

SB 85:

Forest Land Use Plans, Negotiated Timber Sales

Senate Resources Committee

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The timber industry in Southeast 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.

Amending statutes to support the local industry in Southeast Alaska will protect existing jobs.

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, negotiated timber sales must be sold for local manufacture, not export.

- 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.



Timber sale types: negotiated & competitive

- Negotiated sales allow DOF to choose a timber purchaser not only based on price, but also on the **number of local jobs** the sale provides.
- Local SE Alaskan operators are not able to outbid larger out-of-state companies for competitive sales.

Without a consistent timber supply, local industry and jobs will erode further.





How can we provide and protect jobs?

Step 2. Once a timber sale has been purchased, provide a stable and predictable supply of timber to the operator by providing contractual certainty.

Stable Timber Supply

An appeal 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, no further administrative appeals can occur.

Input would still be gathered from public and agencies.



Steps in a Timber Sale

Public and agency comment gathered at each step.

1. Area Plans*
2. State Forest Plans*
3. Five-Year Schedule of Timber Sales
4. Best Interest Finding*
 - Timber may be sold after adopted.
5. Forest Land Use Plans*
 - Not all Forest Land Use Plans must be issued before timber is offered for sale.
 - For large sales, prepare Forest Land Use Plans in phases, as access is developed.

**Subject to appeal.*



Best Interest Finding vs Forest Land Use Plan

Best Interest Finding

Decisional document:

- Should we sell this timber?

Forest Land Use Plan

On the ground Implementation:

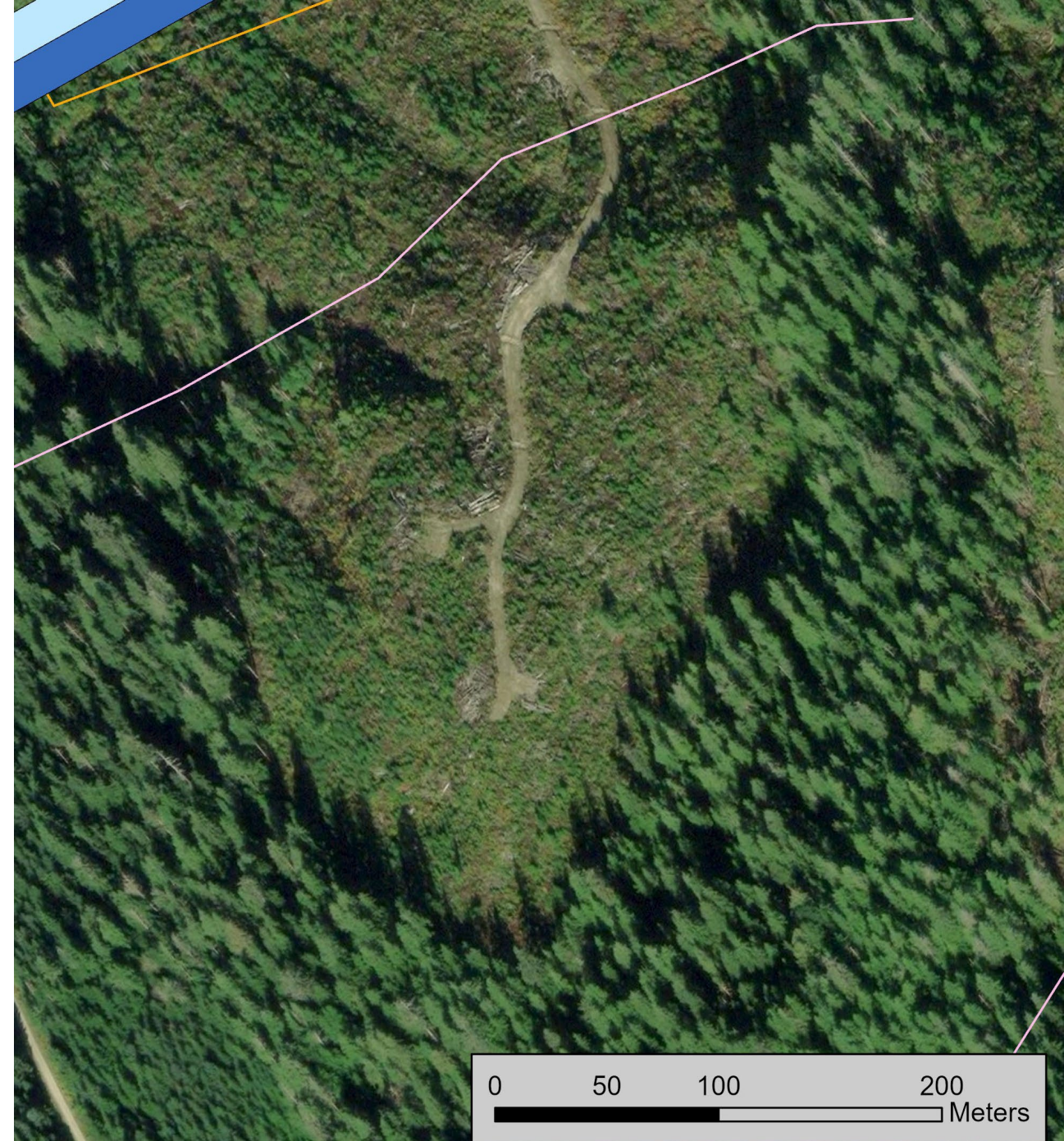
- How will the sold timber be harvested?



