



March 23, 2023

The Kuskokwim Corporation
4300 B St. Suite 405
Anchorage, AK 99503

Re: Senate Bill No. 87

To Co-Chairs Bishop and Giessel and Members of the Senate Resources Committee,

I am writing today to express our support of SB 87: "An Act relating to a lumber grading training program and lumber grading certificates; relating to use of lumber graded and certified by a person holding a lumber grading training program certificate; and providing for an effective date."

The Kuskokwim Corporation (TKC) is currently working on a housing project using our local wood resources to build a local economy around harvesting wood from the Middle Kuskokwim. We are further creating local capacity around sawmill production and operations, and creating home packages that will be used to create lower cost, energy efficient housing that are constructed by a local labor force. SB 87 and the proposed lumber grading and training program will greatly benefit not only our housing project, but will also positively affect the state of housing throughout Rural Alaska.

TKC was formed 1977, when ten Alaska Native Claims Settlement Act, or ANCSA, village corporations located along the middle part of the Kuskokwim River merged: Lower Kalskag, Upper Kalskag, Aniak, Chuathbaluk, Napaimute, Crooked Creek, Georgetown, Red Devil, Sleetmute, and Stony River. Today, TKC is one of the largest ANCSA village corporations in Alaska and the surface estate owner of nearly a million acres of land on the middle Kuskokwim River region.

TKC and our non-profit, TKC Fish Wheel, are working with the US Forest Service, the National Renewable Energy Laboratory, the Cold Climate Housing Research Center and the Denali Commission, under a USFS Wood Innovations Grant to develop local resources in the TKC region to create local timber packages to construct affordable homes. The project will create a local economy around wood harvesting, sawmill operations, and construction of the housing packages.

Our housing project will benefit the people of the Middle Kuskokwim region and the Bethel Census area by providing local, affordable, sustainable housing alternatives using local wood

resources that can be built by local laborers in the region. This method could be replicated across Alaska, in areas with an adequate local timber supply. It will build a local economy, build local capacity, and reduce housing costs in the region.

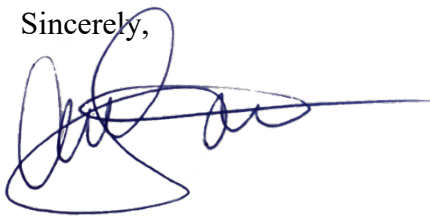
Our area of Alaska is one of the poorest (31.1% live below the poverty line US Census, 2021) in AK & cost of living is extremely high; all goods arrive by plane or barge. Heating fuel reached \$17/gallon in 2022 (DCRA, 2022). The region has the highest rate, 40%, of overcrowded households in Alaska (AHFC, 2017) & 81% of homes have ventilation issues exposing occupants to health risks (AHFC, 2017). TKC is installing a specialty sawmill to build up to 40 energy efficient log homes per year & expanding local wood harvest with an associated long term harvest program.

SB 87 and the local lumber exemption would allow TKC's mill workers to attend a training on grading lumber for structural uses, after which they would be able to grade and stamp our own lumber produced by the mill locally, saving us time and money, and ultimately, allowing us to produce more locally built homes.

The Bethel Census area, which includes our Middle Kuskokwim area, experiences extreme overcrowding of current housing stock, as do many of the other regions of Alaska. An estimated 35% of homes in the Census area are overcrowded or severely overcrowded, 11 times the national average. Building homes in rural, Tribal communities is often very expensive and utilizes grant funding. By utilizing local wood resources, and the SB 87 local lumber exception, we will be able to reduce costs of importing wood to build these homes. SB 87 would greatly reduce the cost of ordering roof trusses and floor trusses, which take up a lot of space on a barge and currently add cost for any rural housing projects.

I appreciate your consideration of SB 87 and the immense, positive impacts it will have for not only the housing projects in the Middle Kuskokwim area, but all of Rural Alaska.

