

HB 98
Forest Land Use Plans;
Negotiated Timber Sales
House Resources Committee

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Presentation Overview

Negotiated Timber Sales; Forest Land Use Plans

- Issues
- Background
- Current Situation
- Action Needed
- Sectional Analysis





Issue 1: Negotiated Timber Sales

Negotiated timber sales are currently authorized under three different statutes; it's complicated and confusing. Current law prohibits long-term negotiated timber sales for export.



Background: Negotiated Timber Sales

- AS 38.05.115: Small-scale sales
- AS 38.05.118: Local manufacture sales
- AS 38.05.123: Local manufacture sales of high value-added wood products



Inadequate Authority for Negotiated Sales

- Current statutes focus on in-state timber use, and prohibit negotiated sales for export.
- As Alaska's timber market shifts to Asia, industry needs flexibility and long-term negotiated sales for export.

Action Needed: Negotiated Sales

- Consolidate authority for both small and large negotiated sales into two statutes.
- Delete requirement that negotiated sales can only be for local manufacture.

Result: Flexibility in resource development to meet economic needs; simpler statutes.



Issue 2. Forest Land Use Plans

Steps in a Timber Sale

Public and agency comment gathered at each step.

1. Regional Planning: Area Plans & State Forest Plans
2. Five-Year Schedule of Timber Sales
3. Best Interest Finding (BIF)*
4. Forest Land Use Plans (FLUP)*

**Subject to appeal.*



BIF vs. FLUP: What's the difference?

Best Interest Finding

Decisional document:

- Should we sell this timber?

Forest Land Use Plan

Implements BIF on the ground:

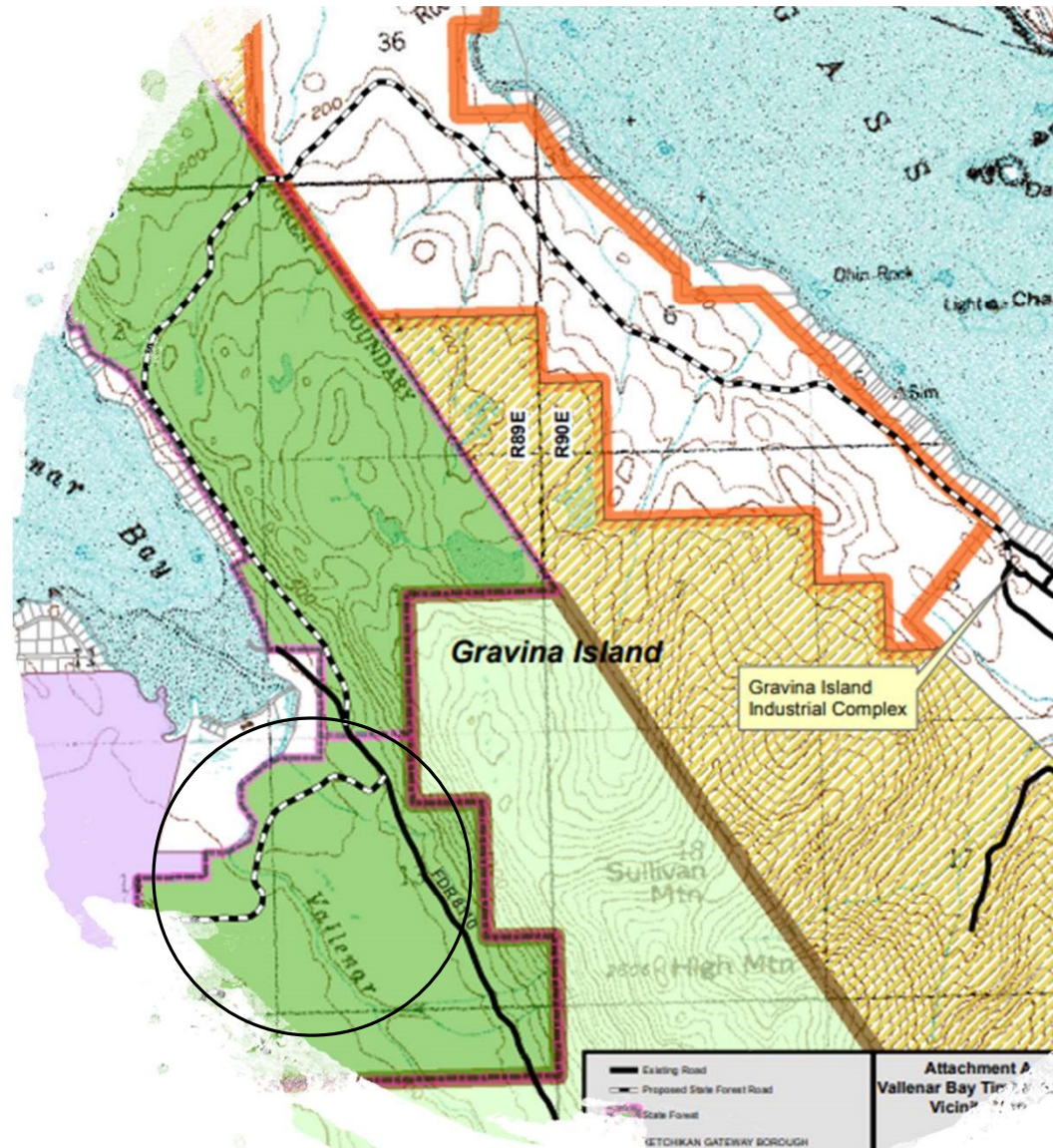
- How should we sell this timber?



