

SB 85
Forest Land Use Plans;
Negotiated Timber Sales
Senate Resources Committee

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Presentation Overview

- Issue: SE Alaska timber industry is struggling to survive.
- How can we provide and protect timber jobs?
 - Step 1: Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.
 - Step 2: Provide a stable and predictable supply of timber to the industry, once a timber sale has been purchased.
- Sectional Analysis





Issue: Timber industry in SE Alaska is struggling to survive

A dwindling supply of timber from the US Forest Service has gutted the timber industry in Southeast Alaska.

SE Alaska supports only 325 timber industry jobs today, compared to 4,000 jobs in the 1990s. Now, even those jobs are in danger.

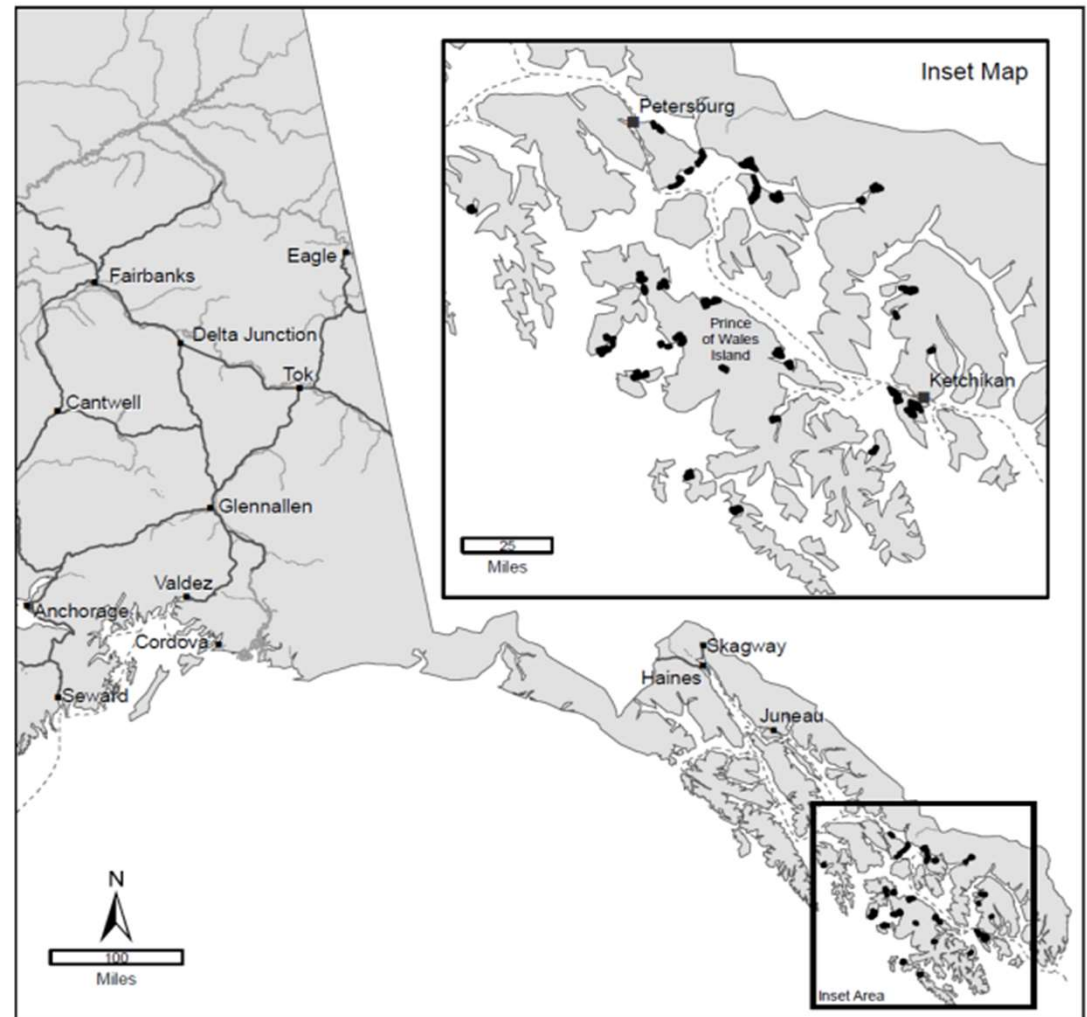
Until young growth timber in the Tongass National Forest becomes economically harvestable in about 2030, the industry will struggle to survive on an inadequate timber supply.

State Timberlands in Southeast Alaska

DOF provides the sustainable yield of timber volume possible on state land, but that land base is tiny.

- The Southeast State Forest represents only 0.04% of the SE Alaska land base
- 32 forest units total 46,952 widely scattered acres

In comparison, the Tongass National Forest is 16.8 million acres, with about 5.5 million acres of commercial timberland.



How can we provide and protect jobs?

Step 1. Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.

