Forestry Update

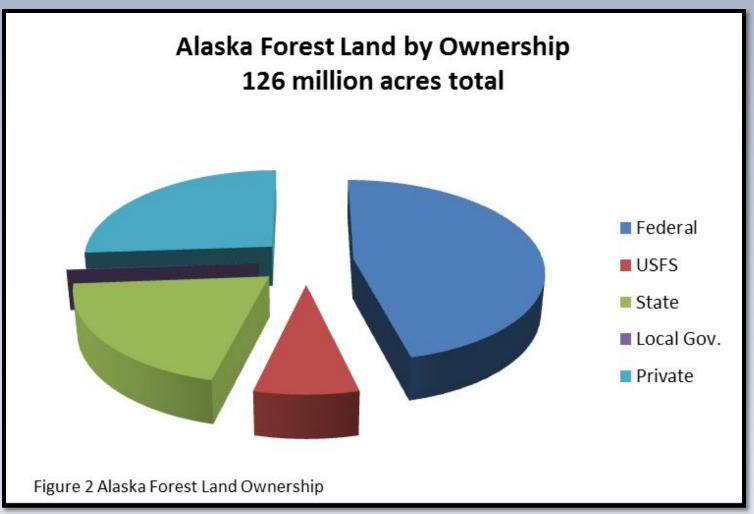
House Resources Committee March 1, 2019



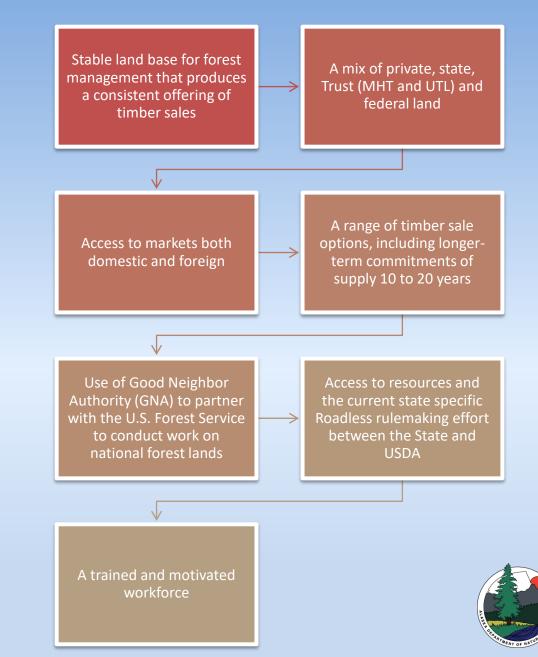
Chris Maisch, Director and State Forester Division of Forestry Alaska Department of Natural Resources



Who Owns Commercial Forest Lands



What Conditions Maintain or Grow the Forest Products Sector in Alaska



ALASKA FOREST RESOURCES & PRACTICES ACT Effective July 1, 2006

Reprinted June, 2007

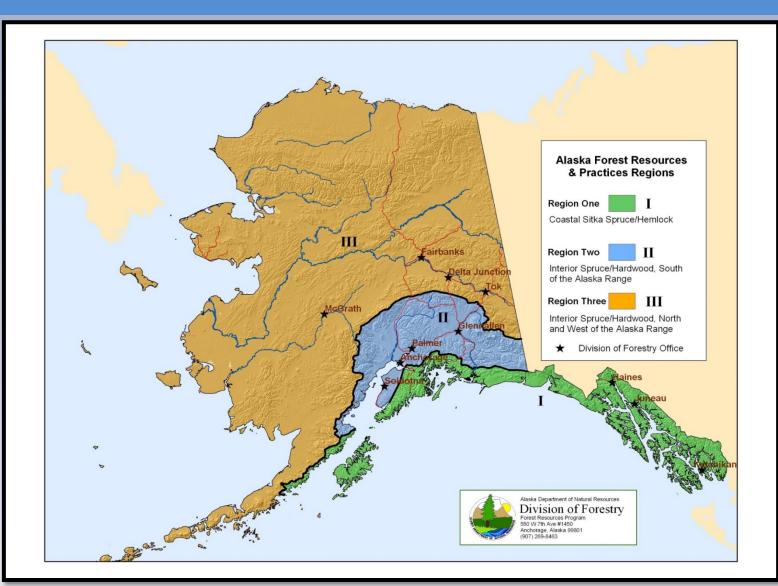
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DIVISION OF FORESTRY DEPARTMENT OF NATURAL RESOURCES