What is a Best Interest Finding (BIF)?

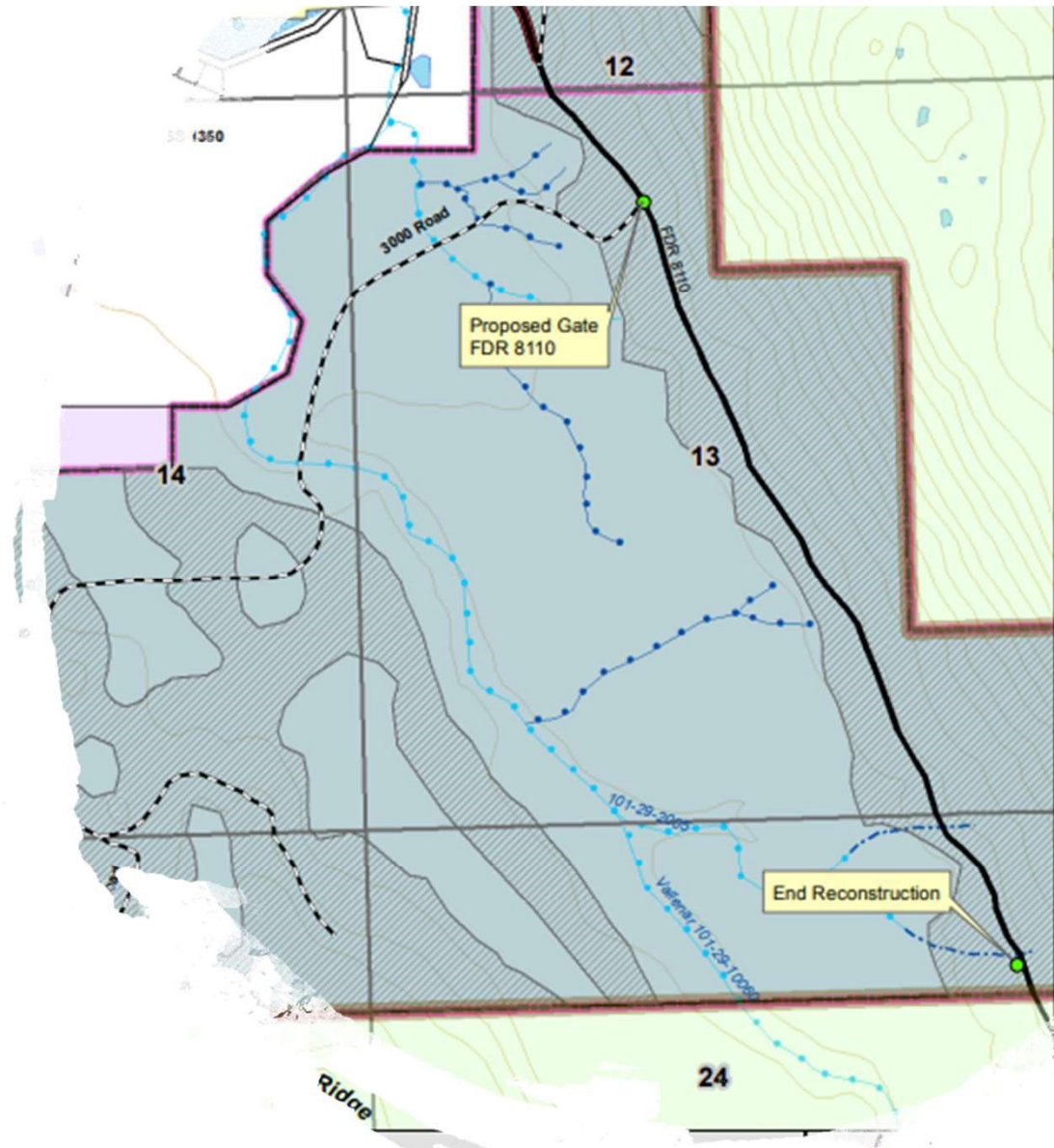
The BIF is the decisional document that ensures the sale will serve the State's best interest.