- Currently, the negotiated timber sales statutes prohibit our local timber purchasers from selling all the logs for export; **most must be used for local manufacture.**
 - A changing timber supply (more young growth) means that some sizes of timber are not marketable in Alaska.
 - Demand for certain species (e.g., hemlock) is only overseas or in the Pacific Northwest.



Why are negotiated timber sales important?

- They allow DOF to choose a timber purchaser not only based on price, but also on the **number of local jobs** the sale provides.
- If all SE Alaska timber sales were competitive sales, Alaskan companies could not pay the same prices as larger, out-of-state companies, and our local industry would disappear, along with its jobs.





How can we provide and protect jobs?

- Step 2. Provide a stable and predictable supply of timber to the industry, once a timber sale has been purchased.

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)*
 - Timber can be sold after BIF adopted.
4. Forest Land Use Plans (FLUP)*
 - Not all FLUPs must be issued before timber is offered for sale.
 - For large sales, it is efficient to prepare FLUPs in phases, as access is created.

**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 will the sold timber be harvested?



Existing requirements for timber sales

Agency and public input is gathered at each step of a timber sale.

Timber sales must adhere to the Alaska Forest Resources and Practices Act (FRPA, AS 41.17), which:

- protects fish habitat,
- protects water quality, and
- ensures prompt reforestation.



Stable Timber Supply

Under current statute, a timber sale can be appealed more than once, even **after** it has been purchased.

An appeal on a purchased sale can halt harvesting, which can be disastrous to a logging company.

SB 85 ensures that once the decision has been made to sell the timber, and it has been purchased, no further administrative appeals can occur.

Input would still be gathered from public and agencies.





SB 85 focuses appeals at the BIF stage, before timber is sold.

- Provides stable and predictable supply of timber once sold.
- No interruptions of harvest at a subsequent FLUP stage.



- SB 85:
- Costs nothing: Zero fiscal note
 - Adds criteria for negotiated timber sales, considering local markets and benefits to local economy.