This booklet compiles the 1978 Forest Resources and Practices with amendments passed in 1981, 1982, 1983, 1984, 1988, 1990, 1995, 1996, 1998, 1999, 2003, and 2006, and 2007 Revisor changes. It does not include the attorney general's notes nor the history notes that are given in the official compilation. The Department of Natural Resources provides this booklet as a public courtesy. The department cannot guarantee the absolute accuracy of this reproduction of the Forest Resources and Practices Act (AS 41.17). For the official published version of the Act, please refer to the Alaska Statutes.



Forest Resources and Practices Act and Forest Types Across the State

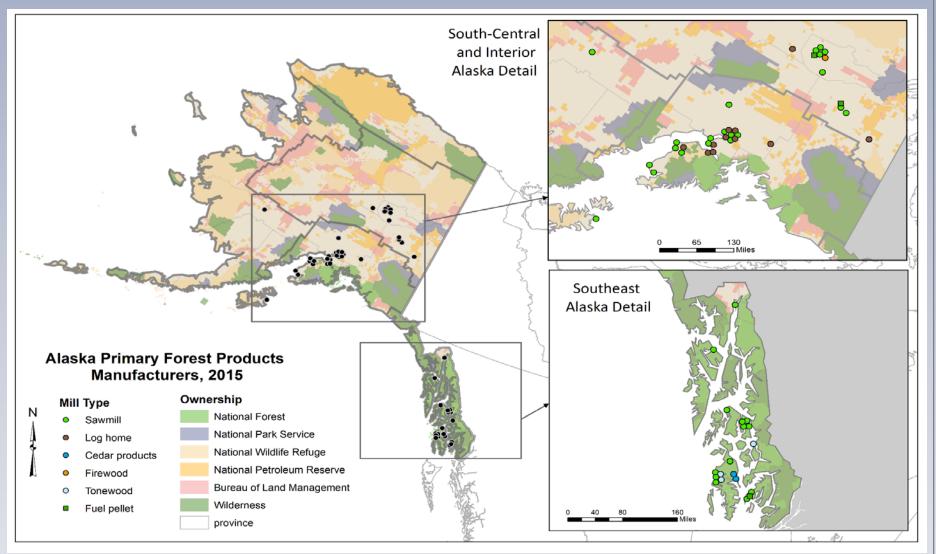


Statewide Overview of the Forest Products Sector

- Regional differences in scale, markets, products and type of facilities
- Primary Manufacturing
- Log Export
- Secondary Manufacturing
- Non Timber Forest Products
- Woody Biomass Projects scale and types of fuels