Division of Forestry (DOF) must adopt a final BIF before selling timber (AS 38.05.035(e)).



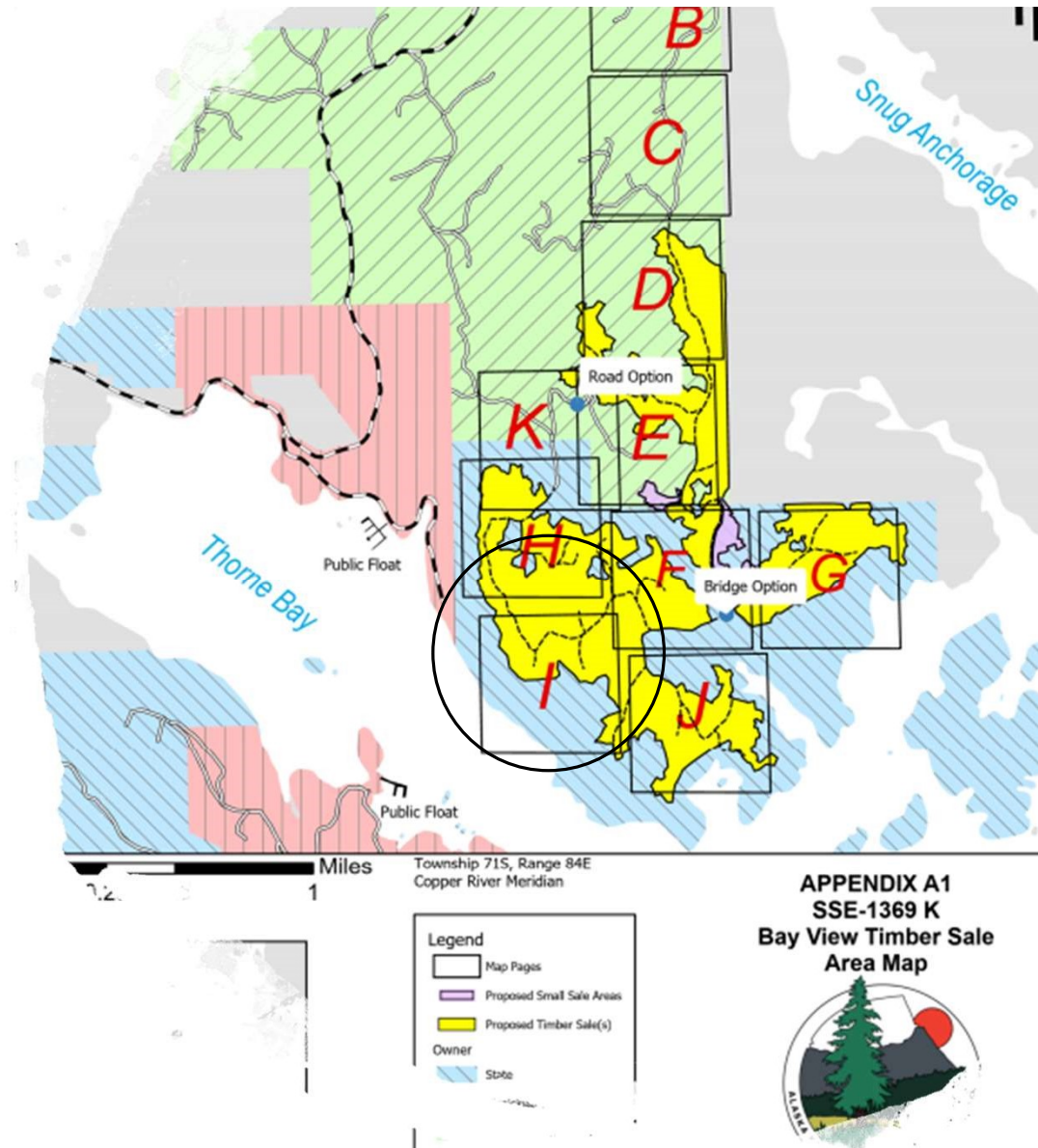
Best Interest Finding:

- Establishes overall sale area
- Determines amount of timber sold and duration of sale
- Sets harvest and reforestation strategy
- Ensures sale proposal complies with sustained yield principles
- Selects sale method (i.e., competitive or negotiated)
- Determines appraisal method used to determine sale price



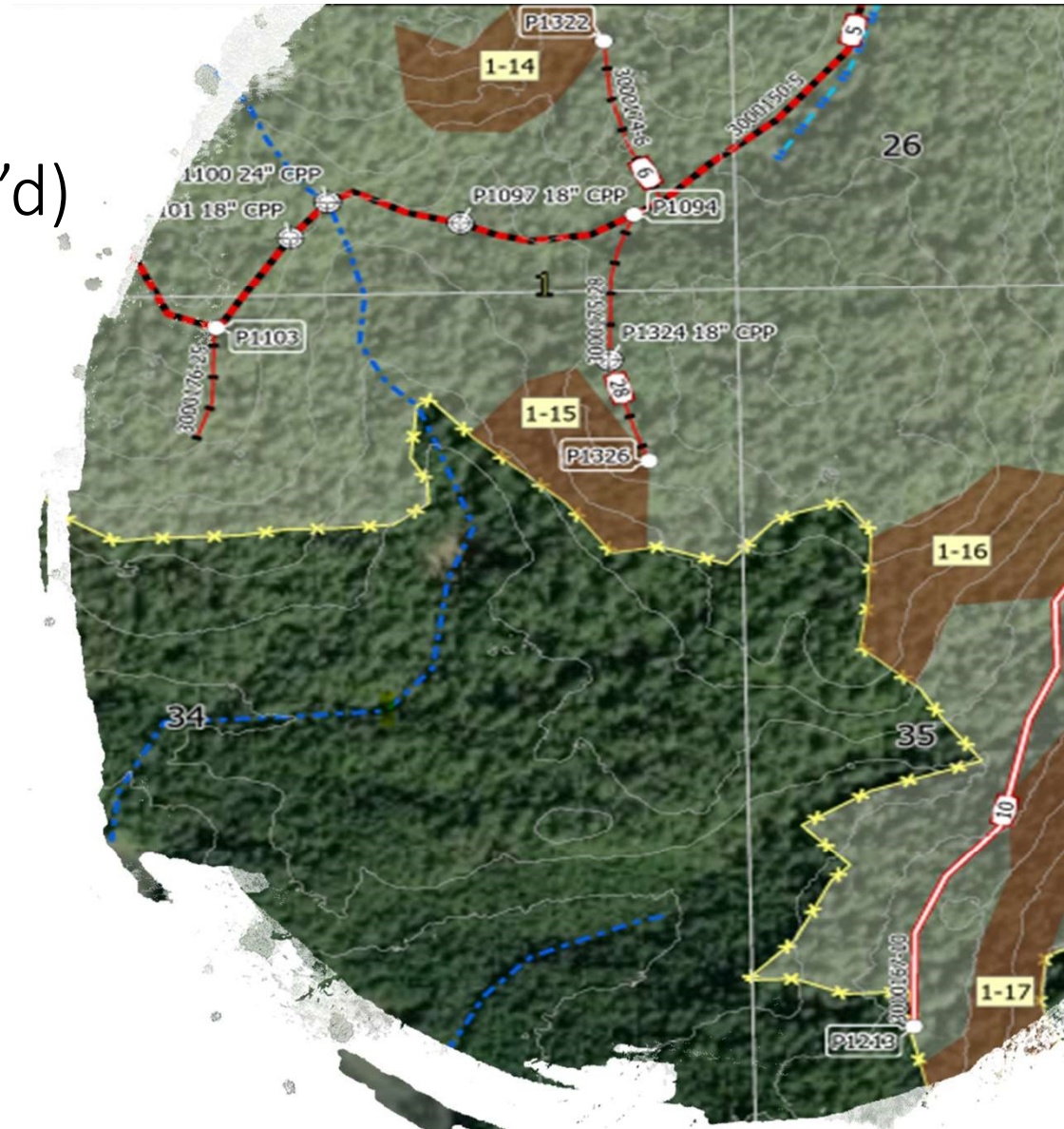
What are Forest Land Use Plans (FLUPs)?

