

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

May 2, 2003

3:44 p.m.

MEMBERS PRESENT

Senator Scott Ogan, Chair
Senator Thomas Wagoner, Vice Chair
Senator Fred Dyson
Senator Ralph Seekins
Senator Kim Elton
Senator Georgianna Lincoln

MEMBERS ABSENT

Senator Ben Stevens

COMMITTEE CALENDAR

SENATE BILL NO. 149

"An Act relating to timber and to the sale of timber by the state."

HEARD AND HELD

PREVIOUS ACTION

SB 149 - No previous action to record.

WITNESS REGISTER

Senator Robin Taylor
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 149

Mr. Jeff Jahnke
Division of Forestry
Department of Natural Resources
550 W 7th Ave.
Anchorage, AK 99501-3356

POSITION STATEMENT: Supports SB 149

Ms. Nancy Fresco
Northern Alaska Environmental Center
830 College Rd.
Fairbanks, AK 99708

POSITION STATEMENT: Opposed to diminished public input in CSSB 149(RES)

Mr. Eric Pyne
Boreal Forest Products &
International Woodcutters Association
PO Box 82694
Fairbanks, AK

POSITION STATEMENT: Supports forestry as prime use of state forests

Mr. Robert Ott
Tanana Chiefs Conference
122 First Ave.
Fairbanks, AK 99701

POSITION STATEMENT: Opposed to diminished public input in CSSB 149(RES)

Ms. Emily Ferry
Southeast Alaska Conservation Council (SEACC)
449 6th St.
Juneau, AK 99801

POSITION STATEMENT: Expressed concern about limiting public input and changing the primary use designation

Mr. Mike Sallee
PO Box 7603
Ketchikan, AK 99901

POSITION STATEMENT: Expressed concerns about SB 149

Mr. Matt Davidson
Alaska Conservation Voters
No address provided

POSITION STATEMENT: Expressed concerns about SB 149

ACTION NARRATIVE

TAPE 03-38, SIDE A

CHAIR SCOTT OGAN called the Senate Resources Standing Committee meeting to order at 3:44 p.m. Senators Wagoner, Dyson, Elton, Lincoln and Chair Ogan were present. The committee took up SB 149.

SB 149-TIMBER/ TIMBER SALES/ STATE FORESTS

SENATOR ROBIN TAYLOR, sponsor of SB 149, told members he primary introduced SB 149 to promote resource development, jobs and a new revenue stream for the state. He worked with the administration on the committee substitute (CS) before members for consideration. He said Mr. Jeff Jahnke, the state forester, and Jack Phelps, special assistant to the Governor, were available to answer questions. He indicated his goal is to begin the development and stewardship of Alaska's forests, which should have begun 42 years ago. He hopes that with this legislation and the encouragement of this administration, a terribly underutilized resource and asset can be developed.

MR. JEFF JAHNKE, Director of the Forestry Division, Department of Natural Resources (DNR), stated support for the CS for SB 149. He said he would present a sectional analysis by topic, rather than consecutively by section. He explained:

Committee substitute for SB 149 addresses the planning requirements for forest management, including forest management plans for legislatively designated state forests, five-year schedules of timber sales (FYSTS), and the forest land use plans, or what we call FLUPs, for individual timber sales.

Currently there are two designated state forests. One is the Haines State Forest and the other is the Tanana Valley State Forest. Between the two of them, they compromise about 2 million acres of forested state land and there is an additional 20 million acres of forested state land that is forested state land but not currently in a state forest.

Let me go down through the committee substitute and explain what we believe it does.

For forest land use plans, what we call FLUPs, Section 1 moves the guidance to when general planning requirements under AS 38.04.065 apply to forest land use plans. It does not change the requirements. This is a clean up. It actually makes it read much better and it puts all of the requirements together, both the plans for the state forest planning areas and the non-state forest planning areas. It actually really helps us in terms of consistency in the way we apply things.

Section 2 deletes a reference to consideration of information on collective effects of forest

activities. Consideration of the collective effects cannot be done in our FLUPs on a sale-by-sale basis. It's very difficult. It's actually better addressed through regional planning under 38.05.065 and 41.17.230. So it's better to be done in our larger forest plans or the regional plans.