PRIMARY FOREST PRODUCTS BUSINESS LOCATIONS



Primary Manufacturing Facilities

Viking Sawmill-Craig

Tidewater and Road Access



Primary Manufacturing Facilities

Head Rig Cutting Old Growth Log Producing Lumber

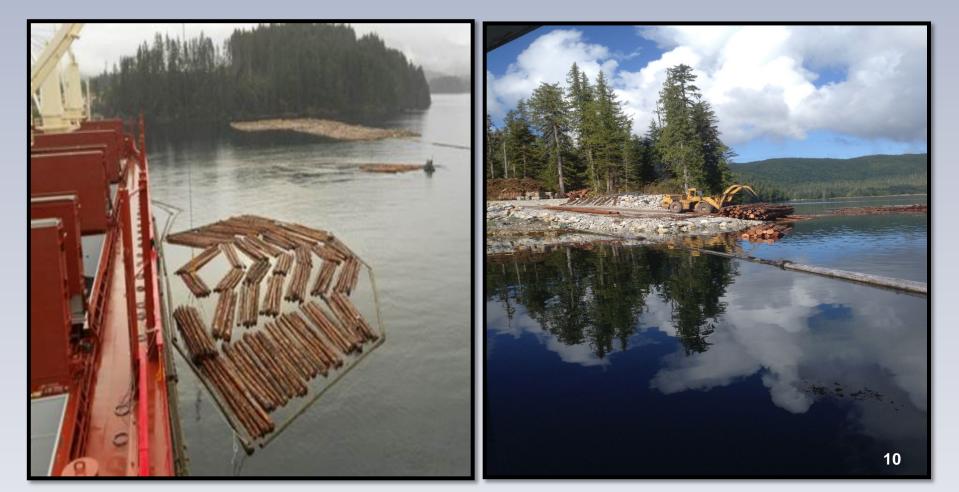
By Products Chips and Sawdust



Primary Manufacturing Log Export

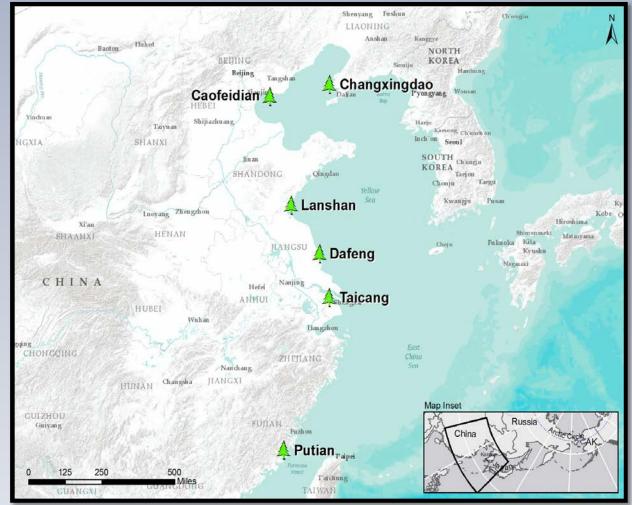
Loading Bundles of Young Growth Logs for Export

Edna Bay Log Transfer Facility (LTF) And Young Growth Logs



Log Exports and Phytosanitary Inspection

- Agriculture program staff provides inspection service and third party fumigation inspections on-board ship in Korea for logs heading to China ports without onshore facilities
- Industry pays travel costs
- On shore fumigation is now available in six ports
- Value last year \$74.3 million in exports
- Log tariff issue



Primary Manufacturing Facilities

Superior Pellet LLC- North Pole

Pellet Press Two Units



Primary Manufacturing Facilities

Wood Pellets for Commercial and Residential Space Heating Markets







Primary Manufacturing Facilities Smaller Scale

Log Turning Mill Log Homes and Cabin Kits Wood Miser Band Mill Lumber and Timbers





Secondary Manufacturing Facilities Fairweather Ski Works - Haines





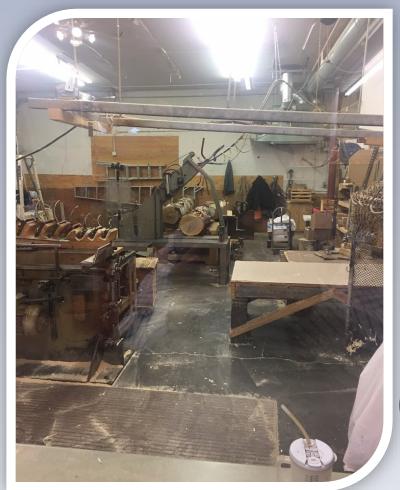


Secondary Manufacturing Facilities Great Alaska Bowl Company - Fairbanks

Nested Birch Bowls



Production Floor





Non Timber Forest Product Manufacturing Facilities

Kahiltna Birch Works

Sap Evaporator Sap to Syrup Ratio 70:1





Woody Biomass and Energy

- Types of Wood Fuels Used
- Scale of Operations From Commercial to Residential
- Space Heating Most Common in AK
- Electrical Generation Tentative Steps
- Combined Heat and Power Larger Scale