- FLUPs present **detailed information** on the location, access, harvest methods, duration, and proposed reforestation for each sale.
- DOF must prepare a Forest Land Use Plan (FLUP) for timber sales over 10 acres before harvest can begin.



What are FLUPs? (cont'd)

- FLUPs follow multiple use and sustained yield principles, and consider non-timber uses and resources within the sale area.
- FLUPs are subject to public comment and agency review.
- FLUPs may now be reviewed either during or after the Best Interest Finding process.



Forest Resources and Practices Act

The Alaska Forest Resources and Practices Act (FRPA, AS 41.17) governs timber harvesting, reforestation and access on state, private, and municipal land.

FRPA protects fish habitat and water quality, and ensures prompt reforestation while providing for a healthy timber industry.



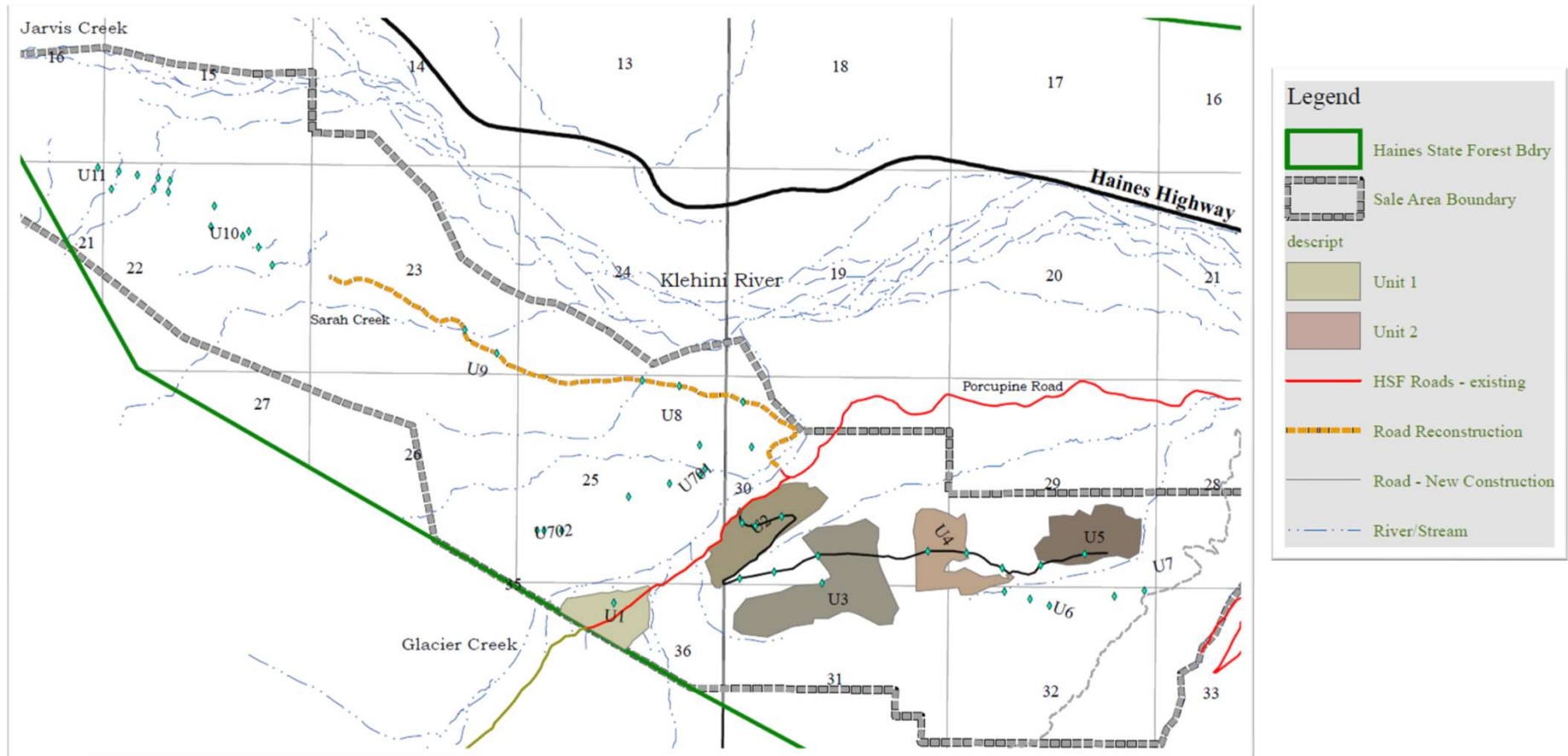
FLUPs & Appeals

DOF may sometimes issue a BIF and award a timber sale before all FLUPs for the sale area are completed.

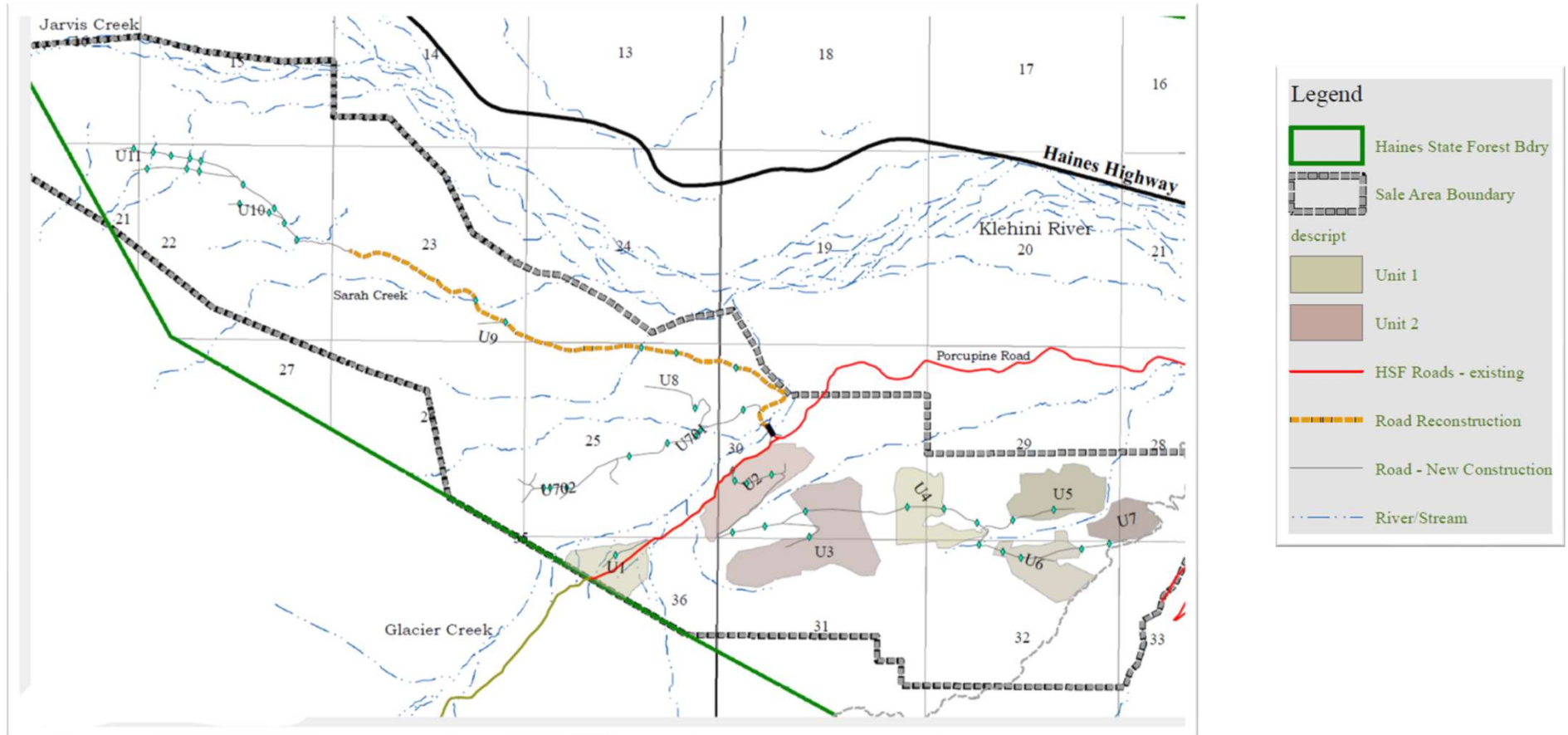
The BIF and FLUPs now can **be appealed at different times**. This delays the sale, interrupts harvest operations, and creates uncertainty.