Section 3 deletes the list of specific uses that must be considered in forest land use plans. It replaces it with a requirement that FLUPs on land outside the state forest consider non-timber forest resources and uses. This change will make preparational FLUPs more efficient by deleting a requirement that each and every FLUP consider uses and resources that may not be pertinent to the individual area that the FLUP covers.

Those are the three changes that deal with, again, what we call FLUPs, which are our forest land use plans, which deal with individual timber sales.

The second group of changes [has] to do with the five-year schedule of timber sales. Section 4 changes the five-year schedule of timber sales from an annual to a biennial requirement. This reduces the work required in preparing and reviewing these schedules but it also keeps them as a valuable tool for both industry and the public who is interested in being informed. We don't believe it will, in fact, change the level of information that is being provided.

Section 5 changes the requirements that the sale be on two schedules preceding the sale to a requirement that sales have been on one of the two schedules preceding the sale. In other words, instead of having to have been in the last two five-year lists, it has to have been on one of the last two biennial lists. So, again, that is a change.

Section 16 deletes the authority to reoffer sales for two years after their initial offering without listing them on the five-year schedule. This provision is not needed given the changes that we've made - that have been made in Section 4 and Section 5.

That's the body of the changes that deal with the five-year schedules.

The next ones I'm going to discuss, and probably the biggest body of changes [are] changes to the state forest purposes and state forest management plans.

Sections 8 and 9 address management plans for the Haines State Forest. They replace the specific planning requirements for the Haines State Forest Management Area in AS 41.15.315(a) with the requirements for state forest management plans in AS 41.17.230. What that really does is means that both of our state forests fall under the same management criteria and requirements as opposed to having two separate ones.

Specific requirements for consultation between DNR, ADF&G and between ADF&G and local fish and game advisory committees are retained. The amendment deletes the requirement for a public hearing in Haines and Klukwan prior to plan adoption and revision specifically. They delete the requirements for the plan to be based on an inventory completed over the last ten years and to revise the plan when a new inventory is done. That's not to say they won't be based on inventories. That's required in other areas.

Sections 11, 12, and 15 change a management emphasis in legislatively designated state forests from a mix of multiple use that provides for timber management to timber management that allows other beneficial uses that are compatible with timber. These sections change the primary purpose of state forests from multiple use that provides for production utilization and replenishment of timber resources to timber management while allowing for other beneficial uses and deletes multiple use as a principle of managing the state forest. These changes apply to the Tanana Valley State Forest. The Haines State Forest purpose is established in a different statute and is not changed by this bill.

Section 14 makes the timing requirement for review of forest management plans more flexible. Rather than requiring a review every five years, a review will be required as necessary. This will preclude time-consuming reviews when they are not needed. This section will apply to both the Tanana Valley and Haines State Forest.

Section 13 requires that forest management plans consider non-timber uses to the extent that such uses are compatible with timber management. In conjunction with Section 3, this moves the consideration of non-timber uses in state forests from the individual forest land use plans, which I mentioned earlier, to the management plans for the state forest. So we've broadened the venue for that consideration to the forest instead of the individual projects. This section will apply to both the Tanana Valley State Forest and the Haines State Forest.

Section 16 deletes the requirement for proposals of new state forests to include findings of incompatibility for the timber and non-timber uses previously listed in AS 35.05.112(c). Section 16 also deletes the requirement for forest management plans to be reviewed by the Board of Forestry and other state agencies prior to adoption. It also deletes a requirement for local public hearings prior to adoption. Again, the planning process does require some review but prior to adoption of the forest itself. Section 16 deletes the requirement for forest management plans to be provided to the legislature after adoption.

The amendments of the state forest and state forest management plans will not require revisions to the existing management plans for the Tanana Valley State Forest - and that one was just completed, so we're quite happy that it won't require revisions.

The next topic is riparian management standards.