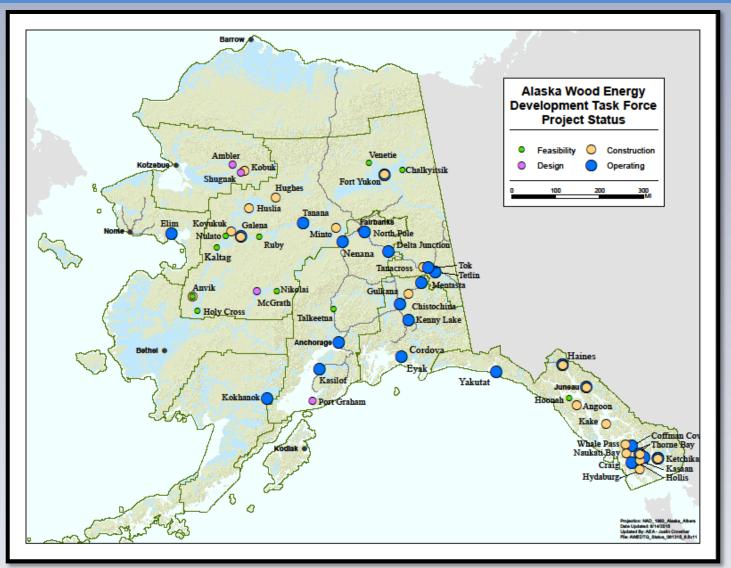
Wood Chips

Solid Wood

Pellets



Locations of Biomass Energy Projects





Ketchikan Airport Pellet Fuel Heating Project

Pellet Silo Next to Boiler Building

Pellet Boiler



Galena Woody Biomass Heating Project

Wood Boiler

Chip Auger and Conveyer to Day Bin and Boiler





Galena Woody Biomass Heating Project

Covered Storage for Chips

Timber Harvest Operations



Tanana Solid Wood Fuel Heating Project

Garn Wood Fired Heating System Model 20000 Produces 450,000 BTUs per Hour Energy Stored in Water Jacket



Community Sustainability and Economy

Tanana Resident Cuts and Hauls Wood to Sell to the City **Projects Create Jobs and Keeps More Dollars in the Community**



Cross Laminated Timber (CLT)

- A Future Manufactured Product for Alaska?
- Young Growth Timber in Southeast
- Finished Buildings Asian Markets

- Significant cost savings over steel and concrete
- Environmental footprint
- Esthetics

Seismic Test CLT 7-Story Building



DOF Forest Health Program Spruce beetle efforts



Adult spruce beetle Photo: M. Schoofs, AKDOF



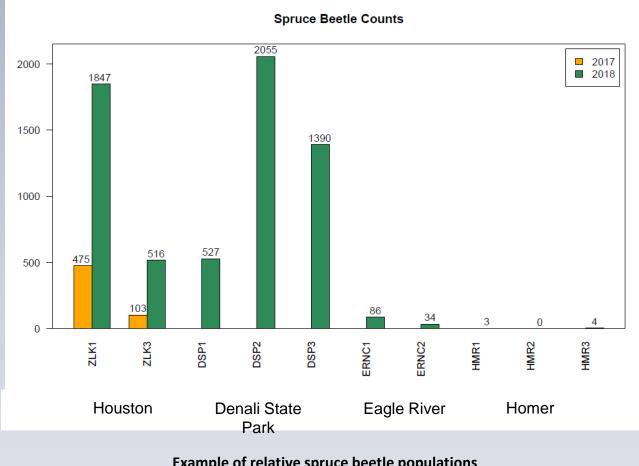
A handful of spruce beetles Soldotna Photo: H. Rinke, AKDOF





DOF spruce beetle population monitoring, select locations

Houston (2017-2018), Denali State Park (2018), Eagle River (2018), Homer (2018)





Example of relative spruce beetle populations

Figure: M. Schoofs, AKDOF

Cumulative Spruce beetle activity 2016-2018

25

50

Miles

2016-2018 Aerially Observed Spruce Beetle Damage



Taziina Lodge

Cumulative area impacted 2016-2018 ~915,000 acres

Note: Damage Polygons have been exaggerated to allow for better visibility

Anchorage

Map: J. Moan Date: 10/10/2018 Background: ESRI/Nat Geo

Actions Taken to Address Impacts of Outbreak

- Since 2017 the DOF has done significant outreach and education efforts with the public and communities being affected by the outbreak:
 - Public workshops held in: Palmer 2x, Big Lake 2x, Houston, Willow, Kenai 2x and Talkeetna
 - Made 19 presentations to various groups, with six more scheduled for 2019
- Working with DOP to assess and treat high priority locations (funding dependent):
 - A \$300.0 competitive grant through the Council of Western State Foresters was secured to treat DOP lands in the Soldotna area
 - Additional grants will be written for the next funding cycle in 2020 for DOP lands in the Susitna and Anchorage area
- The DOF is working to facilitate commercial opportunities to salvage large blocks of timber on state land, however the economics of such activity are marginal and to date, only preliminary interest has been expressed by two companies.