Baby Brown Sale: Phase 1



Baby Brown Sale: Phase 2





A sale can be
appealed at both
BIF and FLUP stages

- Timber buyers value the steady supply offered by large, long-term sales.
- DOF cannot easily prepare all required FLUPs before offering the entire sale.
- DOF prepares 2-3 FLUPs, then more as harvest allows access to further units.
- **Redundant FLUP appeals can interrupt harvest of long-term sales, even if they repeat objections addressed in the already adopted BIF.**

Example: Baby Brown Sale

Appeals on both BIF and FLUP delayed a large, long-term timber sale by five years.

Initial sale offering in 2016; sale cancelled; buyer lost.

Sale delayed until 2021



Action Needed: FLUPs

- Refocus appeal process at BIF stage
- Retain public opportunity to appeal
- Avoid redundant FLUP appeals

Results: More predictable timber harvests; more efficient forestry planning; no appeal interruptions, continued robust public process and agency participation.



Why is HB 98 important?

Streamlines timber sale process

- Efficient forestry planning
- Retains public & agency participation

Provides more certainty for businesses and the jobs they support

- Predictable timber harvests
- No appeal interruptions





Why is HB 98 important? (cont'd)

Increases flexibility to meet market demands

- Supports export market (allows negotiated round-log sales)
- Protects local markets (retains negotiated sales for local manufacture)



Why is HB 98
important?
(cont'd)