Section 10 revises the conditions for imposing riparian protection standards on state lands that are more stringent than those established in the Forest Resources and Practices Act. This amendment deletes the reference to FLUPs as a basis for requiring more stringent standards on timber sales outside the state forests. Within state forests, additional standards could only be imposed if the DNR commissioner makes a finding of compelling state interests.

The last topic is negotiated timber sales for local manufactured wood products - [indisc.] called one,

two, three sales or 280 sales. There are actually two changes. The first one is it broadens the area where sales under this section may be offered. Currently offerings are limited areas designated for forestry uses by an area plan.

CHAIR OGAN interrupted to ask which section Mr. Jahnke was referring to.

MR. JAHNKE said Section 6 and continued.

Section 6 broadens the area where sales under this section may be offered. Currently offerings are limited to areas designated for forestry uses by an area plan to areas where forestry is an allowed use. This would allow this sale type in areas that have more general designations, such as resource management on general use where forestry is an allowed use. Review of proposed sales through the five-year state timber sale and forest land use plan process would continue to insure that proposed sales are compatible with the management of a particular location.

Finally, this legislation makes the definition of high value added wood products more flexible. The current definition is a list of specific products that qualify. As most of you are probably aware and particularly in a state where we're trying to interest additional products - the production of additional products in the State of Alaska - we can only add those additional products by regulation. New products are developed every year and the regulatory process is an inefficient means to determine whether these products qualify as high value added. This amendment makes the statute more responsive to market and processing changes by allowing the DNR commissioner to determine whether a product not on the existing list has received sufficient processing to qualify as a high value added wood product...To qualify as high value added at a minimum, the product must be processed beyond sawing and planing to qualify.

And then we did make some changes to the individual products. We feel they do a good job of defining the intent of what high value added is versus value added so we tried to clean up what we thought were some inconsistencies in that list currently in statute, not

so much because we wanted to prolong the idea that that's the only product that could be classified in those but more as an example of what those two categories meant. And then, as I said, this change would allow the commissioner to determine whether the product meets one or the other of those criteria.

...We do intend, either today or first thing Monday, to circulate the forest practices titles - 41.17 titles to the board so they have the opportunity to be aware of them as we've done in the past with the board.

SENATOR WAGONER moved to adopt the proposed CS, labeled Version H, as the working document before the committee.

SENATOR ELTON objected for the purpose of discussion.

SENATOR LINCOLN asked why the requirement for public hearings in Haines and Klukwan was deleted from the CS.

MR. JAHNKE said there will still be an opportunity for public participation through the revision of the Haines plan under AS 41.17.230. He stated, "But because of the change in moving the Haines State Forest Plan underneath 41.17.270, the specific requirement to hold those public hearings has been eliminated."

SENATOR LINCOLN commented that she would like to discuss that further since those areas will be affected by a revision to the plan. She then said that a lot of control is being given to the DNR commissioner in this whole process. She referred to new language on page 4, lines 2 through 5, and asked for a definition of "compelling state interest."

MR. JAHNKE said the idea is that the commissioner will be involved in the evaluation process through the state forester's office and the commissioner's staff. He stated:

I'm not sure that I can define 'compelling' but if they believe that there is a reason to expand the riparian buffer, that's how that can happen and it would happen as a result of a recommendation from the state forester's office and the commissioner's staff.

SENATOR LINCOLN said she would pursue that question at the next hearing.

CHAIR OGAN asked Mr. Jahnke to define "riparian standard."

MR. JAHNKE said riparian standards were established in the Forest Practices Act and pertain to the buffer width and to allowable activities within that buffer.

SENATOR SEEKINS added that SB 88 updates the Forest Practices Act and is moving through the legislative process now. It establishes certain riparian standards. For example, trees can be logged up to a certain distance from particular types of streams. He clarified that riparian standards refer to upland standards rather than water standards.

CHAIR OGAN said he did not know whether "compelling state interest" is defined in statute.

SENATOR SEEKINS said he understands that if the riparian standard allows trees to be harvested within 100 feet of a stream but DNR believes doing so would be detrimental to the health of the stream, DNR might require a 200 foot buffer.

