timber industry and to allow access to mining, energy development and community access. The Alaska Timber Jobs Task Force report has additional information about the proposed State Forest (http://forestry.alaska.gov/aktimber_jobs_taskforce.htm)

Q. What would be the purchase price per acre and what would the operating cost be for that additional land?

A. The Division of Forestry (DOF) currently has staff located in Ketchikan that are actively engaged in managing state forest lands, including the Southeast State Forest (50,000 acres). While there would be some incremental cost to managing additional lands in Southeast, there would be corresponding offset of revenue generated by the timber sale program, thus the additional management costs could be covered by receipt authority. The purchase or sale of lands is generally at the appraised value and that level of detail has not been completed at this stage of the process. Should the project go forward as an outright purchase, then an appraisal of the lands would need to be made.

Q. What does 2% of Tongass really mean?

A. The Tongass encompasses 17 million acres. 10 million of those acres are timberland. About 5.6 million of those acres grow trees fast enough to be considered commercial forestland. Congress has set aside more than 6 million acres. The current Tongass Land Management Plan allows only 663,000 acres to be managed for timber production. The re-imposition of the Roadless rule places about half of the 663,000 acres off-limits to development. The remaining 330,000 acres represents about 2% of the 17 million acre Tongass.

Q. What is the percentage of old growth left and where is it?

A. About 450,000 acres of timber has been harvested on the Tongass. All of those acres have been reforested, but the trees on most of those acres are not yet mature. All of the remaining 10 million forested acres (or 5.6 million commercial forest acres) are covered with old-growth timber. Consequently, about 96% of the 10 million acres is old-growth and about 92% of the 6 million acres of commercial timberland is old-growth. This wasn't part of the question, but about 2 million acres of old-growth has been set-aside by Congress as Wilderness, National Monuments and legislated LUD-II (Roadless) areas. Additionally, about a million acres of timberland is within protected stream buffers.

Q. What is the rejuvenation potential of other harvested timber on mental health and native lands?

A. Mental Health, University, and other State and Native lands comprise about 6% of the land in the region. The total acreage of non-USFS young growth (YG) is approximately 280,000 acres. The age class distribution of the non-USFS young growth is about 20 years younger than USFS young growth and is not likely to provide much support to a rapid transition. Currently the State of Alaska and the University of Alaska have significant amounts of old growth timber resources available for harvest. However this available volume is not sufficient enough on its own to provide for the existing industries annual needs or to maintain a viable customer base for high-value old growth products. If the Sealaska Land Entitlement bill and the proposed Alaska Mental Health Trust – USFS land exchange are both enacted there will be an additional 100,000 acres of both old growth and young growth timber available for forest management. Again without a drastic increase (3 fold) in volume offered on an annual basis by the Forest Service or the transfer of 2,000,000 acres into State management; there are not sufficient timber resources available to sustain the current industry. Taking average growth rate (MAI) and applying it to the projected young growth land base for all ownerships a total sustainable regional young growth harvest program

could approach 200 million board feet annual from all owners. Harvest could ramp up to this level over the next 30 years with short term harvest level being significantly less.

The table below shows the acres of young growth by decadal age class by ownership in southeast.

Management by Owner											
		2000-2010	1990-2000	1980-1990	1970-1980	1960-1970	1950-1960	1940-1950	1930-1940	1930--	
State	no	14	5,822	765	1,143	3,575	4,761	1,985	916	24	19,006
State	yes	-	-	4	977	723	114	-	-	-	1,818
ANC	no	4,294	31,647	59,906	85,582	7,886	5,969	1,058	603	107	197,051
ANC	yes	-	104	15,954	24,589	8,380	2,722	289	-	-	52,038
USFS	no	-	6,722	63,055	55,635	34,048	49,410	19,261	3,903	1,851	233,886
USFS	yes	-	-	3,014	31,609	80,420	64,964	8,809	31	128	188,975
		4,308	44,295	142,698	199,536	135,032	127,941	31,402	5,453	2,110	692,774

State includes State of Alaska, Mental Health Trust and University lands

ANC includes regional and village native corporations

USFS is the Tongass National Forest

Q. Has this been done by other states before, and how much was the purchase price per acre?

A. According to Monte Williams, land specialist, Legislative Affairs Office, U.S. Forest Service, there have been some trades of small parcels of land between states and the federal government. Additionally there are some provisions under law for the exchange or sale of small tracts of land. However, to Mr. Williams' knowledge no trade or sale to date has been large enough to constitute or support a sustainable timber

industry.^[1] A key component of any such transaction is a determination that the exchange or sale of federal land is within the interest of the American public.

In addition to being in the interest of the wider public, land exchanges must reflect value for value. Further, all expenses associated with such trades—including, for example, surveys and environmental impact statements under the National Environmental Policy Act (NEPA)—would be borne by the entity requesting the trade.

The National Forest Townsite Act authorizes the Forest Service to sell land in the contiguous western states and Alaska to local governments for community purposes; however the limit to such sales is 640 acres and the land must be adjacent to the community that has applied. Land sales must serve the local community interest and the local objectives must outweigh the larger public interest that is served by retaining federal ownership. Under the law, the federal government must receive at least fair market value for the land.^[2]

^[1] Monte Williams, land specialist with legislative affairs, Forest Service, U.S. Department of Agriculture, can be reached at 202.205.1011.

^[2] National Forest Townsite Act, 16 U.S.C. 478a. Under the associated regulations, the value of land is estimated through appraisals that meet federal appraisal standards.