Sincerely,



Andrea Gusty
President & CEO
The Kuskokwim Corporation

Anne Rittgers

From: Dennis R. Linnell <dlinnell@hdlalaska.com>
Sent: Monday, March 20, 2023 7:47 PM
To: Senate Resources; House Labor and Commerce
Cc: Laura Achee; Jesse Logan; Sen. Jesse Bjorkman
Subject: SB87 and HB93 Lumber Grading Program

Dear Senators and Representatives,

I am writing today in support of SB87 and HB93 LUMBER GRADING PROGRAM. I would strongly encourage you to support these bills. These bills will allow Alaskan sawmill operators to be trained and certified to produce quality dimensional lumber for local use. This will create many local small business opportunities in our communities, and provide a much needed value-added product from our forestry resources.

Because I didn't need building permits or construction loans, I was able to harvest and mill dimensional lumber from my property and build a shop and attached in-law apartment. I have seen first-hand the quality of the dimensional lumber that can be produced. I have also seen much of our timber resources here on the Kenai Peninsula either used for firewood and burned as slash. Much of this material could be harvested, produced into dimensional lumber, and sold to local consumers. And that is just in Kenai. I can see an even bigger benefit to our rural communities off the road system where shipping dimensional lumber adds significant costs. Quality lumber produced by local businesses and used in their local communities is a WIN, WIN, WIN situation.

Respectfully submitted,

Dennis

DENNIS LINNELL, PE

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Office of the Borough Mayor

March 20, 2023

SB 87 Lumber Grading Program

I am writing this letter in support of SB 87; The Lumber Grading Program. Areas within the Ketchikan Gateway borough and Southeast Alaska have a long history of logging and small sawmills. Many of our oldest homes were produced with locally made lumber; that many are still standing today is a testament to the quality.

During the pandemic we witnessed how fragile the supply chain is and saw dramatic increases in the cost to import lumber. Locally we have paid as much as \$12 for a 2x4 and \$150 for sheets of plywood. In early 2021, we conducted a community wide risk assessment on how the pandemic was affecting our economy. That assessment revealed that increased lumber costs added roughly \$30,000 extra to the construction of a new home. This was in addition to sharply rising shipping costs for our remote communities.

SB 87 is important to us, because like many other regions, we are facing a housing crisis. Access to affordable housing is a major problem, only getting worse as time moves on.

We see this bill as a way to facilitate local access to locally produced lumber; supporting affordable housing and hopefully creating new jobs in the process. This is not going to solve our housing problems by itself, but it is supportive and I would encourage your consideration of this important legislation.

Sincerely,

Rodney Dial

Mayor,

Ketchikan Gateway Borough rodneyd@kgbak.us / 907-220-6861

3-24-23

SENATE BILL 87
PUBLIC & WRITTEN TESTIMONY
SENATE RESOURCES COMMITTEE

My name is Joe Young, Owner of Young's Timber Inc in Tok and a big supporter of SB 87

Thank you, Co-Chairs Senator Bishop & Senator Giessel and the rest of the Senate Resources Committee Members, for allowing me to testify on Senate Bill 87.

Young's Timber Inc has been in business since 1993 and has 4 different types of Sawmills producing a wide range of value-added products and has 12 employees.

Quality, white spruce lumber is one of those value-added products.

Young's Timber Inc gets a lot of positive comments from its customers on the quality of lumber it produces compared to the lumber quality that's imported from the lower 48 & Canada into the State of Alaska.

Yet, Young's Timber Inc's lumber isn't graded or certified and to be certified it is now cost prohibitive to bring a Lumber Grader from the lower 48 States.

Alaskan Spruce is comparative to Douglas Fir in test loads, compression strength, and elasticity.

Senate Bill 87 lumber grading training program, lumber grading certificates and use of graded and certified lumber will not only greatly increase Young's Timber Inc's lumber sales but the lumber sales of all Alaskan's Lumber Producers.

Senate Bill 87 will create timber industry jobs and affordable rural housing.

I recommend to the Senate Resources Committee to pass Senate Bill 87

Another note I have is that Alaskan Value-Added Producers need access to a reliable, steady, and long term supply of Alaskan State Timber for success.

Thank you

JOE YOUNG, YOUNG'S TIMBER INC