CHAIR OGAN said he believes a compelling state interest would require balancing Alaska constitutional obligations to manage on a sustained yield basis. He clarified that sustained yield applies to all resources, such as fish and wildlife.

SENATOR LINCOLN said that is why she asked for a definition because the term "compelling state interests" is nebulous.

CHAIR OGAN agreed that it is important to establish the definition in the record.

SENATOR SEEKINS commented that the bill establishes that the state is to harvest its timber products using a sustained yield principle.

SENATOR WAGONER pointed out that he visited Australia a few years ago and was most impressed by Australia's tree farms. He hopes the state establishes a tree-farming program to accompany its logging program so that future generations will never be without forest resources. He thought Australia's forestry management is fantastic.

CHAIR OGAN commented that this legislation changes the primary use of forests from multiple use to forestry. He said when he flies over Southeast Alaska, he can instantly tell the difference between private timber sale land and public timber

sale land. The public timber sales are logged according to a sustained yield principle. He noted that private timber sales are not subject to the same regulations or riparian standards. He asked whether the CS will affect the requirement that public timber sales follow the sustained yield principle.

MR. JAHNKE said he does not see this legislation as changing the Division of Forestry's approach to sustained yield management of forestry. That principle is well established in the Constitution.

CHAIR OGAN noted it does change the primary use from multiple use to forestry.

MR. JAHNKE said it changes the focus, particularly on state forests.

CHAIR OGAN asked if the Division of Forestry will still have to balance its other constitutional mandates to manage the other resources in its stewardship that might be impacted by forestry, such as fish and game.

MR. JAHNKE said it would.

CHAIR OGAN took public testimony.

MS. NANCY FRESCO, Northern Alaska Environmental Center, expressed the following concerns. This legislation takes away a lot of the public's ability to have input, especially in areas that are not terribly contentious. The public process for the revision of the Tanana Valley State Forest Management Plan was very positive and, because it is not controversial now, she believes it is a mistake to disallow future public input. She also expressed concern about changes to the riparian standards. SB 88 is a reintroduction of what was HB 131 in the last session. That bill made it all of the way to a floor vote without any controversy but was not enacted as the legislature ran out of time. She would hate to see SB 149 undermine all of the effort that went into designating good riparian standards for the Interior. She said streamlining and reducing paperwork can be positive but only if an adequate amount of public input occurs. She said the Environmental Center's biggest concern is the primary use change from multiple use to timber management. The Center believes it is critical to retain the multiple use standard for the Tanana Valley State Forest. That forest is used for hunting, recreation, jobs, subsistence, and other uses besides timber.

MR. ERIC PYNE, representing his company named Boreal Forest Products, and the Interior Woodcutters' Association, told members the Interior Woodcutter's Association was established in the 1970s and pushed for the creation of the Tanana Valley State Forest. The Association would like to see an emphasis on timber management while allowing for other uses. He said he spends a lot of time in the Tanana Valley State Forest and is amazed at the number of activities that go on there. Providing access to the Tanana Valley State forest has attracted more people, an important aspect of Fairbanks. He said timber creates roads and trails because many of the timber sales require that parallel trails be put in. He said the timber industry does many things to promote recreation and other uses within the state forest. He does not feel that the timber industry limits people's use of that forest.

MR. PYNE said the state forest comprises about 2 million acres while state parks comprise about 20 million acres. Therefore, the equivalent of only 10 percent of state parks is set aside as an area that primarily emphasizes timber. He informed members the Association sent, in written form, suggested amendments to SB 149. Some of those additions were included in Version H.

MR. JIM MACKOVJAK, representing himself, asked what portion of the timber produced from state forest lands will be sold to the round log export sector. He said he views exporting round logs as exporting jobs and he does not believe that is something Alaska wants to do right now.

MR. JAHNKE said he did not have specific numbers but believes the state has exported a very small amount of its timber as round logs. He estimated that only three of the 56 currently active timber sales export any logs and those are from sales on the Kenai where pulp is the only product that can be made from logs that have been damaged by spruce-bark beetles.

CHAIR OGAN said he thought Mr. Mackovjak was concerned about Southeast Alaska because it is unlikely all of those logs will be used for value-added products in local mills.