Sectional Analysis



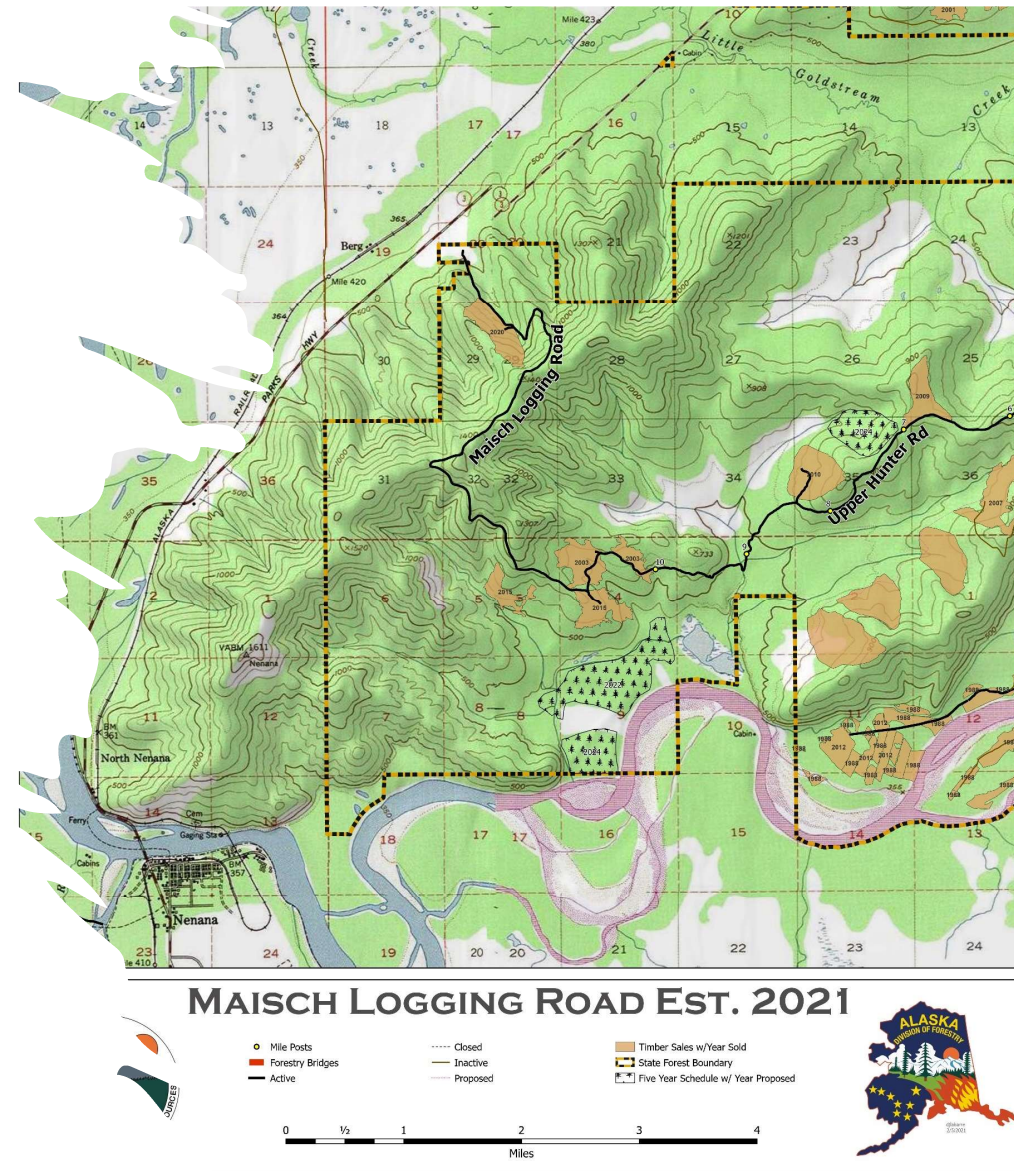
Section 1

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 – Focuses appeal opportunity on the BIF instead of subsequent FLUPs.

Section 5 – Removes negotiated timber sales from AS 38.05.115; those sales are moved to AS 38.05.118 (see Section 7 and 8).

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

Sections 7-8

Section 7 – AS 38.05.115 negotiated timber sales are now consolidated in AS 38.05.118.

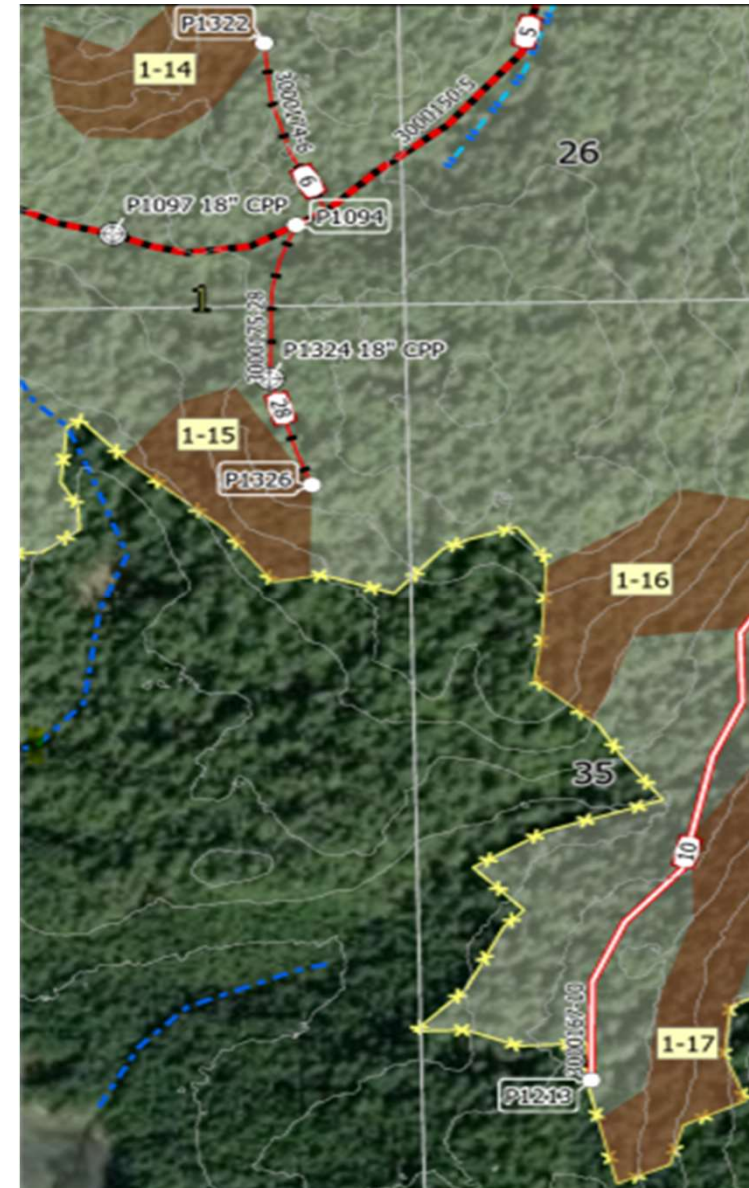
Section 8 – Consolidates another provision from AS 38.05.115 into AS 38.05.118.



Sections 9-10

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



Sections 11-13

Section 11 – A conforming amendment due to the consolidation of negotiated timber sales in AS 38.05.118.

Section 12 – Because of the consolidation of the negotiated sales provisions in AS 38.05.118, both AS 38.05.115(b) and (c) are unnecessary. AS 38.05.123(e) is repealed due to the amendments in Section 2 and thus to avoid redundancy. AS 38.05.123(g) is repealed because DOF has not used it for .123 timber sales.

Section 13 – Establishes an immediate effective date.





Thank you!
Questions?