Safeguards on timber harvests

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

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





Safeguards on timber harvests, continued

- DOF enforces FRPA through inspections, directives, stop work orders, and civil fines.
- On state-administered sales, the operator is held to the timber sale contract. Every contract includes a bond.
- If DOF, the landowner, or a member of the public sees a problem, DOF can issue a notice of violation, and if necessary, shut down the timber operation until the problem is remedied.



SB 85 focuses appeals at the Best Interest Finding stage, before timber is sold.

- Provides stable and predictable supply of timber once sold
- No interruptions of harvest at a subsequent Forest Land Use Plan stage
- Includes specific criteria the DNR commissioner must consider when deciding whether to offer a negotiated timber sale
- Costs nothing: Zero fiscal note



Sectional Analysis



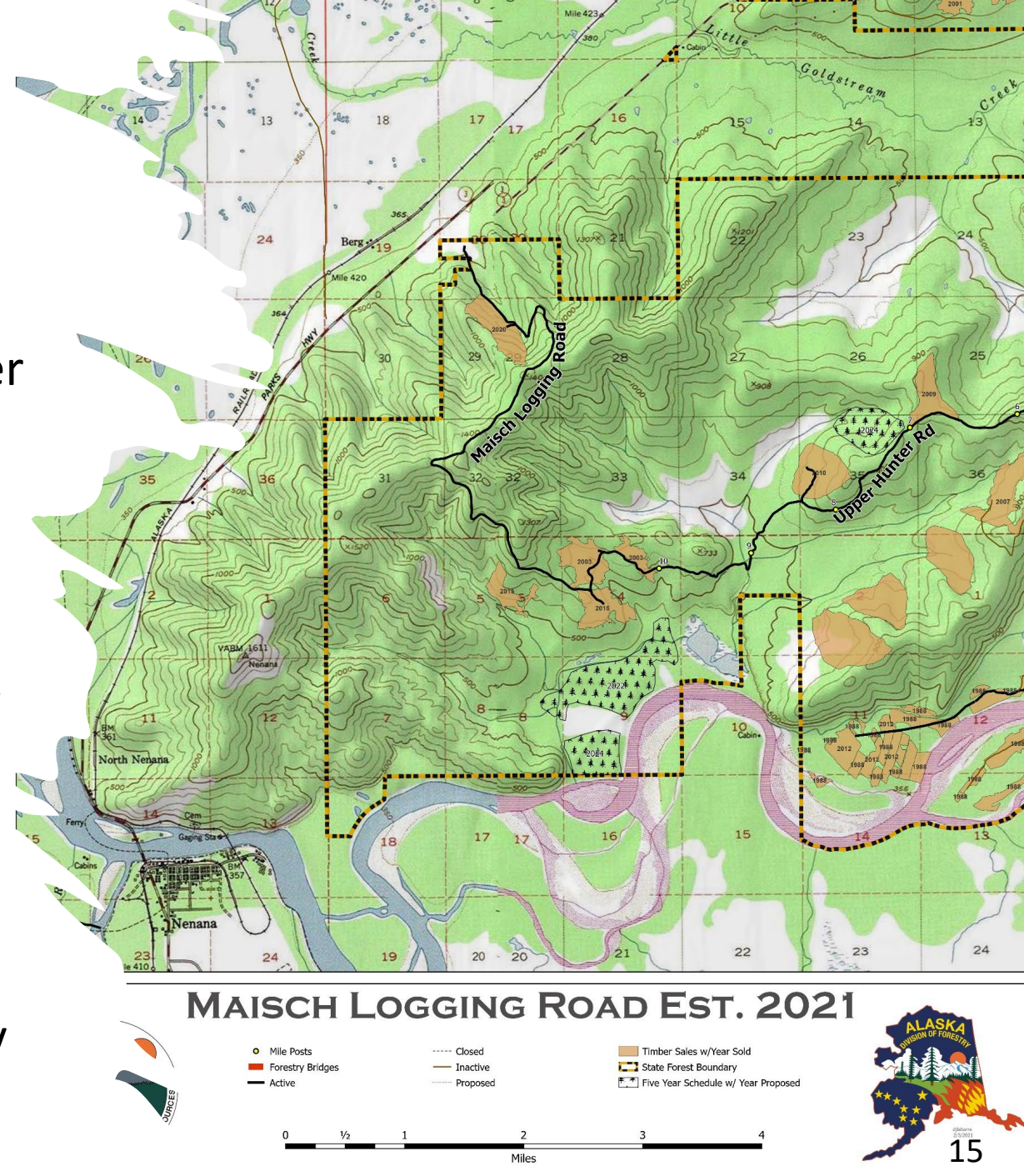
Section 1

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 requirement.

Section 2

Adds specific criteria the DNR commissioner must consider when deciding the type of timber sale to offer:

- 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 harvests exempt from needing a Forest Land Use Plan.
- Requires a Forest Land Use Plan to be adopted before harvest.
- Allows a single Forest Land Use Plan to authorize timber harvest for multiple harvest units in a timber sale contract.
- Allows DNR to award a timber sale contract before adopting a Forest Land Use Plan.





Sections 4 - 6

Section 4 – Forest Land Use Plans may not be appealed.

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

Section 6 – Local manufacture of wood is not required for negotiated timber 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!