MR. JAHNKE replied:

Mr. Chairman, because of the nature of our ownership in Southeast, our real niche is to provide logs to the small and medium-sized operators in the Southeast that, frankly, can't compete for larger Forest Service

timber sales because of the larger contiguous areas that the Forest Service has. So, I would not expect this bill to have any impact on the general proportion of our timber sales that are processed locally, which is by far and away the largest proportion.

MR. MACKOVJAK said he received a booklet from the Knowles-Ulmer Administration a few weeks ago. A statement in that booklet says that during their administration, 180 million board feet of timber was sold off of state land and about half of that amount was used to make value-added products. He said he was curious to find out what the other 90 million board feet were used for.

MR. JAHNKE said the vast majority of the timber sold for export from state land has been bark beetle timber from the Kenai area and some from the Haines State Forest while it was still marketable because of its condition. DNR has exported a small amount of round, green spruce during the last few years but the vast majority of the export has been salvaged timber.

CHAIR OGAN asked if anything in the bill addresses an allocation of or export ban on high value timber.

MR. JAHNKE replied, "Mr. Chairman, No, there is nothing in there."

MR. MACKOVJAK suggested putting a tax on exported round logs.

CHAIR OGAN noted Mr. Mackovjak's suggestion.

MR. ROBERT OTT, representing the Tanana Chiefs Conference forestry program, acknowledged that he was unaware of the changes made in the CS so he has not had time to consider them. He asked to make two points. He does not believe it is a good idea to eliminate public involvement from forest planning. The Division of Forestry does a good job planning timber sales and considering other uses, but it is not always privy to all information. The public provides input about local issues. He noted during the recent Unit 2 planning process in the Tanana Valley State Forest, a special management area was set up above the old village of Minto. That area is important to the Native people so the state acknowledged a special management area to accommodate their use of it. He said his second comment is that he is not sure how changing the primary use of the forest from multiple use to timber production will affect Native use of the land. He said issues may arise from subsistence use of the land.

CHAIR OGAN maintained that the Alaska Constitution requires the resources to be managed on a sustained yield basis subject to preferences amongst beneficial uses. He felt this bill probably reflects the highest preference of these lands as timber.

SENATOR DYSON said it is his understanding that during pre-contact times the Native people on the Kenai practiced controlled burning of the forested area to increase the moose graze. He believes that timber harvesting [could result in more moose graze areas]. He asked if that was a practice in the Interior.

MR. OTT said he could not answer that but agreed that moose habitat can be enhanced through forest management. He noted that a lot of subsistence activities are compatible with forest management, such as berry production. However, he cautioned the lack of public input will be an issue if incompatibilities occur around the villages situated near the state forest.

SENATOR DYSON said if forest burning had been an historic practice, it might be a case in which the Tanana Chiefs Conference could work together with the forestry managers.

MR. OTT said that would be possible as long as public involvement is provided for.

CHAIR OGAN added that lightning was probably the cause of a fair amount of fires in the Interior.

SENATOR SEEKINS commented that he does not read the bill to say that public input will not be allowed. He said that so many times, in the area of public input, you get, "layers upon layers of public input." He asked where the bill prevents public input.

CHAIR OGAN noted the language on page 3, lines 17-19, removes the requirement that a public hearing be held in Haines and Klukwan.

SENATOR SEEKINS said the language on lines 21-29 says that either department may not adopt regulations without prior review at a public hearing in Haines and Klukwan. He said he sees no meaningful diminishment of the public hearing process.

CHAIR OGAN asked Mr. Jahnke to address that issue.

TAPE 03-38, SIDE B

MR. JAHNKE said this bill in no way eliminates public participation in developing forest management plans for state forests. It remains the department's responsibility to involve the public and it does not limit public participation.

CHAIR OGAN asked if Section 8 eliminates public involvement during the planning process but Section 9 provides for public involvement during the regulation process.

MR. JAHNKE said that is correct.