Modernizes statutes

- Consolidates and simplifies confusing negotiated sales law

Saves money

- Zero fiscal note



Sectional Analysis



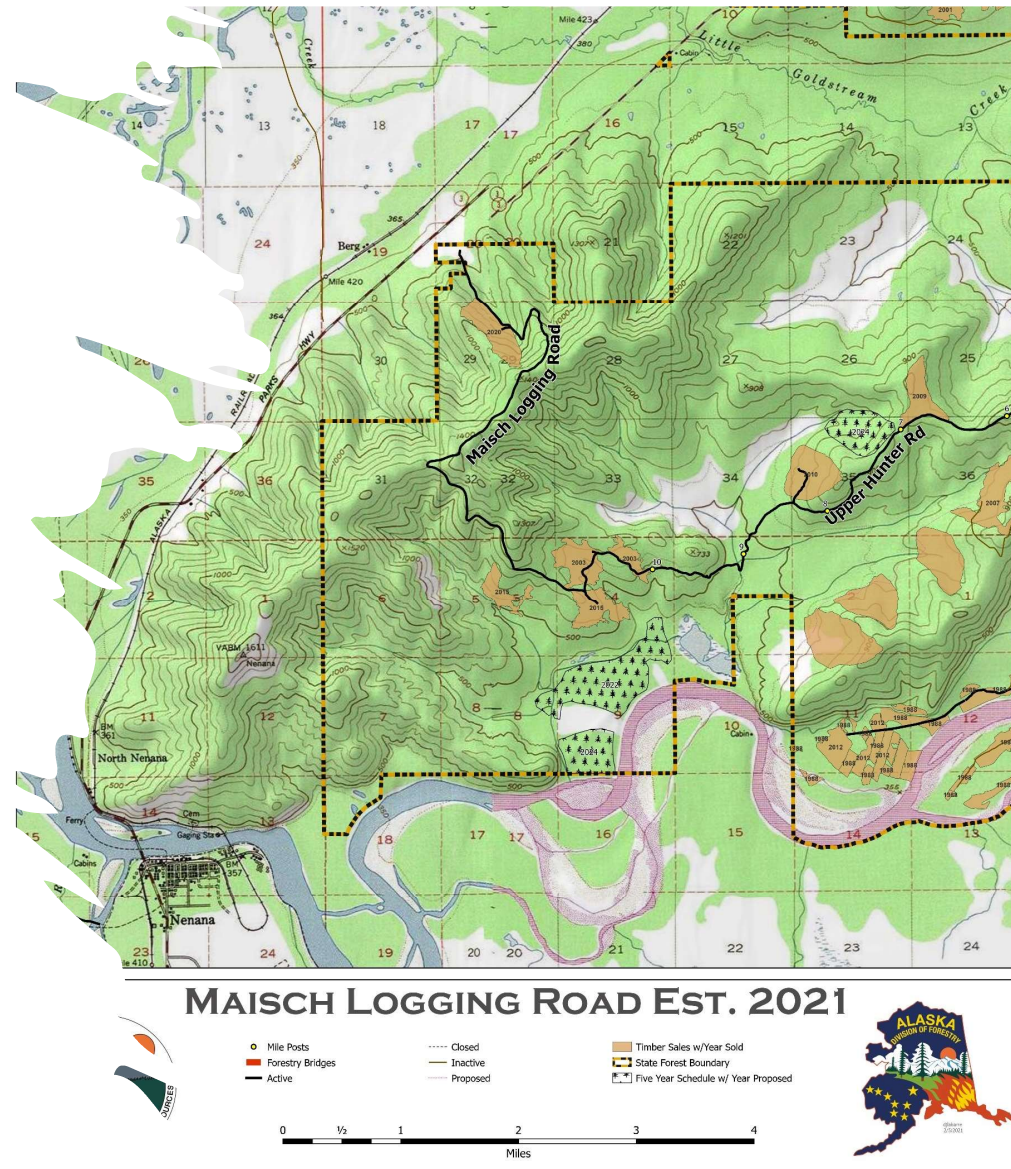
Section 1

Amends AS 38.05.035(e)(6)(A) to maintain the exemption of sales of 500,000 board feet of timber or less from a written best interest finding (BIF) requirement.

Section 2

Adds specific criteria the DNR commissioner must consider when deciding whether to offer a negotiated timber sale:

- best interests of the state
- local timber market
- specialized or developing foreign or domestic markets
- presence of underutilized timber
- economic constraints of the intended timber market
- other benefits to the state and local economy



Section 3

- Expands from 10 acres to 20 acres the size of timber sales exempt from the need for a FLUP.
- Requires a FLUP to be adopted before harvest.
- Allows a single FLUP to authorize timber harvest for multiple harvest units in a timber sale contract.
- Allows DNR to award a timber sale contract before adopting a FLUP.



Sections 4-6

Section 4 – Removes individual's power to appeal FLUP decision to the DNR commissioner.

Section 5 – Combines small negotiated sales with large.

Section 6 – Eliminates requirements for local manufacture of wood for negotiated sales.

Sections 7-8

Section 7 – Consolidates all negotiated sale authority.

Section 8 – Allows one large timber sale (500,000 board feet)/purchaser/year.



Sections 9-13

Section 9 – Allows timber sales to be negotiated for local manufacture of both high-value-added and low-value-added wood products.

Section 10 – Deletes requirement that negotiated timber sales must include contract terms limiting the sale to the amount of timber the commissioner determines to be the maximum amount that could be commercially practical to harvest.

Section 11 – Clarifies negotiated timber sales for personal use.

Section 12 – Consolidates negotiated sale authorities.

Section 13 – Establishes an immediate effective date.

Thank you!

Questions?