SENATOR LINCOLN said she feels there is a great difference between where that language was taken from and moved to. She said that [Section 8] refers to developing the plan, which is preliminary. [Section 9], which refers to the management plan and regulations, is after the fact, therefore the residents of Haines and Klukwan will not be part of the early planning process. She pointed out that this will not only impact the people of Haines and Klukwan, but the prior review by the Board of Forestry has been removed so the board will not be part of the early planning process. Therefore, the plan design is strictly up to the commissioner and no public involvement will occur until the proposed regulations are released.

CHAIR OGAN asked why the Board of Forestry is being taken out of the loop.

SENATOR ELTON interjected to say he reads those sections to say that all that is required of DNR when it is developing the management plan is that DNR discuss the plan with the Alaska Department of Fish and Game (ADF&G) and each municipality before adopting regulations that govern fish and wildlife management. Then, a public hearing is required during the process of adopting regulations.

MR. JAHNKE said he believes the Board of Forestry was deleted primarily because the Board of Forestry is actively involved in all of AS 41.17, which charges the Board to be involved in any revisions to state forest plans. DNR did not feel it was necessary to restate that mandate in SB 149.

SENATOR ELTON asked Mr. Jahnke to respond, at a later date, to the fact that if the Board must be involved, why remove that language. He said it is clear to him the regulations cannot be adopted by either department without prior review or public hearings but it is not clear that decisions made under a management plan require public involvement.

MS. EMILY FERRY, representing the Southeast Alaska Conservation Council (SEACC), described SEACC's membership and said she has not had a chance to look at the changes made in the CS. However, the effects on the public process need to be considered carefully. She believes changing the focus from multiple-use to timber management is unacceptable. She said that Ketchikan is still reeling from the University of Alaska land sale. That sale provided little notification and opportunity for public comment. Now, the Mountain Point community is outraged as the [indisc.] watershed is clear-cut and residents' property values drop. The Division of Forestry's five-year timber sale schedule, regional planning review, and forest land use plans were all designed to insure that these types of nasty surprises do not occur.

MS. FERRY said in the case of the Haines State Forest, the public worked hard to achieve a plan that offers balanced views of the state's forest resources. It's unacceptable to reduce the function of the public to that of a rubber stamp. All forested state lands in Southeast Alaska are used for much more than just logging. They are used for tourism and recreation, and subsistence hunting, gathering and fishing.

MS. FERRY said she has not visited the tree farms of Australia, but she has visited those in Georgia. She is appalled at the idea of turning the incredible diversity and life of Southeast Alaska into a sterile tree farm. Temperate rainforests create more biomass than any other ecosystem in the entire world. Regarding jobs, she said the state needs to focus on turning its logged timber into a value added industry.

SENATOR SEEKINS noted of the millions of acres of forest in Southeast Alaska, only 400,000 are available for timber harvest. He questioned how Southeast Alaska will turn into a sterile tree farm.

CHAIR OGAN pointed out there is a lot of spruce bark beetle damage in the Haines area. He said if that hits the rest of Southeast, it will decimate the forest like it has across the bay from Homer.

SENATOR WAGONER said he represents the part of Alaska that is most affected by the spruce bark beetle. He has listened for almost 30 years to various people suggest how to address the problem. In the meantime, the spruce bark beetles killed about 90 percent of the timber worth harvesting. If the infected timber is not harvested quickly, it becomes a total waste. He

said he hopes someone prevents that from happening in Southeast. One way to do that is with a good forestry management program that will remove the aged timber that is susceptible to spruce bark beetles.

SENATOR SEEKINS said the land owned by the University of Alaska is not subject to the provisions of AS 38 so the process used to sell that land is not the same as the state's process. He said comparing the two processes is like comparing apples and oranges.

MS. JAN DAWE, Alaska Boreal Forest Council, said her understanding is that the opportunity for public input will not be reduced but there would be a lessening of the requirement to hold public hearings. The Council believes the opportunity for public dialog in the management process is what consensus is built upon. It is not enough to have public input; people need the opportunity to hash out ideas. The result of holding hearings on contentious projects is that support is built to move forward with certain projects. She noted that the Council's major concern is changing the top priority of the state forests. She questioned whether multiple use and sustained yield are twin-governing principles in the Alaska Constitution.

MS. DAWE said in the Interior, the Council has been involved in a collaborative effort to look at timber and the integrated non-commercial uses of the resource base with the Division of Forestry, the University of Alaska, and a number of other institutes. She cautioned making timber management the first priority use of the state forests before knowing the value of extracted non-timber forest products. She pointed out DNR has, just this month, put into regulation the offering of permits to users of non-timber forest products. DNR will be able to collect a lot of information from these applications. She offered to provide members with more information.

MR. MIKE SALLEE, a Ketchikan sawmill operator, said at the outset, SB 149 looks like the "timbercentric brainchild" of a person who harvests timber. He said regarding a previous comment about the tree farms in Australia, he visited New Zealand, which used to have a lot of Cowry (ph) trees. Those primary old-growth trees are now just about gone. They were disease resistant and very valuable trees. The trees being grown now must be treated to keep from rotting. He said as a Ketchikan resident, he spent a lot of time working on the Southern Southeast Area Plan. He is concerned with SB 149's effect on the public input into that plan and he wants to see it contain as much public input as

possible. He is concerned about removing the multiple use aspect.

MR. SALLEE said he was raised on Gravina Island. He is not sure how this legislation will affect the state lands on that island. He is concerned about the cumulative impact of timber harvest and how that affects adjoining lands. He said ever since timber harvests were geared up in Southeast in the 1950s, whoever owned the land to be logged treated it as though it was isolated. He pointed out that a lot of the trees on borough land, adjacent to the University of Alaska land that was logged, have blown down. The borough is now in the position of having to clear-cut its land because the remaining trees will blow down anyway.

MR. SALLEE said, regarding comments about the state land acreage relative to the entire Tongass, Southeast Alaska is not homogeneously covered with timber. As a resource extractor, almost every resource he has been involved in, whether it be diving, commercial fishing, or logging, is habitat specific; each resource is not found everywhere. To speak of all acres in the Tongass as homogeneous is a poor description.

CHAIR OGAN said this bill will not affect any logging in the Tongass.

MR. MATT DAVIDSON, Alaska Conservation Voters, told members he just received a copy of the CS this afternoon and finds, given the short time frame, it is difficult to understand the impacts of the CS as it is very complex and different from the original bill. He said the discussions about the changes from multiple use to timber-first management on state forested lands is a major issue. He believes more emphasis on planning for timber sales has been put on the area plans. He said, under the area plans, communities submit comments on what should be done on those lands. In Southeast, the majority of state-selected lands were not selected for timber purposes but for community purposes. Therefore, it would behoove the state to change the emphasis on those lands without talking to the communities. Many of those areas are watersheds or could be used for settlement. He said the northern section of Prince of Wales Island is heavily impacted by timber activities, primarily by Native corporations and the U.S. Forest Service. The remaining state lands that are unlogged on Prince of Wales Island are very important to the residents of the communities.

MR. DAVIDSON said he is concerned about the changes to the planning process. He does not believe the sectional analysis

does justice to the changes in the CS. He sees Section 1 as taking away the ability to look to the Forest Land Use Plans to determine the impacts of individual timber sales on the resources of that area. The area plan is a general plan that does not contain any details of local areas. The Division of Forestry does the local plans and needs to look at that area's features to determine potential impacts to it. Any limits to the time the Division of Forestry takes to look at the impacts to individual sales should be considered carefully. He said one thing that did not get addressed [in the sectional analysis], regarding the value-added changes, is considering pulp production as high value and giving it special dispensation. SB 180, the source of this value-added consideration, was developed by a coalition of people who wanted to make sure that timber from state lands is used in state.

MR. DAVIDSON said he agrees with previous speakers' concerns about limits to public involvement and involvement by the Board of Forestry. He also believes the Legislature should be concerned that it will not be consulted about changes to the plan. He commented:

The planning document - especially we're talking about giving it a lot more power. On one hand we're saying we're limiting the review under the Forest Land Use Plan, the small plans - the area specific plans, and we're relying on these bigger plans. The next time we're saying we're going to limit the public review of these bigger plans. So, which is it going to be? Are we going to review - are we going to have expedited review on one side and have good review on another side or are we going to have expedited review on both sides and then the public really doesn't know what's going on? And then you run into problems like you had in Ketchikan where there wasn't a requirement for public review. There was public notice in the paper and it wasn't caught by the people who live there and suddenly an outfit from the Lower 48 is cutting down timber that no one really knew about.

MR. DAVIDSON said he is additionally concerned with the expansion of negotiated sales for value-added local manufacture to general use lands. DNR is using the general use lands designation extensively in its land use plans. He said as he reads it, timber would become the primary purpose of general use lands. He requested that members of the public be given the opportunity to testify at further hearings in the Senate

Resources Committee because it is a complicated piece of legislation with broad impacts.

5:02 p.m.

SENATOR WAGONER said he is from an area in Idaho and is familiar with the pulp industry. He asked Mr. Davidson to explain his statement that paper pulp is not a high value added product.

MR. DAVIDSON said he believes the forest lands of Southeast deserve to be made into more things than toilet paper. He is in the process of building a deck on his house with local timber. Under the pulp mill contracts in Ketchikan and Sitka, many of the same timber he is using is turned into pulp. He said he does not consider pulp to be the highest value of those trees. He said the list in SB 180 did not include pulp. He did not hear any discussion about why pulp needs to be included as a high value use. There are other sources of pulp, but there are no other sources for old growth timber, which is rot resistant and has high value. He questioned why broaden the SB 180 list to something that is not going to benefit small, local mills.

CHAIR OGAN stated that DNR is not turning high value timber into pulp.

SENATOR SEEKINS said he has many relatives in the Midwest who have been in the pulp business for years. He said he would have a hard time telling them that is not a high value business because they have been feeding their families from it for a long time. He said he would not mind having a few of those jobs for some of the logs that no one would want to make other high-value products from.

SENATOR ELTON said one of the important points made in testimony today is that it is important to be able to have these discussions in the communities that will be affected.

SENATOR LINCOLN noted that she would have to leave soon and asked that Chair Ogan schedule the bill later in the week in order to give everyone time to decipher the changes in the CS. She added that the Senate Resources Committee is the only committee of referral, other than the Senate Finance Committee, so she asked that members be given ample time to consider it.

CHAIR OGAN said he would consider Senator Lincoln's request and that it is not his policy to move legislation out of committee after one hearing. He pointed out the 24-hour rule has gone into

effect and legislators do not have the luxury of time at this point in the session. He asked Mr. Davidson to finish his testimony.

MR. DAVIDSON indicated the sponsor said the purpose of SB 149 is to get more timber into production. He maintained the committee would benefit from having a discussion with DNR about the purpose of this legislation and whether there is a shortage of state timber available. He said there are good reasons to move forward with streamlining projects, but the changes in the public process and the change from multiple use to other uses that are compatible with timber production are compelling reasons to find out from the Division of Forestry whether there is an unmet demand for timber. He said he would like to buy local timber but that is not available right now. He does not know whether this bill will change that. It might help people from other states come in and export state timber with minimal processing without employing Alaskans or making timber available to local residents.

SENATOR ELTON removed his objection to adopting the CS, Version H, therefore the motion carried.

SENATOR SEEKINS stated that according to the back-up material provided by staff, the Board of Forestry has a duty by law to provide a forum for representatives of affected interests to discuss and attempt to resolve relevant issues. That duty to provide a public process cannot be overridden by the CS under consideration.

CHAIR OGAN said he would like to see what the committee might do to make sure that the term "value added" has significance.

SENATOR WAGONER commented that he has spent a lot of time talking to people from Southeast communities this year. Those communities are dying economically and the residents are screaming for an opportunity to do what SB 149 does. This bill will reinvigorate some of those communities. He said, in regard to a comment about tree farms being sterile, he can think of nothing more beautiful in the Kenai Peninsula than a tree farm. It might take 50 years to produce trees that can generate a good income, so such a project would have to begin soon.

There being no further testimony, CHAIR OGAN adjourned the meeting.